

Diocese of Sioux City
Diocesan Financial and Internal Control Norms



Purpose: The establishment of internal controls and safeguards within the parishes, schools, and other diocesan entities to protect assets and to ensure the integrity of the persons involved in the financial activities remains intact is essential. To help ensure appropriate controls and safeguards are in place, it is necessary to establish parameters within which the parish, school, and other diocesan entity offices must function. These Diocesan Norms, as approved by the Bishop and Diocesan Finance Council, are being issued to assist the business offices in achieving and maintaining critical financial and internal controls. While some of the following Norms make reference to parishes and schools, all diocesan entities are required to follow these Norms.

Accounting Software/QuickBooks

1. All parishes and parish schools are required to use QuickBooks software to manage their accounting transactions.
2. The QuickBooks file must be backed up at least once a week and secured in an alternate location.

Annual Financial Report

1. Each parish/school is required to submit an annual financial report approved by the pastor and finance council/school board to the Diocese by August 31. This includes the financial report certification, questionnaire, QuickBooks backup, and any other requested documents.
2. The council/board member that approves and signs the annual financial report should not be the bookkeeper or related to the bookkeeper.
3. A summary of the annual financial report should be provided to the parish after approval and submission to the diocesan chancery office.

Bank/Investment Accounts:

1. All parishes, schools, and other diocesan entity bank/investment accounts must use the parish/school/entity tax identification number (TIN).
2. The pastor must be a signer on all bank/investment accounts that use the parish TIN. This is regardless of who manages the accounts. (parishes only)
3. The principal and/or pastor, or for other entities, director, must be a signer on all bank/investment accounts that use the school or other entity's TIN. This is regardless of who manages the accounts. (schools and other diocesan entities only)
4. The bookkeeper must not be a signer on any of the parish/school accounts if he/she writes the checks and/or reconciles the accounts. This is not allowed even with dual signatures.
5. A parish lay director and/or finance director should be added to the signature cards to sign in the pastor's absence.

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Bank/Investment Accounts Continued:

6. All bank/investment accounts that use the parish or school TIN must be recorded on the parish/school financial statements and a copy of the bank/investment statements/reports must be sent to the pastor and/or principal. This includes parish auxiliary groups and school activity funds. The mass intention account is the only exception. This account uses the parish TIN, however belongs to the pastor. The pastor can choose to include the account in the parish financials with a corresponding funds held account or manage it separately.
7. Brokerage accounts should be established to maintain stock certificates where applicable.
8. National organizations such as Catholic Daughters, Knights of Columbus, Forresters, etc. must not use the parish/school TIN.

Mail

All mail for parishes, schools, and other diocesan entities (e.g., bank & investment statements, vendor invoices, payments including dues, contributions...) must be directed to the location's business office, this should not be a personal address. This includes mail for the cemetery, religious education groups, investments, auxiliary (e.g., women's guild), school organizations (e.g., booster club), etc.

Parish/School Organizations

1. The bookkeeper/business manager must handle the accounting for all parish and school accounts. The accounting includes paying the bills, making deposits, reconciling, etc. Parish and school organizations include parish sponsored (e.g., women's guild, altar/rosary society, men's club) and school sponsored organizations (e.g., booster club, student activity, extra curricular), cemeteries, religious education, choir, youth groups, hot lunch, food pantry, thanksgiving, endowments, investments, etc....
2. Parish and school organizations must comply with the Diocesan Norms and guidelines. The pastor, administrator, parish lay directors, finance council/board are responsible for all activities of organizations acting on behalf of the parish and school.

Budget

1. An annual budget approved by the pastor and finance council/school board is required for each parish, school, and other diocesan entity. All budgets must be adopted prior to the beginning of the fiscal year to which it pertains.
2. The budget must be entered in QuickBooks for parishes or in the local accounting software for all others so budget vs. actual reports can be provided.

Cash Disbursements:

1. Blank checks must not be signed in advance.
2. Signature stamps must not be used to sign checks.
3. Adequate purchasing procedures are required. Examples include:
 - a. The pastor/principal must initial and date the accounts payable voucher and/or invoice to indicate his review and approval.

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Cash Disbursements Continued:

- b. The pastor/principal must sign all checks for payment and approve pre-authorized electronic payments. The parish lay director or finance council/board director may sign in the pastor/principal's absence or as approved. Note: Reimbursements to the principal or pastor should be approved by the chairperson of the finance council/board. This does not include cell phone, continuing education, and retreat expenses as stipulated in the priest compensation schedule.
- c. Advance approval for conventions, meetings, and non-standard expenses.
- d. Payments must be supported via an invoice, bill, receipt, or progress billing. They should not be made from a statement or without support. This includes:
 - credit cards (every line item of the statement must be supported by a receipt, the statement alone is not sufficient support)
 - employee expense reimbursements. Detail including purpose of trips, where the meeting was held, who is involved... should be included.
 - Bishop's priest compensation schedule must be followed for handling priest wages, cell phone, mileage and retreat expense reimbursements.

