

# Uniform Guidance Policy for Federal Awards Administration

## GRANT ADMINISTRATION

The City of Martinsville 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 Finance Director for inclusion in the City'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.

### **Grant Development, Application, and Approval –**

Legislative Approval – The point at which legislative approval is required is determined by the requirements of the grant program. If the grant must be submitted by "an individual authorized by the legislative body", then Council approval is required prior to submitting the application. If such legislative approval is not specifically required by the written terms of the grant, then the department head may, at his or her discretion, approve grant applications. In this case, a copy of the application shall be sent to the City Manager's office. If an award is given, a copy of the agreement shall also be furnished to the City Manager's office. Electronic copies are preferable.

Matching Funds – Grants that require cash local matches must be coordinated through the City Manager'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?)

Grant Budgets – Most grants require the submission of an expenditure budget. The department head should review this portion of the grant request prior to submission. The Finance Director will need to be contacted regarding personnel projections.

### **Grant Program Implementation –**

Notification and Acceptance of an Award – Official notification of a grant award is typically sent by a funding agency to the program director and/or other official designated in the original grant proposal. However, the authorization to actually spend grant funds is derived from the Council through the approval of a grant budget. This is done with the adoption of the Government-wide operating budget, as the grant budget is a component of such.

Establishment of Accounts – The department that obtained the grant will provide the Finance Department with information needed to establish revenue and expense accounts for the project. Ordinarily, this information will include a copy of a summary of the project and a copy of the full project budget.

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

### **Financial and Budgetary Compliance –**

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 in the City of Martinsville's financial software at some level. The financial software is considered to be the City'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 directly from the finance software 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 agree to the City's accounting system.

Fiscal Years – Occasionally, the fiscal year for the granting agency will not coincide with the City'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 Finance Director at the time the grant accounts are established.

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 Finance Director that budget funds need to be carried forward to the new fiscal year, and to confirm the amounts of such carry-forwards. This can be done during the City's normal annual budgeting process. Carry-forwards of grant funds will be subjected to maximum allowable amounts/percentages based on the grant award agreement and/or the Uniform Guidance compliance supplement.

Capital Asset – The City is responsible for maintaining an inventory of assets purchased with grant monies. The City is accountable for them and must make them physically available for inspection during any audit. The Finance Department 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 Finance Director.

#### **Record Keeping –**

Audit Workpapers – The City's external auditors audit all grants at the end of each fiscal year. The department who obtained the grant will prepare the required audit workpapers. These will then need to be sent to the Finance Director within a reasonable time following year end.

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. The Program Director within a department applying for a grant will maintain copies of all grant draw requests, and approved grant agreements (including budgets). Records shall be retained for a minimum of 5 years from the date on which the final Financial Status Report is submitted, or as otherwise specified in the requirements of the federal award, unless a written extension is provided by the awarding agency, cognizant agency for audit or cognizant agency for indirect costs.

## **Uniform Guidance Compliance Supplement - General Information**

**Board Policies.** The City Council has adopted various financial policies independent of those now required for federal awards under the Uniform Guidance. These policies may be incorporated into this document by reference. All of the established board policies also apply to federal grants where appropriate. These policies include:

- **Asset Capitalization Policy**
- **Investment Policy**
- **Fund Balance Policy**
- **Utility Funds Cash Reserve Policies**

## **Uniform Guidance Compliance Supplement - Activities Allowed/Unallowed and Allowable Costs/Cost Principles**

The requirements for allowable costs/cost principles are contained in the Uniform Guidance, program legislation, Federal awarding agency regulations, and the terms and conditions of the award.

