

# **Channing Hall**

## **Federal Grant – Financial Policies**

### **Scope**

All financial systems of the school, including the accounting system, the payroll system and all external reporting systems for various state, federal, and debt service reporting complies with the standards enumerated within the Code of Federal Regulations and the Uniform Grant Guidance and specifically in concert with the financial management standards of 2 CFR 200.302. From a state compliance standpoint, Administrative Rule 277-113 standards are applicable for the financial management of federally funded programs.

### **Standard Chart of Accounts**

The published USBE chart of accounts (specific to each fiscal year) including balance sheet, revenue classes, expenditures, and program classes will be adhered to in all budgeting and recording of actual accounting transactions for both internal and external required reporting.

### **Internal Controls**

The school has established a comprehensive set of internal control administrative policies and practices for the control of all revenue received, expenditures incurred and paid, and extensive reviews and reconciliations of accounting system transactions. All federal grants are budgeted and accounted for in segregated financial programs and subject to the entire payroll, accounts payable, and cash procedures of the school. Extensive reviews of transactions are provided by an accountant whose duties are segregated from the processing and approval of funds received and expended. The goal is to provide reasonable assurance that these funds are managed in compliance with federal standards and regulations. The school does not use any federal funds for the purchase of land, facilities, and equipment. The federal funds are only used to purchase supplies, contracted services, and to pay employees assigned to federal funded programs.

If a compliance matter is brought to the attention of the school via a USBE program visit or an auditor's concern, the school will evaluate the situation, make prompt corrective action if warranted, and apply measures to protect personal and sensitive information.

### **Cost Determinations, Reporting, and Indirect Costs**

Adherence to the requirements of 2 CFR Subpart E Cost Principles parts 400-476 for determination of allowable direct costs, calculation of any indirect costs, and the methods of cost allocations is a basic component of budgeting for each federally funded grant, recording applicable payroll costs, payment of invoices, and regular budget to actual expenditure reviews for each grant in concert with the request of reimbursements. Documentation for all transactions and allocations will be maintained as support for all expenditures.

## **Other Financial Matters**

No reimbursement for costs incurred for a federal grant will be submitted until expenditures have been incurred and paid. No advance funding requests for any reason will be considered.

For each fiscal year, a request for the USBE to calculate an indirect cost rate will be made. When a new indirect cost agreement is presented the school agrees to abide to its terms. Indirect costs will be recorded to all applicable federal grants each year.

Finance records for federal funded grants are maintained for a period longer than the three year minimum requirement.

For each federal funded grant, allowable costs within the grant will be reviewed and adhered to.

If the school enters into pass through entity funding arrangement involving a federal grant, the school will appropriately determine the sub-recipient or contractor roles involved in meeting the management and monitoring requirements of 2 CFR 200.331.

Per USDA-FNS policy, when preparing an RFP for purchasing School Food Service program items and when making a purchase decision, the primary determining factor is the cost of the product.

### ***Channing Hall will Comply with Funding Requests & Agreements Per:***

#### **53E-3-804. Governor to approve federal education agreements or national programs.**

- (1) Before legally binding the state by executing a federal education agreement or national program that may cost education entities more than \$500,000 annually from state and local money to implement, a school official shall submit the proposed federal education agreement or national program to the governor for the governor's approval or rejection.
- (2) The governor shall approve or reject each federal education agreement or national program.
- (3)
  - (a) If the governor approves the federal education agreement or national program, the school official may execute the agreement.
  - (b) If the governor rejects the federal education agreement or national program, the school official may not execute the agreement.
- (4) If a school official executes a federal education agreement or national program without obtaining the governor's approval under this section, the governor may issue an executive order declaring the federal education agreement or national program void.

### **Channing Hall will comply with the Requirements of 2-CFR 200 Subpart Sections:**

Section 200.112 Conflict of interest.

Section 200.113 Channing Hall agrees to notify the USBE in writing within 24 hours of actual violations of Federal criminal law.

Section 200.201 Acceptance of grant agreements of all types applied for.

Section 200.214 Suspension or Debarment – to notify the USBE of any potential or actual conditions.

Section 200.208 Honor the specific conditions established by the USBE.

