

COUNTY OF JACKSON

POLICY MANUAL

FISCAL

Policy No. 1140

GRANTS ADMINISTRATION POLICY

I. GRANT DEVELOPMENT, APPLICATION, AND APPROVAL

A. MATCHING FUNDS

Grants which require a local cash match must be coordinated through the County Administrator's office. At a minimum, funds must be identified within the existing budget or corresponding budget to provide the match. Depending on the nature of the grant, there may also be some personnel implications that will bear discussion. For example, will the grant establish a level of service/staff level that cannot be sustained once the grant funds are depleted?

In all cases involving matching funds, departments are strongly encouraged to use their own resources when seeking matching fund. Contact the County Administrator or Finance Director for recommended strategies for securing matching funds.

B. GRANT BUDGETS

Most grants require the submission of an expenditure budget. This portion of the grant request should be reviewed by the Administrator's office or Finance Department prior to submission. The technical review will center on calculations, cost centers which may have been overlooked and the identifying of expenses which the applicant may not have been aware of -- particularly in the indirect cost area.

To request a technical review of your grant proposal budget, please contact the County Administrator or the Finance Department.

C. BOARD OF COMMISSIONER APPROVAL

The point at which legislative approval is required is determined by the requirements of the grant program. If the grant must be submitted by the legislative body, then Board approval is required prior to submitting the application. If such legislative approval is not specifically required by the written terms of the grant, the County Administrator (or designee) may, in his or her discretion, approve grant applications. The Fair, Airport, or Parks Board may authorize applications for grants that coincide with their spending authority. County Staff may apply for grants without approval for projects whose funds are not administered or held by Jackson County (i.e., State of Michigan). To facilitate acceptance by the Board, Staff will prepare an explanatory memo as a Board agenda item which will be routed through the County Administrator's office. In all cases of grant awards, specific Board action must be taken to appropriate the awarded funds and make them available for expenditure.

II. GRANT PROGRAM IMPLEMENTATION

A. NOTIFICATION AND ACCEPTANCE OF AN AWARD

Official notification of a grant award is typically sent by a funding agency to the project manager and/or other county official designated in the original grant proposal.

The County Board of Commissioners must budget and appropriate received grants to spend grant funds.

Any notification of grant awards should be prepared as a Board agenda item and routed through the County Administrator and other appropriate offices. A copy of the Notice of Award should also be supplied to the Finance Officer.

B. ESTABLISHMENT OF ACCOUNTS

The department that obtained the grant shall provide the Finance Director with information needed to establish revenue and expense accounts for the project. Ordinarily, this information shall include a copy of a project summary and full project budget. Project managers shall work out the details of the accounts with the Finance Officer.

C. PURCHASING GUIDELINES

All Jackson County purchasing guidelines apply to the expenditure of grant funds.

If there are questions regarding these requirements, reference should be made to County Purchasing Policy.

D. GRANT PROJECT MANAGER

Each grant program must have an individual assigned as project manager. This is the staff person who will be responsible for the proper administration of the grant and will act as staff liaison in response to any questions/problems with the grant. The project manager must possess the skill and ability to properly administer the grant and be available for technical training as necessary. When general ledger grant accounts are established, the Administrator's Office must be advised in writing or by e-mail of the name of the project manager. Upon any occasion when the Finance Director finds it necessary to create journal entries to correct County general ledger accounts, the project manager shall always be provided with a copy of such journal entries.

III. FINANCIAL, BUDGETARY, AND CONTRACT COMPLIANCE

A. MONITORING GRANT FUNDS

Most departments use some internal mechanism (such as a spreadsheet), to monitor grant revenues, expenses, and budgetary compliance. The County maintains all this information on the County general

ledger system as well, and is considered to be the County's "official" accounting system by the granting agencies. Project managers are strongly encouraged to use the County General ledger system for their grant tracking. As appropriate, the Finance Director will provide any necessary training.

If an off-system accounting is used, it is the responsibility of the project manager to ensure that the project's internal records agree with the County general ledger system. If the grant project is being monitored by some mechanism other than the County general ledger system, then quarterly reports must be provided to the Finance Director to ensure that the County general ledger system remains in balance with the "off-system" subsidiary records.

