

30. GRANTS AND FUNDING ASSISTANCE POLICY

POLICY

It is the policy of Scott County to account for, and file all appropriate documentation in relation to any grants or other funding that the County applies for and receives. Applicable Federal Labor Standards shall be complied with for all Federal Grants received for construction projects. All procurement related to federal programs will be done in accordance with 2 CFR; Part 200.

SCOPE

This policy shall be applicable to all County offices, departments, and authorized outside agencies and component units funded, in whole or in part, by the County.

PURPOSE

Grant management includes responsibilities by staff to apply requirements to operations, compliance, sub-recipient monitoring, and reporting. Typically, there are negative consequences for failing to meet these requirements, such as the need to return funds to the grantor. Likewise, a grant may result in a program that continues, or as an asset, that is maintained, well beyond the expiration of the grant. The following procedures are designed to promote awareness throughout the county that grants normally come with significant requirements.

GENERAL PROCEDURES

To ensure awareness of the grant administration, compliance and related risk areas, the County shall:

- A. Ensure the efficient administration and operation of grant programs by:
 1. Maintaining a process to monitor for changes in grant terms and conditions that occur after the acceptance of a grant;
 2. Establishing a project plan with timelines and parties responsible for implementing the steps of the plan;
 3. Providing initial training for new and unfamiliar programs;
 4. Providing continuing training, for county employees (County Administration / department / program administrator) and others involved with the grant program (e.g. sub recipients);
 5. Maintaining a process to address specific personnel issues (e.g. preparation of timely, complete, accurate) reporting related to grants;
- B. Ensure the efficient financial management of grant programs by:

1. Following appropriate cash management procedures for drawdown and receipt of funds as well as disbursements of funds;
2. Reconciling internal control records with federal and state reports;
3. Maintaining a process to ensure that costs charged to grants are allowable, necessary, responsible, properly allocable, and that these determinations are consistently applied;
4. Determining whether indirect costs will be allocated to grant programs, and if so, maintain an appropriate process to make the allocation within program guidelines;
5. Maintaining a process to track information about local matching funds including identification of the continuing source of such funds;
6. Integrating grants in the annual budget process;
7. Integrating grants in the county's cash flow planning;
8. Developing if a contingency plan for funding services is necessary if the grant funds terminate;

C. Maintain proper systems to support grants by:

1. Ensuring that financial systems provide information to all parties to allow them to comply with both Generally Accepted Accounting Principles (GAAP) and grant requirements;
2. Identifying and segregating costs as necessary for the grant (e.g., separate allowable and unallowable costs, separate direct costs from indirect costs, and separate administrative costs);
3. Developing systems and methods to account for and track capital items;
4. Including the capability to track information for non-cash grants (e.g. loans, loan guarantees, insurance, endowments, free rent, food stamps, food commodities, and donated property);
5. Developing a methodology to store and provide information electronically so that it is available to multiple users;

D. Maintain proper internal controls that:

1. Document grant procedures;
2. Maintain internal controls over accounting, financial reporting, and program administration;
3. Maintain internal controls to identify and adhere to Federal and State compliance requirements, such as those related to contracting;
4. Consider the level of program risk (e.g. high, medium, low) when establishing internal controls;
5. Establish procedures to ensure the reliability of information obtained from third parties utilized within County reporting;

E. Maintain processes for sub-recipient monitoring that:

1. Provide for programmatic monitoring, including requirements for sub

- recipients to submit progress reports;
 - 2. Provide for administrative monitoring including timely reporting and adherence to compliance requirements;
 - 3. Provide for financial monitoring including understanding of and adherence to cost principles;
 - 4. Establish periodic monitoring meetings;
 - 5. Provide for the receipt, review, and appropriate follow up of single audit reports, when applicable;
- F. Develop a continuous communication process with:
- 1. Grant sponsor / provider;
 - 2. Those that have oversight responsibility including, when applicable, the Federal Cognizant Agency;
 - 3. External auditors (e.g. Financial, Program, State of Iowa Auditor);
 - 4. Auditors engaged for single audit purposes;
 - 5. An interdisciplinary implementation task force within the County that meets regularly to discuss changes and how they should be implemented;
- G. Processes to meet various specialized reporting requirements that:
- 1. Maintain a comprehensive list of reporting requirements and reminder system for meeting reporting deadlines;
 - 2. Develop the methodology for the preparation of specialized reports;
 - 3. Develop an approval process for certifying specialized reporting;
 - 4. Develop a process to aggregate all of the information needed for the Schedule Expenditures of Federal Awards;
- H. Ensure the completion of auditing requirements for grants by:
- 1. Developing an understanding of audit requirements unique to the grant including those in Generally Accepted Government Auditing Standards (GAGAS), Generally Accepted Auditing Standards (GAAS), and applicable Office of Management and Budget (OMB) circulars;
 - 2. Developing an understanding of audit requirements that may be necessary for grant close-out;
 - 3. Ensuring the completion of audit procedures relating to the information to be included in GAAP- basis financial statements.

