

# **Black Hawk County Grant Administration Policy**

## **INTRODUCTION**

It is the policy of Black Hawk County to account for, and file all appropriate documentation in relation to, any grants that the county applies for and receives.

### **Scope**

This policy shall be applicable to all County offices, departments, and authorized outside agencies and component units funded, in whole or in part, by the County.

### **Definition and Purpose**

The definition of a grant for purposes of this policy is as follows: An award of financial assistance, in the form of money or property by a funding source including the federal government, state government, other local governments, non-profit agencies, and private businesses and citizens, that the County has the ability to accept or reject.

The purpose of the grant procedures outlined in this document is to ensure proper oversight of all funds appropriated to the County, minimize the County's risk of non-compliance with grant requirements, and ensure proper administration and accounting of all grants.

### **Responsibility**

Black Hawk County 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.

## **PRE-AWARD ACTIVITIES**

County departments and offices that apply for and utilize grant funds are responsible for all aspects of the grant process, including preparation and submission of grant proposals, grant writing, conducting comprehensive award reviews, obtaining prior approvals, requesting and obtaining appropriate Board authorization to accept grant awards, developing grant implementation plans, managing grant programs and projects, planning for grant acquisitions, ensuring compliant grant expenditures, managing subrecipients, preparing and submitting reports to sponsors, and properly closing out grant projects.

### **Grant Applications**

Grant applications will be reviewed by the departments seeking grants in order to make independent assessments of all financial aspects of the applications to ensure funds availability. If board approval is required by the written terms of the grant, then the application should be forwarded to the Board of Supervisors or other governing board for approval. If board approval is not required, the department head or their designated official may, at his or her discretion, approve grant applications.

## **POST-AWARD ACTIVITIES**

### **Notification and Acceptance of an Award**

Upon notice of a grant award, the department is responsible for conducting a comprehensive review of the award documents. The award review should consider the budget conditions, matching costs, and the terms and conditions of the grant agreement. If board approval of grant awards is required, then the agreement/contract needs to be forwarded to the Board of Supervisors or other governing board for approval.

A Catalog of Federal Domestic Assistance (CFDA) number shall be noted for each federal award and copies of all federal awards need to be sent to the Finance Director for inclusion in the single audit.

The department that obtained the grant will provide the Auditor's Office with information needed to establish project accounts for tracking grant revenues and expenditures.

Files (electronic or paper) should be established for each grant or contract. These files should contain the proposal, all correspondence regarding the grant or contract, the final signed award document and all reports submitted to the funding sources.

### **Federal Award Compliance**

By accepting funds under a federal grant, the County agrees to comply with and include in all sub-grants the grant provisions, all applicable federal statutes, regulations and guidelines, and any amendments. The County agrees to operate the funded program in accordance with the approved grant application and budget, supporting documents, and other representations made in support of the approved grant application. Any inconsistency in the Grant Award shall be resolved by giving precedence in the following order: (a) Applicable Federal Statute, (b) Awarding agency and other federal regulations, (c) Special Provisions, (d) General Provisions, (e) Notice of Funding Opportunity and (f) The approved grant application including assurances, certifications, attachments, and pre-award negotiations.

## **FINANCIAL MANAGEMENT**

### **Charging of Costs to Federal Awards**

Only costs that are reasonable, allowable and allocable to a Federal award shall be charged to that award (directly or indirectly), or considered as cost sharing or matching. The factors affecting the allowability of costs are unique to each Federal program and are found in the laws, regulations, and the provisions of the contract or grant agreements pertaining to the program. Uniform Guidance Subpart E-Cost Principles establishes principles and standards for determining costs for Federal awards carried out through grants, cost reimbursement contracts, and cooperative agreements. These principles must be used in determining the allowable costs of work performed by Black Hawk County under Federal awards.

For each Federal award, an appropriate set of general ledger accounts or project codes shall be established in the chart of accounts to reflect the categories of allowable costs identified in the award.

