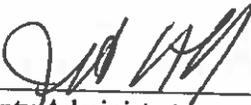


make recommendations for changes, as needed.

Adopted/Approved
by Board of Commissioners: August 18, 2015

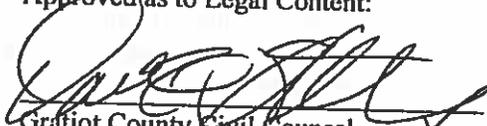
Effective Date: Upon Approval by Board of Commissioners

Approved as to Substance:



Gratiot County Administrator

Approved as to Legal Content:



Gratiot County Civil Counsel

- c. Pass Through State Agency
- d. CFDA#
- e. Award Name
- f. Award Period
- g. Amount received – fiscal year
- h. Amount Disbursed – fiscal year
- i. Funds spent, but not yet reimbursed at Fiscal Year End
- j. Funds received in advance, not yet spend at Fiscal Year End

- 7.7. Gratiot County Deputy Administrator will ensure that the information received will be reconciled to the SEFA worksheet to ensure all activity is accurately reported.
- 7.8. Gratiot County Deputy Administrator will ensure that any federal programs that require a local match do in fact receive the matching funds for the program.
- 7.9. Gratiot County Deputy Administrator will ensure that the items that are purchased with federal funds are purchased within the time period specified by the grant.
- 7.10. Gratiot County Deputy Administrator will check the excluded parties list to verify that the vendor they have selected is not on this list. This printout will be attached to each purchase for verification.
- 7.11. Gratiot County Deputy Administrator will expend program income in accordance to the federal granting agencies guidelines.
- 7.12. Gratiot County Deputy Administrator will follow the federal granting agencies policies for acquiring property or relocating any individuals.
- 7.13. Gratiot County Deputy Administrator will ensure that all federal financial reports and performance reports are prepared and submitted on a timely basis as well as any reports that are due for the Recovery Act funds that are received.
- 7.14. Gratiot County will have subrecipient procedures in place for any entities it has passed through funds, equipment or property to. Gratiot County will also communicate certain federal grant information to the subrecipients, such as CFDA numbers and will obtain the D-U-N-S number for these entities as well.
- 7.15. Gratiot County will adhere to all special regulations that are specified in the grant guidance and/or grant award documents.

- 8. **Periodic Review:** The Administrator shall periodically review this policy and

earmarked for a specific purpose. These items or services will also be in compliance with the allowable cost principles.

- 7.2. Gratiot County Deputy Administrator will ensure timely reimbursement of grant funds, drawdown of grant funds and expend any advances of funds within the specified time period that is allowed by the grant.
- 7.3. Gratiot County Deputy Administrator will ensure that for any federal funds expended on construction projects that the Davis-Bacon Act is complied with and that certified payrolls are reviewed and approved.
- 7.4. Gratiot County Deputy Administrator will ensure that any subrecipients that receive awards are eligible to receive these awards, pass through funds or property and equipment.
- 7.5. Gratiot County Administrator's Office will maintain an inventory list of all items purchased with grant funding with a value of \$5,000 or greater. Gratiot County Deputy Administrator will monitor all accounts payable invoices for items purchased with grant funding. This shall include preparation of the Schedule of Expenditures of Federal Awards which will be accurately prepared in accordance with Federal requirements and generally accepted accounting principles. The schedule of expenditures of Federal Awards will be reviewed and approved by the County Administrator's management team prior to fiscal year end. All supporting documentation will be maintained for future audit purposes. A physical inventory of these items will be inventoried at least once every two years.
- 7.6. Gratiot County Department Heads will be required to relay to the County Administrator the source of any and all grant funds prior to their execution by County authorized personnel. Departmental staff meeting and direct correspondence with the Administrator and the County Treasurer will be the instrument used to ensure Federal Awards are recorded as such and in a manner consistent with the proper general ledger accounts for federal revenue as defined in the Michigan Department of Treasury "Uniform Chart of Accounts for Counties and Local Units of Governments." Additional coding of specific line item numbers will also be utilized and coordinated through this process. Each Department is responsible for tracking their Federal Grant awards and expenditures.

In approximately mid-August, an email will be sent to all Elected Officials and Department Heads requesting grant information from their office for the fiscal year. Included in the email will be a 30 day deadline and an Excel template requesting the following data:

- a. Office/Department reporting information
- b. Federal Grantor Agency

(EPLS), in accordance with the Executive Orders 12549 and 12689, "Debarment and Suspension." This list contains the names of parties debarred, suspended, or otherwise excluded by agencies, and contractors declared ineligible under statutory or regulatory authority other than Executive Order 12549.

