

HARRISON COUNTY, MS
GRANTS POLICY AND PROCEDURES MANUAL

TABLE OF CONTENTS

I. Introduction.....	1
A. Role of County Administrator	1
B. Purpose of Grants Policy and Procedures Manual.....	2
II. Grants Administration.....	2
A. Procedures for Grants Issued to County	2
B. Certifications.....	3
C. Pre-Award Process.....	3
D. Solicitations.....	4
E. Grant Application Procedure (Internal Applications).....	4
F. Notice of Grant Award and Board Acceptance.....	5
III. Operational Procedures & Fiscal Controls Over Grant Funds.....	5
A. Grant Fund Number Request.....	5
B. Automated Clearing House (ACH) Enrollment Form.....	5
C. Evaluation of Progress.....	5
D. Record Keeping.....	5
E. Record Retention.....	6
F. Acceptable Grant Files.....	6
G. Purchasing.....	7
H. Unnecessary Purchases Prohibited.....	8
I. Request for Proposal	8
J. Contractor Management.....	8
K. Affirmative Steps.....	9
L. Federally-Mandated Procurement Contract Provisions.....	9
M. Travel.....	9
N. Labor Reporting.....	10
IV. Federal Grant Administration Rules	11
A. Federal Administrative Requirements.....	11
B. Lobbying Restrictions.....	12
C. Debarment and Suspension.....	12
D. Drug-Free Workplace.....	12
E. Additional Rules.....	13
F. Conflict of Interest Requirements.....	13
G. Federal Grant Expenditures and Schedule of Expenditures of Federal Awards Reporting	14
H. Requesting Grant Funds - Drawdowns and Requests for Payment.....	14
I. Costs Overview.....	15
J. Budgets.....	17
K. Budget Adjustments.....	17
L. Program Income.....	17
M. Property	17
N. Protected Personally Identifiable Information (Protected PII).....	19
O. Cost Sharing (Match).....	20
P. Situations Requiring Prior Approval From The Federal Awarding Agency.....	20
Q. Reporting.....	20
R. Equitable Sharing Revenues, Expenditures and Internal Controls.....	21
S. Accounting and Internal Control Closeout - Final Phase of Grant Cycle.....	24

I. INTRODUCTION

The purpose of this Grants Policy and Procedures Manual is to provide a uniform method of applying for and managing grants as well as to outline how to remain in compliance with local, state, and federal regulations. Harrison County intends to use this manual to support the administration of its externally-funded grants and the issuance and oversight of any grants made by the County to outside entities. Specifically, policies reflect the “rules” governing the components of grant funding. Procedures represent an implementation of policy and should evolve over time as new tools emerge, new processes are designed and risk changes due to environmental changes.

This Grants Policy and Procedures Manual details policies and procedures for grant application, award approval and receipt, fiscal management of grant funds, lists and explains relevant federal and state laws and policies regarding grant administration, and closeout procedures of grant awards. The Harrison County Board of Supervisors designates this Grants Policy and Procedures Manual as the primary resource for County staff in the administration and management of their respective grant programs. While this manual is intended as a primary resource, it is not intended to replace or supersede any federal or state laws related to grant administration. Any questions or concerns regarding compliance with this policy should be directed to the County Administrator.

The Grants Policy and Procedures Manual is outlined in the following sections:

- 1) Grant Administration
- 2) Operational Procedures & Fiscal Controls Over Grant Funds
- 3) Federal Grant Administration Rules
- 4) Appendix - Resources

A. ROLE OF COUNTY ADMINISTRATOR

Harrison County does not have a centralized grant department that oversees all the various grants of the County, therefore, the County Administrator oversees the financial reporting and accounting for numerous grants that are administered through various departments. The County Administrator also serves as a resource for County departments in the administration of federal, state and local grants, federal laws and state statutes, and as the primary contact with County auditors as well as regulatory agencies on the County’s local, state and federal grants.

The objectives of the County Administrator involve evaluating grant program accountabilities, performing desk evaluations and site visits, maintaining County-wide grant data, assisting departments with grant related documents, questions or concerns, and grant financial management services so the departments can manage and account for public funds in a responsible and transparent manner. Another objective is to serve as a liaison to local, state and federal agencies in the management of grants.

It is the responsibility of each County department to designate appropriate personnel within the department to oversee the grant project or program and the names and duties of these designated personnel should be provided to the County Administrator as a point of contact. County grant

personnel should promptly notify the County Administrator via email or in writing of significant grant related activities such as: grant planning, grant submission, grant approval, grantor site visits, grantor program reviews, key staff changes, misconduct involving grant program financials or programmatic activities, client complaints, etc. These notifications will allow management to track and monitor County grant projects more effectively during the lifecycle of a grant.

B. PURPOSE OF GRANTS POLICY AND PROCEDURES MANUAL

Harrison County is responsible for applying uniform methods to the application, management and compliance of several million dollars in state and federal grant funded revenue each year. In an effort to ensure compliance with each of these funding sources, policies and procedures governing the components of grants management must be documented and communicated with County-wide grant personnel. This oversight of County grant funding is designed to increase the overall effectiveness of Harrison County grants management by the various County departments.

Effective October 1, 2017, the policies and procedures set forth herein are to be applied to all federal, state and other grant funded projects wherein Harrison County, MS is named grantee.

II. GRANTS ADMINISTRATION

A. PROCEDURES FOR GRANTS ISSUED TO COUNTY

Upon approval of the governing authority, the County may apply for and receive grant funds directly from an external funder, or, in the case of federal funds, may be a subrecipient of funds that “pass-through” another entity (such as the state, another governmental entity, or a non-profit). All grant awards received by the County involving federal funds are subject to the Uniform Guidance (2 CFR 200) in addition to agency-specific regulations and to the policies and procedures in this manual.

Harrison County is the official grantee for all grant applications and awards, as such, grant applications and awards shall be subject to approval and authorization by the Board of Supervisors

County grant personnel are responsible for fulfilling all aspects of the of a grant contract including administrative, programmatic, and financial components while adhering to all governing authorities that legally bind Harrison County to a grantor through a grant agreement.

Department grant personnel will be responsible for executing and managing the overall project, including all sub-awards. Office of Management and Budget, (OMB) guidance states that grantees are responsible for managing the day-to-day operations of grant and sub-grant supported activities. Department grant personnel must evaluate grant and sub-grant supported activities to assure compliance with applicable Federal requirements and that performance goals are being achieved. Grantee evaluations must cover each program, function or activity and be performed by the department grant personnel in accordance with the grant requirements.