*Reasonable Costs:*

The cost must be “reasonable” for the performance of the award, considering the following factors:

- Whether the cost is necessary for the operation of the County or the performance of the award.
- Restraints imposed by such factors as: sound business practices; arm's-length bargaining; Federal, state, local, and other laws and regulations; and terms and conditions of the award.
- Market prices for comparable goods or services for the geographic area.
- Whether the individuals concerned acted with prudence in the circumstances considering their responsibilities to the County, its employees, the public at large, and the Federal Government.
- Whether the County significantly deviates from its established practices and policies regarding the incurrence of costs, which may unjustifiably increase the award's cost.

*Allocable Costs:*

A cost is allocable to a particular award by meeting one of the following criteria:

- It is incurred specifically for the grant award.
- It benefits both the grant award and other work of the County and can be distributed in proportions that may be approximated using reasonable methods; and
- It is necessary to the overall operation of the County and is assignable in part to the grant award in accordance with the Cost Principles.

Any cost allocable to a particular award may not be charged to other awards to overcome fund deficiencies, to avoid restrictions imposed by statutes, regulations, or terms and conditions of the awards, or for other reasons. This prohibition would not preclude the County from shifting costs that are allowable under two or more awards in accordance with existing statutes, regulations, or the terms and conditions of the awards.

*Direct Cost Allocation Principles:*

If a cost benefits two or more projects or activities in proportions that can be determined without undue effort or cost, the cost must be allocated to the projects based on the proportional benefit. If a cost benefits two or more projects or activities in proportions that cannot be determined because of the interrelationship of the work involved, then, notwithstanding the paragraph above, the costs may be allocated or transferred to benefitted projects on any reasonable documented basis.

*Factors Affecting Allowability of Costs:*

Except where otherwise authorized by statute, costs must meet the following general criteria in order to be allowable under grant awards:

- It is necessary and reasonable for the performance of the grant award.
- It conforms to any limitations or exclusions of 2 CFR Part200 or the Federal award itself.
- It is consistent with policies and procedures that apply to both Federally financed activities and other activities of the County.
- It is consistently treated over time.

- It is determined in accordance with generally accepted accounting principles (GAAP).
- It is not included as a cost or of any other Federally financed program in the current or prior periods.
- It is adequately documented.

### **Prior Approval**

Under any given Federal award, the reasonableness and allocability of certain items of costs may be difficult to determine. In order to avoid subsequent disallowance or dispute based on unreasonableness or nonallocability, the County may seek the prior written approval of the Federal awarding agency (or pass-through entity) in advance of the incurrence of special or unusual costs. Prior written approval should include the timeframe or scope of the agreement.

The absence of prior written approval on any element of cost will not in itself affect the reasonableness or allocability of that element, unless prior approval is specifically required for allowability as described under certain circumstances.

The following items require Prior Approval.

1. Significant Changes: Changes in principal investigator, project leader, project partner, or scope of effort must receive the prior written approval of the Federal awarding agency or pass-through entity 2 CFR §200.201
2. Cost Sharing: Unrecovered indirect costs, including indirect costs on cost sharing or matching may be included as part of cost sharing or matching only with the prior approval of the Federal awarding agency. Unrecovered indirect cost means the difference between the amount charged to the Federal award and the amount which could have been charged to the Federal award under the non-Federal entity's approved negotiated indirect cost rate. 2 CFR §200.306
3. Program Income Addition: With prior approval of the Federal awarding agency, program income may be added to the Federal award by the Federal agency and the County. The program income must be used for the purposes and under the conditions of the Federal award. 2 CFR §200.307
4. Program Income as Cost Sharing: With prior approval of the Federal awarding agency, program income may be used to meet the cost sharing or matching requirement of the Federal award. The amount of the Federal award remains the same. 2 CFR §200.307
5. Budget Revisions:
  - Prior approval is required if there are changes in the budget related to changes in a key person specified in the application for the Federal Award or changes in scope. Prior approval is required for these changes even if there are no changes in the budget. 2 CFR §200.308
  - Prior approval is required for the transfer of funds budgeted for participant support costs to other cost categories. 2 CFR §200.308
  - Unless described in the application and funded in the approved Federal Award, the subawarding, transferring, or contracting out of any work under a Federal Award requires prior approval. 2 CFR §200.308
  - Changes in the amount of cost sharing or matching requires prior approval. 2 CFR §200.308
  - The Federal awarding agency may, at its option, restrict the transfer of funds among direct cost categories or programs, functions and activities for Federal awards in which the Federal share of the project exceeds the Simplified Acquisition Threshold and the

cumulative amount of such transfers exceeds or is expected to exceed 10 percent of the total budget as last approved by the Federal awarding agency. 2 CFR §200.308

