

	<b>LYON COUNTY</b> <b>ADMINISTRATIVE POLICIES AND PROCEDURES</b>		
<b>TOPIC: GRANTS</b>		<b>NUMBER: 2-4</b>	
<b>EFFECTIVE: 9/1/2011</b>	<b>REVISED: 11/07/2024</b>	<b>REVIEWED:</b>	
<b>REFERENCE:</b>			
<b>POLICY CUSTODIAN: COUNTY COMPTROLLER</b>			

**A. DEFINITION AND PURPOSE**

The definition of a grant for purposes of this policy is as follows: An award of financial assistance in the form of money or property by a funding source including the federal government, state government, other local governments, non-profit agencies, and private businesses and citizens that the County has the ability to accept or reject. For the purpose of this policy, a department is defined to be a term that represents any department, office, division, court, or entity for which the County acts as a fiscal agent.

The Board of County Commissioners:

- is charged with the control of county revenues and expenditures in order to promote prudence and efficiency in the expenditure of public funds;
- shall not for any purpose contract debts or liabilities except those expressly authorized by law;
- has sole authority to receive, by donation for the use and benefit of the county all real property;
- has sole authority to receive donations of personal property where the personal property has a value, singly or in the aggregate, of \$3,000 or greater from a contributor during a fiscal year;
- except as otherwise provided herein, has sole authority to accept grants and cash contributions from private and public sources or other financial assistance from the federal government or any agency or instrumentality thereof and to comply with such conditions as may be necessary.

Grant funding is inherently unstable; therefore, it is the policy of the board of county commissioners:

- To discourage grant funding for mandated or other programs except in those instances where local funds would otherwise be utilized to provide the same service if the grant were not available and/or the elimination of the program at the end of the grant funding period is assured.
- To encourage grant funding for special projects that strengthen a program, have definable starting and ending dates, and do not expend the service in such a way as to require the substitution of local funds to continue part or all of the service once grant funding ends.

## **B. SCOPE**

This policy is applicable to any department preparing and submitting grant applications to agencies outside the County government for funds, materials, or equipment to be received and administered by the County or by an entity for which the County acts as fiscal agent. The goals and objectives of the departments should be established early in the planning process and should not change based on changes in the availability of different funding sources sought and received. If grant policies and regulations conflict with County regulations and policies, the federal and state regulations will prevail unless they are less restrictive than County policies.

No grant will be accepted that will incur management reporting costs greater than the grant amount. Such costs include, but are not limited to, indirect costs, overhead and any other items needed to administer the grant. Any unapproved submittal in violation of these grant procedures shall not bind the County.

## **C. COMPTROLLER'S DEPARTMENT RESPONSIBILITY**

The Board of Commissioners authorizes the Comptroller's Department to promulgate any procedures or practices that minimize the County's risk for non-compliance with grant requirements and for providing support to requesting agencies. The required central grant file will be maintained by the department seeking grant funds and must be retained in accordance with federal and state retention standards.

For Federal Grants, the department should ensure compliance with the Federal Office of Management and Budget (OMB) general requirements and any other state and/or federal requirements specified in the grant conditions. The Comptroller's Department will review expenditures for obvious non-compliance and will act as liaison with independent auditors. All departments shall submit any/all grant information required by the Comptroller's Department to carry out its oversight responsibilities.

## **D. GRANT APPLICATION PROCEDURES**

The County department desiring to submit a grant application soliciting funds will prepare the request as outlined by the grantor's requirements. Grant applications will be reviewed by the department seeking grants in order to make an independent assessment of all financial aspects of the application to ensure funds availability. The department director or their designee should sign the grant application as approval that funds are available and that they are supportive of the fiscal impacts to their department. The department applying for the grant should make every effort to project all initial and ongoing costs associated with the grant program including but not limited to: staff support, IT support, office space, utilities, furniture, vehicles, office equipment and supplies, computer software and hardware.

Any grant pertaining to technology will be required to contact the IT Department before applying for the grant. Lyon County's software/hardware standards and IT staffing must be considered for any software/hardware purchases. IT will assist in evaluating any equipment/software purchased for compatibility and ability to be supported.

## **E. GRANT ACCEPTANCE PROCEDURES**

The department requesting the grant will prepare a Board of Commissioners agenda item for formal approval and acceptance. The agenda summary shall detail any matching fund requirements. The grant award letter/acceptance agreement (notification received detailing the amount of the grant awarded, grant assurances and special conditions, and the guidelines that must be followed to comply with the grant requirements) will be attached to the agenda item. New grants should be placed on the regular agenda. Renewals of existing grants would be placed on the consent agenda.

Upon Board of Commissioner approval and acceptance, the Comptroller's Department will assign an account code to the grant and the applicable department will be notified of the account code. For reimbursable grants, all reimbursement requests should be copied and forwarded to the Comptroller's Department. The Comptroller's Department will notify the Treasurer of such anticipated receipts of revenue for those reimbursements made to the County.

Departments should notify the Comptroller's Department if:

- There is a subsequent alteration in the funding configuration;
- There is a subsequent alteration in the County's financial obligation;
- Grant funds will be carried forward into the next fiscal year;
- There is any notification that the grant will be terminated.

