



Policies and Procedures for Federal Award Recipients



Purpose and Introduction



Policies and Procedures

Are a critical part of control environment

Ensure effective operation

Assure compliance with requirements



Learning Objectives



At the end of this module, you will be able to:

- Describe reasons for maintaining written policies and procedures for core management functions and program and financial operations.
- Describe how to develop effective policies and procedures
- Understand how to identify needed policies and procedures for **your** organization.
- Identify the functions and operations for which all recipients **must** have written policies and procedures
- Describe how policies and procedures must be effectively communicated to staff and subrecipients, as well as shared with stakeholders.
- Describe the consequences of ineffective or absent policies and procedures



POLICIES AND PROCEDURES



What's a Policy? What's a Procedure?



Policy

Guideline that
regulates
organizational
activities

What or Why

Approved by
governing board,
council, President,
or Executive
Director

Procedure

Description of protocol
or steps for handling
matters

How to

Approved by
manager or
supervisor

Who has the authority to establish and approve policies? Procedures?



2 CFR 200.400 Policy guide

Non-Federal entity responsible for:

- Efficient and effective administration of award through use of **sound management practices**; and administering Federal funds **in compliance** with agreements, program objectives, and the terms and conditions of Federal award.
- Employing sound organization and management techniques to assure proper and efficient administration of award, in recognition of non-federal entity's **own unique combination of staff, facilities, and experience**.



Establish Practices and Controls



Look at your organization's purpose, staff, and programs.

Distribute information needed to do the right job and to do the job right.

Develop written policies and procedures to assure compliance.

Maintain good standing.

Organizational Responsibilities



- Effective Management Control
- Compliance with applicable laws and regulations
- Effective and efficient operations
- Considered approach



Benefits of Written Policies and Procedures



Written policies and procedures provide:

Transparency for the organization

Consistency in carrying out operations

Clarity for staff and subrecipients



Compliance: Hierarchy



Program
Statutes

- Authorization and Appropriation

Uniform Guidance
2 CFR Part 200,
2 CFR 2900

- Government-wide

Drug Free Workplace;
Suspension or Debarment;
Lobbying; Davis-Bacon
Act; FFATA; Non-
Discrimination

- Government-wide

Program Regulations; Guidance;
Policy Manuals; Grant Terms and
Conditions

- Agency and
Programs

Compliance: Requirements



OMB Uniform Guidance requires for written policies for the following:

Payments
200.302 (6), and
305

Procurement
200.318

Competition
200.319

Methods for
evaluation and
selection
200.320

Allowable costs
200.302 (7)

Compensation
200.430

Fringe Benefits
200.431

Employee
relocation costs
200.464

Travel costs
200.474

Compliance Requirements (2)



Policy requirements may be included in the program laws and regulations for:

- WIA/WIOA
- Trade Adjustment Assistance (TAA)
- Older Americans Act (OAA)
- Wagner Peyser Act
- American Competitiveness and Workforce Improvement Act of 1998 (ACWIA)



Policies and Procedures for Award Requirements



Uniform Guidance and program laws and regulations include many requirements that must be implemented by recipients and subrecipients.

Put these requirements into clearly written policies and procedures.

Distribute copies to all relevant parties.

What Your Organization Needs



Organization charts

Office responsibilities

Interactions between divisions/offices

Interactions with external entities

Job descriptions

Grant structure

Grant administration

Partners

Subrecipients

Questions to Ask Yourself



Knowledge Check



Select the statement(s) below that describe a policy. Then click Submit.

- ☒ A) It is a guideline that regulates an organization's activities.
- ☒ B) A policy is approved by the governing board, council, President, or Executive Director.
- ☐ C) It is a procedure for handling a process.
- ☐ D) A policy is a position statement about what the organization does.

The correct answer is A, B.
Click anywhere or press Control Y to continue

Submit

Knowledge Check



Select the statement(s) below that correctly define a procedure. Then click Submit.

- ☒ A) A procedure is approved by a manager or supervisor.
- ☒ B) A procedure describes the steps in a process.
- ☒ C) A procedure is a protocol.
- ☒ D) A procedure specifies how a function is performed.

The correct answer is A, B, C, D.
Click anywhere or press Control Y to
continue

Submit

Knowledge Check



What are the benefits of having written policies and procedures in place?

Select all that apply. Then click Submit.

- ☒ A) They provide documented evidence to auditors and monitors.
- ☒ B) They provide protection for the organization if there are allegations of mismanagement.
- ☒ C) They provide consistency in carrying out operations.
- ☒ D) They provide clarity for the staff and subrecipients.

The correct answer is A, B, C, D.
Click anywhere or press Control Y to
continue.

