

# Policies and Procedures under the UGG: From Bare Minimum to Best Practice

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# Terminology

- Policies
- Procedures
- Protocols
- Guidelines
- Standards
- Processes





# Required Policies and Procedures

- Written Cash Management Procedure – UGG Sections 200.302(b)(6) and 200.305
- Written Allowability Procedures - UGG Section 200.302(b)(7)
- Written Conflicts of Interest Policy - UGG Section 200.318(c)
- Written Procurement Procedures - UGG Section 200.319(c)
- Written Method for Conducting Technical Evaluations of Proposals and Selecting Recipients - UGG Section 200.320(d)(3)
- Written Travel Policy - UGG Section 200.474(b)
- \*\*Procedures for managing equipment - UGG Section 200.313(d)
- (NEW) Time and Effort Policies and Procedures – Draft Cost Allocation Guide



# Best Practice

- Staff Changes and Transitions
- Internal Controls
- Single Audits
- Monitoring



# Resources

- Uniform Grant Guidance
- Agency Regulations
- Authorizing statute
- Program regulations
- Program guidance
- State and agency rules, regulations, policies and procedures



The secret  
to getting  
ahead is  
getting  
started





- Determine goal
  - Internal for your own organization?
  - Grant specific or cross cutting?
- Create a team – include both fiscal and programmatic personnel (very important)
- Create a table of contents
- Assign subjects
- Create timeline for completion

- Review existing policies and procedures
- Develop questions
- Schedule interviews with relevant staff
- Gather information on actual practices
- Draft policies and procedures
- Review internally with appropriate staff
- Revise
- Formally adopt and implement
- Train staff

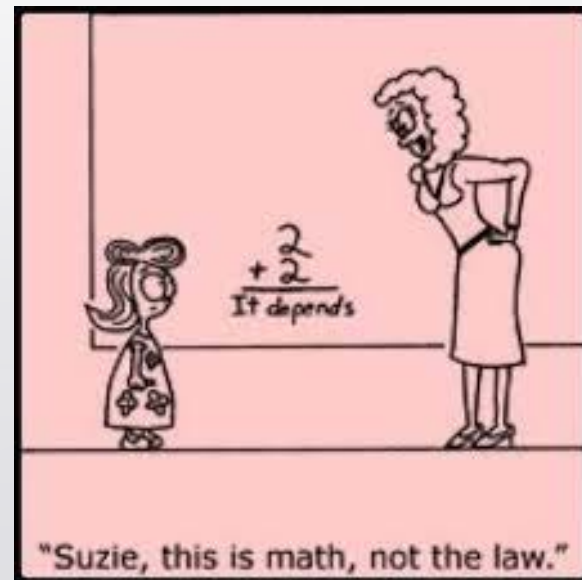
*Annually review and revise!*





# FAQ: How long will this take?

- Updating or starting from scratch?
- Key: Set deadlines for actions
- Tip: Schedule review and adoption with governing body, if required





FAQ: Do you have a template I can use??



# Policy and Procedures Suggested Sections



- Organization, Structure, and Function
- Grant Application Process
- Financial Management System
- Allowability
  - Time and Effort Documentation
  - Travel
- Procurement
- Inventory/Property Management
- Record Keeping/Record Retention
- Monitoring and Audit Resolution
- Programmatic Requirements
- Notice of Nondiscrimination and Grievance Procedures



# Grant Application Process



- Required approvals and authorizations to apply for competitive grants
  - Decisions regarding what grants to apply for
  - Determining organizational capacity to run a compliant program
  - Budget, match, indirect costs



# Financial Management Procedures 200.302

- Overview of financial management / accounting system
- Budget control, amendments
- Maintaining accounting records
- Journal voucher process
- Cash management, interest remittance and timely spending
- Spending funds, determining allowability



# Financial Management Procedures



Already have Accounting Procedures?

- Cross reference to procedures, but create a federal grant “cheat sheet” for the manual
- Grant accounting codes
- Definitions for budget codes / categories



# Financial Management Procedures



## Cash Management

- Payment process
  - Advance
  - Reimbursement
- But also – timely spending of funds!!
  - Period of availability
  - Carryover
  - FIFO



# Cash Management

- Cash management and interest remittance, in accordance with Payment (2 CFR 200.305)
- Timely Obligation of Funds (34 CFR 76.708)
  - When Obligations are made (34 CFR 76.707)
- Period of performance of federal awards (2 CFR 200.309; 200.77)
- Carryover (34 CFR 76.709; 76.710)
- Program income (2 CFR 200.307; 200.80)





# Spending Grant Funds

Want to direct charge clerical and administrative staff to your grant?

Must demonstrate the following:

1. Such services are integral to the activity
2. Individuals can be specifically identified with the activity
3. Such costs are explicitly included in the budget
4. Costs not also recovered as indirect

200.413(c)



## Spending Grant Funds (cont.)



- Can include Selected Items of Cost section for frequently asked about expenses
  - E.g. Food!!
- EDGAR has 55 specific items of cost - 200.420





# Travel Policy



## Travel Costs (UGG Section 200.474)

- Does your agency require documentation that participation of individual in a conference is necessary for the program?
- Do you charge travel on actual costs or use a per diem rate?
- Are there written travel reimbursement requirements?





# Time and Effort Procedures

- 2 CFR 200.430(i)
- Semi-annual certifications or PARs?
- Cost Objective
- Reconciliations
- HR Policies
  - Benefits





## (New) Time and Effort Procedures

“Written policies and procedures are essential to implementing an effective time reporting system.”

