

**LUZERNE
INTERMEDIATE
UNIT #18**

**SECTION: FINANCES
TITLE: FEDERAL FISCAL COMPLIANCE
ADOPTED: APRIL 26, 2017
REVISED:**

626. Federal Fiscal Compliance	
1. Authority	<p>The Board shall ensure federal funds received by the Intermediate Unit are administered in accordance with federal requirements, including but not limited to the federal Uniform Grant Guidance. [1]</p> <p>The Board shall review and approve all applications for federal funds submitted by the Intermediate Unit.</p>
2. Delegation of Responsibility	<p>The Board designates the Executive Director as the Intermediate Unit contact for all federal programs and funding.</p> <p>The Executive Director or designee, in collaboration with the Federal Programs Coordinator and Business Manager, shall establish and maintain a sound financial management system to include internal controls and federal grant management standards covering the receipt of both direct and state-administered federal grants, and to track costs and expenditures of fund associated with grant awards. [1].</p> <p>The Executive Director, to assist in the proper administration of federal funds and implementation of this policy, may approve additional procedures as attachments to this policy.</p>
3. Guidelines	<p>The Intermediate Unit’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.</p> <p>Financial management standards and procedures shall assure that the following responsibilities are fulfilled:</p> <ol style="list-style-type: none"> 1. Identification – the Intermediate Unit 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 Intermediate Unit 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 Intermediate Unit 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. Procedure shall be developed to establish determination for allowability of costs for federal funds.
6. Cash Management – The Intermediate Unit shall maintain written procedures to implement the cash management requirements found in EDGAR.
7. Allowability of Costs – the Intermediate Unit shall ensure that allowability of all costs charged to each federal award is accurately determined and documented.

Standards of Conduct

The Intermediate Unit 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. [2]

All employees shall be informed of conduct that is required for federal fiscal compliance and disciplinary actions that may be applied for violation of Board policies, administrative regulations, rules and procedures. [3]

Employees – Time and Effort Reporting

All Intermediate Unit 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. [4]

Intermediate Unit employees shall be reimbursed for travel costs incurred in the course of performing services related to official business as a federal grant recipient. [5]

The Intermediate Unit shall establish and maintain employee policies on hiring, benefits and leave and outside activities, as approved by the Board. [6][7][8][9][10][11]

Record Keeping

The Intermediate Unit shall develop and maintain a Records Management Plan and related Board policy and administrative regulations for the retention, retrieval and disposition of manual and electronic records, including emails. [12][13]

The Intermediate Unit shall ensure the proper maintenance of federal fiscal records documenting: [13][14][15]

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.
5. Other records to facilitate an effective audit.
6. Other records to show compliance with federal program requirements.
7. Significant project experiences and result.

All records must be retrievable and available for programmatic or financial audit.

The Intermediate Unit 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 Intermediate Unit records which are pertinent to the federal award. The Intermediate Unit shall also permit timely and reasonable access to the Intermediate Unit's personnel for the purpose of interview and discussion related to such documents. [16]

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. [17]

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. [17]

As part of the Records Management Plan, the Intermediate Unit shall develop and maintain a records retention schedule, which shall delineate the record retention format, retention period and method of disposal. [13]

The Records Management Plan shall include identification of staff authorized to access records, appropriate training, and preservation measures to protect

<ol style="list-style-type: none"> 1. 2 CFR Part 200 2. Pol. 827 3. Pol. 317 4. 2 CFR 200.430 5. Pol. 626.1 6. Pol. 304 7. Pol. 319 8. Pol. 336 9. Pol. 337 10. Pol. 624 11. Pol. 813 12. 2 CFR 200.333-200.337 13. Pol. 800 14. 34 CFR 75.730-75.732 15. 34 CFR 76.730-76.731 	<p>the integrity of records and data. [13]</p> <p>The Intermediate Unit 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 regulations. [18][19][20]</p> <p><u>Subrecipient Monitoring</u></p> <p>In the event that the Intermediate Unit awards subgrants, the Intermediate Unit shall establish procedures to : [21]</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. 3. Ensure the Intermediate Unit’s record retention schedule addresses document retention on assessment and monitoring [13] <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. [22][23]</p>
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<p>16. 2 CFR 200.336</p> <p>17. 2 CFR 200.333</p> <p>18. Pol. 113.4</p> <p>19. Pol. 216</p> <p>20. Pol. 324</p> <p>21. 2 CFR 200.330-200.331</p> <p>22. 2 CFR 200.338</p> <p>23. 2 CFR 200.339</p> <p>34 CFR Part 75</p> <p>34 CFR Part 76</p> <p>Pol. 610</p> <p>Pol. 611</p> <p>Pol. 612</p> <p>Pol. 613</p> <p>Pol. 625</p>	
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