Submit



RECOMMENDED POLICIES AND PROCEDURES



Common Policies and Procedures



Accounting System

Budget Controls & Modifications

Chart of Accounts

Receivables

Payables

Approvals

Documentation

Audits & Resolution

Small Purchase Process

Drawdowns & Cash Management

Common Policies and Procedures (2)



- Bank Reconciliation
- Program Income
- Interest Income
- Human Resources – Hiring/Selection
- Compensation and Fringe Benefits
- Complaints/Grievances
- Cost Policies - Allowable
- Staff Travel
- Participant/Program Services
- Purchasing
- Procurement

Common Policies and Procedures (3)



- Monitoring
- Incident Reporting
- Property/Equipment Management
- Record Retention
- Match and Leverage Resources
- Reporting (Financial and Performance)
- Internal Controls
- Segregation of Duties
- Policies and Procedures for the Board

For additional information, go to





Is putting your policies and procedures in writing enough?
If not, what else do you need?



How do you use your policies and procedures?



How do you ensure that they are being followed?



How do you ensure that they are still relevant?

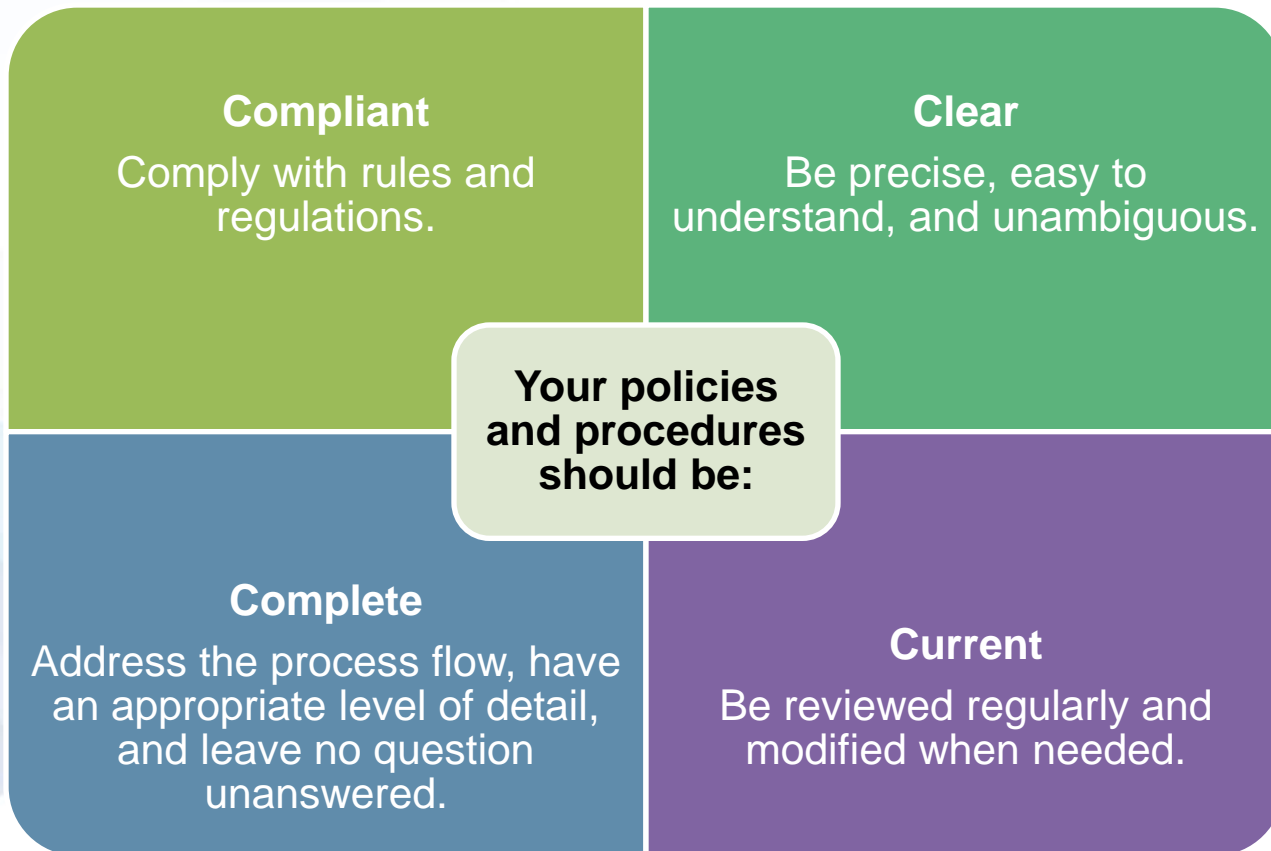




DEVELOPING POLICIES AND PROCEDURES



Characteristics of Policies and Procedures



Developing Policies



Identify this information

What policies are required by Federal and State rules, regulations, and requirements?

Are policies needed for accountability, critical importance, legal liability, and serious consequences?

Who should be involved in the process?

Who has the authorization to approve organizational policies?



Developing Procedures



Steps

Establish a common format or style guide.

Talk to the people responsible for doing and reviewing the work.

Look for models. Review existing procedures in your organization or in similar ones.

Study your existing systems. Interview users and supervisors to find out what is working.

Determine what your goal is. Do you want to: Document a method? Make a process more efficient or consistent?

