

OFFICE OF THE COUNTY ADMINISTRATOR

600 West Fourth Street
Davenport, Iowa 52801-1003

Office: (563) 326-8702
Fax: (563) 328-3285
www.scottcountyia.com



September 24, 2015

TO: Dee F. Bruemmer, County Administrator

CC: Board of Supervisors
Dept Heads

FROM: David Farmer, CPA, Budget Manager

SUBJ: Grants and Funding Assistance Policy

The County's Grant and Funding Assistance Policy has become outdated and required a review of generally accepted best practices and procedures. Additionally, reporting attributes to Federal and State agencies have changed due to the implementation of the Uniform Grant Guidance for all new Federal awards issued after December 26, 2014. The County will begin to receive these new awards from the Federal and State agencies in the County Fiscal Year 2016.

To enable grant coordinators to prepare for the reporting and monitoring changes, the new grant policy was developed from the Government Finance Officers Association best practices, consultation from our external auditors, national training events, Scott County grant coordinators and department heads. The Grant and Funding Policy was reviewed in detail with the County Department Heads on Thursday September 10, 2015.

The updated policy promotes awareness throughout the County that grants come with significant requirements. Specially the policy discusses efficiency and operation of grant programs; efficient financial management; maintaining proper support systems; maintaining internal controls; sub recipient monitoring; continuous communication; specialized reporting requirements; completion of auditing requirements; and responsibilities of administration, departments and authorized agencies.

The proposed policy and resolution are attached for your consideration.

Recommendation

At this time, I am recommending an approval of the new Grant and Funding Assistance Policy as presented. I will be at the October 6, 2015 Board of Supervisors meeting if you or the Board have any questions.

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.

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.

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 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 subrecipients 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.

THE COUNTY AUDITOR'S SIGNATURE CERTIFIES
THAT THIS RESOLUTION HAS BEEN FORMALLY
APPROVED BY THE BOARD OF SUPERVISORS ON

DATE

SCOTT COUNTY AUDITOR

R E S O L U T I O N

SCOTT COUNTY BOARD OF SUPERVISORS

October 6, 2015

APPROVING CHANGES TO GENERAL POLICY 30, FINANCIAL MANAGEMENT

BE IT RESOLVED BY the Scott County Board of Supervisors as follows:

Section 1. That General Policy 30 "Grants and Funding Assistance Policy" is hereby modified to reflect changes in grant procedures.

Section 2. This resolution shall take effect immediately.