LENAPE AREA VOCATIONAL TECHNICAL SCHOOL

SECTION: FINANCES

TITLE: FEDERAL FISCAL COMPLIANCE

ADOPTED: April 20, 2017

REVISED: September 18, 2025

626. FEDERAL FISCAL COMPLIANCE

Authority

The Joint Operating Committee shall ensure federal funds received by the school are administered in accordance with federal requirements, including but not limited to the federal Uniform Grant Guidance.[1]

The Joint Operating Committee shall review and approve all applications for federal funds submitted by the school.

Delegation of Responsibility

The Joint Operating Committee designates the Administrative Director as the school contact for all federal programs and funding.

The Administrative Director or designee, in collaboration with the Business Manager, shall establish and maintain a sound financial 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.[1]

The Administrative Director, to assist in the proper administration of federal funds and implementation of this policy, may approve additional procedures as attachments to this policy.

Guidelines

The school's financial management system shall be designed with strong internal controls, a high level of transparency and accountability, and documented procedures to ensure that all financial management system requirements are met.

The school's financial management system is subject to periodic internal and external audits. For any fiscal year in which the school expends $1,000,000 or more in federal awards, the school is required to have a single or program-specific audit in compliance with federal requirements.[2]

Lenape Technical School's financial management standards and procedures shall **include requirements for the following:**

1. Identification – the school must identify, in its accounts, all federal awards received and expended, and the federal programs under which they were received.

2. 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 **federal regulations.**

3. Accounting Records – The school must maintain records, which adequately identify the source and application of funds provided for federally-assisted activities.

4. Internal Controls – Effective control and accountability, including segregation of duties, must be maintained for all funds, real and personal property and other assets. The school must adequately safeguard all such property and **take steps to ensure** that it is used solely for authorized purposes. **Reasonable cybersecurity and other measures must be in place to protect personally identifiable information and other types of information.**

5. 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.

6. Cash Management – The school shall maintain written procedures to implement the cash management requirements found in **federal regulations.**

7. Allowability of Costs – The school shall ensure that allowability of all costs charged to each federal award is accurately determined and documented.

Standards of Conduct

The school shall maintain standards of conduct covering conflicts of interest and the actions of employees and school officials engaged in the selection, award and administration of contracts.[3][4][5]

All employees shall be informed of conduct that is required for federal fiscal compliance and the disciplinary actions that may be applied for violation of Joint Operating Committee policies, administrative regulations, rules and procedures.[6]

Employees – Time and Effort Reporting

All school employees paid with federal funds shall document **their** time **working** in support of each federal program, in accordance with law. Time and effort reporting requirements do not apply to contracted individuals.[7]

School employees shall be reimbursed for travel costs incurred in the course of performing services related to official business as federal grant recipient.[8]

The school shall establish and maintain employee policies on hiring, benefits and

leave and outside activities, as approved by the Joint Operating Committee. School procedures on payment of staff shall apply to employees paid with federal funds and shall include payment in extenuating or emergency conditions, in accordance with applicable law, regulations or emergency declarations by state or federal authorities.[9][10][11][12][13][14][15][16]

Record Keeping

The school shall develop and maintain a Records Management Plan and related Joint Operating Committee policy and administrative regulations for the retention, retrieval and disposition of manual and electronic records, including emails.[17][18]

The school shall comply with federal record conversion and quality control review requirements to safeguard the integrity of electronic records.[19]

The school shall ensure the proper maintenance of federal fiscal records documenting:[18][20][21][22]

1. Amount of federal funds.
2. How funds are used.
3. Total cost of each project.
4. Share of total cost of each project provided from other sources.
5. Other records to facilitate an effective audit.
6. Other records to show compliance with federal program requirements.
7. Significant project experiences and results **to:**

    a. Determine progress.
    b. Inform periodic review and continuous improvement of project plan.
    c. Revise project objectives, if necessary.