In order to ensure compliance with these requirements, the City of Martinsville has implemented the following policies and procedures:

1. All grant expenditures will be in compliance with the Uniform Guidance, State law, City 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 and treatment will be consistent with the policies and procedures the City would apply to non-federally financed work.
2. Grant expenditures will be approved by the department head when the bill or invoice is received. The terms and conditions of the Federal Award will be considered when approving. The approval will be evidenced by the department head's initials on the original bill or invoice. Accounts payable disbursements will not be processed for payment until necessary approval has 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. An indirect cost rate will only be charged to the grant to the extent that it was specifically approved through the grant budget/agreement.
4. Part 200 examines the allowability of 55 specific cost items (commonly referred to as Selected Items of Cost) at 2 CFR 200.420-200.475. These cost items are listed in the chart below along with the citation where it is discussed whether the item is allowable. City personnel responsible for spending federal grant funds and for determining allowability must be familiar with the Part 200 selected items of cost section. The City must follow these rules when charging these specific expenditures to a federal grant. When applicable, staff must check costs against the selected items of cost requirements to ensure the cost is allowable.

The selected item of cost addressed in Part 200 includes the following (in alphabetical order):

<b>Item of Cost</b>	<b>Citation of Allowability Rule</b>
Advertising and public relations costs	2 CFR § 200.421
Advisory councils	2 CFR § 200.422
Alcoholic beverages	2 CFR § 200.423
Alumni/ae activities	2 CFR § 200.424
Audit services	2 CFR § 200.425
Bad debts	2 CFR § 200.426
Bonding costs	2 CFR § 200.427
Collection of improper payments	2 CFR § 200.428
Commencement and convocation costs	2 CFR § 200.429
Compensation – personal services	2 CFR § 200.430
Compensation – fringe benefits	2 CFR § 200.431
Conferences	2 CFR § 200.432
Contingency provisions	2 CFR § 200.433
Contributions and donations	2 CFR § 200.434
Defense and prosecution of criminal and civil proceedings, claims, appeals and patent infringements	2 CFR § 200.435
Depreciation	2 CFR § 200.436
Employee health and welfare costs	2 CFR § 200.437
Entertainment costs	2 CFR § 200.438
Equipment and other capital expenditures	2 CFR § 200.439
Exchange rates	2 CFR § 200.440
Fines, penalties, damages and other settlements	2 CFR § 200.441
Fund raising and investment management costs	2 CFR § 200.442
Gains and losses on disposition of depreciable assets	2 CFR § 200.443
General costs of government	2 CFR § 200.444
Goods and services for personal use	2 CFR § 200.445
Idle facilities and idle capacity	2 CFR § 200.446
Insurance and indemnification	2 CFR § 200.447
Intellectual property	2 CFR § 200.448
Interest	2 CFR § 200.449
Lobbying	2 CFR § 200.450
Losses on other awards or contracts	2 CFR § 200.451
Maintenance and repair costs	2 CFR § 200.452
Materials and supplies costs, including costs of computing devices	2 CFR § 200.453
Memberships, subscriptions, and professional activity costs	2 CFR § 200.454
Organization costs	2 CFR § 200.455
Participant support costs	2 CFR § 200.456
Plant and security costs	2 CFR § 200.457
Pre-award costs	2 CFR § 200.458

Professional services costs	2 CFR § 200.459
Proposal costs	2 CFR § 200.460
Publication and printing costs	2 CFR § 200.461
Rearrangement and reconversion costs	2 CFR § 200.462
Recruiting costs	2 CFR § 200.463
Relocation costs of employees	2 CFR § 200.464
Rental costs of real property and equipment	2 CFR § 200.465
Scholarships and student aid costs	2 CFR § 200.466
Selling and marketing costs	2 CFR § 200.467
Specialized service facilities	2 CFR § 200.468
Student activity costs	2 CFR § 200.469
Taxes (including Value Added Tax)	2 CFR § 200.470
Termination costs	2 CFR § 200.471
Training and education costs	2 CFR § 200.472
Transportation costs	2 CFR § 200.473
Travel costs	2 CFR § 200.474
Trustees	2 CFR § 200.475

#### Uniform Guidance Compliance Supplement - Cash Management

Source of Governing Requirements – The requirements for cash management are contained in the Uniform Guidance, program legislation, Federal awarding agency regulations, and the terms and conditions of the award.

In order to ensure compliance with these requirements, the City has implemented the following policies and procedures:

Most of the City's grants are awarded on a reimbursement basis. As such, program costs will be expended and disbursed prior to requesting reimbursement from the grantor agency, unless the agreement allows reimbursement first, then payment to vendor. 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. Expenditures will be compared with budgeted amounts for each Federal award.

