

Finance and Accounting Internal Controls Federal Highway Administration

Introduction

Title 2 Part 200 of the Code of Federal Regulations requires organizations receiving Federal financial assistance agreements to have written policies and procedures.

If you received an FHWA award and the project period/budget period start date was after December 26, 2014 you will use the following regulations:

- Uniform Administrative Requirements: 2 CFR 200
- Cost Principles: 2 CFR 200 Subpart E
- Audit Requirements: 2 CFR 200 Subpart F \$750,000+ threshold

** If any questions on the checklist are not applicable to your organization, please skip and/or discuss with FHWA*

**Recipient Name
and Address:**

Broward Metropolitan Planning Organization

Responding Individual(s):

Name	Title	Phone Number	E-mail
Gregory Stuart	Executive Director	954-876-0035	stuartg@browardmpo.org
Michael Ronskavitz	Chief of Staff	954-876-0041	ronskavitzm@browardmpo.org
Tracy Flavien	Chief Financial Officer	954-876-0039	flavient@browardmpo.org
Donna Clark	Comptroller	954-876-0042	clarkdo@browardmpo.org
Veleta Williams	Accounts Manager	954-876-0040	williamsv@browardmpo.org

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Signature of Responsible Official	Date

I. Accounting and Financial Management 2 CFR 200.302
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1. Who in your organization is responsible for reviewing and approving FHWA awards and amendments?

Gregory Stuart, Executive Director

Broward MPO employs a formal process to authorize the Executive Director to take actions related to reviewing and approving awards and amendments. The items appear on the regular MPO Board Agendas for approval.

2. Who in your organization is responsible for monitoring, administering and overseeing award agreements once received from FHWA? Please list names and titles.

Michael Ronskavitz, Chief of Staff
 Tracy Flavien, Chief Financial Officer

The MPO coordinates with FDOT and FHWA in the administration of the award.

3. Does your organization have a written accounting manual or written policies and procedures for managing finances?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
The MPO has written policies and procedures that makeup the BMPO accounting manual. The policies and procedures reference the MPO Personnel Manual, various in-house processes and Enterprise Resource Planning (ERP) financial management system, called BS&A Software, module instructions.	

4. Does your organization's accounting and financial management system(s) follow Generally Accepted Accounting Principles (GAAP)?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
The BS&A financial management system is GAAP compliant. The Broward MPO adheres to the three important accounting rules, which include: (1) the basic accounting principles and guidelines, (2) details rules and standards issued by GASB and its predecessor the Accounting Principles Board (APB) and (3) the general accepted industry practices. Below are the 10 main principles that are observed when implementing the accounting and financial management systems of Broward MPO:	
<ol style="list-style-type: none"> 1. Economic Entity Assumption 2. Monetary Unit Assumption 3. Time Period Assumption 4. Costs Principle 5. Full Disclosure Principle 6. Going concern Principle 7. Matching Principle 8. Revenue Recognition Principle 9. Materiality 10. Conservatism 	
The BS&A financial management system design implements best practices in financial reporting. This includes the design, implementation, and maintenance of internal controls	

<p>relevant to the preparation of fair presentation of financial reports that are free from material misstatements.</p> <p>Additionally, 218.33, F.S requires local governments to establish uniform accounting processes and procedures including the chart of accounts. This ensures proper accounting, fiscal management and consistency in financial report preparation.</p>	
<p>5. Does your organization’s financial management system track revenues and expenditures and provide financial results for each FHWA funded project or program?</p> <p>The Broward MPO financial management systems tracks revenue and expenses and is in compliance with the requirements set forth in 2 C.F.R. Part 200.302. The systems are designed to ensure that expenditures comply with federal and state requirements in accordance with cost principles. These systems include the handling of financial records, accounting systems and financial reporting, internal controls and other written procedures. The systems also ensure expenditure accounting to the level of detail necessary to determine the grant program charged, and that those charges are in accordance with the grant terms and conditions. The chart of accounts, department/activity list, and account classifications, successfully track revenues, expenses, and financial results.</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<p>6. Does your financial management system identify the source of funds with records that provide data for expenditures?</p> <p>The Broward MPO financial management system identifies fund sources and expense data records. Separate accounts for each grant is identified within BS&A, and all activity is recorded within these accounts. Various modules makeup the BS&A financial management system (listed below), and allow for the capture of cash receipts and other receivables, cash disbursements and other expenditures, purchase orders, and payables. Where applicable, the BS&A modules allow for proper grant association with revenues and expenditures:</p> <p>BS&A Modules: Accounts Payable Cash Receipting Miscellaneous Receivables Payroll General Ledger Timesheets Purchase Order Fixed Assets Human Resources</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<p>7. Does your financial management system report and allow a comparison of outlays to budgeted amounts for each award?</p> <p>BS&A reports and allows for comparative outlays to budgeted amounts. Performing budget-to-actual variance analysis is a key function, and provide management various insight into program performance, administrative costs and external influences or unexpected events.</p> <p>Broward MPO performs variances analysis on a monthly, quarterly and annual basis. Four types of budget-to-actual reports are produced:</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

