Required Written Policies and Procedures

Policies and procedures are a set of documents that set forth principles, rules, authorities, responsibilities and actions for an organization's management and operations. They typically identify what is to be done, who is to do it, and how it should be done. The lists below identify external requirements for policies and procedures for an organization receiving Federal grant funds, whether your organization is a direct recipient or a subgrantee.

Required written financial policies and procedures based on Federal grant regulations:

- ☐ General financial management policies, procedures, manual, or guidelines
- ☐ Internal controls of grant funds, e.g., approval and documentation of expenses, separation of duties, delegations of authority, check issuance, cash receipts, cash management, bank reconciliation, travel, and payroll
- ☐ Procurement and purchasing procedures
- ☐ Property management for equipment purchased with Federal funds
- ☐ Time and effort distribution (timekeeping)
- ☐ Record retention and destruction
- ☐ Procedures to minimize the time elapsing between the transfer of Federal funds from the HHS Payment Management System to the Grantee
- ☐ Procedures for determining the reasonableness, allocability, and allowability of costs in accordance with the applicable cost principles and the terms and conditions of the award
- ☐ Codes of conduct for employees engaged in the award and administration of contracts
- ☐ Travel

Other Key written financial policies and procedures based on Federal grant regulations:

- ☐ Cost Allocation Plans
- ☐ Payroll
- ☐ Cash receipts and disbursements
- ☐ Cash drawdowns and reimbursements
- ☐ Financial Reporting
- ☐ Site management and monitoring
- ☐ Closeout of subgrants
- ☐ AmeriCorps Programs: Delegation of authority to subgrantee staff managing the AmeriCorps program

Additional Requirements for Nonprofit Organizations

If your organization is a nonprofit organization, your entity is required to submit the annual Form 990 to the Internal Revenue Service (IRS). Starting in 2009, your organization used the newly redesigned Form 990. New was the section titled Part VI, Governance, Management, and Disclosure, on Page 6 of the Form. Section B is entitled "Policies." In this section, the IRS requires:

1. Conflict of interest policy
2. Whistleblower policy
3. Record Retention and destruction policy
4. A written process for determining compensation of the organization's CEO, Executive Director, or top management official; and other officers or key employees. The process must include: a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision.
5. A written policy or procedure for an organization that invests in, contributes assets to, or participates in a joint venture or similar arrangement with a taxable entity. It must ensure proper steps have been taken to safeguard the organization's exempt status with respect to such arrangements.

References:

- 45 CFR 2541.200 and 360, "Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments" for the Corporation for National and Community Service
- 45 CFR 2543.21, 22 and 44, "Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations" for the Corporation for National and Community Service
- 2 CFR part 220, "Cost Principles for Educational Institutions"
- 2 CFR part 225, "Cost Principles for State, Local and Indian Tribal Governments"
- 2 CFR part 230, "Cost Principles for Non-Profit Organizations"
- Form 990, "Return of Organization Exempt From Income Tax" for the Internal Revenue Service