6. Fixed Amount Subawards: With prior written approval from the Federal awarding agency, a pass-through entity may provide subawards based on fixed amounts up to the Simplified Acquisition Threshold, provided that the subawards meet the requirements for fixed amount awards in the Uniform Guidance 2 CFR §200.201 Use of Grant Agreements (including fixed amount awards), cooperative agreements, and contracts. 2 CFR §200.332
7. Administrative and Clerical staff as Direct Costs: The salaries of administrative and clerical staff should normally be treated as indirect costs. Direct charging of these costs may be appropriate only if all of the following conditions are met:
  - Administrative or clerical services are integral to the project or activity.
  - Individuals can be specifically identified with the project or activity.
  - Such costs are explicitly included in the budget or have written approval of the Federal awarding agency.
  - The costs are not also recovered as indirect costs.
8. Entertainment Costs: Costs of entertainment, including amusement, diversion, and social activities and any associated costs are unallowable, except where specific costs that might otherwise be considered entertainment have a programmatic purpose and are authorized either in the approved budget for the Federal award or with prior written approval of the Federal awarding agency. 2 CFR §200.438
9. Equipment and Other Capital Expenditures: Capital expenditures for general purpose equipment, buildings, and land are unallowable as direct charges, except with the prior written approval of the Federal awarding agency or pass-through entity.
  - Capital expenditures for special purpose equipment are allowable as direct costs, provided that items with a unit cost of \$5,000 or more have the prior written approval of the Federal awarding agency or pass-through entity.
  - Capital expenditures for improvements to land, buildings, or equipment which materially increase their value or useful life are unallowable as a direct cost except with the prior written approval of the Federal awarding agency, or pass through entity. See 2 CFR §200.436 Depreciation, for rules on the allowability of depreciation on buildings, capital improvements, and equipment. See also 2 CFR §200.465 Rental Costs of Real Property and Equipment.
10. Fines, penalties, damages and other settlements: Costs resulting from non-Federal entity violations of alleged violations of, or failure to comply with, Federal, state, tribal, local or foreign laws and regulations are unallowable, except when incurred as a result of compliance with specific provisions of the Federal award, or with prior written approval of the Federal awarding agency. 2 CFR §200.441
11. Fundraising and Investment Management Costs: Fund raising costs for the purposes of meeting the Federal program objectives are allowable with prior written approval from the Federal awarding agency. 2 CFR §200.442
12. Housing for Personal Use: Costs of housing (e.g., depreciation, maintenance, utilities, furnishings, and rent), housing allowances and personal living expenses are only allowable as direct costs regardless of whether reported as taxable income to the employees. In addition, to be allowable direct costs must be approved in advance by a Federal awarding agency. 2 CFR §200.445
13. Participant Support: Participant support costs are allowable with prior approval of the Federal awarding agency. 2 CFR §200.456

14. Pre-award Costs: Pre-award costs are those incurred prior to the effective date of the Federal award directly pursuant to the negotiation and in anticipation of the Federal award where such costs are necessary for efficient and timely performance of the scope of work. Such costs are allowable only to the extent that they would have been allowable if incurred after the date of the Federal award and only with the written approval of the Federal awarding agency.
15. Disposition of Equipment: Under specific circumstances the Federal awarding agency must be contacted for disposition instructions, see 2 CFR §200.313 for circumstances.
16. Travel Costs: Notwithstanding the provisions of 2 CFR §200.444, General Costs of Government, travel costs of officials covered by that section are allowable with the prior written approval of the Federal awarding agency or pass-through entity when they are specifically related to the Federal award. 2 CFR §200.474

### **Direct Costs**

Direct costs are those costs that can be identified specifically with a particular final cost objective, such as a grant award, or other internally or externally funded activity, or that can be directly assigned to such activities relatively easily with a high degree of accuracy. Costs incurred for the same purpose in like circumstances must be treated consistently as either direct or indirect cost. Identification with the grant award rather than the nature of the goods and services involved is the determining factor in distinguishing direct from indirect costs of grant awards.

