



**DESK GUIDE  
OF  
PROCEDURES AND POLICIES**

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## The STS Foundation

The Gypsy Moth Slow the Spread Foundation, Inc (Foundation) was incorporated in the state of North Carolina on August 24, 2000. The Foundation is a non-profit corporation formed with the following purposes:

1. To use integrated pest management strategies to reduce the rate of gypsy moth spread into uninfested areas
2. To provide coordination among the state members
3. To cooperate with USDA Forest Service (USDA FS) and USDA Animal and Plant Health Inspection Service (USDA APHIS)
4. To operate as an association of entities having a common business interest within the definition of an exempt non-profit agricultural organization (as described in Sect 501 (c) (5) of the internal revenue code)

The affairs of the Foundation are managed by a Board of Directors composed of a single representative from each state that is a member of the Foundation. Initial state members of the STS Foundation were North Carolina, Virginia, West Virginia, Indiana, Illinois, Michigan and Wisconsin. The first Board of Directors drafted and adopted governing Bylaws for the Foundation on Oct 30, 2000. Per the Bylaws additional states may apply for membership, or terminate their participation in the Foundation subject to approval by the Board. As of 2022 there are ten member states: North Carolina, Virginia, West Virginia, Kentucky, Ohio, Indiana, Illinois, Iowa, Minnesota, and Wisconsin. Tennessee participates in Foundation meetings, but is not represented on the Board.

The full Articles of Incorporation, Bylaws and Member State Agreements can be found on the Foundation's website (<http://www.gmsts.org/admin.html>)

The Code of Ethics Policy and Conflict of Interest Policy can be found on the Foundation's website (<http://www.gmsts.org/admin.html>)

## Administrative Officer

In accordance with Article 8 of the Bylaws, the Board of Directors of the Foundation has contracted for the services of an Administrative Officer to assist in carrying out day to day operations.

**Compensation:** The Administrative Officer is an independent contractor and not an employee of the STS Foundation. This position is typically awarded a five year contract that can be renegotiated annually. Payment for the services of the Administrative Officer shall be made monthly in twelve equal amounts.

In addition to payment for services rendered, the STS Foundation will reimburse the Administrative Officer for normal operational expenses including travel, office supplies/copying, high-speed internet service, accounting software, and office phone service. The STS Foundation will make all reimbursements upon acceptance and approval of an invoice and within a reasonable time.

### Services to Be Performed by the Administrative Officer

1. Grant and Cooperative Agreement Management Services: Prepare or assist in the preparation of annual grant packages for submission to federal funding agencies, primarily USDA Forest Service or USDA Animal and Plant Health Inspection Service; ensure compliance with administrative provisions associated with each grant and maintain the required grant files; generate award letters for signature of STS Treasurer and administrative provisions for all sub-awards under the federal grants and maintain files for each sub-award; pay sub-awardees when requests for reimbursement are received and ensure proper documentation accompanies each reimbursement request; monitor compliance of the sub-grants; prepare and submit financial status reports and performance reports to the appropriate federal agency for each grant. All of these activities are conducted in close coordination with members of the STS Foundation (particularly the Treasurer) and with federal funding partners.
2. Purchasing and Financial Management Services: Act on behalf of and assist in the solicitation of quotes for supplies or services as needed by the STS Foundation; generate purchase orders to vendors and process payment for supplies and services secured; maintain banking transactions using appropriate financial software (e.g. Quickbooks); maintain checking account, debit card, and credit card transactions; provide information to the auditor for the annual audit and for their preparation of federal and state tax returns; prepare and update the spreadsheet that tracks STS Foundation expenses and sub-grant requests for reimbursement and compliance with reporting requirements for all Board conference calls and meetings.
3. Other Duties: Attends and participates in the STS Foundation monthly conference calls and Annual Board Meeting; maintain all official STS Foundation files; be available throughout the year to provide advice and guidance on financial accounting and reporting issues relative to 2 CFR Part 200.

