



INTRODUCTION

The purpose of this Policy is to outline the procedures relative to the County of Yadkin's management of grant programs, from applying for grant funding through closeout of the grant.

A Grant is an award of financial assistance, including cooperative agreements, in the form of money, or property in lieu of money, by a grantor, (such as the Federal Government) to an eligible grantee. Grants can be a significant source of revenue for the County and are provided by federal, state and other agencies to the County for specific activities. The County uses grants to support a variety of purposes including recreational, public safety, human services, environmental protection, community development, and public buildings/water or sewer capital improvement programs.

Characteristics of a typical grant are: a) the funds are made available for an express purpose or objective; b) a formal written proposal and budget is required c) periodic reports of a descriptive, technical and/or financial nature are required; d) funds are required to be spent over a specific period of time; and e) the unused funds are required to be returned to the grantor.

For all intents and purposes, State and other agency grants possess the same characteristics and requirements as Federal grants; however, each agency will clearly define their own requirements in their guidelines. The County is committed to adhere to the grant guidelines required by all State and Federal granting agencies.

GENERAL POLICY STATEMENT

It is the objective of the County to aggressively seek grant funding opportunities that add to the County's financial resources and provide quality services and capital improvements to Yadkin County residents and businesses. In so doing, consideration should be given to the following:

1. Grants should be pursued only when sufficient staff resources are available to effectively administer the program in compliance with grant requirements, and successfully perform the grant work scope.
2. The criteria to pursue a grant should include an informal cost-benefit analysis, which determines whether or not the proceeds of the grant exceed total costs to the County, including costs to solicit and administer the grant. Consideration should also be given to granting agencies that may require the County to provide matching funds or to assume funding after the grant expiration. In these cases, an informal cost-benefit analysis can help to determine the short and long-term financial impact on the funds providing the match.
3. The minimum dollar amount for the solicitation of grant funds from both Federal/State government agencies and private agencies is suggested at \$5,000. Amounts under this minimum should be considered only if there are minimal administrative tasks (i.e. financial/project reporting, maintaining receipts, vouchers etc.) imposed on the County by the grantor, or if special approval is given by the County Manager in advance of the application for the grant.
4. Programs and projects proposed for grant funding should be those that are consistent with the County's service goals, objectives and priorities.



5. The program expenditures associated with the grant should not exceed the terms of the grant, nor extend beyond the grant expiration date requiring the County to assume responsibility for subsequent costs, unless a new funding source has been secured and accepted by the County Manager.
6. Grant programs must be maintained according to the rules and grant conditions established by the granting agency. If the requirements by the granting agency exceed those of the County, the granting agency requirements prevail.
7. The Department Director shall designate a departmental staff person who is responsible for the project as stated in the grant proposal and subsequent Grant Agreement. At a minimum, the Department Director is responsible for ensuring that the program is in compliance with the *performance* requirements of the grant and for maintaining compliance with all rules and regulations of the granting agency. The designated staff person shall also be responsible for expending the grant funds in accordance with the grant agreement.
8. The Finance Officer shall designate a staff person in Finance who is responsible for the *financial* aspects of the grant. The Finance Officer, together with the designated departmental staff person, is likewise responsible for compliance with all rules and regulations of the granting agency but is mainly responsible for reporting financial information to County departments, filing claims for reimbursement, monitoring the grant budget and ensuring that the recording of the grant expenditures and revenues are within the guidelines of County's internal controls.
9. Granting agencies may require compliance reviews and/or financial audits to show that funds were properly used. The designated departmental staff person is responsible for program performance reviews and/or audits and the Finance Officer is responsible for financial reviews and/or audits.
10. The County is subject to the financial and compliance requirements of the Single Audit Act of 1984 and 1996, which is applicable to all local and state governments expending more than \$500,000 in federal assistance during a fiscal year. Under this Act, federal grants are included under an inclusive single audit program that is incorporated in the County's annual audit and financial report preparation process.
11. Compliance with all County of Yadkin Policies and Administrative Regulations, to the extent that they are not in conflict with North Carolina Statutes and Regulations and/or grant regulations and requirements shall be required. More specifically:
 - a. Personnel policies and regulations
 - b. Finance, budgetary, accounting and grant management procedures and regulations
 - c. Procurement policies and regulations
 - d. Other County rules and regulations as they may exist at the time the grant is active.



