

FEDERAL GRANTS AND AWARDS ADMINISTRATION

The Board of School Trustees of the Lafayette School Corporation intends to administer federal grant awards efficiently and to comply with all requirements imposed by law, the awarding agency, the Indiana Department of Education, and/ or other applicable pass-through entities, and all requirements applicable to the use of federal funds. To the extent that any provision of a board policy is contrary to a federal law, regulation, term, or condition applicable to a federal award, the applicable federal requirement must be followed.

A. Internal Controls/Accounting Procedures

The superintendent or designee shall be responsible to develop, monitor, and enforce effective internal controls over federal awards and grants that provide reasonable assurance that the school corporation is managing the funds in compliance with all requirements for federal grants and awards. Internal controls must meet all requirements of federal law and regulation, including the Uniform Guidance issued by the U.S. Office of Budget and Management, and shall be based on best practices.

The internal controls/accounting procedures must provide for the following:

- (1) identification of all federal funds received and expended and their program source;
- (2) accurate, current, and complete disclosure of financial data in accordance with federal requirements;
- (3) records sufficient to track the receipt and use of funds;
- (4) effective control and accountability over assets to assure they are used only for authorized purposes;
- (5) comparison of expenditures against budget; and
- (6) written procedures for cash management and determining the allowability of costs.

At a minimum, the internal controls/accounting shall address the following areas.

1. Allowability

Costs charged by the school corporation to a federal grant must be allowed under the individual program and be in accordance with the cost principles established in the Uniform Guidance. Costs will be charged to a federal grant only when the cost is

- (1) reasonable and necessary for the program;
- (2) in compliance with applicable laws, regulations, and grant or award terms;
- (3) allocable to the grant;
- (4) adequately documented; and
- (5) consistent with school board policies and administrative regulations that apply to both federally-funded and non-federally funded activities.

Prior written approval for certain cost charges must be obtained as required by the awarding agency in order to avoid subsequent disallowances.

2. Cash Management and Fund Control

Payment methods must be established in writing that minimize the time elapsed between the draw of federal funds and the disbursement of those funds. Standards for funds control and accountability must be met as required by the Uniform Guidance for advance payments.

3. Procurement, Suspension, and Debarment

All purchases for property and services made using federal funds must be conducted in accordance with all applicable federal and state laws and regulations. Individuals or organizations that develop or draft specifications, requirements, statements of work, and/or invitations for bids, requests for proposals, or invitations to negotiate, must be excluded from competing for such purchases.

Contracts are to be awarded only to responsible contractors possessing the ability to perform successfully under the terms and conditions of a proposed purchase or service. No contract shall be awarded to a contractor who is suspended or debarred from eligibility for participation in federal assistance programs or activities.

Purchasing records must include at least the rationale for the method of procurement, selection of contract type, and contractor selection or rejection; the basis for the contract price; and verification that the contractor is not suspended or debarred.

4. Conflict of Interest

The requirements for conflicts of interest are applicable to all purchases or services.

Each employee, board member, or agent of the school corporation who is engaged in the selection, award, or administration of a contract supported by a federal grant or award and who has a potential conflict of interest shall disclose that conflict in writing to the superintendent. The superintendent shall disclose in writing any potential conflict of interest to the federal awarding agency.

For purposes of this paragraph, a conflict of interest would arise when the employee, board member, or agent of the school corporation, any member of his or her immediate family, his or her partner, or an organization which employs or is about to employ any of these parties has a financial interest in or receives a tangible personal benefit from a firm considered for a contract. An individual

who is required to disclose a conflict of interest shall not participate in the selection, award, or administration of a contract supported by a federal grant or award.

The employee, board member, or agent with a conflict of interest shall not solicit or accept any gratuities, favors, or items from a contractor or a party to a subcontract for a federal grant or award but they may accept a single unsolicited item with a value of \$50 or less or multiple unsolicited items from a single contractor or subcontractor having an aggregate monetary value of \$100 or less in a 12-month period. Violations of this provision are subject to disciplinary action.