When a sub-agreement is issued under a grant or cooperative agreement the terms sub-grant or sub-award are used. Sub-contracts and sub-awards provide a contractual mechanism through which

Harrison County passes on terms and conditions of the original award to the partnering agencies. Sub-award project management should first focus on the following areas: 1) Contractual obligations, 2) fiduciary responsibility and 3) communication with grantee agency. Sub-awards are governed by several sets of rules including federal and state statutes and regulations, administrative requirements, and internal policies. Compliance with these rules help grant personnel meet agency and organizational expectations, avoid sanctions and facilitate stronger partnerships between the grantor, grantee and sub-recipients.

The County currently does not have any subrecipients that it “passes” local, state or federal awards to. If the County ever does receive funding that will be shared or sub-awarded to another entity, then additional policies and procedures will be added to this manual to address subrecipient awards, oversight and monitoring.

Overall, the County Administrator will oversee all grant programs wherein Harrison County, MS is named grantee, working in combination with the various department grant personnel and assisting in the management and compliance of such grants.

B. CERTIFICATIONS

The County Administrator is responsible for maintaining certain certifications on behalf of Harrison County, including but not limited to the DUNS number and registration within System for Award Management (SAM).

DUNS Number – The Data Universal Numbering System (DUNS) number is a unique nine-digit identification number provided by Dun & Bradstreet (D&B). The federal government requires that all applicants for Federal grants, cooperative agreements, and sub-awards, with the exception of individuals other than sole proprietors, have a DUNS number as part of their grant applications and proposals.

System for Award Management (SAM) – SAM is a federal online portal located at www.sam.gov that combines several prior federal procurement and financial assistance systems such as the Catalog of Federal Domestic Assistance (CFDA), Central Contractor Registration (CCR), Federal Agency Registration (Fed-reg), Online Representations and Certifications Application (ORCA) and Excluded Parties Listing System (EPLS) among others, for the purpose of registering and qualifying non-federal entities who seek federal awards.

C. PRE AWARD PROCESS

The County department seeking funding should know its needs and how to find resources to achieve those needs and program functions before an application for grant funding can be submitted. It is a good policy to develop strategic plans for your department before reviewing the available funding sources. This planning will minimize the tendency to solicit grants that are not really suitable for the department. Departmental planning can be done in a variety of ways and be formally designed or informally noted.

A program timeline should allow for administrative time to create and present a resolution to the Harrison County Board of Supervisors as well as create a budget for the project.

D. SOLICITATIONS

There are many places to research available grants. Usually, state and federal governmental agencies have an interest in notifying subordinate entities of a variety of available resources as quickly and efficiently as possible. The federal website, www.grants.gov works to simplify and standardize the federal grants application process while creating a centralized, online arena to find and apply for grant programs from the various grant-making agencies.

Grant consultants, upon approval of the Harrison County Board of Supervisors, are another source that may be used to seek available grant funds for County projects.

E. GRANT APPLICATION PROCEDURE (INTERNAL APPLICATIONS)

The procedures outlined herein should be followed for all grant applications from every County department.

- 1) Identification - Potential grant funding sources may be identified by department staff or through a variety of sources, including government and private publications, Internet research, or other means.
- 2) Notification - When a grant opportunity is identified and any County department is interested in applying, the County Administrator should be notified promptly via email or in writing. Notification should include:
 - (a) Source of grant funding
 - (b) Estimated amount of funding to be requested and budget with county matching funds, if any
 - (c) Application due date
 - (d) Summary of project to be funded
- 3) Review of applicability and compliance – The information provided in any grant application will be reviewed by the County Administrator to determine suitability of the proposed program or project to meet the grant guidelines. The required grant assurances will also be reviewed by the County Administrator to ensure the County’s ability to comply with the grant requirements. The County Administrator will provide feedback to the department regarding suitability and/or any potential compliance issues.
- 4) Final review and preparation for submission – The final grant application will be prepared by the department staff and submitted to the Board of Supervisors for approval.

F. NOTICE OF GRANT AWARD AND BOARD ACCEPTANCE

The means by which departments are notified of a grant can vary. Grant award notices can be sent to the department requesting the grant, the Board President, County Administrator, via email, regular mail or facsimile transmission. Acceptance of any grant award must be by affirmative order of the Harrison County Board of Supervisors. Once the grant award letter has been received, all grant documents, including but not limited to, the award letter, grant award agreement, grant budget and any other necessary information should be properly spread upon the minutes of the Board of Supervisors. Any modifications that are made to a grant agreement must also be approved by affirmative order of the Harrison County Board of Supervisors and spread upon the board minutes.

III. OPERATIONAL PROCEDURES & FISCAL CONTROLS OVER GRANT FUNDS

A. GRANT FUND NUMBER REQUEST

After receiving an award notification, a grant fund number request should be obtained from the Comptroller. The grant's fund number is a separate identifying number within the County's general ledger accounting system that will be used to identify the individual grant funds received and expenditures for the grant project. Separate accounting codes will be used for each grant to prevent comingling of funds. The County Administrator shall cause the grant budget to be entered into the County's general ledger system and a printout of the grant budget, including grant fund numbers, will be forwarded to the department grant personnel to allow for proper coding of the grant project's revenues and expenditures.

B. AUTOMATED CLEARING HOUSE (ACH) ENROLLMENT FORM

Banking information for Harrison County's automated payments is on file with most federal and state agencies. Department grant personnel shall contact the Comptroller upon receipt of a grant award letter to complete necessary ACH enrollment forms.

C. EVALUATION OF PROGRESS

Documentation, including but not limited to, email correspondence, reports, written evaluations and daily logs of programmatic progress should be maintained and reviewed regularly in accordance with the grants reporting requirements to insure effective grant management. The grant contract and respective application are typically used to evaluate progress as well as past performance reports and communication from internal and external users. In the event a grant utilizes a paid evaluator, or grant administrator, documentation of frequent communication should be retained.

D. RECORD KEEPING

Proper administration of a grant is essential to receiving continued funding. It is very important to have accurate documentation of payroll, travel, contracting, and procurement and training expenditures. It is imperative that what is stated in the grant proposal is what is actually

accomplished and the documentation should reflect that. Master grant files are to be maintained by grant personnel for each grant they oversee.

E. RECORD RETENTION

Grant records shall be retained for three years from the date of submission of the final expenditure report. However, various federal and non-federal funding agencies may have different requirements and departments should consult their award documents for specific requirements. Record retention requirements for federal award recipients appear in the *Record Retention and Access* section of 2 CFR Part 200 Sections 200.333 thru 200.337. Departments should work with the County Records office to maintain and dispose of their grant award records.

