

BURNET COUNTY, TEXAS



Grants Administration and Accounting Policy and Procedures

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I. DEFINITION AND PURPOSE

It is the practice of the County to be proactive in identifying needs that would be suitable for grant funding. Grants help the County fund personnel, equipment and supplies that cannot be funded with existing county resources and reduce the burden on local taxpayers.

For the purpose of this policy, a grant is an award of financial assistance in the form of money, property, or other financial assistance paid or furnished by the federal government, the state government, other local government, a foundation or organization, a local business, or an individual that the County has the ability to accept or reject. This definition applies to awards directly to the County when the County is the grantee as well as, awards to the County when the County is a sub-grantee of another agency's award. It does not include contributions made to the County for charitable purposes and activities (i.e. VETRIDE). A donation is a gift, solicited or unsolicited, to a cause in the form of financial assistance in the form of money, property or other financial assistance for programs or activities previously approved by Commissioners' Court. Donations generally do not require a proposal or application.

The intent of this policy is to provide accurate, current and complete disclosure of the program and financial results of each federal and state grant within the existing budgetary accounting and reporting framework. The grant procedures outlined in this document are meant to provide the following:

1. Ensure that grants to the County are properly authorized and accepted by the Commissioners' Court.
2. Ensure proper oversight of all grant funds in accordance with statute and policy.
3. Minimize the County's risk of non-compliance in accordance with the provisions of the federal Office of Management and Budget Circulars and other federal and state laws.
4. Ensure proper administration and accounting of all grants.
5. Ensure proper implementation of the grant funded project in accordance with the fully executed grant contract or agreement.

II. SCOPE

This grant administration and accounting policy and procedures is applicable to all federal and state grants awarded to any Burnet County program, department, Elected Official, or division 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 agency for which the County acts as fiscal agent.

The existence of grant funds does not exempt County personnel or project staff from conducting project activities in accordance with County policies and procedures which govern fiscal processes, hiring of personnel, employee travel, etc. Policies and regulations for federal and state grants are in addition to, not replacement for, County policies and procedures. If grant policies conflict with county policies, the grant policies shall prevail or the Grant Administrator will contact the funder for guidance to resolve the conflict.

III. RESPONSIBLE PARTIES

Burnet County is the official recipient (grantee) of all grants and Commissioners' Court must give approval for all grant applications, contracts and agreements. Approval is not required for minor budget adjustments or modifications and it is expected that those will be handled appropriately by the Auditor's Office, Grant Administrator and/or Department Head. The Authorized Official for most grant applications will be the County Judge who will also be required to sign most grant related documents. The Court may delegate authority to sign documents to the requesting department head or project manager or County Auditor.

ADMINISTRATIVE AUTHORITY

Grant administration is a multi-faceted process that requires the collaboration and cooperation of the Grants Department, the Auditor's Office, Human Resources, the Treasurer's Office and the recipient department in order to ensure a smooth, streamlined workflow from grant request for applications through grant closure.

The following outlines the majority of responsibilities for the position noted but the list should not be considered exhaustive, but a good indication of which position is responsible for specific duties.

Grant Administrator:

- a. Researching grant funding opportunities and notifying appropriate departments of availability of funds.
- b. Requesting approval to apply for the grant be on the next available Commissioners' Court agenda and if needed a resolution authorizing the application.
- c. Sending several drafts for review and comment prior to final submission to ensure all parties have an opportunity for in-put.
- d. Finalizing the application with appropriate signatures; submitting to grantor and provide original to the Auditor's Office and recipient department.
- e. Working closely with recipient departments to ensure that all grant programmatic reports are completed and submitted in a timely manner.
- f. Assisting with project implementation as needed or requested.
- g. Making budget and/or programmatic modifications in consultation with the Auditor's Office and recipient department.
- h. Revising and posting the grants chart on the website and providing it to the Commissioner's Court and Auditor's Office regularly.
- i. Preparing and distributing grant related media releases to area media outlets.
- j. Working with Human Resources to revise the biennial Equal Employment Opportunity Plan (EEOP) and submitting, if required, to the US Department of Justice/Office for Civil Rights.

