

RESOLUTION 2022- 1499

**A RESOLUTION BY THE BOARD OF COUNTY COMMISSIONERS OF
ATCHISON COUNTY, KANSAS ESTABLISHING UNIFORM GUIDANCE
POLICIES AND PROCEDURES FOR THE APPLICATION,
ACCEPTANCE AND ADMINISTRATION OF GRANT FUNDS**

WHEREAS, the Board of County Commissioners of Atchison County, Kansas, is responsible for levying taxes and allocating resources to fund governmental services for the County; and

WHEREAS, the Board of County Commissioners encourages augmentation of existing resources through utilization of alternate funding mechanisms, including the use of available grant programs through federal or state governments, other local governments, non-profit agencies, foundations, and the private sector; and

WHEREAS, the Board of County Commissioners may be responsible for the actions of elected officials, employees, agents, and even citizens who seek grant funding of County programs; and

WHEREAS, grant funding frequently comes with conditions, including the use of local matching funds of services, and the Board of County Commissioners desires to set forth the considerations to be used when applying for or expending grant funds; and

WHEREAS, the Board of County Commissioners must ensure that there are adequate policies and procedures in place to facilitate appropriate oversight, administration, and accountability associated with the receipt of grant funding, and to minimize the risk of non-compliance with grant requirements;

NOW, THEREFORE, BE IT RESOLVED by the Board of County Commissioners of Atchison County, Kansas, that the following policy is adopted to govern the application, acceptance, and administration of fund awards.

I. Grant Application Approval

- A. Department Directors or staff who wish to apply for a grant shall request advance authorization from the Board of Commissioners before applying for the grant. The request to Commission shall specify if the grant will require the County or any other local entity to contribute matching funds, resources, or other costs if the grant is received. If the County will incur costs if the grant is received, staff's request to the Board shall identify the budgeted source for the costs. The request shall also provide a summary of the nature of the grant, to include whether the grant will pay for salaries/compensation, whether the grant will involve a subrecipient award(s), and other pertinent details.
- B. Approval of Board of Commissioners must be obtained prior to submitting the grant application, except when unusual circumstances justify submitting the grant

application in advance of Commission approval, and so long as no matching funds or resources will be required, and the Commission has given initial approval for the grant application. In such unusual circumstances, Commission approval may be obtained after submission of the grant application has occurred.

- C. Upon award of the grant, the Department Director or designee shall provide the County Clerk, Treasurer and Finance Director with a copy of the award, including the grant agreement, terms and conditions, and other controlling grant documents. Questions regarding the terms of the grant may be directed to the County Attorney's Office.

II. Allowability of Costs

A. Delegation of Responsibility

When determining how the County will spend its grant funds, the applicable Department Director will review the proposed cost to determine whether it is an allowable use of federal grant funds *before* obligating and spending those funds on the proposed good or service.

B. Allowability Determinations

All costs supported by federal funds must meet the standards outlined in 2 CFR Part 200, Subpart E. The Department Director must consider these factors when making an allowability determination.

Part 200 sets forth general cost guidelines that must be considered, as well as rules for specific types of items, both of which must be considered when determining whether a cost is an allowable expenditure of federal funds. The expenditure must also be allowable under the applicable program statute along with accompanying program regulations, nonregulatory guidance and grant award terms and conditions. Whichever allowability requirements are stricter will govern whether a cost is allowable.

C. Generally, costs must meet the following general criteria to be allowable:

1. **Must be necessary and reasonable for the performance of the federal award.**

A cost is reasonable if, in its nature and amount, it does not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision to incur the cost was made. For example, **reasonable** means that sound business practices were followed and purchases were comparable to market prices.

When determining reasonableness of a cost, consideration must be given to the following

- Whether the cost is a type generally recognized as ordinary and necessary for the operation of the County or the proper and efficient

performance of the federal award.