### Timeframe

The services described above are estimated to require approximately 1,100 hours per year but could be more or less depending on the experience and skill of the individual. The following is the anticipated timeframe for the services to be provided:

#### Grant and Cooperative Agreement Management Services

- March—April: Application for federal grants occurs primarily in the spring of each year
- May—June: Sub-awards to member states
- Year round: Monitoring compliance with the administrative provisions associated with each grant and sub-grant

#### Purchasing and Financial Management Services

- June—October: Purchasing (Primarily summer to fall, but can occur throughout the year)
- Weekly: Financial Management
- Monthly: Provide bank statements to Audit Committee

#### Other Duties

- November—January: Annual financial audit
- February: Annual Board Meeting
- Monthly: Conference calls with the Board

### **Duties of the Administrative Officer and oversight required**

- Participates in development of 424 grant applications and reviews final submissions. Treasurer signs the 424 document.
- Prepares award letters to each sub grantee after submission of their 424 application for funds to the Foundation. Award letters to sub-recipients must meet requirements in 2CFR 220.331 *Requirements for Pass Thru Entities* and provisions established in award letter from USDA-FS to Foundation. Award letters are signed by the Treasurer.
- Reviews all requests for funds from sub grantees for each grant after award letters have been fully executed (signed by Foundation Treasurer and state receiving funds).
  - a. Payments to sub-recipients must be processed within 30 days of the Foundation's Administrative Officer receiving sub-recipients invoice. In order to meet the 30 day requirement, drawdown of funds will occur on a weekly basis.
  - b. Drawdown requests to USDA – FS must be accompanied by detail of the specific amounts for the drawdown. The reimbursement request from the sub-recipient must be submitted on the STS Request for Reimbursement Form along with supporting documentation from the state verifying the incurred expenses or costs matching the reimbursement request submission.
  - c. Requests for funds are approved and signed by the Treasurer prior to submission to USDA-FS.
  - d. Submits reimbursement requests to USDA APHIS through the ezFed online system after reimbursement request is approved by STS Treasurer
  - e. Submits accomplishment and financial reports to USDA APHIS through the ezFed grant system as required by the USDA APHIS grant
- Prepares monthly reconciliation reports.

- a. Standard financial software (e.g. Quickbooks) approved by the Board of Directors must be reconciled to the bank account monthly statement. Reconciliation will occur each month. Reconciliation must be reviewed by Foundation Treasurer.
  - b. Bank account must be reconciled to USDA-FS grant balance. Information related to the monthly grant balance will be provided by USDA-FS (STS Program Manager). Reconciliation must be approved by Foundation Treasurer.
  - c. Monthly bank statements must be reviewed and approved by Foundation's Audit Committee
- Transaction Errors:
  - a. Administrative Officer must immediately notify Foundation Treasurer and Audit Committee for all transactions made in error.
  - b. Errors corrected in the same month must be itemized in the financial software.
  - c. Errors and corresponding corrections in different month (i.e. Corrections listed in subsequent month) must be itemized in the financial software and reviewed by Foundation Treasurer.
  - d. Errors and corresponding corrections for expenses or drawdowns for incorrect grant year must be itemized in the financial software and reviewed by Foundation Treasurer.
  - e. Foundation Treasurer or Foundation Board member must be notified of errors that result in a bank transaction
  - f. Administrative Officer and/or Treasurer must notify the Foundation Board at their monthly meeting of erroneous transactions and their resolution.
- Reviews and prepares for Treasurer's approval all required FSR's submitted on behalf of the Foundation.
- Prepares Request for Quotes and Purchase Orders submitted on behalf of the Foundation.
  - a. Treasurer signs all Request for Quotes and Purchase Orders.
  - b. Purchases under \$150,000: Foundation Treasurer must approve. Administrative Officer makes transfer from bank account.
  - c. Purchases \$150,000 or more: Foundation President or Secretary reviews and approves. Treasurer makes transfer from bank account.
- Reviews and presents for Treasurer approval any request for payment for travel for various GMSTS participants as permitted by the BOD.
- Reviews and presents for Treasurer approval any time sheets and invoices for contract trappers.
- Participates in the annual audit as required. This will require signature on certain documents and questionnaires.
- Administrative Officer will have access to and disburse funds from the banking institution's online cash manager.