Auditor's Office:

- a. Maintains the official grant files for the county on current and pending grant applications.
- b. Collects time sheets, invoices, cancelled checks and other documentation to support grant expenditures.
- c. Submits requests for reimbursement from grantors.
- d. Working closely with the recipient department and Grant Administrator to gather required information and prepare a grant budget.
- e. Preparation and/or review of financial reports for accuracy and compliance with grant accounting policies and procedures.
- f. Review/preparation of accounting spreadsheets, journal entries, and reports for grant managers and administrators as needed.
- g. Line item transfers and journal entries as needed.
- h. Consulting with grant managers and administrators on budget issues and provide support, including budget preparation.
- i. Communicating with federal, state and other granting agencies when necessary to coordinate grant financial process.
- j. Assistance with the A-133 single audit report and the annual audit.

Human Resources:

- a. Maintains personnel files for all grant funded staff.
- b. Ensures compliance with employment laws and county policies.
- c. Maintains EEOP in official HR files and prepares in consultation with other departments as needed.
- d. Provides salary and benefits information as requested for grant preparation and administration.

Treasurer's Office:

- a. Prepares payroll with Auditor's office for grant funded staff.
- b. Ensures all grant funded staff use accrued time during the grant period (vacation, sick, personal leave).
- c. Receives the reimbursement check or warrant from the grantor and deposits it grantor into the bank and logs it into the accounting system as received.
- d. Ensuring the County is current in the System for Award Management (SAM) and has a current DUNS # in consultation with other departments as needed.

Recipient Department:

- a. Follows grant rules and guidelines, in consultation with the Grants Department to ensure all programmatic reports and data are completed and submitted in a timely manner.
- b. Implements the project to ensure that all deliverables, goals and objectives are met.
- c. Manages the project in accordance with regulations and deadlines of the funding agency.
- d. Manages grant funds in accordance with the same policies and procedures as those required of County funds and in accordance with the funding agency's guidelines/requirements.
- e. Monitors budget for approved expenditures and balances.

ACCOUNTING, MONITORING AND FINANCIAL REPORTING AUTHORITY

The County Auditor is the financial officer for Burnet County. The County Auditor's Office, is responsible for maintaining the financial records and ensuring compliance with federal and state accounting and reporting requirements for all grants awarded to Burnet County. The County Auditor's Office will maintain the financial records for all grants in order to facilitate management reporting and overall monitoring. The County Auditor's office will review expenditures for obvious non-compliance and will act as liaison with independent auditors. All County programs, departments, Elected Officials, and divisions shall submit any/all grant information required by the Auditor's office to carry out its oversight responsibilities.

IV. GOVERNING LAWS AND REGULATIONS

FEDERAL

Effective December 2014, the eight (8) circulars that previously applied to federal grants have been replaced with the *Uniform Guidance for Federal Awards* which can be found at:

[Electronic Code of Fed Regulations \(ECFR\)-Uniform Guidance for Federal Awards](#)

STATE

1. Texas Administrative Code
2. Uniform Grant Management Standards issued by the Governor's Office of Budget and Planning.
3. Funder specific rules and regulations, including the CJD Guide to Grants.

V. GRANT APPLICATION AND ACCEPTANCE PROCEDURES

The following procedures should be followed when applying for or requesting that a grant be accepted:

1. The Grant Administrator, in consultation with the recipient department, will submit an agenda request for approval to apply to be placed on the next available Commissioners' Court agenda. The announcement, RFA, email or other supporting document should be attached to the agenda request whenever possible. Agenda request is subject to approval by the County Judge.