Identify your audience. Is the procedure for: New staff? New method? Subrecipients?

Clarify the content. What do they need to know? What do you want them to know? What are the consequences of non-compliance?

Policy Exercise



Open the Monitoring Policy Exercise by going to WorkforceGPS on the Administrative Requirements page

This is a portion of a State Agency monitoring policy. Please review it to determine if it meets the characteristics of a well written policy.

- Compliant?
- Clear?
- Complete?
- Current ?
- What other components should the policy include?





This document contains many good elements. However, there are other components that should be added to make the policy more clear and complete. These include:

- Scope: Who does the policy apply to? All state agencies that award Federal funds to subrecipients, for example.
- Definitions: What is a subrecipient?
- What areas and functions should be monitored?
- How to assess risk?
- Details about report requirements and monitoring?
- Resolution timeframes?

Knowledge Check



You should develop a policy for which of the following items in the list below?

Select all that apply. Then click Submit.

- ☒ A) Federal, State, and Grant requirements
- ☒ B) Code of ethics
- ☒ C) Compliance requirements
- ☒ D) Supportive services

The correct answer is A, B, C, D.
Click anywhere or press Control Y to
continue

Submit

Knowledge Check



What steps should you take when developing a procedure?

Select all that apply. Then click Submit.

- ☒ A) Identify your audience.
- ☐ B) Create a new model unlike any existing process.
- ☒ C) Talk to people responsible for doing the work.
- ☒ D) Determine what your goal is.

The correct answer is A, C, D.
Click anywhere or press Control Y to continue.

Submit



COMMUNICATING POLICIES AND PROCEDURES



Communicating Policies and Procedures



To be effective, policies and procedures must be understood and used. You should:

- Broadcast them
- Use them as training tools
- Discuss them during orientation
- Follow up to ensure proper implementation



Distributing Policies and Procedures



Distribute policies and procedures officially.
Create ownership.



Provide appropriate forums to convey
meaning and importance.
Address questions and concerns.



Findings on Policies and Procedures



Ineligible participants

Re-competing awards

Disallowed expenditures



Over-reimbursement of staff

Disallowed bonuses

Invalid procurements

No written policy exists for subrecipient monitoring.

Findings and Consequences: Example 1



Finding:

Subrecipient does not have written policies and procedures for subrecipient fiscal monitoring.

Consequence:

The organization must have a written policy. Develop a written policy.



Findings and Consequences: Example 2



Finding:

Recipient has not:

- Developed supportive services policies/procedures.
- Documented need for services provided to participants.

Consequence:

A policy should have been in place as well as procedures for staff to follow. They must develop and implement the missing policies. Insufficient documentation could result in disallowed costs.



Findings and Consequences: Example 3



Finding:

Recipient does not maintain adequate policies and/or procedures for financial management and grants management in these areas: tracking match, no bank reconciliation process, and procurement policy covered only equipment purchases, not other procurement actions.

Consequences:

Policies must be developed and implemented for procurement and tracking match and bank reconciliation. To meet their match requirement, they must locate as much match documentation as they can. If it is insufficient, they may lose a proportionate share of their grant funds and could result in disallowed costs.

Failure to perform bank reconciliations leaves them vulnerable to fiscal problems that were undetected. They must perform the reconciliations and resolve problems such as uncleared checks, undeposited funds, fraudulent payments, and undetected embezzlement. The consequences of procurements that did not meet Federal requirements could be very severe.

Findings and Consequences: Conclusion



Identify, develop, and implement required policies and procedures when you begin!



Knowledge Check



To be effective, policies and procedures must be:

Select all that apply. Then click Submit.

- ☒ A) Understood
- ☒ B) Used
- ☐ C) Official

The correct answer is A, B.
Click anywhere or press Control Y to continue

Submit

Knowledge Check



When you are distributing new policies and procedures, it's a good idea to:

Select all that apply. Then click Submit.

- ☒ A) Address questions about them.
- ☒ B) Discuss them at meetings.
- ☒ C) Create ownership.
- ☒ D) Explain them during training.

The correct answer is A, B, C, D.
Click anywhere or press Control Y to continue

Submit

Knowledge Check



Failure to follow your written policies and procedures may result in:

Select all that apply. Then click Submit.

- ☐ A) No consequences
- ☒ B) Disallowed expenditures
- ☒ C) Re-competing awards
- ☒ D) Ineligible participants

The correct answer is B, C, D.
Click anywhere or press Control Y to continue

Submit



SUMMARY





Section 1: Policies and Procedures

- ◆ Establishing sound practices and effective controls
- ◆ Written documents needed for compliance and consistency

Section 2: Recommended Policies and Procedures

- ◆ Most common policies and procedures

Section 3: Developing Policies and Procedures

- ◆ Characteristics of effective policies and procedures
- ◆ Steps for developing them

Section 4: Communicating Policies and Procedures

- ◆ Methods of communicating policies and procedures
- ◆ Examples of consequences associated with non-compliance



Conclusion



This presentation is complete.