

## **GCED POLICY 90 SUBAWARD POLICY**

Proposed: 1-22-09 Adopted: 2-26-09 Revised:

Goodhue County Education District (GCED) is responsible for financial and programmatic monitoring of all federal program funds awarded to GCED that are subcontracted or sub-awarded to another school district, organization, or individual (sub-recipient).

For sub-awards that include any federal funds, sub-recipients are required to make an annual disclosure of any audit findings. As a recipient of federal sponsored program funds, GCED must comply with the guidelines outlined in OMB Circular A-133.

GCED is required by federal regulation to monitor expenses of federal funds awarded to the any of its member Districts or any funds that are sub-contracted to another institution, organization, or individual. To provide the monitoring required by federal regulations and to ensure good stewardship of sponsored projects, GCED will review all sub-recipient expenditures for reasonableness and proper compliance.

### **SCOPE**

This policy applies to all sub-awards issued with payments from any IDEIA federal funds or state funds awarded to GCED without regard to the primary source of funding. The following are the objectives of implementing this policy:

- A. Manages or eliminates any conflict of interest that arises from a sub-award or sub-contract by GCED to an entity in which the district, Superintendent, business manager, or key personnel have a financial interest.
- B. Advises sub-recipients of federal laws or regulations, terms and conditions of the prime award or agreement, and GCED requirements that apply to the sub-award or sub-contract. The GCED Board of Directors approves all sub-awards.
- C. Provides sub-recipients with information regarding the prime award, title, award name and number, award dates, and sponsoring agency, as required by OMB Circular A-133.
- D. Monitors costs and activities of sub-recipients to ensure that expenditures charged to GCED are reasonable and reflected in the scope of work of the sub-award or subcontract. Ensures that the performance goals set forth in the scope of work are being met in a timely manner.
- E. Ensures that cost-share commitments made by sub-recipients are documented and adhere to all relevant regulations.
- F. May conduct a risk assessment of all active sub-contracts or sub-awards to determine which sub-recipients require closer scrutiny.
- G. Ensures that sub-recipients expending \$500,000 or more in federal awards during the sub-recipient's fiscal year have met the OMB Circular A-133 audit requirements for that fiscal year.
- H. Issues management decisions on audit findings within six months after receipt of the sub-recipient's audit report and ensures that the sub-recipient takes appropriate and timely corrective action.
- I. Considers whether sub-recipient audits necessitate adjustment of records, such as budget modifications, or re-allocation of cost-shared resources.

## **ROLES AND RESPONSIBILITIES**

All sub-recipients receive a copy of the sub-recipient monitoring policy.

### **GCED Business Manager**

- Ensures that sub-contract/sub-award paperwork is reviewed and approved by auditors and MDE.
- Logs all expenditures/invoices on the sub-contract/sub-award.
- Ensures that appropriate back-up documentation for expenditures has been provided by sub-recipient.
- Checks Excluded Parties List System to ensure that sub-recipient is not on debarred list.
- Confirms that the appropriate signatures have been obtained on all documents pertaining to sub-awards.
- Generates payment to the sub-recipient for the approved amount.
- Routes the invoice for approval and payment.

### **GCED Executive Director**

- Reviews budget and scope of work before agreement is signed.
- Reviews invoices submitted by the sub-recipient to ensure that costs are reasonable and within award limits.
- Reviews and approves invoices and expenses-to-budget.
- Ensures that cost-share commitments (if any) are documented in the invoicing process.
- Answers questions regarding sub-recipient invoices.
- Completes a Quality Assurance review and co-signs assurances form.
- The Director has primary oversight responsibility for ensuring that sub-recipients disclose any audit findings pertaining to the sub-award.
- Determines the level of oversight needed on each project. Performs or directs periodic audits or site visits as deemed necessary.
- Ensures that expenses invoiced by the sub-recipient for work and effort committed are appropriate to the approved budget and scope of work of the agreement.
- Reviews technical or performance reports if required by sub-award.
- Ensures that any award requirements (reports, financial or programmatic) are submitted to GCED in a timely manner.
- Reviews A-133 audit reports filed by sub-recipients and any audit findings.
- Reviews corrective actions cited by sub-recipients in response to audit findings, and determines sanctions imposed on sub-recipients who are unable or unwilling to conduct required audits or address issues of non-compliance.

## **RELATED DOCUMENTS**

[OMB Circular A-21, "Cost Principles for Educational Institutions"](http://www.whitehouse.gov/omb/circulars/a021/a021.html)

<http://www.whitehouse.gov/omb/circulars/a021/a021.html>

[OMB Circular A-110, "Uniform Administrative Requirements for Grants and Agreements with Higher Education, Hospitals and Other Non-Profit Organizations"](http://www.whitehouse.gov/omb/circulars/a110/a110.html)

<http://www.whitehouse.gov/omb/circulars/a110/a110.html>

[OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations"](http://www.whitehouse.gov/omb/circulars/a133_compliance/08/pt3.pdf)

[http://www.whitehouse.gov/omb/circulars/a133\\_compliance/08/pt3.pdf](http://www.whitehouse.gov/omb/circulars/a133_compliance/08/pt3.pdf)