



City of Oak Harbor

Grant Policies & Procedures

865 SE Barrington Drive, Oak Harbor Washington, 98277
(360) 279-4500

Policies and Procedures

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 <p>Finance Department Grants Management</p>	Policy & Procedure Manual	
	Description: Mission Statement	No. 01
	Section:	No.
	Revision Date: March 21, 2006	No. 01

MISSION: *The mission of the City of Oak Harbor Finance Department's Grant Management is to ensure fiscal and programmatic accountability of Federal and State funds, property and other assets awarded to City of Oak Harbor. The department will also establish and maintain an infrastructure for funding opportunities to respond to the loss of revenue and the transfer of new responsibilities to the City.*

Goals & Objectives:

To ensure proper disbursement of and accounting for Federal and State funds, property and assets.

1. Establish internal controls to safeguard assets and ensure their proper use.
2. Establish written accounting policies and procedures.
3. Maintain source documentation to support accounting records.
4. Monitor proper charging of costs and cost allocation.
5. Provide a comparison of actual expenditures with budgeted amounts for each grant and contract.
6. Provide regular financial compliance reviews of all departments and recipients to determine if they are in compliance with professional standards as well as the requirements of federal, state and local laws and the grant agreement.

The Finance Department Grants Management will ensure compliance with requirements applicable to federal and state financial assistance programs.

1. Establish written policies and procedures for general and program specific requirements as defined by the Federal funding agencies and the State of Washington.
2. Provide regular legal compliance reviews of all departments and recipients within the City of Oak Harbor to determine if they are in compliance with professional standards as well as the requirements of federal, state and local laws and the grant agreement.

The Finance Department Grants Management will establish and maintain an infrastructure for funding opportunities.

1. Maintain a reference library of information related to financial assistance available to the City.
2. Write and market applications to federal and state agencies that offer funding opportunities.

The Finance Department Grants Management will serve as the City's liaison to funding agencies and recipient departments.

1. Maintain a complete file of information on all grants.
2. Prepare reports, statements and summaries as required by the funding agency.
3. Compile information required for the State audit.

 <p style="text-align: center;">Finance Department Grants Management</p>	Policy & Procedure Manual	
	Description: Accounting For Grant Revenue & Expenditures	No. 02
	Section:	No.
	Revision Date: December 31, 2019	No. 01

LEGAL REQUIREMENTS: Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards 2 CFR 200

Generally Accepted Accounting Principles (GAAP)

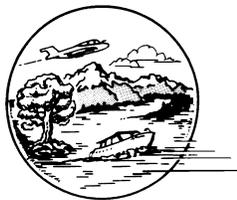
POLICY: *Grant related revenue and expenditures shall be authorized, within policy, and properly accounted for according to local, State and Federal regulations, legal requirements, underlying agreements, program objectives, and the terms and conditions of the grant award.*

RESPONSIBILITY: *The responsibility for understanding and adhering to city, state, federal regulations, policies or procedures will be shared between the Finance Department and various city departments. Departments that share this responsibility with Finance include Public Works Purchasing and the department designated as the Grant Recipient.*

PROCEDURES

1. The Grant Recipient department will establish written policies and procedures for general and program specific requirements as defined by the Federal funding agencies and the State of Washington.
2. The Finance Department will have fiscal responsibility for monies and transactions related to the award and review activities to assure compliance with policies and procedures, analyze the purpose of activities, record data, reconcile the general ledger, and retain records applicable to the grant award.
3. The Finance Department shall review financial transactions such as contract invoices, vouchers, travel reimbursement, purchase documents, budget amendments, and various other documents that obligate the City of Oak Harbor. When reviewing documents, the Finance Department is responsible for verifying the following:
 - a. that charges to the grant correctly represent materials received or services rendered;
 - b. that charges represent activities for which accounts are established, and comply with the budget that is established for the grant.
 - c. that funds are available in the grant to cover authorized charges;
 - d. that the transactions comply with all relevant internal or external regulations, policies and procedures.
4. The Finance Department shall provide a comparison of actual expenditures with budgeted amounts for each grant and contract.
 - a. Prepare internal summaries and financial reports to help management keep an accurate account of the budget, pointing out surpluses as well as insufficiencies by budget line item.
 - b. Prepare external reports for the State and Federal Government.
 - c. Prepare special reports as needed.

