

**CALHOUN COUNTY
BOARD OF COMMISSIONERS
POLICY STATEMENT**

SUBJECT: GRANTS	DATE APPROVED: 6/2/2022	EFFECTIVE: Immediately	POLICY NO. 241
	REPLACES: Policy 241 of 4/14/2020		

- I. **PURPOSE:** The purpose of this policy is to establish procedures for grant applications, approval, acceptance, implementation, compliance, and reporting. For this policy, grants are financial awards subject to requirements imposed by the awarding agency.

- II. **AUTHORITY:** The Calhoun County Board of Commissioners

- III. **RESPONSIBILITY:** The Office of the Administrator/Controller, as the County’s Chief Financial Officer, shall be responsible for the implementation and administration of this policy. This policy applies to all Calhoun County employees and Elected Officials.

- IV. **POLICY:**
 - A. Grant Application
 - 1. Grant applications requiring legislative body approval and all grants with a potential award of over \$100,000 in a calendar year must be approved by the Board of Commissioners prior to submitting the application. Grant applications for annual awards \$100,000 and less and those not specifically requiring Board of Commissioners approval may be approved by the County Administrator/Controller.
 - 2. All grant applications must be forwarded to the Office of the Administrator/Controller - Finance Department for technical review prior to submission. The Finance Department will help confirm accuracy of assumptions and calculations, the inclusion of indirect costs as appropriate, budget and staffing implications and any cash match requirements.
 - 3. Elected Officials/Department Heads must identify sources of required match funds and/or grant program costs that may exceed the potential grant award amount and coordinate with the Office of the Administrator/Controller – Finance Department to request appropriate budget and staffing changes needed to fully fund the proposed program or project.
 - 4. Grants that allow for reimbursement of indirect costs must include these costs in the grant application budget. Indirect costs must be estimated by using the annual County Cost Allocation Plan.

B. Grant Award

1. Official notification of grant awards and executed copies of grant contracts must be submitted to the Office of the Administrator/Controller - Finance Department to initiate setup of General Ledger accounts and budgets. If a previously approved grant is awarded increased funds by the granting agency, official notice of the additional funding must be forwarded to the Office of the Administrator/Controller - Finance Department to be kept with official grant financial records. Additional funding may also require approval of the County Administrator/Controller and/or Board of Commissioners depending on the budgetary and staffing impacts.
2. News releases of the grant award must be submitted to the County's Communications Manager to be reviewed by the Office of the Administrator/Controller as the Board of Commissioners' designated Public Information Officer.

C. Financial Compliance

1. The Office of the Administrator/Controller - Finance Department will establish a new fund and business unit or new business unit within the appropriate departmental fund for the approved grant. The department will provide a detailed listing of all revenue and expenditure accounts in accordance with the grant budget line items for proper monitoring of the grant funds within the County's general ledger system.
2. All grant contracts must direct the grantor to send grant funds to the Calhoun County Treasurer, 315 West Green Street, Marshall, MI 49068. The Office of the Administrator/Controller - Finance Department will provide the Treasurer's Office with all the appropriate grantor and revenue account number information to insure proper receipting of grant funds.
3. Grant funding does not exempt any purchase from the Board of Commissioners' Purchasing Policy #405. All grant purchases must be made following this policy; all typical paperwork, bidding requirements and staff approvals apply.
4. The County is responsible for maintaining an inventory of fixed assets purchased with grant funds. To the extent that capital assets are purchased with Federal funds, such items will be flagged as "Federally-funded" in the financial accounting records in order to ensure the appropriate use of proceeds on sale (if applicable) in accordance with Federal guidelines. When equipment with a current per unit fair market value of \$5,000 or more is no longer needed for a Federal program, it may be retained or sold with the Federal agency having a right to a proportionate amount of the current fair market value. Proper sales procedures shall be used that provide for competition to the extent practicable and result in the highest possible return. To the extent that the County has purchased capital assets with Federal funds, an inventory of these items and reconciliation to the accounting records will be performed no less than once every two years. If it is not feasible to inventory all the County's capital assets this frequently, the Federally-funded assets may be

inventoried only in order to meet the requirements of the Uniform Guidance. Additional guidance surrounding Equipment and Real Property Management (outside of Capital Asset policies) per the Uniform Guidance include:

