SUPPORTING SCHOOLS AND STUDENTS TO ACHIEVE

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Writing Policies and Procedures due to the Uniform Grant Guidance (UGG)

EDGAR

What is EDGAR?

It stands for Education Department General Administrative Regulations.

The USDE's unofficial compilation of administrative requirements for grants.

What is NEW?

On December 19, 2014 the US Department of Education (ED) released the newly updated EDGAR. This change was due to the Office of Management and Budget's (OMB) publications of the final Uniform Administrative Requirements, which consolidated OMB circulars a-21, A-87, A-102 and A-122, A-133 into a uniform set of rules.
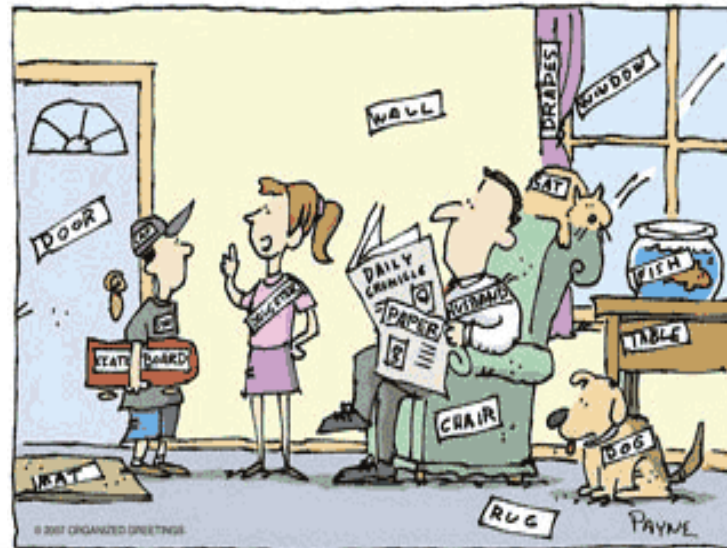
http://www.ecfr.gov/cgi-bin/text-idx?SID=6214841a79953f26c5c230d72d6b70a1&tpl=/ecfrbrowse/Title02/2cfr200_main_02.tpl

What else is NEW?

Pursuant to EDGAR, some of the policies and procedures MUST be in writing: Procurement (2 C.F.R. § 200.318), Cash Management (2 C.F.R. § 200.302 (6) and Allowable Costs (2 C.F.R. § 200.302 (7)).

LOOKS LIKE mom GOT A LABEL MAKER.

For those of us who do not feel like they are writers and or could draft your LEA's policies and procedures, we offer the following template to help guide you.

Writing Policies and Procedures Template

http://www.sde.idaho.gov/federal-programs/funding/index.html (also printed handouts)

The template describes in detail grant management standards:

- Cash management procedures
- Allowability Rules
- Procurement Policies
- Property Management Protocols
- Time and Effort
- Record Retention Requirements

It is available to the Public at no cost!

Writing Policies and Procedures Template

The Template

Federal rules require State-level and District-level requirements and policies regarding expenditures to be followed.

- The stricter LEA or State guidance must be followed.

- The template has already been adjusted to reflect State caps.

- Action needed! Now the template has to be adjusted to reflect your LEA's caps.

Handout: Questions and Answers Regarding Writing Policies and Procedures

Two of the most frequently asked questions:

1. What is the difference between Policies and Procedures?

> ***Policies*** *~ formal guidance ~may require an adoption by a school board or other governing body.*
>
> ***Procedures*** *~ steps~ don't require formal adoption by a governing body.*

2. How do we know which sections require written procedures and which sections require written policies?

> *The template headings already specify which one is which.*

Handout: Questions and Answers Regarding Writing Policies and Procedures

- Keep the handout handy, you may find answers to some of your questions. Most recently asked questions will be reviewed later.

- Let's move to the actual template and fill in the blanks. Get your pencils ready!