In regards to purchases using Federal dollars (direct or indirect grants):

I. METHODS OF PROCUREMENT (CFR 200 references)

- 1. Procurement under grants shall be made by one of the following methods, as described herein: (a) small purchase procedures; (b) sealed bids (formal advertising); (c) competitive proposals; (d) noncompetitive proposals.
 - i. Micro-Purchase Procedures 200.320(a)

1. The acquisition of supplies or services, the aggregate dollar amount of which does not exceed the micro-purchase threshold - \$10,000 (200.67)
2. To the extent practicable, must distribute micro-purchases equitably among qualified suppliers
3. May be awarded without soliciting competitive quotations if the non-Federal entity considers the price to be reasonable
- ii. Small Purchase Procedures 200.320(b)
 1. Are those relatively simple and informal procurement methods for securing services, supplies, or other property that does not cost more than the simplified acquisition threshold - \$250,000 (200.88)
 2. Price or rate quotations are to be obtained from an “adequate number” of qualified sources
- iii. Sealed Bidding (formal advertising) 200.320(c)
 1. Lowest priced, responsive, responsible, bidder wins
 2. The preferred method for construction when sealed bidding is “feasible”, which is when certain conditions are present
 3. Bids must be solicited from an “adequate number of known suppliers”, providing them sufficient response time before date for the opening of bids
 4. Bids will be opened at the time and place prescribed in the invitation for bids
 5. Must publicly advertise the invitation for bids
 6. Bids must be opened publicly
 7. Other procedural requirements at 200.320(c)(2)
- iv. Competitive Proposals 200.320(d)
 1. Used when conditions are not appropriate for the use of sealed bids
 2. The appropriate method when more than one source is expected to submit an offer and either a fixed-price or cost-reimbursement type contract is awarded
 3. Awards will be made to the responsible firm whose proposal is most advantageous to the program, with price and other factors considered
 4. Requests for proposals must be publicized and identify all evaluation factors and their relative importance
 5. Proposals must be solicited from an adequate number of qualified sources
 6. Must have written method for conducting technical evaluations of the proposals received and for selection of the contract
- v. Noncompetitive Proposals 200.320(f)
 1. Procurement through solicitation of a proposal from only one source and may be used only when one or more of the following circumstances apply:
 2. One Source: the item is available only from a single source

3. Exigency/Emergency: an exigency or emergency will not permit a delay resulting from competitive solicitation
4. Awarding Agency Approval: the Federal awarding agency or pass-through entity expressly authorizes noncompetitive proposals in response to a written request from the non-Federal entity
5. Inadequate Competition: after the solicitation of a number of sources, competition is determined inadequate

J. CONTRACTING WITH SMALL AND MINORITY BUSINESSES, WOMEN'S BUSINESS ENTERPRISES, AND LABOR SURPLUS AREA FIRMS (200.321)

1. Assuring that small and minority businesses, and women's business enterprises are solicited whenever they are potential sources;
2. Placing qualified small and minority businesses and women's business enterprises on solicitation lists;
3. Dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by small and minority businesses, and women's business enterprises;
4. Establishing delivery schedules, where the requirement permits, which encourage participation by small and minority businesses, and women's business enterprises;
5. Using the services and assistance, as appropriate, of such organizations as the Small Business Administration and the Minority Business Development Agency of the Department of Commerce; and
6. Requiring the prime contractor, if subcontracts are to be let, to take the affirmative steps listed in paragraphs (1) through (5).

K. CONTRACT PRICING (200.323)

1. The cost plus a percentage of cost and percentage of construction cost method of contracting shall not be used.
2. Scott County shall perform some form of cost/price analysis for every procurement action, including contract modifications, amendments, or change orders. Scott County shall make an independent estimate prior to receiving a bid or proposal.
3. Scott County shall negotiate profit as a separate element of the price for each contract in which there is no price competition and in all cases where cost analysis is performed. In determining a fair and reasonable profit, Scott County must consider the complexity of the work to be performed, the risk borne by the contractor, the contractor's investment, the amount of subcontracting, the quality of its record of past performance and the industry profit rates in the surrounding geographical area.

L. PROCUREMENT RECORDS

1. Scott County shall maintain records sufficient to detail the significant history of a procurement, including the rationale for the method of procurement, selection of contract type, contractor selection or rejection, and the basis for the contract price. (200.324)

