COUNTY AGENDA REQUEST

Department:	Finance	Presenter(s):	Mary S. Holland
Meeting Date:	Thursday, November 10, 2011	Type of Request:	Consent

Wording for the Agenda:

Approval of staff's recommendation to implement a proposed Grant Management Policy.

Background/History/Details:

Historically, Fayette County has actively and successfully pursued various grant opportunities Over the last few months, several on-site audits by an awarding agency have been conducted regarding grant management. The purpose of these site visits included performing grant financial and programmatic monitoring, and included an assessment on the overall accounting system, program services, agency reimbursement procedures and recording keeping, and employee policies.

One of the audit findings and recommendations is for the County to have written policies with specific guidelines for the fiscal management of grant funds. Consequently, staff is presenting a proposed Grant Management policy for the Board of Commissioners approval.

This proposed Grant Management policy was presented to the Board at the November 2, 2011, and during that time the Board agreed to have the proposal placed on the Consent Agenda for formal action.

What action are you seeking from the Board of Commissioners?

Approval of staff's recommendation to implement a proposed Grant Management Policy.

If this item requires funding, please describe:

Not Applicable.

Has this request been considered within the past two years?	Yes	If so, when?	Wednesday, November 2, 2011
Is Audio-Visual Equipment Required for this Request?	No	Backup Provided with Request?	Yes

STAFF USE ONLY

Approved by Finance	Yes	Reviewed by Legal	Yes
Approved by Purchasing	Yes	County Clerk's Approval	Yes
Administrator's Approval	Yes		

Staff Notes:

FISCAL POLICY
Grant Management
300.11

PURPOSE

The purpose of this policy is to provide guidance to staff to ensure the coordinated and efficient administration of all County grants.

POLICY

The Board of Commissioners (BOC) actively encourages all departments and agencies to seek grant opportunities as alternative sources of funding for the achievement of outcomes and delivery of services desired by the citizens of Fayette County. There shall be a consistent and uniform process for obtaining authorization from the BOC to solicit, apply, accept, and budget for grants for the County and the management and reporting of grant activity by the County.

PROCEDURE

All departments and agencies must adhere to the procedures outlined in this policy for all monies received through federal direct aid, federal pass-through aid, state aid and other grants.

Grant opportunities provided by for-profit corporations will not be considered unless it is documented within the grant agreement that the County is not providing an endorsement of the corporation and/or its products. Solicitation by the corporation will not be allowed.

All federal and state grants are subject to federal and state requirements.

1) Grant Solicitation

a) The BOC encourages the pursuit of any such grants provided that all fiscal implications, such as matching funds and continuing costs, are clearly identified in advance of the BOC's review and approval as provided herein.

b) Departments and agencies shall notify the Finance Department of its intent to solicit grant funding providing support of the fiscal impacts as outlined in 1a.

2) Grant Application Process

a) All departments and agencies seeking grant funds must obtain advance authorization from the BOC through the agenda process.

b) Authorization by the BOC will include the solicitation, application, acceptance, and budget of required funding for the grant. The budget will be for the appropriate fiscal year, subsequent fiscal years must be included in the normal budget process.

c) When a grant opportunity presents itself without sufficient time to go through the BOC agenda process, subsequent ratification of an application is permitted. In this case, the department or agency must notify the County Administrator in writing of their intent to apply for the grant and obtain approval of the County Administrator prior to submitting the grant application. BOC ratification of the grant application must be sought through the agenda process as soon as possible after applying for the grant based on the agenda submission schedule.

d) The department or agency obtaining the grant will serve as the grant project/program administrator and is responsible for preparing the agenda item and must include:
   i) A copy of the grant application.
   ii) A budget amendment, coordinated with Finance for account assignment, outlining the grant amount and matching local funds as applicable.
   iii) Supporting documentation including correspondence with granting agency and verification of available local match funding.
   iv) Continuing operating costs identified and documented.

3) County Tax Support Implications

a) All current or future County tax support funding implications associated with the grant must be identified and assessed prior to submission for BOC approval.

b) Types of County tax support should include required local cash match, revenue and expenditure budget impact, impact on other departments and agencies, continuation of services when grant funding terminates, and any other type of implication not specifically identified in this policy.

c) Any positions funded by the grant must be identified at the time of BOC application authorization.

d) The County will not automatically assume responsibility for a position upon termination of the grant funds. Replacement funding must be requested during the normal annual budget process.

e) Employees in County positions funded by grants are potentially eligible for unemployment compensation benefits upon termination of the grant funding. These benefit payments are at the County's expense and must be covered by the requesting department's existing operating budget.

