



LP 4.3

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Policy Owner:
Board of Trustees

Policy Administrator:
VP for Finance &
Administration

Affected Parties:
Employees

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Federal Funds Expenditures

1 Purpose

The purpose of this policy is to ensure that all federal expenditures made by Lander University are in strict compliance with federal laws, regulations, and guidelines, including the Uniform Guidance, while maintaining fiscal responsibility and transparency. This policy aims to safeguard federal funds and uphold the integrity of federal programs administered by the institution.

2 Scope

This policy applies to all departments, units, and personnel within Lander University that are involved in the expenditure of federal funds, including grants, contracts, and operational expenses funded by federal agencies.

3 Roles and Responsibilities

The roles and responsibilities of personnel involved in the expenditure approval process are, as follows:

3.1 Roles

3.1.1 Approver

Responsible for reviewing and approving expenditure requests based on compliance with federal regulations, budgetary considerations, and institutional policies.

3.1.2 Budget Manager

Oversees departmental budgets, ensures alignment with organizational goals, and reviews expenditure requests.

3.1.3 Compliance Officer

Ensures adherence with all federal regulations, including those outlined in the Uniform Guidance, conducts compliance checks, and provides guidance to staff.

3.1.4 Auditor

Conducts regular audits of federal expenditures, follows Generally Accepted Government Auditing Standards (GAGAS), and reports findings to the appropriate authorities.

3.2 Notification of Staff Turnover

When staff turnover occurs, relevant stakeholders, including senior management, shall be promptly notified of any change(s) in personnel responsible for expenditure approval. Assign responsibility for overseeing the review and approval process to designated individuals or teams within the organization. Ensure clear lines of communication.

The signing authority for any associated indexes shall be maintained or else procurements and disbursements will not be processed. The Budget Office maintains the established Chart of Accounts and notice of any change in signing authority must be provided to the department with approval from the assigned compliance officer. Senior management must ensure each above listed role is assigned at all times and that vacancies are filled on a temporary or permanent basis to allow for federally funded activities to continue.

4 Expenditure Classification

4.1 Supplies

Expenditures for office supplies, equipment maintenance, and other tangible assets.

4.1.1 For supply expenditures, proper documentation includes original invoices or receipts, purchase orders, and packing slips.

4.1.2 Ensure that the documentation clearly specifies the items purchased, quantity, unit price, and total cost.

4.1.3 Any changes or deviations from the original purchase order shall be documented and approved.

4.2 Equipment

Expenditures for the purchase, lease, or maintenance of equipment.

4.2.1 Equipment expenditures shall be supported by purchase agreements, lease agreements, or maintenance contracts, including details of costs and terms.

4.2.2 Records shall be maintained of equipment inventories, including acquisition dates, identification numbers, and disposition records when equipment is retired or transferred.

4.3 Salaries and Wages

Expenditures related to personnel compensation.

- 4.3.1 Documentation for salaries and wages shall include timesheets, payroll records, and personnel files.
- 4.3.2 Timesheets shall accurately reflect hours worked, leave taken, and any applicable overtime or differential pay, as well as the specific federal award or project to which the employee's time is charged.

4.4 Contracts and Grants

Expenditures related to external agreements and grants.

- 4.4.1 Contracts and grants expenditures shall be supported by fully executed copies of the agreements, including any amendments or modifications.
- 4.4.2 Records shall be maintained of subrecipient agreements, if applicable, including budgets, performance reports, and compliance documentation.
- 4.4.3 Documentation shall be maintained of any cost-sharing or matching requirements and their verification.

4.5 Travel

Expenditures related to official travel, including accommodation and transportation.

- 4.5.1 For travel expenditures, complete and itemized records shall be maintained regarding travel authorizations, itineraries, and receipts for transportation, lodging, meals, and other related expenses.
- 4.5.2 Travel expenses shall be in compliance with federal travel regulations and institutional policies.

5 Documentation and Records

Documentation required for each expenditure type, including invoices, receipts, contracts, and any federal compliance documents.