Payroll

- 1. IRS requirements must be followed in determining an employee vs. independent contractor.
- 2. IRS Forms, including 941, W-2, and W-3 must be issued in compliance with IRS regulations.
- 3. Employees must be paid following Federal and State labor laws.
- 4. Federal and State payroll tax withholding requirements must be followed.
- 5. All full time employees should be treated equally for benefits, e.g., accrual of vacation time should be the same for all employees at each site.

Independent Contractors

- 1. IRS Forms, including the 1099 and 1096 must be issued in compliance with IRS regulations.
- 2. The IRS Form W-9 must be on file for all contractors that perform services for the location to properly identify the status of the contractor for taxation.

Raffles

- 1. IRS Forms, including the 1096, W-2G, 945 must be issued in compliance with IRS regulations.
- 2. Locations must obtain the required state licenses and permits and issue the state sales tax return.

Diocesan Resolution

Approval from the Bishop must be obtained via completion of a diocesan resolution for the reasons noted on the resolution form. These reasons include capital expenditures of \$20,000 or more (examples: capital improvements, renovation/remodeling, major equipment), raising money of \$20,000 or more, borrowing money for any amount, investing money (such as stocks, mutual funds), establishing endowments, foundations, and/or trusts, selling property for any amount, property leases greater than one year, appointment of parish lay directors and other significant or unusual transactions.

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Corporate Resolution

A corporate resolution certifying the authorized representatives of the parish, school, and other diocesan entity is required. This form must include the Bishop as an authorized signer. The resolution must be approved annually by the finance council/school board and documented in meeting minutes.

Offertory Collections

To ensure appropriate internal controls exist in handling offertory collections, certain procedures are required as followed:

1. Count teams must consist of at least two unrelated people. No husband/wife teams unless an unrelated third person is also involved.
2. Offertory collections must be counted and deposited weekly.
3. The offertory receipts must remain locked on church premises at all times until deposited. Access to these funds must be limited.
4. Offertory count teams must rotate at least quarterly. More often is recommended.
5. The bookkeeper and pastor must not be on the offertory count team.
6. The offertory counters must use a count/tally sheet to record details of the offertory. Each counter must sign this to indicate his/her approval.

Contribution Records

1. All locations are required to maintain electronic contribution records.
2. All collection receipts must be posted at least weekly to the contribution records/general ledger accounting software. This ensures the records are kept current.
3. Contribution records must be reconciled to the deposit slip, offertory count sheet (for parishes), and QuickBooks/accounting software each week to ensure they agree.
4. IRS requirements must be followed for handling grain, stock, and other charitable donations. Copies of acknowledgement and thank you letters issued to donors must be maintained.
5. Detailed contribution statements must be issued at least annually, by January 31, to all donors. These must include the appropriate IRS language on all donor statements that have single contributions of \$250 or more.

Finance Council/Parish Council/Board

1. The Revised Norms issued July 1, 2010, by Msgr. Mark Duchaine, V.G., approved by the Bishop, must be followed in regards to finance/parish councils and lay directors. These Norms include holding regular quarterly meetings (or more frequently) and maintaining minutes of the meetings that document pertinent discussions, decisions, actions, etc. These include approval of the annual budget and annual financial report.
2. Conflicts of Interest: Lay directors and finance council/board members should reveal any conflicts in business dealings with the location and abstain from discussions/votes that involve such conflicts.
3. The bookkeeper/business manager should attend the finance council meetings to present the financials, i.e., comparative balance sheets & profit & loss statements, budget vs. actual.

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Scrip

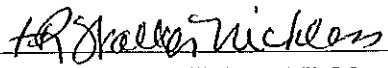
1. The financial activity of the scrip program must be recorded in the parish or school financial statements, as applicable. This includes recording scrip inventory as an asset on the balance sheet and updating the inventory at least once a month.
2. Scrip inventory must remain on church or school premises in a secure (locked) location.
3. The amount of Scrip inventory maintained on hand should be kept to a minimum.
4. Physical inventory counts must be taken frequently (monthly at a minimum) and compared with perpetual inventory records. At least two individuals must be present during inventory counts.

For further clarification of these Diocesan Financial and Internal Control Norms, please contact:

Royce Ranniger 712-233-7592 roycer@scdiocese.org

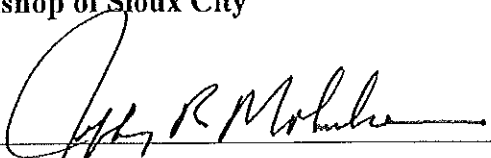
Julie Mahaney 712-233-7515 juliem@scdiocese.org

Reviewed and Approved by:



Most Reverend R. Walker Nickless
Bishop of Sioux City

11-5-18
Date



Mr. Jeffrey Mohrhauser
Chairperson, Diocesan Finance Council

11-30-18
Date

**Amended Norms Presented & Approved at July 27, 2018 Diocesan Finance Council meeting*

**Amended Norms Presented & Approved at July 23, 2015 Diocesan Finance Council meeting*

***Initially Presented and Approved at January 21, 2011 Diocesan Finance Council meeting,
effective July 1, 2011*

STUDENT RECORDS*Approved: July 1, 1998**Revised: March 26, 2020**Reviewed: March 26, 2020**Diocesan Board of Education*

The administrative personnel in the Catholic schools of the Diocese of Sioux City shall continue to maintain a system of permanent and cumulative records. The permanent records shall be kept on file permanently. The permanent record is to be kept in a fire-resistant safe or vault or can be maintained and stored electronically with a secure backup file. The cumulative record shall be a "working record" used by instructional personnel in understanding the students. At the request of a receiving school or district, local schools may determine whether to send copies or originals of cumulative records when a student transfers.