### **STS Foundation President**

The STS Foundation President shall be responsible for the following:

- STS President (or other STS Board of Directors member which has been designated by the Board of Directors) approves the requests for reimbursement in the ezFed online system
- STS President (or other STS Board of Directors member which has been designated by the Board of Directors) approves financial and accomplishments reports in the ezFed online system
- President (or Secretary) reviews and approves purchases of \$150,000 or more: (Treasurer makes transfer from bank account).
- President (or Secretary) approves any request for payment for travel expenses incurred by the Treasurer
- Selects or solicits nominations for members to serve on the Audit Committee. Submits members for approval by the Board of Directors

### **STS Foundation Secretary**

The STS Foundation Secretary shall be responsible for the following:

- Secretary (or President) reviews and approves purchases of \$150,000 or more: (Treasurer makes transfer from bank account).
- Secretary (or President) approves request for payment for travel expenses incurred by the Treasurer

### **STS Foundation Treasurer**

The STS Foundation Treasurer shall be responsible for the following:

- Sign subrecipient award letters which were prepared by the Administrative Officer
- Sign the 424 grant application for submission to USDA FS and USDA APHIS
- Sign all requests for funds prior to submission to USDA-FS.
- Sign all requests for funds prior to Administrative Office submitting request to USDA APHIS via the online federal grant reporting system (e. g. ezFed Grant)
- On a monthly basis, reviews reconciliation between financial software and bank account statement.
- On a monthly basis, reviews reconciliation between bank account and USDA FS grant balance.
- Receives notification from Administrative Officer for all transactions made in error
- Reviews all errors and corresponding corrections in different month (i.e. Corrections listed in subsequent month) submitted by Administrative Officer
- Reviews all errors and corresponding corrections for expenses or drawdowns for incorrect grant year itemized in financial software and submitted by Administrative Officer.
- Receives notification from Administrative Officer of errors that result in a bank transaction

- Signs all required FSR's submitted on behalf of the Foundation.
- Signs all Request for Quotes and Purchase Orders.
- Approves transfer funds from bank account for all purchases of \$150,000 or more. Purchases of \$150,000 or more must be approved by President or Secretary
- Approves any request for payment for travel for various STS participants as permitted by the BOD. (Reimbursement of travel expenses incurred by the Treasurer must be approved by the STS President or Secretary).
- Signs time sheets and invoices for contract trappers.
- Approves monthly invoice for Administrative Officer and transfers funds from bank account for payment of this invoice

## Audits

- A. **External audit conducted by Certified Public Account:** Under authority of the Bylaws of the Gypsy Moth Slow the Spread Foundation, the Board of Directors of the Foundation has contracted for the services of local CPA firm to conduct an annual audit. This contract typically extends for five years and is renegotiated annually.

Services to be performed under the contract include:

1. Annual audit of the financial statements for the year ending September 30th and meetings with the Executive Committee, Board of Directors or Administrative Assistant, as necessary.
2. Audit report and management letter containing comments and recommendations with respect to accounting and administrative controls and efficiency. Preparation of federal and state returns for the organization following all OMB Standards.
3. Availability throughout the year to provide advice and guidance on financial accounting and reporting issues relative to 2 CFR Part 200.

