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| Book         | Policy Manual                                         |
| Section      | 600 Finances                                          |
| Title        | Federal Fiscal Compliance & Whistleblower Protections |
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### **Authority**

The Joint Operating Committee shall ensure federal funds received by the center (school) are administered in accordance with federal requirements, including but not limited to the federal Uniform Guidance.[\[1\]](#)

The Joint Operating Committee shall review and approve all applications for federal funds submitted by the center (school).

### **Delegation of Responsibility**

The Joint Operating Committee designates the

- { } Administrative Director
- { } Federal Programs Coordinator
- { } building administrator
- {X } Business Manager

as the center (school) contact for all federal programs and funding.

The Administrative Director or designee, in collaboration with the Federal Programs Coordinator and Business Manager, shall establish and maintain a sound financial management system to include internal controls and federal grant management standards covering the receipt of both direct and state-administered federal grants, and to track costs and expenditures of funds associated with grant awards.[\[1\]](#)

The Administrative Director, to assist in the proper administration of federal funds and implementation of this policy, may approve additional procedures as attachments to this policy.

### **Guidelines**

The center's (school's) financial management system shall be designed with strong internal controls, a high level of transparency and accountability, and documented procedures to ensure that all financial management system requirements are met.

**The center's (school's) financial management system is subject to periodic internal and external audits. For any fiscal year in which the center (school) expends \$1,000,000 or more in federal awards, the center (school) is required to have a single or program-specific audit in compliance with federal requirements.**[\[2\]](#)

**Center (School)** financial management standards and procedures shall **include requirements for the following:**

1. Identification – The center (school) must identify, in its accounts, all federal awards received and expended, and the federal programs under which they were received.
2. Financial Reporting – Accurate, current, and complete disclosure of the financial results of each federal award or program must be made in accordance with the financial reporting requirements of **federal regulations**.
3. Accounting Records – The center (school) must maintain records which adequately identify the source and application of funds provided for federally-assisted activities.
4. Internal Controls – Effective control and accountability, including segregation of duties, must be maintained for all funds, real and personal property and other assets. The center (school) must adequately safeguard all such property and **take steps to ensure** that it is used solely for authorized purposes. **Reasonable cybersecurity and other measures must be in place to protect personally identifiable information and other types of information.**
5. Budget Control – Actual expenditures or outlays must be compared with budgeted amounts for each federal award. Procedures shall be developed to establish determination for allowability of costs for federal funds.
6. Cash Management – The center (school) shall maintain written procedures to implement the cash management requirements found in **federal regulations**.
7. Allowability of Costs – The center (school) shall ensure that allowability of all costs charged to each federal award is accurately determined and documented.

### **Standards of Conduct**

The center (school) shall maintain standards of conduct covering conflicts of interest and the actions of employees and center (school) officials engaged in the selection, award and administration of contracts. [3][4][5]

All employees shall be informed of conduct that is required for federal fiscal compliance and the disciplinary actions that may be applied for violation of Joint Operating Committee policies, administrative regulations, rules and procedures. [6]

#### Employees - Time and Effort Reporting

All center (school) employees paid with federal funds shall document **their time working** in support of each federal program, in accordance with law. Time and effort reporting requirements do not apply to contracted individuals. [7]

Center (School) employees shall be reimbursed for travel costs incurred in the course of performing services related to official business as a federal grant recipient. [8]

The center (school) shall establish and maintain employee policies and procedures on hiring, benefits and leave and outside activities, as approved by the Joint Operating Committee. Center (School) procedures on payment of staff shall apply to employees paid with federal funds and shall include payment in extenuating or emergency conditions, in accordance with applicable law, regulations or emergency declarations by state or federal authorities. [9][10][11][12][13][14][15][16]

#### Record Keeping

The center (school) shall develop and maintain a Records Management Plan and related Joint Operating Committee policy and administrative regulations for the retention, retrieval and disposition of manual and electronic records, including emails. [17][18]

**The center (school) shall comply with federal record conversion and quality control review requirements to safeguard the integrity of electronic records.** [19]

The center (school) shall ensure the proper maintenance of federal fiscal records documenting: [18][20][21][22]

1. Amount of federal funds.
2. How funds are used.
3. Total cost of each project.
4. Share of total cost of each project provided from other sources.
5. Other records to facilitate an effective audit.
6. Other records to show compliance with federal program requirements.
7. Significant project experiences and results **to:**
  - a. **Determine progress.**
  - b. **Inform periodic review and continuous improvement of project plan.**
  - c. **Revise project objectives, if necessary.**

All records must be retrievable and available for programmatic or financial audit.