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

The school 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 school records, which are pertinent to the federal award. The school shall also permit timely and reasonable access to the school's personnel for the purpose of interview and discussion related to such documents.[23]

Records shall be retained for a minimum of **three (3)** years from the date **of submission of the final financial report**, or as otherwise specified 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.[20]

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 taken.[20]

Records for property and equipment acquired with federal funds shall be retained for three (3) years after final disposition of the property or equipment.[20]

As part of the Records Management Plan, the school shall develop and maintain a records retention schedule, which shall delineate the record retention format, retention period and method of disposal.[18]

The Records Management Plan shall include identification of staff authorized to access records, appropriate training, and preservation measures to protect the integrity of records and data.[18][20]

The school shall ensure that all personally identifiable data protected by law or regulations is handled in accordance with the requirements of applicable law, regulations, Joint Operating Committee policy and administrative regulations.[24][25][26][27][28]

Subrecipient Monitoring

In the event that the school awards subgrants, the school shall establish **written** procedures to:[29]

1. Assess the risk of **fraud and** noncompliance.

2. Monitor grant subrecipients to ensure compliance with federal, state, and local laws and Joint Operating Committee policy and procedures.

3. Ensure the school's record retention schedule addresses document retention on assessment and monitoring.[18]

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 awarding agency or pass-

through entity imposing additional conditions or terminating the award in whole or in part.[30][31]

Mandatory Reporting of Violations

An applicant, recipient or subrecipient of a federal award must promptly disclose whenever, in connection with the federal award (including any related activities or subawards) it has credible evidence of a violation of federal criminal law involving fraud, conflict of interest, bribery or gratuity violations under Title 18 of the United States Code or a violation of the federal civil False Claims Act. The written disclosure must be made to the federal agency, the agency's Office of Inspector General, and pass-through entity (if applicable). Recipients and subrecipients are also required to report issues related to a recipient integrity and performance in accordance with Appendix XII to 2 CFR Part 200. Failure to make required disclosures can result in compliance violations.[32]

Whistleblower Protections

School employees may not be discharged, demoted or otherwise discriminated against as a reprisal for making a protected disclosure of information that the employee reasonably believes to be:[33][34]

1. **Evidence of gross mismanagement of a federal contract or grant; or**
2. **Gross waste of federal funds; or**
3. **An abuse of authority relating to a federal contract or grant; or**
4. **A substantial and specific danger to public health or safety; or**
5. **A violation of law, rule or regulation related to a federal contract, including the competition for or negotiation of a contract or grant.**

School employees may disclose such information to any of the following:

1. **The Administrative Director or designee authorized to investigate, discover or address such misconduct.**
2. **A federal employee responsible for contract or grant oversight or management of the relevant agency.**
3. **An authorized official of the United States Department of Justice or other law enforcement agency.**

4. **A member of Congress or a representative of a committee of Congress.**

5. **A federal Inspector General.**

6. **The federal Government Accountability Office.**

7. **A court or grant jury, including providing evidence of misconduct in any judicial or administrative proceeding relating to waste, fraud or abuse on a federal contract or grant.**

A school employee who believes that they have been subjected to a reprisal for making a protected disclosure may submit a complaint to the Inspector General of the federal executive agency that is responsible for the relevant federal funding or federal contract. The federal agency and the agency's Inspector General have the authority to investigate such complaints and provide appropriate remedies for substantiated complaints.

The school shall provide written notification to employees of their rights and protections under the Whistleblower Law by posting notices in the Employee Handbook.

PSBA Revision 6/25 © 2025 PSBA

Legal References
1. 2 CFR Part 200
2. 2 CFR 200.501
3. 2 CFR 200.318
4. Pol. 827
5. Pol. 828
6. Pol. 317
7. 2 CFR 200.430
8. Pol. 626.1
9. 24 P.S. 1153
10. Pol. 304
11. Pol. 319
12. Pol. 336
13. Pol. 337
14. Pol. 624
15. Pol. 805
16. Pol. 813
17. 2 CFR 200.334-200.338
18. Pol. 800
19. 2 CFR 200.336
20. 2 CFR 200.334

	21. 34 CFR 75.730-75.732 22. 34 CFR 76.730-76.732 23. 2 CFR 200.337 24. Pol. 113.3 25. Pol. 216 26. Pol. 324 27. Pol. 830 28. Pol. 830.1 29. 2 CFR 200.331-200.332 30. 2 CFR 200.339 31. 2 CFR 200.340 32. 2 CFR 200.113 33. 2 CFR 200.217 34. 41 U.S.C. 4712 Pol. 610 Pol. 611 Pol. 612 Pol. 613 Pol. 625 Copyright PSBA 2025 626-Attach-Costs_Obligations_Property.docx (45 KB) 626-Attach-AllowabilityofCosts.docx (43 KB) 626-Attach-CashManagement.docx (28 KB) 626-Attach-SubrecipientMonitoring.docx (38 KB) 626-Attach-Procurement.docx (61 KB)