Typical direct costs that are chargeable to grant awards include but are not limited to the following:

- Personnel costs for employees' time devoted and identified specifically to the performance of the grant program;
- Cost of materials acquired, consumed or expended specifically for the purpose of the grant program;
- Equipment and other approved capital expenditures; and
- Travel expenses incurred specifically to carry out the activities of the grant program.

Invoices for direct costs shall be approved by the department personnel in charge of administering the grant. Invoices shall be coded with the appropriate account number and project code reflecting which program received direct benefit from the expenditure. Invoices for grant expenditures will follow the same approval process as all other county expenditures. This may vary by department.

Special attention must be paid to the documentation of staff time funded with grant dollars. For personnel costs to be allowable for reimbursement, appropriate documentation is required.

Charges for the salaries and benefits of employees who work on grant projects will be recorded in the County's financial software through project codes. Employees will code their time to the grant project on their time entry and their supervisor will approve the time and project code before releasing to payroll for processing.

### **Indirect Costs**

Indirect costs are typically those costs incurred for a common or joint purpose that benefit multiple departments or programs. Consequently, an allocation methodology must be developed to fairly and consistently distribute these common "across the board" costs to departments or programs that

received the benefit of the cost incurred. An indirect rate can be defined as the ratio of indirect costs to direct costs.

The department administering the grant will determine whether indirect costs will be allocated to grant programs, and if so maintain an appropriate process to make the allocation within program guidelines.

Some Black Hawk County Departments employ an annual departmental indirect cost rate proposal (ICRP) that can be applied to grant applications, to capture indirect administrative overhead costs of the department.

### **Equipment Management**

For grants management purposes, equipment is defined as tangible personal property (including information technology systems) having a useful life of more than one year and a per-unit acquisition cost which, equals or exceeds \$5,000 per 2 CFR §200.33.

All grant-funded equipment will be recorded and tracked in the County's financial system. County departments must ensure that their grant-funded equipment data is included and maintained in the County's financial system.

Federal guidelines require that property records must be maintained that include all of the following:

- Description of the property
- Serial number or other identification number
- Source of funding for the property including Federal Award identification number (FAIN)
- Who holds title
- Acquisition date
- Cost of the property
- Percentage of Federal participation in the project costs for the Federal award under which the property was acquired
- Location
- Use
- Condition of the property
- Ultimate disposition data including the date of disposal and sale price of the property

It is the responsibility of the department administering the grant to ensure that the applicable equipment detail is recorded in the County's financial system.

Federal guidelines require a physical inventory of the property be taken and the results reconciled with the property records at least every two years. Black Hawk County requires that each department complete an annual inventory of capital and fixed assets that are in the department's possession in that fiscal year.

### **Disposition of Federally Funded Equipment**

Disposition of federally funded equipment must comply with Federal guidelines 2 CFR §200.313(e). Prior to disposal, the department responsible for the grant equipment shall complete the following assessment:

1. If the equipment is no longer needed for the program or project for which it was acquired, can the equipment be used in other activities currently or previously supported by a Federal agency? If so, first preference for other use shall be given to the programs or projects supported by the awarding agency.
2. If the equipment is being replaced, the grantee department may use the equipment to be replaced as a trade-in or sell the property and use the proceeds to offset the cost of the replacement property, subject to the approval of the awarding agency.

When it is determined that the property is no longer needed for the original project or program or for other activities currently or previously supported by a Federal agency, disposition of the equipment will be made as follows:

1. Items of equipment with a current per-unit fair market value of less than \$5,000 may be retained, sold, or otherwise disposed of in compliance with county policies with no further obligation to the awarding agency.
2. Items of equipment with a current per unit fair market value in excess of \$5,000 may be retained or sold in compliance with county policies and the awarding agency shall have a right to an amount calculated by multiplying the current market value of proceeds from sale by the awarding agency's share of the equipment.

