



ADMINISTRATIVE POLICIES

SECTION:	Financial Management – Section 400	POLICY #:	430
TITLE:	Federal Awards - Administration and Definitions	PROCEDURE #:	N/A
		ORDER #:	N/A
DEPT:	Finance	DIVISION:	N/A
ADOPTED:	6/2015	REVIEWED:	N/A
		REVISIED:	N/A

PURPOSE: To establish policies and procedures over the administration of Federal Awards.

AUTHORITY: The Marion County Board of Commissioners may establish rules and regulations in reference to managing the interest and business of the county under ORS 203.010, 203.035, 203.111, and 203.230.

APPLICABILITY: Department heads, elected officials and other employees who have authority to administer Federal Awards.

GENERAL POLICY: All Federal Awards are subject to the established requirements as set forth by the federal government in the Uniform Guidance for Federal Awards (Uniform Guidance) and other laws and regulations as required by the Federal Award Agreement and the granting agency.

DEFINITIONS:

Federal Award: Federal Financial Assistance that a non-federal entity receives directly from a federal awarding agency or indirectly from a pass-through entity, or a cost-reimbursement contract under federal acquisition regulations that a non-federal entity receives directly from a federal awarding agency or indirectly from a pass-through entity.

Federal Award Agreement: the instrument setting forth the terms and conditions of a Federal Award. The instrument is a grant agreement, cooperative agreement or any other agreement providing Federal Financial Assistance, or a cost-reimbursement contract awarded under federal acquisition regulations.

Federal Financial Assistance: assistance that non-federal entities receive to administer a Federal Award in the form of: grants, cooperative agreements, non-cash contributions, donations of property, direct appropriations, food commodities, loans, loan guarantees, interest subsidies or insurance.

- Responsibilities:
Every department head, elected official, employee or agent of the county (public official) who has authority to receive or expend Federal Financial Assistance is responsible for compliance with the

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policy. Each is responsible for ensuring that Federal Financial Assistance is administered in accordance with the purpose of the Federal Award Agreement and in compliance with all applicable laws and regulations.

- 1.1. **Allowable Costs** – see Policy 431
- 1.2. **Subrecipient Monitoring** – see Policy 432
- 1.3. **Administrative Requirements** – Each public official that has responsibility for administering a Federal Award shall:
 - a. Provide efficient and effective administration of the Federal Award through the application of sound management practices;
 - b. Administer federal funds in a manner consistent with underlying agreements, program objectives, and the terms and conditions of the Federal Award;
 - c. Comply with the cost principles established by the federal government, support the accumulation of costs as required by the cost principles, and provide adequate documentation to support costs charged to the Federal Award;
 - d. Apply costs and cost allocations related to indirect costs and administrative charges on a consistent basis and in accordance with federal cost principles and county policy (see also policy 431, Federal Awards - Allowable Costs);
 - e. Ensure that no profit results from the use of Federal Financial Assistance, unless explicitly authorized by the terms and conditions of the Federal Award (i.e. program income); and
 - f. Establish a process of internal control, designed to achieve the objectives of the Federal Award, in a manner that also achieves the following:
 - i. Effective and efficient operations;
 - ii. Reliable reporting for internal and external use;
 - iii. Evaluating and monitoring compliance with all applicable laws and regulations;
 - iv. Taking prompt action when instances of noncompliance are identified;
 - v. Taking reasonable measures to safeguard protected personally identifiable information.
- 1.4. **Payments of Federal Awards** – Payment methods must minimize the time elapsing between the receipt of funds from the federal agency or pass-through entity and the disbursement of those funds by the county, whether the payment is made by electronic funds transfer, issuance or redemption of checks or warrants, or payment by any other means.
 - a. Standard practice in the county is to operate Federal Awards on a reimbursement basis, wherein costs are incurred first, then reimbursement of those costs is requested from the federal agency or pass-through entity in order to minimize the time elapsing between transfer of funds.
 - b. When the reimbursement method is not feasible, advance payments may be requested to administer a Federal Award with the following considerations:
 - i. Time elapsing between the receipt of funds from the federal agency or pass-through entity and the disbursement of those funds must be no more than 3 business days;

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- ii. Funds that cannot be disbursed within 3 business days must be deposited in an interest-bearing fund and cost center (program, service and/or project), and allocated a fair share of monthly interest earnings; and
- iii. Interest earnings in excess of \$500 per year must be returned to the federal agency or pass-through entity.

1.5. **Conflict of Interest** – A public official, including any department head, elected official, employee or agent of the county, shall not 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 public official, or any member of his or her immediate family, or an organization which employs or is about to employ any of the parties indicated herein, receives a financial or other personal benefit from an organization considered for a contract supported by a Federal Award. Violations of such standards by a public official will be subject to disciplinary action in accordance with county policies.

1.6. **Audit Requirements**

- a. The county must procure or arrange for the county's audit as required by Section 200.508-200.512, under the Uniform Guidance.
- b. The county will prepare the following statements and schedules:
 - i. Financial statements that reflect its financial position, results of operations or changes in net assets, and, where appropriate, cash flows for the fiscal year audited;
 - ii. Schedule of Expenditures of Federal Awards (SEFA) for the period covered by the auditee's financial statements which must include the total Federal Awards expended;
- c. Audit Finding Follow Up – the county is responsible for follow-up and corrective action on all audit findings. The county will prepare a summary schedule of prior audit findings and a corrective action plan for current year findings; and
- d. Report Submission – the county will complete the data collection form within the earlier of 30 days after receipt of the auditor's report or nine months after the end of the audit period. The reporting package must include items as listed in the Uniform Guidance Section 200.512 (c).

2. Exceptions:

There are no exceptions to this policy.

3. Implementation:

The Chief Financial Officer and the Chief Accountant are authorized to implement this policy, and authorized to record corrections or adjustments if costs are in violation of this policy.

4. Periodic Review:

This policy will be reviewed by the Chief Financial Officer at least every three years.

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5. Resources:

The following are additional resources in relation to this policy:

- a. Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Title 2, Code of Federal Regulations, Part 200 (2 CFR 200))
- b. Office of Management and Budget (OMB) Circular A-87, Cost Principles for State, Local and Indian Tribal Governments (2 CFR 225)
- c. OMB Circular A-102, Grants and Cooperative Agreements With State and Local Governments
- d. OMB Circular A-133, Audits of States, Local Governments and Non-Profit Organizations