



FACT SHEET

INTERNAL CONTROLS



As a pass-through entity for Federal Education funds, the Nebraska Department of Education (NDE) is providing this **Internal Controls Fact Sheet** to assist Federal program subrecipients in the management and implementation of policies and/or procedures required for internal controls using Federal dollars.

This information is being provided by the NDE as general compliance guidance only. Subrecipients of Federal funds should refer to the full text of the regulations which can be found at [Electronic Code of Federal Regulations \(eCFR\)](#) when developing their own internal control policies and procedures.

Subrecipients of Federal funds are solely responsible for meeting all applicable Federal regulations.

Requirements for Internal Controls

In accordance with [2 CFR 200.303](#), The non-Federal entity must:

- (a) Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in “Standards for Internal Control in the Federal Government” issued by the Comptroller General of the United States or the “Internal Control Integrated Framework”, issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).
- (b) Comply with the U.S. Constitution, Federal statutes, regulations, and the terms and conditions of the Federal awards.
- (c) Evaluate and monitor the non-Federal entity's compliance with statutes, regulations and the terms and conditions of Federal awards.
- (d) Take prompt action when instances of noncompliance are identified including noncompliance identified in audit findings.
- (e) Take reasonable measures to safeguard protected personally identifiable information and other information the Federal awarding agency or pass-through entity designates as sensitive or the non-Federal entity considers sensitive consistent with applicable Federal, State, local, and tribal laws regarding privacy and responsibility over confidentiality.

Federal Compliance Monitoring

As part of the NDE’s annual Federal Compliance Monitoring program, staff from the NDE Office of Budget & Grants Management may review the subrecipient’s internal control policies/procedures, including controls over the use of Federal funds. The Grant Compliance Auditors will use the requirements of 2 CFR 200 and other applicable Federal Codes and requirements when completing such reviews.



Technical Assistance

Please feel free to contact NDE Grants Compliance staff should you have any questions relative to the contents of this document.

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This document is not a substitute for the advice of your own attorney and/or law firm licensed to practice law in the state of Nebraska. In reading and applying Federal law, the NDE recommends LEAs seek and obtain the advice of counsel with questions of application, interpretation, and/or to ensure that use of this information is appropriate to your particular situation.