The school's annual handbook should include the following information for parents:

Although nonpublic elementary and secondary schools are rarely subject to all of the privacy laws that apply to public schools, it shall be the policy of this Diocese that the following accessibility and confidentiality rules (consistent with the Family and Educational Rights and Privacy Act) will apply to student records:

1. Parents/legal guardians have the right to access and review their students' educational records.
2. Parents/legal guardians have the right to sign a consent form before the school may release personally identifiable, non-directory information (e.g., social security number), except as otherwise noted below.
3. Parents/legal guardians are annually notified of these rights as well as the school's policy for directory information and to opt out of the publication of directory information.
4. These rights transfer to students at age 18.
5. Complaints must first be referred to the local administration before they can be referred to the Diocesan Superintendent.

Examples of records that are not included as part of the student's education record and therefore not available to parents:

1. Records kept in the sole possession of the maker of the records, used only as a personal memory aid and not disclosed to others except a temporary substitute.
2. Records of a law enforcement unit of the school.
3. Employment records relating to an individual employed by school.
4. Records about an individual created or received after he/she is no longer a student at the school.
5. Grades on peer reviewed papers before they are collected and recorded by a teacher.

Circumstances in which a school may disclose personally identifiable information from a students' educational record without prior consent include:

The information is "directory information**"

To school officials (generally administrative, educational and support staff or other agents of the school) with a legitimate educational interest (e.g., the need to review the record in order to fulfill his or her professional responsibility)

To officials of another school where the student transfers or is to enroll

To AEA personnel with a legitimate educational interest

To authorized federal, state or local authorities

When the disclosure is necessary to the financial aid process

Pursuant to an interagency agreement with state and local agencies that are part of the juvenile justice system

To comply with a court order or judicially issued subpoena

In connection with a health or safety emergency

For any other reason allowed or required under state or federal law

["*Directory Information" is information contained in a student's education record, which would not generally be considered harmful or an invasion of privacy if disclosed. It may include the student's name; address; telephone number; date and place of birth; school e-mail address; grade level; enrollment status; participation in school activities; weight and height of members of athletic teams; dates of attendance; degrees and awards received; the most recent previous educational agency or institution attended by the student; photographs, videos of the student's participation in music, speech, athletic or other events; and other similar information.]

Legal Reference: Iowa Administrative Code 281-12.3(4); Iowa Code 280.25



**United States Department of Education
Office for Civil Rights**

DISCRIMINATION COMPLAINT FORM

You do not have to use this form to file a complaint with the U.S. Department of Education's Office for Civil Rights (OCR). You may send OCR a letter or email instead of this form, but the letter or email must include the information in items 1-15 of this form. If you decide to use this form, please type or print all information and use additional pages if more space is needed. An online, fillable version of this form, which can be submitted electronically, can be found at:

<http://www.ed.gov/about/offices/list/ocr/complaintintro.html>.

Before completing this form, please read all information contained in the enclosed packet including: Information About OCR's Complaint Resolution Procedures, Notice of Uses of Personal Information and the Consent Form.

If you have questions about civil rights or how to file a complaint, you may contact OCR at 800-421-3481, 800-877-8339 (TTY), OCR@ed.gov, or by calling the enforcement office that serves your state or territory. Contact information for enforcement offices can be found at: <https://ocrcas.ed.gov/contact-ocr>.

If you have difficulty understanding English, you may, free of charge, request language assistance services for this Department information by calling 1-800- USA-LEARN (1- 800-872-5327) (TTY: 1-800-877-8339), or email us at: Ed.Language.Assistance@ed.gov. If you are a person with a disability, you may request disability-related assistance by contacting OCR at 800-421-3481, 800-877-8339 (TTY), OCR@ed.gov, or by calling the enforcement office that serves your state or territory. Contact information for enforcement offices can be found at: <https://ocrcas.ed.gov/contact-ocr>. To request this document in an alternate format such as Braille or large print please contact the Department at 202-260-0852 or om_eeos@ed.gov.

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Complaint Form, Consent Form, and Complaint Processing Procedures

1. Name of person filing this complaint:

Last Name: _____ First Name: _____ Address: _____

City: _____ State: _____ Zip Code: _____

Primary number: _____ Alternate number: _____

Email Address: _____

2. Name of person discriminated against (if **other** than person filing). If the person discriminated against is age 18 or older, we will need that person's signature on this complaint form and the consent/release form before we can proceed with this complaint. If the person is a minor, and you do not have the legal authority to file a complaint on the student's behalf, the signature of the child's parent, guardian, or other authorized legal representative is required.