5. The Finance Department shall provide regular legal compliance reviews of all departments and recipients to determine if they are in compliance with professional standards as well as the requirements of federal and state laws, and the grant agreement
6. The Finance and Grantee Departments shall maintain source documentation to support accounting records.



Finance Department Grants Management

Policy & Procedure Manual

Description: Generally Accepted Accounting Principles (GAAP)	No. 03
Section:	No.
Revision Date: March 21, 2006	No. 01

LEGAL REQUIREMENTS: Generally Accepted Accounting Principles (GAAP), Reference:
*American Institute of Certified Public Accountants (AICPA), Audit and
Accounting Guide, State and Local Governmental Units*

POLICY: *Fiscal control and fund accounting procedures shall be established to assure the proper disbursement of, and accounting for, grant funds. Such procedures shall ensure that all financial transactions are conducted, and records maintained in accordance with generally accepted accounting principles.*

RESPONSIBILITY: *The responsibility for understanding and adhering to GAAP will be shared between the Finance Department and various city departments. Departments that share this responsibility with Finance include Public Works Purchasing and the department designated as the Grant Recipient.*

Basic Concepts and Principles

1. **Accounting and Reporting Capabilities** - maintain a financial and accounting system which contain sufficient detailed information to accurately account for grant and contract awards, obligations, unobligated balances, assets, liabilities, expenditures, and income.
2. **Consistent Treatment Of Information** - ensure that costs charged to the program be accorded consistent treatment.
3. **Fair Presentation/Full Disclosure** - maintain a system that present fairly and fully disclose the financial position and results of City of Oak Harbor's grant operations.
4. **Conformance with Legal and Contractual Provisions** - ensure compliance with legal and contractual provisions.
5. **Matching Revenues with Related Expenses** - match revenue with related expenses for the same time period.
6. **Fund Accounting on a Fund Basis** - maintain a self-balancing set of accounts, recording all assets, related liabilities, and fund balances for each grant award.
7. **Budgetary Control** - maintain appropriate budgetary control and budgetary comparisons between planned and actual performance.
8. **Basis of Accounting** - use the modified accrual or accrual basis of accounting in measuring financial positions and results of financial operations.
9. **Financial Reports** - prepare annual statements of financial position, operating results, and other pertinent information to facilitate management control of financial operations, external/legislative oversight, and external reporting purposes.



**Finance Department
Grants Management**

Policy & Procedure Manual

Description: Revenue and Receipts	No. 04
Section: Cash Advances	No. 01
Revision Date: December 31, 2019	No. 01

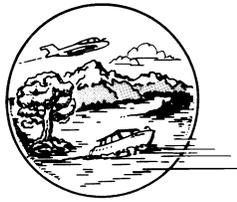
LEGAL REQUIREMENTS: Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards 2 CFR 200

POLICY: *Cash advances shall be limited to the minimum amount needed, and shall be requested only to meet actual, immediate cash needs.*

RESPONSIBILITY: *The Grantee Department shall follow procedures to minimize the time elapsing between the receipt of funds from the U.S. Treasury, or pass-through entity and disbursement.*

PROCEDURES: *If funds are received in advance.*

1. Generate and review the budget versus actual report and the cash balance to determine the amount of cash needed. *Cash on hand shall be used before requesting additional funds, unless otherwise permitted under the grant agreement.*
2. Prepare supporting documentation. (spreadsheet, memo)
3. Prepare cash request (A-19, memo, etc) or other report as stipulated in the grant agreement.
4. Send request to funding agency (e-mail, fax, mail, or telephone).
5. Send memo and copy of request for funding to the Finance Department's Grant Manager and Utilities Cashier.
6. Set up a receivable.
7. Electronic Fund Transfers (EFTs) will be wired to the City's bank within 3 days. *(EFTs will automatically be deposited into the Concentration account).*
8. Checks will be sent to the Finance Department upon receipt.
9. Prepare a receipt voucher with appropriate revenue account and deposit checks with the Utilities Cashier.
10. Reverse receivable.
11. Submit a request to Finance Director to invest any funds not to be used immediately.