Section 200.302 Honor the USBE financial management requirements.

Section 200.303 Establish internal controls for awards with assurances of compliance with Federal regulations of the awards.

Section 200.305 All school payments under a grant will be processed and recorded before seeking a cost reimbursement.

Section 200.306 Access to all federal grant records and transactions will be made and the cost sharing, matching, and maintenance of efforts as required will be honored.

Section 200.309 Period of Performance – all grant periods including extensions will be honored.

Section 200.313 Equipment – the school does not use grants to purchase equipment.

Sections 200.317-327 School procurement policies apply to all grants. All contractor work is reviewed and held to the terms of each contract. School documentation and methods of procurement apply.

Sections 200.403-405 Allowability of cost factors including those necessary for a grant, reasonable costs, and allocable costs honored.

Section 200.331-332 Accountable for pass-through entities.

Section 200.334 Records retention requirements.

Sections 200.335-338 Access to records will be honored.

Section 200.339-342 Honor participation in any USBE hearings & appeals Channing Hall requests.

Section 200.421 Advertising & public relations – the school advertises for employment needs.

Section 200.425 Auditing services – no charge for auditing services is made to a federal grant.

Section 200.430 Compensation – personal services -- allowable only for wages and salaries per employee certifications or personal activity reports and reimbursements for small supply purchases.

Section 200.431 Compensation – fringe benefits – allowable only for current related Social Security matching, retirement contributions, and insurance benefits. No post-employment benefits are provided.

Section 200.434 Contributions & donations -- the school does not make contributions or donations from any source to any group or person.

Section 200.438 Entertainment costs – no entertainment costs for any social or educational purpose will be charged to a federal program.

Section 200.442 Fund raising and investment management costs – none applicable to any federal program.

Section 200.445 Goods or services for personal use – none allowed for any federal grant or any other school funded program.

Section 200.449 Interest – no interest costs are chargeable to any federal program.

Section 200.450 Lobbying – no cost of lobbying or attempts to influence another party is allowed.

Section 200.469 Student activity costs – no grant costs are allowable for student activities.

Section 200.475 Travel – travel costs for the employee only are allowed for transportation, lodging, and meals as requested for specific professional development training purposes.

Section 200.501 Single audit if total federal revenue exceeds \$750,000 for a fiscal year.

## **Maintenance of Effort**

### **I. Purpose**

Most federal education statutes require that states and school districts maintain state and/or local funding effort from year to year. State and local education agencies have to demonstrate, prior to receiving any federal education dollars, that they ‘maintained effort’ with state and local resources. These “maintenance of effort” (MOE) provisions are intended to ensure education funding is cut as little as possible in tough economic times and that federal funding does not take the place of other money that should be coming from state and local resources.

### **II. Policy**

#### **A. Title I Maintenance of Effort**

1. Under ESEA section 8521(a), before receiving any Title I funding, Channing Hall must show that the combined fiscal effort from state and local funds per student, or the aggregate expenditures of the school for the preceding year, is not less than 90 percent of the combined fiscal effort aggregate expenditures for the second preceding fiscal year.
2. Financial data will be reviewed at the close of each fiscal year to ensure compliance.

#### **B. IDEA Maintenance of Effort**

1. Under 34 CFR § 300.203, Channing Hall must determine that the budget for the education of children with disabilities is at least the same amount, from at least one of the following sources, as the school spent for that purpose from the same source for the most recent fiscal year:
  - a. Local funds only;
  - b. The combination of state and local funds
  - c. Local funds only on a per capita basis; or
  - d. The combination of state and local funds on a per capita basis.
2. Budgets will be reviewed annually during the application for IDEA funds to ensure the required level of expenditures is maintained.

### **III. References**

ESEA section 8521(a)  
34 CFR § 300.203

## **Time & Effort Reporting**

The work of employees who are assigned to federally funded programs will be controlled and monitored utilizing the following standards:

1. An annual budget for each cost objective for the associated employees will be developed and reviewed quarterly. Specifics by employee require job position, hourly wage, anticipated annual weeks and hours to work, total wage estimate and benefits, and expenditure accounting to include the program and account number based on the position.
2. Hours worked by part time hourly paid employees will be recorded and tracked by an electronic time clock process. Salaried employees are not assigned to federally funded programs.
3. All payroll time reports will be reviewed and retained as part of the formal payroll records of the school. For employees with a 100% single assignment, semi-annual certification letters will be prepared and signed by each employee and the immediate supervisor. For employees who have multiple assignments, a monthly PAR with appropriate work allocations, will be prepared and signed by each employee and the immediate supervisor.

