



University District Public Development Authority (UDPDA)

Board of Directors' Meeting Agenda

Wednesday, March 4, 2026, 3:30 – 5:05 PM

Catalyst Building, Room 309, and via Zoom

<https://us02web.zoom.us/j/86750387107?pwd=WnRDckJrS2FGZUllbzNIWWliYTJ1dz09>

Meeting ID: 867 5038 7107; Passcode: 941652; Phone: +1 253 205 0468 US

3:30 Welcome, Call to Order, Administrative Actions – *Bollenback*

- **Proposed MOTION – Consent Agenda Approvals**
 - Draft February 4, 2026, UDPDA board meeting minutes
 - UDPDA financials as of January 31, 2026, including voucher certifications

3:35 Finance and Grants Administration

- SAO Accountability Audit (2022-2024) update – *Sinisterra*
- **Presentation and MOTION: Adopt UDPDA Fiscal Policies & Procedures Manual** – *Hulsey*

(Joint discussion: UDPDA and UDDA Board Members – Public Meeting)

4:00 February EAC Highlights – *Bollenback*

4:10 Next Generation Plan 2065 Updates – *Sinisterra*

- 201 W Main
- 400-Block

4:20 Scorecard: Review, Comments, etc. – *Sinisterra*

4:25 Presentation: Outreach Update – *Health Equity Circle Team*

4:40 Presentation: UD Development Incentives – *Kara and Mark Odegard, MeasureMeant*

5:05 *Public Comment and Adjourn UDPDA Meeting* – *Bollenback*

2026 UDPDA Board Meetings (3:30 PM at Catalyst Building, Room 309)

- May 6
- Sept 2 annual meeting
- Oct 14
- Dec 2 holiday event and Impact Award presentation



University District Public Development Authority (UDPDA) Meeting Minutes - DRAFT

Wednesday, February 4, 2026, 3:34-5:08 PM, Catalyst Building Room 309 and Via Zoom

Board [slide deck](#), Zoom recording [link](#)

Board Members Present: Lois Bollenback (chair), Megan Hulsey (Zoom), Juliet Sinisterra (CEO), Dennis Wagner (Zoom), County Commissioner Amber Waldref, and Council President Betsy Wilkerson

Board Members Absent: Steve MacDonald

Call to Order, Welcome, and Administrative Actions

Chair Bollenback called the meeting to order at 3:34 PM and asked for a **MOTION to approve the January 7, 2026, UDPDA meeting minutes and the UDPDA financials** as of December 31, 2025 (Sinisterra), seconded (Hulsey), and passed unanimously.

Finance and Grants Administration

Treasurer's Report

Hulsey's report highlighted year-end financial data, including total account balances of \$660,181, as well as other assets, accounts payable, and liabilities. The UDPDA is undergoing an SAO Accountability Audit for fiscal years 2022, 2023, and 2024. The board will be invited to the Exit Interview and receive the final report.

Grants Management Planning

Sinisterra shared a chart with 2026 grant opportunities. In January, the UDPDA received notice that it had been awarded a Department of Commerce Energy Siting and Permitting Grant for \$343K. This work will build on recommendations in the Next Generation Plan 2026 and include partners such as Avista, WSU Health Sciences Spokane, and Gonzaga University.

City TIF Revenue Update

In the context of ongoing TIF revenue repayment discussions with the city, Sinisterra reiterated the purpose of the UDPDA and provided an update on the reconciliation. With input from legal counsel, the UDPDA sent a letter to the city with follow-up questions to better understand the legal basis for the City's TIF repayment request. The group encouraged Sinisterra to provide updates on UDPDA successes to the County Board of Commissioners and the City Council.

JOINT PRESENTATION/DISCUSSION: UDPDA and UDDA Board Members

Wagner provided the following **EAC Highlights**:

- Job posting for Marketing and Communications Manager garnered 77 applications. Staff is reviewing and will narrow down to approximately 24 candidates. Three board members have volunteered to conduct interviews in March, with May as a likely start date for the position.
- Presentation by the Biohabitats team on guidelines for resilient infrastructure design.
- Presentation by Seve7n Design & Illustration on the storytelling focus of the planned revamp (2027) of the UD website.
- Sinisterra shared Scorecard and noted that Bouten has offered to reinstall gratis windstorm-damaged UD banners along MLK Jr. Way.

Next Generation Plan 2065 Updates

- **201 West Main** - The City Council approved the Amendment of Covenants on January 26. Property sale expected to close this month. Millennium Northwest LLC intends to combine the property with the Cruz Boots parcel and build 143 units of market-rate housing.
- **400-Block** – Sinisterra is preparing an MOU for Avista Development Corporation's (ADC) review around the release of a shared RFP for the UD Gateway Commons (new moniker for the 400-Block). She mentioned different possible ownership structures that incorporate a P3 partner and feature a program focused on community health, education, and innovation, workforce and small



business development, and neighborhood services (childcare, food security). A New Market Tax Credit (NMTC) consultant will be hired to facilitate a successful application to interested CDE's in a highly competitive, national funding process. Because successful projects are usually "shovel-ready" and have a well-documented financing stack, funding would likely be 2-3 years out.

Presentations

- **Pacific Avenue Greenway Update** – Jonathan Adams provided a status update on the City's Pacific Avenue project with a focus on ped/bike safety and landscape/streetscape improvements. Construction starts early this summer. See [this link](#) for more information.
- **The Community School (TCS)** – Cindy McMahon spoke about her professional journey in pursuit of a more progressive high school teaching and learning model. She provided an overview of TCS's (soon to be located in the UD) mission and unique attributes that help prepare students for the real world. Student Emmeline Hirt shared the benefits of her TCS education. See [this link](#) for more information.
- **Innovation High School (IHS)** – Located in the UD, Sara Kennedy provided an overview of IHS's mission, values, and curriculum pathways, all with a focus on the arts. See [this link](#) for more information.

Bollenback asked for, but did not hear any public comments, and adjourned the meeting at 5:08 PM.

Dennis Wagner, Vice Chair and Secretary



**UNIVERSITY
DISTRICT**

**University District Public Development Authority (UDPDA)
Voucher Certification – December 2025 Close – Cash Basis**

Per the Office of the Washington State Auditor and the BARS Voucher Certification and Approval Process set forth here https://www.sao.wa.gov/bars_cash/accounting/expenditures/voucher-certification-and-approval/, I, the undersigned, do hereby certify under penalty of perjury that the materials have been furnished, the services rendered or the labor performed as described, or that any advance payment is due and payable pursuant to a contract or is available as an option for full or partial fulfillment of a contractual obligation, and that the claim is a just, due and unpaid obligation against the (city/county/district), and that I am authorized to authenticate and certify to said claim. **The following voucher/warrants/electronic payments were approved for payment and cleared the UDPDA bank account:**

Date	Voucher Warrant #	Description	Amount
12/22	Xfer	University District Development Assoc per contract	32,065.50
12/2	Xfer	University District Development Assoc – reimb design svcs	9,010.00
12/10	Xfer	University District Development Assoc – reimb public notices	830.05
12/31	Xfer	Spokane County Investment Pool (SCIP) service fee	7.70
12/2	ACH	Kiemle Hagood – 201 W Main	250.00
12/2	ACH	Avista – south sub area lights	597.40
12/5	ACH	Go Joe – 201 W Main	563.23
12/12	ACH	Spokane River Forum (note: first payment on 12/5 refunded)	5,817.50
12/10	ACH	Rooted Landcare – 201 W Main	338.21
12/12	ACH	Kiemle Hagood – 201 W Main repair	96.01
12/15	ACH	Intuit – service fee	54.00
12/16	ACH	Avista – 201 W Main (note: includes one-time credit \$146.63)	348.62
12/17	ACH	City of Spokane utilities – 201 W Main	454.89
12/17	ACH	Witherspoon Brajcich McPhee legal counsel	4,707.50
12/17	ACH	Biohabitats - per contract	14,067.96
12/18	ACH	Tiny’s Service and Maintenance – 201 W Main	147.02
12/18	ACH	Northwest Municipal Advisors per contract	3,850.00
12/31	ACH	Numerica - monthly ACH processing fee	30.00
12/01	Check 1434	Great American Insurance	1,945.00
12/05	Check 1435	City of Spokane – Sprague General Obligation Bond payment	199,506.00
12/05	Check 1436	Juliet Sinisterra – reimb meal with PDAs	43.97
12/10	Check 1437	Pro Mechanical Services – 201 W Main Ave HVAC service	283.66
12/29	Check 1438	Traveler’s Insurance – public official bond for Bollenback	175.00


Juliet Sinisterra, CEO

1.28.26
Date



UDPDA – Financial/Treasurer’s Report

As of January 31, 2026

Accrual Basis for Internal Reporting (depicted below)

Cash Basis for SAO Reporting

	(Current Month)	(Previous Month)
CURRENT ASSETS		
Total Checking/MM/SCIP	922,493	660,181
Accounts Receivable	0	289,296
Fixed Assets		
201 W Main (CBRE updated appraisal Dec)**	620,000	620,000
Other Assets (Restricted Use)		
Boxcar Proceeds	592,183	592,183
Sprague Ave underage (includes Riverside sidewalk work)	272,192	272,192
Total Assets	2,406,868	2,433,852
LIABILITIES		
Accounts Payable – (primarily Sprague Bond \$1,215,590)	1,288,928	109,892
Other Liabilities (moved Sprague Bond to AP)	0	1,215,590
Long Term Liability – Estimated ADC RPAA 400-Block Responsibility	1,484,431	1,484,431
Total Liabilities	2,773,359	2,809,913

NOTES:

- January 2026 Proforma vs Actual net revenue was (\$1,209,372.17) due to the Sprague Avenue General Obligation Bond payable (\$1,215,590) due in 2026, which will resolve in late February-early March, thanks to Millennium NW LLC's purchase of the 201 W Main property for \$1.1M.
- Regarding Liabilities, per an RPAA with ADC, the UDPDA would be responsible for ADC’s total costs plus interest (estimated total \$2,084,431), less an estimated sale price of \$600K.
- The State Auditor’s Office anticipates concluding its UDPDA Accountability Audit for fiscal years 2022, 2023, and 2024 in February. The Exit Interview calendar invitation and the final report will be shared with the board.

