

Fiscal Compliance -COVID Grant Operating Procedures

Controller's Office-General Compliance

Effective March 19, 2020

These procedures are in effect for federal expenditures from CARES, HEERF, GEERS and other future federal awards related to the COVID pandemic. All college policies and procedures and SOP's adopted by the college are effective unless otherwise noted below.

Allowable Costs/Allowable Activities

1-Salary and Benefits: The President, Cabinet, and HR have established policies and procedures around when employees are allowed to use the "Emergency Leave" code in the payroll system. The tracking and approval surrounding the use of this code are managed by HR. This emergency leave code appears on an employee's time sheet and is reviewed and approved by employee's supervisor each pay period, which is intended to represent final approval and authorization of this leave. Beginning in FY21 this code is charged directly to the CARES/HEERF/or future grants based on the period of availability. Allowable reasons to use this leave code are related to employees unable to work because of college closure of their function due to COVID, employees that are sick with COVID or caring for a dependent with COVID, and employees that are quarantined due to COVID exposure and unable to perform their duties from home. The ability to request this leave is available to all employees regardless of what source of funds pays their regular salary. Benefits are charged to this index in the same proportion as compensation hours each pay period.

An additional code was set up for FY21 surrounding employees taking emergency leave for childcare purposes. This code is separate from the Emergency Leave code and is not being charged to the Cares grant.

2- Payroll Certifications: To ensure compliance with 200 CFR 430 payroll certifications for charges to CARES/HEERF funds will be conducted as follows:

- a. Full time staff: For the employees that are 100% paid by CARES we will send payroll certifications in the same manner as we do for other federally funded staff.
- b. Stipends/Emergency Leave: For those employees that received stipends or charged the emergency leave code a blanket certification by the controller's office will be completed. The use of this leave is verified both by HR and by the employee's supervisor when payroll is approved for each pay cycle. The controller's office monitors the use of these funds for salary and benefits and scans payroll reports quarterly for unusual or unallowable usage of the funds. This blanket certification will be completed at least annually.

3- Student Awards: Student eligibility and awards are governed by Financial Aid. Compliance regarding allowable costs, activities, eligibility and distribution is managed by Financial Aid under separate procedures.

4- Indirect Costs: Indirect costs will be charged to COVID related grants based on allowability and guidelines for each award. The negotiated indirect cost rate approved by DHHS for SLCC will be used. For the first round of CARES funds the college followed recommendations that the IDC rate does not

exceed 26% in FY20. This practice continued for CARES round 1 funds in FY21. For all other awards and future grants, the actual negotiated rate will be charged unless otherwise directed by grant requirements. In calculating indirect costs we eliminated expenditures that are disallowed for other grants such as food, equipment leases, and awards. We did not calculate indirect costs against CARES student disbursements, or against disbursements made to students in any COVID related grant. The indirect calculation will occur at least quarterly with the regular indirect costs charging procedure, however, IDC maybe be calculated and charged more frequently as expenditures are made in the respective grants. The IDC recovery funds will be deposited to a separate index managed by the VP of Finance and Administration.

5- Allowable Costs: One of the purchasers, Brandon Ostrander in AP has been designed the purchaser for all things COVID related and was authorized to charge the CARES Institution index from his P card. Prior to September 2020 Brandon O's p card packet and receipts were reviewed by the Purchasing Direction Brandon T, who was also a member of the COVID taskforce for SLCC and knew what allowable costs and purchases were. When Chrome River was implemented in September 2020 all Pcard packets and receipts were loaded into the system and the grant accountant (Natalie Grange) reviews all charges to Cares Institution before cost are allocated, as well as Brandon O's supervisor. Brandon has handled most of the large technology and PPE purchases.

Purchase requests from departments that they wish to be covered with COVID related funds are made to the budget office and passed to the controller's office. A review of allowability is conducted by these two offices. If the purchase is determined to be allowable the department is instructed to procure items through Brandon O and authorized to charge the COVID related grant index. The controls built into the SLCCBuy system ensure compliance with procurement guidelines and required SAM checks. The approval paths in SLCCBuy constitute review and approval.

If the purchase has already been made by the department the budget and controller's office conduct an allowability review. If the expenditure is determined allowable the Controller office initiates a Journal Entry to move the expenditure out of the department budget and into the COVID related grant. Documentation and an audit trail is created and retained with the Journal Entry. The approval signatures on the JE are considered review and approval.

Fee refunds charged to COVID related grants are reviewed by Budget and the Controllers Office for allowability. These fees were identified using the course specific detail code and refunded to the student. The expenditure is reflected as a transfer out in the grant index the transfer in is reflected in the fee index.

The college has experienced incremental cost increases related to COVID cleaning procedures. An estimate of additional personnel, overtime and etc. for custodial cleaning costs was made to validate that additional costs have been incurred due to COVID cleaning and safety protocols. The incremental costs are reflected as a transfer out and the transfer is reflected in the custodial budget. The calculation was reviewed and approved by the Controller's office. Approval signatures on the JE constitute review and approval. Other incremental costs associated with college and academic operations will be evaluated and booked in a similar manner.

6-Lost Revenue Calculation and Recovery:

Lost revenues, tuition and fees will be considered individually. The Controllers office or designee will prepare a historical analysis of revenues in non COVID years to establish a Base or expectation of precovid conditions. An estimate will be prepared. The estimate will be reviewed for allowability and reasonableness by the Budget office and Controllers office. If determined allowable a JE will be prepared and audit trail created. Approval signatures on the JE constitute review and approval. The expenditure is reflected as a transfer out in the grant index the transfer in is reflected in the associated lost revenue index.

Cash Management

Funds are not drawn from any COVID related grant until expenditures have been incurred, liquidated, and recorded in the College's G/L system. Expenditures are created in the G/L when an invoice or contract payment is initiated and liquidated. The College does not draw funds in advance from any federal program. Adjustments made to grant indexes are processed and netted against the cumulative draw with the monthly draw.

Earmarking

The Controller's office is responsible to ensure that any earmarking or level of effort requirements are met for COVID related grants. This includes proper revenue and A/R recognition as is pertains to spending student and institutional portions of CARES and HEERF grants.

This review is conducted with the monthly draw. Funds are not drawn from the institutional grant if student funds have not been expended in the correct proportion. A year end determination will be conducted and documented with year end accounts receivable determinations.

Suspension and Debarment

SAM checks are conducted when a purchase is initiated in SLCCBUY at the time of the purchase if the purchase is being charged to a restricted grant index. If expenditures are moved into a COVID related grant a SAM check is conducted and retained with the JE. An additional review will occur annually by the Controller's office for any purchase that exceeds \$25,000. A record of this review will be retained by the Controller's office.

Equipment

Any assets/equipment purchased with COVID related grants follow the Colleges established asset thresholds and inventory management and asset disposition processes. Additional asset tracking measures have been required as part of subawards from the State GEER funds. Only assets or equipment purchased with GEER funds are subject to the more robust tagging and tracking protocol.

Reporting

Each COVID related grant is set up in a separate index or various indexes in the College's G/L system. Revenue and Expenditures are tracked for each in the respective indexes.

Required reporting is identified through review of the guidance issued from federal awarding entities. Reporting requirements are review by the Controller's office and any other related departments. Criteria for reporting are discussed and methods will be identified by the Assistant Controller over Grants and Restricted Programs and approved by the Controller. When reports are created, they will be sent in draft form to the controller for review. Email review and approval will be considered the final approval for reports prior to posting.

Monitoring

Any subreceptint awards made from any COVID related grants will follow the Subrecipient Monitoring SOP of the College. The College does not anticipate making subawards.