

 <p>Corrections and Rehabilitation</p> <p>POLICY & PROCEDURES</p>		POLICY NUMBER AND SECURITY: 1B-17 – This policy has no confidential or exempt information.
		RELATED STANDARDS (such as ACA/ACI/ACRS/PbS/PREA):
RELATED REFERENCES: None		
DIVISION: Central Office	FACILITY/WORK GROUP: Fiscal Management	TOPIC: Financial Monitoring of Federal Grant Funds

Effective Date: March 11, 2010 Revised: March 12, 2012 Revised: December 11, 2013 Revised: July 8, 2014 Reviewed: April 7, 2015 Reviewed: February 8, 2016 Revised: August 16, 2016	Revised: December 21, 2016 Revised: August 18, 2017 Revised: March 7, 2018 Revised: March 19, 2019 Revised: April 25, 2019 Revised: September 24, 2021
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Summary of Revision(s)

<p><i>Revisions made by Amy Vorachek, Tyler Spomer, Tammy Klein and Michele Zander. Reviewed by the Administrative Policies Committee.</i></p> <ol style="list-style-type: none"> 1. The title, Director of Administration, was changed to Chief Financial Officer. 2. Policy: The Department of Corrections and Rehabilitation is the primary recipient of federal financial assistance funds and is responsible for developing and monitoring procedures for sub-recipients who receive federal financial assistance funds from the Department of Corrections and Rehabilitation. 3. 5-B-4 (changes and additions in bold): On a quarterly basis, the ND DOCR Grant Manager uses the federal Justice Grants System Grant Management System to prepare the FFR's (Federal Financial Report) for each grant based off the PeopleSoft project reports and Grant Summary spreadsheet. Fund request documentation is forwarded to the Assistant CFO (Chief Financial Officer) for signature. The ND DOCR Grant Manager draws down the funds in the federal ASAP.gov GPRS. The account technicians process the receipt of funds in PeopleSoft and forward to the ND Treasurer's Office. 4. 5-B-5 (added in bold:) On a yearly basis, the prime awardee (ND DOCR) is required to file a FFATA (Federal Funding Accountability and Transparency Act) sub-award report by the end of the month following the month in which the prime recipient awards any sub-grant greater than or equal to \$25,000.
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1. **AUTHORITY:** Authority for the Federal Grant Funds policy with procedures is found in Chapter 54-23.3 and section 54-06-22 of the North Dakota Century Code, designating the North Dakota Department of Corrections and Rehabilitation (“Department”) as the agency to administer any crime victims’ grants and related programs and the Office of Management and Budget Circular A-133.
2. **APPLICABILITY:** This policy with procedures applies to all employees of the Department, especially to all management and fiscal staff of the Department who are involved in the management and monitoring of agency federal financial assistance funds.
3. **DEFINITIONS:**
 - A. Chief Financial Officer: The employee designated by the Department Director and the employee designated by the Department Director to be responsible for the Department fiscal policies, procedures, budget and management, and includes any authorized representative of the Chief Financial Officer.
 - B. Recipient: The Department is the State Administering Agency and recipient of federal financial assistance funds.
 - C. Sub-recipient. The agency or organization receiving federal financial assistance funds through and administered by the recipient, the Department. The sub-recipient agency receiving federal financial assistance funds from the recipient shall carry out and achieve federal program goals. This does not include any individual that is a beneficiary of such a program.
4. **POLICY:** The Department is the primary recipient of federal financial assistance funds and is responsible for developing monitoring procedures for sub-recipients who receive federal financial assistance funds from the Department.
5. **PROCEDURES:**
 - A. Recipient monitoring of sub-recipients provided less than \$750,000.00 of federal financial assistance funds. In accordance with the Office of Management and Budget Circular A-133, non-federal entities expending less than \$750,000.00 a year in federal awards are exempt from federal audit requirements for that year. Records must be available for review or audit by appropriate officials, including the pass-through agency.
 - B. Recipient monitoring of sub-recipients provided \$750,000.00 or more of federal financial assistance funds. Non-federal entities expending \$750,000.00 or more in federal funds (from all sources, including pass-through sub-awards) in the organization fiscal year shall have a single organization wide audit conducted in accordance with the provisions of the Office of Management and Budget Circular A-133. Sub-recipients shall submit a copy of the final audit report to the Department. The Chief Financial Officer shall review these reports to determine if they contain any findings or questioned costs pertaining to the grants provided to the sub-recipient. Any findings and the necessary corrective action must be discussed with the individual responsible for administering the program. A deadline must be determined for when the corrective action must be implemented and when a follow-up procedure will be conducted by the Chief Financial Officer. All procedures must be adequately documented and maintained on file.

- C. When a grant is awarded to the Department, the Department Grant Manager shall perform the following:
1. Create a project number in PeopleSoft. This project number will be used to record revenue and expenditures. Each grant has a different Project Number. Federal Funds are provided a number that is created using a "PXXX" format and general funds (match) are always 001.
 2. If a grant has more than one budget category, PeopleSoft allows for the Grant Manager to set-up Activity ID's in PeopleSoft to track the expenditures for each budget category.
 3. On a monthly basis, The Department Grant Manager shall maintain a Grant Summary spreadsheet to track the financial status of an award and distribute it to Business Office staff and Programmatic grant managers.
 4. On a quarterly basis, the Department Grant Manager shall use the federal Justice Grants System prepare the Federal Financial Reports ("FFR"s) for each grant based off the PeopleSoft project reports and Grant Summary spreadsheet. Fund request documentation is forwarded to the Chief Financial Officer for signature. The Department Grant Manager draws down the funds in the federal ASAP.gov. The account technicians process the receipt of funds in PeopleSoft and forward to the ND Treasurer's Office.
 5. On a yearly basis, the Department is required to file a Federal Funding Accountability and Transparency Act ("FFATA") sub-award report by the end of the month following the month in which the Department awards any sub-grant greater than or equal to \$25,000. The Department Grant Manager is responsible for filing the sub-award report. The Department Grants and Compensation Manager is responsible to provide the Department Grant Manager the new award information for entering into Federal Funding Accountability and Transparency Act Sub-Award Reporting System ("FSRS").
 - a. The Department does not pay indirect administrative fees to grantee organizations. The Department may make exceptions if the grantee is providing necessary service directly related to the grant. On a case-by-case basis, the Department may consider indirect fee payments of up to 10 percent of a proposed grant.
 6. When the award is completely drawn, the Department Grant Manager submits the final FFR and requests the remaining reimbursement amount. After all expenses are posted and funds are received, the Department Grant Manager inactivates the Project number in PeopleSoft.
 7. The grant file must be retained for six years from the expiration date of the grant.
 8. In the event a contract or sole source procurement process is required, the ND OMB Procurement Policies and Procedures must be followed.

9. The ND State Auditor's Office has statutory responsibility to audit or review each state agency once every two years. The Single Audit Reports are conducted biennially under the Single Audit Act Amendments of 1996, and the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-profit Organizations.
6. **SIGNATURE:** This policy with procedures and applicable manuals becomes effective when signed by the Director of the Department of Corrections and Rehabilitation.

This copy has been approved by the Director with the original signature on file.