Approved:



Juliet Sinisterra, CEO

Megan Hulsey, Board Treasurer

UDPDA Balance Sheet

University District Public Development Authority

As of January 31, 2026

DISTRIBUTION ACCOUNT	TOTAL
Assets	
Current Assets	
Bank Accounts	
10128 NUM Checking UDPDA	325,465.49
10129 NUM MM UDPDA	292,735.28
10130 Spokane County Investment Pool	304,292.61
Total for Bank Accounts	\$922,493.38
Accounts Receivable	\$0.00
Other Current Assets	\$0.00
Total for Current Assets	\$922,493.38
Fixed Assets	
12005 Fixed Asset	620,000.00
Total for Fixed Assets	\$620,000.00
Other Assets	
12006 Other Asset	864,375.17
Total for Other Assets	\$864,375.17
Total for Assets	\$2,406,868.55
Liabilities and Equity	
Liabilities	
Current Liabilities	
Accounts Payable	
20000 Accounts Payable	1,288,928.18
Total for Accounts Payable	\$1,288,928.18
Credit Cards	\$0.00
Other Current Liabilities	
Total for Current Liabilities	\$1,288,928.18
Long-term Liabilities	
10150 City of Spo General Bond Oblig	0.00
10151 ADC 400-Block	1,484,431.00
Total for Long-term Liabilities	\$1,484,431.00
Total for Liabilities	\$2,773,359.18
Equity	
32000 Retained Earnings	841,979.14
Net Income	-1,208,413.94
30000 Opening Balance Equity	-1,484,431.00
32001 201 W Main	620,000.00
32002 Boxcar Proceeds	592,183.17
32003 Sprague Underage	272,192.00
Total for Equity	-\$366,490.63
Total for Liabilities and Equity	\$2,406,868.55

University District Public Development Authority

Budget vs. Actuals: Budget_FY26_P&L - FY26 P&L

January 2026

	JAN 2026		TOTAL	
	ACTUAL	BUDGET	ACTUAL	BUDGET
Income				
3000000 REVENUES		0.00	\$0.00	\$0.00
3300000 INTERGOV REVENUES		0.00	\$0.00	\$0.00
3340000 STATE GRANTS		0.00	\$0.00	\$0.00
3340690 State Grant Other State Agency		0.00	\$0.00	\$0.00
Total 3340000 STATE GRANTS		0.00	\$0.00	\$0.00
3370000 LOCAL GRANTS ENTITLMNT OTHER		0.00	\$0.00	\$0.00
3370001 Local Grants Entitlements	50,000.00	50,000.00	\$50,000.00	\$50,000.00
3371000 Property Tax		0.00	\$0.00	\$0.00
3372000 Sales Tax		0.00	\$0.00	\$0.00
Total 3370000 LOCAL GRANTS ENTITLMNT OTHER	50,000.00	50,000.00	\$50,000.00	\$50,000.00
Total 3300000 INTERGOV REVENUES	50,000.00	50,000.00	\$50,000.00	\$50,000.00
3600000 MISC REVENUES		0.00	\$0.00	\$0.00
3610000 INTEREST, OTHER EARNINGS		0.00	\$0.00	\$0.00
3611000 Investment Earnings	1,366.53	333.37	\$1,366.53	\$333.37
Total 3610000 INTEREST, OTHER EARNINGS	1,366.53	333.37	\$1,366.53	\$333.37
3620000 RENTS AND LEASES	116.93	0.00	\$116.93	\$0.00
3690000 OTHER			\$0.00	\$0.00
3691000 Sale of Surplus		0.00	\$0.00	\$0.00
Total 3690000 OTHER		0.00	\$0.00	\$0.00
Total 3600000 MISC REVENUES	1,483.46	333.37	\$1,483.46	\$333.37
Total 3000000 REVENUES	51,483.46	50,333.37	\$51,483.46	\$50,333.37
Total Income	\$51,483.46	\$50,333.37	\$51,483.46	\$50,333.37
GROSS PROFIT	\$51,483.46	\$50,333.37	\$51,483.46	\$50,333.37
Expenses				
5000000 EXPENDITURES		0.00	\$0.00	\$0.00
5580000 CMTY PLANNING ECON DEV		0.00	\$0.00	\$0.00
5586000 Planning		0.00	\$0.00	\$0.00
5586040 Planning Services	10,000.00	18,958.75	\$10,000.00	\$18,958.75
Total 5586000 Planning	10,000.00	18,958.75	\$10,000.00	\$18,958.75
5587000 Economic Development		0.00	\$0.00	\$0.00
5587040 Econ Dev Services	30,221.37	38,597.12	\$30,221.37	\$38,597.12
Total 5587000 Economic Development	30,221.37	38,597.12	\$30,221.37	\$38,597.12
Total 5580000 CMTY PLANNING ECON DEV	40,221.37	57,555.87	\$40,221.37	\$57,555.87
5590000 PROPERTY DEVELOPMENT		0.00	\$0.00	\$0.00
5593000 Prop Dev Depr Amor Xfer Out		0.00	\$0.00	\$0.00
5593040 Prop Dev Services	4,085.05	2,000.00	\$4,085.05	\$2,000.00
Total 5593000 Prop Dev Depr Amor Xfer Out	4,085.05	2,000.00	\$4,085.05	\$2,000.00
Total 5590000 PROPERTY DEVELOPMENT	4,085.05	2,000.00	\$4,085.05	\$2,000.00
5900000 DBT EXP, CAP OUTLAYS, OTHR DECR		0.00	\$0.00	\$0.00
5910000 REDEMPTION OF DEBT	1,208,280.88	0.00	\$1,208,280.88	\$0.00

University District Public Development Authority

Budget vs. Actuals: Budget_FY26_P&L - FY26 P&L

January 2026

	JAN 2026		TOTAL	
	ACTUAL	BUDGET	ACTUAL	BUDGET
5920000 INTEREST OTHR DBT SVC COST	7,310.10	0.00	\$7,310.10	\$0.00
Total 5900000 DBT EXP, CAP OUTLAYS, OTHR DECR	1,215,590.98	0.00	\$1,215,590.98	\$0.00
Total 5000000 EXPENDITURES	1,259,897.40	59,555.87	\$1,259,897.40	\$59,555.87
Unapplied Cash Bill Payment Expense		0.00	\$0.00	\$0.00
Total Expenses	\$1,259,897.40	\$59,555.87	\$1,259,897.40	\$59,555.87
NET OPERATING INCOME	\$ -1,208,413.94	\$ -9,222.50	\$ -1,208,413.94	\$ -9,222.50
NET INCOME	\$ -1,208,413.94	\$ -9,222.50	\$ -1,208,413.94	\$ -9,222.50



**University District Public Development Authority (UDPDA)
Voucher Certification – January 2026 Close – Cash Basis**

Per the Office of the Washington State Auditor and the BARS Voucher Certification and Approval Process set forth here https://www.sao.wa.gov/bars_cash/accounting/expenditures/voucher-certification-and-approval/, I, the undersigned, do hereby certify under penalty of perjury that the materials have been furnished, the services rendered or the labor performed as described, or that any advance payment is due and payable pursuant to a contract or is available as an option for full or partial fulfillment of a contractual obligation, and that the claim is a just, due and unpaid obligation against the (city/county/district), and that I am authorized to authenticate and certify to said claim. **The following voucher/warrants/electronic payments were approved for payment and cleared the UDPDA bank account:**

Date	Voucher Warrant #	Description	Amount
1/28	Xfer	University District Development Assoc per contract	28,775.41
	Xfer	Spokane County Investment Pool (SCIP) service fee	7.73
1/5	ACH	Avista – south sub area lights	604.00
1/6	ACH	Kiemle Hagood – 201 W Main	250.00
1/6	ACH	Haley Aldrich per contract	252.50
1/7	ACH	Go Joe – 201 W Main	646.42
1/13	ACH	Intuit – service fee	54.00
1/13	ACH	Rooted Landcare – 201 W Main	73.10
1/13	ACH	Cascadia per contract U Village CERB	3,100.00
1/15	ACH	City of Spokane utilities – 201 W Main	467.42
1/15	ACH	Tiny’s Service and Maintenance – 201 W Main	763.70
1/16	ACH	Avista – 201 W Main (note: includes one-time credit \$146.63)	730.74
1/20	ACH	Cascadia per contract U Village CERB	1,700.00
1/20	ACH	Biohabitats - per contract	21,615.00
1/21	ACH	Tiny’s Service and Maintenance – 201 W Main	654.00
1/22	ACH	Witherspoon Brajcich McPhee legal counsel	300.00
1/22	ACH	Spokane Sports per 400-Block contract	10,000.00
1/22	ACH	Trestle Development per 400-Block contract	10,000.00
1/28	ACH	Intuit for 2025 1099/1096 e-file via QBO	287.83
1/31	ACH	Numerica - monthly ACH processing fee	30.00


Juliet Sinisterra, CEO

2.11.26

Date



Office of the Washington State Auditor

Pat McCarthy

Exit Conference: University District Public Development Authority

The Office of the Washington State Auditor’s vision is increased trust in government. Our mission is to provide citizens with independent and transparent examinations of how state and local governments use public funds, and develop strategies that make government more efficient and effective.

The purpose of this meeting is to share the results of your audit and our draft reporting. We value and appreciate your participation.

Audit Reports

We will publish the following reports:

- Accountability audit for January 1, 2022 through December 31, 2024 – see draft report.

Audit Highlights

We would like to thank Alden Jones for both her professionalism during the audit and timeliness in responding to our requests.

Recommendations not included in the Audit Reports

Management Letters

Management letters communicate control deficiencies, noncompliance, or abuse with a less-than-material effect on the financial statements or other items significant to our audit objectives. Management letters are referenced, but not included, in the audit report. We noted certain matters that we are communicating in a letter to management related to electronic payments.

Exit Items

We have provided exit recommendations for management’s consideration. Exit items address control deficiencies or noncompliance with laws or regulations that have an insignificant or immaterial effect on the entity, or errors with an immaterial effect on the financial statements. Exit items are not referenced in the audit report.

Finalizing Your Audit

Report Publication

Audit reports are published on our website and distributed via email in a .pdf file. We also offer a subscription service that notifies you by email when audit reports are released or posted to our website. You can sign up for this convenient service at <https://portal.sao.wa.gov/SAOPortal>.

Management Representation Letter

We have included a copy of representations received from management.

Audit Cost

At the entrance conference, we estimated the cost of the audit to be \$9,600 and actual audit costs will approximate that amount.

Your Next Scheduled Audit

Your next audit is scheduled to be conducted in fiscal year 2028 and will cover the following general areas:

- Accountability for public resources for 2025, 2026 and 2027

The estimated cost for the next audit based on current rates is \$9,600 plus travel expenses. This preliminary estimate is provided as a budgeting tool and not a guarantee of final cost.

If expenditures of federal awards are \$1,000,000 or more in any fiscal year, notify our Office so we can schedule your audit to meet federal Single Audit requirements. Federal awards can include grants, loans, and non-cash assistance like equipment and supplies.

[Working Together to Improve Government](#)

Audit Survey

When your report is released, you will receive an audit survey from us. We value your opinions on our audit services and hope you provide feedback.

Local Government Support Team

This team provides support services to local governments through technical assistance, comparative statistics, training, and tools to help prevent and detect a loss of public funds. Our website and client portal offers many resources, including a client Help Desk that answers auditing and accounting questions. Additionally, this team assists with the online filing of your financial statements.

The Center for Government Innovation

The Center for Government Innovation at the Office of the Washington State Auditor offers services specifically to help you help the residents you serve at no additional cost to your government. What does this mean? We provide expert advice in areas like Lean process improvement, peer-to-peer networking, and culture-building to help local governments find ways to be more efficient, effective and transparent. The Center can help you by providing assistance in financial management, cybersecurity and more. Check out our best practices and other resources that help local governments act on accounting standard changes, comply with regulations, and respond to recommendations in your audit. The Center understands that time is your most precious commodity as a public servant, and we are here to help you do more with the limited hours you have. If you are interested in learning how we can help you maximize your effect in government, call us at (564) 999-0818 or email us at Center@sao.wa.gov.