**Finance Department
Grants Management**

Policy & Procedure Manual

Description: Revenue and Receipts	No. 04
Section: Cash Reimbursements	No. 02
Revision Date: December 31, 2019	No. 01

LEGAL REQUIREMENTS: Uniform Administrative Requirements, Cost Principles,
and Audit Requirements for Federal Awards 2 CFR 200

POLICY: *Cash reimbursement shall be made after actual costs have been incurred in accordance with the grant agreement.*

RESPONSIBILITY: *The Finance Department will prepare and submit the request for reimbursement to the awarding agency.*

PROCEDURES:

1. Generate and review the budget versus actual report and the cash balance to determine the amount of cash reimbursement.
2. Prepare supporting documentation, A-19 or other, as stipulated in the grant agreement.
3. Send request to funding agency (e-mail, fax, mail, or telephone).
4. Send memo and copy of request for funding to the Finance Department's Grant Manager and Utilities Cashier.
5. Set up a receivable.
6. Electronic Fund Transfers (EFTs) will be wired to the City's bank within 3 days. *(EFTs will automatically be deposited into the Concentration account).*
7. Checks will be sent to the Finance Department upon receipt.
8. Prepare a receipt voucher with appropriate revenue account and deposit checks with the Utilities Cashier.
9. Reverse receivable.
10. Submit a request to Finance Office to invest any funds not to be used immediately.



**Finance Department
Grants Management**

Policy & Procedure Manual

Description: Revenue and Receipts	No. 04
Section: Program Support	No. 03
Revision Date: December 31, 2019	No. 01

LEGAL REQUIREMENTS: Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards 2 CFR 200

POLICY: *The Finance Department shall recover the full cost of providing accounting and administrative services to other departments and/or organizations as permitted under the grant agreement and OMB Circular A-87.*

RESPONSIBILITY: *The Finance Department.*

PROCEDURES:

1. Review budget versus actual report for Grants.
2. Adjust for any accruals.
3. Prepare supporting documentation to allocate expenditures to departments and/or programs.
4. Prepare journal to set up a receivable and record earned revenue.
5. Send memo to each department and/or organization for review and approval.
6. Funds will be transferred upon approval.
7. Review Trial Balance.
8. Reconcile as needed.
9. File all supporting documentation.



**Finance Department
Grants Management**

Policy & Procedure Manual

Description: Revenue and Receipts	No. 04
Section: Program Income	No. 04
Revision Date: December 31, 2019	No. 01

LEGAL REQUIREMENTS: Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards 2 CFR 200

POLICY: *Program incomes shall be recorded and used in accordance with program requirements, 2 CFR 200, Federal awarding agency laws, program regulations, and the provisions of the contract or grant agreement pertaining to the program.*

RESPONSIBILITY: *The Finance Department shall account for income received by departments generated by a grant support activity or earned only as a result of the grant agreement.*

PROCEDURES:

Program Income means gross income received by the grantee directly generated by a grant supported activity, or earned only as a result of the grant agreement during the grant period.

Grantees are encouraged to earn income to defray program costs. Except as otherwise provided in regulations of the federal agency, program income does not include interest on grant funds, rebates, credits, discounts, refunds, etc. and interest earned on any of them.