<p>Performance budget-to-actual variance Classic budget-to-actual variance Prior period and same period prior year variance Year-to-date and forecasted variance</p>	
<p>8. Does your organization maintain source documentation to support entries into your financial or accounting system?</p> <p>BS&A allows source documentation to support each transaction. Providing appropriate supporting materials for financial transactions is an essential element of internal controls. Supporting documentation consists of the source document, supportive calculations, and other receipts necessary to the accuracy and appropriateness of the transaction. Each BS&A module has a placement to house attachments related to source document and related supporting materials, and approvals.</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p>
<p>9. Does your organization have written procedures for receiving and issue payments including:</p> <ul style="list-style-type: none"> Who is authorized to request payment from the Federal government and FHWA? Greg Stuart, Executive Director Michael Ronskavitz, Chief of Staff What procedures are used to verify that the requests and payments are accurate? Payment Requests: The finance department is responsible for creating payment requests with supporting documentation to submit to the authorized signors for review, approval and signature. The BMPO has written procedures of the cost reimbursement process, which includes obtaining financial results from BS&A, incorporating that information into the FDOT/FHWA approved invoice, submitting the invoice for authorized signing and submitting the completed invoice to FDOT/FHWA. Payment to Vendors: The MPO has written procedures on the vendor payment process. The finance department is responsible for receipt of vendor invoices, and processing them for payment. The MPO receives invoices electronically or in writing. The accounts manager enters the invoices into the BS&A Accounts Payable module and routes the invoice to the appropriate department for approval. Invoices require approvals by Finance, Planning, Executive Director or Chief of Staff, and in some cases Procurement for final disbursement of funds. Internal controls are in place to ensure that invoice entry and check disbursement are separate staff functions. Vendors receive payments electronically or check by mail. Note on Vendor Invoice approvals: A “proper” invoice is free of error including any misstatements, incorrect amounts, or incomplete information. Any revision requests by the MPO to the vendor would deem an invoice invalid. The MPO is unable to remit payment until it receives a proper invoice. The invalid status will delay payment to the vendor and will cause the prompt payment “clock” to re-start to the day of receipt of a proper invoice. 	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p>

<ul style="list-style-type: none"> • What support documents are required for receiving or making payments? Receiving Payments: FDOT/FHWA Reimbursements: Supporting documents include the FDOT approved detailed financial pages showing the distribution of expenses by task, copies of invoices or backup for those expenses, payroll register and related documents, and disbursement details such as check dates, numbers, amounts and method of payment. Vendor Payments: Vendors submit proper invoices for period expenditures, typically monthly, detailing the expenses incurred. The invoice includes invoice number and date, the period of expense, and the work completed or services provided. Any additional detail supporting the expenditures should include progress reports and any contractual obligation such as DBE reporting requirements, and sub-contractor invoices, payments and progress reports. • Minimizing the time elapsed between receiving federal funds and disbursing them? The Broward MPO grants are on a cost reimbursement basis. As a result, vendors receive payments well in advance of the actual reimbursement the MPO receives from FDOT/FHWA. The MPO has contracted with the City of Fort Lauderdale to advance the MPO \$3,000,000 to support its operations. The funding advance allows the MPO to pay its vendors timely. Regarding the timing of vendor payments, the MPO complies with the provisions of the Florida Prompt Payment Act. Upon receipt of a “proper” invoice, vendors receive payment within 30 days. Note on Vendor Invoice approvals: A “proper” invoice is free of error including any misstatements, incorrect amounts, or incomplete information. Any revision requests by the MPO to the vendor would deem an invoice invalid. The MPO is unable to remit payment until it receives a proper invoice. The invalid status will delay payment to the vendor and will cause the prompt payment “clock” to re-start to the day of receipt of a proper invoice. <p>If Yes, please provide a copy of the procedures for review.</p> <p>See attached Cash Receipts Process See attached Disbursement Process</p>	
<p>10. Does your organization have written procedures to ensure that costs charged to FHWA awards are reasonable, allocable, allowable and that financial reports are issued as required?</p> <p>The MPO overall accounting policies and procedures ensure compliance with 2 CFR 200 Subpart E Cost principles, specifically 200.403 Factors affecting allowability of costs, 200.404 Reasonable costs, and 200.405 Allocable costs, and the terms and conditions of the federal award agreement. Application of cost principles occur during all aspects of the agency financial process from budget development, vendor payments, and financial reporting.</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p>