[Questions?](#)

Please contact us with any questions about information in this document or related audit reports.

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Elliott Yamane, Audit Lead, (509) 918- 9150, Elliott.Yamane@sao.wa.gov

AUDIT RESULTS

Results in brief

This report describes the overall results and conclusions for the areas we examined. In those selected areas, Authority operations complied, in all material respects, with applicable state laws, regulations, and its own policies, and provided adequate controls over the safeguarding of public resources.

However, we noted certain matters related to electronic payments that we communicated to Authority management and the Board of Directors in a letter dated February 19, 2026. We appreciate the Authority's commitment to resolving those matters.

In keeping with general auditing practices, we do not examine every transaction, activity, policy, internal control, or area. As a result, no information is provided on the areas that were not examined.

About the audit

This report contains the results of our independent accountability audit of the University District Public Development Authority from January 1, 2022 through December 31, 2024.

Management is responsible for ensuring compliance and adequate safeguarding of public resources from fraud, loss or abuse. This includes the design, implementation and maintenance of internal controls relevant to these objectives.

This audit was conducted under the authority of RCW 43.09.260, which requires the Office of the Washington State Auditor to examine the financial affairs of all local governments. Our audit involved obtaining evidence about the Authority's use of public resources, compliance with state laws and regulations and its own policies and procedures, and internal controls over such matters. The procedures performed were based on our assessment of risks in the areas we examined.

Based on our risk assessment for the years ended December 31, 2024, 2023 and 2022, the areas examined were those representing the highest risk of fraud, loss, abuse, or noncompliance. We examined the following areas during this audit period:

- Accounts payable – electronic funds transfers and general disbursements
- Accounts receivable – sales and use taxes
- Treasury activities – bank reconciliations and monitoring of banking activity
- Financial condition – reviewing for indications of financial distress
- Open public meetings – compliance with minutes, meetings and executive session requirements

INFORMATION ABOUT THE AUTHORITY

The University District Public Development Authority (UDPDA) was established in late 2012 for the planning, coordination, operation, and implementation of public improvements associated with specific development projects within the University District Revitalization Area (UDRA). In November 2019, City of Spokane Ordinance C35828 approved an interlocal agreement between the UDPDA, City of Spokane, and Spokane County regarding the reformation of the UDPDA board and amended the charter and bylaws of the organization.

The governing body is made up of seven directors. The UDPDA does not have any employees and is operated under a service agreement with a non-profit corporation that serves in an administrative and operational support capacity for the UDPDA. During 2022, 2023, and 2024, the Authority received revenues of \$3,199,468, \$1,491,758 and \$995,685, respectively, primarily from intergovernmental revenues.

Contact information related to this report	
Contact:	Alden Jones, Administrator
Telephone:	509-255-8038
Website:	https://www.spokaneudistrict.org/

Information current as of report publish date.

Audit history

You can find current and past audit reports for the University District Public Development Authority at <https://portal.sao.wa.gov//ReportSearch>.



**Office of the Washington State Auditor
Pat McCarthy**

February 19, 2026

Board of Directors
University District Public Development Authority
Spokane, Washington

Management Letter

This letter includes a summary of specific matters that we identified during our Accountability audit for January 1, 2022 through December 31, 2024.

These matters are not included as findings in our public report, but we view them as important enough to warrant the attention of management and the governing body. This letter will be referenced in our report.

This letter is intended for the information and use of management and the governing body as recommendations to help strengthen the Authority's internal controls. This letter is not suitable for any other purpose since it was not prepared for general distribution. However, this letter is a matter of public record and its distribution is not limited.

Thank you for being a partner in government accountability. We look forward to reviewing the status of these matters during your next audit.

Sincerely,

Alisha Shaw

Alisha Shaw, Program Manager

Attachment

Management Letter
University District Public Development Authority
January 1, 2022 through December 31, 2024

Electronic Payments

Since 2016, Washington’s governments have reported more than \$37 million of lost public funds as a result of cyberfraud, sometimes referred to as phishing, spearfishing or business email compromise schemes. In these schemes, an external threat actor contacts the government, appearing to be a known source such as an employee, upper-level manager, vendor or other business associate. Government staff are convinced to redirect valid payments to the external threat actor, or to purchase gift cards and provide them with the card numbers.

It is imperative that governments implement robust internal controls over all disbursements. This includes establishing a verification process for all requests to change an employee’s or vendor’s contact and payment information, as well as any requests to purchase gift cards, especially when they come through email, phone, fax or another electronic method.

The Authority spent \$686,187 in operating expenditures in fiscal year 2024. The Authority is responsible for establishing effective controls over electronic payments, including the payment information on file for vendors and employees, to protect electronic payments from internal and external threats.

Our audit found the Authority did not have adequate internal controls over electronic payments to protect public funds. Specifically, in 2025 the Authority reported a phishing incident related to misappropriation of public funds. The Authority made three vendor payments totaling \$5,785 to a fraudulent bank account.

We examined the Authority's controls over electronic payments and found that the Authority did not have a policy or practice requiring sufficient verification for all bank change requests to ensure the actual vendor made them, or that contained the required elements prescribed in the *Budgeting, Accounting and Reporting System* (BARS) Manual (3.8.11.30).

We recommend the Authority:

- Develop written policies and procedures over electronic payments to require adequate verification of bank account changes with the vendor, and to include the required elements prescribed in the BARS Manual (3.8.11.30). The Authority’s policy should avoid procedures that rely on information coming through email, which is a communication medium traditionally vulnerable to unauthorized access.
- Provide adequate communication and training to staff on the verification requirements to ensure they consistently follow them.



February 12, 2026

Office of the Washington State Auditor
3200 Capitol Blvd
P.O. Box 40031
Olympia, WA 98504-0031

To the Office of the Washington State Auditor:

We are providing this letter in connection with your audit of University District Public Development Authority for the period from January 1, 2022, through December 31, 2024. Representations are in relation to matters existing during or subsequent to the audit period up to the date of this letter.

Certain representations in this letter are described as being limited to matters that are significant or material. Information is considered significant or material if it is probable that it would change or influence the judgment of a reasonable person.

We confirm, to the best of our knowledge and belief, having made appropriate inquiries to be able to provide our representations, the following representations were made to you during your audit. If we subsequently discover information that would change our representations related to this period, we will notify you in a timely manner.

General Representations:

1. We have provided you with unrestricted access to people you wished to speak with and made available all relevant and requested information of which we are aware, including:
 - a. Financial records and related data.
 - b. Minutes of the meetings of the governing body or summaries of actions of recent meetings for which minutes have not yet been prepared.
 - c. Other internal or external audits, examinations, investigations, or studies that might concern the objectives of the audit and the corrective action taken to address significant findings and recommendations.
 - d. Communications from regulatory agencies, government representatives, or others concerning possible noncompliance, deficiencies in internal control, or other matters that might concern the objectives of the audit.
 - e. Related party relationships and transactions.
 - f. Results of our internal assessment of business risks and risks related to financial reporting, compliance, and fraud.

2. We acknowledge our responsibility for compliance with requirements related to the confidentiality of certain information and have notified you whenever records or data



containing information subject to any confidentiality requirements were made available.

3. We acknowledge our responsibility for compliance with applicable laws, regulations, contracts, and grant agreements.
4. We have identified and disclosed all laws, regulations, contracts, and grant agreements that could have a direct and material effect on the determination of financial statement amounts, including legal and contractual provisions for reporting specific activities in separate funds.
5. We have complied with all material aspects of laws, regulations, contracts, and grant agreements.
6. We acknowledge our responsibility for establishing and maintaining effective internal controls over compliance with applicable laws and regulations, safeguarding of public resources, and financial reporting, including controls to prevent and detect fraud.
7. Except as reported by the audit, we have established adequate procedures and controls to provide reasonable assurance of compliance with applicable laws and regulations, safeguarding of public resources, and accurate financial reporting.
8. Except as reported to you in accordance with RCW 43.09.185, we have no knowledge of any loss of public funds or assets or other illegal activity, or any allegations of fraud or suspected fraud involving management or employees.
9. In accordance with RCW 43.09.200, all transactions have been properly recorded in the financial records.

Sincerely,

Handwritten signature of Juliet Sinisterra in black ink.

Juliet Sinisterra, CEO 2/12/26

Handwritten signature of Alden Jones in black ink.

Alden Jones, Administrator, 2/12/26



Date: February 11, 2026
To: EAC
Fr: Juliet Sinisterra
Re: **UDDA and UDPDA Fiscal Policies and Procedures Manuals**

Introduction

With the UDDA and UDPDA applying for more state and federal grants and those contractual grant relationships often requiring specific fiscal policies and procedures, staff have been working on updates to the current fiscal policy documents to better meet compliance requirements. Also, after an SAO Accountability Audit of the UDPDA in early 2026, more robust notations around purchasing, procurement, banking, and fraud were incorporated.

Document Review and Comments

Drafts of the fiscal policies and procedures manuals were reviewed by past board member and treasurer Chuck Murphy, who provided valuable input and suggestions (see below).

1. Roles and responsibilities – Noted the discrepancy between the bylaws' description of the Treasurer (has “custody of all monies and securities and keeps the books of account”) vs the reality. This may be something to address if/when we revise bylaws.
2. Fraud and Embezzlement – Recommended more detail around the fraud reporting process. Included this and a link to the SAO’s website with detailed fraud reporting steps.
3. FDIC-insured Funds – Suggested adding language around law limits and moving funds as needed. Added it’s \$250K *per depositor*, not per account (e.g., each individual checking or money market account). Also, moving UDPDA money market funds to SCIP.
4. Purchasing Levels – Noted different purchasing thresholds between the UDPDA and UDDA. This is intentional. The UDPDA requirements are more prescribed per state law.

Other Key Features

The updated manuals provide more detail around:

- Roles and responsibilities
- Internal controls and fraud prevention
 - Vendor Policy and Form
 - Internal Funds Transfer Policy and Form
 - Payment Request Form
- Basis of accounting
- Integration of QBO
- Federal grant administration
- Audits
- References to human resources policies in Employee Manual
- Risk management
- Procurement levels, process, and approval pathways for each entity

FISCAL POLICIES & PROCEDURES MANUAL



Adopted by the
University District Public Development Authority

(Date TBD)
V 1.0

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Revision History

This is a living document and will be reviewed and updated every two years or as needed.

Revision	Date	Change
1.0		Adopted by the UDPDA Board

I. ACCOUNTING OPERATIONS

The University District Public Development Authority (UDPDA) is a quasi-municipal corporation organized pursuant to the laws of the State of Washington, as outlined in RCW 35.21.730 through RCW 35.21.757, and established by City of Spokane Ordinance C34933 in 2012. In November 2019, the City of Spokane Ordinance C35828 approved an interlocal agreement between the City of Spokane and Spokane County regarding the reformation of the UDPDA Board of Directors and the organization's amended charter and bylaws.

1. Roles & Responsibilities

Through an Administrative Services Agreement, the UDPDA contracts with the University District Development Association (UDDA), a Washington nonprofit corporation, and by extension its staff (see roles and responsibilities listed below) to manage all administrative and financial activities of the UDPDA.

a. Board of Directors (BOD)

The BOD reviews and adopts the organization's standard financial operating procedures (SOPs). The BOD also reviews and approves the Annual Work Plan and Budget, and once adopted, delegates the administration of both to the Chief Executive Officer, including contract execution.