1. Review the laws, regulations, and the provisions of contract or grant agreements applicable to the program and ascertain if program income was anticipated and, if so, the requirements for recording and using program income.
Program income may be used in one of three methods:
Deduction - deduct program income from total allowable costs to determine the net allowable cost.
Program Income shall be used for current cost.
Addition - add Program Income to the funds committed to the grant agreement. *Program Income shall be used for the purposes and under the conditions of the grant agreement.*
Cost Sharing - Program Income may be used to meet the cost sharing or matching requirement of the grant agreement. *The amount of the award remains the same.*
2. Prepare a deposit slip (transmittal slip) to deposit funds into the City's Concentration account.
3. Prepare a journal to record revenue.
4. Deposit funds with the Finance Department's Utilities cashier.
5. Transfer funds to investment account if there is not an immediate disbursement need.



**Finance Department
Grants Management**

Policy & Procedure Manual

Description: Revenue and Receipts	No. 04
Section: Investment Pools	No. 05
Revision Date: December 31, 2019	No. 01

LEGAL REQUIREMENTS: Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards 2 CFR 20 and Cooperative Agreements to State and Local Governments

POLICY: *Unless otherwise prohibited by the grant agreement, cash on hand shall be invested into the Local Government Investment Pool or other interest-bearing account until required for cash disbursement.*

RESPONSIBILITY: *The Finance Director shall authorize investment of funds as permitted under the grant agreement.*

PROCEDURES:

1. Generate and review budget verses actual report.
2. Determine immediate cash needs.
3. Notify the Finance Department to transfer funds in or out of the investment account.
4. Review investments monthly.
5. Prepare a report of investment activities.
6. Send a copy of the report to the grantee department.
7. File a copy of the report.



**Finance Department
Grants Management**

Policy & Procedure Manual

Description: Revenue and Receipts	No. 04
Section: Interest	No. 06
Revision Date: December 31, 2019	No. 01

LEGAL REQUIREMENTS: Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards 2 CFR 200, *Treasury Regulation at 31 CFR part 205*

POLICY: *Unless otherwise specified in the grant agreement, interest earned on advances shall be submitted to the Federal agency. Up to \$100 per year may be kept for administrative expense.*

RESPONSIBILITY: *The responsibility for tracking and using interest shall be shared between the Finance Department and the department designated as the Grant Recipient. The Finance Director and designated staff shall track investments and interest.*

PROCEDURES:

Finance Department shall:

1. Review the laws, regulations, and the provisions of contract or grant agreements applicable to the program and ascertain if interest was anticipated and, if so, the requirements for recording and using interest.
2. Generate and review trial balance.
3. Prepare a report of interest activities.
4. Send a copy of the report to the grantee department.
5. File a copy of the report.

Recipient Department shall:

1. Review report of earned interest.
2. Request authorization from funder to expend interest on program activities or instructions for returning interest.



**Finance Department
Grants Management**

Policy & Procedure Manual

Description: Expenditures and Disbursements	No. 05
Section: Cost Principles & Allowable Costs	No. 01
Revision Date: December 31, 2019	No. 01

LEGAL REQUIREMENTS: Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards 2 CFR 200

POLICY: *The Grantee shall use applicable cost principles to determine the reasonableness, allowability, and allocability of costs applicable to federal grants and contracts.*

RESPONSIBILITY: *The responsibility for understanding and adhering to Cost Principles will be shared between the Finance Department and various City departments. Departments that share this responsibility with Finance include Public Works Purchasing and the department designated as the Grant Recipient.*

1. Finance shall ensure that costs charged to federal grants are:
 - a. Necessary and reasonable for proper and efficient administration of the grant program, be allowable under the principles contained in the OMB circulars and except as specifically provided in this circular, not be general expenses required to carry out the overall responsibilities of local government;
 - b. Authorized and not prohibited under Federal, State or local laws or regulations;
 - c. Conform to any limitations or exclusions set forth in the principles, Federal laws, or other governing limitations as to types or amounts of cost items;
 - d. Consistent with policies, regulations, and procedures that apply uniformly to both federally assisted and other activities of City of Oak Harbor.
 - e. Not included as a cost or used to meet cost sharing or matching requirements of any other federally financed program.
2. Finance shall ensure that costs are accorded consistent treatment through application of generally accepted accounting principles.
3. Finance shall maintain source documentation to support accounting records and documents that permit the tracing of funds to a level of expenditure adequate to establish that funds have not been used in violation of the applicable restrictions of the uses of such funds.
4. Finance shall ensure that applicable credits are used to reduce the cost of the program or are returned to the awarding agency.