Filling in Highlighted Blanks

Financial Management System (pages 4-6)

Wendy Lee

Financial Management System

Federal Regulations require grantees to use fiscal controls and fund accounting procedures that assure proper disbursement of and accounting for federal funds, and perform and expend funds in accordance with the grant agreement and applicable laws, regulations rules and guidelines. (34 CFR 76.702 and 2 CFR 200.300-302). **(page 4)**

Financial Management Requirements include:
- Local, State, & SDE Policies
- Federal Regulations
- Idaho Code
- IDAPA Rules
- GAAP
- Idaho Financial Reporting Management System (IFARMS)

Financial Management System
Other Key Elements

Must have and maintain a proper financial system, for identification and tracking of federal funds **(page 6).**

Having a good system ensures that
- accurate tracking and reporting is occurring
- you are meeting federal and state requirements

Must demonstrate to have good fiscal controls and procedures in place
- Must maintain good internal controls that document and demonstrate:
  - Effective and efficient operations
  - Adequate safeguarding of property
  - Assurance that money is spent in accordance to the grant program requirements
  - Compliance standards are met

Must demonstrate to have good budget controls and ability to properly manage federal funding

Financial Management / Accounting System:
Filling in the Blanks

Cash Management and Allowable Costs fill in the **page 7.**

B. Overview of the Financial Management / Accounting System

Describe your system and how it works
- Name of your system: *(2M, Skyward, Infinite Visions, Cougar, etc.)*
- Identify if your system provides a direct interface with your procurement, budget, inventory systems, and accounts payable.
- Identify how you track the CFDA title and number, federal award identification number and year, name of the federal agency, and pass-through entity (SDE).
  - Identify how the federal funds are identified within the system
    - Title, IDEA, Child Nutrition, etc.

- *Note: For those of you that still report VIB Funds – this is inaccurate and does not match up to the federal IDEA Part B funding – change your system.*

Financial Management / Accounting System:
Filling in the Blanks

Reporting

Identify what position is responsible for preparing timely and accurate financial reports.

Identify what are the procedures and review and approval of financial information and data.
- Who and the process

Identify how your reports are prepared and submitted as specified by the financial reporting clause for each grant or contract award document:
- These reports must include monthly and cumulative expenditures, project budgets, and a balance remaining column.

Financial Management / Accounting System:
Filling in the Blanks

C. Budgeting (page 8):

Describe the budgeting process that occurs:

- Who is involved (Program Director, Business Manager, Superintendent)
- What are your timelines
- What are the steps involved
- What account numbers and codes are used
- What are your Objectives for the funding

Reviewing and Approving the Budget (page 9):

- Who and the process the District uses to review and approve the budget
- Identify timelines and staff involved
- Who reviews and determines unallowable costs and other grant specific requirements

Post Award and Budget Amendments (page 9):

- Identify process for finalizing budget amendments and notification process.

Financial Management / Accounting System:
Filling in the Blanks

D. Accounting Records (page 10):
- Describe your accounting process and recordkeeping
  - Who is responsible for maintaining the records, who reviews and who approves.
  - Describe journal entry process.
  - Describe chart of accounts: you can import the IFARMS chart of accounts and any variations and or additions you might have.

E. Spending Grant Funds (page 10):
- Identify who in the office tracks the direct and indirect allowable costs.
- Identify how you determine if a cost is allowable.

- **Indirect Cost Rate (page 10):**
  - Identify your district name and whether or not you do apply for the indirect cost rate and also apply those costs against your federal award.
    - Be sure to identify which federal awards.

Determining Allowability of Costs (page 13)
Elmira Feather

Determining Allowability of Costs

General Requirements apply to all Federal grants **(pages 13-15)**
 ~Reasonable ~Necessary~ Allocable

LEA vs Federal and State Cost Guidelines
• The stricter to be followed **(page 15)**

Travel (page 15)
• The SDE references
• Example

The costs must be consistent with the State or LEA's established policy. 2 C.F.R §200.474(b).
The stricter policy must be followed.