Additionally, per the [UDPDA Bylaws](#), “the Board Chair shall preside at all meetings of the Authority, shall have general supervision of the affairs of the Authority, and shall perform such other duties as are incident to the office or are properly required of the Chair by the Authority.”

Additionally, per the UDPDA Bylaws, “the Board Treasurer shall have the custody of all monies and securities of the Authority and shall keep regular books of account. The Treasurer shall oversee the disbursement of funds of the Authority in payment of the just demands against the Authority or as may be ordered by the Authority (taking proper vouchers for such disbursements) and shall render to the Authority from time to time, as may be required, an account of all transactions undertaken as Treasurer and of the financial condition of the Authority. The Treasurer shall perform such other duties as are incident to the office or are directed by the Chair or by the Authority.”

b. Executive Advisory Committee (EAC)

The EAC (a joint UDPDA/UDDA committee whose members include the board chair, vice chair/secretary, treasurer, and three or more board members) helps inform the annual budget and yearly work plan; selects annual Nominating Committee members; reviews and approves the Nominating Committee's slate of officers and new members before being presenting at the Annual Meeting for BOD vote; reviews and selects the annual Impact Award recipient for BOD approval; and reviews and makes adjustments to the CEO's compensation.

c. Chief Executive Officer (CEO)

The CEO directs the overall operations and management of the organization. The CEO acts as the primary fiscal agent, implementing all financial policies and procedures. The CEO is responsible for managing the organization's financial risks, as well as for financial and strategic planning, budgeting, forecasting, and financial reporting to the BOD, as requested. The CEO leads the finance staff, delegating tasks, providing oversight, and training as necessary. The CEO is the lead contact for financial-, audit-, and grant-related activities. The CEO ensures the UDPDA responds to such requests in a timely and accurate manner and provides progress updates to the BOD.

d. Finance Staff (FS)

The Finance Staff (FS), whether internal or outsourced, is primarily responsible for ensuring that the daily, monthly, annual, and periodic accounting tasks are completed accurately and promptly with the support and direction of the CEO as needed. The FS works closely with the CEO to ensure the completion of reconciliations, the accuracy of financial statements, alignment with records retention practices, and other tasks related to UDPDA policies and SAO requirements.

2. Basis of Accounting

a. Modified Accrual Basis

Under this basis, for internal purposes, UDPDA revenues are recognized in the accounting period in which they become susceptible to accrual; that is, when they become measurable and available to finance expenditures of the fiscal period. The requirement that revenues be "available" distinguishes modified accrual revenue recognition from accrual basis revenue recognition. The term "available" is defined as expected to be collected within twelve months after the fiscal period ended.

Under the modified accrual basis, UDPDA expenditures are recognized in the accounting period in which the fund liability is incurred, measurable, and expected to be paid within twelve months of the fiscal period ended. However, there are certain exceptions, such as the recording of unmatured principal and interest on general obligation, long-term debt, which are recorded only when due.

Modified accrual basis accounting is used for all governmental funds (general, federal special revenue, other special revenue, general debt service, debt service, and capital projects).

b. Cash Basis

The UDPDA uses the cash basis of accounting, as directed by the Washington State Auditor's Office (SAO), for SAO Annual Report purposes. The cash basis of accounting recognizes revenue when received and expenses when incurred. The UDPDA utilizes the [Budgeting, Accounting, and Reporting System \(BARS\) Manual](#), which outlines accounting and reporting standards for local governments in accordance with [RCW 43.09.200](#). Its purpose is to provide (1) uniform accounting and financial reporting to allow for meaningful use and comparison of financial data; (2) accounting and reporting instructions as a resource for local government managers; and (3) a consistent framework for financial reporting to intended users, including managers, governing bodies, granting and regulatory agencies, the state Legislature, and the general public. The State Auditor's Office maintains the manual with input from the [Local Government Advisory Committee](#). It is continuously reviewed to ensure prescription and instructions remain current and appropriate to meet the needs of intended users. Note that the UDPDA uses a cash basis for internal and state reporting purposes only. See Exhibit 2 for more information.

3. Fund Accounting

Given the organization's resource limitations and restrictions, its accounts are maintained in accordance with the principles of fund accounting. Under these procedures, resources are classified for various purposes and maintained for each fund for accounting purposes.

4. Records Retention

The UDPDA follows Washington law regarding record retention. See this [Schedule](#) on the Secretary of State's website for retention information.

5. Internal Controls

The State Auditor's Office (SAO) provides a variety of guides and tools to help local governments improve internal controls, grants management, procurement practices, financial reporting, and cybersecurity. The UDPDA will utilize these [SAO resources](#) and implement best practices.

a. Lines of Authority

The BOD provides financial management oversight of all activities. The Chair, Treasurer, and CEO are authorized to act on the BOD's behalf on financial matters. The CEO is responsible for the day-to-day financial management of the organization. The BOD authorizes the CEO to hire and supervise independent consultants, pay bills, receive funds, and maintain bank accounts.

b. Segregation of Duties

No single person should control all aspects of an accounting transaction. The CEO will ensure that:

- A person who receives expense requests is not the one to approve that expense.
- A person who approves an expense should not be the one who maintains the accounting records.
- A person who receives expense requests or invoice payments, or opens the mail, is permitted to make bank deposits and maintain accounting records under the CEO's oversight.

c. Monitoring, Reporting, and Review

Risk management is understood as a continuous stewardship practice that protects people, public trust, and long-term system resilience. Risks are actively monitored through periodic reassessments and internal and external reviews, with transparent reporting to management and governing bodies. Triggered reviews—such as major incidents, policy or funding changes, or the introduction of new programs and technologies—ensure timely adaptation. This ongoing process produces transparent risk reporting, updated and continuous improvement actions that strengthen accountability, learning, and the durability of the UDPDA.

d. Documentation and Transparency

All documentation is to be transparent, accountable, and auditable decision-making that clearly documents how risks are identified, weighed, and addressed in service of the UDPDA mission. This includes maintaining clear risk assessments, documented rationales for tradeoffs, evidence of appropriate review and approval, and demonstrated alignment with adopted strategies, budgets, and publicly stated outcomes—ensuring decisions are both responsible and trust-building over time.

6. Grant Contingencies

Grants often require the fulfillment of specific conditions as outlined in the related agreement. Failure to fulfill the conditions could result in the return of funds to the grantors. It is the CEO's responsibility to oversee the fulfillment of grant conditions. IRS regulations shall appropriately acknowledge all grants, and all grantors shall be adequately recognized.

7. Open Public Records

The UDPDA follows Washington's Public Records Policy. All records maintained by the UDPDA are available for public inspection unless specifically exempted by law. The UDPDA provides access to public records under the provisions of the Washington State Public Disclosure Act ([RCW 42.56](#)) and its [Public Records Policy](#). For more information, see [this page](#).

II. FINANCIAL PLANNING & REPORTING

1. Journal Entries

The FS will prepare, and the CEO will review and sign off on any month- and year-end journal entries. They will be printed and filed for audit trail purposes.

2. Month-End Close

At the end of each month and the fiscal year, the FS will prepare the month-end close, and the CEO will review and verify all balance sheet accounts, including cash accounts, to match the bank reconciliations, as well as accounts receivable and payable accounts, if any, to ensure they match outstanding amounts due and owed.

3. Financial Statements

Presentation of the Financial Statements shall describe net assets and revenues, expenses, gains, and losses, classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets and changes shall be classified as either net assets with restrictions or unrestricted net assets.

a. Restrictions

Net assets without restrictions include amounts that are not subject to imposed stipulations and are used to account for resources available to carry out the organization's purposes, as limited by its charter, bylaws, and state law. The principal sources of unrestricted funds are grants, local and intergovernmental funds (including sales tax, property tax, and construction sales tax), and investment income.

Restricted net assets refer to resources available for use in program services or as implied by the recipient. They are expendable only for purposes specified by the grantor and may or will be met by the actions of the organization and/or the passage of time. Such resources originate from grants and contributions restricted for specific purposes or a specific future period. When a restriction expires, restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

4. Internal Financial Reports

Financial Statements shall be prepared monthly by the FS. The Financial Statements include information about all the Organization's funds and cash position as of the end of each month and may be presented in a summary or "dashboard" format. The CEO and board Treasurer review monthly financials before presenting them to the BOD for review and approval.

5. Fraud and Embezzlement

The CEO will notify the BOD Chair, Treasurer, and any required funding sources within one working day of the date on which any alleged fraud activity comes to the CEO's attention. Staff will document the case and notify the proper authorities (such as legal counsel, the bank of record, IT, and insurance service providers). Additionally, staff will report the incident to the Washington State Auditor's Office (SAO) within one working day and follow the [SAO's required steps to address the fraud](#). If fraud or embezzlement is identified during a financial audit and the CEO is implicated, the auditor shall inform the BOD Chair and Treasurer immediately. If deemed appropriate, after the investigation and resolution of the issue, the organization will implement internal control changes to address the concerns of all parties.

6. Cost Allocation

The organization's cost allocation method treats all costs as direct costs, except for general administration, general facility, general expenses, and capital expenditures.

Costs not directly attributable to a specific program and funding source are initially posted to a common cost center, which is then distributed proportionately to the various cost centers at the end of the month. These include, but are not limited to, costs shared by all programs in the organization, such as rent, auditing services, professional fees, administrative support staff, telecommunications, maintenance, utility fees, and licenses.

The allocation of costs is based on labor percentages derived from the relative number of direct hours worked, as documented on staff timesheets, for each program or initiative. Most common expenses — such as printing and postage, office supplies, telecommunications, and bookkeeping — are distributed to programs based on the hours worked in each program or initiative, as a percentage of the allocation criteria evaluated regularly (annually, unless significant changes to programs or initiatives occur more frequently).

Pure administrative costs are tracked separately and include expenses that are not directly attributable to the organization's programs or activities. They may consist of board meeting expenses, administrative staff costs, and other expenses related to maintaining the organization.

Indirect administration is allocated to programs or initiatives based on the direct program hours worked in each program, up to the full allowable percentage per program or initiative. Since some funding sources restrict the level of reimbursable administrative overhead, the “excess” administration will be charged to other sources of funding or to “no source” if no other funding sources are available, leaving the administrative costs as a deficit to the UDPDA, which other unrestricted revenues or the investment income/corpus may support.

7. Budgeting Process

The EAC and CEO shall plan for the organization's long-term financial stability in accordance with UDPDA's strategic goals. The CEO is responsible for preparing and presenting a draft annual operating budget to the EAC for review and to the BOD for approval before the beginning of the fiscal year (January). Additionally, approximately mid-year, the CEO will present any budget revisions/adjustments for EAC and BOD approval.

8. Local Government Performance Audit and Annual Report Filing

The Office of the [Washington State Auditor](#) (SAO) conducts local government Performance Audits on an ongoing basis. These audits compare the UDPDA's current practices with those required by law and recommended by leading practices to identify improved outcomes, which may include cost-saving methods or more effective service delivery processes. By detailing problems and offering solutions, performance audits improve public services and provide valuable information to the public, program leadership, and elected officials.