- a. All equipment will be used in the program for which it was acquired or, when appropriate, other Federal programs.
 - b. When required, purchases of equipment will be pre-approved by the grantor or pass-through agency. The Office of the Administrator/Controller – Finance Department will be responsible for ensuring that equipment purchases have been previously approved, if required, and will retain evidence of this approval.
5. Each grant must have an individual designated as Project Manager. The Project Manager is responsible for fulfilling the program requirements of the grant and promptly submitting the required program monitoring reports to the funding agency. The form, content, and scheduling of these reports is usually specified in the terms of the grant contract. Copies of all progress and final reports must also be sent to the Office of the Administrator/Controller - Finance Department.
6. Project Managers are responsible for ensuring that charges to the grant correctly represent materials received or services rendered, that they are allowable under the grant and its budget, and that all grant transactions comply with internal and external regulations, policies and procedures. Program Managers should consult with the Office of the Administrator/Controller - Finance Department for questions and assistance with grant management, including matters of employee time tracking and allocation, and other cost allocation methods. The requirements for eligibility are contained in program legislation, Federal awarding agency regulations, and the terms and conditions of the award.
- a. Federal grants will only benefit those individuals and/or groups of participants that are deemed to be eligible.
 - b. Initial eligibility determinations will be made by Project Managers. Sufficient documentation to support these determinations will be retained and made available to administration, auditors, and pass-through or grantor agencies, upon request. It is the responsibility of the Program Managers to maintain complete, accurate, and organized records to support eligibility determinations.
7. Salaried employees charged to a Federal grant will document time and effort according to one of the following methods. The method used by employee shall be pre-approved by the Finance Department. If the employee's time is initially expensed based on budgetary data, an adjustment shall be made at least quarterly to agree the general ledger to the documentation.
- a. The employee may document time and effort using a timesheet as described above. Timesheets must account for the total activity for which the employee is compensated, and be signed by the employee. It will not be acceptable for timesheets to include the hours worked on Federal grants only. Using

- timesheets is most suitable for employees whose duties are split between multiple cost centers and vary throughout the year.
- b. For employees whose schedules are more consistent, their costs may be pre-assigned (budgeted) to one or more cost centers and undergo a quarterly after-the-fact review by a department head or supervisor. In this case, the Payroll Clerk will prepare a report showing the distribution of payroll costs for the preceding quarter, and provide it to the department head/supervisor for review and signature.
 - c. Assuming the pre-assigned (budgeted) distribution between cost centers remains correct (i.e., the department head can attest that the employees' actual effort is reasonably reflected in the cost allocation applied), no further action is required. Otherwise, the Finance Department will prepare a journal entry to correct the allocation of payroll costs (including related benefits) based on this after-the-fact review. In accordance with the Uniform Guidance (2 CFR 200.430(i)(viii)(B)), short-term fluctuations between workload categories need not be considered as long as the distribution of salaries and wages is reasonable over the longer term.
 - d. Grant budgets (without an after-the-fact review), schedules, and calendars/daily planners will not be deemed allowable documentation to support personnel costs and therefore will not be accepted by the Finance Department.
 - e. It is the responsibility of the employee being charged to a Federal award(s) to clarify documentation requirements with the Finance Department and provide appropriate documentation to the Finance Department as it becomes available. The employee should retain a copy of the documentation for his/her personal records.
8. A Calhoun County Finance Staff Member may be designated by the County Administrator/Controller as the grant Fiscal Officer for grants. The Grant Fiscal Officer will coordinate with each department to determine responsibilities for fulfilling the financial reporting requirements of the grant, including completing timely and accurate monthly/quarterly Financial Status Reports (FSR) and requests for grant budget amendments. Grant compliance requires reconciling the FSR's to the general ledger (County's Accounting System) and accruals for the revenue on a monthly/quarterly basis. The FSR and reconciliation, and requests for grant budget amendments, must be completed by or reviewed by the Office of the Administrator/Controller - Finance Department and signed by the Administrator/Controller or designee. The Administrator/Controller or designee will also be assigned the responsibility for identifying compliance requirements for special tests and provisions, determining approved methods for compliance, and retaining any necessary documentation.
9. All federal grants are subject to the Federal Office of Management and Budget's Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards, Title 2 CFR (Code of Federal Regulations) Part 200, referred to as the "Super Circular" guidance. The "Super Circular" can be found online at <http://www.ecfr.gov>. Additional guidance, to the extent that it does not conflict with Board Policies, can be found in the County Uniform Guidance Policies and

Procedures Supplemental Document maintained by the Finance Department.

10. When grant funds are not expected to be totally expended by the grant year-end, it is the responsibility of the grant Project Manager to notify the Office of the Administrator/Controller - Finance Department that these grant funds are requested to be carried forward to the new grant fiscal year. A copy of the grantor's written approval for such carryover must be provided to the Office of the Administrator/Controller - Finance Department. Carry-forwards of grant funds will be subjected to maximum allowable amounts/percentages based on the grant award agreement and/or the Uniform Guidance. If approval is not granted, remaining grant funds must be returned to grantor.
11. In certain cases, where the grant award is conditioned upon the department having in place a policy that could directly limit, impact or otherwise control the operation of the department while performing services pursuant to the grant, the department may adopt an operational policy conforming to the grant requirements. The adoption of this departmental operational policy does not require Board of Commission approval if all of these conditions apply:
 - a. The policy is either: not required by state or federal law; or if required by law, its application is limited to the specific operations, activities or functions funded by the grant.
 - b. The policy applies only to the department applying for the grant.
 - c. The policy is approved by (A) the County Administrator/Controller, and (B) prepared or approved by the County Corporation Counsel.
12. All grants are included in the annual County audit. It is the responsibility of the Office of the Administrator/Controller - Finance Department to have on file: a copy of the executed grant contract, copies of all FSR's, a reconciliation of revenues and expenditures to the general ledger, and proper year-end accruals. The Office of the Administrator/Controller - Finance Department will maintain a Schedule of Expenditures of Federal Awards for review by the County's independent auditors.