B. ALLOWABLE COSTS

Travel Costs

All of Jackson County's conference and travel expense guidelines apply to grant-related travel costs. It is required that travel costs be deemed necessary for the Federal or State award to be considered an allowable cost.

Other Costs

The project manager should determine the reasonableness, the allocability and the permissiveness of costs in accordance with Federal Guidance (Subpart E – Cost Principles of 2 CFR 200). This guidance should also be communicated to those who complete purchases and/or approve payables for the Federal award. Prior written approval should be obtained if the reasonableness or allocability of certain costs is difficult to determine. For additional guidance on reasonableness, allocability or permissiveness of specific cost areas, see the Federal Guidance noted above.

C. FISCAL YEARS

Frequently the fiscal year for the granting agency will not coincide with the County's fiscal year. This may require adjustment to County general ledger budget accounts and interim financial reports as well as special handling during the County's calendar year end close. It is the responsibility of the project manager to bring the need for accruals and/or adjustments to the attention of the Finance Director at the time the grant accounts are established.

D. GRANT BUDGETS

When the County general ledger accounting structure for a grant is designated, it will include the approved grant budget. The terms of the specific grant will dictate whether the project manager will be allowed to process any budget transfers between budgeted line items. The grant project will not be authorized to exceed the total budget authority provided by the grant. The project manager along with related management should review the grant budget to actual expenditures on a frequent basis to monitor costs.

If a grant's funds have not been totally expended by the County's year-end (December 31st), it is the responsibility of the project manager to notify in writing or via e-mail the Finance Officer by December 1st that budget funds must be carried forward to the new fiscal year, and to confirm the amounts of such carry forwards.

E. FIXED ASSETS

The County is responsible for maintaining the inventory of assets and must make the records physically available for inspection during any audit. The Facilities Department must be notified immediately of any sale of assets. Often the proceeds of the sale can only be used on the grant program that purchased them. (Refer to the specific regulation governing the original grant).

F. CONTRACTUAL COSTS

All contractual agreements that support programs utilizing Federal award funds must include the applicable provisions as stated in Appendix II to 2 CFR Part 200 – Contract Provisions for Non-Federal Entity Contracts Under Federal Awards. The project manager also must consider all other applicable grant requirements that should be included in the contractual agreement.

IV. GRANT REPORTING

A. PROGRESS AND FINAL REPORTS

The project manager is solely responsible for the prompt submission of any progress and final reports required by granting agencies. The form, content and scheduling of such reports is usually specified in the terms of the grant agreement provided by the granting agency at the time of the grant award.

The project manager shall immediately notify the Finance Director if a progress report is not submitted on time. Copies of all progress and final reports to granting agencies must also be filed with the Finance Officer.

B. CASH DRAWS/GRANT REVENUE PAYMENTS

The project manager is responsible for ensuring that documentation needed for cash draws is completed timely and accurately, along with proper records being retained. In addition, the project manager should ensure that advance cash draw amounts are timed to meet immediate cash requirements and do not exceed grant fiscal year or specific terms. The project manager should consider funds available from program income, rebates, contract settlements, audit recoveries and interest earned on such funds before requesting additional cash payments or advances.

Grant payments are received on reimbursement or advance basis depending on the nature of the grant. Electronic Fund Transfer (EFT) payments received on a reimbursement or advance basis must be routed to the Jackson County bank account. The amount will be posted to the designated account by the Treasurer's department. Any subsequent adjustments will be made by the Finance Department. A copy

of the EFT details will be communicated to the respective department via email or attached within the accounting system.

Check payments can also be received by the Treasurer's Office or the corresponding County department. Both departments will process the check payments using the County's customary cash receipting process.

C. AUDIT WORK PAPERS

All grants are audited by the County's external auditors at the end of each fiscal year. If using the County's general ledger system to track a grant, and if those accounts have been maintained in balance throughout the year, preparation of detail grant work papers will be considerably easier. Assistance will be provided by the Finance Director, as necessary.