Last Name: _____ First Name: _____ Address: _____

City: _____ State: _____ Zip Code: _____

Primary Phone: _____ Alternative Phone: _____

Email Address: _____

3. OCR investigates discrimination complaints against schools, colleges and universities, institutions, and agencies which receive funds or other forms of financial assistance from the U.S. Department of Education and against public educational entities and libraries that are subject to the provisions of Title II of the Americans with Disabilities Act. Please identify the institution or agency that engaged in the alleged discrimination. If we cannot accept your complaint, we will attempt to refer it to the appropriate agency and will notify you of that fact.

Name of Institution: _____

Address: _____

City: _____ State: _____ Zip Code: _____

Department/School: _____

4. The regulations OCR enforces prohibit discrimination on the basis of race, color, national origin, sex, disability, or age. The regulations also ban retaliation against persons who assert the right to be free from discrimination. Please note the following:

- Discrimination based on race, color, and national origin includes failure to provide meaningful access to English learners and limited English proficient parents and guardians, as well as discrimination based on shared ancestry or ethnic characteristics or based on citizenship in a country with a dominant religion.

Our mission is to ensure equal access to education and to promote educational excellence nationwide through the enforcement of civil rights.

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- Discrimination based on sex includes discrimination based on sex stereotypes, pregnancy or related conditions, sexual orientation, and gender identity, as well as rules about parental, family, or marital status that treat people differently based on sex.
- Discrimination based on disability includes discrimination against individuals who have a physical or mental impairment that substantially limits a major life activity, as well as individuals who have a record of or are regarded as having a disability.
- Discrimination based on age does not limit protection against discrimination to a certain age group (e.g., people over 40); however, there are a variety of exceptions to the relevant Federal law that may permit age to be taken into account.
- Retaliation refers to actions taken for the purpose of interfering with any rights under the laws enforced by OCR, or because you made a complaint, testified, or participated in any manner in an OCR proceeding.

Please indicate the basis of your complaint:

☐

Discrimination based on race (specify)

☐

Discrimination based on color (specify)

☐

Discrimination based on national origin (specify)

☐

Discrimination based on sex (specify)

☐ Discrimination based on disability (specify)

☐ Discrimination based on age (specify)

☐ Retaliation because you filed a complaint or otherwise asserted rights under laws enforced by OCR (specify)

☐ Violation of the Boy Scouts of America Equal Access Act (specify)

5. Please describe each alleged discriminatory act. For each action, please include the date(s) the discriminatory act occurred, the name(s) of each person(s) involved and, why you believe the discrimination was because of race, disability, age, sex, etc. Also please provide the names of any person(s) who was present and witnessed the act(s) of discrimination.

6. Do you have documents or written information that you think will help us to understand your complaint?

- ☐ No
☐ Yes

If yes, please describe the documents or written information you have.

If OCR investigates your complaint, we may ask you to provide us the items you describe above.

7. What is the most recent date you were discriminated against?

Date: _____

8. If this date is **more than 180 days ago**, you may request a waiver of the filing requirement.

☐

I am requesting a waiver of the 180-day time frame for filing this complaint.

Please explain why did not file your complaint within 180 days.

9. Have you complained about the allegations that you raise in this complaint to your school, institution, or another organization or agency?

☐ YES

☐ NO

If yes, have you complained about the allegations that you raise in this complaint by:

☐

filing an internal complaint or appeal with your school or institution?

☐

participating in your school or institution's grievance procedures?

☐

participating in a due process hearing either at your school or institution, or through another organization or government agency?

If you answered **yes to any of the above questions**, please describe the allegations that you raised in an internal complaint or appeal, through your school or institution's grievance procedures, or in a due process hearing, identify the date you complained about the allegations and where you made the complaint, and tell us the status of the complaint, appeal, grievance procedures, or due process hearing. If possible, please provide us with a copy of your complaint or grievance or appeal or due process request and, if completed, the decision in the matter.

10. If the allegations contained in this complaint have been filed with any other Federal, state or local civil rights agency, or any Federal or state court, please give details and dates. We will determine whether it is appropriate to investigate your complaint based upon the specific allegations of your complaint and the actions taken by the other agency or court.

Agency or Court: _____

Date Filed: _____

Case Number or Reference: _____

Results of Investigation/Findings by Agency or Court:

11. You do not need to have a lawyer to file a complaint with OCR; however, if you do have a lawyer, OCR staff are required to communicate directly with your lawyer. If you have a lawyer representing you in this matter, please provide the lawyer's contact information.

Last Name: _____ **First Name:** _____

Telephone: _____ **Email:** _____

12. If we cannot reach you at your home or work, we would like to have the name and telephone number of another person (relative or friend) who knows where and when we can reach you. This information **is not required**, but it will be helpful to us.

Last Name: _____ **First Name:** _____

Telephone: _____ **Email:** _____

13. **Option to Participate in OCR's Early Mediation Process**

OCR provides an early mediation process as an opportunity for you and the recipient institution to voluntarily resolve your complaint soon after you file it with OCR.