Exceptions

For all records related to litigation, claims or audits started before the three year period expires, a department must retain records until all actions have been resolved and final action related to the litigation claims, or audits have been resolved.

For real property and equipment, records must be retained for three years from the date of final disposition of the property.

For program income received after the period of performance, a department receiving a federal award must retain such records for three years after the end of the County's fiscal year during which the program income was earned.

F. ACCEPTABLE GRANT FILES AND OVERSIGHT IN GRANT ADMINISTRATION

County grant personnel, at a minimum, should retain the following information in their grant file:

- (a) Grant application, project abstract, narrative and budget
- (b) Grant award notification – contract or agreement
- (c) Any grant modifications or extension of period of availability
- (d) Order approved by County Board of Supervisors
- (e) Grant program policies and procedures designed to provide assurance to achieve effective and efficient operations, reliable financial reporting, and compliance with applicable laws and regulations
- (f) Sub-grantee files, if any, including the sub-contract or sub-grant agreement, sub-grantee invoices, records of payments vs. budget allowance, and internal control questionnaires/risk based assessments
- (g) Purchase order and encumbrance records for grant fund expenditures
- (h) Progress reports submitted
- (i) Financial reports submitted
- (j) Any other grantor related correspondence

It is imperative that all grant personnel adhere to the above minimum grant file requirements. This organization of grant documentation will allow any federal or state awarding agencies to review the documentation and compliance of the grant program or project. Federal awarding agencies use two types of site visits to monitor grant compliance by federal award recipients: monitoring and audits.

Monitoring

A monitoring site visit ensures compliance with the terms and conditions of the grant by reviewing financial, personnel, procurement, property, and program activities. Monitoring activities are discussed throughout the *Performance and Financial Monitoring and Reporting* section of 2 CFR Part 200 (Sections 200.327 thru 200.342).

Audits

Audits differ from monitoring visits in that they provide a comprehensive review of financial records and are conducted by independent entities/individuals. Audit supervisors should be a licensed CPA and have specific training in audit issues. Like grant monitors, auditors investigate financial records to ensure compliance with the terms and conditions of the grant award. In the event they discover a compliance issue, they work with the grantee to resolve the issue. Audits are governed by 2 CFR Part 200 Subpart F in the Uniform Guidance. Harrison County is subject to the provisions under Subpart F and, as such, annually undergoes a Single Audit. The results of the audit are available from the County Administrator and Comptroller. As required by regulation, the Comptroller reports the County's audit to federal authorities via the Federal Audit Clearinghouse (FAC).

G. PURCHASING

Grant expenditures should be in line with budgets approved by the granting agency, as applicable. Grant budgets are maintained in the departments by designated grant, administrative and program staff. Departments are responsible for ensuring that costs are in line with awarding-agency approved budgets and budget line items. Where no budget exists, expenditures should conform to the intent and purpose of the grant award. Expenditures charged to grants must be allowable per governing statutes and regulations, allocable to the grant relative benefits received by the funded program and reasonable (i.e. a prudent purchase given the circumstance prevailing at the time of purchase).

Documentation of goods and services purchased with grant funds should reflect the process from beginning to end and should easily show efforts of competitive bidding when applicable. Documentation of purchases should include quotes, or competitive bid, requisition, purchase order, invoice and clearly communicate the amount paid. County purchasing guidelines should be followed in all instances, unless federal or state guidelines dictate otherwise.

The issuance of the *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance)* has effected many changes to the compliance requirements for entities who receive federal grants on or after December 26, 2014. One of the changes has to do with thresholds for certain small procurements. The State of Mississippi procurement laws, which Harrison County follows, do not require written bids on purchases equal to or less than \$5,000 for

commodities, equipment or printing. However, the *Uniform Guidance* threshold for “micro-purchases” is \$3,500. This means that any purchase above the \$3,500 threshold requires price or rate quotations be obtained from an adequate number of qualified sources.

Note: Some grant related purchases may require separate authorization from the granting agency before commencing the procurement process. Even though a grant provides or requires the purchase of equipment or supplies you should check with the grantor before executing purchases.

H. UNNECESSARY PURCHASES PROHIBITED

It is the policy of Harrison County that all departments shall avoid procurement that is unnecessary or duplicative in nature. Every grant-funded purchase must meet the definition of an “allowable cost” per the federal administrative requirements.

I. REQUEST FOR PROPOSAL

Whenever Harrison County issues a Request for Proposal solicitation that is grant funded, then the department grant personnel and Purchasing Clerk shall ensure that all potential proposers through language in the RFP that Harrison County may not execute a grant-funded sub-award unless the bidder has a valid DUNS number on file.

J. CONTRACTOR MANAGEMENT

Third party contractors are not responsible for program compliance nor are generally subject to federal regulations. Dollars paid by the County to contractors, even if from federal grant funds, lose their status as *federal* dollars when issued in the form of a contract or subcontract; contracts are not grant awards.

There may be occasions where the use of an outside consultant, such as a grant administrator or project manager, will be used to assist the County in oversight of the federal or state funded project with programmatic and fiscal duties. In those instances, it is very important that the agreement between the County and the consultant clearly addresses the responsibilities of the consultant or grant administrator and that of the County. It is imperative that County grant personnel ensure that the outside consultant is complying with the requirements of the granting agency and documentation is retained. The County’s procurement process would be used to develop a contract with potential entities. The Federal procurement standards can be found in sections 200.317-326 of the *Uniform Guidance*.

County departments are responsible for contractor oversight to ensure that contractors perform their responsibilities consistent with the terms and conditions of their contracts. The County follows the State of Mississippi Procurement Policy that governs the management of County-issued contracts and should be consulted by departments in the course of managing their County-issued contracts.

K. AFFIRMATIVE STEPS

Harrison County takes all necessary affirmative steps to ensure that minority businesses, women’s business enterprises, and labor surplus area firms are used when possible.

L. FEDERALLY-MANDATED PROCUREMENT CONTRACT PROVISIONS

All contracts awarded by Harrison County to subcontractors and involving federally-funded purchase of goods or services, including small purchases, must include certain federally-mandated procurement contract provisions, including:

Energy Efficiency	2 CFR Part 200 Appendix II
Copeland “Anti-Kickback” Act	18 U.S.C. 874 and 40 U.S.C. 276C
Byrd Anti-Lobbying Amendment	31 U.S.C. 1352
Debarment and Suspension	Executive Orders 12549 and 12689
Recycling	2 CFR Part 200 Appendix II
Davis-Bacon Act	40 U.S.C. 276a to a-7
Contract Work Hours and Safety Standards	40 U.S.C. 327-333
Rights to Inventions Made Under a Contract or Agreement	37 CFR part 401
Contractor Breach Clause	2 CFR Part 200 Appendix II

All contracts awarded by Harrison County to subcontractors and involving a federally-funded purchase of goods or services, including small purchases, must also contain the following contract clauses:

- (a) Provisions that allow for administrative, contractual, or legal remedies where contractor violates or breaches contract terms as well as remedial actions;
- (b) Provisions addressing termination by Harrison County, including manner of termination and basis for settlement;
- (c) Provisions addressing termination of contract for default as well as circumstances beyond control of subrecipient;
- (d) Provisions for bid guarantees, performance bonds and payment bonds; and
- (e) Provisions allowing access to subrecipient records by Harrison County, federal awarding agency, Comptroller General of the United States, and any other duly authorized representative.

