

ORDINANCE NO. 21-20

BE IT ENACTED BY THE QUORUM COURT OF CRAIGHEAD COUNTY,
ARKANSAS; AN ORDINANCE TO BE ENTITLED:

FILED

JUN 29 2021

LESLI PENNY

An Ordinance adopting a Federal Award Administration Policy for Craighead County.

WHEREAS: Craighead County is currently having a single audit performed due to federal monies being received in 2020 in excess of \$750,000. The requirement to have a single audit performed is the need to adopt Federal Award Administration Policy.

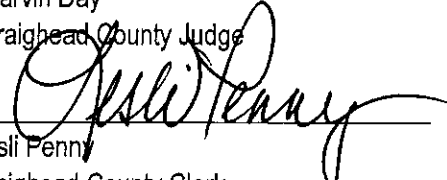
COUNTY & PROBATE COURT CLERK

SECTION 1. There is an immediate need to adopt the federal award administration policy for Craighead County. A copy of the Federal Award Administration policy is attached and shall be filed in the office of the Craighead County Clerk.

SECTION 2. EMERGENCY CLAUSE. An emergency is hereby declared to exist and this ordinance is necessary for the completion of the federal audit of Craighead County and shall be in full force and effect after its passage and approval.

Dated this 28th day of June 2021.

Approved: 
Marvin Day
Craighead County Judge

Attest: 
Lesli Penny
Craighead County Clerk

This publication was paid for by the Craighead County Clerk, cost of this publication \$ _____.

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CRAIGHEAD COUNTY FEDERAL AWARD ADMINISTRATION POLICY

Craighead County does not have a centralized grants department, therefore, it is the responsibility of each department obtaining a grant to care for and be familiar with all grant documents and requirements. If a grant is Federal, the department should immediately notify the County Administrator for inclusion in the County's Single Audit.

For the purpose of this policy, "Program Director" applies to the individual within a given department who will be responsible for the grant, and if no Program Director is named, the County Administrator will serve the role of Program Director.

1. Grant Development, Application, and Approval –

a. Approval – The point at which approval is required is determined by the requirements of the grant program. If the grant must be submitted by "an individual with authority", then the County Judge's approval is required prior to submitting the application. A copy of the application shall also be sent to the County Administrator. If an award is granted, a copy of the agreement shall also be furnished to the County Administrator. Electronic copies are preferable.

b. Matching Funds – Grants that require cash local matches must be coordinated through the County Judge's office. At a minimum, funds must be identified within the existing budget to provide the match, or a budget adjustment will be required. Depending on the nature of the grant, there may also be some policy implications that will bear discussion. (For example, will the grant establish a level of service that cannot be sustained once the grant funds are depleted?)

c. Grant Budgets – Most grants require the submission of a proposed budget.

The County Administrator should review this portion of the grant request prior to submission. The Purchasing Agent will need to be contacted regarding personnel projections.

2. 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 County Judge. However, the authorization to actually spend grant funds is given by the Quorum Court through the approval of an appropriation

ordinance.

b. Establishment of Accounts – The department that obtained the grant will provide the County Administrator and Treasurer with notification of grant award to establish a fund for the grant. Ordinarily, this information will include a copy of a summary of the objectives of the grant, and a copy of the approved grant budget.

c. Purchasing Guidelines – All other Craighead County purchasing and procurement guidelines apply to the expenditure of grant funds. The use of grant funds does not exempt any purchase from Craighead County purchasing requirements. All typical paperwork and bidding requirements apply. All normal approvals apply. When in doubt, the Program Director should contact the County Administrator for further assistance.

3. Financial and Budgetary Compliance –

a. Monitoring Grant Funds – Departments may use some internal mechanism (such as a spreadsheet) to monitor grant revenues, expenditures and budgetary compliance, however, all such financial information will also be maintained by the County Administrator. The Treasurer's Office maintains Craighead County's official accounting system. Ultimately, the information in this system is what will be audited and used to report to governing boards, not information obtained from offline spreadsheets.

Program Directors are strongly encouraged to use inquiries and reports generated by the Treasurer's Office to aide in grant tracking. If any "off-system" accounting records are maintained, it is the responsibility of the Program Director to ensure that the program's internal records reconcile to the County's accounting system.

b. Fiscal Years – Occasionally, the fiscal year for the granting agency will not coincide with the County's fiscal year. This may require adjustments to the internal budget accounts and interim financial reports as well as special handling during fiscal year-end close. It is the responsibility of the department head to oversee grant budgets within his/her department and to bring such discrepancies to the attention of the County Administrator at the time the grant accounts are established.

c. Grant Budgets – When the accounting structure for a grant is designed, it will include the budget that was prepared when the grant application was submitted. The terms of each specific grant will dictate whether any budget transfers between budgeted line items will be permitted. In no case will the Program Director be authorized to exceed the total budget authority provided by the grant. If grant funds have not been totally expended by fiscal year-end, it is the responsibility of the Program Director to notify the County Administrator that budget funds need to be carried forward to the new fiscal year, and to confirm the amounts of such carryforwards. This can be done during the County’s normal annual budgeting process. Carryforwards of grant funds will be subjected to maximum allowable amounts/percentages based on the grant award agreement and/or the Uniform Guidance compliance supplement.

d. Capital Assets – Craighead County is responsible for maintaining an inventory of assets purchased with grant monies. The County is accountable for the fixed asset listing and must make the lists physically available for inspection during any audit. The Purchasing Agent must be notified immediately of any sale of these assets. Customarily, the proceeds of the sale can only be used on the grant program that purchased them. In most cases, specific governing regulations can be found in the original grant.

The individual department overseeing the grant will coordinate this requirement. All transactions that involve the acquisition or disposal of grant funded fixed assets must be immediately brought to the attention of the Purchasing Agent.