Departments are responsible for ensuring that all funds are expended prior to the end of the grant period in order for funds to be used adequately and not lost in future award periods.

## **F. GRANT MONITORING AND REPORTING**

### Monitoring of Grants

Departments are responsible for continuous monitoring of the financial status of grants. The Comptroller's Department will provide departments with on-line access of monthly financial reports for such monitoring. Departments must review the monthly financial reports and notify the Comptroller's Department promptly of any discrepancies noted and/or any additional reports needed.

Departments must also monitor grants for compliance with all applicable federal, state, and local regulations and ensure that grant expenditures are in compliance with grant procurement policies and procedures. For example, equipment procured with grant funds must be disposed of in accordance with the terms of the grant and payroll costs must be supported properly based on the percentage worked on the grant. Federal grants must meet requirements set out in the Code of Federal Regulations (CFR), specifically at 2 CFR 200. Departments should contact the Comptroller's Department if assistance is needed with compliance issues.

### Subrecipient Monitoring

The Comptroller's Department shall be notified by the responsible department of any federal grants that will be passed through to other entities. The Comptroller's Department will work with the responsible department to ensure that a subrecipient agreement is properly approved and that subrecipient monitoring will be performed in accordance with federal regulations.

### Grant Reporting

The requesting department is responsible for providing financial reports to grantors.

Departments handling grant reporting are responsible for complying by the due dates with all reporting requirements of the grant including financial reporting and reimbursement requests. All reimbursement requests should be copied and forwarded to the Comptroller's Department for review and monitoring of timeliness of revenue reimbursements.

Timely requests for reimbursements are crucial to maximize the financial benefits of the grants to the County. Grant reimbursements should be completed timely and in accordance with the requirements of the specific grant.

### **G. INDIRECT COSTS**

Grant applicants may request indirect costs if the application guidelines do not require a federally approved indirect cost rate and indirect costs are allowed in the grant. Departments should contact the Comptroller's Department for assistance with identifying and calculating indirect costs for inclusion in grant applications. Utilizing the federal ten percent de minimus indirect cost rate is the preferred method for any indirect costs for a federal grant.

### **H. NEW PERSONNEL**

Any new personnel positions to be created as a result of grant funding must be approved by the County Manager and properly classified by Human Resources. Departments are to promptly notify Payroll each July of coding changes needed for those persons being charged to grants since grant codes may change each year. Where employees are funded by a grant, salaries and wages will be supported by bi-weekly timesheets showing the hours each day that the employee worked solely on that program for that period.

## I. GRANT-RELATED PROCUREMENT AND POLICY ISSUES

Any contracts made with Federal grant funds must comply with the following requirement:

A copy of the required certification related to the suspension and disbarment of the contractor **MUST** be obtained before awarding a bid and again before a contract is signed. This copy must be kept with the grant file, scanned into the County's accounting software with the invoice (upon approval from the Comptroller's Office, frequently used vendors may be kept solely in the grant file instead of being scanned into the County's accounting software), and be available for the County auditors when requested. This information is available on the System for Award Management web page and can be accessed at the following address: <https://www.sam.gov/content/exclusions>. From there, go to Search Records at the top left of the page, and search for your contractor by name. You will receive a message showing whether or not your contractor is excluded, which you will need to save as a pdf or print. If excluded, you may not purchase from that source. If there are no records matching the search request, you may purchase from that contractor, assuming all other purchasing and grant requirements have been met. In either case, please print out the pages for your grant file, to show compliance with this requirement.

The Comptroller's Department also needs to be notified so that assets acquired using Federal funds can be properly identified. Equipment items purchased with Federal funds that cost \$10,000 or more, individually, are to be tagged when purchased so that proper disposal procedures can be followed when items are sold or sent to surplus. Also, land purchases made with grant funds often have land use restrictions which will be discussed with the District Attorney's office to ensure restriction compliance. When assets acquired with Federal funds are no longer used in the grant program (i.e., grant has expired, asset was lost, stolen, or damaged, or asset became idle) the grantor must be notified. The Federal Government may be due a portion of the proceeds for equipment items with a book value of \$10,000 or more at the time of disposition. If the federal agency is compensated for the current fair market value of the item, the equipment may be retained by the agency.

Grantees should follow the County's procurement policy and the grantor's policies and procedures for all practices including procurement for the selection of contractors and vendors. If grant applications have special conditions, a copy of such must be given to the Comptroller's Department for assistance in compliance monitoring. If grant guidelines require grantees to abide by different procurement procedures other than those adopted by the County, the grantee should resolve the situation with the Comptroller's Department prior to submitting the application. As a rule, the federal and state regulations prevail unless less restrictive than County policies.

**J. CLASSIFICATION OF GRANT REVENUE**

All federal, state and local grant revenue should be receipted as revenue as opposed to as expenditure refunds in order to be in compliance with approved grant policies.

**K. YEAR-END PROCEDURES**

Indicate clearly on your July and August invoices which fiscal year (prior or current) they are to be posted to. Only goods and services received prior to June 30th can be posted back to the prior year. Reconcile July and August expenditures promptly since these adjustments can only be made until the end of August, this is due to audit timing and materiality of expenditures.