Mediation is a form of complaint resolution that OCR offers as an alternative to its investigative process. Mediation is an informal process in which a staff member from OCR who is trained in mediation assists the parties to reach a negotiated resolution of the complaint. The mediator does not decide who is right or wrong and does not have the authority to impose a settlement on the parties. Instead, the mediator helps the parties to find a mutually acceptable resolution to your complaint. Mediation is a strictly voluntary process. If either party does not want to participate in mediation, OCR will address the complaint through its regular processes.

If you are interested in participating in the early mediation process, you must check the box below. If you indicate your interest in early mediation by checking the box below **and** OCR determines that your complaint is appropriate for this process, OCR will contact you and the recipient institution and offer this resolution option. If the recipient agrees to participate in early mediation, OCR will work with you and the recipient to achieve a mutually agreeable resolution of your complaint. If the recipient does not wish to participate in early mediation, OCR will proceed with its regular processing of your complaint. ***If you do not indicate your interest in early mediation by checking the box below, early mediation will not be offered to you and OCR will proceed with its regular processing of your complaint.***

I am interested in participating in early mediation (Please check box): ☐

NOTE: You **MUST** submit a signed Consent Form to OCR if you want to participate in early mediation.

14. What would you like the institution to do as a result of your complaint
— what remedy are you seeking?

15. We cannot accept your complaint if it has not been signed. Please sign and date your complaint below.

(Date)

(Signature)

(Date)

(Signature of person in Item 2)

Please mail or email the completed and signed Discrimination Complaint Form, your signed consent form and copies of any written material or other documents you believe will help OCR understand your complaint to the OCR Enforcement Office responsible for the state where the institution or entity about which you are complaining is located. You can locate the mailing information for the correct enforcement office on OCR's website at <https://ocrcas.ed.gov/contact-ocr>.

**CONSENT FORM - FOR DISCLOSING NAME AND OTHER PERSONAL INFORMATION
CONTAINED IN THE DISCRIMINATION COMPLAINT FORM TO OTHERS**

(Please print or type except for signature line)

Your Name: _____

Name of School or Other Institution That You Have Filed This Complaint Against: _____

- The purpose of this consent form is for the Office for Civil Rights (OCR) to request your consent to disclose your name and other personal information when OCR decides that doing so will assist in investigating and resolving your complaint.
- For example, to decide whether a school discriminated against a person, OCR often needs to reveal that person's name and other personal information to employees at that school to verify facts or get additional information. When OCR does that, OCR informs the employees that all forms of retaliation against that person and other individuals associated with the person are prohibited. OCR may also reveal the person's name and personal information during interviews with witnesses and consultations with experts.
- If you do not consent to OCR disclosing your name or other personal information, OCR may decide to close your complaint if OCR determines it is necessary to disclose such information in order to determine whether the school discriminated against you.

NOTE: If you file a complaint with OCR, OCR can release certain information about your complaint to the press or general public, including the name of the school or institution; the date your complaint was filed; the type of discrimination included in your complaint; the date your complaint was resolved, dismissed or closed; the basic reasons for OCR's decision; or other related information. Any information OCR releases to the press or general public will not include your name or the name of the person on whose behalf you filed the complaint.

NOTE: OCR requires you to respond to its requests for information. Failure to cooperate with OCR's investigation and resolution activities could result in the closure of your complaint.

Please sign section A or section B (but not both) and return to OCR:

- If you filed the complaint on behalf of yourself, you should sign this form.
 - If you filed the complaint on behalf of another specific person, that other person should sign this form.
EXCEPTION: If the complaint was filed on behalf of a specific person who is younger than 18 years old or a legally incompetent adult, this form must be signed by the parent or legal guardian of that person.
 - If you filed the complaint on behalf of a class of people, rather than any specific person, you should sign the form.
- A. I give OCR my consent to disclose my name (and that of my minor child/ward on whose behalf the complaint is filed) and other personal information contained in the Discrimination Complaint Form to others for OCR's investigation of, and enforcement activities related to, the Discrimination Complaint Form.**

Signature

Date

OR

- B. I do not give OCR my consent to disclose my name (and that of my minor child/ward on whose behalf the complaint is filed) nor other personal information contained in the Discrimination Complaint Form to others for OCR's investigation of, and enforcement activities related to, the Discrimination Complaint Form. I understand that OCR may have to close my complaint.**

Signature

Date

I declare under penalty of perjury that it is true and correct that I am the person named above; and, if the complaint is filed by a parent or legal guardian on behalf of a minor child/individual who has been declared to be incompetent due to physical or mental incapacity or age by a court of competent jurisdiction, that I am that person's parent or legal guardian. This declaration only provides consent for the disclosure of identity of the persons (and other individually identifiable information about them contained in the Discrimination Complaint Form) and does not extend to any of the claims filed in the complaint.

Updated June 30, 2023

Excerpt from the Online Interactive Complaint Form

Race / Color / National Origin / Ethnicity / Shared Ancestry

Discrimination based on national origin includes discrimination based on the country, world region, or place where a person or their ancestors come from; a person's limited English proficiency or English learner status; and a person's actual or perceived shared ancestry or ethnic characteristics, including membership in a religion that may be perceived to exhibit such characteristics (e.g., Hindu, Jewish, Muslim, and Sikh students). For more information about race, color, and national origin discrimination, please visit www.ed.gov/ocr/frontpage/pro-students/race-origin-pr.html.

