

CIL-NET Presents...

A National Teleconference & Webinar

Assessing the Health of Your CIL: Preventative Management Checkup Using RSA's Review Tool

Part 2: Administrative/Fiscal Review

May 8, 2013

3:00 PM – 4:30 PM EDT

Presenter:

Paula McElwee

Why use and know RSA's review tool?



- It lays out expectations for CILs in a checklist format.
- A self-review will help assure your CIL is meeting federal requirements.
- It is the tool reviewers will use in your onsite review by RSA.

We are covering actual checklist items



- We will give you text from the RSA onsite checklist.
- We will distinguish when the item is a **“recommendation.”** This means the practice is suggested in RSA report, and may be included in your report if you do not meet it, but it will be a recommendation, not a finding requiring correction.

Presenter TIP: indicates a suggestion you might find useful related to that section.

Evaluation Standard 6 – Resource Development Activities

The center shall conduct resource development activities to obtain funding from sources other than **Chapter 1 of title VII of the Act.**

Evidence related to Resource Development

The CIL during the reporting year conducted resource development activities to obtain funding from sources other than Chapter 1, Title VII, of the act.

Presenter TIP: Some of these might be ...

- Grant-writing
- Fees for services
- Events
- Fund raising letters or activities

Program and Financial Planning Objectives

- The CIL has established annual and three-year program and financial planning objectives.
- The objectives include the CIL's goals and mission.
- The CIL has a current two-year work plan for achieving the goals or mission including specific activities to meet the requirements.
- The work plan includes specific services, priorities and types of services to be provided **AND corrective action is added after review.**

Presenter TIP: Notice the mix of timelines. The program and financial planning objectives can be more general at three years but the two year work plan should be more specific and clearly in progress.

Also recommended planning practices...

- The work plan includes objectives and goals for obtaining or increasing non-Title VII funding.
- The work plan addresses board, staff, and/or volunteer training.
- The work plan will need to be updated after a review to also include any corrective action plan items, persons responsible and timelines.

704 Report Accuracy and Documentation

- The CIL has implemented internal controls and procedures (including quality assurance) to ensure 704 Report accuracy and documentation.
- Based on the CSRs, consumer lists, physical files and other documentation reviewed, the funding sources and amounts, data, demographics, etc. the most recent 704 report is accurate and complete.

Presenter Tip: There should be continuity between what staff enter into the computer, any periodic reports created, what reports say right now, and what the last 704 report said. If it doesn't make sense, why not and what is being done about it?

Organizational and Personnel Practices

- The CIL uses sound organizational and personnel assignment practices.
 - Organizational chart indicating lines of authority
 - Job descriptions
 - Performance appraisals
- The personnel practices include affirmative action to employ and advance in employment qualified individuals with significant disabilities.

Also recommended: personnel policies addressing wage and salary, fringe benefits, vacation and sick leave, etc.

Staff Development and Training

- The CIL includes personnel who are specialists in the development and provision of IL services and in the development and support of centers.
- Staff development program is directed at improving the skills of staff directly responsible for provision of IL services, including knowledge of and practice in IL philosophy.
- Staff receives training on how to serve unserved/underserved, minority groups and urban and rural populations.

Also recommended: board training and development

Conflicts of Interest

- Safeguards against employee, board member or volunteer participating in any administrative decision likely to benefit that person or immediate family or business interests.
- Safeguards against any person using position for a purpose that is, or gives the appearance of being, motivated by a desire for a private financial gain for that person or others.

Presenter TIP: Typically these are written policies that the employee, board member or volunteer acknowledge with a signature; then they are filed and can be reviewed.

Confidentiality

- Adopted and implemented policies and procedures to safeguard the confidentiality of all personal information, including photographs, publicity releases and lists of names.
 - Comply with **34 CFR 364.56(a)**
 - Protect current and stored personal information
 - Inform IL applicants or others about the confidentiality of personal information and the conditions for gaining access to and releasing this information.

Also recommended: meeting space that ensures consumer confidentiality is protected when meeting w/staff.

Drug-Free Workplace

- Conforms to the requirements of a drug-free workplace.
- Publishes statement notifying employees that unlawful manufacture, distribution, dispensing, possession or use of controlled substances is prohibited & specifying the action to be taken against employees for violating the prohibition.
- Has an established ongoing drug-free awareness program.
- Each employee given copy including notification that conditions of employment require abiding by statement & informing director of any convictions under drug statute.
- IF SUCH EMPLOYEES were convicted, took appropriate personnel action OR required employee to participate in drug abuse assistance or rehab program.

Insurance Coverage

The CIL has insurance coverage for real property and equipment acquired with federal funds equivalent to that provided for property owned by the grantee.

Presenter TIP: Provide the information from board minutes related to risk management discussions including mitigating risk through policy but also selecting the level of coverage and reviewing periodically. While not required this is a good practice and shows the board is taking its fiduciary responsibility seriously.

Nondiscrimination

The CIL does not deny services to persons on the basis of their race, color, national origin, sex, age or the existence of a disability.

Presenter TIP: This is a required policy, so put it in writing and provide it to staff in handbook, post on your bulletin board, show how you handled complaints if any and what complaint process is.

