Bank Street College of Education

Fiscal Policies & Procedures

Updated July 2025

Table of Contents

1) Introduction
2) Spending Policies
    a) Credit Card Policy
    b) Petty Cash Procedures
    c) Honorarium Policy
    d) Disbursements Policy
    e) Advances Policy
    f) Travel Policies
3) General Ledger- Chart of Accounts
4) Month End Closing
5) Document Retention
6) Budgeting and Forecast
7) Property and Equipment
8) Monitoring Government Funding
    a) Cost Management
        i) Allowable Costs
        ii) Direct Costs
            (1) Participant Support Costs
        iii) Indirect Costs
        iv) Unallowable Cost Allocation
        v) Cost Sharing
        vi) Subrecipient Monitoring
    b) Monthly Reconciliation (we can include submission of reimbursement in this section)
    c) Cash Management
        i) Drawdowns

9) Payroll / Time and Effort

APPENDICES

1. INTRODUCTION

The purpose of this manual is to set financial policies & procedures that are consistent with the mission of Bank Street College of Education. Also, the purpose of this manual is to set sound financial guidelines that promote prudent fiscal management; and to abide by Generally Accepted Accounting Principles (GAAP) and the legal requirement governing Nonprofit Organization.

More specifically, the control structure represents those policies and procedures that affect the Fiscal Department's ability to process, record, summarize, and report financial information. This structure is established and maintained to reduce the potential unauthorized use of Círculo de la Hispanidad Fiscal Department's assets or misstatement of account balances.

2. SPENDING POLICIES

a) Credit Card Policy

The College offers employer-issued credit cards through JPMorgan Chase to certain staff who require it for business purposes. While eligibility is based on the below criteria, credit cards are not issued automatically. Divisional leadership is expected to provide justification and approval for each staff member in their division who applies for a College-issued credit card.

Eligibility:
The following are criteria for eligibility for College-issued credit cards:

- Members of Cabinet are issued credit cards to be used when necessary in conducting their business.
- Team / division leaders, or staff who oversee a program
- Eligible staff are those who oversee a program or team with a high volume of transactions, who manage a budget, and/or who may have travel expenditures.

Usage:

- College-issued credit cards are only to be used for College business.
- Any unauthorized purchases must be reimbursed to the College by the purchaser.
- Misuse of the credit card for personal purposes could result in disciplinary action against the employee, and termination if required.
- Cardholders are responsible for providing proper receipts and purchase documentation per the fiscal policies by the deadline on a monthly basis.
- Cardholders are responsible for keeping the card in a secure place, and for notifying the credit card company and the Business Office of any fraudulent spending as soon as possible.

b) Petty Cash Procedures

The use of Petty Cash is limited to very specific circumstances based on need.

Payment request forms must be presented to the Chief Financial Officer or their designee in the Business Office. The use of the Petty Cash Fund is limited to $25.00 per request.

Once the amount is spent, documentation supporting the expense (receipts, invoices etc.) should be submitted to the Business Office (Senior Accountant) within 10 days of spend.

c) Honorarium Policy

Honorarium is a gift or token of appreciation paid to an individual for work or services performed for which payment is not required, (e.g. to express gratitude to a guest speaker who has not requested payment).

An honorarium is not a form of payment of services. If a person is deemed to be "earning' and/or "expecting" payment, then an honorarium is not the appropriate form of payment.
Bank Street employees, whether faculty or staff, are not eligible to receive honoraria from Bank Street, except through the regular wage payroll system.

d) Disbursements Policy

All operating account checks require one signature up to the amount of $10,000.00 and two (2) signatures over $10,000.00. The signature forms are filed in the Chief Financial Officer's Office.

Checks are voided after 90 days.

Checks have to be requested through the invoice payment process within FENxt. Appropriate approvals are set up within the system in the following way:

- One approver (usually supervisor or department budget operations staff) for expenses lower than $10,000
- Two approvers (usually supervisor or department budget operations staff and department head or delegate) for expenses greater than $10,000.

An invoice is paid by either of three (3) methods: Check, ACH or Wire Transfer. Purchase

Orders are required for all purchases over $100,000 and should be approved by division

leaders.

e) Advances Policy

The College provides the staff members with advances to purchase supplies or to travel, prior to so doing, in order to help cover the cost of expenses or travel. The advance is in the staff member's name and is recorded in a receivable account.

1. The *Program Advance* is given to a staff member to purchase supplies prior to a program via payroll. **The account number for Program Receivable is 10-0000-1502-0000-0000**.

   The *Program Advance* is used by certain departments as petty cash. It is used the same as above. The staff member clears the advance with receipts that are attached to the Advance Agreement. This is then submitted to Accounts Payable for processing and the advance is cleared on the staff member's name by Journal Entry. The staff member can then request more funds.