Cash draws will be initiated by the Program Director who will determine the appropriate draw amount. Documentation of how this amount was determined will be retained. Payments and travel costs will be handled in a manner consistent with the City's existing Accounts Payable policies and in accordance with §200.305 (payments) and §200.474 (travel costs) of the Uniform Guidance.

The physical draw of cash will be processed in the City's financial software, or through the means prescribed by the grant agreement for other awards. 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

Source of Governing Requirements – The requirements for eligibility are contained in program legislation, Federal awarding agency regulations, and the terms and conditions of the award.

**Additional Policies and Procedures.** The following policies and procedures will also be applied: Federal grants will only benefit those individuals and/or groups of participants that are deemed to be eligible.

Initial eligibility determinations will be made by the Program Director 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

Source of Governing Requirements – The requirements for equipment are contained in the Uniform Guidance, program legislation, Federal awarding agency regulations, and the terms and conditions of the award.

**Additional Policies and Procedures.** The following policies and procedures will also be applied:

In order to ensure compliance with these requirements, The City has implemented the following policies and procedures:

All equipment will be used in the program for which it was acquired or, when appropriate, in other Federal programs.

When required, purchases of equipment will be pre-approved by the grantor or pass-through agency. The Program Director will be responsible for ensuring that equipment purchases have been previously approved, if required, and will retain evidence of this approval.

Property/Equipment records will be maintained, a physical inventory shall be taken every two years, and an appropriate system shall be used to safeguard assets.

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 City 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.

#### Uniform Guidance Compliance Supplement - Matching, Level of Effort and Earmarking

Source of Governing Requirements – The requirements for matching are contained in the Uniform Guidance, program legislation, Federal awarding agency regulations, and the terms and conditions of the award. The requirements for level of effort and earmarking are contained in program legislation, Federal awarding agency regulations, and the terms and conditions of the award.

The City defines “matching”, “level of effort”, and “earmarking” consistent with the definitions of the Uniform Guidance Compliance Supplement:

*Matching* or cost sharing includes requirements to provide contributions (usually non-Federal) or a specified amount or percentage of match Federal awards. Matching may be in the form of allowable costs incurred or in-kind contributions (including third-party in-kind contributions).

*Level of effort* includes requirements for (a) a specified level of service to be provided from period to period, (b) a specified level of expenditures from non-Federal or Federal sources for specified activities to be maintained from period to period, and (c) Federal funds to supplement and not supplant non-Federal funding of services.

*Earmarking* includes requirements that specify the minimum and/or maximum amount of percentage of the program's funding that must/may be used for specified activities, including funds provided to subrecipients. Earmarking may also be specified in relation to the types of participants covered.

In order to ensure compliance with these requirements, the City has implemented the following policies and procedures:

Compliance with matching, level of effort, and earmarking requirements will be the responsibility of Program Director.

Adequate documentation will be maintained to support compliance with matching, level of effort, and earmarking requirements. Such information will be made available to administration, auditors, and pass-through or grantor agencies, as requested.

#### Uniform Guidance Compliance Supplement - Period of Performance

Source of Governing Requirements – The requirements for period of performance of Federal funds are contained in the Uniform Guidance, program legislation, Federal awarding agency regulations, and the terms and conditions of the award.

In order to ensure compliance with these requirements, the City has implemented the following policies and procedures:

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).

All obligations will be liquidated no later than 90 days after the end of the funding period (or as specified by program legislation).

Compliance with period of performance requirements will initially be assigned to the Program Director. All AP disbursements are subject to the review and approval of accounts payable staff and the Finance Director as part of the payment process.

## Uniform Guidance Compliance Supplement - Procurement, Suspension and Debarment

Source of Governing Requirements – The requirements for procurement are contained in the Uniform Guidance, program legislation, Federal awarding agency regulations, and the terms and conditions of the award.

The requirements for suspension and debarment are contained in OMB guidance in 2 CFR part 180, which implements Executive Orders 12549 and 12689, Debarment and Suspension; Federal agency regulations in 2 CFR implementing the OMB guidance; the Uniform Guidance; program legislation; Federal awarding agency regulations; and the terms and conditions of the award.