All performance audit reports are routed to the CEO immediately, who will then share this information with the BOD. The CEO will be responsible for preparing any needed written response to the performance audit recommendations. The CEO will be responsible for providing any necessary corrective action.

Pursuant to RCW [43.09.230](#), the UDPDA is required to file an Annual Report online with the State Auditor's Office (SAO) within 150 days after the close of each fiscal year. The Board Chair and Treasurer will be notified that this report has been filed and provided with a link to the report package. The BOD will also be notified.

9. Sub-recipient Management & Monitoring

The CEO is responsible for monitoring the programmatic and financial activities of award sub-recipients to ensure proper stewardship of federal, state, and local funds. The following policies, roles, and

procedures outline responsibilities and support administrators in ensuring that, in addition to achieving performance goals, sub-recipients comply with applicable federal laws and regulations, as well as the provisions of the grant award's special conditions.

Federal Grant Administration

OMB Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 CFR 200) Uniform Guidance, specifically 200.331, requires pass-through entities to evaluate each sub-recipient's risk of noncompliance to determine the appropriate monitoring level, monitor the activities of sub-recipient organizations to ensure that the sub award complies with applicable Federal statutes and regulations and terms of the sub award, and verify that sub-recipients are audited as required by Subpart F of the Uniform Guidance. The direct recipient of the federal award is required to provide evidence of due diligence in reviewing the ability of a sub-recipient to adequately meet the objectives of the sub-award and account for the use of the grantor's funds.

a. Subawards

Subawards will comply with all applicable Federal, State, and/or sponsor-specific policies. The CEO will ensure that subawards are approved by the Federal sponsor prior to subawards. The organization follows the guidelines of the Federal government's differentiation of a Subrecipient and a contractor based upon the following determinations:

1. Subrecipient

- A third-party, non-federal entity that receives a subaward from a pass-through entity to carry out part of a Federal program but does not include an individual who is a beneficiary of such a program. A subrecipient may also be a recipient of other Federal awards directly from a Federal awarding entity.
- Determines who is eligible to receive what Federal assistance.
- Its performance is measured against the meeting of the Federal program objectives.
- Is responsible for programmatic decision-making.
- Is responsible for adherence to applicable Federal program requirements specified in the Federal award.
- In accordance with its agreement, it uses the Federal funds to carry out a program for public purposes specified in the authorizing statute, as opposed to providing goods or services for the benefit of the pass-through entity.
- Provides a detailed budget, which must abide by the cost principles (2 CFR 200 Subpart E).
- Bound by terms and conditions contained within the prime award.
- Adheres to salary limitations contained within the prime award.

2. Contractor

- A third-party entity that receives a contract where a non-Federal entity purchases property or services needed to carry out the project or program under a Federal award.
- Provides the goods or services within normal business operations.
- Provides similar goods or services to many different purchasers.
- Normally operates in a competitive environment.
- Provides goods or services that are ancillary to the operation of the Federal program.
- Is not subject to compliance requirements of the Federal program as a result of the agreement, but similar requirements may apply for other reasons.
- Provides an hourly, daily, or deliverable rate. Typically, contracts are based upon milestones or deliverables.
- Indirect costs are not applicable.

- Not bound by the terms and conditions of the prime award.
- Not bound by salary limitations contained within the prime award.

3. Pre-award Roles & Responsibilities

Grant applications will be led by the CEO and the appointed grant writer (team). When applying for a federal or state grant where a sub-recipient is identified, the CEO will:

1. Review proposed scopes, support overall budget development, and evaluate grant applications for alignment and responsibilities.
2. Collaborate with the sub-recipient regarding the sub-recipient's application narrative, the goals of the sub-award, and the sub-recipient's grant budget.
3. Collaborate to establish a draft scope of work.
4. Notify the sub-recipient of the grant award approval or denial.

4. Post-award Roles & Responsibilities

After the Grantor has approved and awarded the grant, the CEO and FS will:

1. Monitor and approve quarterly programmatic progress and the ability of the sub-recipient to meet the objectives of the sub-award.
2. Participate in sub-recipient monitoring training, when available, in coordination with Financial Management and the sub-recipient, if necessary.
3. Participate in annual sub-recipient monitoring site visits if requested.
4. Complete *Sub-award Monitoring Form*. This identifies the federal award information for the sub-recipient, which includes the following:
 - a. Federal award number and name of federal grant
 - b. Sub-recipient name and DUNS number
 - c. Federal award date
 - d. Sub-award period of performance start and end date
 - e. Amount of federal funds obligated to the sub-recipient
 - f. Total amount of federal award to the prime grantee
 - g. Federal award project description
 - h. Name of federal awarding UD, prime grant recipient, contact information of the awarding official
 - i. CFDA number
 - j. All requirements imposed by the prime grantee on the sub-recipient so that federal statutes, regulations, and the terms and conditions of the grant award are used in the federal award.
 - k. Indirect cost rate, if applicable
 - l. Access to the sub-recipient's financial records to meet the requirements of 2 CFR 200.
 - m. Appropriate terms and conditions concerning closeout of the sub-award
5. Complete the sub-recipient risk assessment and assign a risk rating.
6. Review and approval of sub-recipient invoices.
7. Coordinate programmatic progress reporting of sub-recipients.

5. Sub-recipient Monitoring Procedures

Annual Risk Assessment at Award Stage

The CEO and FS will continuously analyze the administrative and programmatic performance of the sub-recipient through the following methods:

1. Perform a search on SAM.gov to determine if the organization has been debarred or excluded from doing business with the federal government. Print the screenshot of the SAM.gov search for the grant/sub-recipient file.

2. Review the sub-recipient's single audit report (CAFR), if applicable.
3. Ensure applicable federal special conditions of the grant award are passed down to the sub-recipient by requesting the sub-recipient sign a document acknowledging receipt of and agreement to comply with the grant award special conditions.
4. Complete *the Award Stage Assessment of Sub-recipient Checklist and keep it in the Grant/Sub-recipient file*.
5. Provide the *Requirements of Sub-award Documentation* to be submitted by the sub-recipient to the Prime Grantee before any expenditures are made.
6. Complete the *Subrecipient Monitoring Form*.

Continuous analysis during the grant award period

The CEO and FS will continuously analyze the administrative and programmatic performance of the sub-recipient through the following methods:

1. Internal Controls (2CFR 200.303) – Ensure the sub-recipient provides reasonable assurance of sub-recipient compliance with federal statutes, regulations, and the terms and conditions of the federal award:
 - a. The sub-recipient must return a signed acknowledgment of the terms and conditions of the sub-award to the prime grantee, if applicable.
 - b. The sub-recipient must agree to evaluation and monitoring of their compliance with statutes, regulations, and terms and conditions of the sub-award by allowing access to sub-recipient records and financial statements and the performance of on-site reviews of the sub-recipient's program operations.
 - c. The sub-recipient must take prompt action when instances of noncompliance are identified
 - d. The sub-recipient must take reasonable measures to safeguard sensitive information consistent with applicable federal, state, and local laws.
 - e. The sub-recipient must participate in programmatic reporting training when available
2. Regular communication with sub-recipient stakeholders.
3. Invoice review – Ensure invoices are timely, accurate, and contain the appropriate supporting documentation to substantiate the expense. For any questionable expense(s), request additional backup from the sub-recipient specific to the charge(s) before payment.
4. Request financial reports from the sub-recipient that show:
 - a. Sub-award amount
 - b. Invoice(s) submitted for reimbursement by sub-award budget category
 - c. Remaining sub-award amount after expenses
 - d. Ensure that cumulative expenses do not exceed the total approved sub-award amount and that the rate of spending is consistent with the project timeline.
5. Review of any other financial or non-financial reports required by the sub-award, such as the sub-recipient's list of supplies and equipment purchased with grant funds.
6. Coordination of sub-recipient budget revision requests, process, submission, and grantor approval.
7. Follow up with the sub-recipient regarding findings during the annual sub-recipient site visit and request the sub-recipient's resolution of site visit findings.
8. For high-risk sub-awards, the following additional steps are required:
 - a. Request additional supporting details for all financial invoices and expenses by the sub-award terms and conditions.
 - b. Document and retain communications regarding project performance.
 - c. Further action could include withholding payments, performing additional site visits, or termination of the sub-award.

Subaward Closeout

At 120 days before the grant end date, the CEO will authorize the FS to notify the sub-recipient that they have 90 days after the grant end date to liquidate their encumbrance(s). At 120 days before the grant end date, the sub-recipient will be requested to confirm via email that it will spend the entire subaward and liquidate all encumbrances within 90 days after the grant end date. All final invoices must be submitted to the CEO and FS, along with a final financial report that details the subaward amount, all invoices reimbursed by the grant, and the remaining balance in the subaward. The final programmatic report is due at the end of the grant period.

The following documents are typically required from the sub-recipient for closeout by the date specified by the prime grantee:

1. Final invoice(s)
2. Final Financial Report/Project Ledger
3. Final Programmatic Responses
4. Final Supplies and Equipment Report

The CEO and FS will conduct a final audit of the final invoices, financial reports, and programmatic responses, and, if necessary, may request additional supporting documentation.

III. CASH MANAGEMENT & OPERATIONS

Cash and cash equivalents include all cash balances and highly liquid investments with a maturity of six months or less. EAC and the BOD shall review organizational investments (if any). The EAC and BOD shall use due diligence in overseeing the organization's investment funds by establishing and monitoring an investment strategy that properly balances risk and return. As needed, the EAC reviews the investment strategy and objectives annually and modifies them by a vote of the BOD.

The BOD intends to ensure that cash, investments, and cash held in escrow accounts remain FDIC-insured or insured to the limit of the total amount held. FDIC insurance is generally limited to \$250,000 per depositor, per insured bank, per account ownership category, not just per individual account. The CEO and FS are responsible for ensuring that depositor accounts do not exceed \$250,000 for more than 45 business days, if possible. At times, the actual depositor balance may exceed \$250,000 due to outstanding checks that have not been cleared. All efforts will be made to move the cash as quickly as possible, within 45 business days.

The UDPDA strives to maintain a combined bank balance of at least three months' average operating expense, not exceeding the FDIC limit. The main checking account is reviewed regularly by the CEO and FS to ensure that the balance is adequate. Additionally, the UDPDA requires that procurement contracts include a Mandatory Disclaimer (see Exhibit 7).

1. Funds & Banking

a. Funds Transfer Policy

The CEO or their designee has permission to make interorganizational fund transfers between existing accounts to support the UDPDA's cash flow management. See Exhibit 5.

b. Investments

Investments, if any, are reported with the monthly financial statements at the market value. The EAC and BOD evaluate the organization's general investment strategy to ensure the portfolio is properly diversified, secure, and delivers a return on investment. A summary of the strategy and results is presented to the BOD annually for review and possible revision.

c. Signature Authorization

The CEO, Board Chair, and Treasurer are authorized to sign checks, drafts, or orders for payment of money issued in the name of the organization and have signed the required documents with the appropriate financial institution. All contracts, commitments, and other legal obligations shall be signed by the CEO unless otherwise delegated by the CEO or Board Chair. **Refer to Exhibit 1 for details on UDPDA procurement levels, the contract process, and the expenditure approval pathway.**

d. Deposits

Deposits will be recorded and delivered to the bank within two working days of any monetary contributions, donations, or other receivables. A receipt of deposit will be kept, along with a copy of the deposit backup, for auditing purposes. Cash and/or checks will be stored securely in a locked room or drawer until a deposit is made.

e. Bank Reconciliation

The FS shall complete monthly bank reconciliations. Additionally, the FS reconciles Bank Statements, Credit Card Statements, and other required reports every month, and stores documents on the shared drive. These monthly checking account statement reconciliations serve as an internal control to ensure that all entries have been posted to the general ledger system correctly and to detect any bank errors or theft. A check outstanding for more than six (6) months will be voided, with a possible stop-payment request to the bank upon the CEO's approval.