Sex

Discrimination based on sex includes discrimination based on sex stereotypes, pregnancy or related conditions, sexual orientation, and gender identity. Discrimination based on sex also encompasses rules about parental, family, or marital status that treat people differently based on sex. For more information about sex discrimination, please visit <https://www2.ed.gov/policy/rights/guid/ocr/sexoverview.html>.

Disability

A person with a disability is defined as any person who (i) has a physical or mental impairment, which substantially limits one or more major life activities, or (ii) has a record of such impairment, or (iii) is regarded as having such an impairment. Whether a person has a disability is determined without considering mitigating measures. For more information about disability discrimination, please visit www.ed.gov/policy/rights/guid/ocr/disability.html.

FEDERAL GRANT PAYROLL PROCEDURES

Approved: 5/23/23

Reviewed:

Revised:

St. Rose of Lima Catholic School

Section I: Payroll Documentation**Payroll Documentation?**

Payroll, also called employee compensation, takes different forms. Some employees earn a salary based on a yearly, monthly, or weekly rate; others may earn a wage based on an hourly rate. Many entities pay employee fringe benefits, which are a form of employee compensation. Entities organize the payroll data in a special accounting journal called a payroll register or payroll journal. It gives the employer the information needed to record payroll for the pay period. Other examples of payroll documentation include but are not limited to:

- **Leave Requests**

- **Time sheets** — spreadsheets or documents that indicate the hours an employee has worked, generally separated

by days of the week. Timesheets may also be referred to as Personal Activity Reports (PARs).

- **Correspondence** (e.g., E-mails, Resignation letters)

- **Job descriptions** — generally including duties, purpose, responsibilities, scope, and working conditions of a job

along with the job's title, and the name or designation of the person to whom the employee reports.

- **Employment contracts** — a voluntary, deliberate, and legally enforceable (binding) agreement between an employer and an employee. Employment contracts can cover a variety of procedures and/or policies that the employee must agree to as a condition of his/her employment. The contract should also include specific information regarding bonus or performance pay eligibility. The contract may be modified to include additional work duties and/or pay by means of an addendum which should be filed with the contract.

- **Personnel Action Requests** (e.g., an employee is transferred from a grant funded position to a non-grant funded position).

- **Payroll Journals**— a payroll journal is a detailed record of accounting transactions related to payroll.

- **Governing board meeting minutes** — permanent, formal, and detailed (although not verbatim) record of business

transacted and resolutions adopted at a board meeting. Once written or typed, and approved at the next meeting, the minutes are accepted as a true representation of the proceedings they record and can be used

as prima facie evidence in legal matters.

Recordkeeping Requirements under the Fair Labor Standards Act (FLSA)

Records To Be Kept By Employers

Highlights: The FLSA sets minimum wage, overtime pay, recordkeeping, and youth employment standards for employment subject to its provisions. Unless exempt, covered employees must be paid at least the minimum wage and not less than one and one-half times their regular rates of pay for overtime hours worked.

Required Records

Every covered employer must keep certain records for each non-exempt worker. The Act requires no particular form for the records but does require that the records include certain identifying information about the employee and data about the hours worked and the wages earned. The law requires this information to be accurate. The following is a listing of the basic records that an employer must maintain:

1. Employee's full name and social security number.
2. Address, including zip code.
3. Birth date, if younger than 19.
4. Sex and occupation.
5. Time and day of week when employee's workweek begins.
6. Hours worked each day.
7. Total hours worked each workweek.
8. Basis on which employee's wages are paid (e.g., "\$9 per hour", "\$440 a week", "piecework")
9. Regular hourly pay rate.
10. Total daily or weekly straight-time earnings.
11. Total overtime earnings for the workweek.
12. All additions to or deductions from the employee's wages.
13. Total wages paid each pay period.
14. Date of payment and the pay period covered by the payment.

How Long Should Records Be Retained

FLSA standards require that each employer preserves, for at least three years, payroll records, collective bargaining agreements, sales, and purchase records. Records on which wage computations are based should be retained for two years, i.e., time cards and piecework tickets, wage rate tables, work, and time schedules, and records of additions to or deductions from wages. These records must be open for inspection by the Division's representatives, who may ask the employer to make extensions, computations, or transcriptions. The records may be kept at the place of employment or in a central records office.

Timekeeping

Employers may use any timekeeping method they choose. For example, they may use a time clock, have a timekeeper keep track of employees' work hours, or tell their employees to write their own times on the records. Any timekeeping plan is acceptable as long as it is complete and accurate.

Please Note: In addition to time-keeping payroll records documentation, an accredited nonpublic school that charges employee salaries and wages

to one or more Federal grants must also maintain additional documentation for employees' Time and Effort charged to those grant(s).