2. The *Travel Advance* is given to a staff member prior to a trip to help cover anticipated expenses. The request for an advance should be submitted no later than 10 (ten) business days before the trip to ensure timely processing of said advance. Advances are not to be used to purchase primary modes of transportation. If you have not reconciled a previous advance you will not be granted a new advance unless the trip is 5 (five) days from the return of the previous.The staff member must present detailed itemized receipts attached to a Travel RequestForm after expenses are incurred as well as return any funds that were not expended. If receipts are lost, the employee must submit a Lost Receipt Affidavit, which can be used for lost receipts of $25.00 or less. All reimbursement of $25.00 and over must be accompanied by an original receipt. The advance is cleared on the staff member's name by Journal Entry. **The account number for Travel Receivable is 10-0000-1502-0000-0000.**

3. The *Payroll Advance* is given to a staff member in an emergency. The request is made by the staff member to Human Resources, for approval. If the staff member's request is approved by Human Resources, the Advance Agreement is prepared and given to the Business Office (Accounts Payable) for payment. A copy is also given to *Payroll to deduct the advance from the staff member's paycheck*. The advance is cleared by Journal Entry at the end of the month. **The account number for Salary Advance is 10-0000-1502-0000-0000.**

f) Travel Policy

Official intercity travel on behalf of the College should be at the *least expensive rate available*, normally tourist/economy class for plane or train. Efforts should be made to book travel early to take advantage of special fares.

A rental car may be used when its cost is the same as, or lower than, other forms of transportation, or when its use saves significant staff time.

In the event a rental car is used, collision damage coverage provided by the lessor must be taken as provided in the rental agreement.

Travel costs must be documented on the Travel Report Form and be accompanied by **original itemized receipts**. Travel times and destinations must be clearly noted on all paperwork submitted for travel reimbursement.

Travel Advances

If a staff member that does not have access to a College credit card has to travel, the College can provide them with a travel advance prior to their trip to help cover the costs of incidental expenses occurred in traveling-meals, etc. See details on forms and procedures in the "advance policy" section above.

Travel Advance Reconciliation

To close out a Travel Advance, fill out a Travel Report Form and submit all receipts, along with the form as an expense within FENxt.

The reconciliation report should be submitted 10 (ten) days after the employee's return to the College. An employee must reconcile an outstanding travel advance before any reimbursement will be made to them, whether it be for travel or another business-related expense, unless a second trip starts within 5 (five) working days of the first. It is entirely reasonable to expect an employee to submit their reimbursement within 10 days of return, and no later than 120 days. Ninety (90) days is the general rule per IRS regulations.

Failure to account for a travel advance within 120 days may result in the entire travel advance being considered "income" and reported on the employees' W-2 tax forms as income. Once an advance is considered income and added to the W-2 it cannot be reversed.

Travel Time Defined

For the purpose of computing the appropriate per diem allowances, travel time includes the time required to travel to and from a business destination, excluding the normal time required to travel from the traveler's principal residence to and from the place of employment. Travel time may not include normal commuting time. Travel time does not include time spent for personal business of
time required to travel by car, which exceeds travel time by commercial airline, unless travel by car is necessitated by the nature of the trip.

Travel Policy

Funded programs' travel policy will supersede those of Bank Street's but must conform to IRS regulations.

“Accountable Plan” - IRS regulations require that employers have an “Accountable Plan” for the reimbursement or payment of business expense for employees. An “Accountable Plan” must include requirements for proper documentation.

Documentation Requirements:

Meals: Documentation for all meals. If you pay for a party of ten or less, you must indicate the names of the individuals in attendance and the purpose of the meal. If you pay for 10 or more, indicate the group to which they belong, and the purpose of the meal. (Example: “took Math Study Group of 15 students and 2 advisors to dinner).

Lodging: An original, itemized hotel bill, not just a credit card receipt, even if the amount is less than $50.00.

Transportation Documentation Requirements:
Air: E-ticket receipts must include a method of payment. An itinerary which does not show payment information is not acceptable. Method of payment must be shown for E-ticket reimbursements. A boarding pass alone is not an acceptable receipt. Employees will not be reimbursed for tickets purchased until after they completed the trip.

Frequent Flyer Mileage: All frequent flyer mileage or other incentives earned by an individual while on College business may be retained by the individual for College or personal use. However, the method and routing of travel will not be arranged solely to take advantage of such incentives.The use of frequent flyer miles and other incentives for College business are not reimbursable by the College.

Rail: An original passenger receipt showing amount and payment. Employees traveling by rail should purchase unreserved seating. Business or First Class must be approved by the Division head and may only be used if it significantly saves time, which must be explained in a memo from the employee, and approved by the Division head. The use of high speed trains along the Eastern corridor (Washington, New York, Boston) must also be approved by the Division Head. Employees are expected to use regular trains and not the more expensive high speed trains. The time-savings is barely 1 hour, which is not worth triple the expense of regular trains.

Rental Car: An original rental agreement and receipt from use, showing form of payment.

Hotel: An original bill/receipt detailing all expenses, and having a zero (0.00) balance with payment method noted on receipt.

Conference
Fees: A receipt from the conference sponsor or copy of registration form accompanied by proof of payment (canceled check or credit card receipt).