5. Mandatory Disclosures

The superintendent shall disclose in writing to the federal awarding agency in a timely manner all violations of federal criminal law involving fraud, bribery, or gratuities potentially affecting any federal award. The superintendent shall fully address any such violations promptly and shall notify the board accordingly. The board may request the superintendent to develop a plan of correction for board approval in appropriate situations as determined by the board.

6. Equipment and Supplies Purchased with Federal Funds

Equipment and supplies acquired with federal funds will be used, managed, and disposed of in accordance with applicable state and federal requirements. Property records and inventory systems shall be sufficiently maintained to account for and track equipment that has been acquired with federal funds.

7. Accountability and Certifications

All fiscal transactions must be approved by the superintendent or designee and by the person managing the federal program who can attest that the expenditure is allowable and approved under the federal program. The superintendent or designee shall submit all required certifications and is authorized to sign them on behalf of the board.

8. Monitoring and Reporting Performance

The superintendent shall establish sufficient oversight of the operations of federally supported activities to assure compliance with federal requirements and to ensure that program objectives established by the awarding agency are being achieved. Performance reports, including reports of significant developments that arise between scheduled performance reporting dates, must be submitted as required by federal or state authorities.

9. Segregation of Authorization, Review, and Approval Duties

These internal controls shall include the obligation of the School Corporation to establish separation of duties in regards to (1) the authorization of, (2) the review of, and (3) the approval of expenditures of federal funds. This obligation will be administered consistent with 2 CFR § 200.303(a) and the “Standards for Internal Control in the Federal Government” issued by the controller general of the United States.

B. Audits and Corrective Action

1. An annual independent audit will be conducted and the superintendent or designee will prepare all financial statements, schedules of expenditures, and other documents required for the audit.
2. At the completion of the audit, the superintendent or designee shall prepare a corrective action plan to address any audit findings. The plan must identify the responsible party and the anticipated completion date for each corrective action to be taken. The superintendent shall present the plan to the board for approval.
3. Compliance deficiencies discovered internally through administrative supervision must be addressed promptly with the goal of improving processes to encourage future compliance and reduce audit findings.

C. Training

All individuals responsible for the administration of a federal grant or award shall be provided sufficient training to carry out their duties in accordance with all applicable requirements for the federal grant or award.

D. Reporting Mismanagement of Federal Funds

Any employee who reasonably believes that federal funds have been misused or that the school corporation is otherwise in violation of any requirement applicable to the receipt and use of federal funds should report the matter to the superintendent or designee.

E. Stipends or Other Compensation for Personal Services for Services Performed Under a Federal Grant or Award.

Stipends for work or services performed by employees related to any approved federal grant or award may be paid if:

- 1) it is reasonable for such services including the obligation that such compensation is consistent of the time and effort as rendered for other comparable positions or services compensated by the School Corporation; and
- 2) is based upon actual records accurately reflecting the work of other employees.

F. Travel Costs

Travel costs including transportation, lodging, or other subsistence and related items incurred by the employees who are in a travel status for official business within the scope of an approved federal grant award. Such reimbursement travel costs must be reasonable and consistent with the School Corporation's written policies (Board approved collective bargaining agreements, handbooks, or other Board approved written documents). Such expenditures must be based upon actual and accurate records.

G. Cash Management

The School Corporation shall utilize cash management procedures consistent with federal and state laws, rules and regulations of the Indiana State Board of Accounts, 2 CFR § 200.305(6) and 2 CFR § 200.302.

H. Retaining Records

All records pertaining to federal grants and funding will be retained for 3 years after the completion and submission of the final expenditure report or for recurring grants, the last annual financial report. The records will be retained in a format that is machine readable by a computer or a web browser. The records may also be retained on paper.

Legal References: 2 C.F.R. Part 200
20 U.S.C. 7906

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