Boilerplate contracts used by departments must contain the required elements listed herein. Consult the County Administrator with questions concerning any of the required elements listed above.

M. TRAVEL

Grant-related travel expenses must be reasonable and necessary to the performance of the grant. Authorization is required for advance issue of expense money, lodging costs, and transportation involving travel. Authorization is also required for after-the-fact reimbursement of travel expenses.

Authorization follows the County's travel policy. Reimbursement of travel expenses requires original receipts (with some exceptions—see County Travel Policy) and must be documented on the Training/Travel Request Authorization Form.

Some agencies require additional travel authorizations beyond budget approval. See the grant award documents and regulations for details. Where awarding agency travel policies are more restrictive than County policy in terms of travel cost reimbursement, departments are expected to comply with the granting agency's requirements.

N. LABOR REPORTING

Harrison County has the following approved processes by which labor (including volunteer hours) may be charged to grants:

- (a) Employees will record their time worked on grants and non-grant funded activities by using either an electronic time tracking system (Kronos) or Policy paper timesheets. Both systems require the signature and date of employee and supervisor. Electronic signatures are acceptable within the mechanisms provided by the time tracking system.
- (b) Semi-annual certification of employees charged 100% to grant-funded projects signed by employee and supervisor.
- (c) Any other system approved by the awarding agency.

Method "a" requires that departmental grant personnel or Comptroller perform an after-the-fact, Policy distribution of time via journal entry using an approved methodology to ensure that awards receive an equitable share of the distribution of labor.

Method "b" is used when an employee is 100% charged to a federal grant award. Certifications must be completed semi-annually or at closeout, whichever is sooner. A general description of the duties of the employee during the certification period are listed on the certification.

The department grant personnel shall adhere to the following principles related to documentation of labor costs charged to local, state and federal grants:

- (a) Harrison County must comply with labor reporting requirements when labor is charged to a federal award for salaries and wages—whether as part of direct costs or as part of an indirect cost pool.
- (b) Payrolls and corresponding distributions to grant awards must be documented and approved by employee supervisors.
- (c) Reports must be maintained for all staff members reflecting the distribution of labor activity of each employee. This requirement includes professionals and nonprofessionals whose compensation is charged, in whole or in part, directly to awards. It also includes other employees whose work involves two or more functions or activities if a distribution of their compensation between such functions or activities is needed in the determination of the County's indirect cost rate.

- (d) Labor reports, if necessary, shall reflect an after-the-fact determination of the actual activity of each employee and account for the total activity for which employees are compensated and which is required in fulfillment of employee obligations to the County. This means both time worked on federal awards and non-award hours must be tracked

IV. FEDERAL GRANT ADMINISTRATION RULES

Federal grants come with their own specific sets of laws and rules governing grant administration, issued by the OMB and by program-specific rules issued by federal awarding agencies. Many of these rules, though not all, make their way into the management of an entity's non-federal grants as well, in the form of best practices. In other instances, the rules get passed down to subrecipients of federal awards through "pass-through" agencies. This section deals with the basic rules that govern federal grants.

The federal government provides rules for how all grantees must receive, spend, track, and report on federal funds. These rules are located in 2 CFR Chapter II, Part 200, titled the *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. This set of rules is also sometimes referred to as the "Super Circular," or the "Omni-circular." The Uniform Guidance became law on December 26, 2014, applicable to a) federal awards made after this date, including incremental funding, if the incremental funding is considered by the federal agency to be an opportunity to change award terms and conditions and b) for audit purposes, applicable to an organization's federal expenditures within fiscal years that begin after this date.

A. FEDERAL ADMINISTRATIVE REQUIREMENTS

Federal administrative requirements for grant management can be found in 2 CFR Part 200, accessible on the U.S. Government Publishing Office's website. This guidance applies to all non-federal entities receiving federal grant awards, including pass through awards, and without regard to entity type. The federal government groups the administrative requirements into subparts that address the pre-award and post-award administration phases. The major sections of the Uniform Guidance are as follows:

Acronyms and Definitions: Subpart A provides a list of acronyms and a helpful glossary of common federal award terminology.

General Provisions: Subpart B discusses which federal requirements apply to which federal awards and the Uniform Guidance applicability dates.

Pre-Federal Award Requirements and Contents of Federal Awards: Subpart C discusses grant eligibility, applying for federal assistance, required elements in federal award agreements and subrecipient agreements, fixed awards, and debarment/suspension.

Post-Federal Award Requirements: Subpart D discusses program management, payments, program income, budgeting, costs, cost sharing (match), and non-federal audits—in general, the monitoring responsibilities of pass-through entities. The subpart also discusses property and procurement guidelines, reporting and records retention, termination and enforcement, and closeout.

Cost Principles: Subpart E discusses cost principles, which govern how recipients of federal grants may spend federal grant funding. The section outlines what constitutes allowable, reasonable, and allocable costs to federal grants, which costs require pre-approval, and the difference between direct and indirect costs. Many specific kinds and types of costs are discussed. Selected items of cost as discussed in this section of the Uniform Guidance are provided for reference in Appendix A.

Audit Requirements: Subpart F discusses the kinds and frequency of audits required of federal awardees; auditee, auditor and federal agency responsibilities; and how audit findings are to be resolved. Awardees expending more than \$750,000 in federal money a given year must have a Single Audit. Other rules governing grants administration can be found in various sections of the federal code.

B. LOBBYING RESTRICTIONS

Generally, federal grantees and subrecipients are prohibited from using federal funds to influence federal employees or members of Congress and their staff. If a federal grantee or subrecipient engages in lobbying activities, they must submit a form SF-LLL, Disclosure of Lobbying Activities, with their grant application.

