

UNIFORM FEDERAL GRANT GUIDANCE

This policy shall apply to the District's receipt and use of Federal grant awards.

I. PAYMENT

The District shall minimize the time elapsing between the transfer of funds from the United States Treasury or a pass-through entity and the disbursement by the District, whether payment is made by electronic funds transfer, or issuance or redemption of checks, warrants, or payment by other means.

The District shall make timely payments to contractors in accordance with relevant contract provisions.

Use of Resources Before Requesting Cash Advance Payments

To the extent available, the District shall disburse funds available from program income (including repayments to a revolving fund), rebates, refunds, contract settlements, audit recoveries, and interest earned on such funds before requesting additional cash payments.

Use of Banks and Other Institutions as Depositories of Advanced Payments

The District shall account for the receipt, obligation, and expenditure of funds. The District shall deposit and maintain advance payments of Federal funds in insured or collateralized accounts. Advance payments of Federal awards shall be maintained in interest-bearing accounts, unless the following apply:

1. The District receives less than \$120,000 in Federal awards per year;
2. The best reasonably available interest-bearing account would not be expected to earn interest in excess of \$500 per year on Federal cash balances;
3. The depository would require an average or minimum balance so high that it would not be feasible within the expected Federal and non-Federal cash resources; or
4. A foreign government or banking system prohibits or precludes interest bearing accounts.

Interest earned amounts up to \$500 per year may be retained by the District for administrative expenses. Any additional interest earned on Federal advance payments deposited in interest-bearing accounts shall be remitted annually to the Department of Health and Human Services Payment Management System (PMS) through an electronic medium using either the Automated

Clearing House (ACH) network or a Fedwire Funds Service payment. Remittances must include pertinent information of the payee and nature of payment in the memo area (often referred to as “addenda records” by financial institutions), as that will assist in the timely posting of interest earned on federal funds. Pertinent details include the Payee Account Number (PAN) if the payment originated from PMS, or Agency information if the payment originated from the Automated Standard Application for Payments (ASAP), the National Science Foundation (NSF), or another federal agency payment system. Submitted remittances shall comply with the requirements of 2 C.F.R. §200.305.

II. FINANCIAL MANAGEMENT

Costs

Except where otherwise authorized by statute, costs must meet the following general criteria in order to be allowed under Federal awards:

1. Be necessary and reasonable for the performance of the Federal award and be allocable thereto under these principles.
2. Conform to any limitations or exclusions set forth in these principles or in the Federal award as to types or amount of cost items.
3. Be consistent with policies and procedures that apply uniformly to both Federally-financed and other activities of the District.
4. Be accorded consistent treatment. A cost may not be assigned to a Federal award as a direct cost if any other cost incurred for the same purpose in like circumstances has been allocated to the Federal award as an indirect cost.
5. Be determined in accordance with generally accepted accounting principles (GAAP), except as otherwise provided for in 2 C.F.R. §200.403.
6. Not be included as a cost or used to meet cost sharing or matching requirements of any other Federally-financed program in either the current or a prior period.
7. Be adequately documented.

Financial Management System

The District’s financial management system, including records documenting compliance with Federal statutes, regulations, and the terms and conditions of the Federal award, shall be sufficient to permit the preparation of reports required by general and program-specific terms and conditions; and the tracing of funds to a level of expenditures adequate to establish that such

funds have been used according to the Federal statutes, regulations, and the terms and conditions of the Federal award. The District's financial management system shall provide for the following:

1. Identification, in its accounts, of all Federal awards received and expended and the Federal programs under which they were received. Federal program and Federal award identification must include, as applicable, the Catalog of Federal Domestic Assistance (CFDA) title and number, Federal award identification number and year, name of the Federal agency, and name of the pass-through entity, if any.
2. Accurate, current, and complete disclosure of the financial results of each Federal award or program in accordance with the reporting requirements set forth in 2 C.F.R. §§200.327 and 200.328.
3. Records that identify adequately the source and application of funds for Federally-funded activities. These records shall contain information pertaining to Federal awards, authorizations, obligations, unobligated balances, assets, expenditures, income and interest and be supported by source documentation.
4. Effective control over, and accountability for, all funds, property, and other assets. The District shall adequately safeguard all assets and assure that they are used solely for authorized purposes.
5. Comparison of expenditures with budget amounts for each Federal award.

III. COMPENSATION – PERSONAL COSTS

Compensation for personal services includes all remuneration, paid currently or accrued, for services of Board employees rendered during the period of performance under the Federal award, including, but not necessarily limited to wages and salaries. Compensation for personal services may also include fringe benefits, as set forth in 2 C.F.R. 200.431. Costs of compensation are allowable to the extent that they satisfy the specific requirements of O.R.C. §200.430 and that the total compensation for individual employees:

1. Is reasonable for the services rendered and conforms to the established written policies of the District, as consistently applied to both Federal and non-Federal activities;
2. Follows an appointment made in accordance with the District's written policies and meets the requirements of Federal statute, where applicable; and

3. Is determined and supported as provided in 2 C.F.R. §200.430(i), when applicable.

Compensation for employees engaged in work on Federal awards will be considered reasonable to the extent that it is consistent with that paid for similar work in other activities of the District. In cases where the kinds of employees required for Federal awards are not found in the other activities of the District, compensation will be considered reasonable to the extent that it is comparable to that paid for similar work in the labor market in which the District competes for the kind of employees involved.

Standards for Documentation of Personnel Expenses

Charges to Federal awards for salaries and wages must be based on records that accurately reflect the work performed. These records must:

1. Be supported by a system of internal control which provides reasonable assurance that the charges are accurate, allowable, and properly allocated;
2. Be incorporated into the official records of the District;
3. Reasonably reflect the total activity for which the employee is compensated by the District, not exceeding 100% of compensated activities;
4. Encompass both Federally assisted and all other activities compensated by the District on an integrated basis, but may include the use of subsidiary records in accordance with the District's written policies;
5. Comply with the established accounting policies and practices of the District; and
6. Support the distribution of the employee's salary or wages among specific activities or cost objectives if the employee works on more than one Federal award; a Federal award and non-Federal award; an indirect cost activity and a direct cost activity; two or more indirect activities which are allocated using different allocation bases; or an unallowable activity and a direct or indirect cost activity.

LEGAL REFS: 2 C.F.R. §§200.302; 200.303; 200.305; 200.327; 200.328; 200.403; 200.430; 200.431

Adopted: October 11, 2016