- i. Scott County must make available, upon request of the Federal awarding agency or pass-through entity, technical specifications on proposed procurements where the Federal awarding agency or pass-through entity believes such review is needed to ensure that the item or service specified is the one being proposed for acquisition.
- ii. Scott County must make available upon request, for the Federal awarding agency or pass-through entity preprocurement review, procurement documents, such as requests for proposals or invitations for bids, or independent cost estimates, when:
 - 1. Scott County's procurement procedures or operation fails to comply with the procurement standards in this Part;
 - 2. The procurement is expected to exceed the Simplified Acquisition Threshold and is to be awarded without competition or only one bid or offer is received in response to a solicitation;
 - 3. The procurement, which is expected to exceed the Simplified Acquisition Threshold, specifies a "brand name" product;
 - 4. The proposed contract is more than the Simplified Acquisition Threshold and is to be awarded to other than the apparent low bidder under a sealed bid procurement; or
 - 5. A proposed contract modification changes the scope of a contract or increases the contract amount by more than the Simplified Acquisition Threshold.
- iii. Scott County is exempt from the pre-procurement review in paragraph (b) of this section if the Federal awarding agency or pass-through entity determines that its procurement systems comply with the standards of this Part.
 - 1. Scott County may request that its procurement system be reviewed by the Federal awarding agency or pass-through entity to determine whether its system meets these standards in order for its system to be certified. Generally, these reviews must occur where there is continuous high-dollar funding, and third party contracts are awarded on a regular basis;
 - 2. Scott County may self-certify its procurement system. Such self-certification must not limit the Federal awarding agency's right to survey the system. Under a self-certification procedure, the Federal awarding agency may rely on written assurances from Scott County that it is complying with these standards. Scott County must cite specific policies, procedures, regulations, or standards as being in compliance with these requirements and have its system available for review.

M. AWARDED CONTRACTS

- 1. Scott County will not award a contract to a party listed as debarred, suspended, or otherwise excluded in the System for Award Management

- (SAM). www.sam.gov (200.213)
2. Contracts awarded shall contain the applicable contract provisions described in 2 CFR 200.326 and Appendix II to Part 200.
 3. Scott County will maintain written standards of conduct covering conflicts of interest and must provide for disciplinary action to be applied for violations of such standards as defined in 2 CFR 200.318 (c) (1).
 4. No officer, employee, or agent of the Scott County shall participate in the selection, award, or administration of a contract supported by federal grant funds, if a conflict of interest, real or apparent, would be involved. Such a conflict would arise when:
 - i. The employee, officer, or agent;
 - ii. Any member of his/her immediate family;
 - iii. His/her partner; or
 - iv. An organization which employs, or is about to employ any of the above;
 - v. has a financial or other interest in the firm selected for award.
 - vi. Scott County officers, employees, or agents shall neither solicit nor accept gratuities, favors, or anything of monetary value from contractors, potential contractors, or subcontractors.
 - vii. To the extent permitted by federal, state, or local law or regulations, violation of these standards may cause penalties, sanctions, or other disciplinary actions to be taken against Scott County's officers, employees, or agents.

ADMINISTRATIVE PROCEDURES

A. Responsibilities of County Administration

1. Work with all departments and authorized agencies to ensure that any money those entities apply for and receive is properly accounted for.
2. Work with all departments and authorized agencies to provide supporting work papers and tools to meet grant administration, compliance, and risk awareness to all departments and authorized agencies.
3. Every three (3) months, with the quarterly reports, County Administration will present a report to the Board of Supervisors detailing activity of all grant funded positions.
4. Ensure that all original agreements and grants are maintained in the submitting department and cataloged in the Enterprise Resource Planning (ERP) system.
5. Identify one person from each office or department as a contact person

for grants and funding.

6. Consult with the outside auditing firm in preparing annual audit work papers, provide all grant and funding information, particularly relating to any federal money received.
7. Develop and lead annual grants update training for all grant program and fiscal managers.
8. Prepare the Schedule of Federal Awards (SEFA) from supporting information within ERP, communications from department heads or designees, grant managers and other related documents. The SEFA will then be sent to grant managers for review and reconciliation to grant records for approval. County Administration is responsible for the SEFA.

B. Responsibilities of Departments and Authorized Agencies

1. All departments and authorized agencies which receive money from grants or other funding sources shall designate an individual from that agency to be a contact person with County Administration. This contact person will be knowledgeable about all grants or other funding received in that department and will transmit necessary documentation to the Office of the County Administrator. The program manager is responsible for program compliance. The fiscal manager is responsible for grant fiscal reporting.
2. Maintain original grant documents and record in the Enterprise Resource Planning (ERP) system.
3. Any department or authorized agency applying for grants or other reimbursement, and when awarded a grant, shall notify County Administration.
4. If any department or authorized agency receives a grant or other funding, that agency shall notify County Administration and also transmit, and maintain, a signed copy of the agreement to the County Administration designee through the ERP / Electronic Content Management (ECM) system.
5. All records related to the grant will be maintained by the department or authorized agency and be made available at any time for inspection.
6. Attend grant training, either internally or externally, at least once a year.
7. Communicate to County Administration designee any program findings

assessed from granting parties, or to grant sub-recipients of the county within five business days.

8. Provide copies of any external audit reports to the County Administration designee within ten business days of receipt.
9. Reconcile each grant for fiscal year activity 75 days after fiscal year end. Communicate any difficulties of reconciliations within ten days after identification of error.
10. Obtain and prepare any requested documentation for external audit parties within five days of request.
11. Adhere to Federal purchasing and quotation policies. Maintain supporting documentation. Where Federal or State purchasing or quotation guidelines conflict with County policy, the Federal or State Policy will supersede County policy in purchasing decisions.
12. Maintain payroll and benefit supporting time and effort allocations in compliance with Federal guidelines.