C. DEBARMENT AND SUSPENSION

Debarment and suspension can occur if federal grantees use federal funds wastefully or fraudulently. In order to ensure federal funds do not flow to excluded parties, federal agencies and grantees are required to check for excluded parties *prior to opening bids or awarding work*. Names of debarred or suspended parties can be found by searching the System for Award Management (SAM) for exclusion records, active or previously excluded. All potential recipients and subrecipients are required to be registered with the SAM system prior to receiving federal awards. (Records that were previously contained in the Excluded Parties List System have been moved to SAM.) Language to this effect will be included in subrecipient agreements. If the potential subrecipient or contractor has not previously registered with SAM, they must do so before they are eligible to receive federal grant funding.

2 CFR 180, *OMB Guidelines to Agencies on Governmentwide Debarment and Suspension (Nonprocurement)*, governs debarment and suspension of federal grantees and subgrantees from receiving federal grant awards.

D. DRUG-FREE WORKPLACE

Harrison County adheres to a strict drug-free workplace policy. 2 CFR 182, *Governmentwide Requirements for Drug-Free Workplace (Financial Assistance)* requires federal grantees and subgrantees to agree to maintain a drug-free workplace.

E. ADDITIONAL RULES

Agency-specific rules for grant administration can be found under the agency's CFR title. For example, administration of Head Start grants under the Department of Health and Human Services can be found under 45 CFR Part 1301. To find CFR titles for agency-specific grant administration rules, look in the grant administration Policy accompanying the grant award or search the CFR online at the U.S. Government Publishing Office website.

Basic information on your federal grant can be found by looking up the CFDA that is associated with your federal award. Federal agencies and pass-through organizations (such as the State of Mississippi) are required to provide recipients with basic elements of federal awards, including a CFDA number. By visiting www.cfda.gov, you can look up the page for your CFDA(s) and find award information on agency-specific laws and statutes, fund uses and restrictions, and the applicability or exclusion of general federal regulations.

Note: In all instances, where agreements conflict with grant regulations, the terms of each respective agreement shall take precedence.

F. CONFLICT OF INTEREST REQUIREMENTS

Substantial state and federal requirements exist pertaining to standards of conduct and conflict of interest. It is the intent of Harrison County for all employees, public officials and agents to conduct all activities associated with the performance of their duties with the highest ethical standards, including the avoidance of any *real or perceived conflict of interest*. All employees, public officials, and agents of Harrison County shall strive to:

- (a) Demonstrate the highest standards of personal integrity, truthfulness, honesty, and fortitude in all grant related activities;
- (b) Serve in such a way that does not realize undue personal or financial gain from the performance of official duties;
- (c) Avoid any activity which is in conflict with the conduct of official duties;
- (d) Be objective in the selection of employees, contractors, goods and services, basing decisions on merit and value to the County;
- (e) Eliminate all forms of illegal discrimination, fraud, and mismanagement of public funds;
- (f) Refrain from engaging in employment-related transactions with any business entity in which the employee has a financial interest;
- (g) Inform their department head (or designee) of any outside employment or outside affiliation that could potentially affect their independence of judgment in the performance of work duties, or create a conflict of interest in the performance of work duties;
- (h) Refrain from engaging in any outside affiliation or outside employment that would affect the employee's independence of judgment in the performance of work duties, or otherwise create a conflict of interest in the performance of work duties; and
- (i) Refrain from soliciting, receiving or exchanging personal favors, compensation, or gifts from clients of their department, where such action could financially impact the employee (or the employee's relative) or where the appearance of such action would decrease the public's confidence in the employee or department.

Any questions or uncertainty regarding employee ethics or conflicts of interest should be directed to the Personnel Department.

G. FEDERAL GRANT EXPENDITURES AND SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REPORTING

The County shall adhere to the following procedures to ensure that all federal grant fund expenditures are accurately reported on the Schedule of Expenditures of Federal Awards (SEFA). At the discretion of the County Administrator, the Comptroller shall:

- (a) Perform a review in conjunction with the various County departments of all federal grant revenues and expenditures each quarter by federal grant as it was approved by the Board of Supervisors to ensure proper accounting;
- (b) Review all Board minutes and agenda notes to ensure that all federal awards are properly approved and classified in the general ledger accounting system;
- (c) Perform a reconciliation each fiscal quarter comparing the actual receipts and disbursements to the general ledger, grant budget, and grants reports that were submitted to the granting agency;
- (d) Maintain spreadsheets on all federal grants as well as any other necessary documentation to ensure proper year-end reporting and to maintain for auditing purposes; and
- (e) Prepare the year-end Schedule of Expenditures of Federal Awards (SEFA) and provide oversight as needed, to ensure all grants are properly documented and accounted for.

H. REQUESTING GRANT FUNDS – DRAWDOWNS AND REQUESTS FOR PAYMENT

Processes for drawing down grant funds or requesting payment on grant awards vary widely by funding agency. Some agencies have their own online request systems that must be used to retrieve grant funds once corresponding amounts of expenditures have been accumulated, or require invoicing with general ledger backup for grant checks to be released. Some agencies disburse funds in regular intervals and regular (or irregular) amounts irrespective of expenses incurred, with “true-ups” to actual expenditures coming at later intervals. Some agencies allow grantees to draw funds to cover immediate cash needs prior to having incurred expenditures. Still other agencies do not disburse funds on actual expenditures incurred; rather, funds are tied to “units of service” and paid at set amounts based, for example, on the number of homeless shelter clients housed, number of meals to senior citizens served, etc.

However an award is set up, drawdown policy for Harrison County includes the following elements:

- (a) *Adherence to grant rules.* Close adherence to the drawdown rules and procedures listed in a funding award or in federal or state statutes and regulations is required.
- (b) *Draw frequency.* Draws are to be performed at least monthly unless the granting agency specifies other terms or specifically prohibits monthly draws.
- (c) *Authorized persons.* Draws are to be performed by the authorized grant staff personnel.
- (d) *General Ledger-based.* Drawdowns on cost-reimbursement awards should always be made using data derived from supporting documentation from the County general ledger accounting

software. A line-item query of grant inception-to-date expenditures, which may be subtotaled by account or budget category, is the preferred form of backup. Backup must include revenue and expenditures (including match, program income, etc.). *Under no circumstances should drawdowns be made based on budgeted figures (e.g. taking an approved budget and drawing 1/12th of the funds monthly).*

- (e) *Required approval.* Draws require approval prior to execution. A signature and date from the Department Director, Assistant Director, or designee is required.
- (f) *Notification.* When a draw has been made at the department level, or when a schedule of regular-interval disbursements has been received from the funding agency, staff must notify the Harrison County Receipts Clerk by email so that funds can be properly accounted for once deposited into the County bank account. The clerk should also be provided a copy of the request for funds along with corresponding backup, if the request is for a cost-reimbursement award.

