



POLICIES & PROCEDURES

NDE Office of Budget &
Grants Management

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Policies & Procedures

- What are they?
 - Federal guidance requires each subrecipient to have written policies and procedures for their respective district/ESU which outline how their district/ESU conducts business.
 - Federal guidance has identifies several policies/procedures which are required to be included.
- Why are they needed?
 - If you receive Federal grants, you *MUST* comply with all regulations and guidance.
 - This ruling applies to *ALL* federal grants.

Policies & Procedures

- Consequences of NOT having these policies/procedures:
 - Repayment of any federal funds that have been paid

Policies & Procedures

- Required policies/procedures which you *MUST* include in your district/ESUs
- With CARES Act, each subrecipient *MUST* have a policy pertaining to Unexpected or Extraordinary Circumstances
- 2CFR 200
 - Section 81.31 Measure of Recovery
 - 200.213 – Suspension & Debarment
 - 200.302 – Financial Management
 - 200.306 – Cost Sharing and Matching
 - 200.307 – Program Income
 - 200.313 & 200.33 – Equipment

Policies & Procedures

- 200.317-316 – Procurement
- 200.333 – Record Retention
- 200.430 – Compensation – Personal Services
- 200.430(i) – Standards for Documentation of Personnel Services
- 200.431 – Fringe Benefits

2 CFR 200

- 2 CFR 200 is the Guiding Policy for ALL Federal grants
- Recipients of Federal grants are required to comply with all of the following

UNEXPECTED OR EXTRAORDINARY CIRCUMSTANCES

- For all Federal grants:
 - If a grantee or sub-grantee does not currently have in place a policy that addresses extraordinary circumstances, such as those caused by COVID-19, the grantee/sub-grantee may Amend or Create a policy in order to put emergency contingencies in place for Federal and non-Federal similarly situated employees.
 - If conditions exist for charges to be made to the Federal grant, charges may also be made to any non-Federal sources that are used by a grantee or sub-grantee in order to meet a matching requirement.
 - Need a policy or procedure to ensure that federal expenditures during the unexpected or extraordinary circumstances is allowable.



Section 81.31

MEASURE OF RECOVERY

- A recipient that makes an unallowable expenditure or otherwise fails to discharge its obligation to account properly for funds shall return an amount that
 - Excludes any amount expended in a manner not authorized by law more than 5 years before the recipient received the notice of a disallowance decision under section 81.34



2 CFR 200.213

SUSPENSION AND DEBARMENT

- Restrict awards, subawards, and contracts with certain parties that are debarred, suspended, or otherwise excluded from or ineligible for participation in Federal assistance programs or activities
- www.sam.gov
- Must retain a copy of the suspension/debarment results



2 CFR 200.302

FINANCIAL MANAGEMENT

- Policies and procedures to include:
 - Identification, in its accounts, of all Federal awards received and expended and the Federal programs under which they were received
 - Accurate, current, and complete disclosure of the financial results of each Federal award or program in accordance with reporting requirements
 - Records that identify adequately the source and application of funds for federally-funded activities
 - Effective control over, and accountability for, all funds, property, and other assets
 - Comparison of expenditures with budget amounts for each federal award
 - Written procedures to implement the requirements of 2 CFR 200.305 Payment
 - Written procedures for determining the allowability of costs in accordance with Subpart E-Cost Principles of this part and the term and conditions of the Federal award



2 CFR 200.306

COST SHARING OR MATCHING

- Policies and Procedures to include:
 - Are verifiable from the non-Federal entity's records
 - Are not included as contributions for any other Federal award
 - Are necessary and reasonable for accomplishment of project or program objectives
 - Are allowable under Subpart E – Cost Principles

2 CFR 200.306

COST SHARING OR MATCHING (cont'd)

- Are not paid by the Federal government under another Federal award, except where Federal statute authorizing a program specifically provides that Federal funds made available for such program can be applied to matching or cost sharing requirements of other Federal programs
- Are provided for in the approved budget when required by the Federal awarding agency
- Conform to other provisions of this part, as applicable



2 CFR 200.307

PROGRAM INCOME

- Policies and Procedures to include:
- Deduction – ordinarily program income must be deducted from total allowable costs to determine net allowable costs
- Addition – with prior approval of the Federal awarding agency, program income may be added to the Federal agency and the non-Federal entity. The program income must be used for the purposes and under the conditions of the Federal award
- Cost sharing or matching – with prior approval of the Federal awarding agency, program income may be used to meet the cost sharing or matching requirement of the Federal award. The amount of the Federal award remains the same.