PROCEDURES

GRANT APPLICATION:

1. The Department Director shall submit an agenda item to the Yadkin County Board of Commissioners, to be included on the agenda for the next scheduled Yadkin County Board of Commissioners' Meeting. The report should include sufficient information for the County to evaluate the Application. Typical items to consider including in the staff report are:
 - a. Eligible uses for the proposed grant
 - b. Specific use recommended for the proposed grant
 - c. Matching funds that the County may be required to provide
 - d. Grant time limits after which the County may be required to assume funding
 - e. Audit or other compliance review specific to the grant
 - f. Any unusual reporting or compliance requirements that would be difficult or expensive to comply with
 - g. Any allowable County administrative costs
 - h. Applicable cash flow considerations
2. The Board of Commissioners shall take into consideration all agreements where grant funds are to be used for personnel or ongoing costs as the County may need to assume or eliminate these costs at the end of the grant period.
3. If the Board of Commissioners approves an application for a grant, the Board may authorize the County Manager to sign any related Grant Agreements.

GRANT AWARD:

1. All Grant Agreements with outside granting agencies, regardless of dollar amount, must be submitted to the County Attorney for review and subsequently to the County Manager for ratification.
2. All Revenues and Expenditures indicated in the Grant Agreement must have Budget appropriations entered into the budget system after preparation of the budget amendment and approval by the Yadkin County Board of Commissioners.
3. The Grant Administrator shall promptly provide to the Finance Officer copies of the Grant Award Letter and/or Agreement, Awarded Grant Information Form, the grant budget, the grant guidelines, and the appropriate claim forms, etc. and shall maintain



copies of said documents in his/her department. All original grant documents (application, Resolution authorizing application submission, Resolution accepting the grant, grant award and conditions, etc.), shall be maintained by the Grant Administrator. The same types of information will be required multi-year grants, but a project ordinance will be required.

4. The Finance Officer or designee will establish a project for the grant (if not previously assigned), as well as assign the appropriate revenue and expenditure general ledger account numbers. Accounting procedures, charts of accounts, etc. will provide identifying receipts and expenditures of funds separately for each award or grant. The Finance Officer will review expenditures charged to direct and indirect costs in accordance with applicable grant agreements. The Finance Officer will forward this information to the appropriate Department indicated on the Awarded Grant Information Form.

EXPENDING THE GRANT FUNDS:

1. Grant expenditures shall be appropriated and expended following the County's budget and accounting procedures. The County follows the guidelines adopted by the NC Department of State Treasurer.
2. All County of Yadkin purchasing guidelines apply to the expenditure of grant funds. All of the standard paperwork and bidding requirements shall apply. All procurement shall reflect applicable State and Local laws and regulations, provided that the procurements conform to applicable Federal law and the standards identified in this section. (example: OMB Circular A-102 will be upheld.)
3. It is the responsibility of the Department Director to whose department the grant is assigned to ensure that all written contracts with sub-contractors are in compliance all State and Federal guidelines. He/she shall maintain a contract administration system which ensures that contractors perform in accordance with the terms, conditions, and specifications of their contracts and/or purchase orders.
4. It is the responsibility of the Department Director and Finance Officer to file the appropriate periodic performance and financial reports in a complete, accurate fashion and submitted to the granting agency on or before the periodic reporting due date. It is not acceptable to submit required reports after the required periodic reporting due date.
5. It is the responsibility of the Finance Officer and the Accountant to perform periodic checks and audits to ensure that grant compliance is assured and shall report his/her findings to the County Manager.
6. If the grant expenditures are funded by multiple sources, the most restricted funding source should be used first. Also, grant funds should be planned so that they will be fully expended at the grant expiration.



