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
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
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
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)
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

- How can we assure that functions are performed in compliance with grant requirements?
- How do we clearly communicate what is required both within and outside our own organization?
- How do we provide this information to our grant partners and subrecipients?
- What tools do we have for training new staff?
- Do we have documentation that expresses a well-thought-out approach for managing grant-related activities?
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.
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.
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.
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 Common Policies and Procedures (3)
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

- **Compliant**
  Comply with rules and regulations.

- **Clear**
  Be precise, easy to understand, and unambiguous.

- **Complete**
  Address the process flow, have an appropriate level of detail, and leave no question unanswered.

- **Current**
  Be reviewed regularly and modified when needed.

Your policies and procedures should be:
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?
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?
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?**
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.
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.
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
Distribute policies and procedures officially.
Create ownership.

Provide appropriate forums to convey meaning and importance.
Address questions and concerns.
No written policy exists for subrecipient monitoring.
Subrecipient does not have written policies and procedures for subrecipient fiscal monitoring.

The organization must have a written policy. Develop a written policy.
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.
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.
Identify, develop, and implement required policies and procedures when you begin!
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
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.
Failure to follow your written policies and procedures may result in:

Select all that apply. Then click Submit.

- [x] A) No consequences
- [ ] B) Disallowed expenditures
- [x] C) Re-competing awards
- [x] D) Ineligible participants

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