In order to ensure compliance with these requirements, the City has implemented the following policies and procedures:

Purchasing and procurement related to Federal grants will be subject to the general policies and procedures of the City, and to the provisions of the uniform guidance as detailed below. (See City procurement policy.)

Contract files will document the significant history of the procurement, including the rationale for the method of procurement, selection of the contract type, contractor selection or rejection, and the basis of contract price.

Procurement will provide for full and open competition.

No employee, officer, or agent may participate in the selection, award, or administration of a contract supported by a Federal award if he or she has a real or apparent conflict of interest. Such a conflict of interest would arise when the employee, officer, or agent, any member of his or her immediate family, his or her partner, or an organization which employs or is about to employ any of the parties indicated herein, has a financial or other interest in or a tangible personal benefit from a firm considered for a contract. The officers, employees, and agents can neither solicit nor accept gratuities, favors, or anything of monetary value from contractors or parties to subcontracts. If the financial interest is not substantial or the gift is an unsolicited item of nominal value, no further action will be taken. However, disciplinary actions will be applied for violations of such standards otherwise.

The City will avoid acquisition of unnecessary or duplicative items. Consideration will be given to consolidating or breaking out procurements to obtain a more economical purchase. Where appropriate, an analysis will be made of lease versus purchase alternatives, and any other appropriate analysis to determine the most economical approach. The City will also analyze other means, as described in §200.318 of the Uniform Guidance, in order to ensure appropriate and economic acquisitions.

The City of Martinsville is prohibited from contracting with or making subawards under covered transactions to parties that are suspended or debarred or whose principals are suspended or debarred.

“Covered transactions” include those procurement contracts for goods and services awarded under a nonprocurement transaction (i.e., grant or cooperative agreement) that are expected to equal or exceed \$20,000 or meet certain other specified criteria. All nonprocurement transactions (i.e., subawards to subrecipients), irrespective of award amount, are considered covered transactions.

The City will include a suspension/debarment clause in all written contracts in which the vendor/contractor will certify that it is not suspended or debarred. The contract will also contain language requiring the vendor/contractor to notify the Government immediately upon becoming suspended or debarred. This will serve as adequate documentation as long as the contract remains in effect.

The Program Director or designee will be responsible for running a year-to-date transaction report from the City's accounting system. Any vendor with accumulated transactions equaling or exceeding \$20,000 that is not subject to a written contract including a suspension/debarment clause or for which a signed statement or suspension or debarment is not on file will be subject to additional procedures. The Program Director or designee will check the Excluded Parties List System (EPLS), <https://www.sam.gov/portal/public/SAM/> maintained by the General Services Administration (GSA) for the vendor name. A potential match will be followed-up on immediately. Each vendor searched on EPLS will be initialed on the vendor transaction report and the report will be signed and dated on the first or last page. The vendor transaction report will be retained as evidence of the control.

If a vendor is found to be suspended or debarred, the City will immediately cease to do business with this vendor.

Executed contracts and signed quarterly vendor transaction history reports will be retained and filed by the Program Director.

When a request for purchase of equipment, supplies, or services for a federal program has been submitted the procurement method to be used will be determined based on the total cost of the purchase as further outlined below. This procedure outlines how the cost thresholds for determining when the quote or formal bidding procedures that are required by state law must be modified when making purchases for federally funded purposes to which the Uniform Grant Guidance regulations apply.

#### Micro-purchases not requiring quotes or bidding (up to \$10,000)

For purposes of this procedure, **micro-purchase** means a purchase of equipment, supplies, or services for use in federally funded programs using simplified acquisition procedures, the aggregate amount of which does not exceed a base amount of \$10,000. The micro-purchase dollar threshold is adjusted periodically by the federal government, and the threshold most recently published and published in the Federal Register shall apply if other than \$10,000.

The micro-purchase method is used in order to expedite the completion of its lowest dollar small purchase transactions and minimize the associated administrative burden and cost. Procurement by micro-purchase is the acquisition of equipment, supplies or services, the aggregate dollar amount of which does not exceed the micro-purchase threshold.