**Finance Department
Grants Management**

Policy & Procedure Manual

Description: Expenditures and Disbursements	No. 05
Section: Accounts Payable	No. 02
Revision Date: December 31, 2019	No. 01

LEGAL REQUIREMENTS: Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards 2 CFR 200 and Generally Accepted Accounting Principles (GAAP)

POLICY: *Applicable 2 CRF 200 cost principles, agency program regulations, and the terms of grant agreement will be followed in determining the reasonableness, allowability, and allocability of costs. The specific requirements for activities allowed or unallowed are unique to each State or Federal program and are found in the laws, regulations, and the provisions of the contract or grant agreement.*

RESPONSIBILITY: *The Grant Recipient and Finance Department shall be responsible for determining that all claims for payment are accurate, allowable and allocable to the grant.*

PROCEDURES:

Grant Recipient

1. Obtain original invoice from vendor.
2. Audit invoice for accuracy, allowability and allocability.
3. Determine BARS expenditure account and code.
4. Prepare an invoice claim form.
5. Submit original invoice and claim form to the Finance Department Accounts Payable for processing.
6. File copy of invoice and supporting documentation.

Finance Department

1. Review invoice voucher and supporting documentation for accuracy.
2. Input invoice information into the accounts payable system.
3. Generate an edit list.
4. Send edit list to City Council for review and approval.
5. When edit list has been approved, generate check.
6. Mail check to vendor or make check available for pick-up.
7. Provide copy of check and supporting documentation to Grant Manager.
8. File copy of original invoice, payment voucher, and accounts payable reports.



**Finance Department
Grants Management**

Policy & Procedure Manual

Description: Expenditures and Disbursements	No. 05
Section: Purchasing	No. 03
Revision Date: December 31, 2019	No. 01

LEGAL REQUIREMENTS: Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards 2 CFR 200

[Revised Code of Washington](#), (RCW 39.20.020)

[Oak Harbor Municipal Code](#), (2.48)

POLICY: *The [City of Oak Harbor's purchasing procedures](#) shall be followed, provided that they conform to applicable State, Local and Federal law and regulations and standards identified in 2 CFR 200, if applicable.*

RESPONSIBILITY: *The responsibility for understanding and adhering to Purchasing policies will be shared between the Finance Department and various City departments. Departments that share this responsibility with Finance include Public Works Purchasing and the department designated as the Grant Recipient.*

PROCEDURES:

1. Only those staff members that are authorized and have signatures on file with the Purchasing Department may make requisitions for purchases.
2. Staff related supplies, materials and equipment **must** be made on a City generated purchase order.
3. Staff's travel related expenses such as registration fees, vehicle rentals, hotel reservations and airfare should be made on purchase orders when it is an acceptable means of payment by the vendor.
4. Supplies, materials, and equipment **must** be purchased through the Public Works central purchasing system on a City generated purchase order.
5. Services such as testing, licensing, and repairs must be made on purchase orders when it is an acceptable means of payment by the vendor.
6. Both specific and open-ended purchase orders can be established in advance.