7. When equipment of any nature is given to the County in lieu of cash as part of the grant program, and whether or not any cash match has been required by the Grant Agreement, the Department Director must keep a detailed inventory. This inventory list should include each item's description, model number, date received, location, and *market value*. Any documentation that accompanied the items from the Granting Agency should also be retained. This list should be submitted to the Finance Department and the Accountant as part of the regular fiscal year-end process in order to appropriately record those applicable items as capital assets in the general ledger.
8. When any in-kind service is used to help provide for a grant match, said in-kind service shall be documented and properly accounted for in all transactions and all reporting procedures as required by the grant's regulations. Under no circumstances shall in-kind service be reimbursed by the grant.
9. The grant project budget must be strictly adhered to at all times. Expenditures not authorized via the grant project budget and described in the grant program narrative **SHALL NOT BE APPROVED** for expenditure. Should an unauthorized expenditure be made, the department director responsible for the grant shall be held personally liable for reimbursement of the inappropriate expense to the County and/or grant account. Amendments may be made to the grant project budget pursuant to grant regulations, including prior approval of the Finance Officer, County Manger and grantor agency.
10. All program income should be accounted for on a monthly basis and reported to the Finance Officer. All cash and checks should be submitted to the Finance weekly. Receipts should be issued for all donations, checks and cash payments. The original receipt should be given to the donor and a copy of the receipt maintained by the Grant Administrator and copied to the Finance Officer or designee. Any cash receipts, i.e., concession, door, admission, etc. should be reconciled daily and deposited with the Finance Department.

FINANCIAL/PROGRAM REPORTING, COMPLIANCE AND CLOSE-OUT:

1. The County Manager is the Chief Executive Officer and should approve all financial program reporting, compliance and close-out documents.
2. The Finance Officer is the Chief Financial Officer and shall approve all financial program reporting, compliance, expenditure and revenue transactions and close-out documents and shall report his/her findings and/or recommendations to the County Manager as appropriate.
3. Grant funds are generally paid to the County on a reimbursement basis; that is, the County first advances funds for expenditures and then submits claims to the granting agency. Therefore, it is critically important that expenditures be made only in accordance with approved grant project budgets and that reimbursement claims are filed in a timely manner.



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4. Unless arranged otherwise, the Department Director is responsible for filing all claims for reimbursement of grant expenditures and must first coordinate with the Finance Officer prior to such filing. Copies of the claims must be sent to the Finance Officer or designee as most of the grant revenues are received by wire transfer.
 5. In the case of "Paper" claims, the Department Director will forward claim paperwork (forms and backup) to the Finance Officer or designee for approval and signature. The paperwork will be returned to the Department Director for mailing the signed claims with associated backup directly to the granting agency, and forward a copy of the signed cover page with associated backup to the Finance Officer or designee for the grant permanent file.
 6. In the case of "on-line" submittals, the Department Director shall submit the claim electronically with the prior review and approval of the Finance Officer or designee. Also forward a hard copy to the Finance Officer or designee.
 7. If the Department Director has prior approval from the County Manager to file claims directly, the claims should be reviewed and reconciled by the Finance Officer or designee before they are sent to the granting agency. This will ensure that all claims for reimbursement are tracked correctly and that claims filed before the close of the fiscal year (June 30th), but not expected to be received until after June 30th, are correctly recorded in the County's financial statements as a receivable.
 8. Granting agencies should be notified to send all remittances to the attention of the Finance Officer or designee --
 - *Checks* – The Finance Officer or designee, upon receiving the check, will book the item to the general ledger revenue budget code (line item), unless it is received after year end, then it will be booked through the Accounts Receivable system. The Finance Officer or designee may retain a copy of the check in the grant permanent file and forward a copy to the Department Director.
 - *Wire Transfers* – A copy of the wire transfer will be forwarded to the Finance Officer or designee when received and appropriate receipts shall be prepared.
 - The Finance Officer or designee will send the Department Director (responsible for the grant) a *Cash Receipt Notice* upon receipt of funds or be notified through the monthly detailed revenue report.
 9. An inventory listing of equipment obtained with grant funds will be maintained by the Department Director with a copy forwarded to the Finance Officer. The Department Director will be requested to sign the equipment inventory indicating that they have

