



**pennsylvania**  
DEPARTMENT OF EDUCATION

# ESSER Monitoring Town Hall Meeting: General/Entity Level Standards

October 23, 2024

# Introduction to General/Entity Level Standards

- What are General/Entity Level Standards?
  - General/Entity Level Standards can be described as management oversight over **policies, procedures, and practices**. This includes maintaining a culture of compliance over federal awards, internal control, financial statement reporting guidance, and leading practices.
- Who is responsible for implementation?
  - The **Board of Directors is responsible for approving adequate policies**, while **management is responsible for the day-to-day implementation** of such policies. The Business Manager and Federal Programs Coordinator are the designated personnel responsible for proper execution.
- Why is it important?
  - Maintaining a culture of compliance over applicable policies is an important step in keeping federal funding within schools, because doing so **reduces exposure to claw back provisions or potential audit findings**.

# Governance and Controls: The Cornerstone of General/Entity Level Standards

Developing and maintaining strong governance and controls at the entity level is key to effective general administration and grants compliance.

There are three components to maintaining appropriate governance and controls: **Policies, Procedures, and Practices**

1. Policies: Adopted Federal Grants Policies
2. Procedures: The process of implementation steps
3. Practices: Actual practice or application of policies and procedures

# Applicable Federal General/Entity Standards Guidance

2 CFR 200.400-476 highlights the requirements related to governance.

Reference	Title	What You Need to Know
§ 200.400(a)	Policy Guide	The non-Federal entity is responsible for the <b>efficient and effective administration of the Federal award</b> through the application of <b>sound management practices</b> .
§ 200.400(b)	Policy Guide	The non-Federal entity assumes responsibility for <b>administering Federal funds in a manner consistent with underlying agreements, program objectives, and the terms and conditions of the Federal award</b> .
§ 200.400(c)	Policy Guide	The non-Federal entity, in recognition of its own unique combination of staff, facilities, and experience, has the primary responsibility for employing whatever form of sound organization and management techniques may be necessary in order to <b>assure proper and efficient administration of the Federal award</b> .
§ 200.400-.476	Cost Principles	The application of these cost principles should require no significant changes in the internal accounting policies and practices of the non-Federal entity. However, the accounting practices of the non-Federal entity must be consistent with these cost principles and support the accumulation of costs as required by the principles and <b>must provide for adequate documentation to support costs charged to the Federal award</b> .

# Policies

The **LEAs' Board of Directors** should approve written policies that are understood by management and designated personnel. These should be reviewed and updated regularly, and training given to relevant personnel when needed. Some general Grant Management policies include:

- Federal Fiscal Compliance
- Administration of Federal Funds
- Allowability of Costs – Federal Programs
- Procurement – Federal Programs
- Cash Management
- Subrecipient Monitoring Procedures
- Purchases Subject to Bid/Quotation
- Purchases Budgeted
- Budget Preparation
- Purchase Cards (PCards)
- Cash Reconciliation
- Bank Accounts
- Grant Management, Compliance, and Administration
- Org Chart
- Cooperative Purchasing
- Travel Reimbursement
- Procurement

# Policies (cont.)

The **LEAs' Board of Directors** should approve written policies that are understood by management and designated personnel. These should be reviewed and updated regularly, and training given to relevant personnel when needed. Some general Grant Management policies include:

- Property Records
- Depreciation Schedule
- Inventory Records
- GASB 34
- Capitalized Assets
- Maintenance of Property
- Protection of Data and Assets
- Conflict of Interest
- Data Safeguarding
- Records Management
- Data Privacy and Security Protection of Personally Identifiable Information
- Fraud
- Conflict of Interest

# Capitalization Policy: Assets and Infrastructure

- PDE strongly encourages each LEA **to incorporate** the following procedures into their capitalization policy:
  - A **formal written policy** for the capitalization of assets and infrastructure
  - **List** of the assets or asset groups
  - A **depreciation schedule** for any asset capitalized
  - Whether the threshold for capitalizing asset purchases is to be based on **individual equipment items** or on **systems/categories** or **groups of assets**
  - Determine a **monetary** threshold for capitalization of assets

# Procedures

**Board and Senior Management oversight** should include a formal approach to documenting procedures. These procedures should follow applicable regulations to maintain compliance across applicable regulatory and other guidance. Combination of these written policies and practices must allow for consistent administrative operations and should be **periodically reviewed and approved**.