- B. **Internal Audit Committee of Gypsy Moth Slow The Spread Foundation:**

1. Membership:

A minimum of three (3) Board members serve as the audit committee. The Foundation President asks for and selects members to serve. The members selected and agreeing to serve are presented at an official meeting for formal adoption by the Foundation Board and recorded in the meeting minutes. Audit committee members are appointed or reappointed on a yearly basis at the annual board meeting.

2. Duties of Audit Committee:

- Review the monthly bank statement showing grant funds receipt and expenditure that is provided by the Foundation's Administrative Officer and Treasurer. If needed, inquire



and discuss any expenditures to determine purpose and appropriateness for Foundation grant requirements.

- At each Board of Directors meeting, report status and findings of the committee's review of the monthly receipts and expenditures. Findings are recorded in the minutes of the monthly meeting.
- Annually request from each state or agency receiving funds from The Foundation any audit report conducted within each state or agency regarding funds received during the prior four years from USDA Forest Service or USDA Animal Plant Health Inspection Service grant to the Foundation. The Audit Committee also annually reviews the results of OMB's A-133 single audits, which are posted on-line by state
- Summarize audit information received from each state or agency and prepare a report submitted to the Board of Directors for their review before the annual meeting and approval. This report is then presented to the accounting firm auditing the Foundation.
- Address information and recommendations presented by the accounting firm auditing the Foundation. Prepare any alterations or changes for the oversight and management of the Foundation funds and present to the Board of Directors at the monthly meeting.
- Audit committee duties may be conducted in person or electronically.

# Procurement Guidelines

## COMPETITION

- 1) Commercial Items: Supplies that are readily available through commercial sources such as catalogues; up to the federal Simplified Acquisition Threshold of \$150,000.00
  - a) Micropurchasing (<\$3,000) – no competition if price is reasonable; purchases made using credit or debit card.
  - b) Purchasing up to the Simplified Acquisition Threshold (> \$3,000 and <\$150,000) – multiple quotes are obtained (verbal or written); an order can be placed for items that meet the technical specifications at the best price. Contracts include the following clauses
    - i) Termination for cause or convenience
    - ii) Equal Employment Opportunity.
    - iii) DOL Wage determinations
- 2) Non-commercial items or commercial items > \$150,000.00
  - a) Request for Quote or Invitation for Bid issued to all appropriate suppliers based on market research.
  - b) Prices evaluated and award made to either best value or best price.
  - c) In addition to the clauses listed above in 1 (b), i-iii, contracts will include the following provisions
    - i) Required compliance with the Clean Air Act (42 USC 7401-7671) and the Federal Water Pollution Control Act (33 USC 1251-1387)
    - ii) Required compliance with Byrd Anti-Lobbying Amendment (31 U.S.C. 1352)
- 3) Service Contracts
  - a) Personal Services – categorized by employer-employee relationship; tools and equipment furnished by the Foundation; needed for more than 1 year and the Foundation provides supervisory controls. An example of this is the contract with the STS Administrative Officer
    - i) < \$2,500 – no competition required
    - ii) > \$2,500 – Request for Quote/Proposal issued to appropriate local vendors based on market research. Proposals evaluated according to written criteria and award made to either best price or best value.
  - b) Non-personal Services – categorized by no employer-employee relationship, no supervisory controls; generally payment is made by task(s) completed rather than hours worked. Examples of this are the contract for audit services or the contracts for trapping. Either Invitation for Bid (IFB) or Request for Proposal (RFP) will be used
    - i) IFBs will be awarded to the lowest price from a responsible bidder.
    - ii) RFPs will include the method and criteria that will be used for evaluation and award will be made to best value

## INTERNAL CONTROLS

- 1) No construction or architectural & engineering contracts are anticipated
- 2) By dollar amount
  - a) < \$3,000 – Purchase orders not required; purchases are made using credit or debit card with verbal approval
  - b) > \$3,000 and < \$150,000 – email or verbal requisitions; purchase order prepared by Administrative Officer; purchase order approved (signed) by STS Foundation Treasurer
  - c) > \$150,000 – these are generally recurring needs that are procured via RFPs or IFBs and presented to the Board of Directors for review and voted on for approval. Examples include the

purchase of racemic disparlure and mating disruption treatment product or the contract for trapping services in NC