<p>Financial reports are issued as required in accordance with 2 CFR 200, 23 CFR, 49 CFR, and award agreement terms and conditions and the MPO Program Management Handbook. Reports include:</p> <ul style="list-style-type: none"> Biennial UPWP Monthly Cost Reimbursement Annual Audit Report Biennial FDOT Audits Quarterly financial statements Any other internal agency financial documents to aid staff in meeting short and long-term financial goals. Any additional financial reports requested by FDOT/FHWA 	
<p>11. Does your organization have procedures for receiving and depositing FHWA funds into an interest bearing account?</p> <p>The procedure details the establishing of agency bank accounts and the receipt and recording of deposited funds. The MPO has an agreement with Wells Fargo Bank establishing interest bearing checking accounts. Currently, all federal funds deposits are electronic. Upon receipt, the deposit is recorded in the BS&A financial management system, cash receipt module, and charged to the correct grant accounts. The FDOT payment receipt is attached in BS&A as supporting documentation.</p> <p>Additionally, the MPO complies with the Florida Chief Financial Officer, and Chapter 280, Florida Statutes requirements relating to Public Depositors. The MPO ensures the use of a Qualified Public Depository for its deposit accounts, that the Public Deposit Identification and Acknowledgment Form is on file for each deposit account, and the most recent Public Depositor Annual Report (November 30, 2018) is on file with the Florida Chief Financial Officer.</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<p>12. Does your organization have requirements for adequate separation of duties or internal controls so that funds are safeguarded and used only for allowable costs?</p> <p>The MPO complies with 2 CFR 200.61 & 200.62 relating to internal controls. MPO internal control policies and procedures ensure the integrity of the accounting system. Accounting controls include separation of duties, access controls, physical audits, standardized documentation, trial balances, periodic reconciliations, and approval authority. Together, these policies promote management accountability, prevents waste and fraud and improve financial reporting.</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<p>13. Does your organization monitor and provide project, program, and financial performance reports to FHWA?</p> <p>See bulleted listing in #14.</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

<p>14. Does your organization have procedures for submitting financial status reports and or other financial data to the FHWA?</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
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<p>The procedures include distribution of the following, which may include financial status reports, and the time period for submission:</p> <ul style="list-style-type: none"> • Monthly financial status reports through the cost reimbursement process to FDOT/FHWA, • Annual State Certification • Quadrennial Federal Certification • Biennial FDOT financial audits • Annual Audit Reports <p>Any additional financial reporting is available at the request of the FDOT or FHWA.</p>	
<p>15. Does your organization have a policy for retaining financial and supporting records for a minimum of 3 years after the award is closed?</p> <p>The MPO Personnel Manual, Section 3.34 Compliance with the Public Records Law, is the basis for the agencies overall records retention policy which would include the handling of financial documents. The policy complies with the Florida Department of State as authorized by Section 257.36, Florida Statutes, and applies to public records as defined in Section 119.011(12), F.S. The Records Management Liaison Officer (RMLO) at the MPO maintains the overall policy. Moreover, as required by the Florida Department of State, the status of the RMLO is updated regularly.</p> <p>Specifically, financial and supporting documents are stored electronically. The BS&A financial management system (implemented in Fall 2018), stores all financial information in accordance with 2 CFR 200.302 as it relates to retention requirements for records (200.333), requests for transfer of records (200.334), methods for collection, transmission and storage of information (200.335), access to records (200.336), and restrictions on public access to records (200.337). Additionally, the Broward MPO maintains financial documents electronically in its agency computer system.</p> <p>Please note: The BS&A Financial management system implementation occurred as of the 7-1-18 financial fiscal year. Prior to this time, MPO's financial documents are stored at the South Florida Regional Transportation Authority (SFRTA). The MPO had an agreement with SFRTA for accounting services. Since the SFRTA is also a Florida Government agency and must comply with State of Florida and 2 CFR 200 record retention requirements, the financial data is available for access at any time if needed.</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<p>16. Did your organization expend more than \$750,000 of Federal funds in the most recent fiscal year? If No, skip to question 18.</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<p>17. Did your organization obtain an audit in accordance with OMB Circular A-133 or 2 CFR 200 Subpart F?</p> <p>Per 2 CFR 200.501, A non-Federal entity that expends \$750,000 or more during the non-Federal entity's fiscal year in Federal awards must have a single or program-specific audit conducted for that year. For the most recent Fiscal Year 17-18, the MPO did conduct a financial audit. As required, the final report was:</p> <ul style="list-style-type: none"> • Presented to and accepted by the MPO Governing Board, • Submitted to the Federal Audit Clearinghouse, and • Submitted to the cognizant authority, FDOT, Single Audit Section. 	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