*Disposition of Grant Funded Real Property:*

When real property is no longer needed for the original authorized purpose, the grantee or subgrantee department shall request disposition instructions from the awarding agency. The instructions will provide for one of the following alternatives:

1. Retention of Title
2. Sale of Property
3. Transfer of Title

The disposal or sale of property or equipment acquired from a Federal or State grant may be prohibited or contain restrictions. In such instances, the using department shall arrange for the transfer of the property to the grant authority or, in the case of a transfer, donation, or sale to another entity, the transferring department shall notify the Buyer of any grant-related restrictions applying to the equipment. Such advice to the receiving party shall be made in writing, and a record of the restriction notification maintained with the asset number and/or asset history.

**Cost Sharing or Matching**

Sponsors regularly require that the grantee share a portion of the grant program costs, usually allowing either cash match or in-kind match. It is important to understand the specific requirements of the grant program in regard to matching costs, as there is some variation in the definition of cash match and in-kind match.

*Cash Cost Share:* Cash cost share is outlays of funds to support the total project through acquiring material, buying equipment, paying labor (including fringe benefits associated with that labor), and other cash outlays required to perform the statement of work.



*In-Kind Cost Share:* In-kind matching sources include: volunteer time, building space, equipment use, and property. In-kind cost share is the reasonable value of equipment, materials or other property used in the performance of the statement of work. In-kind contributions are sometimes hard to value (such as space, use of equipment, and intellectual property). The in-kind value of equipment (including software) cannot exceed its fair market value and must be prorated according to the share of its total use dedicated to carrying out the project. The in-kind value of space (including land or buildings) cannot exceed its fair rental value and must be prorated according to the share of its total use dedicated to carrying out the project.

*Unrecovered Indirect Costs as Match:* Unrecovered indirect costs, including indirect costs on cost sharing or matching may be included as part of cost sharing or matching only with the prior approval of the Federal awarding agency. Unrecovered indirect cost means the difference between the amount charged to the Federal award and the amount which could have been charged to the Federal award under the non-Federal entity's approved negotiated indirect cost rate.

*Volunteer Services:* Volunteer services furnished by third-party professional and technical personnel, consultants, and other skilled and unskilled labor may be counted as cost sharing or matching, if the service is an integral and necessary part of an approved project or program. Rates for third-party volunteer services must be consistent with those paid for similar work by the County. When the work is not similar to work paid for by the County, rates must be consistent with rates paid in the local labor market. In either case, paid fringe benefits that are reasonable, necessary, allocable, and otherwise allowable may be included in the valuation.

*Third Party Employee Services:* When a third-party organization furnishes the services of an employee, these services must be valued at the employee's regular rate of pay plus an amount of fringe benefits that is reasonable, necessary, allocable, and otherwise allowable, and indirect costs at either the third-party organization's approved federally negotiated indirect cost rate, provided these services employ the same skill(s) for which the employee is normally paid.

Key requirements for expenses used in meeting cost sharing or matching requirements:

- Verifiable from grantee's records
- Not included in matching for any other Federal programs
- Allowable under applicable cost principles
- Necessary and reasonable
- Not paid by the Federal government under a different award (Federal funds cannot match Federal funds, unless provided for by statute)
- Provided for in the approved budget when required by the Federal awarding agency
- Conform to other provisions of the Uniform Guidance, as applicable
- In-kind contributions are valued on an acceptable basis and the basis and valuation are documented

Expenses used in meeting cost sharing or matching requirements on awards must be supported in the same manner as expenses claimed for reimbursement. It is the responsibility of the grantee department to ensure that compliant documentation is maintained on all expenses used in meeting cost sharing or matching requirements. For detailed information on allowable cost share see Uniform Guidance section. 2 CFR \$200.306

## **Cash Management**

Most of the County's grants are awarded on a reimbursement basis. As such, program costs are paid for by County funds before reimbursement is requested from the grantor agency. 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.

In order to minimize the cash outlay of County funds, grant reimbursement requests should be completed timely and in accordance with the requirements of the specific grant. Requests for reimbursement will be initiated by the department in charge of the grant. Supporting documentation (including invoices, timesheets, etc.) will be retained for audit purposes.