- The restraints or requirements imposed by such factors as: sound business practices; arm's-length bargaining; federal, state and other laws and regulations; and terms and conditions of the federal award.
- Market prices for comparable goods or services for the geographic area.
- Whether the individual incurring the cost acted with prudence in the circumstances considering responsibilities to the County, its employees, the public at large, and the federal government.
- Whether the County significantly deviates from its established practices and policies regarding the incurrence of costs, which may unjustifiably increase the federal award's cost.

The determination of whether a cost is **necessary** will be based on the needs of the program. Specifically, the expenditure must be necessary to achieve an important program objective. A key aspect in determining whether a cost is necessary is whether the County can demonstrate that the cost addresses an existing need and can prove it.

When determining whether a cost is necessary, consideration may be given to:

- Whether the cost is needed for the proper and efficient performance of the federal award program.
- Whether the cost is identified in the approved budget or application.
- Whether there is a community service or infrastructure benefit associated with the cost.
- Whether the cost aligns with identified needs based on results and findings from a needs assessment.
- Whether the cost addresses program goals and objectives and is based on program data.

2. Must be allocable to the federal award.

A cost is allocable to the federal award if the goods or services involved are chargeable or assignable to the federal award in accordance with the relative benefit received. This means that the federal grant program derived a benefit in proportion to the funds charged to the program.

3. Must be consistent with County policies and procedures that apply uniformly to both federally financed and other activities of the County.

4. Must conform to any limitations or exclusions set forth as cost principles in Part 200 or in the terms and conditions of the federal award as to the types or amount of cost items.

5. Must be consistent in treatment.

A cost cannot be assigned to a federal award as a direct cost if any other cost incurred for the same purpose in like circumstances has been allocated to the federal award as an indirect cost or assigned under another award as an indirect cost.

6. **Must be adequately documented.**

All expenditures must be properly documented.

7. **Must be calculated in accordance with KMAAG, unless provided otherwise in Part 200.**

8. **Must not be included as a match or cost-share, unless the specific federal program authorizes federal funds to be treated as such.**

Some federal program statutes require the non-federal entity to contribute a certain amount of non-federal resources to be eligible for the federal program.

9. **Must be the net of all applicable credits.**

The term "applicable credits" refers to those receipts or reduction of expenditures that operate to offset or reduce expense items allocable to the federal award. Typical examples of such transactions are: purchase discounts; rebates or allowances; recoveries or indemnities on losses; and adjustments of overpayments or erroneous charges. To the extent that such credits accruing to or received by the state relate to the federal award, they shall be credited to the federal award, either as a cost reduction or a cash refund, as appropriate.

D. Selected Items of Cost

1. Subpart E of Part 200 sets forth principles to be applied in establishing the allowability of 55 specific cost items (commonly referred to as Selected Items of Cost), at 2 CFR Sec. 200.420 - 200.475. These principles are in addition to the other general allowability standards and apply whether or not a particular item of cost is properly treated as direct cost or indirect cost. Meeting the specific criteria for a listed item does not by itself mean the cost is allowable, as it may be unallowable under other standards or for other reasons, such as restrictions contained in the terms and conditions of a particular grant or restrictions established by the state or in County policy. If an item is unallowable for any of these reasons, federal funds cannot be used to purchase it.
2. Department directors are responsible for spending federal grant funds and for determining allowability must be familiar with and refer to the Part 200 selected items of cost section. These rules must be followed when charging these specific expenditures to a federal grant. When applicable, employees must check costs against the selected items of cost requirements to ensure the cost is allowable, and also check state, County and program-specific

rules.

III. Cash Management

Generally, the County receives payments from the granting agency on a reimbursement basis. In some circumstances, the County may receive an advance of grant funds. This Section addresses responsibilities of the County and program staff under those alternative payment methods. In every case, the County shall maintain accounting methods and internal controls and procedures that assure those responsibilities are met.