2 CFR 200.313 and 2 CFR 200.33 EQUIPMENT

- Procedures for managing equipment (including replacement equipment), whether acquired in whole or in part under a Federal award, until disposition takes place will, at a minimum, meet the following requirements:
 - Maintain property records (include description, serial number or other identification number, source of funding, acquisition date, etc.)
 - A physical inventory (a minimum of every 2 years)
 - A Control System (ensure adequate safeguards in place)
 - Adequate Maintenance procedure and policies to keep property in good condition
 - Sales procedure and policies
 - Disposition procedure and policies

2 CFR 200.317 – 326

PROCUREMENT

- Non-Federal entity must use their own documented procurement procedures which reflect applicable State, local, and tribal laws and regulations, provided that the procurements conform to applicable Federal law and standards.
 - Micro Purchases – under \$10,000
 - Small Purchases - \$10,000 to \$250,000
 - Sealed Bids – lowest bidder for over \$250,000
 - Competitive Proposals – need to show why not sealed bid for over \$250,000
 - Noncompetitive Bids – sole source, must prove only source



2 CFR 200.333

RECORD RETENTION

- Records must be retained for a period of 3 years per 2 CFR, however the USDOE states up to 5 years for grants
- Procedure and policy needed for each type of record retained
 - Financial records
 - Supporting documentation
 - Statistical records
 - Other non-Federal entity records

2 CFR 200.430

COMPENSATION – PERSONAL SERVICES

- Includes all remuneration, paid currently or accrued, for services of employees rendered during the period of performance under the Federal award, including but not necessarily limited to wages and salaries.
- Must also include fringe benefits which are addressed in 200.431- Compensation - Fringe Benefits
- Cost is reasonable for the services rendered and conforms to the established written policy of the non-Federal entity consistently applied to both Federal and non-Federal activities

2 CFR 200.430 (i)

STANDARDS FOR DOCUMENTATION OF PERSONNEL EXPENSES

- Charges to Federal awards for salaries and wages must be based on records that accurately reflect the work performed.
- Records must:
 - Be supported by a system of Internal Controls which provides reasonable assurances that the charges are accurate, allowable, and properly allocated
 - Be incorporated into the official records of the non-Federal entity
 - Reasonably reflect the total activity for which the employee is compensated by the non-Federal entity, not exceeding 100% of compensated activities
 - Encompass both federally assisted and all other activities compensated by the non-Federal entity on an integrated basis, but may include the use of subsidiary records as defined in the non-Federal entity's written policy
 - Comply with the established accounting policies and practices of the non-Federal entity

2 CFR 200.430 (i) STANDARDS FOR DOCUMENTATION OF PERSONNEL EXPENSES (cont'd)

- Support the distribution of the employee's salary or wages among specific activities or cost objectives if the employee works on:
 - More than one Federal award
 - A Federal award and non-Federal award
 - An indirect cost activity and a direct cost activity
 - Two or more indirect activities which are allocated using different allocation bases
 - An unallowable activity and a direct or indirect cost activity

2 CFR 200.430 (i)

STANDARDS FOR DOCUMENTATION OF PERSONNEL EXPENSES (cont'd)

- Budget estimates do not qualify as support for charges to Federal awards



2 CFR 200.431

COMPENSATION – FRINGE BENEFITS

- Allowances and services provided by employers to their employees as compensation in addition to regular salaries and wages
- Include, but not limited to, the costs of:
 - Leave – vacation, family-related, sick or military
 - Employee Insurance
 - Pensions
 - Unemployment Benefit Plans

2 CFR 200.431

COMPENSATION – FRINGE BENEFITS (cont'd)

- The cost of fringe benefits in the form of regular compensation paid to employees during periods of authorized absences from the job are allowable if they are provided under established written leave policies.
- Examples of authorized absences:
 - Annual Leave
 - Family-Related Leave
 - Sick Leave
 - Holidays
 - Court Leave
 - Military Leave
 - Administrative Leave
 - Other similar benefits



Thank you!