All Claims: Must be accompanied by an ORIGINAL receipt. No photocopies, faxes or e-mailed receipts are ever acceptable for any reimbursement noted above.

Reimbursements

Single Day Travel

To be eligible for travel expense other than mileage for one day travel, travelers must be on official business at least 20 (twenty) miles away from the place of business.

As food is generally less expensive away from Manhattan, and employees must purchase their own food if they were at work, food reimbursements for day trips are not reimbursed. Only actual miles driven and tolls, if any, will be reimbursed for day travel.

Meals consumed by an employee while traveling locally are not allowable business expenses according to the IRS. This does not include meals when an employee is dining or entertaining other individuals for business purposes.

Overnight Travel

Meals will be reimbursed for overnight travel as follows:

- Breakfast – When an employee leaves for overnight travel at or before 8:00 a.m., breakfast may be reimbursed.
- Lunch – When an employee leaves for overnight travel at or before 11:00 a.m. or returns from overnight travel after 2:00 p.m., lunch may be reimbursed.
- Dinner/ – When an employee leaves for overnight travel at or before 4:00 p.m. or Supper returns from overnight travel after 7:00 p.m., dinner/supper may be reimbursed.

Cost of Meals While Traveling

Personal meal expenses incurred while traveling on behalf of the College should not exceed, including tips: (tips should never be more than 20% of the dinner bill)

- Breakfast - $15.00
- Lunch - $25.00
- Dinner/Supper - $40.00
- Per Diem - $80.00

Meals Included in Conference Fees

Meals included in conference fees are not reimbursable. If the College pays for a meal as part of your conference fee, (breakfast, lunch, dinner) and you decide to go out, you cannot claim that meal as a reimbursement or a per diem as the College has already paid for your meal in the conference fee.

Personal Car Use

Personal car mileage will be reimbursed per mile for business miles driven. Mileage rates are according to IRS guidance for the year available here. The mileage rate includes the cost of gas, maintenance, insurance and wear and tear. Mileage from the residence of an employee to the College is never reimbursed. Mileage must be recorded to the nearest tenth of a mile.

Mileage from the employee's residence to a temporary work location (ex. local conference site, school visit location, etc.) will not be reimbursed unless the mileage is significantly greater than one's normal commuting mileage. Reimbursements for expenses incurred when traveling by personal automobile in lieu of air travel for out-of-state travel may not exceed the cost the traveler would have otherwise incurred if the traveler had flown.

The College will not reimburse individuals for driving and/or parking violations. The IRS does not consider these acceptable business expenses.

Please note that if a third party is providing funding for a Bank Street program and the funder allows travel reimbursement from employee's home to their place of work, this is considered a taxable fringe benefit if it is not a temporary place of work. The IRS defines temporary place of work as being less than one year.

<u>Non-Reimbursable Items – Travel</u>

Employees should always use prudence and practical judgment in spending on behalf of the College. Only business expenses are reimbursable by the College. The following items are not considered reimbursable; this is not an exhaustive list.:

- Airline upgrades
- Air phone use
- Any ATM bank fee charged
- Auto repairs
- Baby-Sitting, child care, house-sitting, pet-sitting, kennel charges
- Barbers and/or Hairdressers
- Credit/charge card delinquency charges
- Clothing or toiletry items
- Commuting between home and College
- Health club use
- Internet access for personal use - business use must be justified
- Laundry or dry cleaning - on trips 5 (five) days or less
- Loss or theft of cash advance or airline/train tickets
- Loss or theft of personal funds or property
- Lost baggage
- Luggage and briefcases
- Medical expenses while traveling
- Mileage beyond a reasonable level based on city-to-city map search
- Mini-bar alcoholic beverages
- "No Show" charges for hotel or car service

- Personal Entertainment - Movies, in room or other, Theatre Tickets, etc.
- Personal Items, Magazines, Books, Newspapers, etc.
- Pet care
- Phone Calls from hotels
- Recreational expenses
- Room Service – not to exceed daily meal allowance as noted.
- Safe Rental
- Saunas and/or massages
- Shoe-shines
- Sightseeing Expenses
- Souvenirs or personal gifts
- Snacks - bottled water, ice cream cones/cups (including all types of ices), candy, gum, breath mints, soda (if purchased separate from a meal)
- Spouse or family member's expenses incurred if accompanying an employee
- Travel accident insurance premiums
- U.S. Travelers check fees

Other Non-Reimbursable Expenses

The College will not reimburse employees for the cost of taking out another employee for a meal. The only exception will be if two or more employees are attending a conference together and one employee pays for the meal of his/her colleague.

Cancellations and Changes to a Booked Trip

The College will not routinely reimburse an employee for surcharges imposed due to cancellations or changes in travel arrangements. In case of emergency or unusual circumstances, you must attach a memo indicating why your reservation needed to be changed.

Per Diem

Per Diem is defined as an allowance for daily expenses associated with the business trip.