1. Written Processes and Procedures
2. Administrative Regulations
3. Standard Operating Procedures, Manuals, and Organizational Charts
4. Training Guides
5. Libraries of Applicable Rules and Regulations
6. Mandatory Recurring Trainings
7. Assign a responsible party for overseeing processes

# Practices

Practices describe the way things are done in a place of business. They often result from the organizational culture and habits which form over time. Practices can be unique to an LEA, but some important practices are listed below.

- Documentation Standards
  - ✓ Establish consistent guidelines for the creation and storage of relevant supporting documentation.
- Expense Approval Process
  - ✓ Follow established formal expense approval process and document deviations.
- Procurement Limit and Oversight
  - ✓ Establish limits for micro/small purchases, quotations, and formal bid process. If noncompetitive procurement is used, proper justification procedures should be established.
- Administration Committee Structures
  - ✓ Designate committees as needed such as budget, ESSER implementation, etc.
- Compliance with Policies & Procedures
  - ✓ Establish an organizational culture where personnel is encouraged to do the right thing.
- Budget/Forecasting Planning
  - ✓ Adopting a budget and comparing deviations monthly, and addressing any deviations are key to providing effective use of grant funding.

# Practices (cont.)

Practices describe the way things are done in a place of business. They often result from the organizational culture and habits which form over time. Practices can be unique to an LEA, but some important practices are listed below.

- Strategic Planning
  - ✓ Keep the “big picture” in mind, how does management intend to effectively use funding to accomplish its vision.
- Management Depth and Succession
  - ✓ Retain knowledgeable management and have adequate succession plans. (What if Superintendent Jones wins the Lottery).
- Internal Control Standards
  - ✓ Maintain appropriate segregation of duties and internal controls to reduce risks and meet operating, reporting, and compliance objectives.
- Management’s Response to Audit and Monitor Recommendations
  - ✓ Respond to Audit and Monitor recommendations in a timely manner, this may include a change in procedures.
- Compliance with Federal and State Grant Regulations and Guidance
  - ✓ Be aware of the requirements of federal awards at the Federal, State, and Local levels.
- Personnel Administration
  - ✓ Recruiting and training personnel activities are important in the development and continuity of staff.

# Personally Identifiable Information (PII)

- **Properly redacting PII means...**
  - If your organization has a copy of Adobe Pro, you can use the “Redact” tools found within the program
  - If you are sending digital files, but do not have a copy of Adobe Pro, you will need to remove the data from the file before you PDF it. This may involve deleting columns of information or deselecting items to include in auto-generated reports.
  - If you are sharing physical files, you can use Sharpies to black out the information. However, you should hold it up to a light to confirm that the data is redacted. You may need to use the Sharpie on both sides of the paper. If this does not work, you may need to cut out the sections with PII on them.
- **Redaction is not...**
  - Using black sharpie to cross out numbers, but they’re still legible.
  - Covering documents with shapes that are able to be deleted.

# Personally Identifiable Information (PII) (cont.)

- Types of PII
  - Name
  - Date and Place of Birth
  - Mother's Maiden Name
  - Biometric Records
  - Social Security Numbers (SSN)
  - Driver's License/State ID Number
  - Passport Number
  - Medicare ID
  - Student Addresses/Healthcare Records/SSN
  - Personal Bank Account/Credit Card Numbers

# Contact/Mission

For more information on the (the topic of the presentation) please visit PDE's website at [Monitoring of LEAs' Coronavirus Associated Federal Programs \(pa.gov\)](https://www.pde.pa.gov/monitoring-of-leas-coronavirus-associated-federal-programs)

*The mission of the Department of Education is to ensure that every learner has access to a world-class education system that academically prepares children and adults to succeed as productive citizens. Further, the Department seeks to establish a culture that is committed to improving opportunities throughout the commonwealth by ensuring that technical support, resources, and optimal learning environments are available for all students, whether children or adults.*