Additionally, vendor checks may be voided and reissued if reported as lost. All voided checks will be kept on file whenever possible.

2. Revenue Recognition

a. Contributions & Exchanges

All contributions or exchange transaction revenue must be credited to the appropriate income lines as presented in the annual budget and coded with the proper account number as designated in the BARS Chart of Accounts.

b. Interest Earned

Interest earned by funds held in restricted accounts will be recognized as earnings to remain in those restricted accounts. Those requirements will manage interest earned on funds with specific requirements for those earnings.

3. Cash Disbursements

a. Approval Process

The BOD authorizes the CEO to make any purchases in accordance with the BOD-approved annual budget. All authorized expenditures shall be coded to the appropriate account number using the BARS Chart of Accounts and recorded in the QuickBooks Online (QBO) platform.

Refer to Exhibit 1 for details on UDPDA procurement levels, the contract process, and the expenditure approval pathway.

Invoices shall be received by the FS for review and then forwarded to the CEO for approval before payment processing. New vendors will be required to complete a New Vendor Form and a W9. Following CEO review and approval, the FS will enter the bill into the QBO platform, schedule payment (electronic or paper check), and forward it to the CEO for signature confirmation or electronic transfer confirmation. **Regarding EFT disbursements, [BARS 3.8.11](#) guidelines should be followed.**

Upon payment of a bill, a hard copy of the paid invoice is kept in the monthly reconciliation portfolio. These portfolios also contain monthly financial reports and provide support during audits. Voided checks shall be marked "VOID" boldly written in ink across the face of the check and filed in the portfolio.

b. Reimbursements

Expenses pre-approved and directly related to business activities (e.g., mileage, meals, hotel, supplies) will be reimbursed upon submission of a Payment Request Form accompanied by receipts (see Exhibit 6). The CEO will review and approve. The FS will authorize reimbursements to the CEO.

4. Petty Cash

The organization will not maintain petty cash funds.

5. Operating Reserve

The organization currently has no operating reserves. The SAO has specific directions on "reserve" accounts, and the UDPDA follows those requirements.

6. Invoice Preparation

The FS will prepare operational-related invoices no later than 15 days after recognition of the accounts receivable on an accrual basis. The CEO will review and approve operational and grant-related invoices. Invoices billed on a reimbursable basis will include an accounting report of expenses incurred, along with copies of invoices paid that are being requested for reimbursement. Other invoices billed will be generated based on the payee's requirements. If no requirements are set, the accounting system will generate invoices. The CEO will approve and sign all invoices before the FS sends them to the payee.

IV. EXPENSE MANAGEMENT & OPERATIONS

1. Compensation

The UDPDA has no direct employees at this time. Please refer to the UDDA Employee Manual for information relating to compensation.

2. Allowable Costs

Allowable costs are necessary and reasonable for the performance of a grant award and may be charged directly or indirectly to it. These costs must also comply with any limitations or exclusions specified in the regulations or the award itself. Each awarding entity has the right to establish its terms and conditions for its awards. Specific award terms and conditions take precedence over the provisions of the Uniform Guidance, as described below. Policies and procedures will apply if the sponsored award agreement or the CFRs do not specifically address the cost. In general, an expense is allowable when it meets the following tests:

1. The cost is necessary, reasonable, and allocable for the performance of the award.
2. The cost is consistent with policies and procedures that apply uniformly to both federally financed and other activities.
3. Is by generally accepted accounting principles (GAAP).
4. Is not included or used as a cost share or match for any other federally financed program.

3. Reasonable Costs

The cost is reasonable if it reflects what a prudent person might pay. When determining a reasonable price, considerations must be given to:

1. Whether the cost would be recognized as ordinary and necessary for the Federal award.
2. Factors such as sound business practices, arm's length bargaining, other laws and regulations, and the terms and conditions of the award.
3. Market prices for comparable goods or services in the geographic area.
4. Whether the individuals concerned acted with prudence in the circumstances, considering their responsibilities to the non-Federal entity, its employees, where applicable, its members, the public at large, and the Federal Government.
5. Deviation from established policies and practices.

4. Purchases & Procurement

Refer to Exhibit 1 for details on UDPDA procurement levels, the contract process, and the expenditure approval pathway.

The organization follows the State and Federal procurement standards as outlined in Washington State RCW Title 39 or 2 CFR 200.317-200.327 for the procurement of supplies, equipment, construction, and services, ensuring that these are obtained as economically as possible through an open and competitive process. Contracts are managed with good administrative practices and sound business judgment.

Per WA RCW 39.26, the intent is to promote open competition and transparency for all contracts for goods and services entered into by the organization, unless specifically exempted under RCW 39.04.280 and 39.26.125 (see Emergency Purchases and Sole Source contracts below).

Per 2 CFR 200.218(c)(2), if the organization has a parent, affiliate, or subsidiary organization that is not a State, local government, or Indian tribe, that non-federal entity must also maintain written standards of conduct covering organizational conflicts of interest. Organizational conflicts of interest occur when, due

to relationships with a parent company, affiliate, or subsidiary organization, the non-Federal entity is unable or appears to be biased in conducting a procurement action involving a related organization.

Emergency Purchases and Sole Source Contracts

Per [WA RCW 39.26.130](#), "emergency" means a set of unforeseen circumstances beyond the control of the UDPDA that either:

- (a) Present a real, immediate, and extreme threat to the proper performance of essential functions; or
- (b) May reasonably be expected to result in material loss or damage to property, bodily injury, or loss of life, if immediate action is not taken.

Per [WA RCW 39.04.180](#) Sole Source Contracts, the UDPDA will waive the competitive bidding requirement for the following conditions:

- (a) Purchases that are clearly and legitimately limited to a single source of supply;
- (b) Purchases involving special facilities or market conditions;
- (c) Purchases in the event of an emergency;
- (d) Purchases of insurance or bonds; and/or
- (e) Public works in the event of an emergency.

The UDPDA will utilize its Sole Source Contract Justification Template (see Exhibit 3) to select vendors or contractors after an objective review of the required product or services. The CEO or CEO will complete the template, provide documentation to FS, and explain why the selected product or service is limited to a single source and the efforts made to find alternative vendors or contractors.

5. Independent Contractors

The CEO will consider all relevant facts and circumstances regarding the relationship between the organization and an individual in classifying workers as independent contractors or employees. This determination is based on the degree of control and independence associated with the relationship between the organization and the individual. Other considerations would include the ability to provide insurance coverage for liability reasons.

If an individual qualifies for independent contractor status, they will be sent a Form 1099 if, on a cash basis, compensation exceeds \$600. The amount reported on a Form 1099 equals the compensation paid to that person during a calendar year (on a cash basis). Excluded from "compensation" are reimbursements of business expenses that the contractor has accounted for by supplying receipts and business explanations.

6. Invoice Approval & Processing

The CEO reviews all payment requests and:

1. Verifies that the expenditure and amount align with the annual budget
2. Reviews and approves new vendor form (see Exhibit 4).
3. Provides or verifies appropriate allocation information, ensuring compliance with funding requirements.
4. As needed, provides the date of payment considering cash flow projections.
5. Submits to the FS for processing.

The FS processes all payments approved by the CEO and will:

1. Enter them into the QBO platform.
2. Prepare and submit checks, with attached backup documentation, to the CEO for approval and signature.
3. Mail checks or pay electronically.

4. File all backup documentation in the appropriate file.
5. Run an accounts payable aging at the end of each month and submit it to the CEO to ensure the timely payment of all invoices.

7. Prepaid Expenses

Prepaid expenses, if any, are expensed over the applicable period unless the prepayment is for benefits to be received in the current accounting period or is immaterial. The threshold for immateriality of prepaid expenses is \$5,000 or less. The CEO will manage a prepaid schedule and reconcile activity with a general ledger basis.

8. Travel Expenses

See the *UDDA Fiscal Policies and Procedures Manual* for information related to travel policies.

9. Credit Cards

The CEO will approve any organizational credit card requests. The original receipts for all credit card charges will be provided to the FS at the end of the month, along with the necessary documentation. The FS will verify all credit card charges with the monthly statements. A record of all charges will be provided to the CEO for review and approval. The CEO's credit card usage is available for FS review at any time.

10. Capitalization

a. Capital Assets

A "Capital Asset" is defined as a unit of property that (1) has an economic useful life that extends beyond 12 months and (2) was acquired or produced for a cost of greater than \$10,000. Capital Assets must be capitalized and depreciated for financial statement purposes. \$10,000 is the minimum capitalization threshold (per 2 CFR §200.313). Any items costing below this amount should be expensed in the financial statements.

All Capital Assets are recorded at historical cost as of the date acquired. Tangible assets below the threshold are recorded as an expense in the financial statements. Alternatively, assets with a useful life of 12 months must be expensed for financial statement purposes, regardless of the acquisition or production cost.

Capital Asset Description	Estimated Useful Life
Computer and network equipment, autos, light trucks	5 years
Office furniture and fixtures	7 years
Land improvements, tenant improvements	15 years
Nonresidential real property	39 years

b. Property Disposals

In Washington State, surplus property disposal is primarily governed by [RCW 43.19.1919](#) and related administrative codes, which prioritize public benefit and aim to maximize the value of property sold to various entities. The process involves determining what constitutes surplus property, assessing its fair market value, and then following a specific order of priorities for sale or transfer. The UDPDA follows Washington law when disposing of surplus property.

V. OTHER POLICIES AND PROCEDURES

1. Equity & Diversity

Please refer to the *UDDA Employee Manual* for information relating to equity and diversity.

2. Data Protection & End Users

Please refer to the *UDDA Employee Manual* for information relating to data protection.

3. Drug Policy

Please refer to the *UDDA Employee Manual* for information relating to drug policy.

4. Whistleblower Policy

Directors, officers, and employees are expected to uphold high standards of business and personal ethics in their duties and responsibilities. Employees and representatives must practice honesty and integrity in fulfilling their responsibilities and comply with all applicable laws and regulations. Please refer to the *UDDA Employee Manual* for information relating to the whistleblower policy.

5. Conflict of Interest Policy

The purpose of the conflict-of-interest (COI) policy is to protect the organization's interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or director or result in a possible excess benefit transaction. This policy is intended to supplement, but not replace, applicable state and federal laws governing conflicts. Please see [this link](#) to the UDPDA COI policy.

6. Confidentiality Policy

Please see [this link](#) to the UDPDA Confidentiality policy.