5.1 Federal Compliance Documentation

- 5.1.1 In addition to expenditure-specific documentation, any documentation required by federal agencies for grant or contract compliance shall be maintained. This may include but is not limited to:

- 5.1.1.1 Grant agreements or award notices.
- 5.1.1.2 Federal Financial Reports (FFR) and other required financial reporting forms.
- 5.1.1.3 Records of subrecipient monitoring, if applicable.
- 5.1.1.4 Evidence of compliance with cost principles and allowable costs as per Uniform Guidance (2 CFR Part 200).

5.2 Record Retention and Accessibility

- 5.2.1 Records shall be retained in a secure and organized manner, with appropriate safeguards to protect sensitive or confidential information.
- 5.2.2 Records shall be readily accessible for audit and monitoring purposes, both internally and by federal agencies.

5.3 Training and Responsibility

- 5.3.1 Staff responsible for maintaining expenditure documentation shall receive training on record-keeping requirements, including federal and state regulations and institutional policies.
- 5.3.2 Each department or unit shall be responsible for ensuring that expenditure documentation is complete, accurate, and compliant with all applicable requirements.

5.4 Audit Trails and Documentation Review

- 5.4.1 Regularly internal reviews and audits shall be conducted to ensure that expenditure documentation is complete, accurate, and compliant.
- 5.4.2 Audit trails and records of these reviews shall be maintained, including any corrective actions taken.

6 Approval Process

6.1 Submission of Expenditure Requests

- 6.1.1 All expenditure requests shall be submitted using the Lander University Purchasing Requisition Form

- 6.1.2 Requests shall include detailed descriptions of the expenditure, budget codes, and any relevant compliance documentation.
- 6.1.3 Although the use of a procurement credit card (P-Card) may be allowable for small dollar purchases, (less than \$2,500) those charging expenses shall have received proper prior approvals to do so.

6.2 Initial Review by Budget Managers

- 6.2.1 Budget managers shall be responsible for reviewing expenditure requests within their departments.
- 6.2.2 Budget managers shall ensure that the requested expenditures align with the department's budget and organizational goals.

6.3 Review by Compliance Officers for Federal Regulations

- 6.3.1 Compliance officers shall review expenditure requests to ensure adherence to federal regulations, including the Uniform Guidance, and institutional policies.
- 6.3.2 Any compliance issues or discrepancies shall be flagged for resolution.

6.4 Approval Authority Hierarchy

- 6.4.1 The approval hierarchy at Lander University is, as follows:
Department head, dean or supervisor, assigned approver (if not also serving in one of the previous roles), and, in some instances, the area vice president and/or chief financial officer. The vice president and chief financial officer may need to approve individual expenditures when the federal funds involved represent a larger university impact or a significant reporting requirement. This additional approval will be specified at the inception of the grant of federal award period.
- 6.4.2 Each level of approval shall ensure compliance with federal regulations, budget availability, and alignment with institutional objectives.

6.5 Escalation Process for Exceptions or Issues

- 6.5.1 An escalation process shall be in place to address unresolved issues, discrepancies, or exceptions in expenditure requests.
- 6.5.2 Any concerns that cannot be resolved at a lower approval level shall be escalated to the next level of authority for resolution.

6.5.3 Parties shall document the escalations and the details supporting the final decision.

6.6 Delegation of Authority

6.6.1 In the absence of an approver, the delegation of authority for approving federal expenditures shall be clearly defined.

6.6.2 The approver's acknowledgement of an assigned delegate shall be documented.

6.7 Documentation of Approvals

6.7.1 All expenditure approvals shall be documented, including the name of the approver, the date of approval, and any conditions or restrictions.

7 Compliance

7.1 Federal and State Regulations

Lander University is committed to full compliance with federal and state regulations, including but not limited to the:

7.1.1 Uniform Guidance (2 CFR Part 200)

7.1.2 Federal Acquisition Regulation (FAR)

7.1.3 South Carolina Procurement Code (Title 11, Chapter 35, SC Code of Laws) for state-funded projects

7.1.4 Identified federal regulations and guidelines that must be adhered to, including relevant legislation, agency-specific requirements, and reporting obligations.

8 Budget Allocation

The process of allocating budgets may differ depending on the source and intent of the federal activity, but some general processes exist. Contact the Budget Office for specifics regarding the funds or activity in question.