The State Department of Education adheres to the State Travel Policies and Procedures as approved by the State Board of Examiners. Reference link
http://www.sco.idaho.gov/web/sbe/sbeweb.nsf/pages/trvlpolicy.htm

Insert a sentence directing the reader to the LEA's travel policies. A typical travel policy addresses the types of travel, including single day travel, overnight travel, out-of-state travel, what expenses may be reimbursed, and what type of documentation is needed for reimbursement. As always, ensure that this travel policy conforms to State and local laws.]

Space for notes during 6/29/2016 writing workshop (to be deleted)
What policies does your LEA follow?

Example 1: ....Travel advances will not be issued, as P-Cards (see page__ for more information about P card purchases) should be used to make all required purchases other than meals. Meals will be reimbursed after the fact.....

Example 2: .....The federal and state cost principles allow for reimbursement for meals on a per diem basis, whether or not the employee actually spends the entire per diem. The LEA, however, allows for reimbursement of meals at actual costs, not to exceed the federal rate, or local policy, whichever is less....

Determining Allowability of Costs

Selected Items of Cost apply to all grants **(page 16).**

The selected item of cost addressed in Part 200 includes the following (in alphabetical order):

Item of Cost	Citation of Allowability Rule
Advertising and public relations costs	2 CFR § 200.421
Advisory councils	2 CFR § 200.422
Alcoholic beverages	2 CFR § 200.423
Alumni/ae activities	2 CFR § 200.424
Audit services	2 CFR § 200.425
Bad debts	2 CFR § 200.426
Bonding costs	2 CFR § 200.427
Collection of improper payments	2 CFR § 200.428
Commencement and convocation costs	2 CFR § 200.429
Compensation – personal services	2 CFR § 200.430
Compensation – fringe benefits	2 CFR § 200.431
Conferences	2 CFR § 200.432

Determining Allowability of Costs

What resources does your LEA use when training new staff **(page 19)?**

- Manuals
- Handbooks
- Verbal training
- USDE Guidance
- The SDE resources

State Department of Education Resources

IDEA part B
http://www.sde.idaho.gov/sped/funding/

Title I-A Allowable vs Unallowable (Fiscal compliance tab):
http://www.sde.idaho.gov/federal-programs/funding/index.html

Title II-A Allowable Activities
http://www.sde.idaho.gov/federal-programs/teacher/index.html

Title I-C Non-Regulatory Guidance
http://www.sde.idaho.gov/el-migrant/migrant/files/general/Title-I-C-Non-Regulatory-Guidance.pdf

Title III-Program Guidance
http://www.sde.idaho.gov/el-migrant/el/index.html

[Enter LEA's links if available]

Federal Cash Management Policy/Procedures
(page 21)

Wendy Lee

Federal Cash Management Policies and Procedures

Payment Methods (page 21):

Identify who at the district will request reimbursements
- Program Director
- Business Manager
- Administrator/Superintendent

Identify frequency of reimbursement requests and or drawdowns (GRA)
- Monthly
- Quarterly
- *Anything more than quarterly will identify the district as high-risk and <u>will require</u> additional information.*

Identify any other requirements or district controls regarding federal drawdowns, and or required source documentation that is filed and or archived with each request. Expand on your process

Timely Obligation of Funds (page 22)

Elmira Feather

Timely Obligation of Funds

- **When Obligations are Made (page 22)**

    Obligation table from EDGAR applies to all Federal grants **(page 23).**

- **Encumbrance Accounting** is used to avoid over/under expenditure **(page 23).**

[Delete if it does not apply: In addition, the LEA system requires *encumbrance* accounting. The amount *committed (or obligated)* must also be known to avoid over-expenditure of budgeted funds. An *encumbrance* accounting system is a method of ascertaining the availability of funds and then reserving funds to cover outstanding obligations.