Per Diem rates for travel in the United States may be found at:
http://policyworks.gov/org/main/mt/home/mtt/perdiem/perd04d.html

Lecturers and Other Official Visitors

Departments may reimburse visiting lecturers and other official visitors for expenses incurred in connection with their travel to the College. The College's travel policies and procedures must be followed. No lecturer or guest can submit copies of their expenses in lieu of original receipts if they wish to be reimbursed for their expenses.

Foreign Travel

Receipts for currency exchanges must be kept and submitted with the reimbursement. If you make charges on your personal credit card, the rate the credit card company charges your account is the amount you will be reimbursed. Due to fluctuating foreign currency markets, the College will not reimburse you for the amount of the exchange the day you fill out your request. You must provide your credit card statement that shows the actual charges to your account. The College will not reimburse ATM fees or charges if you use your own bankcard to withdraw currency in foreign countries.

Please note: The Accounts Payable Department now uses Oanda.com for currency conversions. Historical information can be accessed and you will be reimbursed the rate charged while on business, not the rate the day you returned. This does not replace the rate charged by your credit card company. This is used for cash rates only.

Employees returning from foreign travel should use this service to compute their reimbursements.

The link is: http://www.oanda.com/convert/fxhistory. Choose the option for the "interbank" rate.

Other Expenses

On occasion, an employee may be asked to work extraordinary hours. At the discretion and with prior approval of that employee's divisional supervisor (the President,Chief Operating Officer or Division Head) the use of car service will be reimbursed.

3. GENERAL LEDGER - CHART OF ACCOUNTS

By definition, the general ledger "is the main accounting record of a business which uses double-entry bookkeeping."

Bank Street's General Ledger Chart of Accounts has 4 segments, described below:

Fund: Including unrestricted (10), restricted for government funding (11), restricted for non-government funding (20), and permanently restricted (30)
Department: Department codes include broad division codes, as well as sub-codes within divisions. **Object Code**: These are the natural accounts that hold Balance Sheet and Income Statement balances. ● 1000-1999 represent Asset Accounts

- 2000-2999 represent Liability Accounts
- 3900-3999 represent Net Asset fund balances
- 4000-4999 represent Revenue Accounts
- 5000-5999 represent Expense Accounts

Project Code: Revenue and Expenses associated with specific grants and/or internal projects are assigned unique Project code.

New Department, Object or Project codes can be created by requesting the Business Office for it. Fill out this form, and send over the request along with necessary supporting

documentation (described in form).

Financial Edge (FENxt) is the Financial system of record. All transactions are created, and supporting documentation is uploaded into FENxt.

4. MONTH END CLOSE

The Business Office records invoices, payments, check and cash receipts, wire payments, journal entries etc. throughout the month. In addition, on a monthly basis, the Indirect Cost (IDC) Rate calculations are completed in order to record the IDC allocations to grants.

Bank and Payroll reconciliations are also completed monthly in order to ensure that the accounting records are accurate.

5. DOCUMENT RETENTION

The records of Bank Street College are important assets. College records include essentially all records you produce as an employee whether paper or electronic. A record may be as obvious as a memorandum, an e-mail, a contract or a case study, or something not as obvious, such as a computerized desk calendar, an appointment book or an expense record.
The law requires Bank Street to maintain certain types of corporate records, usually for a specified period of time. Failure to retain those records for those minimum periods could subject Bank Street to penalties and fines, cause the loss of rights, obstruct justice, spoil potential evidence in a lawsuit, place the College in contempt of court, or seriously disadvantage Bank Street in litigation.

The purpose of this policy is to ensure necessary records and documents are adequately protected and maintained and to ensure records that are no longer needed or of no value are discarded at the appropriate time.

Permanent records:

Documents	**Retention Timeline**
Articles of Incorporation	Permanent
Charter	Permanent
By-Laws	Permanent
Minutes of Trustee's Meetings	Permanent
Licenses	Permanent

Deeds and Titles	Permanent
Attorney Opinion Letters (property)	Permanent
Patent, Copyright and Trademark Records	Permanent
Summary Record for Individual Complaint	Permanent
Promissory Notes	Permanent
IRS forms and reports	Permanent
Gifts and Annuity Contracts	Permanent
Trust Documents	Permanent
Wills and Estates	Permanent
Form 990s	Permanent

Other Financial Records:

Payroll Records	**Retention Timeline**
IRS Form W-2	7 years
IRS Form W-4	7 years
IRS Form 941	7 years

All electronic records that contain timesheets, pay-rates, salary information, payroll registers etc.	7 years

Accounts Receivable Records	**Retention Timeline**
Collections records	7 years
Student loan documents	7 years
1098-T forms	7 years
All electronic records that contain student balances, payment plans, balance records, payment details etc.	7 years

Accounts Payable Records	Retention Timeline
All electronic records that contain AP ledgers, payment details, expense reports etc.	7 years
1099 forms	7 years

Other documents	Retention Timeline
Litigation documents	ACT + 10 years
Loans and Borrowings	ACT + 3 years

6. BUDGETING AND FORECAST

The Head of Budget and Grant Management leads the Budgeting and Reforecasting process at Bank Street College. The budget is created based on input from all the divisions, and approval from all divisional leaders in the College. This budget is presented to the Board of Trustees for approval.