8.1 Determination of Budgets

- 8.1.1 Budget allocations shall be determined through Lander University's established budgetary process, which involves annual budget planning meetings, input from department heads, and a consolidation of budget requests.
- 8.1.2 The budget allocation process shall consider organizational goals, historic spending patterns, anticipated revenue, and any specific federal or state awards or grants.
- 8.1.3 Budgets shall be established for each fiscal year and shall be subject to approval by the university president and the Board of Trustees.

8.2 Budget Adjustments

- 8.2.1 Budget managers shall have the authority to request adjustments to their departmental budgets when necessary to accommodate approved expenditures. Adjustments must be approved by the university budget director prior to the incurring of any associated expenditure.
- 8.2.2 All budget adjustments shall adhere to Lander University's established practices, which include the following:
 - 8.2.2.1 Submission of Budget Adjustment Requests: Budget managers shall submit a formal request for all budget adjustments, detailing the rationale, the impact on departmental objectives, and the specific indexes affected. Such submission shall first be approved by the respective division head.
 - 8.2.2.2 Approval Process: Budget adjustment requests shall be reviewed and approved by the budget director or the university chief financial officer to ensure alignment with institutional goals and compliance with federal and state regulations.
 - 8.2.2.3 Documentation: Records of all budget adjustments, including the original request, approval, and any associated documentation, shall be maintained as part of the budgetary records.
- 8.2.3 Budget adjustments shall be made judiciously to ensure that expenditures align with approved budgets while maintaining fiscal responsibility.

8.3 Monitoring and Reporting

- 8.3.1 Budgets shall be continuously monitored throughout the fiscal year to ensure that expenditures are in alignment with the approved budgets.
- 8.3.2 Monitoring includes:

- 8.3.2.1 Regular Reviews: Budget managers and finance personnel shall conduct regular reviews of budget-to-actual expenditures to identify any significant deviations or overages
- 8.3.2.2 Reporting: Reports on budget variances shall be generated and communicated to department heads, budget managers, and relevant stakeholders.
- 8.3.2.3 Any significant deviations or concerns regarding budget allocations or spending patterns shall be reported to the budget director, the Business Office manager, or the university chief financial officer.
- 8.3.2.4 Monitoring and reporting activities shall be conducted in accordance with Lander University financial policies and procedures, as well as with federal and state regulations.

8.4 Reallocation of Funds

- 8.4.1 In the event that significant budget reallocations are required to accommodate approved federal expenditures, approvals shall be sought that will include an assessment ensuring that the reallocation meets to original intent of the approved activity or that necessary approvals are attached from the issuing agency authorizing the reallocation.
- 8.4.2 In the event that the reallocation changes the original intent of the approved activity, additional approvals and resubmissions may be necessary before the change in activity can continue.
- 8.4.3 Reallocation of funds may involve transferring funds between budget categories or departments while ensuring that expenditures remain compliant with federal regulations and organizational objectives.
- 8.4.4 The reallocation process includes:
 - 8.4.4.1 Review and Approval: Requests for significant budget reallocations shall be reviewed and approved by the university chief financial officer or the budget committee assigned to the funding activity.
 - 8.4.4.2 Documentation: Records of all significant budget reallocations, including the rationale and approvals, shall be maintained and be subject to auditing.

8.5 Carryover and Reserves

- 8.5.1 Lander University defaults to the federal and state policies in place regarding the carryover of unspent funds from one fiscal year to the next and the establishment of budget reserves.
- 8.5.2 These policies shall ensure the responsible management of federal funds and adherence to federal regulations.

9 Auditing and Monitoring

Regular auditing and monitoring procedures shall ensure compliance and detect any irregularities or discrepancies.

9.1 Internal Audits

- 9.1.1 **Frequency:** The Office of Accounting in Controls shall conduct annual audits of various campus functions and operations. The review of federal funding and the proper administration of such funds shall be included in the annual workload of the office.
- 9.1.2 **Methodology:** Internal audits shall be conducted using risk-based methodologies to identify areas of potential noncompliance or inefficiency.
- 9.1.3 **Reporting:** Internal audit findings and recommendations shall be documented and reported to the university chief financial officer and to executive management associated with the federal funds' activity (Provost, supervising vice president, President's Cabinet, etc.), including information about corrective action plans when necessary.

