

<b>FINANCE</b>  <b>PROCEDURE</b>  <b>MANUAL</b>	<b>TITLE:</b> Grants – Compliance Requirements – State Funds	
	<b>NUMBER:</b> FIN-GRF-024	<b>VERSION:</b> 01
	<b>ISSUED DATE:</b> 11/18/2010	<b>REVISION DATE:</b> N/A

➤ **Purpose:**

Requirements state agencies must follow for proper accountability over state and federal resources.

➤ **Definitions:**

**OMB Circulars:** Instructions or information issued by the Office of Management and Budget (OMB) to federal agencies.

➤ **Responsibility:**

**Grants Accountant:** Responsible for determination of sub-recipient status, and compliance with OMB circulars relating Federal Financial expenditures and reporting.

**Purchasing:** Purchasing Manager is responsible for fair priced procurement and compliance with OMB circulars relating to procurement.

➤ **Procedure Details:**

1. State agencies must determine whether they are awarding state financial assistance to a recipient or procuring goods and services from a vendor. State agencies will use the [Florida Single Audit Checklist for Non-state Organizations-Recipient/Subrecipient vs. Vendor Determination](#) to make this determination. Agencies must retain a copy of the checklist
2. Agreements with recipients of state financial assistance, even if awarded on a fixed price basis, must require:
  - a. Compliance with Section 215.97 Florida Statute (F.S.)

- b. Expenditures of state financial assistance be in compliance with laws, rules and regulations applicable to expenditures of state funds, including, but not limited to, the Reference guide for State Expenditures
  - c. A provision stating that an agreement may be charged only with allowable costs resulting from obligations incurred during the term of the agreement
  - d. A provision that any balances of obligated cash that have been advanced or paid that is not authorized to be retained for direct program costs in a subsequent period must be refunded to the state
3. Agreements involving the State University System, the Florida College System, district school board, or charter schools using state funds must be procured in a manner that ensures a fair and reasonable price to the State and compliance with rules and regulations, including, but not limited to:
- a. Section 216.3475 Florida Statute
    - i. Non-competitive procurements and competitive procurements that result in less than 2 responses must be supported by a detailed price and cost analysis. Costs must be reasonable, necessary and allowable in accordance with state laws, rules and regulations. Agencies must maintain documentation to evidence the agency's review.
  - b. May be fixed price contract that entitles the provider to receive full compensation of the fixed contract amount upon completion of all deliverables.
  - c. May be a fixed rate per unit contract that entitles the provider to receive compensation for each deliverable provided.
  - d. May be a cost reimbursable contract that entitles the provider to receive compensation for actual allowable costs incurred in performing contract deliverables.
  - e. May be a combination of b, c and d.
4. Agreements with vendors must be procured in a manner that ensures a fair and reasonable price to the State and compliance with applicable rules and regulations, including, but not limited to:
- a. Section [287.057 Florida Statutes](#)
  - b. Section [216.3475 Florida Statutes](#)
    - i. Non-competitive procurements and competitive procurements that result in less than two responses must be supported by a detailed price and cost analysis. Costs must be reasonable, necessary and allowable in accordance with state laws, rules and regulations. Agencies must maintain documentation to evidence the agency's review.

➤ **References:**

Florida Statutes: 287.057

<http://www.flsenate.gov/Statutes/>

216.3475

<http://www.flsenate.gov/Statutes/>

Florida Single Audit Act Checklist for Non-state Organizations:

<https://apps.fldfs.com/fsaa/documents/nonstate.doc>