



**LOS ANGELES COUNTY
COMMUNITY AND SENIOR SERVICES**

DIRECTIVE

Number: CD- 16 - 15

SUBJECT: Requests for Reimbursement

Date: June 29, 2016

Effective Date: July 1, 2016

TO: ALL CSS SUBRECIPIENTS

RECISSION:

This directive supersedes any prior directives issued by the County of Los Angeles Community and Senior Services (CSS) on this subject.

PURPOSE:

The purpose of this directive is to provide subrecipients with policy and procedural guidance for reimbursement of expenditures related to programs funded by CSS.

APPLICATION:

This directive applies to all subrecipients and contractors funded by CSS through the following programs:

- Older Americans Act
- Community Service Block Grant
- Workforce Innovation and Opportunity Act

REFERENCES:

- 2 CFR Chapter I and Chapter II, Parts 200, 215, 220, 225, and 230 - Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards; Final Rule

BACKGROUND:

On December 26, 2013, the Office of Management and Budget revised the Uniform Administrative Requirements for Federal grants, combining those requirements with those of the audit requirements and cost principles. These regulations are codified at 2 CFR Chapter I and Chapter II, Parts 200, 215, 220, 225, and 230, became effective

December 26, 2014, and are referred to as the Uniform Guidance. These rules contain the requirements for subgrant payments to subrecipients.

DEFINITIONS:

Contractor is an entity which has a contractual obligation with CSS to render services in exchange for funding, as defined in 2 CFR 200.93. The Contractor is also known as a subrecipient and/or agency.

High Risk Entity is an entity that:

1. Has a history of unsatisfactory performance;
2. Is not financially stable;
3. Has prior reviews disclosing a management system that did not meet the cash management standard as set forth in related federal guidelines;
4. Has not conformed to terms and conditions of previous awards;
5. Cannot demonstrate that it has:
 - a. A defined method to account for and report program income where appropriate;
 - b. A working understanding of the legislation, implementing regulations, circulars; and State and local policies impacting the award;
 - c. Sufficient staffing to ensure separation of duties;
 - d. Conducted an audit of its activities during the past year; and/or
 - e. Resolved administrative findings resulting from monitoring, audit, or other reviews.
6. Experienced a change in its key personnel or practices; and
7. Has a history of disallowed costs.

An entity that does not have prior experience managing federal grants may also be considered high risk.

Subrecipient means a non-Federal entity that receives a subaward from a pass-through entity to carry out part of a Federal program; but does not include an individual that is a beneficiary of such program. A subrecipient may also be a recipient of other Federal awards directly from a Federal awarding agency. (2 CFR 200.93)

POLICY:

It is the policy of CSS to comply with the requirements set forth in these regulations for making payments to its subrecipients.

PROCEDURES:

Basic Requirements

A subrecipient may submit one reimbursement request per month for each subgrant. Reimbursement will be made for actual costs incurred and for which the subrecipient has made payment.

All requests for reimbursement shall be based on actual cash outlays (expenditures). The subrecipient shall report accruals but will not receive reimbursement until actual payment has been made for those costs.

The following examples of reimbursement requests are based upon a schedule with receipt of reimbursement on the last calendar day of the month. Note: Besides the examples provided below, there may be other types of payments:

- Example A: A subrecipient has ordered and received supplies and has paid the vendor. The subrecipient may request reimbursement.
- Example B: A subrecipient has ordered and received equipment but has not yet paid the vendor. The subrecipient expects payment to be made on the last day of the month. The subrecipient may request reimbursement.
- Example C: A subrecipient makes salary payments on the fifteenth and last day of each month. In a given month, the subrecipient may request reimbursement for payroll expenditures actually made during the month and for the payroll scheduled for the last day of the month. The subrecipient may not request reimbursement in anticipation of subsequent pay dates in the following month.
- Example D: A subrecipient is responsible for payment of health benefits to its provider on a quarterly basis. The subrecipient may request reimbursement prospectively if payment to the provider will be made during the calendar month in which reimbursement is requested. **Subrecipients should not include fringe benefit calculations in their regular salary reimbursement requests.**
- Example E: Subrecipients are responsible for reimbursing the State and Federal Government for taxes made on behalf of employees. The request for reimbursement must be made at the time the subrecipient will make these payments. **Subrecipients should not include payments of taxes in their regular salary reimbursement requests.**

Subrecipient Documentation of Reimbursement Requests

Subrecipients must submit to CSS supportive documentation with all reimbursement expenditure requests. The documentation must identify the program from which funds are requested. Payments and/or entries should be traceable through books of account and to source documentation.

The subrecipient is responsible for maintaining supporting documentation and upon request, make supporting documentation available for review by representatives of the County of Los Angeles, the State of California, and the U.S. Government.

Upon receipt of a Reimbursement Request, CSS will:

1. Process approved reimbursement requests; or
2. Provide written notification and explanation to the requestor as to why the request for reimbursement cannot be approved based on the supporting documentation attached to the claim.

CSS will also request validation that payments have cleared your bank subsequent to approval of the cash request.

Approval of a reimbursement request by CSS does not imply approval of the expenditures as allowable or appropriate to the subgrant's cost objectives.

The submission of a reimbursement request by a subrecipient constitutes a certification by the subrecipient that it has previously made the appropriate expenditures and/or will make the expenditures by the last calendar day of the month in which the request is made. The submission of a reimbursement request by a subrecipient also constitutes a certification that the expenditures are allowable, in line with the subrecipient's budgeted line items, and allocated to the appropriate cost objective(s) of the approved subgrant. This process, the timing of payments, and the method of allocation of the costs will be subsequently monitored.

Use of Resources before Requesting Reimbursement

To the extent available, the subrecipient must utilize any cash resulting from program income, rebates, refunds, and interest that is earned on its subgrant before requesting additional cash payments.

ACTION:

CSS and its subrecipients and contractors shall adhere to and abide by this policy. This policy shall remain in effect until further notice.

INQUIRIES:

If you have any questions regarding this Directive, please contact Contract Compliance Division contractcompliance@css.lacounty.gov.

A handwritten signature in black ink, appearing to read "Paul Goldman", written over a horizontal line.

PAUL GOLDMAN, Assistant Director
Contracting Services