

WHEREAS, Sangamon County annually receives more than \$10 million in financial assistance in the form of grants from the Federal government, State agencies and other entities; and

WHEREAS, the receipt of grant awards is governed by numerous Federal and State mandates, and non-compliance with such mandates could result in the loss of grant awards and the repayment of grant funds; and

WHEREAS, in order to ensure the continued receipt of grant funds, the County must establish policies and procedures and other internal controls to provide assurance that grant awards are approved by the appropriate County officials and that all grants awarded to County departments and offices are managed in accordance with the applicable grant requirements; and

WHEREAS, the County Auditor's Office has prepared the attached grant policies and procedures to define the County's grant management requirements and to assign responsibilities for ensuring compliance with such requirements; and

WHEREAS, the Finance Committee has reviewed the attached grant policies and procedures and recommends their approval by the full County Board.

NOW, THEREFORE, BE IT RESOLVED that the Sangamon County Board, in session this 11th day of December, 2018 approves the County-wide grant policies and procedures developed by the Auditor's Office and attached to this resolution. These policies and procedures become effective upon passage of this resolution. The Auditor's Office is directed to recommend, as needed, revisions to these policies and procedures, and the Finance Committee is authorized to approve such revisions.

Submitted by  
FINANCE COMMITTEE  
November 27, 2018

[Signature], Chairman  
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Andy Goleman  
SANGAMON COUNTY AUDITOR

**FILED**

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[Signature]  
Sangamon County Clerk

**Finance Committee Resolution**

**Policy – Grant Management**

**Purpose -**

Sangamon County receives a significant amount of financial assistance in the form of grants from the Federal and State governments, as well as from other entities. The receipt of such assistance is governed by numerous Federal and State laws, regulations and administrative mandates which are defined, or cited, in the grant agreements with the awarding entity. In order to continue receiving such assistance, the County is required to establish a system of internal controls which provides reasonable assurance that departments are managing their grant programs in compliance with the applicable mandates. A department’s failure to ensure compliance with such mandates could result in the loss of grant assistance and the repayment of grant funds, and could also impact grants awarded to all other departments of the County.

The purpose of this policy is to summarize the assignment of organizational responsibilities within the County which have been established to ensure that the appropriate County officials are aware all grants awarded to County departments; to coordinate the County’s oversight and management of grant programs; and to ensure compliance with relevant grant requirements. All elected offices, departments, and component units for which the County is financially accountable shall comply with the requirements set forth in the policy. Exceptions to this policy must be approved by the Finance Committee.

This policy becomes effective upon approval by the County Board, and replaces the “Grant Policy” approved by the Sangamon County Finance Committee on January 25, 2005.

**Policy Requirements**

**I. Applications, Acceptance of Grant Awards and Grant Amendments**

- A. All grant applications, regardless of funding source or amount of funding, must be approved by a department’s oversight committee and the Finance Committee before the grant application can be submitted to the grantor for processing. The County Administrator is authorized to approve grant applications when grant funding opportunities arise on short notice and committee approval cannot be obtained prior to the due date of the grant application. In such instances, the grant application must be reported to the appropriate oversight committee and the Finance Committee at their next regularly scheduled meetings.
- B. The acceptance of grants totaling \$30,000 or more must be approved by the full County Board. The acceptance of grant awards less than \$30,000 requires the approval of both the appropriate oversight committee and the Finance Committee. The County Administrator is authorized to approve the acceptance of grant awards when the acceptance of such awards is required before the next regularly scheduled meeting of the County Board (or oversight and Finance Committee for awards less than \$30,000.) In such instances, the acceptance of the grant award must be reported to the Board and appropriate committees at their next regularly scheduled meetings.

- C. To ensure the timely acceptance of grant awards, one resolution document may be used to request committee approval to submit a grant application and to request Board approval (or committee approval for awards less than \$30,000) to accept the grant if awarded by the grantor agency. Such resolutions for grants of \$30,000 or more should first be submitted to a department's oversight committee and then to the Finance Committee for approval. After the Finance Committee has approved the submission of an application, a department may send its application to the grantor agency, and the Finance Committee will forward the resolution to the full Board for its approval of grant acceptance. Resolutions requesting approval to apply for and accept grants less than \$30,000 only require the approval of the appropriate oversight committee and the Finance Committee.

Resolutions requesting approval to accept grant awards must identify who is authorized to sign required documents to execute the grant agreement. This should be the County Administrator, unless the grantor agency requires the signature of a different County official or other signature authority has been approved by the County Board Chairman. After a grant agreement has been signed by the designated County official, authority to sign financial reports, billing requests and other routinely required grant documents is delegated to the director of the department receiving the grant.