Section II: Time and Effort Documentation Federal Grant Guidance

Uniform Administrative Requirements,

Cost Principles and Audit Requirements for Federal Awards Published in the Federal Register (79 Fed. Reg. 75871) on December 19, 2014, and effective for new and continuation awards issued on or after December 26, 2014, the Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (2 CFR Part 200 or Uniform Grant Guidance) streamlines and consolidates government requirements for receiving and using federal awards to reduce the administrative burden and improve outcomes. Please note the new regulations do not affect grant funds awarded prior to December 26, 2014, unless funds made available under those grants are carried forward into a new Federal fiscal year or a continuation grant. These regulations are applicable to all nonfederal entities.

The Uniform Grant Guidance was developed in response to the November 23, 2009, Executive Order 13520 on Reducing Improper Payments and the February 28, 2011, Presidential Memorandum on Administrative Flexibility, Lower Costs, and Better Results for State, Local, and Tribal Governments. The President directed the OMB to work with Executive Branch agencies; state, local, and tribal governments; and other key stakeholders to evaluate potential reforms to Federal grant policies.

Section III: Uniform Administrative Requirements

Internal Controls

Internal controls include systematic measures (such as reviews, checks and balances, methods, policies, and procedures) instituted by an organization to (1) conduct its business in an orderly and efficient manner, (2) safeguard its assets and resources, (3) deter and detect errors, fraud, and theft, (4) ensure accuracy and completeness of its accounting data, (5) produce reliable and timely financial and management information, and (6) ensure adherence to its policies and plans.

- Emphasis is on the importance of internal controls at the sub-recipient level that proactively ensures compliance with the terms and conditions of the awards.
- Strong internal controls provide a reasonable assurance that the sub-recipient is managing their awards in compliance with federal statutes, regulations, and the terms and conditions of the federal award.

Internal Control Standards

Internal controls should be in compliance with the guidance set forth in "Standards for Internal Control in the Federal Government" issued by the Comptroller General of the United States or the "Internal Control-Integrated Framework", issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

Compensation – personal services

Compensation for personal services includes all remuneration, paid currently or accrued, for services of employees rendered during the period of performance under the Federal award, including but not necessarily limited to wages and salaries. Compensation for personal services may also include fringe benefits. Costs of compensation are allowable to the extent that they satisfy the specific requirements of this part, and that the total compensation for individual employees:

- (1) Is reasonable for the services rendered and conforms to the established written policy of the non-Federal entity consistently applied to both Federal and non-Federal activities.
- (2) Follows an appointment made in accordance with a non-Federal entity's laws and/or rules or written policies and meets the requirements of Federal statute, where applicable; and
- (3) Is determined and supported as provided in Standards for Documentation of Personnel Expenses, when applicable.

Standards for Documentation of Personnel Expenses Reference

Charges to Federal awards for salaries and wages must be based on records that accurately reflect actual work performed.

These records must:

- Be supported by a system of internal controls that provides a reasonable assurance that the charges are accurate, allowable, and properly allocated;
- Be incorporated into official records of the non-Federal entity;
- Reasonably reflect the total activity for which the employee is compensated by the non-Federal entity, not exceeding 100% of compensated activities
- Encompass both federally assisted, and all activities compensated by the non-Federal entity on an integrated basis, but may include the use of subsidiary records;
- Comply with established accounting policies and practices
- Support the distribution of the employee's salary or wages among specific activities or cost objectives if the employee works on more than one Federal award; a Federal award and a non-Federal award; an indirect cost activity and a direct cost activity; two or more indirect activities which are allocated using different allocation bases; or an unallowable activity and a direct or indirect cost activity.
- Budget estimates (i.e., estimates determined before the services are performed) alone do not qualify as support for charges to Federal awards but may be used for interim accounting purposes.

Time and Effort documentation must be maintained for all employees whose salaries are:

- Paid in whole or in part with Federal funds.
- Used to meet a match/cost share requirement

All Time and Effort records must be based on actual time spent and effort expended by the grant-funded employee and reported and/or certified after the fact. The only exception to this Federal reporting requirement is an allowance the Federal Department of Education has made to accommodate an employee whose schedule is fixed day to day or week to week.

Compensation – fringe benefits

Fringe benefits are allowances and services provided by employers to their employees as compensation in addition to regular salaries and wages.

Fringe benefits include but are not limited to, the costs of leave (vacation, family-related, sick or military), employee insurance, pensions, and unemployment benefit plans. Except as provided elsewhere in Federal guidance principles, the costs of fringe benefits are allowable provided that the benefits are reasonable and are required by law, non-Federal entity employee agreement, or an established policy of the non-Federal entity.

Cost objective Reference

Cost objective means a program, function, activity, award, organizational subdivision, contract, or work unit for which cost data are desired and for which provision is made to accumulate and measure the cost of processes, products, jobs, capital projects, etc. A cost objective may be a major function of the non-Federal entity, a particular service or project, a Federal award, or an indirect (Facilities and Administrative (F&A)) cost activity.