Should cover:

- (1) the completion of time and attendance reporting;
- (2) the approval cycle that is required;
- (3) the processing of personnel charges to federal awards; and
- (4) the internal review process that will be established to ensure effective internal control over the Federal award.

Time spent → time recorded → time charged



# Procurement Best Practices

- Clearly defined thresholds
- List of required/accepted documentation and required forms
- Specify number of required bids/quotes
- Include description of solicitation process (transparency)
- Include procedures that ensure contracts are delivered before payment
- Segregation of duties is important



# Conflict of Interest Policy

Gifts and Gratuities (UGG Section 200.318(c)(1))

- Rule: Must neither solicit nor accept gratuities, favors, or anything of monetary value from contractors/ subcontractors.
  - Allowed: unsolicited item of nominal value.
- Does your agency define a “financial interest that is not substantial” or a “nominal value” for an unsolicited item?





# Want to Sole Source?

Not only must you be able to justify lack of competition; also must negotiate profit as a separate element.



200.323



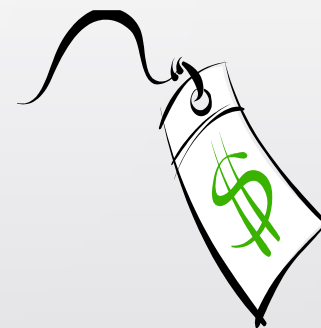




# Contract Cost and Price

## 200.323

- Q: When must profit be negotiated?
- A: Contracts exceeding \$150k, and all noncompetitive procurements
- Q: How should profit be negotiated?
- A: Districts and states should follow their own contracting rules, which at a minimum meet the federal requirements
- Q: Will informal product and price comparisons be accepted as competitive comparison (and not be subject to profit negotiations)?
- A: Yes, for micro-purchases and small purchases





# Contract Administration



Contract Administration (UGG Section 200.318)

- How is your agency maintaining oversight to ensure that contractors perform in accordance with the terms, conditions, and specifications of the contract?



# Inventory/Property Management

- 2 CFR § 200.313
- Property Classifications
  - Equipment (200.33)
  - Supplies (200.94)
  - Computing Devices (200.20)
- Inventory Procedure (200.313(d))
- Loss, Damage or Theft
- Disposition (200.313(e); 200.314)





# Computing Devices

Regardless of cost, grantee must maintain effective control and “**safeguard all assets** and assure that they are used solely for authorized purposes.” (UGG Section 200.302(b)(4))





# Record Keeping

- 200.333, 200.335
- Statute of Limitations
  - ~~3~~ 5 years – GEPA
  - 6 years – False Claims Act
- State Policy
- Agency Policy





# Record Requirements

- Accounting Records § 200.302(b)(3)
- Property Records § 200.313(d)(1)
- Procurement Records § 200.318(i)
- Allowability requirement – adequately documented § 200.404(g)
- Records related to grant funds, compliance, and performance
  - §§ 75.730, 75.731, and 75.732
  - §§ 76.730 and 76.731



# Record Storage

## 200.335

- When original records are electronic and cannot be altered, there is no need to create and retain paper copies.
- When original records are paper, electronic versions may be substituted through the use of duplication or other forms of electronic media provided they:
  - Are subject to periodic quality control reviews,
  - Provide reasonable safeguards against alteration; and
  - Remain readable.



# Types of Monitoring and Review

- Monitoring of Agency
- Monitoring of Subrecipients (200.331)
- Risk-Based Factors (200.207)
- Onsite Reviews
- Desk Reviews
- Self-Assessments (200.328(a))
- Single Audits
- OIG Audits







# Single Audits



Process for developing corrective action plan

- 200.511(c)
- The corrective action plan must provide the name(s) of the contact person(s) responsible for corrective action, the corrective action planned, and the anticipated completion date.
- If the auditee does not agree with the audit findings or believes corrective action is not required, then the corrective action plan must include an explanation and specific reasons.



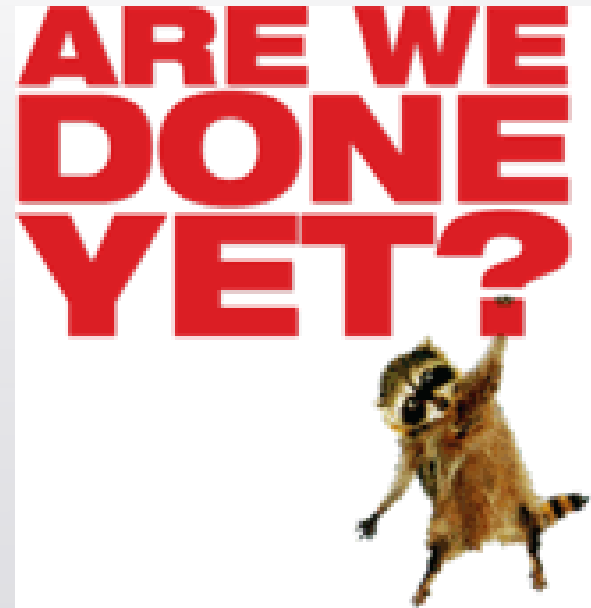
# Cooperative Audit Resolution (CAROI)?

- 200.513: The Federal awarding agency must use cooperative audit resolution to improve federal program outcomes
  - Cooperative Audit Resolution means the use of audit follow-up techniques which promote prompt corrective action by improving communication, fostering collaboration, promoting trust and developing an understanding between the Federal agency and non-Federal entity (200.25).



# Policy and Procedures Follow-up

- Make sure policies and procedures are easy to use and easy to find!
- Annual training
- Training for new staff
- Review and revise annually





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