



**NORTH ALLEGHENY
SCHOOL DISTRICT**

SECTION:	FINANCE
TITLE:	FEDERAL FISCAL COMPLIANCE
ADOPTED:	4/20/16
REVISED:	7/18/18

626 – FEDERAL FISCAL COMPLIANCE

Section 1. Authority

- a. The Board shall ensure federal funds received by the School District are administered in accordance with federal requirements, including, but not limited to the federal Uniform Grant Guidance.
- b. The Board shall review and approve all applications for federal funds submitted by the District.

Section 2. Definitions

- a. Reasonable Cost - a cost is reasonable if, in the nature and amount, it does not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision was made.
- b. Necessary Cost - necessary is determined based on the needs of the program. Specifically, the expenditure must be necessary to achieve an important program objective.
- c. Allowable to the Federal Award - a cost is allowable to the federal award if the goods or services involved are chargeable or assignable to the federal award in accordance with the relative benefit received.
- d. Reimbursements - the District will initially charge federal grant expenditures with a project code to enable tracking and ease in reporting for reimbursement.
- e. Advances - to the extent the District receives advance payments of federal funds, the District will attempt to expend all draw downs of federal funds within the allotted time frame of the grant.
- f. Micro-purchases - a purchase of services using simplified acquisition procedures, the aggregate amount of which does not exceed the threshold. The threshold for January 2016 is \$10,500, established and adjusted periodically by the federal government.

Authority 2 CFR

Pol. 000

2 CFR
Sec. 200.405

2 CFR
Sec. 200.323(a)

g. Small Purchase Procedures - are relatively simple and informal procurement methods for securing services, supplies, or other property that cost within the threshold established and adjusted periodically.

If small purchase procedures are used, price or rate quotations must be obtained from at least three (3) qualified sources.

h. Sealed Bids – for purchases over the threshold established and adjusted annually by the state, bids are publically solicited and a firm fixed price contract (lump sum or unit price) is awarded to the reasonable bidder whose bid, conforming with all the material terms and conditions of the invitation bids, is the lowest price.

2 CFR
Sec. 200.405

i. Competitive Proposals -the technique of competitive proposals is normally conducted with more than one source submitting an offer, and either a fixed price or cost-reimbursement type contract is awarded. It is generally used when conditions are not appropriate for the use of sealed bids.

j. Contract/Price Analysis – analysis performed in connection with every procurement action in excess of the Sealed Bid threshold, including contract modifications. A cost analysis generally means evaluating the separate cost elements that make up the total price, while a price analysis means evaluating the total price, without looking at the individual cost elements.

k. Noncompetitive Proposals (Sale Sourcing) - procurement through solicitation of a proposal from only one source and may be used only when one or more of the following circumstances apply:

1. The item is available only from a single source.
2. The federal awarding agency or pass-through entity expressly authorizes noncompetitive proposals in response to a written request from the District.
3. After solicitation of a number of sources, competition is determined inadequate.

Section 3. Delegation of Responsibility

a. The Board designates the Superintendent or designee as the District contact for all federal programs and funding.

b. The Superintendent or designee shall develop administrative procedures governing the procurement, use, management and disposal of goods, materials, and equipment purchased with federal grant funds. At a minimum, the administrative procedures shall provide procedures to ensure:

1. Expenditures of federal grant funds must be aligned with approved budgeted items.

2 CFR
 Sec. 200, 3474

- 2. Title to and control of location, custody, and security of equipment and/or property purchased with federal funds are maintained.
- c. The Superintendent or designee will review the proposed cost to determine whether it is an allowable use of federal grant funds before obligating and spending those funds on the proposed good or service.
- d. The Director of Finance or designee shall track and document all federal programs expenditures and verify budgetary information required for those programs.
- e. All District employees paid with federal funds shall document the time they expend towards federal programs, in accordance with law.

Section 4. Guidelines

- a. The District’s financial management system shall be designed with strong internal controls, a high level of transparency and accountability, and documented procedures to ensure that all financial management system requirements are met.
- b. Financial management standards and procedures shall assure that the following responsibilities are fulfilled:
 - 1. Identification – the District must identify, in its accounts, all federal awards received and expended, and the federal programs under which they were received.
 - 2. Financial Reporting – accurate, current, and complete disclosure of the financial results of each federal award or program must be made in accordance with the financial reporting requirements of the Education Department General Administrative Regulations (EDGAR).
 - 3. Accounting Records – the District must maintain records which adequately identify the source and application of funds provided for federally-assisted activities.
 - 4. Internal Controls – effective control and accountability must be maintained for all funds, real and personal property and other assets. The District must adequately safeguard all such property and must assure that it is used solely for authorized purposes.
 - 5. Budget Control – actual expenditures or outlays must be compared with budgeted amounts for each federal award. Procedures shall be developed to establish determination for allowability of costs for federal funds.
 - 6. Cash Management – the District shall maintain written procedures to