Drawing Down Grant Funds

The policy of Harrison County is to request grant funds based only on cost-reimbursement or immediate cash needs. Requests for reimbursements of grant expenditures should be done in a timely manner to eliminate any cash flow issues from the timing of payment of grant expenditures to reimbursement to the County for properly funding the grant program or project. In order to minimize the time between receiving cash advances from the U.S. Treasury or the State and the actual expenditure of funds, Departments are required to follow the rules on minimization of time between cash receipt and expense that are provided with the awarding agency rules and regulations.

Under the County structure for decentralized administration of grants, the department that administers a grant is responsible for the billing for reimbursements and for following up on collections from the granting agency when necessary. When a payment is received for an amount that is different from the amount requested, the department should contact the grantor to determine the reason for the variance and take necessary corrective action to adjust billings and charges if necessary or to assist the sponsor in determining that an additional payment is in order.

The County Administrator reserves the right to review the internal control procedures related to cash handling of all County departments through both formal and informal internal control evaluations. Departments should notify the County Administrator's office in the event of a loss, robbery or theft of County funds. In the case of loss, robbery or theft of grant funds, the County Administrator will be responsible for notifying the County Auditor and the funding agency, as required per grant agreements and federal regulations or state statutes.

I. COSTS - OVERVIEW

Grant funds must be spent in accordance with the terms and conditions of the grant award. Therefore, prior to making expenditure, program personnel must be aware of what costs are allowable and disallowable under the grant as well as what costs are considered direct and indirect.

Allowable and Unallowable Costs

Allowable costs are those costs that fit the definition for authorized expenditures as stated in the applicable cost principles. Authorized expenditures comprise those expenditures that are:

- (a) Allocable;
- (b) Reasonable and necessary;
- (c) Net of all applicable credits;
- (d) Conforms to limits or exclusions on types or amounts of costs as stated in cost principles, federal laws, and terms and conditions of grant award;
- (e) Treated consistently as a direct or indirect costs;
- (f) Not included as a cost or used to meet the matching requirement for another federal grant;
- (g) Consistent with grantee policies, regulations, and procedures regarding federal awards;
- (h) Determined in accordance with Generally Accepted Accounting Principles (GAAP);
- (i) Authorized under local laws; and
- (j) Well documented

All charges to Harrison County grants must adhere to the cost principles outlined in this Policy.

Allocable - A cost is “allocable” to a grant award if it is treated consistently with other costs incurred for the same purpose and in like circumstances. A cost is allocable to a grant if the goods and services purchased are related equitably to the benefits received by the funded program.

Reasonable and Necessary- The cost must also be incurred specifically for the award, benefit the award, and be necessary to the overall operation of the organization. A cost can be considered “reasonable” if, in both 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. Whether a cost is necessary for the performance of an award is important in establishing whether the cost is reasonable. The prevailing market price in our geographical area (where applicable), and whether the incurring of the cost required the County to deviate significantly from its established practices and policies are also important factors in determining reasonableness.

Consistent Cost Treatment - Costs incurred for the same purpose and in like circumstances must all be treated the same. For example, an equipment cost cannot be treated as a direct cost in one instance and an indirect cost in another instance if it was incurred for the same reason and circumstances in both instances.

Net of Applicable Credits - A cost is “net of all applicable credits” if it takes into account any credits received toward the cost. For example, if program income was used toward a cost, the amount charged to the grant must be reduced by the amount of the program income in order to be allowable.

Well-documented - In most cases of disallowed costs, the cause is a lack of proper documentation. All costs require an invoice, original receipt, purchase order, contract or other form of documentation. All cost documentation requires authorized signatures and evidence of receipt of the goods or services purchased. The County’s Procurement policy should be followed on all purchases.

Staff that do not have designated signature authority are not authorized to approve or execute any transactions that require such authority.

Selected Items of Cost - To view an itemized list of allowable costs, reference the Appendix A: Selected Items of Cost. ***Any cost that is not allowable is unallowable. If a County department uses grant funding for unallowable costs, the County will need to repay those funds to the funding agency and reduce the department's budget accordingly.***

Direct and Indirect Costs - A direct cost is one that is specifically identified to the grant award. Direct costs can be paid by the grant so long as they are allowable, reasonable, and can be justified from the approved grant budget. An indirect cost is one that is shared with another objective or program and that cannot be readily identified to the grant award.

J. BUDGETS

County departments are required to track and reconcile grant expenditures against approved grant budgets, where applicable. The federal government generally categorizes costs into 8 types: personnel, fringe benefits, travel, equipment, supplies, contractual, construction, and other. County grant budgets should generally align with these 8 categories for ease in tracking and reconciliation, except in cases where the funding agency requires otherwise. Even though the federal government has noted these 8 categories as comprising a grant award budget, the County must still ensure that costs falling under these categories are allowable expenses per the applicable cost principles and awarding entity grant regulations. For example, travel costs are an allowable expense on many federal grants; however, costs for a first-class ticket when coach tickets were available may be disallowed as unreasonable.

K. BUDGET ADJUSTMENTS

Entities receiving federal funding must generally abide by the limits on changes to approved budgets as outlined in 2 CFR 200.308. Funding agency-specific guidance should also be consulted regarding changes to approved budgets for both federal and non-federal awards.

L. PROGRAM INCOME

County departments must account for program income generated by grant activities according to the terms and conditions of the grant. Program income is gross income earned from grant activities that generates direct costs allocable to the grant award and is often included in grant award budgets as part of a cost sharing or matching requirement.

M. PROPERTY

The three types of property discussed in the administrative requirements include real property, personal property, and intellectual property. Detailed instructions regarding acquisition, titling, and disposition of property appear in the applicable administrative requirements. The Property Standards section of 2 CFR Part 200 Subpart D governs the treatment of property acquired with federal grant funding.

Real Property

Harrison County may receive title to property purchased with federal grant funding subject to the condition that the real property is used in accordance with the purpose of the grant and not encumbered without prior approval from the federal awarding agency.

When real property is no longer needed for its original purpose, departments will request disposition instructions from the federal awarding agency. The County may retain title to real property purchased with federal funds after compensating the federal awarding agency that percentage of the fair market value of the property attributable to federal participation in the project funded by the grant award. Departments will follow federal agency directives regarding the sale of real property acquired with federal grant funds.

Equipment and Supplies

As with real property, the County may receive title to equipment purchased with federal grant funding so long as the equipment is used in accordance with the purpose of the grant and not encumbered without prior approval from the federal awarding agency.