A. Payment Methods

1. Reimbursements.

The County will initially charge federal grant expenditures to non-federal funds. The Department Director or designee will request reimbursement from the federal agency for actual expenditures incurred under the federal grants on a monthly basis. The Department Director or designee shall submit the reimbursement request to the granting agency on the appropriate form through the grantor-designated portal or State agency. A copy of the reimbursement request shall be provided to the Finance Director and Treasurer at the same time. All reimbursements shall be based on actual disbursements, not on obligations. Department Directors will process reimbursement requests within the timeframes required by the grant agreement for disbursement.

Consistent with state and federal requirements, the County will maintain source documentation supporting the federal expenditures (invoices, time sheets, payroll stubs, etc.) and will make such documentation available for review upon request. Reimbursements of actual expenditures do not involve interest calculations.

2. Advances.

When the County receives advance payments of federal grant funds, it must minimize the time elapsing between the transfer of funds to the County and the expenditure of those funds on allowable costs of the applicable federal program. The County shall attempt to expend all advances of federal funds within one hundred-eight (108) hours of receipt. When applicable, the County shall use existing resources available within a program before requesting advances. Such resources include program income (including repayments to a revolving fund), rebates, refunds, contract settlements, audit recoveries, and interest earned on such funds. The County shall hold federal advance payments in insured, interest-bearing accounts. The County shall not retain any interest earned on federal grant cash balances. Any interest earned on federal grant funds will be remitted annually to the federal awarding agency. Remittance of interest, unless exempt from this requirement, shall be responsibility of the Finance Office.

IV. Grant Subrecipient and Contractor Monitoring Procedures

If the County grants subawards of federal funding to other entities as subrecipients, the County shall be responsible for the following:

1. Evaluating the entity for risk of noncompliance to determine appropriate monitoring practices.
2. Entering into a contract with the subrecipient which sets forth the parties' obligations and responsibilities, including provisions concerning the parties' obligations related to the grant award and federal laws and regulations.
3. Monitoring the subrecipient entity's implementation to ensure compliance with federal, state and local laws, conditions of the federal funding award and County policy and procedures.
4. Notifying the subrecipient entity of identified deficiencies found during the monitoring process and ensuring that identified deficiencies are corrected.
5. Documenting and retaining records on subrecipient identification, notification, evaluation, monitoring and corrective actions taken.

A. Definitions

For purposes of policies and procedures related to federal programs, the following definitions shall apply:

Contract – a legal instrument by which a non-federal entity purchases property or services needed to carry out the project or program under a federal award.

The term as used here does not include a legal instrument, even if the entity considers it a contract, when the substance of the transaction meets the definition of a federal program award or subaward.

Contractor – an entity that receives a contract, as defined in law and regulations, by which a non-federal entity purchases property or services needed to carry out the project or program under a federal award.

Pass-through entity – a non-federal entity that provides a subaward to a subrecipient to carry out part of a federal program. The County will serve as the pass-through entity in cases where it awards federal funding to a subrecipient as defined in this procedure.

Subaward – an award provided by a pass-through entity to a subrecipient in order to carry out part of a federal award received by the pass-through entity. It does not include payments to a contractor or payments to an individual that is a beneficiary of a federal program. A subaward may be provided through any form of legal agreement, including an agreement that the passthrough entity considers a contract.

Subrecipient – a non-federal entity that receives a subaward from a pass-through entity to carry out part of a federal program; but does not include an individual that is a beneficiary of such program. (A subrecipient may also be a recipient of other federal awards directly from a federal awarding agency.) In the event the County disperses federal funds received through a federal award to other entities and assigns responsibilities to the outside entity to conduct a portion of the work, the County shall be responsible for determining,

on a case-by-case basis, whether the agreement with such entity places the outside entity in the role of a subrecipient receiving a subaward of federal funding, or the role of a contractor. In determining whether an entity is a contractor or a subrecipient, under the above definitions, the County should consider the guidance given in 2 CFR 200.330 as well as guidance given in any grant documentation or agreement. The federal granting agency may supply additional guidance and impose additional requirements to support the determination of an entity as a contractor or a subrecipient.