Timely Obligation of Funds

Period of Performance of Federal Funds

- State-Administered Grants (also known as pass-through grants) which are available for **27** months. *Description is already included* **(page 23).**

- State-Administered Grants available for **less than 27 months**. *List all applicable grants* **(page 24).**

- Carryover procedures and waiver procedures for all ESSA grants. *Description is already included* **(page 25).**

- Must liquidate within 90 days **(page 24).**

Direct Grants. If your LEA receives direct grants, fill in the blanks **(page).**

Procurement System Procedures (page 29)
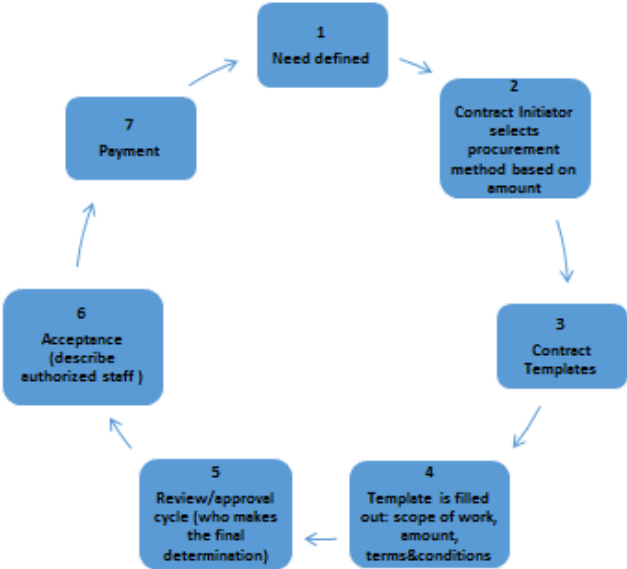## *Elmira Feather*

Procurement System Procedures

Responsibility for Purchasing (page 29)

Enter LEA's procurement/purchasing initiation process or chart.

Contract Initiation Chart or Description

Procurement System Procedures

Purchase Methods (pages 29-30)

Table with State Caps

$0 to $3,500- Micro

$3,501 to $24,999- Small

$25,000 to $49,999- Large

$50,000 and above- Formal Bidding

Your LEA's Caps are most likely more restrictive.

The LEA must follow whichever regulations are the most restrictive.

Procurement System Procedures

Purchase Cards or LEA Issued Credit Cards (page 34)

Example:

C. Purchase Cards (LEA-Issues Credit Cards)

[If the LEA uses purchase cards, insert purchase card policy here. Describe what positions are provided with a procurement card. Provide detail on what types of purchases can be made (e.g., gas, hotels or other travel expenses) and the maximum amount that can be charged. Describe the documentation that must be maintained for purchases made with purchase cards. Describe what controls are in place to ensure that procurements made with purchase cards are compliant with federal cost principles. For example, are card statements reviewed by another individual? If this individual finds a suspicious purchase, what is the protocol? What is the mechanism to obtain refunds from individuals who do not use a purchase card correctly?] See example below.

Example

.....The P-Card system allows for predetermined authority on spending limits for cardholding employees; however it is required that the cardholder receive advance approval for all travel and highly recommended that they receive it for all other purchases. Approval should include what is being purchased, how much it will cost, and why it is necessary.

The LEA's superintendent, business manager, human resources director, and procurement director work together to set and enforce policies and procedures. Misuse and abuse will not be tolerated.

In accordance with suggested procedures [insert references] the LEA:

- Holds reviewers of credit card purchases to the same standards as cardholders.
- Applies the same set of rules to all card users, although spending limits may vary.
- Restricts card usage by spending limits, unauthorized merchant category codes, and time of use to business hours.
- Issues cards to employees only after they have completed training on the purchasing card program.

Procurement System Procedures

Debarment and Suspension (page 37)

Requirement: the LEA may not subcontract with or award subgrants to any person or company who is debarred or suspended *(can be part of a contract terms and conditions).*

For all contracts over $25,000 –need to verify. ***Describe*** how is it done. See example **(page 37).**

[How is this done (i.e checking the excluded parties list on Sam.gov; collecting a certification; through a clause or condition to the covered transaction)? Who is responsible for the verification?]