**Finance Department
Grants Management**

Policy & Procedure Manual

Description: Expenditures and Disbursements	No. 05
Section: Journal Entries	No. 04
Revision Date: March 21, 2006	No. 01

LEGAL REQUIREMENTS:

POLICY: *Journal Entries shall be used to adjust or correct general ledger account balances, or to record reimbursement activity within funds. Journal Entries shall be used to transfer Cash between funds and to record interdepartmental transactions for services rendered, such as copier usage, postage, telephones, duplicating, etc.*

RESPONSIBILITY: *The Finance Department will be responsible for ensuring grant related transactions are recorded into the appropriate program, project, department, and object. The Finance Department will generate cash vouchers to transfer cash between departments/funds for which they provide accounting support.*

PROCEDURES:

1. Generate and review revenue and expenditure report.
2. Prepare documentation to support transfer of previously recorded transactions.
3. Submit journal entry request and supporting documentation for approval.
4. Enter the journal into the financial management system.
5. File copy of supporting documentation.



**Finance Department
Grants Management**

Policy & Procedure Manual

Description: Cost Allocation & Cost Pooling	No. 06
Section: Indirect Cost Plan	No. 01
Revision Date: December 31, 2019	No. 01

LEGAL REQUIREMENTS: Uniform Administrative Requirements, Cost Principles,
and Audit Requirements for Federal Awards 2 CFR 200

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POLICY: *An Indirect Cost Plan shall be developed to identify and distribute costs of services provided by support personnel (such as Grant Manager, Internal Auditor, Human Resources, and Legal) to departments administering Federal grants or contracts.*

RESPONSIBILITY: *The Finance Department shall develop the Indirect Cost Plan.*

PROCEDURES:

1. Prepare a description of the types of indirect services provided and their relevance to Federal projects.
2. Generate a report of the previous year's revenue and expenditures for all funds.
3. Identify the departments rendering the services and receiving the service.
4. Determine the methods to pool and allocate indirect cost to departments using an allocation base that represents a fair measure of cost generation or cost benefit, provided it results in an equitable distribution of the cost of services rendered or goods provided.
5. Prepare a summary schedule of the allocations of central service costs to benefiting operating departments.
6. Prepare a concise but complete description of the method used to determine the billing rate or amount for each billed service.
7. Prepare a concise but complete description of the accounting treatment of any under/over billed costs for the fiscal year.
8. Obtain a copy of the most recent audited financial statements.
9. Request a copy of the latest City organizational chart.
10. Print preliminary copy of Indirect Cost Plan.
11. Review preliminary copy with the Finance Director.
12. Make corrections as needed.
13. Obtain approval from the City Supervisor that the plan has been prepared in accordance with applicable policies and procedures.
14. Present the Indirect Cost Plan to City Council.
15. Print copies of Indirect Cost Plan and distribute.



**Finance Department
Grants Management**

Policy & Procedure Manual

Description: Cost Allocation & Cost Pooling	No. 06
Section: Administrative Cost Pools	No. 02
Revision Date: December 31, 2019	No. 01

LEGAL REQUIREMENTS: Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards 2 CFR 200 and Generally Accepted Accounting Principles (GAAP)

POLICY: *A Cost Allocation Plan shall be developed to distribute the administrative or other joint costs incurred within a performing department or unit, together with the service costs allocated to it under the indirect cost proposal, to all work performed by the department or unit.*

RESPONSIBILITY: *The Finance Department and the Grant Recipient Department shall develop a cost allocation plan to support the distribution of cost that are not readily chargeable to a final cost objective.*

PROCEDURES:

Developing a Cost Allocation Plan:

1. Identify the administrative or other joint costs incurred within a performing department or unit that cannot be readily charged to a final cost objective.
2. Identify the basis for allocating each type of joint or pooled costs. Use the simplest method possible, based on a measure of relative benefit received that will produce an equitable allocation of costs to cost categories and programs.
3. Prepare documentation for supporting each basis for allocation.
4. Prepare the written cost allocation plan that identifies the allocation methods used for distributing costs. Include in the plan:
 - a. Description of the types of services provided and their relevance to grant projects.
 - b. Copy of official financial statements or budgets.
 - c. Expense items included in the costs of the services.
 - d. Methods used in distributing the expenses to benefiting objectives.
 - e. Certification by an authorized official that the plan has been prepared in accordance with the grant agreement or applicable requirements.

