Recommended Policies and Procedures

These are common policies and procedures that an organization that is responsible for operating a Federal grant will have. This list is not intended to be all-inclusive.

**Accounting System**, a number of procedures should be spelled out in writing:
- **Budget Controls and Modifications:**
  - Frequency of comparison of expenditures to budget
  - Procedures for requesting modifications – when is a mod needed? What are the parameters? What are the timeframes?
  - Process for prior approvals when required
- **Chart of Accounts**, that addresses the record needs of the organization, including
  - Funding sources
  - Grant and organizational needs
  - Costs principles
  - GAAP requirements

**Receivables**

**Payables**

**Approvals-** Policies and procedures should identify:
- Who approves various transactions – accounting entries, error corrections, journal entries, financial reports
- How many approvals are needed?
- Do certain transactions require more than one level of review and approval?

**Documentation:**
- What is maintained? Originals, copies, paper, digital.
- Who maintains what? Where? How long? The details should be spelled out in the procedures to ensure that the requirements can be followed and reviewed.

**Audits**, the written procedures should cover:
- Timelines and process for subrecipient audit completion and a process for tracking that required audits have been submitted for review.
- Audit Resolution process, including timeline for responses and completion of corrective actions
- Appeals process
- Debt Collection procedures

**Small purchases**, these procedures should address:
- **Credit Card Use** (more common)
  - Distribution - Who has their own? Who else has access?
  - Approvals – Who approves and how many are needed; advance versus after-the fact
  - Limitations
    - Dollar amounts
    - Services/products - what is automatically allowed, restricted, unallowable?
Handout 2 – Recommended Policies and Procedures

- Documentation requirements – what is required to be submitted for prior approval, versus what can be submitted with the bill for payment?
  - Petty Cash fund, the procedures should spell out:
    - Documentation – What is required and when must it be provided?
    - Approval requirements - Who, and how many approvals? Are there different levels of approval by dollar amount or type of item?
    - Fund amount/Replenishment procedures - Describe how much is maintained in the fund or funds; when does replenishment occur, and from what source?
    - Reconciliation frequency – When does it occur, e.g., at replenishment and at least monthly
    - Periodic surprise count - Performed by whom and how frequently?

**Drawdown Procedures** should include:
- A process to minimize the time elapsing between receipt and disbursement of funds- as required by 2 CFR
- Frequency – Daily, weekly?
- Forecasting Methodology – How to determine the amounts to draw?
- Requisition/Approval process – forms, approvals
- Reconciliation between funding sources - adjustments based on actual usage

**Bank Reconciliation** – is very important for internal control
- Bank reconciliation must be done by someone other that writer/approver of checks
- Procedures should include a review process and higher level approvals

**Program Income**
- Guidelines for use of program income
  - Activities
  - Allowable uses and requirements
- An accounting process
- The requirement to use the cash earned prior to requesting additional funds

**Interest Income**
- Accounting process for handling interest earned in compliance with the rules.

**Personnel policies** covering:
- Hiring and selection.
- Compensation and Fringe Benefits
- Payroll and Time Distribution – documentation standards
- Time sheets (completion and approvals)
- Fringe Benefits Package
- Vacation and Leave
- Pension
- Severance Package (if any)
Normal - as indirect cost
- Abnormal/Mass – prior cognizant agency approval
- Golden parachute – not allowable
- Bonuses/Incentive Pay (if any)
- Salary Cap restrictions

**Complaints and grievances**, policies must include processes for submission and handling complaints in the following areas:
- Participants, staff & bidders – who may submit, what are the required timeframes, what must be included, who to submit to, and how?
- EEO – process must comply with Federal requirements
- Resolutions – what are the required timeframes, what happens if timeframes are missed, how and when are resolutions implemented
- Appeals - what can be appealed, what are the required timeframes, who receives appeals, what is the required format and contents for an appeal
- Hearings – when will they be scheduled, who conducts hearings

**Cost policies** establishing methods for determining allowability of costs in accordance with the cost principles. A cost policy should incorporate the Federal rules, the grant rules, the grantee’s and Federal agency policies. Policies should also be developed in the following areas:
- Indirect costs
- Cost Allocation Plans
- Cost limitation tracking procedures for both the grantee and subrecipients

**Meals**

**Travel** policies. At a minimum such policies should cover:
- Rates of compensation for
- Lodging
- Subsistence
- Mileage
- Allowable methods of travel
- Documentation requirements
- Process for advance purchase of travel and requirements and process for reimbursement.

**Program activities**, should include policies regarding:
- Supportive Services
  - Transportation – What types of transportation costs will be reimbursed or paid in advance. What are the documentation requirements?
  - Child Care - are family members eligible? What types of documentation are required?
  - Medical – what coverage is available under the HCA? What types of procedures are covered? Emergency rooms? What about dental coverage
Clothing- just uniforms? What about interview clothes? New or used?
- Caps or limitations
- Other

- Incentives/stipends
- Paid/Unpaid Internships, Work Experience
- Training (ITAs, refunds, etc.)
  - Other policies that may be relevant, including duration of time in Intensive services (WIA 663.250), or other requirements or restrictions in the terms and conditions of the grant.

**Procurement and Purchasing**, written policies and procedures governing a number of areas, including:
- Methods - to ensure competition, description of technical requirements, method for evaluation and selection
- Written Code of Conduct covering those involved in selection and administration of awards
- Conflicts of interest – personal, organizational, including the Board
- Written Protest Policies
- Closeout procedures for both
  - Grants and
  - Contracts

**Monitoring**, process should include the following:
- A monitoring schedule
  - How it is determined?
  - Is monitoring priority risk based?
- It should describe a monitoring structure, including what should be monitored and how
- It should include a description of the process and timeframes for reporting findings
- It should set out a process for resolution of findings and consequences for non-compliance
- It should provide for a process for appeals and
- Hearings

**Incident Reporting**: required by ETA policy TEGL 2-12

**Property/Equipment Management**

**Record Retention**

**Match and Leveraged Resources**

**Reporting (Financial and Performance)**

**Internal Controls, Segregation of Duties**