The center (school) shall provide the federal awarding agency, Inspectors General, the Comptroller General of the United States, and the pass-through entity, or any of their authorized representatives, the right of access to any documents, papers, or other center (school) records which are pertinent to the federal award. The center (school) shall also permit timely and reasonable access to the center's (school's) personnel for the purpose of interview and discussion related to such documents. [23]

Records shall be retained for a minimum of **three (3) years** from the date **of submission of the final financial report**, or as otherwise specified in the requirements of the federal award, unless a written extension is provided by the awarding agency, cognizant agency for audit, oversight agency for audit or cognizant agency for indirect costs. [20]

If any litigation, claim or audit is started before the expiration of the standard record retention period, the records shall be retained until all litigation, claims or audits have been resolved and final action taken. [20]

**Records for property and equipment acquired with federal funds shall be retained for three (3) years after final disposition of the property or equipment.** [20]

As part of the Records Management Plan, the center (school) shall develop and maintain a records retention schedule, which shall delineate the record retention format, retention period and method of disposal. [18]

The Records Management Plan shall include identification of staff authorized to access records, appropriate training, and preservation measures to protect the integrity of records and data. [18][20]

The center (school) shall ensure that all personally identifiable data protected by law or regulations is handled in accordance with the requirements of applicable law, regulations, Joint Operating Committee policy and administrative regulations. [24][25][26][27][28]

#### Subrecipient Monitoring

In the event that the center (school) awards subgrants, the center (school) shall establish **written** procedures to: [29]

1. Assess the risk of **fraud and** noncompliance.
2. Monitor grant subrecipients to ensure compliance with federal, state, and local laws and Joint Operating Committee policy and procedures.
3. Ensure the center's (school's) record retention schedule addresses document retention on assessment and monitoring. [18]

## Compliance Violations

Employees and contractors involved in federally funded programs and subrecipients shall be made aware that failure to comply with federal law, regulations or terms and conditions of a federal award may result in the federal awarding agency or pass-through entity imposing additional conditions or terminating the award in whole or in part. [\[30\]](#)[\[31\]](#)

### Mandatory Reporting of Violations

An applicant, recipient or subrecipient of a federal award must promptly disclose whenever, in connection with the federal award (including any related activities or subawards) it has credible evidence of a violation of federal criminal law involving fraud, conflict of interest, bribery or gratuity violations under Title 18 of the United States Code or a violation of the federal civil False Claims Act. The written disclosure must be made to the federal agency, the agency's Office of Inspector General, and pass-through entity (if applicable). Recipients and subrecipients are also required to report issues related to a recipient integrity and performance in accordance with Appendix XII to 2 CFR Part 200. Failure to make required disclosures can result in compliance violations. [\[32\]](#)

### Whistleblower Protections

Center (School) employees may not be discharged, demoted or otherwise discriminated against as a reprisal for making a protected disclosure of information that the employee reasonably believes to be: [\[33\]](#)[\[34\]](#)

1. Evidence of gross mismanagement of a federal contract or grant; or
2. Gross waste of federal funds; or
3. An abuse of authority relating to a federal contract or grant; or
4. A substantial and specific danger to public health or safety; or
5. A violation of law, rule or regulation related to a federal contract, including the competition for or negotiation of a contract or grant.

Center (School) employees may disclose such information to any of the following:

1. The Administrative Director or designee authorized to investigate, discover or address such misconduct.
2. A federal employee responsible for contract or grant oversight or management of the relevant agency.
3. An authorized official of the United States Department of Justice or other law enforcement agency.
4. A member of Congress or a representative of a committee of Congress.
5. A federal Inspector General.
6. The federal Government Accountability Office.
7. A court or grant jury, including providing evidence of misconduct in any judicial or administrative proceeding relating to waste, fraud or abuse on a federal contract or grant.

A center (school) employee who believes that they have been subjected to a reprisal for making a protected disclosure may submit a complaint to the Inspector General of the federal executive agency that is responsible for the relevant federal funding or federal contract. The federal agency and the agency's Inspector General have the authority to investigate such complaints and provide appropriate remedies for substantiated complaints.

The center (school) shall provide written notification to employees of their rights and protections under the Whistleblower Law by posting notices:

{X } in the Employee Handbook.

{X } on the center's (school's) website.

{ } \_\_\_\_\_ Other.

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Legal

[1. 2 CFR Part 200](#)

[2. 2 CFR 200.501](#)

[3. 2 CFR 200.318](#)

4. Pol. 827

5. Pol. 828

6. Pol. 317

[7. 2 CFR 200.430](#)

8. Pol. 626.1

[9. 24 P.S. 1153](#)

10. Pol. 304

11. Pol. 319

12. Pol. 336

13. Pol. 337

14. Pol. 624  
15. Pol. 805  
16. Pol. 813  
[17. 2 CFR 200.334-200.338](#)  
18. Pol. 800  
[19. 2 CFR 200.336](#)  
[20. 2 CFR 200.334](#)  
[21. 34 CFR 75.730-75.732](#)  
[22. 34 CFR 76.730-76.732](#)  
[23. 2 CFR 200.337](#)  
24. Pol. 113.3  
25. Pol. 216  
26. Pol. 324  
27. Pol. 830  
28. Pol. 830.1  
[29. 2 CFR 200.331-200.332](#)  
[30. 2 CFR 200.339](#)  
[31. 2 CFR 200.340](#)  
[32. 2 CFR 200.113](#)  
[33. 2 CFR 200.217](#)  
[34. 41 U.S.C. 4712](#)  
Pol. 610  
Pol. 611  
Pol. 612  
Pol. 613  
Pol. 625

[626-Attach-AllowabilityofCosts.docx \(43 KB\)](#)

[626-Attach-Procurement.docx \(61 KB\)](#)

[626-Attach-CashManagement.docx \(28 KB\)](#)

[626-Attach-Costs\\_Obligations\\_Property.docx \(45 KB\)](#)

[626-Attach-SubrecipientMonitoring.docx \(38 KB\)](#)