Allocating Cost:

1. Generate an expenditure report
2. Identify excludable and unallowable costs.
3. Develop a spreadsheet to allocate cost to user departments.
4. Prepare journal to allocate cost within the general ledger system.



**Finance Department
Grants Management**

Policy & Procedure Manual

Description: Audits & Audit Resolutions	No. 07
Section: Audits	No. 01
Revision Date: December 31, 2019	No. 01

LEGAL REQUIREMENTS: Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards 2 CFR 200

POLICY: *Grantees spending more than \$750,000 in Federal Financial Assistance in a fiscal year are responsible for obtaining audits in accordance with Uniform Guidance, 2 CFR 200, Subpart F – Audit Requirements and federal agency implementing regulations.*

RESPONSIBILITY: *The Finance Department shall ensure that departments receiving federal financial assistance are in compliance with audit requirements in accordance with 2 CFR 200.*

PROCEDURES:

1. Review trial balance, budget verses actual and subsidiary ledgers.
2. Reconcile revenue with expenditures, assets with liabilities.
3. Prepare journal entries if corrections are needed.
4. Prepare Schedule of Financial Assistance (Schedule 16)
5. Make copy of SFA
6. Send original to Auditor's office.
7. Coordinate annual audit with the State Auditor.
8. Ensure that appropriate corrective action is taken within six months after receipt of the audit report in instances of noncompliance with Federal laws and regulations.



**Finance Department
Grants Management**

Policy & Procedure Manual

Description: Audits & Monitoring	No. 07
Section: Subrecipient Monitoring	No. 02
Revision Date: December 31, 2019	No. 01

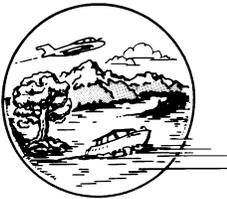
LEGAL REQUIREMENTS: Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards 2 CFR 200

POLICY: *On an annual basis, the City of Oak Harbor will monitor the activities of subawards as necessary to ensure that federal awards are used for authorized purposes in compliance with laws, regulations, and the provisions of contracts or grant agreements and that performance goals are achieved.*

RESPONSIBILITY: *The Finance Department shall provide reasonable assurance that grants are monitored and that funds are expended in ways that meet provisions of pertinent statutes, regulations, agency administrative requirements, 2 CFR 200, and the terms of the award notice. The Finance Department shall also provide reasonable assurance that adequate progress is being made toward achieving the subaward project's goals and objectives. This responsibility shall only apply to grants that are fiscally administered by the Finance Department, unless otherwise requested.*

PROCEDURES:

1. Select projects for monitoring. Consideration will be given to the performance of follow-up reviews and previous recommendations.
2. Develop a Monitoring Plan – identify scope and objective; and determine what monitoring techniques will best achieve monitoring objective.
3. Develop an monitoring schedule based on staffing levels, staff training and experience and departmental resources – determine scheduled start and completion date, and anticipated number of hours to complete review.
4. Implement Monitoring Plan.
5. Document findings and recommendations.
6. Follow-up on non-compliance and corrective action plan.

 <p>Finance Department Grants Management</p>	Policy & Procedure Manual	
	Description: Financial Management System	No. 09
	Section:	No.
	Revision Date: December 31, 2019	No. 01

LEGAL REQUIREMENTS: Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards 2 CFR 200

POLICY: *The Financial Management System must be complete and reliable. The system shall contain sufficient detailed information to accurately account for grants and contract awards, obligations, unobligated balances, assets, liabilities, expenditures, and income. Financial transactions must be adequately supported with pertinent documents available for audit. All transactions must be recorded when made, in a way that readily permits them to be traced from originating documents through summary records and financial reports.*

RESPONSIBILITY: *The Finance Department shall be responsible for establishing a self-balancing set of accounts for each grant within City of Oak Harbor's Financial Management System and ensuring that transactions are recorded accurately, in a timely manner and completely within financial system guidelines.*

PROCEDURES:

1. Review contract or grant agreement.
2. Establish chart of account within the financial management system.
3. Meet with Grant Recipient department to determine reporting and cost tracking needs.
4. Determine chart of account.
5. Prepare memo to request set up of chart of account.
6. Submit request for approval.
7. Notify Grant Recipient department after accounts have been opened.



