



FISCAL REQUIREMENTS FOR SUBRECIPIENTS

GENERAL GUIDANCE

Under the Cost Reimbursement method of payment, the sub-recipient is required to finance its operations with its own working capital. Summit County Public Health (SCPH) will release payments to reimburse the sub-recipient for actual cash disbursements supported by adequate documentation.

The following instructions have been assembled to assist sub-recipients who have been placed on the Cost Reimbursement method of payment in requesting reimbursement of allowable costs incurred under a grant. These instructions should be followed for every Expenditure Report form submitted to SCPH while the sub-recipient is on this method of payment. **If the sub-recipient does not follow these requirements, SCPH will be unable to review and process the submitted reimbursement request, and the request will be returned.**

Contact SCPH at fiscal@scph.org if you have any questions.

SPECIFIC GUIDELINES

For SCPH to efficiently process the sub-recipient's Expenditure Report for reimbursement, it is essential that you follow the specific guidelines provided below:

A. Submitting the Expenditure Report for Reimbursement

All sub-recipients are required to use the SCPH Expenditure Report form. Requests should show budgeted, current and cumulative costs.

B. Allowable Costs

Reimbursement Requests must reflect only allowable project costs that were incurred and paid within the period of performance for the award. If you are unsure whether a particular expenditure is allowable, consult your approved project budget and OMB 2 CFR 200 Uniform Guidance: Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), as necessary.¹

If you are still unclear as to the allowability of the expense, ask your SCPH program contact.

¹ OMB 2 CFR 200 *Uniform Guidance: Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*.¹ See http://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title02/2cfr200_main_02.tpl

C. Certified Expenditure Report and Supporting Documentation

You must include an SCPH Certified Expenditure Report with each request, which has a list of all expenditures for which you are requesting reimbursement.

For a sub-recipient to be reimbursed for allowable expenses, the sub-recipient must provide evidence that costs were incurred within the period reported for reimbursement. *For example, if an employee works the last week in January, but the paycheck is not issued until February, the cost would be claimed in the February Expenditure report (with appropriate documentation for the time period when the employee worked.)*

Generally, this transaction documentation will take the form of: a copy of an invoice, receipt, issued check or other document supporting that the transaction was executed; e.g., bank statement, electronic receipt, etc. Reimbursement of wages and fringe benefits must be based on records that accurately reflect the work performed.

Items of cost submitted on an Expenditure Report must observe the following:

• GENERAL

- Only claim costs that are identified in the original budget
- Costs claimed must be supported with adequate documentation
- Costs claimed must occur within the month that the expenditure report covers (using a cash basis accounting method, for example, a pay period taking place in January, that is not paid until February is to be claimed as part of the February expense report)
- Documentation must be complete, accurate, well-organized, and legible
- Do not alter the expenditure report format
- Any cost allocations / percentages must be identified

• SALARIES & WAGES

- Report the gross pay for the individual
- Detail by line should include:
 - Name,
 - Title/position,
 - Percent of total pay dedicated to the program,
 - Hours worked,
 - Hourly rate,
 - Total pay claimed for the period reported
- Overtime, bonuses and compensated absences (sick leave, vacation leave, etc.) are not allowed unless approved by SCPH

OMB Uniform Guidance 2 CFR 200.430 (i)(1) Standards for Documentation of Personnel Expenses requires salary and wage expenses to be based on records that accurately reflect the work performed.

The records must be supported by a system of internal controls which provide reasonable assurance that the charges are accurate, allowable, properly allocated and reflect the total activity for which the employee is compensated.

The Expenditure Report should indicate both the wages and fringe benefits for each employee engaged in the grant program, listed by line, including both name and job title.

- TIME & EFFORT SHEETS

- Each must be signed by employee and supervisor
 - If an electronic workflow is used, system must be demonstrated to, and approved by SCPH
- If an employee works on multiple programs, the sheet should indicate detail and subtotal for grant and total for all hours worked, regardless of program

- FRINGE BENEFITS

- You need report only employer-share taxes, not employee-share
- If your agreement with SCPH identifies fringes to be paid at a fixed rate, then that rate should be identified in each report submitted for reimbursement

- OTHER DIRECT COSTS

- Do not include items not already approved for the budget
- Documentation should identify your agency as having incurred the cost
- Charge travel at the allowable rates (mileage, meals, accommodations)
- Do not use unapproved, inadequate or unclear cost allocations
- Food
 - Light refreshments are an allowable cost if the subrecipient is sponsoring an event whose purpose is to disseminate technical knowledge pertaining to the goals of the grant program
 - Meals are allowable as part of travel required for the grant program beyond normal travel from home to work place and back. SCPH only allows for reimbursement of meals when overnight travel is involved. Guidelines for such reimbursements are outlined at the Ohio Office of Budget and Management's web site covering its Travel Rule (<https://obm.ohio.gov>). Your SCPH program contact can provide additional guidance.
- Incentive cards and vouchers
 - These are not allowed for purchase and distribution to clients without prior approval by SCPH and its granting agency. In the limited instance that such a cost is allowed, you must consult with your program contact for procedures required to purchase, track and distribute such incentives.