Actual revenue and expenses are tracked against budget and a full refresh of this budget is prepared at the end of every quarter.
The following is the budget and reforecast cycle at Bank Street College:

- March-May: Create budget for new Fiscal Year
- May-Jun: Finalize budget and obtain Board approval
- Jul 1: Start of new Fiscal Year
- October: Soft close Q1and complete re-budget
- Jan-Feb: Close Q2 and complete reforecast
- Apr-May: Close Q3 and complete reforecast

7. PROPERTY & EQUIPMENT

Property and equipment with an acquisition cost of $500 or more are capitalized at cost at the date of acquisition or fair value, estimated when necessary, at the date of contribution, if donated. The College's building and equipment are depreciated using the straight line basis over their estimated useful lives. The estimated useful lives of the College's property and equipment are as follows:

Building	50 Years
Building improvements	5-30 Years
Furniture & Equipment	5-10 Years
Computer Equipment	5 Years

Leasehold improvements are amortized over the shorter of their estimated useful lives or the remaining life of the related lease on a straight line basis.

8. MONITORING GOVERNMENTAL FUNDING

For managing expenditures on Federal grants and contracts, Bank Street follows the Office of Management and Budget (OMB) 81 which is also known as the Uniform Guidance (UG) and Federal Cost Accounting Standards (CAS) 505.

The Uniform Guidance has established requirements for Federal awards when determining the allowability of costs applicable to a federally sponsored award.

The online version of the Uniform Guidance can be found here (OMB Uniform Guidance.)

It is the policy of Bank Street that all costs incurred on a federal award must comply with the terms and conditions of the notice of award in determining costs that are allowable or unallowable. At no time should unallowable costs be charged to the federal award.

a) Cost Management

When Bank Street receives a federal award, we code it by issuing a unique project code in the Financial Edge accounting system. This code is intended to track both revenue and expenses related to each grant.
Grant budgets are created through a collaborative process between the program director, budget operations staff, and the grants accounting team.

All expenses charged to government grants will also be tracked through a separate fund code (fund 11), which is an indicator to the accounting team around the classification of such revenue and month-end as well as year-end procedures associated with them, in accordance with US GAAP.

When Bank Street receives a federal award, we code it by issuing a unique project code in the Financial Edge accounting system. This code is intended to track both revenue and expenses related to each grant.

Grant budgets are created through a collaborative process between the program director,

budget operations staff, and the grants accounting team.

As mentioned above in section 3, a project code can be created by submitting a request to the business office. Revenue and expenses will be assigned to this specific project code and they will also be coded to fund 11, which is an indicator to the accounting team around the classification of such revenue and month-end as well as year-end procedures associated with them, in accordance with US GAAP.

i.Allowable Costs

Expenses incurred and allocated to federally funded awards must be identified as allowable costs.

The Uniform Guidance offers three factor tests to determine the allowability of costs applied to federally sponsored agreements. All expenses charged to sponsored accounts must be:

- Allowable - A cost must be charged to the assigned account -project code combination in accordance with the terms and conditions of the award as well as College policy.

-Allocable - A cost is allocable to a particular Federal award or other cost objective if the goods or services involved are chargeable or assignable to that Federal award or cost objective in accordance with relative benefits received,

- Reasonable - A cost is reasonable if, in its nature and amount, it does not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision was made to incur the cost.

Allowable costs are reviewed and charged to a specific project code (a code is assigned to each grant when received). Such expenses are entered into our accounting system (Financial Edge) by budget operations staff within the program along with proper documentation, such as an invoice, and it is then reviewed by the grant manager. This review is performed to ensure that the expenses are valid, have necessary supporting documentation, and are consistent with allowable expenses per the approved grant budget.

Once the grant accountant approves the expense in the Financial Edge accounting system, the invoice is processed by the accounts payable manager, and payment is processed when due.

Allowable costs can be direct or indirect costs.

ii.Direct Costs

The Uniform Guidance (UG) defines direct costs as those costs that can be identified specifically with a particular final cost objective or sponsored agreement. The UG also identifies those charges that cannot be charged to awards and are considered unallowable expenses. Typical costs charged directly to a Federal award are the compensation of employees who work on that award, their related fringe benefit costs, the costs of materials and other items of expense incurred for the Federal award.

(1) Participant Support Costs. Participant support costs as defined in §200.1 are allowable with the prior approval of the Federal awarding agency. They are direct costs for items such as stipends or subsistence allowances, travel allowances, and registration fees paid to or on behalf of participants or trainees (but not employees) in connection with conferences, or training projects.