- 5.10.3 This section also requires that Recovery Act funds may not be used for the construction, alteration, maintenance, or repair of a public building or work unless all of the iron, steel, and manufactured goods used in the project are produced in the United States. (This means the Buy American Act applies to these Recovery Act awards. However, the Recovery Act provides a waiver of these requirements under specified circumstances).
 - 5.11 **Program Income** requires program income earned during the project period be retained by the recipient and be used in accordance with federal awarding agency regulations or the terms and conditions of the award.
 - 5.12 **Real Property Acquisition and Relocation Assistance** requires that certain procedures be followed when federal awards are used to acquire property or when relocations are involved.
 - 5.13 **Reporting** requires that specific reports be filed (either financial and/or programmatic) and additional requirements that apply to those reports.
 - 5.14 **Subrecipient Monitoring** requires recipients to (1) have an adequate subrecipient monitoring and follow-up system covering entities to which it has passed through funds, (2) identify to the subrecipient certain award information and requirements, and (3) determine whether an applicant for a non-Recovery Act sub-award has provided a before funds are awarded.
 - 5.15 **Special Tests and Provisions** includes other provisions for which federal agencies have determined that noncompliance could have a direct and material effect on the program, such as the requirements for public hearings or deadlines for expending federal funds.
6. **Policy:** Gratiot County will operate in compliance with all applicable federal and state laws governing federal grants and awards. The Gratiot County Administrator's office will determine whether the above Compliance Requirements are relevant to each federal award received by the County, and assure that the compliance requirements are fulfilled to the extent possible.
7. **Administrative Procedures:**
- 7.1. Gratiot County Deputy Administrator will only purchase items or services that are allowed within the grant award documents, approved budget, or that were

- 5.4 **Cash Management** requires recipients to have procedures to reduce the time between receipt and use of federal funds that are advanced. When funds are provided on a cost reimbursement basis, program costs must be paid for with the entity's funds before reimbursement is requested.
- 5.4.1 **Advance of funds** – Advances are Federal funds provided to a recipient before the program activity is performed.
- 5.4.2 **Reimbursement of funds** – This funding technique requires the recipient to pay program expenditures with their own funds, and then request a reimbursement for those expenses from the Federal government or pass-through entity.
- 5.5 **Davis-Bacon Act** requires that, when required by the Davis Bacon Act, the Department of Labor's government-wide implementation of the Davis-Bacon Act, the Recovery Act, or federal program legislation, wage rates paid to laborers on federally financed construction projects at least equal locally established prevailing wage rates.
- 5.6 **Eligibility** requires that individuals, groups, or subrecipients to whom organizations may provide financial awards or services meet specified criteria.
- 5.7 **Equipment and Real Property Management** requires organizations to maintain an adequate equipment and property management system for its federal award programs and related activities.
- 5.8 **Matching, Level of Effort, Earmarking** requires that an organization receiving federal awards contribute its own resources to programs funded in some specified ratio to resources provided by the funding source.
- 5.9 **Period of Availability of Federal Funds** means where a funding period is specified, a recipient may only charge to the grant allowable costs resulting from obligations incurred during the funding period and any pre-award costs or carryover balances authorized by the federal awarding agency and the applicable cost circular.
- 5.10 **Procurement and Suspension and Debarment** requires that:
- 5.10.1 Recipients establish procedures for the procurement of supplies and other expendable property, equipment, real property and other services with federal funds to ensure that such materials and services are obtained in an effective manner and in compliance with the provisions of applicable federal statutes and executive orders.
- 5.10.2 This section also requires that contracts not be made to parties listed on the General Services Administration's Excluded Parties List System

Category:

Number:

Subject: **INTERNAL CONTROLS FOR FEDERAL GRANTS/AWARDS POLICY**

1. **Purpose:** The purpose of this policy is to:
 - 1.1. Communicate to County Elected Officials, Department Heads and Employees the formal policy of the Board of Commissioners regarding the internal controls for federal grants and awards.
 - 1.2. Assure the County complies with the federal laws, regulations and grant terms under OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations.
 - 1.3. Establish internal control objectives specific to each Compliance Requirement area as it applies to each Federal grant and/or award.
2. **Authority:** Gratiot County Board of Commissioners
3. **Application:** This policy applies to all County Elected Officials, Department Heads, Employees and Agencies of Gratiot County concerning any Federal grants and awards.
4. **Responsibility:** The Administrator shall be responsible for the implementation and administration of this policy.
5. **Definitions:**
 - 5.1 **Federal Grant/Award** federal financial assistance and federal cost-reimbursement contracts that non-federal entities receive directly from federal awarding agencies or indirectly from pass-through entities.
 - 5.2 **Activities Allowed** requires that the types of goods or services purchased with federal awards be specified as allowable under program legislation or, as applicable, the American Recovery and Reinvestment Act of 2009, as amended (the "Recovery Act"), federal awarding agency regulations, and the terms and conditions of the award.
 - 5.3 **Allowable Costs/Cost Principles** requires that both direct and indirect costs meet certain criteria to be eligible for federal reimbursement. In addition, costs must conform to limitations or exclusions set forth in Circular A-87, allowable cost principles, or with limitations or requirements specified in the program regulations or agreement.