

COMPLIANCE UPDATES AND USEFUL TIPS

CULTIVATING A CULTURE OF COMPLIANCE

Monthly updates from the MDE Office of Compliance

OCTOBER 2019

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This month's *Compliance Updates* features reminders pertaining to internal control assessments, upcoming procurement deadlines, updated hotel/motel travel guidance, and federal compliance tips.

Deadline Reminder: Internal Control Assessments

Several bureau directors/managers received the annual Department of Finance and Administration (DFA) Internal Control Assessment for FY2019. These assessments are **due on Friday, October 18, 2019**. Please review assessments with your Chief prior to submitting to the Office of Compliance.

Upcoming Procurement Deadlines:

Please note program offices must be approved by PPRB in June to begin a contract on July 1, 2020.

- FY21 Petition for Relief from Bidding to procure a contract **over \$75,000 effective July 1, 2020** should be submitted to the Procurement Office by **December 18, 2019** for timely approval.
- FY21 contract renewals **over \$75,000 effective July 1, 2020** should be submitted to the Procurement Office **December 4, 2019 - February 5, 2020** for timely approval.
- FY21 solicitations to procure contracts **\$5,000 - \$50,000 effective July 1, 2020** should be submitted to the Procurement Office by **March 1, 2020** for timely approval.
- FY21 contract renewals **\$50,000 - \$75,000 effective July 1, 2020** should be submitted to the Procurement Office by **April 8, 2020** for timely approval.
- FY20 contracts less than **\$5,000** should be submitted to the Office of Procurement by **April 15, 2020** for a contract approval on or before **May 15, 2020**.
- Except for an Emergency contract, the effective date of the contract should be any date after the SBE or PPRB meeting date. Review and approval lead times are contingent upon workflow during the months of April, May, and June.

Reminder: Updated Hotel/Motel Travel Guidance

Effective **October 1, 2019**, the Department of Finance and Administration (DFA) will terminate the State of Mississippi 2019-2020 Hotel/Motel Services Contract. You should reserve hotel/motel accommodations using the federal rates set by the U.S. General Services Administration (GSA) when traveling on state business. Press "Ctrl + Click" to view the current GSA room rates: **GSA Hotel Rates**.

For more information, please refer to the September 27, 2019, email sent to all MDE Employees titled, "Updated Travel Information."

REPORT FRAUD, WASTE, AND ABUSE:

To report suspected fraudulent activity, go to the MDE Home webpage and select the Report Fraud, Waste, and Abuse link. (<https://compliance.mdek12.org/Fraud/>)

Federal Compliance Helpful Tips

Grants management is not limited to a program manager or limited to the financial office. Grants management is a system, a process with many levels. Grant partners and sub-grantees are also responsible for grants management. This process accountability relies upon clearly defined budget and project management assignments, strong fiscal systems and effective internal controls that provide reasonable assurance that the Federal award is managed in compliance with all applicable statutes, regulations, and terms and conditions of the Federal award.

1. Federal funds must be used as specified in the Grant Award Notification (GAN) and the approved application or State plan for allowable direct costs of the grant and an allocable portion of indirect costs, if authorized. **(See 2 CFR 200.302 and 200.303)**
2. Grantees are required to minimize the amount of time between the drawdown and the expenditure of funds from their bank accounts. **(See 2 CFR 200.305(b))**. Funds must be drawn only to meet a grantee's immediate cash needs for each individual grant.
3. A recipient of federal funds must have a financial management system in place to track the expenditure and accounting of federal grant funds. Certain fiscal controls and procedures must be in place to ensure that all financial management system requirements are met. Failure to meet a requirement may result in having to return federal funds to the awarding agency or termination of the award. **(See 2 CFR 200.302)**
4. Cost guidelines at **2 C.F.R. Part 200** must be considered when federal grant funds are expended. Federal rules require state-and-local-level requirements and policies regarding expenditures to be followed as well. For example, state and/or local policies relating to travel or equipment may be more restrictive than the federal rules. The stricter state and/or local policies must be followed.
5. When determining how the recipient will spend its grant funds, appropriate personnel should review the proposed cost to determine whether it is an allowable use of federal grant funds before obligating and spending those funds on the proposed good or service. **(See 2 CFR 200.403-405)** When considering the allowability of a proposed cost, recipients should consider the following factors:
 - Necessary for the administration or performance of the federal award
 - Reasonable for the performance of the federal award
 - Allocable to the federal award
 - Legal under state and local laws and regulations

Additional factors affecting allowability can be found at **2 CFR 200.403**.

BRUSTEIN & MANASEVIT FY20 EDGAR TRAINING:

To view the Brustein presentation from EDGAR Training, click the link below.

[FY20 EDGAR Training - September 2019](#)