Equipment is further divided into “Special Purpose” equipment” and “General Purpose” equipment. “Special Purpose” equipment includes equipment which is used for research, medical, scientific and other similar technical activities. “General Purpose” equipment is defined as equipment whose use is not limited to “Special Purposes”.

“Special Purpose” equipment is generally allowable as a Direct Cost to the federal award. The departments will obtain prior approval of the Awarding Agency to purchase equipment costing over \$5,000 when required by regulation or statute. “General Purpose” equipment will not be charged as a Direct Cost to the federal award without prior approval of the Awarding Agency.

County departments may trade-in or sell equipment in need of replacement and use the proceeds to offset the cost of the replacement equipment with prior approval from the federal awarding agency. Per federal regulations, for equipment valued at less than \$5,000, departments may keep the equipment when it is no longer needed for its original purpose. For equipment valued at more than \$5,000, County must pay the federal awarding agency a portion of the market value or sale proceeds based on the percentage of the equipment funded by the federal awarding agency, unless otherwise arranged.

Departments must inventory and account for supplies purchased with federal funds if the supplies are valued at over \$5,000 in the aggregate.

Equipment Records

Departments must maintain equipment records for all grant-funded equipment. Equipment records must indicate:

- (a) A description of the equipment
- (b) Manufacturer’s serial number, model number, or other identification number

- (c) Source of the equipment, including the federal grant award number
- (d) Owner of the property (federal government or County)
- (e) Acquisition date or date received
- (f) Cost of equipment
- (g) Details indicating the percentage of federal participation in the cost of the equipment
- (h) Location of equipment and date reported
- (i) Condition of equipment and date reported
- (j) Unit acquisition cost
- (k) Date of disposal (if applicable)
- (l) Disposal price (if applicable)
- (m) Method used to determine fair market value for disposal price (if applicable)

Equipment Maintenance

Grant-funded equipment must be maintained by the County department initiating the purchase. "Maintained" means that the equipment is properly accounted for (i.e. inventoried), secured against theft or other loss, and kept in usable condition according to the manufacturer's recommendations until the expiration of useful life or other disposition.

Property Controls

Property purchased with federal funds must be retained for the benefit of the federal program or project. Departments must implement effective control measures to ensure protection of grant-funded equipment from loss, damage, and theft. Any loss, damage, or theft discovered during a site visit to a subrecipient or contractor that has purchased property under a federal award will be investigated and documented.

If equipment titled to the federal government suffers loss, damage, or theft, departments must notify the federal awarding agency immediately.

Inventory Reporting

County departments must inventory grant-funded equipment and reconcile inventory records with equipment records at least once every two years. If the reconciliation reveals differences in quantities of equipment, departments shall investigate the inventory and equipment records to discern the cause of the difference. **Supplies purchased with grant funds and valued at over \$5,000 in the aggregate must also be inventoried and accounted for.**

N. PROTECTED PERSONALLY IDENTIFIABLE INFORMATION (PROTECTED PII)

The County is committed to protecting the personally identifiable information of its customers. It is the responsibility of County departments to take reasonable measures to safeguard Protected PII (as defined in this Policy) and any other information an awarding agency may designate as sensitive, or which state law treats as sensitive. Departments should redact Protected PII from backup sent to

Finance in the course of requesting financial transactions (payment vouchers, receipts, etc.). If a question arises as to whether or what information should be redacted, departments are encouraged to contact the County Administrator or Comptroller for assistance.

O. COST SHARING (MATCH)

Generally, any contributions received under a grant-funded project, including program income and in-kind contributions, will be accepted as part of the County's cost sharing or matching requirement so long as they:

- ✓ are posted to the County general ledger accounting system
- ✓ are necessary and reasonable,
- ✓ are allowable,
- ✓ and, for federal grants:
 - are not paid by the federal government under another award except where designated for cost sharing or matching,
 - are noted in the approved budget required by federal awarding agency,
 - do not count as contributions for other federally-assisted project

P. SITUATIONS REQUIRING PRIOR APPROVAL FROM THE FEDERAL AWARDING AGENCY

Costs incurred by the County that required, but did not receive, prior approval from the federal awarding agency may not be reimbursed if challenged during a site visit or an audit. 2 CFR Part 200 Section 200.308 covers prior approvals in detail. Prior approval from the federal awarding agency must be obtained for any of the following situations:

- ✓ revision of the scope or objective of the project
- ✓ changes in key personnel
- ✓ project director or principal investigator absent from project for more than 3 months or has reduced time devoted to project by 25%
- ✓ to incur certain types of costs
- ✓ transfers among direct cost categories that exceed 10% of the total approved budget in instances where the agency's share exceeds the Simplified Acquisition Threshold (current set at \$150,000 at the time of this writing)
- ✓ to subcontract or subgrant some of the activities of the project central to the grant award
- ✓ changes in the amount of approved cost sharing or matching provided by the federal award recipient
- ✓ budget revisions requiring the need for additional funds need to extend period of availability of funds

Q. REPORTING

Department grant personnel are responsible for ensuring that all grant project or program reports are completed and submitted on time per the grant guidelines, including but not limited to, progress reports and financial reports. Grant awards typically require a fair amount of reporting with varying

levels of detail. For federal awards, sections 200.327 and 200.328 under 2 CFR Part 200 give detailed guidance on federal reporting requirements for grant administration. Refer to the guidance provided with your grant award for specifics on frequency and types of reporting requirements. **All reports must be filed on time.** Late reporting jeopardizes the County's status as a recipient of grant funds and puts continued funding at risk.

Progress Reports - Progress reports compare actual achievements with the goals stated for the reporting period, explain reasons why goals may not have been met, and explain cost overruns or high unit costs, where necessary. Progress reports are the responsibility of the recipient department. Program staff should prepare reports and Program Managers are responsible for reviewing and approving reports prior to filing.

Financial Status Reports & Federal Financial Reports (FFRs) - The department grant personnel will file all Federal Financial Reports (FFRs). The department grant personnel will follow closely the guidance provided by the awarding agency when filing required FFRs. Both FFRs and non-federal financial status reports must be filed using detailed accounting reports, from inception to the end of the reporting period. Data from the reports should include grant revenues, expenditures, match, program income, etc., as applicable. Data from the reports should be compared to the approved grant budget by department grant personnel. Any transactions found to be unallowed or not approved for the grant budget should be removed by journal entry out of the grant award. The amount reported to the funding agency should be the net of all transactions less items to be removed via journal entry.

Review and approval, prior to filing, should be obtained:

- (f) For federal awards, from the Department Director, Assistant Director, or designee.
- (g) For non-federal awards, at the department level from department fiscal managers or directors.