Please see the specific Federal awarding agency guidelines regarding participant support costs like these:

National Science Foundation (NSF)
U.S. Department of Education (DOE)
U.S. Department of Health and Human Services (HHS)

A participant is defined as the recipient, not the provider, of a service or training associated with a workshop, conference, seminar, symposium or other short-term instructional or information-sharing activity. Participants may include students, scholars, and scientists from other institutions, individuals from the private sector, teachers and state or local government personnel. Employees of Bank Street are not eligible to receive participant support. The Uniform Guidance states that participant support costs are exempt from F&A on federally sponsored projects. Please note that participant support costs do NOT include the following types of expenses:

- Honoraria paid to a guest speaker or lecturer
- Expenses for project personnel or collaborators to attend meetings, conferences, or seminars
- Conference support costs such as facility rentals, media equipment rentals, or conference food and snacks
- Payments to the providers of the training
- Payments to other employers as reimbursement for costs related to sending their employee to training
- Payments to participants in human subject research studies

The appropriate Bank Street unique object code, i.e. general ledger expense code, will be used to capture these expenses.

Budgets awarded for participant support cannot be transferred to other

categories of expense unless approved in writing by the respective Federal awarding agency Program Officer or equivalent.

iii.Indirect Costs

Indirect costs are those that are incurred for common or joint activities at Bank Street and therefore cannot be identified readily and specifically with a particular sponsored project, instructional activity or any other Bank street activity.

These expenses are usually incurred for general departmental and institutional business and are recognized as indirect costs.

According to the Uniform Guidance § 200.414 Indirect (F&A) costs , indirect costs must be classified within categories: “Facilities” and “Administration.

- “Facilities” is defined as depreciation on buildings, equipment and capital improvement, interest on debt associated with certain buildings, equipment and capital improvements, and operations and maintenance expenses.
- “Administration” is defined as general administration and expenses such as administrative and clerical salaries, related fringe benefits, office supplies, postage, local telephone charges, cell phones (except when needed to meet programmatic objectives) office equipment, internet and other general costs.

The UG also states that the negotiated indirect rates must be accepted by all Federal awarding agencies. Bank Street’s Negotiated Indirect Cost Rate Agreement (NICRA) is with the U.S. Department of Health and Human Services. It is a document published to reflect an estimate of indirect cost rate negotiated between the Federal Government and Bank Street. It reflects the indirect costs (facilities and administrative costs) and fringe benefit expenses incurred by the organization.

When receiving an award/contract, the Business Office creates a new project code and creates an indirect cost allocation attached to that project code based on the approved indirect cost rate in the award documents.

Bank Street allocates indirect costs monthly based on the accepted rate per federal grant. The general ledger is reviewed on an ongoing basis to ensure indirect costs are being calculated correctly based on allowable expenses.

iv.Unallowable Costs

Direct or indirect expenses that are not reimbursable under either the Uniform Guidance and/ or the terms and conditions of a Federal award are unallowable.

Unallowable costs are identified and segregated using the following methods:

- Separate fund account within the College's accounting records and general ledger
- Review of expenses when expenses are incurred and entered into our accounting system
- Ongoing review of expenses conducted by sponsored programs personnel.

v.Cost Sharing

Cost sharing is that portion of a project or program cost that is not reimbursed by the sponsor (whether Federal or non-Federal). As described in the Uniform Guidance Section 200.306, there are three forms of cost sharing:

- Mandatory
- Voluntary Committed
- Voluntary Uncommitted

All of the resources necessary to carry out a sponsored project funded by a governmental agency, private foundation, or other sponsor ("Sponsored Project") should be budgeted on and ultimately charged to that project. When some of the costs of carrying out a Sponsored Project are to be funded from other sources, whether required by the sponsor as a condition of the award (Mandatory Cost Sharing), not required by the sponsor but nevertheless promised by the Principal Investigator to the sponsor (Voluntary Committed Cost Sharing), or not required by the sponsor and not promised by the Principal Investigator, but nevertheless charged to a funding source other than the Sponsored Project (Voluntary Uncommitted Cost Sharing).

The funding source of Mandatory Cost Sharing and Voluntary Committed Cost Sharing must be identified and approved by the person with authority over those funds at the time the commitment is made to the sponsor. For Mandatory Cost Sharing, a separate non-sponsored project is created, and costs associated with Mandatory Cost Sharing are applied there; they cannot be commingled with other expenses and/or funding sources. Further, those costs must be readily identifiable in the College's financial records to auditors and others in order to document that those cost sharing commitments have been met and are properly accounted for. Voluntary Uncommitted Cost Sharing does not have to be identified, nor does it have to be accounted for.

vi.Subrecipient Monitoring

In the area of subrecipient monitoring, Bank Street must comply with the Office of Management and Budget (OMB)'s Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 CFR §200) ("OMB Uniform Guidance"), specifically sections §200.331 and §200.332. These sections outline requirements for pass-through-entities in assessing and managing relationships with subrecipients, the issuance of subawards and monitoring of subrecipient performance.