B. Contractors

County shall maintain oversight to ensure that contractors perform in accordance with the terms, conditions, and specifications of their contracts or purchase orders. County shall also ensure that contractors' conduct does not threaten or undermine the terms and conditions of the Federal award. Bonding requirements shall be imposed on contractors as required by 2 CFR 200.325 or by the terms and conditions of the federal award. All contracts shall contain the relevant applicable provisions as required by 2 CFR Part 200 Appendix II. The County shall take all necessary affirmative steps to ensure that minority businesses, women's business enterprises, and labor surplus area firms are used when possible, as provided in the grant agreement and in 2 CFR 200.321.

C. Subrecipients

The County shall notify subrecipients that they have been identified as a subrecipient and that the funding qualifies as a subaward. The County shall provide the subrecipient with the following information regarding the federal funding award at the time of the subaward, and shall also provide notice of change of such information:

1. Federal Award Identification information, including:
 - a. Subrecipient name (which must match the name associated with its unique entity identifier);
 - b. Subrecipient's unique entity identifier;
 - c. Federal Award Identification Number (FAIN);
 - d. Federal Award Date of award to the recipient by the federal agency;
 - e. Subaward Period of Performance Start and End Date;
 - f. Amount of Federal Funds Obligated by this action by the pass-through entity to the subrecipient;
 - g. Total Amount of Federal Funds Obligated to the subrecipient by the passthrough entity including the current obligation;
 - h. Total Amount of the Federal Award committed to the subrecipient by the pass-through entity;
 - i. Federal award project description, as required to be responsive to the Federal Funding Accountability and Transparency Act (FFATA);
 - j. Name of federal awarding agency, pass-through entity, and contact information for awarding official of the pass-through entity;
 - k. FA Number and Name; the pass-through entity must identify the dollar

amount made available under each federal award and the FA number at time of disbursement;

- l. Identification of whether the award is Research and Development; and
 - m. Indirect cost rate for the federal award if applicable.
2. All requirements imposed by the County on the subrecipient so that the federal award is used in accordance with federal statutes, regulations and the terms and conditions of the federal award;
 3. Any additional requirements that the County imposes on the subrecipient in order for the County to meet its own responsibility to the federal awarding agency including identification of any required financial and performance reports;
 4. Either an approved federally recognized indirect cost rate negotiated between the subrecipient and the federal government or, if no such rate exists, a rate negotiated between the County and the subrecipient.
 5. A requirement that the subrecipient permit the County and auditors to have access to the subrecipient's records and financial statements as necessary for the County to meet all of its grant requirements and the terms of 2 CFR 200.331; and
 6. Appropriate terms and conditions concerning closeout of the subaward.

D. Evaluation of Risk

The County shall evaluate each subrecipient's risk of noncompliance with law, regulations and the terms and conditions of the subaward to determine appropriate monitoring practices.

The Finance Director or designee shall be responsible for evaluating risk based on the following factors:

1. The subrecipient's prior experience with the same or similar subawards;
2. The results of previous audits, including whether the subrecipient receives a single audit and the extent to which the same or similar subaward has been audited;
3. Whether the subrecipient has new personnel, or new or substantially changed systems and processes; and
4. The extent and results of any federal award agency's monitoring of the subrecipient. The Department Director or designee shall request adequate documentation from the subrecipient to conduct the evaluation of risk; such documentation may include, but shall not be limited to, audit reports, financial reports, policies and procedures and detailed descriptions or users' guides of current systems and processes. In addition to these factors, the County shall evaluate subrecipients for risk of noncompliance as specified in the subrecipient agreement. Based on the results of the risk evaluation, the County may consider imposing specific conditions on implementation of the subaward, in accordance with applicable law and regulations.

