

## GUIDELINES FOR FISCAL MANAGEMENT OF FEDERAL GRANT PROGRAMS

The procedures below outline the necessary steps to comply with any federal grant requirements.

- I. The purpose of cash management procedure is to ensure compliance with the “Cash Management Improvement Act (CMIA)”.
  - a. Federal payments are on a reimbursement basis **only**.
  - b. Any payroll transactions should be recorded in the general ledger and the funds must be delivered to the recipient(s).
- II. When reimbursing staff or paying for grant related travel, consult the District’s policies linked below.
  - a. [Travel Policy](#)
  - b. [Travel](#)
- III. Federal grant procurement involves specific procedures in order to be compliant. It applies to the purchase of supplies, equipment, and construction if approved. Refer to the link below for District policies.
  - a. [Procurement Policy](#)
- IV. Supplement/Supplant
  - a. The District cannot use federal funds to supplant (take the place of) funds from non-federal sources such as services, staff, programs, or materials.
  - b. Federal funds may only be used to “increase” the level of funding that are used from local and state sources.
- V. Time and effort documentation are records required for all employees paid with federal funds. The portion of the federally paid salary should be reflective of the actual activity, not the budgeted amount.
  - a. All employees paid with federal funds must sign one of the following documents; a Single Fund Certification, a Personal Activity Report (PAR), or the Substitute System.
  - b. If an employee works 100% on single cost objective (for example: an employee’s salary paid with Title I funds, IDEA funds, or Perkins funds), the District must obtain a Single Funding Certification signed semi-annually by the supervisor or employee.
    - [Single Funding Certification](#)

c. If an employee works on multiple cost objectives with a variable schedule, the District needs a monthly Personnel Activity Report.

- PAR

VI. Inventory including both equipment and supplies is the process by which the District tracks that which was purchased with federal dollars and needs to be accounted for at a year's end.

a. Equipment means tangible personal property (including information technology systems) having a useful life of more than one year and a per-unit acquisition cost which equals or exceeds \$1,000.

b. The following items are subject to the inventory management and contract requirements:

- Equipment items with an acquisition cost of \$1,000 or more per unit.
- Items with an acquisition cost under \$1,000 per unit which the District considers to be equipment including but not limited to furniture and iPads.

c. Equipment management consists of the following:

- Purchases consistent with the approved application and are used for their intended purpose.
- Purchases used to supplement and not supplant with non-federal funds.
- Property records and inventory records maintained and up-to-date.
- Inventory records maintained with all required components.
- Controls/safeguards are in place to prevent loss, damage, or theft. In order to best do that, the following pieces must be tracked.
  - Location of equipment
  - Custody of equipment
  - Security of equipment
- The District should conduct a physical inventory every fiscal year.
- The District should have adequate maintenance procedures in order to keep the property in good condition.

- d. Property records and inventory lists must be maintained and include the following:
- Description of the property
  - Serial number or other identification number
  - Funding source for the property/equipment (including Federal Award Identification Number; “FAIN” if applicable).
  - Who holds the title if applicable
  - Acquisition date
  - Cost of the property
  - Percentage of federal funds used to purchase the property/equipment
  - Any ultimate disposition data, including the date of disposal and sale price of the property/equipment
- e. When property/equipment acquired under a Federal award is no longer needed for the original project or program, the District must dispose of the equipment as follows:
- Items with current per unit fair market value of \$5,000 or less may be retained, sold, or otherwise disposed of with no further obligation.
  - Items with current per unit fair market value in excess of \$5,000 may be retained by the District or sold.

VII. Financial considerations are paramount. To fulfill the obligations of the program, several key factors must be accounted for:

- a. Coding expenses and revenues must have the following identified in the District’s books:
- DFDA title and number
  - Federal award identification number
  - Fiscal year award
  - Name of the federal agency
  - Name of the pass-through entity
- b. Stipend and/or extra duty pay is applied for employees working beyond a normal work day.
- If an employee is paid a stipend with federal funds the following documentation is required:
    - If the employee is being paid a stipend, there must be a signed contract by the employee and the supervisor that indicates the work to be

performed, the dates of the performance, and the amount to be paid.

- If the employee is being paid for an extra duty, the following documentation is required:
  - ✓ Documentation indicating the extra work performed
  - ✓ Date(s) of performance
  - ✓ Amount to be paid to the employee; such as hourly rate or per diem
  - ✓ Documentation must be signed by the employer and the employee to show the acceptance of terms
- The District should have a Semi-Annual Certification or PAR on file.
- c. The District must retain all records and documentation for at least 3 years from the date of submission of the FER.
- d. Funds from a new grant period may not be used for obligations or expenditures occurring in the previous grant period.
- e. If applicable, unexpended federal funds may carry-over into the next fiscal year (based on the FER).