- 3) When applicable, independent cost estimates will be obtained by the Foundation or STS Program Manager.
- 4) Market research is conducted by the benefiting party or a technical expert; for example NCDA conducts market research prior to issuing the RFQ for trapping in the state of NC and the Forest Service STS Program Manager conducts market research prior to issuing the RFQ for racemic disparlure. Market research shall include identifying and including when possible minority businesses, women's business enterprises, and labor surplus area firms.
- 5) Oversight of all purchase orders and contracts is maintained by the benefitting party or a technical expert; for example NCDA has technical oversight on the contract for trapping in NC that is issued by the Foundation and the Forest Service STS Program Manager has technical oversight on the racemic disparlure delivered under a PO to the Foundation.
- 6) Debarment – prior to award the System for Award Management web site (<https://www.sam.gov/>) is consulted to confirm that award is not made to any party that is excluded from receiving federal contracts.

#### **RECORDS**

- 1) The Foundation will maintain records sufficient to detail the history of procurement. These records will include, but are not necessarily limited to the following: rationale for the method of procurement, selection of contract type, contractor selection or rejection, and the basis for the contract price.
- 2) Justifications for any sole source purchases will be kept on file

## **Subaward Monitoring**

### **EVALUATING SUBRECIPIENTS RISK OF NONCOMPLIANCE**

Subawards are only made to state agencies or universities that have prior experience with the same or similar awards from the Forest Service or prior subawards from the Foundation. The official government System for Award Management database (<https://www.sam.gov>) is queried to confirm that any entity is not excluded.

Additionally, the Foundation's three person Audit Committee annually reviews the results of OMB's A-133 single audits, which are posted on-line by state. The Audit Committee reports findings to the Board at the annual meeting in February.

### **AWARD LETTERS AND ADMINISTRATIVE PROVISIONS**

Award letters are issued to all subrecipients and are in compliance with the requirements for pass through entities per §200.331 (a). Administrative provisions, reporting schedules and requirements for modifications are all tied to the parent federal grant and travel down to sub-awardees. Indirect rates allowed on subawards are per the subrecipients Negotiated Indirect Cost Rate Agreement letter. Specific Indirect Cost Policy Guidance is located on the Foundation website: [STS Foundation Indirect Cost Policy](#).

### **MONITORING REPORTING and ACCOMPLISHMENTS**

The Foundation tracks all subrecipient grant balances and compliance with reporting requirements throughout the duration of the grant to close-out and deobligations. The activities of the subrecipient are monitored to ensure that accomplishments are in line with the goals outlined in the narrative and funds are expended appropriately. The Foundation, through the Administrative Officer, will monitor all financial reports, request additional information as needed to correct any deficiencies, and keep a hard copy file for each subaward to track completeness of the request and required reporting. The Forest Service STS program manager monitors the work conducted under each USFS grant and provides a Quality Assurance/Quality Control report to the Board each year at the annual meeting in February. The USDA, APHIS monitors the GM STS Foundation's performance through reporting requirements as prescribed by the Notice of Award. APHIS also provides an annual accomplishment report to the Board at the annual Board of Directors meeting in February.

Reporting schedules for all subawards are also tracked in the grants spreadsheet that is distributed to the Board and discussed on their monthly conference calls. Any overdue Financial Status Reports, Performance Reports or deobligations of unspent funds are highlighted and the Administrative Officer works directly with each subrecipient to bring delinquent reports up to date.

The Foundation contracts for an annual audit with a local firm per § 200.509. Results of the annual audit are documented in a report that is presented to the Board at the annual meeting in February. Any corrective action is discussed, and documented once completed. The report resulting from the annual audit is made available to the Forest Service.