

Recommended Policies and Procedures

These are common policies and procedures that an organization that is responsible for operating a Federal grant will have. This list is not intended to be all-inclusive.

Accounting System, a number of procedures should be spelled out in writing:

- Budget Controls and Modifications:
 - Frequency of comparison of expenditures to budget
 - Procedures for requesting modifications – when is a mod needed? What are the parameters? What are the timeframes?
 - Process for prior approvals when required
- Chart of Accounts, that addresses the record needs of the organization, including:
 - Funding sources
 - Grant and organizational needs
 - Costs principles
 - GAAP requirements
- Receivables
- Payables
- Approvals: Policies and procedures should identify:
 - Who approves various transactions – accounting entries, error corrections, journal entries, financial reports
 - How many approvals are needed?
 - Do certain transactions require more than one level of review and approval?
- Documentation:
 - What is maintained? Originals, copies, paper, digital.
 - Who maintains what? Where? How long? The details should be spelled out in the procedures to ensure that the requirements can be followed and reviewed.

Audits, the written procedures should cover:

- Timelines and process for subrecipient audit completion and a process for tracking that required audits have been submitted for review.
- Audit Resolution process, including timeline for responses and completion of corrective actions
- Appeals process
- Debt Collection procedures

Small purchases, these procedures should address:

- Credit Card Use (more common)
 - Distribution - Who has their own? Who else has access?
 - Approvals – Who approves and how many are needed; advance versus after-the fact
 - Limitations
 - Dollar amounts
 - Services/products - what is automatically allowed, restricted, unallowable?
 - Documentation requirements: what is required to be submitted for prior approval, versus what can be submitted with the bill for payment?

- Petty Cash fund, the procedures should spell out:
 - Documentation – What is required and when must it be provided?
 - Approval requirements: Who, and how many approvals? Are there different levels of approval by dollar amount or type of item?
 - Fund amount/Replenishment procedures: Describe how much is maintained in the fund or funds; when does replenishment occur, and from what source?
 - Reconciliation frequency: When does it occur, e.g., at replenishment and at least monthly
 - Periodic surprise count: Performed by whom and how frequently?

Drawdown Procedures should include:

- A process to minimize the time elapsing between receipt and disbursement of funds- as required by 2 CFR
- Frequency – Daily, weekly?
- Forecasting Methodology – How to determine the amounts to draw?
- Requisition/Approval process – forms, approvals
- Reconciliation between funding sources - adjustments based on actual usage

Bank Reconciliation – is very important for internal control

- Bank reconciliation must be done by someone other than writer/approver of checks
- Procedures should include a review process and higher level approvals

Program Income

- Guidelines for use of program income
 - Activities
 - Allowable uses and requirements
- An accounting process
- The requirement to use the cash earned prior to requesting additional funds

Interest Income

- Accounting process for handling interest earned in compliance with the rules.

Personnel policies covering:

- Hiring and selection.
- Compensation and Fringe Benefits
- Payroll and Time Distribution - documentation standards
- Time sheets (completion and approvals)
- Fringe Benefits Package
- Vacation and Leave
- Pension
- Severance Package (if any)

Normal - as indirect cost

Abnormal/Mass – prior cognizant agency approval

Golden parachute – not allowable

- Bonuses/Incentive Pay (if any)
- Salary Cap restrictions

Complaints and grievances, policies must include processes for submission and handling complaints in the following areas:

- Participants, staff, & bidders – who may submit, what are the required timeframes, what must be included, who to submit to, and how?
- EEO – process must comply with Federal requirements
- Resolutions – what are the required timeframes, what happens if timeframes are missed, how and when are resolutions implemented
- Appeals - what can be appealed, what are the required timeframes, who receives appeals, what is the required format and contents for an appeal
- Hearings – when will they be scheduled, who conducts hearings

Cost policies establishing methods for determining allowability of costs in accordance with the cost principles. A cost policy should incorporate the Federal rules, the grant rules, the grantee's and Federal agency policies. Policies should also be developed in the following areas:

- Indirect costs
- Cost Allocation Plans
- Cost limitation tracking procedures for both the grantee and subrecipients

Meals

Travel policies. At a minimum such policies should cover:

- Rates of compensation for
- Lodging
- Subsistence
- Mileage
- Allowable methods of travel
- Documentation requirements
- Process for advance purchase of travel and requirements and process for reimbursement.

Program activities, should include policies regarding:

- Supportive Services
 - Transportation – What types of transportation costs will be reimbursed or paid in advance? What are the documentation requirements?
 - Child Care- are family members eligible? What types of documentation are required?

- Medical – what coverage is available under the HCA? What types of procedures are covered? Emergency rooms? What about dental coverage
- Clothing- just uniforms? What about interview clothes? New or used?
- Caps or limitations
- Other
- Incentives/stipends
- Paid/Unpaid Internships, Work Experience
- Training (ITAs, refunds, etc.)
- Other policies that may be relevant, including duration of time in Intensive services (WIA 663.250), or other requirements or restrictions in the terms and conditions of the grant.

Procurement and Purchasing, written policies and procedures governing a number of areas, including:

- Methods - to ensure competition, description of technical requirements, method for evaluation and selection
- Written Code of Conduct covering those involved in selection and administration of awards
- Conflicts of interest – personal, organizational , including the Board
- Written Protest Policies
- Closeout procedures for both:
 - Grants and
 - Contracts

Monitoring, process should include the following:

- A monitoring schedule
 - How it is determined?
 - Is monitoring priority risk based?
- It should describe a monitoring structure, including what should be monitored and how
- It should include a description of the process and timeframes for reporting findings
- It should set out a process for resolution of findings and consequences for non-compliance
- It should provide for a process for appeals and
- Hearings

Incident Reporting- required by ETA policy TEGl 2-12

Property/Equipment Management

Record Retention

Match and Leveraged Resources

Reporting (Financial and Performance)

Internal Controls, Segregation of Duties