The Uniform Guidance defines a pass through entity as a non federal entity that provides a subaward to a subrecipient to carry out part of a federal program

The non-federal subrecipient may receive federal funds as one or more of the following depending on the federal awarding agencies and pass-through entities:

- Prime (direct) recipient
- Subrecipient
- Contractor

A pass-through entity must determine if the party receiving the funds is in the role of a subrecipient or a contractor. The Federal awarding agency may supply and require recipients to comply with additional guidance to support these determinations found here § 200.331 Subrecipient and contractor determinations.

Pass-through entities must evaluate each subrecipient's risk of noncompliance in order to determine the appropriate monitoring level, monitor the activities of subrecipient organizations to ensure that the Subaward is in compliance with applicable Federal statutes and regulations and terms of the Subaward, and verify that subrecipients are audited as required by Subpart F of the Uniform Guidance. This section in its entirety can be found here § 200.332 Requirements for pass-through entities.

Bank Street evaluates and monitors the financial and programmatic performance of subawards on an ongoing basis. The College's objective is to ensure that sponsor funds are properly spent, that performance goals are met, and that it complies with all applicable laws, regulations, and prime award terms.

b) Monthly Reconciliation

On a monthly basis, divisional operations staff review the general ledger to ensure that all transactions have been recorded correctly. Transactions allocated to the grant code are reviewed for allowability by the grant accountant and the Head of Budget and Grant Management.. Non-allowable expenses, if they are identified within the project/grant code, are removed via a journal entry in the general ledger prior to the creation of the report.

Interim and final reports submitted to the funder are developed based on a collaboration between the program director, budget operations staff member and the grant accountant. This report is reviewed by the Head of Budgets and Grant Management for accuracy and allowability prior to the final sign-off by the Chief Financial Officer/Chief Operating Officer.

i.Financial/Cash Management

In accordance with the Uniform Guidance section 200.300-346, Bank Street maintains a financial management system that manages and administers all federal awards.

Control procedures are the procedures set up to strengthen Bank Street's financial internal control structure and thus safeguard the agency's assets. They are divided into the following:

•**Segregation of Duties:** Allocation of tasks are needed so that one individual does not have the ability to both make an accounting error (either intentionally or unintentionally) and also cover it up. This principle requires that the person with physical access to cash or other movable assets should not also be involved in the related record keeping.

•**Restricted Access:** Physical access to valuable and movable assets is restricted to authorized personnel.

•**Document Control:** To ensure that all documents are captured by the accounting system, all documents must be pre-numbered and the sequence for documents must be accounted for.

•**Processing Control:** This is designed to catch errors before they are posted to the general ledger. Common processing controls are the following: batch controls; source document matching; clerical accuracy of documents; and general ledger account code checking.

•**Reconciliation Controls:** These are designed to catch errors after transactions have been posted and the general ledger has been run, reconciling selected general ledger control accounts to s subsidiary ledgers.

c) CASH MANAGEMENT

i.Drawdowns

A drawdown is a transfer of grant funds, initiated by the grantee, from the grantor to pay grant-related expenses . The Grant Accountant in the Business Office is responsible for preparing and performing cash drawdowns for federally sponsored programs in accordance with Uniform Guidance 2 CFR 200.302 (Financial Management) and 200.305 (Federal Payment). Under the terms of certain awards with some federal agencies, the College can draw down funds via electronic systems.

Bank Street must adhere to Federal Program Agency disbursement schedules when requesting funds. Funds must be drawn down in a timely manner so that it does not create Federal interest liability.

Before doing cash drawdowns from the respective federal agency, the Divisional Operations staff reconcile the expenses. They work to ensure transactions are properly

posted to the respective government-sponsored project's general ledger accounts.

After the total monthly/periodic expenses are confirmed in the general ledger, transaction reports are run, totals are confirmed and reconciled to determine how much funds should be requested from the respective government agency for reimbursement. If necessary, an invoice is generated, signed and provided to the Division Operations staff for submission. If an invoice is not necessary, the Business Office designee accesses the government's grants portal and submits a reimbursement request.

We work to minimize cash drawdowns that do not exceed the posted expenditures. If the cash drawdowns exceed the posted expenditures resulting in a positive cash balance, we remit to the federal government in a timely manner.

9) Time and Effort Policy

The Time & Effort Reporting verifies that the distribution of actual salaries and wages reflects the proportional distribution of compensation.

The Uniform Guidance requires that "charges to Federal Awards for salaries and wages must be based on records that accurately reflect the work performed. These records must be supported by a system of internal control which provides reasonable assurance that the charges are accurate, allowable and properly allocated" [Section 200.430.i].

The method of payroll confirmation reflects an "after-the-fact" determination of the percentage distribution of activity of employees.

Reports should reasonably reflect the activities for which employees are compensated by the institution. **The Time & Effort Certification reports are reviewed and approved and then given to the Business Office. See Appendix A-1 for the process**.

Bank Street utilizes Oracle HCM as the HR and Payroll systems of record. All personnel data is entered by the Human Resources (HR) department at the time of hiring, termination or status change. In addition, they also maintain all benefits related information in the system.