For the purposes of payroll records and Time and Effort documentation, cost objectives may refer to a single cost objective or multiple cost objectives. While the Uniform Grant Guidance does not detail specific forms or requirements related to Time and Effort documentation, the following sections outline documentation requirements that are compliant with the Uniform Grant Guidance. These documentation requirements differ depending on whether the employee works on a single cost objective or multiple cost objectives. Subrecipients that implement these documentation requirements will be found to have met the Time and Effort documentation requirements under the Uniform Grant Guidance. Subrecipients may implement a different system of internal controls that also meets the Uniform Grant Guidance requirements.

Section IV: Cost Objective Documentation

Single Cost Objective

If an employee works solely on a single cost objective, charges for the employee's salary or wages must be supported by periodic certifications that the employee worked solely on that program or cost objective for the period covered by the certification.

Those certifications must:

- Be prepared at least semi-annually.
- Signed by the employee or supervisory official having firsthand knowledge of the work performed by the employee.

Multiple Cost Objectives

If an employee works on multiple activities or cost objectives, a distribution of the employee's salary and wages must be supported by a personnel activity report (PAR) or equivalent documentation if an employee works on –

- More than one Federal award.
- A Federal award and a non-Federal award.
- An indirect cost activity and a direct cost activity.
- Two or more indirect activities that are allocated using different allocation bases.
- An unallowable activity and a direct or indirect cost activity.

A PAR must:

- Reflect an after-the-fact distribution of the actual activity of the employee.
- Account for the total activity for which each employee is compensated.

- Be prepared at least monthly and coincide with one or more pay periods.
- Be signed by the employee.

This guidance addresses one frequently asked question regarding these time-and-effort requirements: is it possible for an employee to work on a single cost objective if the employee's salary or wages are supported by more than one Federal award or a Federal award and a non-Federal award? This question results from the tension between the requirements above regarding when a semiannual certification is required and when the employee must maintain a PAR, because a "single cost objective" may, in some cases, be supported by multiple Federal awards or by Federal awards and non-Federal funds.

Definition of "Cost Objective"

A function, organizational subdivision, contract, grant, or other activity for which cost data are needed and for which costs are incurred. A "single cost objective" therefore can be, for example, a single function or a single grant or a single activity. As the examples below illustrate, it is possible to work on a single cost objective even if an employee is paid from more than one Federal award or from a Federal award and a non-Federal award. The key to determining whether an employee is working on a single cost objective is whether the employee's salary and wages can be supported in full from each of the Federal awards on which the employee is working, or from the Federal award alone if the employee's salary is also paid with non-Federal funds.

Percentages Reference

Because practices vary as to the activity constituting a full workload (for IHEs, IBS), records may reflect categories of activities expressed as a percentage distribution of total activities.

Compliance Reference

For records that meet standards, the non-Federal entity will not be required to provide additional support or documentation for the work performed.

Noncompliance Reference

For a non-Federal entity where the records do not meet the standards described in this section, the Federal government may require personnel activity reports, including prescribed certifications, or equivalent documentation that support the records as required in this section.

Documents adapted from the Arizona Department of Education Grants Management Division

<https://gme.azed.gov/DocumentLibrary/ViewDocument.aspx?DocumentKey=1569832.0&inline=true>



Title 2 —Grants and Agreements

Subtitle A —Office of Management and Budget Guidance for Grants and Agreements

Chapter II —Office of Management and Budget Guidance

Part 200

—Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards

Subpart C —Pre-Federal Award Requirements and Contents of Federal Awards

§ 200.216 Prohibition on certain telecommunications and video surveillance services or equipment.

- (a) Recipients and subrecipients are prohibited from obligating or expending loan or grant funds to:
 - (1) Procure or obtain;
 - (2) Extend or renew a contract to procure or obtain; or
 - (3) Enter into a contract (or extend or renew a contract) to procure or obtain equipment, services, or systems that uses covered telecommunications equipment or services as a substantial or essential component of any system, or as critical technology as part of any system. As described in Public Law 115–232, section 889, covered telecommunications equipment is telecommunications equipment produced by Huawei Technologies Company or ZTE Corporation (or any subsidiary or affiliate of such entities).
 - (i) For the purpose of public safety, security of government facilities, physical security surveillance of critical infrastructure, and other national security purposes, video surveillance and telecommunications equipment produced by Hytera Communications Corporation, Hangzhou Hikvision Digital Technology Company, or Dahua Technology Company (or any subsidiary or affiliate of such entities).
 - (ii) Telecommunications or video surveillance services provided by such entities or using such equipment.
 - (iii) Telecommunications or video surveillance equipment or services produced or provided by an entity that the Secretary of Defense, in consultation with the Director of the National Intelligence or the Director of the Federal Bureau of Investigation, reasonably believes to be an entity owned or controlled by, or otherwise connected to, the government of a covered foreign country.
- (b) In implementing the prohibition under Public Law 115–232, section 889, subsection (f), paragraph (1), heads of executive agencies administering loan, grant, or subsidy programs shall prioritize available funding and technical support to assist affected businesses, institutions and organizations as is reasonably necessary for those affected entities to transition from covered communications equipment and services, to procure replacement equipment and services, and to ensure that communications service to users and customers is sustained.
- (c) See Public Law 115–232, section 889 for additional information.
- (d) See also § 200.471.