**Finance Department
Grants Management**

Policy & Procedure Manual

Description: Reports	No. 10
Section: Federal Financial Reports	No. 01
Revision Date: December 31, 2019	No. 01

LEGAL REQUIREMENTS: Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards 2 CFR 200

POLICY: *Accurate, current, and complete disclosure of the financial results of financially assisted activities must be made in accordance with the financial reporting requirements of the grant.*

The specific reporting requirement for each program is presented in the Reporting Requirements for that program.

RESPONSIBILITY: *The Finance Department shall provide accurate, current and complete disclosure of the financial results of each grant program in accordance to reporting requirements established BY 2 CFR 200.*

PROCEDURES:

1. Review Budget verses Actual report.
2. Review grant agreement for allowable expenses and verify that only allowable expenses are reported.
3. Prepare spreadsheet.
4. Prepare journal entries if corrections are needed.
5. Prepare report.
6. Review report and supporting documentation with Grant Recipient.
7. Obtain Grant Recipient's Signature.
8. Send report to awarding agency.
9. File copy of report and supporting documentation.

Standard Reports:

SF-269 – Financial Status Report, Long Form

SF-270 – Request for Advance

SF-271 – Outlay Report and Request for Reimbursement for Construction Program.

SF-272 - Federal Cash Transaction Report



**Finance Department
Grants Management**

Policy & Procedure Manual

Description: Closeout	No. 11
Section:	No.
Revision Date: December 31, 2019	No. 01

LEGAL REQUIREMENTS: Uniform Administrative Requirements, Cost Principles,
and Audit Requirements for Federal Awards 2 CFR 200

POLICY: *After the expiration or termination of the grant, the grantee must submit all financial, performance, and other reports required as a condition of the grant.*

RESPONSIBILITY: *The Finance Department shall develop and operate a system for closing grant agreements to ensure compliance with the close out requirements as contained in the grant agreement.*

PROCEDURES: *After all applicable administrative actions and all required work of the great has been completed:*

1. Ensure that Recipient Department knows ahead of time what actions are required for close out and what conditions must exist at close out.
2. Identify what financial reports are required.
3. Review budget verses actual reports.
4. Reconcile records to ensure that expenditures are equal to or less than budget, that cash received is appropriately adjusted and equals expenditures.
5. Prepare close out report.
6. Review close out documents with Grant Recipient.
7. Send close out documents to awarding agency.
8. File copy of all documents.



**Finance Department
Grants Management**

Policy & Procedure Manual

Description: Record Retention	No. 12
Section:	No.
Revision Date: December 31, 2019	No. 01

LEGAL REQUIREMENTS: Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards 2 CFR 200

POLICY: *Grantees must maintain records that adequately identify the source and application of funds provided for financially assisted activities.*

These records must contain information pertaining to grant awards and authorizations, obligations, unobligated balances, assets, liabilities, outlays or expenditures, and income.

Accounting records must be supported by such source documentation as cancelled checks, paid bills, payrolls, time and attendance records, and contract award documents.

RESPONSIBILITY: *The Finance Department shall establish requirements for retention of all records pertinent to all grants awarded, and for contracts and agreements in accordance with 2 CFR 200 and the terms of the grant agreement.*

PROCEDURES:

1. Obtain copy of contracts and grant agreements.
2. Establish a file for each contract and grant agreement.
3. Update files as needed.
4. Maintain records for 3 years (*or required retention period on the grant agreement*) following the submission of the final expenditure report or until all issues resulting from litigation, audit/audit resolution, or claims have been resolved, whichever is longer.
5. Make all financial reports available for review upon request by the awarding agency, its Inspector General, or the Comptroller General of the United States.