4) Grant Notification

a) Award – When a department or agency is notified of a grant award, the department or agency shall inform the BOC, County Administrator, and Chief Financial Officer. This notification must be made in writing and include pertinent information about the grant including grantor, grant amount, grant period, and grant purpose.
   i) Finance will post the appropriate budget amendment upon award notification.

b) Denial – When a denial of the grant award is received, the department or agency shall inform in writing the BOC, County Administrator, and Chief Financial Officer.

c) Withdrawal – In the event that a grant application needs to be withdrawn or an award declined, the department and agency shall submit a BOC agenda request for the BOC to authorize the County Administrator to execute a letter of withdrawal to terminate the application or agreement as applicable. The agenda item support documentation must include the reason for such action, the approved agenda, and any correspondence with the grantor.

5) Grant Administration

a) Grant Management - Each department or agency shall budget and manage its grant funds in accordance with the grantor's and the County's fiscal policies. Compliance with special conditions or any other grantor requirement/guidance as outlined in the grant shall be the responsibility of the department or agency obtaining the grant. The department should coordinate with other county departments in a timely manner to fulfill any unique stipulations associated with the grant.

b) Budgeting - As applicable, grants should be incorporated into the County's budget process and five-year CIP plan. This is separate from the initial BOC agenda process requesting authorization to solicit, apply, accept and budget for the grant. Subsequent differences in the grant amount awarded and the budgeted amount adopted by the BOC will require a budget adjustment via the BOC agenda process. The department or agency should work with the Finance department in determining adjustment(s) needed.

c) Procurement - All purchasing policies and procedures shall be followed, as they apply, for the purchase of goods, services, or construction made with grant funds. Nothing in this policy, however, shall prevent the County from complying with terms, conditions, or other requirements of a federal, state, or other grant which supersedes the County's purchasing policies.

d) Personnel - All human resource policies and procedures shall be followed, as they apply, for the administration of the grant award including but not limited to compliance with the Equal Employment Opportunity Plan requirement.

e) Accounting/Reporting – Grant recipients shall be responsible for the following:
   i) Revenue Monitoring - Submittals for grant reimbursement must be reconciled against actual receipts and provided to Finance for proper accounting. Receipt of grant reimbursed funds shall be provided to Finance for validation and deposit.
   ii) Expenditure Control – only grant-related expenditures shall be charged to the grant account. All expenditures must meet the authorized use of funds as per the grant agreement. Finance must be notified and provided documentation required to record capital equipment or fixed assets. Departments shall not use grant funding to supplant County funds.
   iii) Reporting – the department or agency shall ensure all procedures and requirements are followed in preparing and submitting financial and project reports, reimbursement requests, close out reports and any other documents as outlined in the grant agreement in a timely manner.
   iv) Supporting Documentation - the department or agency shall provide Finance additional information needed to support grant transactions including:
      (1) All correspondence with the grantor
      (2) Grant agreement
      (3) Amendments
      (4) Extension requests and authorizations

(5) Requests for reimbursement with summary backup
(6) All reports – financial, program/project related
(7) Close out reports

v) Record Retention – each department or agency shall retain all financial files related to the grant for a period of five years after the submission of the final financial report or as otherwise specified in the grant's terms and conditions, whichever is longer.

6) Audit Requirements

Grants may be subject to any or all of the following types of audits:

a) Single Audit – Federally funded programs are subject to audit under the guidelines of the Office of Management and Budget (OMB) Circular A-133. If expenditures for all grants of the County in the fiscal year total more than $500,000, then a single audit is required.

b) Grantor/Program Audit – individual grantors may audit grant programs as they deem necessary. Departments and agencies should familiarize themselves with any grantor audit requirements.

Each department or agency should notify Chief Financial Officer in writing of any and all Federal or State audits, review, inspections and/or monitoring imposed on the County by a grantor. The department or agency should coordinate with Finance on any documentation needed prior to the conduction of an audit. Finance will notify the external auditor of any findings as a result of the audit.