<p>18. Does your organization currently receive Federal funds for indirect costs under its active FHWA assistance agreements? If No, skip to question 20.</p> <p>These costs relate to overhead such as rent, insurance, office supplies, telephone charges, etc.</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<p>19. What is your current approved indirect cost rate, time period covered by the agreement, and which Federal agency is your cognizant agency for approving the rate?</p> <p>As referenced in the MPOs FY 18-20 UPWP, Page 15, the Broward MPO reimburses actual costs, even for indirect costs. Thus, No indirect cost rate is utilized.</p>	
<p>20. Does your organization have a procedure to record, track, evaluate, and update your indirect cost rates for approval by your cognizant agency?</p> <p>Since the MPO does not utilize indirect cost rates, we do not have an indirect cost rate procedure at this time.</p>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

II. Payroll

2 CFR 200.430 & 200.431

<p>21. Does your organization have written payroll policies and procedures including policies for fringe benefits paid to personnel?</p> <p>The MPO Personnel Manual outlines the overall payroll and fringe benefits policies paid to personnel (section listed below), and complies with 2 CFR 200.430 & 200.431.</p> <p>3.35 Payroll 3.36 Timekeeping for Non-Exempt Employees 3.37 Timekeeping for Exempt Employees 4.2 Medical Insurance 4.3 Disability Insurance 4.4 Life Insurance 4.6 Pension Plan</p> <p>If Yes, please provide a copy of the procedures for review.</p> <p>See attached MPO Personnel Manual</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<p>22. Does your organization require all employees to fill out timesheets at least monthly that coincide with one or more pay periods?</p> <p>MPO employees are required to submit electronic timesheets bi-weekly via the BS&A Timesheets Module. The “hours” entry allows for half hour increments, and are to be charged to the appropriate Grant, Task and Pay Code. Pay Codes include Regular Hours Worked, Paid Time Off (PTO), Holiday, Jury Duty, Bereavement and Leave Without Pay.</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<p>23. Are timesheets required to be signed by the employee, supervisor, or both?</p> <p>Both. Once the employee has entered their time electronically, they submit the timesheet to their supervisor by checking the “completed timesheet” box. The supervisor is then able to review and approve/deny the timesheet. The BS&A Timesheet module has an auditing feature (all BS&A modules have this feature) that records the approvals electronically for audit and tracking purposes.</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<p>24. Does your organization’s timesheets require employees to record actual hours worked on each project, whether federally funded or not?</p> <p>Employees are able to record their hours on any project, grant or non-grant, based on their work assignments. As referenced in #22, grant accounts are associated with tasks and pay codes to allow employees to charge either a grant or a non-grant project/program. Employee timesheets contain the appropriate grant/task/pay code distribution to ensure proper grant billing. These distributions can be added or removed from a timesheet at any time.</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<p>25. Are actual hours worked away from the office (travel, teleworking, or other special circumstances) identified on timesheets?</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

<p>Employees would enter the number of hours per day of travel under the regular hours worked pay code on their timesheets against the appropriate grant and task.</p>	
<p>26. Does your organization apply salaries, wages, and benefits consistently to both federally and non-federally funded projects for the same labor categories?</p> <p>Broward MPO complies with CFR 200.430 and CFR 200.431 for federally and non-federally funded projects. The BS&A Payroll Module automatically calculates an employee's salary & fringe benefits. When the employee completes their timesheet, they charge actual hours worked to the appropriate grant or non-grant activity. The allocation of salary & fringe expense to the grant or non-grant activity is based on the hours worked to ensure that costs are consistently applied regardless of the activity.</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p>