4. Record Keeping –

- a. Audit Workpapers – Legislative Audit performs the annual County audit and examines all grants at the end of each fiscal year.
- b. Record Keeping Requirements – 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.

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The County Administrator will maintain copies of all grant draw requests, and approved grant agreements (including budgets). Individual grant draw requests will be forwarded to the Treasurer's Office to monitor incoming ACH payments and have the proper documentation to receipt those payments.

Uniform Guidance Compliance Supplement – Activities Allowed/Unallowed and Allowable Costs

To ensure compliance, Craighead County has implemented the following policies and procedures:

1. All grant expenditures will be in compliance with the Uniform Guidance, State law, County Government policy, and the provisions of the grant award agreement will also be considered in determining allowability. Grant funds will only be used for expenditures that are considered reasonable and necessary for the administration of the program.
2. Grant expenditures will be approved by the department head or elected official when the bill or invoice is received. The terms and conditions of the Federal Award, including allowable costs, will be considered when approving. The approval will be evidenced by the department head or elected official's signature. Accounts payable disbursements will not be processed for payment until the necessary approvals have been obtained.
3. Payroll costs will be documented in accordance with the Uniform Guidance. Specifically, compensation for personal services will be handled as set out in §200.430 and compensation for fringe benefits will follow §200.431 of the Uniform Guidance.
4. An indirect cost rate will only be charged to the grant to the extent that it was specifically approved through the grant budget/agreement.

Uniform Guidance Compliance Supplement - Cash Management

To ensure compliance, Craighead County has implemented the following policies and procedures:

1. Most of the County's grants are awarded on a reimbursement basis. When reimbursement is requested by outside agencies, funds are requested and received prior to reimbursement. Internal grants costs will be expended and disbursed prior to requesting reimbursement from the grantor agency. If Federal grant funds are received first, care will be taken in order to minimize the time elapsing between receipt of Federal funds and disbursement to contractors/employees/subrecipients according to §200.302 (6) of the Uniform Guidance.
2. Cash draws will be initiated by the County Administrator, who will determine the appropriate draw amount. Documentation of how this amount was determined will be retained. Accounts payable claims and travel reimbursements will be handled in a manner consistent with the County's existing Accounts Payable and Travel policies and in accordance with §200.305 (payments) and §200.474 (travel costs) of the Uniform Guidance.
3. The physical draw of cash will be done after the request is presented, when allowable, and amounts are verified through the means prescribed by the grant agreement for other awards.
4. Supporting documentation or a copy of the cash draw paperwork will be filed along with the approved paperwork described above and retained for audit purposes.

Uniform Guidance Compliance Supplement - Eligibility

To ensure compliance, Craighead County has implemented the following policies and procedures:

1. Federal grants will only benefit those individuals and/or groups of participants that are deemed to be eligible.
2. Initial eligibility determinations will be made by the County Administrator based on the grant award/contract. 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 department's responsibility to maintain complete, accurate, and organized records to support eligibility determinations.

Uniform Guidance Compliance Supplement - Equipment and Real Property Management

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To ensure compliance, Craighead County has implemented the following policies and procedures:

1. All equipment will be used in the program for which it was acquired or, when appropriate, other Federal programs.
2. When required, purchases of equipment will be pre-approved by the grantor or pass-through agency. The County Administrator will be responsible for ensuring that equipment purchases have been previously approved, if required, and will retain evidence of this approval.
3. Property/Equipment fixed asset listings will be maintained, a physical inventory shall be taken every two years, and an appropriate system shall be used to safeguard assets.
4. When assets with a current per unit fair market value of \$5,000 or more are no longer needed for a Federal program, a request for written guidance shall be made from the grantor agency as to what to do with the property/equipment prior to sale or relocation. The County shall abide with the requirements set out in §200.311 and §200.313 of the Uniform Guidance in this regard. If a sale will take place, proper procedures shall be used to provide for competition to the extent practical and result in the highest possible return.

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Uniform Guidance Compliance Supplement - Period of Performance

To ensure compliance, Craighead County has implemented the following policies and procedures:

1. Costs will be charged to an award only if the obligation was incurred during the funding period (unless pre-approved by the Federal awarding agency or pass-through grantor agency).
2. Compliance with period of performances requirement will be initially assigned to the Program Director. All AP disbursements are subject to the review and approval of accounts payable staff and the County Administrator.

Uniform Guidance Compliance Supplement - Reporting

To ensure compliance, Craighead County has implemented the following policies and procedures:

1. Reports will be submitted in the required frequency and within the required deadlines.
2. Reports will be completed using the standard forms (as applicable) and method of delivery (i.e., e-mail, website portal, postal service, etc.).
3. Regardless of the method of report delivery, a copy of the submitted report will be retained along with any documentation necessary to support the data in the report. The report will evidence the date of submission in order to document compliance with timeliness requirements. This may be done either physically or electronically.
4. Financial reports will always be prepared based on the general ledger using the required basis of accounting (i.e., cash or accrual). In cases where financial data is tracked outside of the accounting system (such as in spreadsheets or paper ledgers), this information will be reconciled to the general ledger prior to report submission.
5. Any report with financial-related data will either be prepared or reviewed by the County Administrator and will have the appropriate review based on specific grant guidelines.
6. Preparation of reports will be the responsibility of the County Administrator.

All reports (whether financial, performance, or special) must be reviewed and approved (as applicable) prior to submission. This will be evidenced by either physical signatures or electronic timestamps of approval.

7. Copies of submitted reports with preparer and reviewer signatures and data will be filed with supporting documentation and any follow-up correspondence from the grantor or pass-through agency. Copies of all such reports will be made available to administration, auditors, and pass-through or grantor agencies, as requested.