Examples of appropriate supporting documents for other direct costs include copies of invoices, travel logs, cancelled checks and/or payment receipts.

Subrecipients should avoid making purchases of materials or equipment (see below) within the final 45 days of a grant program's fiscal year, unless the purchase is specifically identified in the grant budget as needed during that time period. The purpose of such items is to serve during the grant period, and not afterward.

Such unanticipated or unauthorized purchases may be disallowed by SCPH. If there is any question, contact your program lead for guidance.

- EQUIPMENT

- Tangible items having an initial per unit value of \$300 or more, and a life that is greater than one year are considered equipment. Sub-recipients must submit a “Sub-recipient Inventory Report” detailing any equipment purchased with program funds along with the final expenditure report for the grant year. The inventory report should only include items purchased during the current grant year. The total on the inventory report must match the total year-to-date expenditures reported under “Equipment” on the final expenditure report.
- When equipment is no longer needed for the purpose for which purchased, the agency must notify the SCHK Program Coordinator in writing. The sub-recipient must include in this notice the intended use of the equipment.
- Unless otherwise directed by SCHK, the sub-recipient may use the equipment in other programs currently or previously funded by the state or federal grant.

- CONTRACTS

- Contracted employees should be reported under “Contracts,” and not “Salaries”
- Any Contracts (subcontracts) should be approved by SCHK first

Your contract with SCHK stipulates that you must produce for SCHK’s review any documentation associated with the operation of this grant-funded program at any time, within a reasonable timeframe.

Sub-recipients will, on occasion, be asked to submit documentation verifying the payment of costs incurred. Such “desk reviews” will usually cover two to three months-worth of expenditure reports, and may entail the use of cancelled checks, bank statements or access to payment documentation generated and provided by third parties at the request of SCHK on behalf of, and in accord with, the will of the sub-recipient.

As a receiver of public monies, by Ohio law (ORC § 117.10), the Auditor of State may audit some or all of the other funds or accounts of a private institution, association, board, or corporation that has received public money from a public office if one or more of the following applies:

- *The organization in question fails to separately and independently account for the public money in its possession, or if*
- *The Auditor of State has a reasonable belief that the organization illegally expended, converted, misappropriated, or otherwise cannot account for the public money it received from a public office and that it is necessary to audit its other funds or accounts to make that determination.*

D. Certification and Submission

The Expenditure Report must be signed and dated by the preparer. Send it, along with supporting documentation, via post or e-mail to your SCHK program contact. (Note: Local USPS branch operations can cause significant delays in delivery; we recommend using an overnight delivery service, not U.S. Mail for delivery of hard copies.)

Per 2 CFR 200.303, you **must** safeguard protected Personally Identifiable Information. SCHK redacts Social Security Numbers and other sensitive information encountered in documentation.

Expenditure reports are due within 15 calendar days following the end of the reporting period.

The fourth quarter expenditure report will be considered by SCHED as an interim final expense report. The fourth quarter expense report must include all expenses to date. If there are outstanding obligations at the end of the fourth quarter (items obligated during the grant period but not yet paid), the attached "Outstanding Obligations" form must accompany the fourth quarter report (Attachment B). If outstanding obligations are indicated on the fourth quarter expenditure report, a final report must be completed within 20 days after the end of the program period. All outstanding obligations must be liquidated with 20 days to be eligible for reimbursement.

E. Budget Revisions

A budget revision may be submitted to modify an existing program budget by completing a "Sub-recipient Request for Budget Revision" form. A budget revision should be submitted if moving greater than 10% of the total sub-recipient budget between cost categories or increasing/decreasing the budget for any reason.

Revisions should not be requested in the last 60 days of the grant period.

All budget revision requests will be reviewed by the designated Program Coordinator within 14 days of receipt and a notice of approval or reason for disapproval will be sent to the sub-recipient shortly thereafter.

F. Expenditure Report example

Review the attached Sub-recipient Certified Expenditure Report example. It is included for your use. Remember that you must include the Expenditure Report with each reimbursement request that is submitted to SCPH.