2. The Grant Administrator and recipient department (if a new project) will present the item to Commissioners' Court and provide any information requested.
3. If the Court approves submitting the grant, the Grant Administrator in consultation with the recipient department, Auditor's Office and Human Resources (if application includes personnel), will work together to complete the proposal per the funding agency's requirements and ensure timely submission in accordance with the funding agency policies.
4. The Grant Administrator will provide original of the submitted application to the Auditor's Office, recipient department and keep a copy on file.
5. If the grant is awarded, the Grant Administrator or the Auditor's Office will send the award documents to the Burnet County Civil Attorney and the Auditor for review, comment and approval prior to being placed on the Commissioners' Court agenda. If the grant involves new personnel it should be sent to Human Resources for review and to ensure compliance with any grantor rules and regulations.
6. After all have reviewed and approved, the contract/agreement will be stamped with the Civil Attorney's approval stamp and the Auditor's Office will request the grant award documents be placed in the contracts section of the next available Commissioners' Court agenda. The Grant Administrator will provide at least two tabbed copies of award documents requiring signatures to the Auditor's Office prior to the Court date.
7. Once the Court has approved and signed the contract/agreement, both copies will be given to the Burnet County Clerk's office for recording and then sent to the Auditor's Office.
8. The Auditor's Office or Grant Administrator will scan the document into a pdf file and return the signed document(s) to the grantor as instructed and wait for a fully executed copy to be returned.
9. Upon receipt of the fully executed copy of the document (s), the original should be filed in the Auditor's Office and a copy given to the County Clerk's office noting the date and agenda item number on a sticky note on the first page.

VI. GRANT AWARD PROCEDURES

The grant award section includes the initial accounting procedures required when a grant is awarded. Most of these functions will be processed by the Auditor's Office and includes communicating with the funding agencies, establishing revenue and expenditure departments/accounts and providing the County departments with information relating to the grant.

The following procedures should be followed:

1. The grant is awarded by the funding source or by acceptance of a grant offer by the Commissioners' Court.
2. The original copy of the fully executed grant award will be maintained by the Auditor's Office with a copy going to the County Clerk's Office, recipient department head and the Grant Administrator for their respective files.
3. Upon receipt of the fully executed grant agreement, the Auditor's Office shall do the following:
 - A. Prepare a grant file which will contain data relating to the various requirements of the grant, summarizes the general and specific requirements needed for compliance, sets up a time table for completion of grant requirements and report filing, and includes all expenditure reports and revenue data. This file will be made available for inspection by the internal, independent, and any federal and state auditors.
 - B. Ensure that the grant is established in the financial system. This will include the creation of a grant department, account numbers for revenues and expenditures and the processing of a budget amendment.
 - C. Update the Grants Listing with information concerning the grant. The Grants Listing will be used to generate the Schedule of Expenditures of Federal and State Awards.
 - D. Communicate with the Grant Administrator and recipient department head the information regarding the grant set-up.

VII. GRANT REPORTING PROCEDURES

The grant reporting section relates to the functions dealing with the monthly, quarterly and yearly accounting and reporting requirements. The County Auditor's Office is responsible for submitting financial status reports and requests for reimbursement to grantors in compliance with their reporting requirements. The County Auditor's Office will consult with the Grant Administrator and/or the recipient departments in order to facilitate the orderly, timely and accurate accounting, reporting and auditing of federal and state grant awards.

VIII. NEW PERSONNEL

Any new personnel positions to be created as a result of grant funding must be approved by the Commissioners' Court and properly classified by Human Resources. The County Auditor's Office will promptly notify HR of any coding changes needed for those persons being charged to grants since grant codes may change each year.

Where employees are 100% federally funded by a grant, salaries and wages will be supported by semi-annual certifications stating that the employee worked solely on that program for the period covered by the certification. The certification must be signed by the supervisory official having firsthand knowledge of the work performed by the employee. The Grant Administrator will draft a letter, send to the Department Head/Supervisor and submit to the funder as required.

Where employees are partially federally funded, their daily tasks must be listed on Daily Activity Logs, as required by the funding agency and provided by them to support the percentage of time spent working on the grant. Work time and activities recorded must be actual and not estimated or approximated.

All new grant funded personnel and their department head or supervisor will be required to meet with the Grant Administrator and/or the Auditor's Office upon hire. Grant details, record keeping, budget and other issues will be addressed to ensure information continuity between all parties.

IX. GRANT RELATED PROCUREMENT

The County Auditor/ Purchasing Agent and other accounting staff must be notified that federal funds are involved for all purchases with federally funded grants, regardless of the dollar amount involved. Prior to encumbering grant funds a purchase requisition form must be submitted to the Auditor's Office and a purchase order number received.