## **Use of Department of Education Funds Under Circumstances of COVID-19**

### **Purpose**

The Board of Directors of the Channing Hall has established this policy to clarify the use of grant funds from the U.S. Department of Education (“USDOE”) during the novel Coronavirus Disease 2019 (COVID-19) pandemic conditions with respect to compensation. The policy directly follows guidelines published in April 2020 by the USDOE and refers both to IDEA funds and other grants provided by the USDOE.

This policy also addresses the extraordinary circumstances caused by COVID-19 by establishing emergency contingencies in place for Federal and non-Federal similarly situated employees. The policy asserts that, if the conditions exist for charges to be made to the Federal grant, charges may also be made to any non-Federal sources that are used by a grantee in order to meet a matching requirement. The school also reserves the right to compensate employees paid with grant funds by having them continue their activities, including distance learning opportunities and support, for students served by the grant.

The policy further asserts that Channing Hall employees paid by federal USDOE grant monies will receive the same treatment in policy and procedure as those paid by State funds or other revenues.

This policy is effective retroactively, as allowed by the USDOE, beginning at the date on which public schools in Utah were dismissed as a result of the Coronavirus Disease 2019 (COVID-19) pandemic in March 2020.

### **Procedures**

A grantee may continue to pay the compensation of an employee, including but not limited to, salaries, wages, and benefits paid by a currently active grant funded by the USDOE during the period the employee is unable to work because his or her organization is closed due to novel Coronavirus Disease 2019 (COVID-19) under the following conditions:

- Such an action must be consistent with the organization's policies and procedures for paying compensation from all funding sources, Federal and non-Federal, under unexpected or extraordinary circumstances, such as a public health emergency like COVID-19.
- If the school pays similarly situated employees whose compensation is paid with non-Federal funds during an extended closure, consistent with the school's policies and procedures, those paid with grant funds from the USDOE may also continue to be paid.
- An employee who is being paid with USDOE grant funds while the program grant activities are closed in whole or in part due to the COVID-19 pandemic may not also be paid for the time during which the program is closed by the school for working on other activities that are not closed down.

### **Records and Documentation**

Channing Hall acknowledges that the school as a grantee must maintain appropriate records and cost documentation as required by 2 CFR § 200.302 (financial management), 2 CFR § 200.430(I) (standards for documenting personnel expenses), and 2 CFR § 200.334 (retention requirements for records) to substantiate the charging of any compensation costs related to interruption of operations or services.

### **Conflict of Interest**

Channing Hall and its employees have a duty to avoid real, perceived or potential conflicts of interest. A conflict of interest is defined as an event or transaction where an employee is in a position to influence a decision or have business dealings on behalf of the School that might result in personal gain of the employee, one of his/her relatives. Examples of conflict of interest include, but are not limited to, accepting gifts of any value associated with the procurement or other business dealings, requesting or granting favors, conducting undisclosed or undeclared business for personal gain. A conflict of interest for personal gain can result from situations where you or a relative receives a bribe, gift, special consideration or kickback as a result of a transaction involving the School. Channing Hall employees may

not transact undisclosed business when a conflict of interest is present. Failure of an employee to declare a conflict of interest in writing to the Head of School , Business Manager and/or the Board of Trustees prior to business dealings where a conflict of interest is present may be subject to disciplinary action, up to and including termination of employment and may be subject to criminal prosecution. All Channing Hall employees shall follow applicable laws or administrative rules associated with conflicts of interest. Although it is not possible to specify every action that might create a conflict of interest, this policy sets forth the actions that most frequently present problems. If you have any question whether an action or proposed course of conduct would create a conflict of interest, you should immediately contact the Head of School or the Business Manager to obtain advice on the issue. The purpose of this policy is to protect you from any conflict of interest that might arise. (In compliance with 2-CFR Section 200.112)

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