## **Payment and Billing**

In accordance with 2 CFR §200.305, it is the policy of Black Hawk County to maintain written payment and billing procedures. The following policies shall apply to the preparation and submission of billings to Federal awarding agencies:

1. Reimbursement requests will be made after expenditures have been incurred, unless an award specifies another method.
2. Each award normally specifies a particular billing cycle; therefore, a schedule is established for each grant and contract to ensure that reimbursement is made on a timely basis along with any other reporting that is required.
3. Requests for reimbursement of award expenditures will use the actual amounts as posted to the general ledger as the source for all invoice amounts.
4. Requests for reimbursements will be reviewed by an individual with knowledge of grant operations and independent of the preparer, prior to submission to the federal awarding agency. Documentation of the review and approval should be retained.

If the year-end audit results in adjustments to amounts previously reported to federal agencies, revised reports shall be prepared and filed in accordance with the terms of each federal award.

## **Financial Reporting and Monitoring**

Black Hawk County strives to provide management, staff and funding sources with timely and accurate financial reports applicable to federal awards. Preparation of these reports shall be the responsibility of the department administering the grant. The department administering the grant shall prepare and submit financial reports as specified by the financial reporting clause of each grant or contract award document. Information will be collected with the frequency required by the terms and conditions of the Federal award, but no less frequently than annually nor more frequently than quarterly except in unusual circumstances (as specified in the grant agreement).

The department administering the grant is responsible for oversight of the operations of the Federal award-supported activities. It is the policy of the County to monitor its activities under Federal awards to assure compliance with applicable Federal requirements and that performance expectations are being achieved. Monitoring must cover each program, function or activity. Performance reports will be submitted at the interval required by the Federal awarding agency or pass-through entity to best inform improvements in program outcomes and productivity.

Intervals must be no less frequent than annually nor more frequent than quarterly except in unusual circumstances (as specified in the grant agreement).

1. Annual reports will be submitted within 90 calendar days after the reporting period.
2. Quarterly or semiannual reports will be submitted within 30 calendar days after the reporting period.
3. Final performance report will be submitted within 90 calendar days after the period of performance end date, unless there is a justified request submitted.

Reports will contain, for each Federal award, brief information on the following:

1. A comparison of actual accomplishments to the objectives of the Federal award established for the period. Where the accomplishments of the Federal award can be quantified, a computation of the cost (for example, related to units of accomplishment) will be included.
2. The reasons why established goals were not met, if appropriate.
3. Additional pertinent information including, when appropriate, analysis and explanation of cost overruns or high unit costs.

### **Program Income**

Program income earned during the project period shall be retained by the County and, in accordance with Federal awarding agency regulations or the terms and conditions of the award, shall be used in one or more of the following ways:

1. Added to funds committed to the project by the Federal awarding agency and recipient and used to further eligible project or program objectives.
2. **Used to finance the non-Federal share of the project or program.**
3. Deducted from the total project or program allowable cost in determining the net allowable costs on which the Federal share of costs is based. (When an agency authorizes the disposition of program income as in 1 or 2, program income in excess of any limits stipulated shall be used this way.)

In the event that the Federal awarding agency does not specify in its regulations or the terms and conditions of the award how program income is to be used, paragraph 3 shall apply automatically to all projects or programs.

Unless Federal awarding agency regulations or the terms and conditions of the award provide otherwise, the County shall have no obligation to the Federal Government regarding program income earned after the end of the project period.

With prior approval of the Federal awarding agency, program income may be used to meet the cost sharing or matching requirement of the Federal award.

If authorized by Federal awarding agency regulations or the terms and conditions of the award, costs incident to the generation of program income may be deducted from gross income to determine program income, provided these costs have not been charged to the award.

### **Internal Controls**

Black Hawk County has established effective internal controls over Federal awards. Internal controls provide reasonable assurance that an entity is managing the Federal award in compliance with Federal regulations, statutes, and the terms and conditions of the award.

Department grant coordinators should be familiar with the Black Hawk County internal controls for grants, and ensure that grant management within their departments are in compliance with the internal controls.

## **PURCHASING GOOD AND SERVICES**

Purchasing systems and activities impact all phases of grant management from the pre-award phase to post-award closeout. Guidelines for purchasing goods and services with Federal funds can be found primarily in the Uniform Guidance. Federal grant procurement requirements are in addition to State statutory purchasing requirements, and the County's purchasing policies and procedures.