Prohibition Against Lobbying

- The CIL has on file a signed and dated copy of the **Certification of Lobbying Form ED-80-0013** against using federal funds to influence or attempt to influence any federal agency or Congress through lobbying activities as described in **2 CFR 230, Attachment B, Item 25 and EDGAR 34 CFR 82.100**

Recommended Practice: incorporate provisions consistent with these federal regulations into CIL written policies and procedures.

Questions & Answers

Got questions?

Personnel Cost Allocation

- Salaries and wages are charged based on documented payrolls approved by a responsible official.
- Distribution of salaries and wages are supported by personnel activity reports and reflect after the fact determination of actual activity of each employee.
- Reports are maintained that reflect the distribution of activity of all staff members charged to grant.

Remember that Financial Management Training?

More details in that three-day workshop of this and all the financial areas.

- Accurate, current & complete disclosure of the financial results of each federally-sponsored project in accordance with the reporting requirements of **SF-425** financial status report, including program income, federal & recipient shares of expenditures, indirect costs, etc.
- Records that identify adequately the source and application of funds for federally-sponsored activities.
- Effective control over and accountability for all funds, property and other assets in order to safeguard all assets and ensure they are used solely for authorized purposes.

Fiscal Management, cont'd.



- Comparison of outlays with budget amounts for each award.
- Written procedures that minimize the time between the transfer of funds and the disbursement of funds by the recipient.
- Written procedures for determining costs are reasonable, allocable, and allowable.
- Accounting records, including cost-accounting records, supported by source documentation and timely entries.

Fiscal Management, cont'd. 2



- An approved US Department of Education cost allocation plan (CAP) or indirect cost rate.
- Administrative costs are distributed among various funding sources in an equitable manner as described in the CAP.

Accounting Systems

EDGAR 34 CFR 74.21

There is a formal accounting system including:

- General Ledger
- Grant Ledger
- General Journal
- Cash Receipts

The organization has determined if it is cash or accrual basis.

Travel Costs

- Travel costs are reasonable and allowable, i.e. do not exceed charges allowed under the CIL's written travel policy or in the absence of such a policy, as provided in **2 CFR 230, Attachment B, Item 51(b)**.
- Travel costs reimbursement requests are justified and documented e.g. through travel authorizations, receipts, etc. in accordance with the CIL's travel policy.
- The policy provides for reimbursement by either actual or per diem, based on the CIL's policy and within the costs allowed.

- The CIL has written procurement procedures complying with **EDGAR 34 CFR 74.44**.
- These procedures consider costs, quality, delivery, competitive bidding, inspection and acceptance, as well as reasonableness, allocability and allowability of costs.
- There is separation of responsibility for the authorization for purchasing and the subsequent payment. For example payments are made only if disbursements or checks are countersigned.

Procurement, cont'd.

- Payment vouchers are identified as to funding sources, expense classification and transaction date.
- Approval limits for staff and director are identified.
- Person responsible for purchasing is identified.

EDGAR 34 CFR 74.34(f) and (g), 74.44(a)

- Maintains current and complete records of all property purchased with grant funds.
- Has a system for controlling inventory (general ledger control account, card reports, property labels.)
- Keeps records of maintenance of property & equipment
- Inventories property at least once every two years.
- Adjustments to inventory accounts are made only on written authority of a designated official.
- CIL guards against loss, damage or theft of property.
- CIL has policies, procedures and controls for purchasing AND disposing of property.

Property records include

- Description of equipment
- Purchase date
- Cost
- ID number including manufacturer's serial number, model number etc.
- Source of equipment award number
- Where title vests
- Information from which federal participation can be calculated
- Location and condition of equipment
- Date information was reported
- Ultimate disposition

Records Retention and Audit

- Financial, consumer records and other documentation are maintained and retained for a period of three years in accord with federal requirements.
- If the CIL expended \$500,000 or more in federal awards, an annual nonfederal audit including funds received under Title VII has been conducted and a copy thereof submitted to the Federal Audit Clearinghouse as required.

Presenter TIP: Have the board select the auditor and hear the report directly from that auditor to clearly show their fiduciary oversight.

Resolution of concerns may require

- Corrective Action Plan with target dates
- Addressing in the three-year program and financial planning objectives for the center, including the goals that flow from the mission
- Written policy and procedures
- Training for staff and board regarding expectations
- Implementation thoroughly documented

Some of the most common findings...

- Failure to keep cost allocation plan up to date; annual review sent to RSA mary.gougisha@ed.gov.
- Failure to implement cost allocation plan.
- Failure to base time allocation on actual, after the fact records of how time was used.
- Lack of written policies and procedures, especially in procurement and disposal of equipment.

Presenter Tip: ILRU has sample policies and cost allocation plan guidance at http://wiki.ilru.net/index.php?title=Financial_Management_Presenter_Materials

Questions & Answers

Got questions?

For more information

Contact:

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Wrap Up and Evaluation

- *Click the link below now* to complete an evaluation of today's program found at:

<https://vovici.com/wsb.dll/s/12291g53265>

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