A Personnel Action Form (PAF) is created to identify any changes to staff records and has to be approved by the division head as well as Head of Budget for the organization before changes are made by HR in the Oracle system. This PAF process is also used to identify the account code to which labor costs should be tracked in the system. All labor cost coding is managed by the Payroll manager.

All employees at Bank Street are paid bi-weekly. The Payroll Accountant, who is part of the Business Office department, runs payroll every alternate week to ensure that all exempt and nonexempt employees are paid on time.

Nonexempt employees track time in the Oracle time and labor system and are paid for the

time entered.

When payroll is processed, the system automatically codes the expense to the corresponding account code that is identified against staff records. On a monthly basis, a payroll effort report is generated by the Payroll accountant and sent to the Controller who produces and enters the journal entry into our general ledger to record the month's salary and benefit costs. The payroll effort report is then distributed to budget operations staff across divisions. **See Appendix A-2 for the process**

Budget operations staff review the coding of payroll that is presented in this report and validate that expenses are charged to the correct accounting code. If they identify coding changes, a PAF is submitted to record these changes for future payroll processing. This is reviewed by division heads and the head of grants and budget before changes are incorporated in the Oracle system for future payroll processing.

Once the monthly effort report is reviewed and approved by program budget operations staff, they submit journal entries to the accounting department to record any corrections necessary in the general ledger.

These entries and the expenses charged to specific grant and project codes are reviewed on a periodic basis by the budget operations staff, and by the grants accountant prior to submission of interim and final reports to funders.

Additional Federal Policies

National Science Foundation (NSF)
U.S. Department of Education (DOE)
U.S. Department of Health and Human Services (HHS)

APPENDIX A-1

Process for Time and Effort Certification

Frequency: Quarterly, until the end of the federal award

Quarterly Period	Business Office Emailed to Division Ops	Communications/Confirmations from Division Ops to Business Office
Q1: July 1st - September 30th	October 15th	October 30th
Q2: October 1st - December 31st	January 15th	January 30th
Q3: January 1st - March 31st	April 15th	April 30th
Q4: April 1st - June 30th	July 15th	July 30th

Responsibility: Business Office, Division Ops, Staff

Applies to: Staff whose salaries are charged, whole or in part, to a direct federal award or federal subaward.

Business Office Tasks

1) Compiles the individual staff's* time and effort payroll reports on a quarterly basis. It should show for each month in the quarter, the pay periods, dollar amounts, hours, percentage and dollar amounts to all budget numbers (and descriptions) that reflect the activity of the respective employee.
2) Email to the respective Division Ops staff the individual staff's time and effort payroll reports on a quarterly basis.
3) Store the quarterly communications/confirmations between Division Ops and staff in a secure location on the share drive, S: Finance and Administration

Division Ops Staff Tasks

1) Email the respective staff their quarterly time and effort report and request confirmation that it reflects their percentage distribution of activity for the time period.
2) If corrections are needed, work with the employee to revise. Ensure corrections are reflected in the general ledger and Personnel Action Forms (PAFs).
3) Provide the staff's confirmation to the Human Resources and Business Office.

Staff Tasks

1) Review the quarterly time and effort reports emailed from the Division Ops Staff that reflects their activity.
2) Reply to the Division Ops Staff that their quarterly time and efforts are accurate/inaccurate.
3) If inaccurate, work with Division Ops Staff to make corrections.
4) Confirm via email that the corrected quarterly time and effort reports reflect their activity.

Non-Compliance

Failure to follow the provisions of these time and effort reporting may subject the Division to administrative actions. Specifically, and without limitation, if time and effort reports are not completed and returned in a timely and accurate manner, salary costs associated with uncertified federal award activity will be removed from the federal award's general ledger and charged to a departmental account.

*The Business Office Grants team will notify the Controller and Payroll Administrator of any project IDs that are direct federal awards or federal subawards.

APPENDIX A-2

Process for Time and Effort Reports

Frequency: Monthly**

Period	Business Office Emailed to Division Ops	Communications/Confirmations from Division Ops to Business Office
January 1st - January 31st	February 5th	February 12th

**The monthly effort reports are scheduled to be distributed to the Division Ops staff by the 5th business day of the month. The Division Ops staff have 5 business days to review and submit corrections.

Responsibility: Business Office, Division Ops Staff

Applies to: All Staff

Business Office Tasks

1) Compiles the individual staff's time and effort payroll reports on a monthly basis. It should show for each month, the pay periods, dollar amounts, hours, percentage and dollar amounts to all budget numbers (and descriptions) that reflect the activity of the respective employee.
2) Email to the respective Division Ops staff the individual staff's time and effort payroll reports on a monthly basis.
3) Store the monthly communications/confirmations from Division Ops in a secure location on the share drive, S: Finance and Administration

Division Ops Staff Tasks

1) Review the monthly time and effort reports emailed from the Business Office.
2) If corrections are needed, prepare and submit journal entries to the Business Officer.
3) If corrections are needed, prepare and submit updated PAFs for future payroll processing.