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- the equipment in their possession and indicating the location of that equipment. The Finance Officer will request a physical inventory of all equipment obtained with grant funds annually.
10. All grant financial records, supporting documentation and all other records pertinent to the grant, shall be retained by the County of Yadkin based on the Retention Policy of the County or based on the Federal/State grantor's disposition schedule for grants following the submission of the final report to the grantor.
 11. Disposition of equipment purchased with federal grant funds shall be handled in the following manner:
 - a. Items with a current per unit fair market value of less than \$30,000 may be retained, surplus, sold, or otherwise disposed of with no further obligation to the awarding agency based on the resolution of the County of Yadkin Prescribing Procedures for Disposal of Surplus Personal Property adopted by the Yadkin County Board of Commissioners.
 - b. Items with a current per unit fair market value in excess of \$30,000 may be retained, surplus, or sold, after approval by the Board of Commissioners to declare an item surplus, and the awarding agency shall have a right to an amount calculated by multiplying the current market value (or proceeds from the sale) by the awarding agency's share of the equipment.
 12. The Finance Officer or designee is responsible for coordinating all financial audits relating to grant activities and for keeping all copies of grant documents in a permanent file.
 13. The Department Director is responsible for participating in all program performance-related audit activities.
 14. Interim performance reports that are required by the grantor will be completed by the Department Director, Grant Administrator or assigned staff. A copy will be forwarded to the Finance Officer or designee to include in the grant permanent file.
 15. At the conclusion of the grant program, it is the responsibility of the Department Director and Finance Officer or designee to ensure that all contracts are finalized, and all purchase orders have been closed through Accounts Payable.
 16. If at the conclusion of the grant program, there are grant funds unexpended, it is the responsibility of the Department Director to determine the legal use of any unused appropriations. Only the granting agency can give permission to "re-program" unused funds. If the grant funds cannot be re-programmed, then the Department Director must make arrangements to return the funds to the granting agency. A signed payment request with a full written explanation must be forwarded to the



Finance Officer for approval. The Manager may evaluate and forward to the Finance Officer for refund payment or further information.

APPLICABILITY

1. This policy and procedure applies to all employees, officers and officials and all departments, offices and agencies of the County of Yadkin.
2. This policy and procedure applies to all third party agencies and organizations that are parties to any grant or project funding with the County of Yadkin.

ENFORCEMENT

1. The County Manager and/or the Finance Officer shall have the authority to enforce this policy.
2. Individuals violating this policy may be subject to disciplinary action up to and including termination.

A handwritten signature in black ink, appearing to read "Kevin Austin".

Kevin Austin, Chairman
Board of Commissioners

6/8/2016
Date



- Land
- Equipment
- Other _____

If the match is cash, where will the match come from? (Provide Account Number)

Is this project a cash award or reimbursement?
If this is a reimbursement grant, will funds be available?

Is this project included in:

- Departmental Budget
- Capital Improvements Plan

Grant funds will be used for the following: (check all that apply)

- Equipment
- Supplies
- Program Expenses
- Printing
- Personnel – current staff. No of staff _____ No of hours _____
- Personnel – to hire additional staff. No. of positions _____
- Capital (land, building, vehicles, etc.)
- Contracted Services

Other:

How will the program be funded after the grant expires?

If the department receives only a portion of the amount requested, how will the project be funded?



Some additional questions to consider:

Are any other departments within the County of Yadkin eligible for this funding?

Are any other departments within the County of Yadkin willing to collaborate on this project?

Will this project duplicate or compete with another service or program provided by the County of Yadkin or other local agency?