For example: LEA checks Excluded Parties List System database maintained by the Federal government at https://www.epls.gov , and checks the Idaho State Repository: https://www.idcourts.us/repository/start.do to ensure the person or company is neither debarred or suspended prior to awarding the contract.

Property Management Systems (page 41)
Wendy Lee

Property Management Systems

Property Classifications (page 41):
Identify any state and or local classifications that may vary from the federal property definitions.

Inventory Procedure (page 42):
- Identify your inventory process: when purchase, received, reviewed, and other information. How is the property logged into the property management system? What is the process: is it tagged who performs the tagging – who delivers and or installs, etc.

Inventory Records (page 42):
- Identify who is responsible, and how it is maintained.

Physical Inventory (page 42):
- Performed at least yearly, by how, and who performs that inventory, and how is it reconciled against each federal/state program
See example **(page 43).**

Maintenance (page 43):
- How is property kept in good condition, and what restrictions have been placed on the property?

Lost or Stolen Items (page 43):
- Identify your safeguards in place to limit theft.
- Identify procedures of lost or suspected stolen items and who is notified and under what conditions are the police called.
- Identify disposition timeline on lost and or stolen items.

Use of Equipment (page 44):
- Review the standards and list any District procedures for the transfer of equipment between program and projects, including approval from SDE.
  - Example: Braille machine

Disposal of Equipment (page 44):
- Fill in position or identify who is responsible for disposition of federal property.
- Insert sale procedures and guidelines.

Time and Effort Procedures (page 46)
Elmira Feather

Time and Effort Procedures

Certification Requirement (semi-annuals and PARs): All employees who are paid in full or in part with federal funds must keep documents to demonstrate the amount of time they spent on grant activities.

New: PARs may go away if records are supported by a system of internal controls which provides reasonable assurance **(page).**

Recommended: no change to your time and effort system until further guidance are provided **(page 46).**

Time and Effort Procedures

Time and Effort Requirements/Standards **(page 46)**

Reconciliation Requirement/Standards **(page 47)**

Employee Exits Requirements/Standards **(page 48)**

Example of written Time and Effort process for an LEA **(pages 48-57)**

- *Have you heard about the Substitute System (page 50)?*
- *Reconciliation-more flexibility (page 50).*
- *The same form can be used for semi-annuals and PARs (pages 52-53).*
- *Semi-annuals can be signed by supervisors only (page 49 and 52).*

Time and Effort Procedures

Reconciliation Requirements: (page 50).

- Example offers more flexibility

  If the difference between budgeted and actual-
  less than 10% -**quarterly reconciliation**
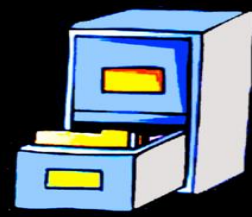 above 10%-**monthly reconciliation**

Record Keeping (page 58)
Wendy Lee

Record Keeping

Record Retention (page 58):

Identify how your records are destroyed and how inventory therefore gets updated with that destruction of records.

Collection and Transmission of Records-
Paper or Electronic?

Privacy
Describe your FERPA policies for confidential student and employee information, how it is kept and how it is managed.

FAQ

Resources

LEA Policies and Procedures Template:
http://www.sde.idaho.gov/federal-programs/funding/index.html
Located under: *New Uniform Grant Guidance*
or
http://www.sde.idaho.gov/sped/funding/ Located under: *Resource Information*

Federal Register
https://www.gpo.gov/fdsys/pkg/FR-2014-12-19/pdf/2014-28697.pdf

Electronic code of Federal Regulations
http://www.ecfr.gov/cgi-bin/text-idx?SID=2fc96b98fd6e634050df119454d56e95&tpl=/ecfrbrowse/Title02/2cfr200_main_02.tpl

Federal Programs – Education Department General Administrative Regulations Manual for Frenship Independent School District in Texas
http://www.frenship.us/cms/lib3/TX01917862/Centricity/Domain/42/Federal%20Programs%20EDGAR%20Manual%20-%20PDF.pdf

When your manual is complete..