<p>Pol. 827</p> <p>Pol. 317</p> <p>2 CFR Sec. 200.430</p> <p>Pol. 626.1</p> <p>Pol. 304, 319, 336, 337, 624, 813</p> <p>2 CFR Sec. 75.730-75, 732, 76.730-76-731 Pol. 800</p>	<p>implement the cash management requirements found in EDGAR.</p> <p>7. Allowability of Costs – the District shall ensure that allowability of all costs charged to each federal award is accurately determined and documented.</p> <p><u>Standards of Conduct</u></p> <p>a. The District shall maintain standards of conduct covering conflicts of interest and the actions of employees and school officials engaged in the selection, award and administration of contracts.</p> <p>b. All employees shall be informed of conduct that is required for federal fiscal compliance and the disciplinary actions that may be applied for violation of Board policies, administrative procedures and rules.</p> <p><u>Employees - Time and Effort Reporting</u></p> <p>a. All District employees paid with federal funds shall document the time they expend in work performed in support of each federal program, in accordance with law. Time and effort reporting requirements do not apply to contracted individuals.</p> <p>b. District employees shall be reimbursed for travel costs incurred in the course of performing services related to official business as a federal grant recipient.</p> <p>c. The District shall establish and maintain employee policies on hiring, benefits, leave, and outside activities, as approved by the Board.</p> <p><u>Record Keeping</u></p> <p>a. The District shall develop and maintain a Records Management Plan and related Board policy and administrative procedures for the retention, retrieval, and disposition of manual and electronic records, including emails.</p> <p>b. The District shall ensure the proper maintenance of federal fiscal records documenting:</p> <ol style="list-style-type: none"> 1. Amount of federal funds 2. How funds are used 3. Total cost of each project 4. Share of total cost of each project provided from other sources
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<p>2 CFR Sec. 200.336</p>	<p>5. Other records to facilitate an effective audit</p> <p>6. Other records to show compliance with federal program requirements</p> <p>7. Significant project experiences and results</p> <p>c. All records must be retrievable and available for programmatic or financial audit.</p> <p>d. The District shall provide the federal awarding agency, Inspectors General, the Comptroller General of the United States, and the pass-through entity, or any of their authorized representatives, the right of access to any documents, papers, or other District records which are pertinent to the federal award. The District shall also permit timely and reasonable access to the District’s personnel for the purpose of interview and discussion related to such documents.</p> <p>e. Records shall be retained for a minimum of five (5) years from the date on which the final Financial Status Report is submitted, or as otherwise specified in the requirements of the federal award, unless a written extension is provided by the awarding agency, cognizant agency for audit, oversight agency for audit or cognizant agency for indirect costs.</p>
<p>2 CFR Sec. 200.333</p>	<p>f. If any litigation, claim, or audit is started before the expiration of the standard record retention period, the records shall be retained until all litigation, claims, or audits have been resolved and final action taken.</p> <p>g. As part of the Records Management Plan, the District shall develop and maintain a Records Retention Schedule, which shall delineate the record retention format, retention period, and method of disposal.</p>
<p>2 CFR Sec. 200.333</p>	<p>h. The Records Management Plan shall include identification of staff authorized to access records, appropriate training, and preservation measures to protect the integrity of records and data.</p>
<p>Pol. 800</p>	<p>i. The District shall ensure that all personally identifiable data protected by law or regulations is handled in accordance with the requirements of applicable law, regulations, Board policy, and administrative procedures.</p>
<p>Pol. 113.4, 216, 324</p>	<p><u>Subrecipient Monitoring</u></p> <p>In the event that the District awards subgrants, the District shall establish procedures to:</p> <ol style="list-style-type: none"> 1. Assess the risk of noncompliance. 2. Monitor grant subrecipients to ensure compliance with federal, state, and local laws and Board policy and procedures.

<p>2 CFR Sec. 200.330-200.331</p> <p>Pol. 800</p>	<p>3. Ensure the District’s record retention schedule addresses document retention on assessment and monitoring.</p> <p><u>Compliance Violations</u></p> <p>Employees and contractors involved in federally funded programs and subrecipients shall be made aware that failure to comply with federal law, regulations or terms and conditions of a federal award may result in the federal awarding agency or pass- through entity imposing additional conditions or terminating the award in whole or in part.</p> <p><u>References:</u> Uniform Administrative Requirements for Federal Awards, Title 2, Code of Federal Regulations – 2 CFR Part 200</p> <p>Department of Education Direct Grant and State-Administered Programs, Title 34, Code of Federal Regulations – 34 CFR Part 75, Part 76</p> <p><u>Board Policies:</u> 000, 113.4, 216, 304, 317, 319, 324, 336, 337, 431, 524, 626.1, 800, 827</p>
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