E. Monitoring

The County shall monitor the implementation and activities of each subrecipient as necessary to ensure that the subaward is used for authorized purposes, in accordance with law, regulations and the terms and conditions of the subaward,

and that subaward performance goals are achieved. The County shall notify subrecipients of monitoring requirements and may provide technical assistance to subrecipients in complying with monitoring requirements. The Department Director or designee shall be responsible for monitoring of subrecipients. As part of the monitoring process, the County shall complete the following steps:

1. Review financial and performance reports required by the County.
2. Follow-up and ensure that the subrecipient takes timely and appropriate action on all deficiencies pertaining to the subaward provided to the subrecipient from the County detected during through audits, on-site reviews, and other means.
3. Issue a management decision for audit findings pertaining to the subaward provided to the subrecipient by the County, in accordance with applicable law and regulations.

Monitoring activities may also include in the following:

1. Review of progress reports, financial reports, performance reports, and data quality.
2. On-site visits and reviews of the subrecipient's program operations.
3. Review of federal or state debarment lists.
4. Review of other agreed-upon procedures engagements as specified in the subrecipient agreement, such as audit services as discussed in 2 CFR 200.425. The County shall verify that subrecipients are audited as required by 2 CFR 200 Subpart F or other applicable law and regulations.

F. Follow-Up Actions

The Department Director or designee shall provide subrecipients with written documentation detailing their monitoring results and listing any identified deficiencies. The County shall consider whether the results of monitoring indicate the need to revise existing County policy and procedures. The County shall require subrecipients to take immediate action on issues involving ineligible or illegal use of federal funding and to notify the County of corrective action taken. The County shall require subrecipients to develop a corrective action plan to address other identified deficiencies or noncompliance issues; such plan shall be submitted to the County within 30 days, and the County shall evaluate and monitor the activities taken by the subrecipient under the corrective action plan. The Department Director or designee shall maintain all documentation on monitoring of subrecipients and corrective action taken during the monitoring process. The County shall report issues of noncompliance to the appropriate federal agency where required by law, regulations, or requirements of the federal funding program.

G. Remedies for Noncompliance

When monitoring activities identify issues of noncompliance that are not addressed through corrective action, the County may take the following actions:

1. Impose specific conditions on the subrecipient, in accordance with applicable law and regulations.
2. Temporarily withhold cash payments, in accordance with applicable law and

- regulations.
3. Disallow or deny use of funds for all or part of the cost of the activity or action not in compliance.
 4. Wholly or partially suspend or terminate the subrecipient agreement.
 5. Recommend that the federal agency initiate suspension and debarment proceedings.
 6. Withhold further awards or agreements for the project or program.
 7. Take other remedies legally available, in consultation with the County attorney.

H. Record Retention

The Department Director shall ensure that all documentation regarding subrecipient identification, notification, evaluation, monitoring activities and corrective action is maintained in accordance with County policy and procedures. Records shall be retained in accordance with applicable law, regulations, specific requirements of the federal program and the County's records retention schedule.

V. **Management of Property Acquired with Federal Funds**

A. Contract and Purchasing Administration

The County maintains internal controls, administrative regulations and procedures to ensure that contractors deliver goods and services in accordance with the terms, conditions and specifications of the designated contract, purchase order or requisition.

Property shall be classified as **equipment, supplies, computing devices and capital assets** as defined and specified in accordance with law, regulations and County policy.

B. Inventory Control/Management

All property purchased with federal funds, regardless of cost, will be inventoried by recipient as a safeguard. Inventory will be received by the department or program requesting the item; designated staff will inspect the property, compare it to the applicable purchase order or requisition, and ensure it is appropriately recorded on the department's property management system/schedule.

Items acquired will be tracked by source of funding and acquisition date.

Inventory records of equipment and computing devices purchased with federal funds must be current and available for review and audit. Such inventory records shall include the following information:

1. Description of the item, including any manufacturer's model number.
2. Manufacturer's serial number or other identification number.
3. Identification of funding source (including the FAIN).
4. Identity of title holder, if applicable.
5. Acquisition date
6. Unit cost.