7. Asset and Risk Management

The organization will carry appropriate insurance policies for business operations. Coverage will include general liability insurance, D&O insurance, rent insurance (as needed), cyber and crime insurance, travel insurance, public official bonds, etc. As assets are acquired and/or staff or board officer changes occur, the CEO will determine and secure the necessary coverage.

8. Travel Policies

Please refer to the *UDDA Fiscal Policies and Procedures Manual* for information related to travel policies.

VI. EXHIBIT 1: PROCUREMENT LEVELS, PROCESS, AND APPROVAL PATHWAY

The following tables outline procurement levels, processes, and approval pathways for UDPDA. As needed, the UDPDA (and its subcontractors) will follow government procurement requirements and procedures (vs the tables below) as directed.

Occasions may arise when services are legitimately limited to a single source of supply or involve special facilities or market conditions, and competition among vendors is not possible. In this instance, for contracts over \$25K, the UDPDA shall complete a sole-source justification form (see Exhibit 3), specify the necessary procurement, and its costs. In some cases, a published “intent to award sole source” notification may be required.

Regarding Approvals: ** If the proposed procurement is *not included* in the Board-approved Annual Budget—or if it is a budget reallocation—and the amount is equal to or less than \$25K, the Executive Advisory Committee (EAC) will approve. If the procurement exceeds \$25K, the Board will also approve.
Regarding Contract Amendments: Per RCW 53.19.060, if there are no substantial changes in the scope of work specified in the original contract, and the value of the proposed amendment does not exceed 50% of the original contract value, a contract amendment may be executed.

Purchases of Goods, Supplies, and Materials	UDPDA Process	EAC/Board Approval
\$25,000 or less	<ul style="list-style-type: none"> • Competition not required • No sole source documentation needed 	
\$25,001-\$50,000	<ul style="list-style-type: none"> • Obtain written or oral quotes if possible • Sole source justification needed above \$25K 	
\$50,001-\$300,000	<ul style="list-style-type: none"> • Notification or formal advertisement • Obtain three written quotes or proposals under RCW 39.26.160 	see ** above
\$300,001+	<ul style="list-style-type: none"> • Formal RFP • Selection under RCW 39.26.160 	see ** above

Personal Services Contracts	UDPDA Process	EAC/Board Approval
\$25,000 or less	<ul style="list-style-type: none"> • Competition not required • No sole source documentation needed above \$25K 	
\$25,001-\$150,000	<ul style="list-style-type: none"> • Three written or oral quotes if possible • May use factors in RCW 39.26.160 to award contract • Sole source justification needed 	
\$150,001-\$300,000	<ul style="list-style-type: none"> • Notification or formal advertisement • Obtain three written quotes or proposals under RCW 39.26.160 	see ** above
\$300,001+	<ul style="list-style-type: none"> • Formal RFP • Selection under RCW 39.26.160 	see ** above

Professional Architectural and/or Engineering Svcs (per RCW 39.80 and 39.80.020(5) only if public funds are involved)	UDPDA Process	EAC/Board Approval
Includes Design, Planning, Management, financial, legal, environmental, IT, and personnel consulting. Price is not allowed as consideration in the initial selection process for A&E services.		
\$25,000 or less	<ul style="list-style-type: none"> Encourage the MRSC Roster to review the qualifications of 2 prospective candidates; <i>OR</i> Obtain three informal or formal quotes under RCW 39.26.160 	
\$25,001-\$150,000	<ul style="list-style-type: none"> Encourage the MRSC Roster to review the qualifications of 3 prospective candidates; <i>OR</i> Notification or formal advertisement and obtain three written proposals under RCW 39.26.160 Sole source justification needed above \$25K 	see ** above
\$150,001-\$300,000	<ul style="list-style-type: none"> Formal RFP to all qualified on the MRSC Roster; <i>OR</i> Advertise a formal RFQ Select candidate under RCW 39.26.160 	see ** above
\$300,001+	<ul style="list-style-type: none"> Advertise formal RFQ Select candidate under RCW 39.26.160 	see ** above

<p>The MRSC Roster is mandatory for Public Works procurement over \$150K; the MRSC vendor registration process verifies:</p> <ul style="list-style-type: none"> ▪ Contractor’s License ▪ Professional Licenses (e.g., Electrical License) ▪ Bonding ▪ Debarment Status ▪ Employment Security # ▪ Prevailing wage for Public Works contracts <p>Roster selection processes require a rotation of selected consultants. It’s the responsibility of the UDPDA to develop a written rotation plan and manage the rotation process. Alternatively, “Invitations to Bid” may be issued to all contractors in the selected category.</p>		
Public Works /Ordinary Maintenance (per RCW 39.80 and 39.80.020(5) if public funds are involved)	UDPDA Process	EAC/Board Approval
<\$25,000	<ul style="list-style-type: none"> Encourage the MRSC Roster to review the qualifications of 2 prospective candidates; <i>OR</i> Obtain three informal or formal quotes under RCW 39.26.160 	
\$25,001-\$150,000	<ul style="list-style-type: none"> Encourage the MRSC Roster to review the qualifications of 3 prospective candidates; <i>OR</i> Notification or formal advertisement and obtain three written proposals under RCW 39.26.160 Sole source justification needed above \$25K 	see ** above
\$150,001-\$300,000	<ul style="list-style-type: none"> Formal RFP to all qualified on the MRSC Roster; <i>OR</i> Advertise a formal RFQ 	see ** above

	<ul style="list-style-type: none"> Select a candidate under RCW 39.26.160 	
\$300,001+	<ul style="list-style-type: none"> Formal Sealed Bid Will be advertised 	see ** above

Real Estate Documents (leases, use agreements, deeds, easements)	UDPDA Process	EAC/L/Board Approval
<\$25,000		
\$25,001-\$50,000	<ul style="list-style-type: none"> Consult with legal counsel 	
\$50,001+	<ul style="list-style-type: none"> Consult with legal counsel 	see ** above

VII. EXHIBIT 2: ACCOUNTING BASIS

POLICY REFERENCE: [NATIONAL COUNCIL ON GOVERNMENTAL ACCOUNTING \(NCGA\) STATEMENT 1 GASB Statement No. 63 – Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position](#)

PROCESS AND DOCUMENT PREPARATION:

BASIS OF ACCOUNTING

The basis of accounting determines the timing for reporting measurements made on a cash or accrual basis in the State's financial statements. As defined in GASB Statement 63, the basis of accounting refers to when revenues, expenditures, expenses, and transfers—and assets, deferred outflows of resources, liabilities, and deferred inflows of resources—are recognized in the accounts and reported in the financial statements.

MEASUREMENT FOCUS

Unlike the selection of an accounting basis, which concerns the timing of transactions and events, a measurement focus identifies which transactions and events should be recorded. The measurement focus concerns the inflows and outflows of resources that affect a fund's operating statement.

The operating statement of a proprietary fund focuses on changes in economic resources, much like that of a private-sector business. Net position is used as a practical measure of financial resources for this purpose. A proprietary fund's operating statement includes all transactions and events that increase or decrease net position, such as revenues, expenses, gains, and losses.

The operating statement of a governmental fund, unlike that of a proprietary fund, focuses on changes in current financial resources. The governmental fund operating statement measures those transactions and events of the period that have increased or decreased the resources available for spending shortly.

A fund's basis of accounting is inseparably tied to its measurement focus. Funds that focus on total economic resources (proprietary funds) employ the accrual basis of accounting, which recognizes increases and decreases in financial resources as soon as the event or transaction occurs. Thus, revenues are recognized as soon as they are earned, and most expenses are recognized as soon as a liability is incurred, regardless of the timing of related cash inflows and outflows.

On the other hand, funds that focus on current financial resources (governmental funds) use the modified accrual basis of accounting, which recognizes increases and decreases in financial resources only to the extent that they reflect near-term inflows or outflows of cash. Under the modified accrual basis of accounting, amounts are recognized as revenue when they are both measurable and available. The accrual, modified accrual, and cash bases of accounting are discussed below.

ACCRUAL BASIS ACCOUNTING

Under the accrual basis of accounting, revenues are recognized when they are earned, regardless of when cash is received, and most expenses are recognized when a liability is incurred, regardless of when paid. However, these accruals should be recognized only if measured objectively. Since accrual accounting results in accounting measurements based on the substance of transactions and events, rather than when cash is received or disbursed, it enhances the relevance, neutrality, timeliness, completeness, and comparability of the information reported. Under GAAP, the accrual basis shall be

used for the government-wide financial statements, proprietary funds, component units, and fiduciary funds.

MODIFIED ACCRUAL-BASED ACCOUNTING

Under this basis, revenues are recognized in the accounting period in which they become susceptible to accrual; that is, when they become measurable and available to finance expenditures of the fiscal period. The requirement that revenues be "available" distinguishes modified accrual revenue recognition from accrual basis revenue recognition. The term "available" is defined as expected to be collected within twelve months after the fiscal period ended.

Under the modified accrual basis, expenditures are recognized in the accounting period in which the fund liability is incurred, measurable, and expected to be paid within twelve months of the fiscal period ended. However, there are certain exceptions, such as the recording of the unmatured principal and interest on general obligation, long-term debt, which are recorded only when due. Other exceptions are discussed in the appropriate sections of this manual.

Modified accrual basis accounting is used for all governmental funds (general, federal special revenue, other special revenue, general debt service, debt service, and capital projects).

CASH BASIS ACCOUNTING

Under cash basis accounting, transactions are recognized only when cash changes hands. Cash basis financial statements omit recognition of assets and liabilities not arising from cash transactions. Therefore, they rarely present financial position or results of operations in conformity with GAAP.

Although required by the SAO and used for SAO Annual Reporting, cash basis accounting and reporting are less desirable practices because they permit distortions in financial statement representations due to shifts in the timing of cash receipts and disbursements relative to underlying economic events near the end of a fiscal period. The cash basis of accounting, which is used for budgetary purposes, is not a preferred basis for preparing the entity's internal GAAP financial statements.

VIII. EXHIBIT 3: SOLE SOURCE JUSTIFICATION FORM

“Sole Source” means a situation in which a contractor providing goods or services of such a unique nature or sole availability at the location required that the contractor is clearly and justifiably the only source to deliver the goods or services ([RCW 39.26.140](#)). Since the sole source contract does not benefit from competition, it is important to provide compelling answers to the following questions to facilitate evaluation.