D. SUBRECIPIENT AUDITS

All sub recipients who have an annual audit prepared shall provide the County with said annual audit, along with the auditor's management letter.

V. RECORDKEEPING

Grant record keeping requirements may vary substantially from one granting agency to another. Consequently, a clear understanding of these grant requirements at the beginning of the grant process is vital. It is the Program Manager's responsibility to review record-keeping grant requirements and ensure that records are maintained accordingly.

VI. CLOSING OUT GRANTS

A. CLOSEOUT PAPERWORK

At the conclusion of a grant project, it is the responsibility of the project manager to ensure that all contracts are finalized. The Finance Director must receive a copy of the grants retention schedule.

B. UNEXPENDED GRANT FUNDS

If any grant funds remain unexpended at the conclusion of the project, it is the responsibility of the project manager to determine the legal use of any unused appropriations. In some cases, it may be necessary to return the unused funds to the granting agency. In any event, the Administrator's office must be provided with written documentation supporting the legal disbursement of any unused grant funds.

C. DISALLOWED COSTS

The project manager is responsible for the monitoring of grants to ensure no disallowed expenses are incurred by the grant project. The incurring of disallowed cost is viewed as a serious problem and the project manager is responsible for the development of a source for the refund of the disallowed grant revenue.

APPENDIX

GRANT ADMINISTRATION CHECKLIST

I. BEFORE APPLYING FOR A GRANT

A. Review the requirements of the grant program. If the grant must be submitted by “an individual authorized by the legislative body,” then Board approval is required PRIOR to submitting the application. Submit a memo describing the grant project to the County Administrator for inclusion on the Committee’s agenda.

B. If the terms of the grant require County matching funds, secure those funds and contact the County Administrator. Refer to Section A under “Grant Development, Applications, and Approval.”

C. Submit the proposed grant expenditure budget to the Administrator’s office for technical review. Refer to Section B under “Grant Development, Applications, and Approval.”

II. WHEN YOU RECEIVE A NOTICE OF AWARD

A. Contact the Finance Director to establish account numbers and a budget. Be sure that all parties are clear as to the fiscal year the granting agency is using. If it differs from the County’s fiscal year, certain year-end adjustments must be made by the project manager.

B. Prepare a memo requesting that the Board appropriate the award and approve the appropriate budget adjustments. Refer to Section A under “Grant Program Implementation.”

C. Notify the Administrator’s office as to the name of the contact person (project manager) for the grant.

D. Review grant’s record keeping requirement, and ensure that a system is in place to monitor same.

III. GRANT ADMINISTRATION

A. Follow all customary County policies when making grant expenditures.

B. If the grant project is monitored by some mechanism other than the County general ledger system, the project manager must file quarterly reconciliation reports with the Finance Director. The

quarterly reconciliation reports must be in a format agreed to by the Project Manager and the Finance Director. Refer to Section A under "Financial and Budgetary Compliance."

C. If the grant funds have not been totally expended by fiscal year end, notify the Finance Director by December 1st as to the accounts and amounts to be carried forward.

D. Notify the Facilities Director of any asset purchased with grant funds that need to be disposed of. Refer to Section D under "Financial and Budgetary Compliance."

E. Prepare all requests for reimbursements in accordance with Section A under "Grant Reporting."

F. File copies of all progress and final reports to granting agencies with the Administrator's office.

G. If working with sub recipients, confirm that audit requirements are met. Refer to Section C under "Grant Reporting."

IV. GRANT REPORTING

A. The project manager is responsible for timely submission of progress and monthly reports and shall notify the Finance Director immediately if a progress or final report is not submitted timely. Copies of all progress and final reports to granting agencies must also be filed with the Finance Officer.

V. GRANT CLOSEOUT

A. File a final report with the granting agency, with a copy to the County Administrator or designee.

B. If any grant funds remain unexpended, review the grant requirements to determine their legal use and notify the Administrator's office. Refer to Section B under "Closing Out Grants."

C. The project manager is responsible for the monitoring of expenditures and incurrence of any disallowed cost. Refer to Section C under "Closing Out Grants."

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