

*New policy***Federal Grants**

The Starkville Oktibbeha Consolidated School District has developed the following policies and procedures to ensure effective cash management for Federal Programs to:

- (1) Provide a comprehensive, coordinated, timely, and secure policy for managing the federal draw-down of funds for payment of grant-related expenses,
- (2) Ensure that those who are responsible for electronic federal draw-down work processes have adequate information in a timely manner and can perform all of their duties,
- (3) Meet all cash requirements for grant management in compliance with the federal Cash Management Improvement Act (CMIA) policies, and
- (4) Provide accurate record-keeping.

Policy and Guidelines

The draw-down of federal funds shall follow the appropriate draw-down procedures specified by OMB Circular A-133. Draw-down of federal funds must be made according to the following guidelines:

- Draw-down of funds will be made as closely as possible to the actual expenditure of funds
- Monitor the fiscal activity (draw-down and payments) under grant on a continual basis
- Plan carefully for cash flow grant project during the budget project and review project cash requirements before each draw-down

Internal Control

AUTHORIZATION OF TRANSACTIONS: All transactions and supporting documentation (e.g. purchase orders, invoices, etc.) are reviewed by the federal programs director for approval. The business office must approve all transactions dealing with disbursements and track them through a pre-numbered monitoring system (e.g. pre-numbered checks, pre-numbered purchase orders, pre-number invoices, etc). Transactions should be posted and reconciled in a timely manner.

Cash Management Procedures

The Cash Management Improvement Act (CMIA) requires Starkville Oktibbeha Consolidated School District to demonstrate when receiving federal funds that the district has either already expended the federal funds or will spend the federal funds within three business days of receipt. Violating CMIA requires a return of federal funds with interest. If Starkville Oktibbeha Consolidated School District receives an over-payment of federal funds, Starkville Oktibbeha Consolidated School District must submit a refund to the Division for the over-payment amount plus any interest that could have accrued on the over-payment to comply with the CMIA.

Time and Effort

A cost objective is defined as "a program, function, activity, award, organizational subdivision, contract, or work unit for which cost data are desired and for which provision is made to accumulate and measure the cost of processes, products, jobs, capital projects, etc." Uniform Administrative Requirements, Cost Principals, and Audit Requirements For Federal

Awards Section 200.28, 200.44, and 200.60

Title 2 in the Code of Federal Regulations (2 CFR), Subtitle A, Chapter II, part 225 (formerly OMB Circular A-87)

1. Charges to Federal awards for salaries and wages, whether treated as direct or indirect costs, will be based on payrolls documented in accordance with generally accepted practice of the governmental unit and approved by a responsible official(s) of the governmental unit.
2. No further documentation is required for the salaries and wages of employees who work in a single indirect cost activity.
3. Where employees are expected to work solely on a single Federal award or cost objective, charges for their salaries and wages will be supported by periodic certifications that the employees worked solely on that program for the period covered by the certification. These certifications will be prepared at least semi-annually and will be signed by the employee or supervisory official having firsthand knowledge of the work performed by the employee.
4. Where employees work on multiple activities or cost objectives, a distribution of their salaries or wages will be supported by personnel activity reports or equivalent documentation which meets the standards in subsection (5) unless a statistical sampling system (see subsection (6)) or other substitute system has been approved by the cognizant Federal agency. Such documentary support will be required where employees work on:
 - (a) More than one Federal award,
 - (b) A Federal award and a non-Federal award,
 - (c) An indirect cost activity and a direct cost activity,
 - (d) Two or more indirect activities which are allocated using different allocation bases, or
 - (e) An unallowable activity and a direct or indirect cost activity.

Please refer to the following link for additional information:

https://www.whitehouse.gov/sites/default/files/omb/fedreg/2005/083105_a87.pdf

Procurement and Purchasing

Purchases funded by federal grant funds must adhere to regulations found in Uniform Guidance "Super Circular", 2 DFR 200 (UGG), as a condition of receiving funds and to meet annual audit compliance. In an effort to keep policy for all grants consistent, this school district implements the new federal guidelines regarding procurement for all federal grants immediately.

The business office will maintain and update the Federal Procurement Manual as a part of its standard processes and procedures and train all relevant staff as necessary.

Adopted:

STARKVILLE OKTIBBEHA CONSOLIDATED SCHOOL DISTRICT