- *What is the business need or problem that requires this contract?*
- *Describe the unique features, qualifications, abilities, or expertise of the contractor proposed for this sole source contract.*
- *What kind of market research did the UDPDA conduct to conclude that alternative sources were inappropriate or unavailable? Provide a narrative description of the UDPDA’s due diligence in determining the basis for the sole source contract, including methods used by the UDPDA to conduct a review of available sources. Include a list of businesses contacted, date of contact, method of contact, and documentation demonstrating why those businesses could not or would not perform the contract; or an explanation of why the UDPDA has determined that no businesses other than the prospective contractor can perform the contract.*
- *What considerations were given to providing opportunities in this contract for small businesses, including but not limited to unbundling the goods and/or services acquired?*
- *Provide a detailed and compelling description of the costs and risks mitigated by contracting with this contractor (i.e., learning curve, follow-up nature).*
- *Is the UDPDA proposing this sole-source contract because of exceptional circumstances such as confidential investigations, copyright restrictions, etc.? If so, please describe.*
- *Is the UDPDA proposing this sole-source contract because of unavoidable, critical time delays or issues that prevented the UDPDA from completing this acquisition using a competitive process? If so, please describe.*
- *Is the UDPDA proposing this sole-source contract because of a geographic limitation? If the proposed contractor is the only source available in the geographical area, state the basis for this conclusion and the rationale for limiting the size of the geographical area selected.*
- *What are the consequences of not having this sole source filing approved? Describe in detail the impact on the UDPDA and the services it provides if this sole source filing is not approved.*

IX. ADDITIONAL EXHIBITS

EXHIBIT 4 - UDDA/UDPDA Vendor Policy and Form

EXHIBIT 5 - Internal Bank Transfer Request Policy and Form

EXHIBIT 6 - Payment Request Form

EXHIBIT 7 - Mandatory Contract Disclaimer



New Vendor Setup and Vendor Updates Policy

1. Purpose

To establish consistent, transparent, and compliant procedures for setting up new vendors and updating existing vendor information to ensure accuracy, accountability, and prevent fraud.

2. Scope

This policy applies to staff responsible for vendor setup, vendor information updates, and accounts payable processing.

3. Responsibilities

- Finance Staff (FS): Collect vendor documents, enter data, and maintain records.
- CEO: Final approval for new vendor setup and updates.

4. Procedure

A. New Vendor Setup and Verification

- Form sent to vendor.
- Completed form and ancillary documents submitted to FS along with W9.
- FS confirms vendor is not a duplicate in the accounting system.
- FS confirms Tax ID match.
- FS confirms vendor is not on exclusion or sanction list (if applicable to grants).
- Verified paperwork reviewed/approved by CEO.
- Vendor is entered into the accounting system after approval.
- Vendor forms and documents are stored in the vendor contract file (electronic and paper).

B. Updating Vendor Information

- Form sent to vendor.
- Completed form and ancillary documents submitted to FS along with W9. *Note: Bank account change requires both past and current bank account information.*
- FS confirms vendor is not a duplicate in the accounting system.
- Verified paperwork reviewed/approved by CEO.
- Updated information is entered into the accounting system after approval.
- Vendor forms and documents are stored in the vendor contract file (electronic and paper).

C. Internal Controls

- No single individual may approve and enter vendor changes.
- Vendor-related documents must be securely stored and accessible only to FS and the CEO.



New Vendor and Existing Vendor Request Form

Instructions: Please complete this form if you are a new vendor or if there are any changes to your vendor information. Submit with supporting documentation to ajones@spokaneudistrict.org.

Section 1: Vendor Information

Vendor Name Per W9:	
Tax ID / EIN Per W9:	

Section 2: Update Type (check all that apply)

- New Vendor Add** (Please complete Contact Info and Banking Information)
 Existing Vendor Change (Please complete Contact Info and Banking Information)

Contact Information – New or Revised

Vendor Name:	
Phone:	
Email:	
Address:	

Banking Information – New or Updated (*circle one, unless bank info has not changed*)

Bank Name:	
Account Number:	
Routing Number:	
<input type="checkbox"/> Please Attach Voided Check or Bank Letter for Account	

Banking Information - Previous (*only required if a revision to the existing bank account*)

Bank Name:	
Account Number:	
Routing Number:	

Section 3: Vendor Authorization

I hereby certify that the information provided above is true and correct, and I authorize the UD to add/update information.

Authorized Vendor Signature:

Name/Title:

Date:

Section 4: Internal Use Only

Verified By:

Date:

Approved By:

Date:



Internal Bank Transfer Policy and Procedure

Purpose

This policy establishes guidelines and procedures for initiating, approving, and documenting internal bank transfers to ensure accuracy, security, and accountability in the management of UDDA/UDPDA's financial resources.

Scope

This policy applies to all employees and officers of the organization who initiate, review, and approve internal bank transfers between bank accounts.

Policy

1. Authorization Levels
 - Transfers of \$50,000 and above require approval by the CEO.
 - All transfers must have a completed Internal Bank Transfer Request Form before processing.
2. Segregation of Duties
 - The staff member initiating the transfer request cannot be the same individual who approves it.
 - The Finance Department is responsible for maintaining all supporting documentation.
3. Documentation and Recordkeeping
 - Each transfer must be supported by a completed request form, approval signatures, and bank confirmation.
 - Records must be retained for at least 7 years in accordance with nonprofit financial recordkeeping requirements.
4. Monitoring and Reporting
 - Monthly reconciliations must include a review of internal bank transfers.

Procedure

1. Request Initiation
 - Staff member completes the Internal Bank Transfer Request Form and submits it to the CEO.
2. Review & Approval
 - CEO signs off for final approval.
3. Processing Transfer
 - Finance staff processes the transfer using the organization's online banking system or by direct instruction to the bank.
 - Transfer confirmation/receipt is attached to the request form.
4. Filing & Reporting
 - Completed request forms with supporting documents are filed in the Finance Department.
 - Included in the monthly bank reconciliation and quarterly reporting.



Internal Bank Transfer Request Form

Section 1: Transfer Details

From Bank Account:

To Bank Account:

Transfer Amount: \$

Purpose of Transfer:

Section 2: Prepared By

Name: _____ Signature: _____

Title: _____ Date: _____

Section 3: Approval(s)

CEO (Required for transfers \$50,000 and above)

Name: _____ Signature: _____

Date: _____

Section 4: Transfer Processing

Processed By (Finance Staff):

Date Processed:

Please attach copy of bank transfer confirmation to this form



PAYMENT REQUEST FORM

Request Date: _____

Payee: _____

Payee is: (Please check one) Employee <input type="checkbox"/> Vendor <input type="checkbox"/> Contractor <input type="checkbox"/> Other <input type="checkbox"/>	Transaction Type Reimbursement <input type="checkbox"/> Stipend <input type="checkbox"/> Product <input type="checkbox"/> Other _____ Service <input type="checkbox"/> Refund <input type="checkbox"/>
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<i>Please attached your receipt and/or invoice to this form</i>				
Item Description	Expense Category	Class (Funding Source)	Project (if applicable)	Amount
TOTAL			\$	-

Requested By: _____ Date: _____

Approved By: _____ Date: _____

University District Public Development Authority (UDPDA)

Sole Source Justification Form

Procurement Need:

Contract Amount:

- **Describe the unique features, qualifications, abilities, or expertise of the contractor proposed for this sole-source contract.**
- **What kind of research did the UDPDA conduct to conclude that alternative sources were inappropriate or unavailable?**
- **Provide a detailed and compelling description of the costs and risks mitigated by contracting with this contractor (i.e., learning curve, follow-up nature).**
- **Is the UDPDA proposing this sole-source contract because of exceptional circumstances such as confidential investigations, copyright restrictions, etc.? If so, please describe.**
- **Is the UDPDA proposing this sole-source contract because of unavoidable, critical time delays or issues that prevented the agency from completing this acquisition using a competitive process? If so, please describe.**
- **Is the UDPDA proposing this sole-source contract because of a geographic limitation? If the proposed contractor is the only source available in the geographical area, state the basis for this conclusion and the rationale for limiting the size of the geographical area selected.**
- **What are the consequences of not having this sole-source filing approved? Describe in detail the impact on the UD and the services it provides if this sole source filing is not approved.**
- **What considerations were given to providing opportunities in this contract for small businesses, including but not limited to unbundling the goods and/or services acquired?**

University District - 2026 Work Plan Tracking

Strategic Plan			Community Development	Budgeted	Start	End	Status	Update	Key Dates
1	3.1.2	400-Block in partnership with Avista Development		\$20,000	Q1 2026	Q4 2026		Working on non-binding agreement with Avista for RFQ release by March 2.	3/2/2026
2	2.4.1, 3.1.1	U Incubation Village Pre-Design Study Completion and Community Partner Roundtables		\$55,705 (carryover)	Q1 2026	Q4 2026		Requesting scope change via CERB Board. Waiting for approval in mid-March to move with remaining phases.	CERB grant complete at EO 2026
3	1.1.1, 1.1.2	District Living Infrastructure Framework and Development Guidelines Phase II		\$40,000	Q1 2026	Q2 2026		Biohabitats presented to EAC. Work to begin on design guidelines.	Final Board presentation in May 2026
4	1.1.2, 1.1.4, 1.1.5, 1.1.7	Nature-Based Infrastructure and Complete Street Pre-Design (Superior/Springfield)		\$75,000 (carryover)	Q2 2026	Q4 2026		Waiting on completion of District Living Infrastructure framework prior to releasing RFP for pre-design.	EO 2026
5	1.1.2	UD Ecological Development Tool: Feasibility Testing for Software Development		\$15,000	Q1 2026	Q3 2026		Meeting with IntelliText on March 4.	EO 2026
6	2.4.1, 3.1.9	Host community partners discussion around possible people's choice grocer (retail food bank model) along Division Street		\$500	Q3 2026	Q3 2026		Working to get April meeting scheduled.	
7	1.4	Conduct parking layout study for South Sub-Area in legislated blocks		\$15,000	Q2 2026	Q3 2026		Will start in Q2.	
8	3.1.4	Supporting work of SLIC and Spokane Alliance where needed around development of regional Housing Production Fund		\$0	Q1 2026	Q4 2026		Met with SLIC and Spokane Alliance staff around developing a regional \$200 million revolving housing loan fund for mixed income developments.	
Economic Development			Budgeted	Start	End	Status	Update	Key Dates	
1	Overarching	Grant writer for State, Federal, and local grants in alignment with U Vision 2044 Strategies and develop database around district metrics and data for grant writing access.		\$30,000	Q1 2026	Q4 2026		Awarded \$343,000 Dept of Commerce Energy Siting and Permitting grant. Working through contract approval process with Commerce. Work to start April 6.	Varies
3	3.4	Banner implementation along Hamilton		\$15,000	Q2 2026	Q4 2026		Will start in Q2. Working to replace 14 windstorm-damaged banners on MLK Jr Way.	Fall 2026
4	1.4	First Avenue Parking Angled Parking Pilot		\$10,000	Q3 2026	Q4 2026		Will start in early Q3, after South Sub-Area layout plan complete.	Fall 2026
5	1.1.1, 1.1.2	Pacific Avenue Ongoing Maintenance of Nature-Based Infrastructure (6 months)		\$8,000	Q3 2026	Q4 2026		City staff requesting feedback on landscaping plan. Biohabitats drafting a review/one page memo.	Fall 2026
Marketing & Communications			Budgeted	Start	End	Status	Update	Key Dates	
1	1.1.8, 2.2.2, 2.5.2, 3.1	Outreach Materials; 4 cutsheets and vision document		\$15,750	Q2 2026	Q4 2026		Funding for three outreach cutsheets. Will start in Q2.	
2	1.1.8, 2.2.2, 2.5.2, 3.1	Juliet to develop a TED Talk; Speaking Support and Graphics		\$12,000	Q1 2026	Q3 2026		Bringing on TED Talk speaker support for \$3000 flat fee.	Apply before May
3	3.1.1	Website Development: Photography and Illustrations		\$25,000	Q3 2026	Q4 2026		Waiting on new Marketing & Communications Manager to lead.	Spring and Fall 2026

Notes: Black: Focus Area; Blue: Dependent on Others