To the extent practicable, the City of Martinsville distributes micro-purchases equitably among qualified suppliers when the same or materially interchangeable products are identified and such suppliers offer effectively equivalent rates, prices and other terms.

Micro-purchases may be awarded without soliciting competitive quotations if the City considers the price to be reasonable. Evidence will be maintained of this reasonableness in the records of all micro-purchases. Reasonable means that sound business practices were followed and the purchase is comparable to market prices for the geographic area. Such determinations of reasonableness may include comparison of the price to previous purchases of the same item or comparison of the price of items similar to the item being purchased.

Even if the cost of a purchase qualifies it as a micro-purchase, bidding or small purchase procedures may be used optionally when those procedures may result in cost savings.

#### Small Purchase Procedures (Between \$10,000 and not to exceed \$250,000)

For purposes of this procedure, **small purchase procedures** are those relatively simple and informal procurement methods for securing equipment, services, or supplies that cost more than the amount qualifying as micro-purchase and do not exceed \$250,000. Small purchase procedures cannot be used for purchases of equipment or supplies for construction, repair or maintenance services costing in excess of \$250,000 because the City purchasing policy requires formal competitive bidding at that level of cost.

If small purchase procedures are used, written or telephonic price or rate quotations are obtained from at least three (3) qualified sources and records of quotes are maintained.

#### Publicly Solicited Sealed Competitive Bids (Purchase exceeds \$250,000)

For purchases of equipment or supplies, or of services for construction, maintenance or repairs of facilities, sealed competitive bids are publicly solicited and awarded to the lowest responsive and responsible bidder as provided in the City's procurement policy.

#### Competitive Proposals (Purchase exceeds \$250,000)

For purchases of qualifications based procurement of architectural/engineering professional services whereby competitors' qualifications are evaluated and the most qualified competitor is selected, subject to negotiation of fair and reasonable compensation. If this method is used, the following requirements apply:

Requests for proposals must be publicized and identify all evaluation factors and their relative importance. Any response to publicized requests for proposals must be considered to the maximum extent practical;

Proposals must be solicited from an adequate number of qualified sources; and

Contracts must be awarded to the responsible firm whose proposal is most advantageous to the program, with price and other factors considered.

### Noncompetitive Proposals (Sole Source)

Procurement by noncompetitive proposals is procurement through solicitation of a proposal from only one source and may be used only when one or more of the following circumstances apply:

The item is available only from a single source; or

The public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation; or

The Federal awarding agency or pass-through entity expressly authorizes noncompetitive proposals in response to a written request from the non-Federal entity; or

After solicitation of a number of sources, competition is determined inadequate.

The City must use the micro-purchase and small purchase methods only for procurements that meet the applicable criteria under 2 CFR sections 200.320(a) and (b). Under the micro-purchase method, the aggregate dollar amount does not exceed \$10,000. Small purchase procedures must be used for purchases that exceed the micro-purchase amount but do not exceed the simplified acquisition threshold of \$250,000. Micro-purchases may be awarded without soliciting competitive quotations if the City considers the price to be reasonable (2 CFR section 200.320(a)). If small purchase procedures are used, price or rate quotations must be obtained from an adequate number of qualified sources (2 CFR section 200.320(b)).

## **Federal Awards Administration (continued)**

### Uniform Guidance Compliance Supplement - Program Income

Source of Governing Requirements – The requirements for program income are found in the Uniform Guidance, program legislation, Federal awarding agency regulations, and the terms and conditions of the award.

In order to ensure compliance with these requirements, the City has implemented the following policies and procedures:

Program income will include (but will not be limited to): income from fees for services performed, the use or rental of real or personal property acquired with grant funds, the sale of commodities or items fabricated under a grant agreement, and payments of principal and interest on loans made with grant funds. It will not include interest on grant funds, rebates, credits, discounts, refunds, etc., or interest earned on any of these items unless otherwise provided in the Federal awarding agency regulations or terms and conditions of the award. It will also not include proceeds from the sale of equipment or real property.

