

DFAC Federal Fiscal Compliance (See CN, DFAA, and DFAB)

DFAC

The board shall ensure federal funds received by the district are administered in accordance with federal requirements, including but not limited to the federal Uniform Grant Guidance. This policy outlines the district's responsibilities when federal funding is considered. The board designates the superintendent or designee as the federal programs coordinator and district contact for all federal programs and funding.

The superintendent or designee shall establish and maintain a sound fiscal 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 funds associated with grant awards. The superintendent, to assist in the proper administration of federal funds and implementation of this policy, may recommend additional procedures and regulations be adopted to supplement this policy.

The district's fiscal management system shall be designed with strong internal controls, a high level of transparency and accountability, and documented procedures to ensure that all fiscal management system requirements are met. Fiscal management standards and procedures shall assure that the following responsibilities are fulfilled:

- Identification – The district must identify, in its accounts, all federal awards received and expended and the federal programs under which they were received.
- 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).

- Accounting Records – The district must maintain records which adequately identify the source and application of funds provided for federally-assisted activities.
- Internal Controls – Effective control and accountability must be maintained for all federal funds, real and personal property purchased therewith, and other assets acquired with federal funding. The district must adequately safeguard all such property and must assure that it is used solely for authorized purposes.
- Budget Control – Actual expenditures or outlays must be compared with budgeted amounts for each federal award. Procedures shall be developed to establish determination for allowability of costs for federal funds.
- Cash Management – The district shall maintain written procedures to implement the cash management requirements found in EDGAR.
- Allowability of Costs – The district shall ensure that allowability of all costs charged to each federal award is accurately determined and documented.

Time and Effort Reporting by Employees

All district 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.

Recordkeeping

The district shall develop and maintain a records management plan and related board policy, administrative regulations, and/or procedures for the retention, retrieval, and disposition of print and electronic records, including emails.

The district shall ensure the proper maintenance of federal fiscal records documenting:

- Amount of federal funds,
- How funds are used,
- Total cost of each project,
- Share of total cost of each project provided from other sources,
- Other records to facilitate an effective audit,
- Other records to show compliance with federal program requirements,
and
- Significant project experiences and results.

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

The district 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 district records which are pertinent to the federal award. The district shall also permit timely and reasonable access to the district's personnel for interview and discussion related to such documents.

Records shall be retained for a minimum of three (3) years from the date on which the final Financial Status Report is submitted, or as otherwise specified in federal law or 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. 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 has been taken.

The district shall ensure that all personally identifiable data protected by statute or regulation is handled in accordance with the requirements of applicable law, regulations, board policy, administrative regulations, and procedures.

Subrecipient Monitoring

If the district awards subgrants, the district shall establish procedures to:

- Assess the risk of noncompliance.
- Monitor grant subrecipients to ensure compliance with federal, state, and local laws and board policy, regulations, and procedures.
- Ensure the district's records are adjusted to cure recordkeeping issues discovered through the subrecipient's audits, on-site reviews, or other monitoring.

Compliance Violations

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

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awarding agency or pass-through entity imposing additional conditions or terminating the award in whole or in part.

Approved: 8/17, 11/20, 6/22