

FEDERAL PROGRAMS AND PROJECTS *(Managing Federal Funds Cash Management)*

The purpose of this procedure is to promote proper stewardship of taxpayer dollars by using fiscal control and fund accounting procedures that ensure proper disbursement of and accounting for federal funds. The superintendent may delegate the responsibility for implementation of all or parts of this procedure to other appropriately trained employees. The superintendent or designee will maintain a financial management system that meets the standards for fund control and accountability as required by federal law for the use of federal funds.

Requesting Federal Funds and Payment

The district will request a drawdown of federal funds using the system required by the Missouri Department of Elementary and Secondary Education (DESE) only after payment for the expenditure has been made. Authorized district personnel who submit a request for a disbursement of federal funds must identify the specific funds to be accessed, the type of expenditure and the date on which payment was made.

To the extent available, funds from program income will be disbursed before additional cash drawdowns are requested. In situations where the district receives federal funds that are not disbursed within three days or that do not reimburse the district for previous expenditures, those funds must be deposited and maintained in insured, interest-bearing accounts in accordance with law.

Interest earned on those funds will be remitted to the federal government, through DESE, as required by law.

Financial Management

The district's financial management system will be sufficient to permit the preparation of reports required by the terms and conditions of the program and to establish that funds have been used according to federal statutes, regulations, and the terms and conditions of the federal award.

Identification

The superintendent or designee will, in all district accounts, identify all federal awards received and expended and the federal programs under which they were received. Revenues and expenditures will be separately identified with codes and must not be commingled with other state, federal or local funds. Federal funds maintained in district accounts will be identified by the:

1. Catalog of Federal Domestic Assistance (CFDA) title and number;
2. Federal Award Identification Number (FAIN);
3. Fiscal year of the award;

4. Name of the federal agency; and
5. Name of any pass-through entity involved.

Disclosure

The superintendent or designee will provide for accurate, current and complete disclosure of the financial results of each federal award or program in accordance with federal reporting requirements.

Source and Application of Funds

The superintendent or designee will maintain records that clearly identify the source of federal funds and the application of the funds for federally funded activities. These records must contain information pertaining to federal awards, authorizations, obligations, unobligated balances, assets, expenditures, income and interest, and they must be supported by source documentation.

Control and Accountability

The superintendent or designee will maintain effective control over, and accountability for, all funds, property and other assets. The district will adequately safeguard all assets and ensure that they are used solely for authorized purposes, using effective internal controls as discussed below.

Budget and Expenditure Comparison

The superintendent or designee will routinely compare expenditures with the budgeted amount for each federal award. In addition, the superintendent or designee will submit a Final Expenditure Report (FER) to DESE on or before September 30 each year. The FER will reconcile what was submitted in the approved budget with the actual expenditures and obligations incurred for the school year. Expenditures will be reported by both object and function codes. Expenditures in approved object codes will not exceed ten percent of the total amount budgeted within each of the approved programs.

Internal Controls

The superintendent or designee will establish and maintain effective internal controls over federal awards received that provide reasonable assurance that the district is managing the federal award in compliance with law and the terms and conditions of the award. The superintendent or designee will consult with DESE for compliance assistance when applicable.

The superintendent or designee will evaluate and monitor the district's compliance. If the superintendent or designee identifies instances of noncompliance, including noncompliance

identified in audit findings, he or she will take prompt action and take steps to rectify the situation and bring the district into compliance.

As part of its internal control system, the superintendent or designee will establish reasonable measures to safeguard protected personally identifiable information and other information the federal awarding agency or pass-through entity designates as sensitive or that the district considers sensitive consistent with applicable federal, state and local laws regarding privacy and obligations of confidentiality, including the Family Educational Rights and Privacy Act (FERPA).

Budget

The approved budget for the federal award summarizes the financial aspects of the project or program as approved in the federal award process. The budget must be related to performance for program evaluation purposes whenever appropriate.

Once the budget for any federal award has been approved, the district will report deviations from the budget, project scope or objective and request prior approvals from federal awarding agencies for revisions as listed below.

Non-Construction Awards

For non-construction awards, prior approval or a waiver of that approval from the awarding agency is required for one or more of the following reasons:

1. There is a change in scope or the objective of the project or program, even if there is no budget revision.
2. A key person specified in the award application changes.
3. The project is suspended for more than three months or there is a 25 percent reduction in time devoted to the project by the project director or, in the case of research awards, the principal investigator.
4. Costs that require prior approval are added.
5. Funds will be transferred that were budgeted for participant support costs, such as stipends or travel expenses.
6. The district subcontracts out, transfers or contracts out for any work under the award that was not described in the application for the award, other than the acquisition of supplies, materials, equipment or general support services.

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7. There are changes to previously approved matching or cost-sharing provisions.
8. Additional federal funds are required to complete the project.

Construction Awards

For construction awards, prior approval by the awarding federal agency is required for one or more of the following reasons:

1. The revision results in a change in the scope or objective of the project or program.
2. The need arises for additional federal funds to complete the project.
3. The revision involves specific costs for which prior written approval requirements may be imposed consistent with federal Office of Management and Budget (OMB) cost principles.

Reporting

The superintendent or designee will monitor activities under each program, function or activity funded by federal awards for compliance with applicable federal requirements and to ensure performance expectations are being achieved. Part of these monitoring activities includes providing performance reports as required by law, including accurate, current and complete disclosure of the financial results.

All reports will be submitted by required due dates and must be supported by appropriate documentation when necessary. The district will cooperate with state and federal authorities when monitoring or evaluating the district's performance.

Non-Construction Performance Reports

The superintendent or designee will submit performance reports at the interval required by the federal awarding agency or pass-through entity and in the manner directed under federal law. A copy of the reports will be provided to the Board of Education. Unless other information collections are approved by OMB, these reports, for each federal award, will contain brief information:

1. Comparing actual accomplishments to the objectives of the federal award established for the period, including quantified cost information and trend data when requested;
2. Explaining the reasons established goals were not met, if appropriate; and

3. Providing additional pertinent information including, when appropriate, analysis and explanation of cost overruns or high unit costs.

Construction Performance Reports

Construction performance reports will include on-site technical inspections, certified data showing the percentage of completion, and any other information requested by the awarding agency.

Significant Developments

The district may be required to make additional reports when events that have a significant impact on the federal award occur between the scheduled reporting dates. In addition to scheduled and requested performance reports, the superintendent or designee will report the following to the federal awarding agency as soon as the conditions become known:

1. Problems, delays or adverse conditions that will materially impair the ability to meet the objective of the federal award. This disclosure must include a statement of the action taken or contemplated and any assistance needed to resolve the situation; and
2. Favorable developments that enable meeting time schedules and objectives sooner or at less cost than anticipated or producing more or different beneficial results than originally planned.

Records

The district will maintain all required records in accordance with law for a minimum of three years following submission of the FER. The district will provide DESE access to all records regarding state and federal funds and will readily make records available to parents/guardians and the public upon request.

Audits

The district will conduct audits of federal funds when required by law or when an audit is required as a condition of the funds received.

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Note: The reader is encouraged to review policies and/or forms for related information in this administrative area.

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Cole County R-I School District, Russellville, Missouri