9.2 External Audits

- 9.2.1 **Frequency:** External audits shall be conducted in accordance with federal and state regulations and schedules outlined by federal and state agencies.
- 9.2.2 **Auditors:** External audits shall typically be conducted by independent auditors selected by Lander University.
- 9.2.3 **Findings and Responses:** Audit findings from external audits shall be addressed promptly, and responses shall be submitted as required by federal and state agencies.
- 9.2.4 **Corrective Action:** Corrective action plans shall be developed and implemented to address any findings of noncompliance. Such plans shall include the oversight of the Office of Finance and Administration.

9.3 Monitoring

- 9.3.1 Continuous Monitoring: Continuous monitoring of expenditures shall be carried out by budget managers, compliance officers, and auditors to ensure compliance with federal regulations and institutional policies.
- 9.3.2 Subrecipient Monitoring: If applicable, Lander University shall establish procedures for monitoring the activities and expenditures of subrecipients to ensure compliance with federal regulations.

9.4 Reporting

Although reporting requirements for federal expenditures, including financial reporting, grant reporting, and any other relevant reporting mechanisms may vary, some reporting activities will typically remain constant, as follows:

9.4.1 Financial Reporting

- 9.4.1.1 Timelines: Financial reports to federal agencies shall be submitted in accordance with the timelines specified in the grant agreements or federal regulations.
- 9.4.1.2 Required Forms: Financial reports shall be prepared using the required forms (e.g., the Federal Financial Report [FFR] or other agency-specific reporting templates).
- 9.4.1.3 Accuracy and Completeness: Financial reports shall be reviewed for accuracy and completeness before submission to federal agencies.

9.4.2 Grant Reporting

- 9.4.2.1 Narrative Reports: In addition to financial reports, narrative reports required by federal agencies shall be prepared and submitted as outlined in the grant agreements.
- 9.4.2.2 Performance Metrics: Narrative reports shall include performance metrics, achievements, challenges, and any required programmatic information.

10 Training and Education

Continuous training and education of personnel involved in the expenditure approval process shall be required to ensure that the employee in each role is aware of federal regulations and organizational policies:

10.1 Training Programs

- 10.1.1 Lander University shall provide training programs and resources for staff involved in federal expenditures to ensure that they are well-informed about federal regulations and institutional policies.
- 10.1.2 Training programs shall cover such topics as procurement standards, cost principles, allowable costs, time and effort reporting, and compliance with the Uniform Guidance.

10.2 Continuous Education

- 10.2.1 Staff members involved in federal expenditures shall be encouraged to participate in continuous education and professional development opportunities to remain current with federal regulations and best practices.

11 Non-compliance

Lander University takes non-compliance with federal regulations, state procurement requirements, or institutional policies seriously. Consequences of non-compliance may include:

- 11.1 Financial penalties.
- 11.2 Suspension or termination of federal funding.
- 11.3 Legal actions.
- 11.4 Disciplinary measures, up to and including termination of employment.
- 11.5 Corrective actions and remediation plans to address deficiencies.

12 References

- 12.1 Uniform Guidance (2 CFR 200.302 - 200.309): Outlines the documentation and record-keeping requirements for federal grants and awards.
- 12.2 Federal Acquisition Regulation (FAR), the primary regulation for use by all executive agencies in their acquisition of supplies and services with appropriated funds.
- 12.3 South Carolina Procurement Code (Title 11, Chapter 35, SC Code of Laws), the governing state document on how state entities can legally procure commodities and services.

13 Policy Revision History

- First draft of policy created by Vice President for Finance and Administration on 9/21/2023.
- Formatted as policy for review by Policy Coordinator on 9/21/2023.
- Stakeholder review and provisional approval of policy on 11/7/2023.
- Final revisions applied by Policy Coordinator on 11/7/2023.
- Reviewed by board of trustees Policy Committee on 11/16/2023.
- Policy Committee suggestions approved by Vice President for Finance and Administration on 11/24/2023.
- Final Draft for Policy Committee board report prepared by policy coordinator on 11/27/2023.
- Approved by the Lander University Board of Trustees on 12/12/2023.