7. Source of items, such as company name.
8. Percentage of federal funds used in the purchase.
9. Present location, use, condition of item, and date information was reported.
10. Pertinent information on the ultimate transfer, replacement or disposition of the item including the date of disposal and sale price of the property.

Inventory shall be updated as items are sold, lost or stolen or cannot be repaired and new items are purchased.

Annual Physical Inventory - The physical inventory of items will be conducted once every year by designated County staff and the results will be reconciled with the inventory records and reported to both the Department Director and Finance Director.

Maintenance – The Department Director or designee shall establish adequate maintenance procedures to ensure that property is maintained in good condition in accordance with law, grant regulations and County policy.

Safeguards - The County will ensure that adequate safeguards are in place to prevent loss, damage or theft of property. These procedures include the following:

1. Any loss, damage or theft will be reported to the Department Director and investigated and fully documented and reported to the Finance Director. It may also be reported to local law enforcement, if applicable.
2. If stolen items are not recovered, the County will submit copies of the investigative report and insurance claim to the federal awarding agency.
3. The County will be responsible for replacing or repairing lost, damaged, destroyed or stolen items.
4. Replaced equipment is property of the originally funded program and should be inventoried accordingly.

Property purchased with federal funds may not be loaned or transferred within County departments.

C. Disposition of Property Acquired with Federal Funds

When the County determines that real property, including land, land improvements structures and accessories thereto, acquired under a federal award is no longer needed for the originally authorized purpose, the Department Director must obtain disposition instructions from the federal awarding agency or pass-through entity administering the program, in accordance with applicable law and regulations.

When the County determines that equipment or supplies acquired under a federal award are no longer needed for the original project or program or for other activities currently or previously supported by a federal awarding agency, the Department Director will contact the federal awarding agency or pass-through entity administering the program to obtain disposition instructions, based on the fair market value of the equipment or supplies. The Department Director will be

responsible for contacting the federal awarding agency and determining the process for disposition of equipment or supplies.

Approved property dispositions items with a fair market value of \$5,000 or less that are no longer effective may be retained, sold or transferred to other County departments. For items with a fair market value greater than \$5,000 that are sold, the federal awarding agency is entitled to the federal share of the current market value or sales proceeds, as required by federal regulations or the award agreement.

Upon termination or completion of the federally-funded project or program, for any residual inventory of unused supplies exceeding \$5,000 in total aggregate value which are not needed for any other federal award, the County shall retain the supplies for use on other activities or sell them. Upon either method of disposal, the County shall compensate the federal agency for its share of the current market value or sales proceeds.

If the County is replacing the equipment or supplies, the County may use the existing equipment or supplies as a trade-in or sell the property and use the proceeds to offset the cost of the replacement property.

The County must comply with relevant laws governing the surplus of public property in disposing of unnecessary equipment or supplies acquired with federal funds. Such methods may include the following:

- Public auction and/or online sale – generally conducted by a licensed auctioneer.
- Salvage – scrap sold to local dealers.
- Negotiated sale – normally used when disposing of items of substantial value.
- Sealed bid – normally used for items of substantial value or unique qualities.
- Pre-priced sale – large quantities of obsolete or surplus equipment or supplies may be sold by this method.
- Donation to charitable organizations.
- Disposition to trash for equipment or supplies with no value.

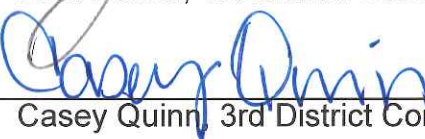
The Department Director or designee will be responsible for maintaining records of obsolete and disposed of and will report to the federal awarding agency when required.

This Resolution shall be effective upon adoption.

ADOPTED BY THE BOARD OF COUNTY COMMISSIONERS of Atchison County, Kansas, this 8th day of ~~February~~ March, 2022.

By: 
Eric Noll, Chairman

By: 
Jack Bower, 1st District Commissioner

By: 
Casey Quinn, 3rd District Commissioner

ATTEST:


Michelle Phillips, Atchison County Clerk