Any purchases, of any amount, 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 vendor MUST be obtained before any funds are spent. This copy must be kept with the paid invoice claim. This information is available on the System for Award Management web page and can be accessed at the following address: <http://www.sam.gov/>. From there, go to Search Records at the top left of the page, and search for the vendor by name. There will be a message showing whether or not the selected vendor is excluded. If excluded, the selected vendor may not be utilized. If there are no records matching the search request, the vendor may be utilized, assuming all other purchasing and grant requirements have been met. In either case, print out the pages for the grant file, to show compliance with this requirement.

Grantees should follow the County's and/or 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 purchasing agent 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 Purchasing Department, Auditor's and/or Human Resources as needed. As a general rule, the federal and state regulations prevail unless they are less restrictive than County policies; in which case the County policy prevails. A copy of the Purchasing Policies are attached to this document and can also be found at the Auditor's Office. The Auditor's Office should be notified so that assets acquired using federal funds can be properly identified. Burnet County capitalizes all purchases over \$5000 and most grantors will require the county to use the \$5000 amount rather than any higher amount that may be allowed by state and federal regulations. All capitalized purchases, regardless of the fund source, should be tagged and entered into the county asset list and in the grant file or inventory form, if required by the funder. Equipment items purchased with Federal Funds that cost \$1,000 or more are to be tagged when purchased so that proper disposal procedures can be followed when items are sold or sent to surplus. Federal equipment should be inventoried at least every 2 years in order to be properly safeguarded against theft, damage, or loss. Also, land purchases made with grant funds often have land use restrictions which will be discussed with the County 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 \$5,000 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.

No grant funded equipment or supplies should be sold or given away without first consulting with the Auditor's Office and Grant Administrator and ensuring compliance with grantor regulations.

X. LIQUIDATION PERIOD AND GRANT CLOSE-OUT PROCEDURES

The Auditor's Office, Grant Administrator and recipient department will ensure that, whenever possible, all funds are properly expended or encumbered prior to the end of the grant period.

The Grant Administrator and Auditor's Office will work to ensure the final federal, state or foundation programmatic report is submitted to the granting agency. The Auditor's Office is responsible for submitting the final financial report to the granting agency.

XI. RECORDS RETENTION

The County must retain all grant related documents for a specified amount of time. If grant retention policies conflict with County regulations, the federal and state regulations will prevail unless they are less restrictive than County policies; wherein the County policy prevails. For specific requirements and further guidance on records retention please visit the following website: <https://www.tsl.texas.gov/slr/recordspubs/gr.html>. Most grant records will be kept for at least three (3) years or longer if required.

XII. FRAUD POLICY

The County fraud policy is established to facilitate the development of controls which will aid in the detection and prevention of fraud against Burnet County. It is the intent of the County to promote consistent organizational behavior by providing guidelines and assigning responsibility for the development of controls and conduct of investigations. This policy applies to any fraud, or suspected fraud, involving employees as well as consultants, vendors, contractors, outside agencies doing business with employees of such agencies, and/or any other related parties with a business relationship with Burnet County.

Any investigative activity required will be conducted without regard to the suspected wrongdoer's length of service, position/title, or relationship to the County. Management is responsible for the detection and prevention of fraud, misappropriations, and other inappropriate conduct. Any fraud that is detected or suspected must be reported immediately to the County Attorney, who coordinates all investigations both internal and external.

Fraud is defined as the intentional, false representation or concealment of a material fact for the purpose of inducing another to act upon it to his or her injury. Each member of management will be familiar with the types of improprieties that might occur within his or her area of responsibility, and be alert for any indication of irregularity. Fraud encompasses an array of irregularities and illegal acts characterized by internal or external deception.