Reports should be signed and dated and filed, with the accounting general ledger reports, as backup to the financial status report or FFR in grant award records, in the grant file. These records must be provided to County auditors or awarding agency officials during site visits or as requested.

R. EQUITABLE SHARING REVENUES, EXPENDITURES AND INTERNAL CONTROLS

The operating procedures for the Equitable Sharing program outlined below are to provide guidance to the Sheriff's Department and are directly related to the requirements of the program.

Equitable Sharing Program Roles and Responsibilities

1. Program Director - The Sheriff approves all program expenditures and authorizes submission of the Equitable Sharing and Agreement Certification Report (ESAC) required via electronic submission.
2. Finance Point of Contact (FPOC) – The Sheriff's Comptroller receives the addenda and credit notice when Equitable Sharing funds are received. He/she will review all expenditure requests to ensure permissibility according to Program requirements. He/she will prepare the

ESAC form with the support of the County Comptroller submitting an electronic certification once it has been reviewed for accuracy, approved by the Board of Supervisors and the Program Director. He/she will also be the liaison between the Program and the federal government.

3. County Comptroller – The County Comptroller provides support in preparing the ESAC form and ensures that program funds are processed and accounted for in accordance with the Equitable Sharing guidelines. He/she will ensure that all program funds are properly maintained in separate accounts and are not comingled with other grant funds. He/she will provide the financial reports to the finance point of contact and is the liaison with the County auditors who perform the annual Single Audit.

Equitable Sharing Revenues

Program revenues originate from the proceeds received from joint investigations in which federal agencies worked with the Harrison County Sheriff's Department. These proceeds are received periodically throughout the year from the U. S. Department of the Treasury or the U. S. Department of Justice and are deposited into interest bearing accounts. No petty cash is kept on hand as a result of these funds. The following represents the procedures and internal controls related to the program revenues:

- (a) Separate accounting codes shall be established in the financial accounting system to identify revenues received from different sources in order to prevent funds from being comingled. No other funds will be included in these accounts or within these accounting codes.
- (b) The revenue addenda and credit notice are received by the FPOC. The revenues are recorded in the proper account. A detailed log of all remittances processed per account during the fiscal year is maintained by the FPOC and reviewed by the Comptroller.

Equitable Sharing Expenditures

Program expenditures are made during the fiscal year as deemed necessary by the program Director. The following represents the procedures and internal controls related to the program expenditures:

- (a) Prior to the commencement of each fiscal year, the Sheriff's Comptroller will prepare a projected annual budget based on prior year's expenditures and projected needs of the current fiscal year and submit it to the County Administrator.
- (b) Program expenditures are requested by Sheriff Department personnel as allowed by the Guide to Equitable Sharing for State and Local Law Enforcement Agencies.
- (c) The program director reviews all documentation supporting the expenditure request and ensures permissibility of the expenditures according to the program requirements.
- (d) The Board of Supervisors has final approval of all program expenditures prior to completion of the procurement process for all items in excess of \$3,500.
- (e) The book keeping department reviews the adequacy, mathematical accuracy and completeness of documentation and processes the payment for the project expenditure.

- (f) The FPOC is responsible for ensuring that the expenditures are recorded in the proper account. In addition, monthly reconciliations will be performed to ensure that the expenditure activity reports are correctly recorded. In errors noted will be corrected accordingly.

Record Retention and Reporting Requirements

The FPOC ensures that all documents and records related to the Equitable Sharing program are properly stored and retained by the Chancery Clerk's department. This documentation will include programmatic areas as well as accounting and financial areas. This documentation will be retained for at least five years and includes, but is not limited to:

- evidence of revenues received,
- evidence of fund requests made to the federal government
- evidence of expenditures performed with supporting documentation and approval
- ESAC forms,
- accounting and bookkeeping documents, logs and records
- bank records and statements
- Audit reports, etc.

Single Audit Reporting

The Sheriff's Department Comptroller, (FPOC) is responsible for preparing the program financial statements. The County Comptroller will ensure that the program expenditures are properly included in the Schedule of Expenditures of Federal Awards (SEFA) as part of the County's financial statements and Single Audit Report under the Catalog of Federal Domestic Assistance number 16.922.

ESAC Reporting

The ESAC report is a requirement imposed by the U. S. Department of Justice for all the law enforcement agencies participating in the Equitable Sharing program. It must be submitted annually within sixty (60) days after the end of the County's fiscal year (regardless of whether funds were received or maintained during the year) and it will include a detail of the funds received and/or expended during the year. The following represents the procedures and internal controls related to preparing the ESAC report:

- (a) The FPOC will gather and prepare the financial information for the fiscal year from accounting reports obtained from the Comptroller.
- (b) The FPOC will compare the information with the revenues and expenditures records maintained throughout the year. Any discrepancies will be investigated and resolved within thirty (30) days after year-end.

- (c) The FPOC will prepare the report and submit it to the Comptroller for review.
- (d) The Comptroller will review the report and reconcile it to the accounting records. Any revisions, if needed, will be forwarded to the FPOC to correct.
- (e) The Director will review the report and once approved, will forward the report to the Board of Supervisors for approval and proper inclusion on the Board agenda.
- (f) Once final approval is obtained, the FPOC will submit the report through the eShare portal and maintain a copy of its submission for evidence. The FPOC must ensure that the report is submitted within sixty (60) days after the end of the fiscal year, as established by the program requirements.

S. ACCOUNTING AND INTERNAL CONTROLS CLOSEOUT – FINAL PHASE OF GRANT CYCLE

The final stage in the grant lifecycle is grant closeout. This phase begins when either the grant award period has expired or the County draws down its entire grant award. Many awarding agencies will notify grant awardees to request final reports as the end of the grant term approaches. If the County is nearing the end of its grant term but has not yet expended its entire grant award, it is often possible to seek a “no-cost” extension from the awarding agency. “No- cost” extension means that the award period is extended but no additional funding is provided.

2 CFR Part 200 Sections 200.343 thru 200.345 give detailed guidance on grant closeout activities on federal awards. General closeout requirements of all grants include the following:

- ✓ Work plan and progress reports
- ✓ Financial Status Reports
- ✓ Requests for payments
- ✓ Compliance with matching requirements
- ✓ Federally-owned property records
- ✓ Equipment and Residual Supplies inventories

All items should be completed within 90 days after closeout of the grant award.

The federal awarding agency can still discover and collect payments for disallowed costs and other deficits in the administration of the grant after it conducts its review of the grant closeout documentation.

Other awarding agencies have varying requirements for closeout. Refer to your grant award documents for detailed explanations on closing out your grant.