A completed "Grant Approval" form must be attached to all resolutions requesting approval to apply for and accept grant awards. This form is available on the Auditor's page of the County's intranet. The purpose of the Grant Approval form is to capture standard information needed to evaluate grant proposals. Specific information which must be recorded on the Grant Approval form includes:

1. Identification of grantor agency
2. A brief summary of the grant program and its benefits to the residents of the County
3. Anticipated grant revenue and the amount and source of funds needed for matching funds
4. A brief description of any legal requirements imposed on the County by entering into the grant agreement
5. A budget breakdown showing estimated personnel and other costs associated with the grant

Departments may obtain copies of sample grant resolutions from the Auditor's Office.

- D. In a limited number of instances, grants for ongoing programs automatically renew each year and formal applications are not required by the grantor to continue to receive grant funding. For example, the State now considers the statutory distribution of motor fuel tax funds to be a grant, but does not require an application to receive such funding nor does the State currently issue notices of award for such grants. Committee and/or Board approval is not required to continue participation in these ongoing grant programs. However, on an annual basis, departments must provide their oversight committees and the Finance Committee with fiscal

summaries of these grant programs. Departments should work with the Auditor's Office to develop the format of such summary reports.

- E. Amendments to grant awards must be approved by the County Board if the amendment increases the grant award by \$30,000 or more. Amendments which change the value of the grant award by less than \$30,000 may be approved by the oversight committee and Finance Committee. Amendments which transfer funds among budget lines or make minor changes in the grant which do not change funding levels may be approved by the department director. The County Administrator is authorized to approve grant amendments when the approval of such amendments is required before the next regularly scheduled meeting of the County Board (or oversight and Finance Committee). In such instances, the approved amendment must be reported to the Board and appropriate committees at their next regularly scheduled meetings.
- F. The State's Grant Accountability and Transparency Unit (GATU) now issues Notices of State Award (NOSAs) to grant applicants to inform them that their applications have been accepted. NOSAs identify the amount of the pending grant award and may list specific actions the applicant must agree to implement to receive a grant. GATU requires an official of the grant applicant to electronically accept all NOSA's before the State will process the final documents to execute a grant. All NOSAs for grant awards to County departments must be accepted by the County Auditor's Office. Before accepting a NOSA, the Auditor's Office shall confirm that the County Board (or oversight/Finance Committee for grant less than \$30,000) has approved the acceptance of the grant and shall review any specific actions required by GATU to receive the grant award to ensure that the appropriate County officials are aware of and concur with the implementation of such actions.

## **II. Grant Management Responsibilities**

- A. Departments that have been awarded grants from the Federal or State governments or from other entities are responsible for being aware of the requirements associated with the receipt of such grants and for establishing policies and procedures and other internal controls to ensure that their grants are managed in compliance with all applicable requirements. The grant procedures developed by each agency must at a minimum include provisions to ensure that:
  - 1. Only allowable costs are charged to grants.
  - 2. Required fiscal and programmatic reports are submitted to the grantor agency in a timely and accurate manner.
  - 3. All grant activities are adequately documented and such documentation is retained in accordance with grant requirements.
  - 4. All procurement transactions for grant programs are processed in accordance with the County's procurement policies and procedures which have been developed to comply with requirements established by the Federal and State governments.
  - 5. All equipment and other assets that are purchased with grant funds are reported to the Auditor's Office for entry into the County's fixed asset system and physical inventories of such equipment are performed on a biennial basis as required by Federal and State grant regulations.
  - 6. The recipients of sub-grants are adequately monitored.

7. Grant receipts are managed in accordance applicable cash management requirements.
  8. Grant objectives are achieved in an efficient and effective manner.
- B. Departments must use the project/grant module of the County's accounting system to document their expenditures, including personnel expenditures, matching cost and receipts for grant programs. Reports from this system, rather than separately maintained spreadsheets, must be used to prepare requests for grant reimbursements and other fiscal reports required by the grantor agency or County Auditor's Office. Exemptions to this requirement may be authorized by the Auditor's Office in instances where departments can demonstrate that the County's accounting system does not meet their grant reporting needs.
  - C. The Auditor's Office shall be responsible for coordinating the preparation and distribution of the County's annual Single Audit and other audits which are required by the Federal and State governments. As part of this responsibility, the Auditor's Office shall prepare the required Schedule of Expenditures of Federal Awards (SEFA) and Consolidated Year-End Financial Report (CFEFR). These two grant schedules will be prepared using information provided by departments which receive grant funding. Departments are responsible for ensuring the accuracy of the financial information provided to the Auditor's Office.
  - D. The Auditor's Office shall coordinate the annual preparation of indirect cost rate proposals for the County's grant programs and will assist departments, as needed, in submitting such proposals to the State for its approval.
  - E. The Auditor's Office may provide technical assistance and advice to other departments of the County on grant related matters. As part of this effort, the Auditor's Office shall assist departments in their efforts to provide staff training on grant related topics.