Examples of fraud include, but are not limited to:

1. Any dishonest or fraudulent act.
2. Forgery or alteration of any document or account belonging to the County.
3. Forgery or alteration of a check, bank draft, or any other financial document.
4. Misappropriation of funds, securities, supplies, or other assets including chemicals, fuel, tires, use of County equipment, personal use of computers, and telephones.
5. Impropriety in the handling or reporting of money or financial transactions.
6. Profiteering as a result of insider knowledge of County activities.
7. Disclosing confidential and/or proprietary information to outside parties.
8. Disclosing to other person's securities activities engaged in or contemplated by the County.
9. Accepting or seeking anything of material value from contractors, vendors or persons providing services/materials to the County. **Exception:** gifts valued at \$20 or less.
10. Accepting or seeking anything of material value from property owners, tax consultants, or others who may be affected by the County's discharge of its statutory duties.
11. Destruction, removal or inappropriate use of records, furniture, fixtures, vehicles, and equipment; and/or any similar or related inappropriate conduct.
12. Inappropriate disclosure or use of private information protected by privacy laws.

OTHER INAPPROPRIATE CONDUCT

Suspected improprieties concerning an employee's moral, ethical, or behavioral conduct should be resolved by departmental management. If there is any question as to whether an action constitutes fraud, contact the County Attorney for guidance.

INVESTIGATIVE RESPONSIBILITIES

The County Attorney has the primary responsibility for the initial investigation of all suspected fraudulent acts as defined in the policy. Decisions to prosecute or refer the examination results to the appropriate law enforcement and/or regulatory agencies for independent investigation will be made by the County Attorney, who shall report said findings and conclusions to the Burnet County Commissioners' Court.

CONFIDENTIALITY

Burnet County treats all information received as *confidential*. Any employee who suspects dishonest or fraudulent activity will notify the County Attorney immediately, and *should not attempt to personally conduct investigations or interview/interrogations* related to any suspected fraudulent act (see REPORTING PROCEDURE section below). Investigation results *will not be disclosed or discussed* with anyone other than those who have legitimate need to know. This is important in order to avoid damaging the reputations of persons suspected but subsequently found innocent of wrongful conduct and to protect the County from potential civil liability.

AUTHORIZATION FOR INVESTIGATING SUSPECTED FRAUD

Members of the Investigation Unit will have:

1. Free and unrestricted access to all County records and premises, whether owned or rented; AND
2. The authority to examine, copy, and/or remove all or any portion of the contents of files, desks, cabinets, and other storage facilities on the premises without prior knowledge or consent of any individual who may use or have custody of any such items or facilities when it is within the scope of their investigation.

REPORTING PROCEDURES

Great care must be taken in the investigation of suspected improprieties or wrongdoings so as to avoid mistaken accusations or alerting suspected individuals that an investigation is under way. An employee who discovers or suspects fraudulent activity will *contact the County Attorney immediately*. The employee or other complainant may remain anonymous. All inquiries concerning the activity under investigation from the suspected individual, his or her attorney or representative, or any other inquirer should be directed to the County Attorney.

The reporting individual should be informed of the following:

- Do not contact the suspected individual in an effort to determine facts or demand restitution.
- Do not discuss the case, facts, suspicions, or allegations with *anyone* unless specifically asked to do so by the County Attorney.


TERMINATION

If an investigation results in a recommendation to terminate an individual, the recommendation will be reviewed for approval by the department head. The County Attorney does not have the authority to terminate an employee. The decision to terminate an employee is made by the employee’s management.

ADMINISTRATION

The Commissioners’ Court is responsible for the administration, revision, interpretation, and application of this policy. The policy will be reviewed annually and revised as needed conduct should be resolved by departmental management. If there is any question as to whether an action constitutes fraud, contact the County Attorney for guidance.

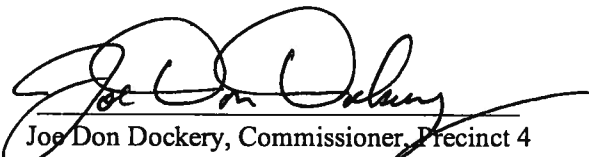
Passed and Approved by the Burnet County Commissioners’ Court on this 27th day of January, 2015


James Oakley, Burnet County Judge

Abstained
Bill Neve, Commissioner, Precinct 1


Russell Graeter, Commissioner, Precinct 2


Ronny Hibler, Commissioner, Precinct 3


Joe Don Dockery, Commissioner, Precinct 4