The City will allow program income to be used in one of three methods:

Deducted from outlays

Added to the project budget

Used to meet matching requirements

Absent specific guidance in the Federal awarding agency regulations or the terms and conditions of the award, program income shall be deducted from program outlays.

Program income, when applicable, will be accounted for as a revenue source in the same program code as the Federal grant.

### Uniform Guidance Compliance Supplement - Reporting

Source of Governing Requirements – Reporting requirements are contained in the following documents:

Uniform Guidance, Performance reporting, 2 CFR section 215, Performance reporting, 2 CFR section 215.51, program legislation, ARRA (and the previously listed OMB documents and future additional OMB guidance documents that may be issued), the Transparency Act, implementing requirements in 2 CFR part 170 and the FAR, and previously listed OMB guidance documents, Federal awarding agency regulations, and the terms and conditions of the award.

In order to ensure compliance with these requirements, the City has implemented the following policies and procedures:

Reports will be submitted in the required frequency and within the required deadlines.

Reports will be completed using the standard forms (as applicable) and method of delivery (i.e., e-mail, grantor website, postal service, etc.).

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.

## Federal Awards Administration (continued)

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.

Any report with financial-related data will either be prepared or reviewed by the Program Director and will have the appropriate review based on specific grant guidelines.

Preparation of reports will be the responsibility of Program Director. 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.

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.

### Uniform Guidance Compliance Supplement – Subrecipient Monitoring

Source of Governing Requirements – The requirements for subrecipient monitoring are contained in 31 USC 7502(f)(2)(B) (Single Audit Act Amendments of 1996 (Pub. L. No. 104-156)), Uniform Guidance, program legislation, 2 CFR parts 25 and 170, and 48 CFR parts 4, 42, and 52 Federal awarding agency regulations, and the terms and conditions of the award.

The City will review and oversee subrecipient activity and obtain a copy of their single audit. Additionally the City will evaluate the subrecipient's risk of noncompliance with Federal statutes, regulations, and the terms and conditions of the subaward for purposes of determining the appropriate monitoring procedures as required by the Uniform Guidance Title 2 CFR 200.331. Other oversight processes and procedures will be established on a case by case basis, dependent on grant requirements and the level of activity of the subrecipient.

### Uniform Guidance Compliance Supplement - Special Tests and Provisions

Source of Governing Requirements – The laws, regulations, and the provisions of contract or grant agreements pertaining to the program.

**Additional Policies and Procedures.** The following policies and procedures will also be applied:

In order to ensure compliance with these requirements, the City has implemented the following policies and procedures:

The Program Director will be assigned the responsibility for identifying compliance requirements for special tests and provisions, determining approved methods for compliance, and retaining any necessary documentation.

**Federal Awards Administration (continued)**

**Uniform Guidance– Federal Program Travel Costs**

The City shall reimburse administrative, professional, and support employees, and officials, for travel costs incurred in the course of performing services related to official business as a federal grant recipient.

For the purposes of this policy, **travel costs** shall mean the expenses for transportation, lodging, subsistence, and related items incurred by employees who are in travel status on official business as a federal grant recipient.

Employees shall comply with the applicable City policies and administrative regulations established for reimbursement of travel and other expenses.

The validity of payments for travel costs for all employees shall be determined by the Program Director and Finance Director.

Travel costs shall be reimbursed on a mileage basis for travel using an employee's personal vehicle and on an actual cost basis for meals, lodging and other allowable expenses, consistent with those normally allowed in like circumstances in the City's nonfederally funded activities, and in accordance with the City's travel reimbursement policies and administrative regulations.

Mileage reimbursements shall be at the rate approved by Administration for other City travel reimbursements. Actual costs for meals, lodging and other allowable expenses shall be reimbursed only to the extent they are reasonable and do not exceed the per diem limits established by the City Manager.

If travel reimbursement costs are charged directly to a federal award, documentation must be maintained that justifies that (1) participation of the individual is necessary to the federal award, and (2) the costs are reasonable and consistent with the Locality's/Organization's established policy.

Policy effective date: 2/12/19

Approved by City Council at their meeting on 2/12/19

Clerk of Council: Heaven B. Roberto