



Indiana Department of Education

Dr. Katie Jenner, Secretary of Education

MEMORANDUM

To: LEA Superintendents
LEA Title Program Administrators
LEA Business Managers
LEA Treasurers

From: Austin Dietrich, Director of Title Grants

Date: August 10, 2021

RE: Policies and Procedures Documentation for Desktop/Onsite Fiscal Monitoring

With additional funding coming to the State of Indiana and additional guidance being published, IDOE strongly recommends that all grantees receiving federal funds update all procurement policies and procedures as needed. In an effort to be in compliance and demonstrate strong internal controls, the expectation is that all policies and procedures be reviewed at minimum, annually.

The Education Department General Administrative Regulation (EDGAR), references under Code for Federal Regulations (CFR) 200.303 in part:

*“The Non-Federal entity **must**:*

(a) Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award...”

Examples of required policies and procedures include but are not limited to:

Procurement, Conflicts of Interest/Gratuities, Inventory, Allowability, Cash Management, Travel, Employee Benefits, Time & Effort

Examples of policies and procedures that are “best practice” include: Record Retention, Audits, Subrecipient Monitoring (listed specifically in the Compliance Supplement)

As a reminder, documentation of personnel expenses is required and 100% of effort must be recorded regardless of federal vs. non-federal time. EDGAR CFR 200.430(i)(1) states:

*Time and effort records **MUST**:*

- 1. Be supported by a system of internal controls which provides reasonable assurance charges are accurate, allowable and allocable;*
- 2. Be incorporated into official records;*
- 3. Reasonably reflect total activity for which employee is compensated;*
- 4. Encompass all activities (federal and non-federal);*
- 5. Comply with established accounting policies and practices; and*
- 6. Support distribution among specific activities or cost objectives.*

Best,

Cole Dietrich

Director of Title Grants and Support