### **Conflict of Interest**

No employee, officer, or agent of Black Hawk County will 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, agent, or 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 of Black Hawk County must neither solicit nor accept gratuities, favors, or anything of monetary value from contractors or parties to subcontracts, unless the financial interest is not substantial or the gift is an unsolicited item of nominal value. Disciplinary actions will be applied for violations of such standards by officers, employees, or agents of the County.

If, because of relationships with a parent company, affiliate, or subsidiary organization, the County is unable or appears to be unable to be impartial in conducting a procurement action involving a related organization, they will not procure materials, products or services from those organizations.

### **Procurement**

Procurement of goods and services whose costs are charged to Federal awards received by Black Hawk County are subject to all of the specific purchasing policies of the County. In addition, procurements associated with Federal awards are subject to the following supplemental policies:

1. The County will avoid acquisition of unnecessary or duplicative items. Consideration will be given to consolidating or breaking out procurements to obtain a more economical purchase.
2. Where appropriate, an analysis will be made of lease versus purchase alternatives, and any other appropriate analysis to determine the most economical approach.
3. The County will consider entering into state and local intergovernmental agreements or inter-entity agreements where appropriate for procurement or use of common or shared goods and

services, and using Federal excess and surplus property in lieu of purchasing new equipment and property whenever such use is feasible and reduces project costs.

4. The County will award contracts only to responsible contractors possessing the ability to perform successfully under the terms and conditions of a proposed procurement. Consideration will be given to such matters as contractor integrity, compliance with public policy, record of past performance, and financial and technical resources.
5. The County will maintain records sufficient to detail the history of procurement. These records will include, but are not limited to the following:
  - a. Rationale for the method of procurement
  - b. Selection of contract type
  - c. Contractor selection or rejection
  - d. Basis for the contract price
6. All procurement transactions will be conducted in a manner providing full and open competition. All prequalified lists of persons, firms, or products which are used in acquiring goods and services will be current and include enough qualified sources to ensure maximum open and free competition. Potential bidders will not be precluded from qualifying during the solicitation period.
7. All solicitations will incorporate a clear and accurate description of the technical requirements for the material, product, or service to be procured. Such description must not, in competitive procurements, contain features which unduly restrict competition. The description may include a statement of the qualitative nature of the material, product or service to be procured and, when necessary, must set forth those minimum essential characteristics and standards to which it must conform if it is to satisfy its intended use. Detailed product specifications should be avoided if at all possible. When it is impractical or uneconomical to make a clear and accurate description of the technical requirements, a "brand name or equivalent" description may be used as a means to define the performance or other salient requirements of procurement. The specific features of the named brand which must be met by offers must be clearly stated. All solicitations will also identify all requirements which the offerors must fulfill and all other factors to be used in evaluating bids or proposals.
8. All necessary affirmative steps will be taken to assure that minority businesses, women's business enterprises, and labor surplus area firms are used when possible.
9. A cost or price analysis will be performed in connection with every procurement action in excess of the Simplified Acquisition Threshold (\$150,000) including contract modifications. The method and degree of analysis is dependent on the facts surrounding the particular procurement situation, but as a starting point, the County will make independent estimates before receiving bids or proposals.
10. All procurement files will be made available for inspection upon request by a Federal awarding agency.
11. All contracts will require the contractor to certify in writing that it has not been suspended or disbarred from doing business with any Federal agency.

### **Methods of Procurement**

Procurement methods for goods and services charged to federal awards received by Black Hawk County will first follow the purchasing policies of the organization but will also adhere to the following guidelines as identified in 2 CFR §200.320:

1. Procurement by micro-purchases: Acquisition of supplies or services, the aggregate dollar amount of which does not exceed the micro-purchase threshold set by applicable federal regulation (including any unique thresholds, e.g. a lower threshold set by the Davis-Bacon Act). To the extent practicable micro-purchases must be distributed equitably among qualified suppliers. Micro-purchases may be awarded without soliciting competitive quotations if the price is considered reasonable.
2. Procurement by small purchase procedure: Small purchase procedures are those relatively simple and informal procurement methods for securing services, supplies and other property that do not cost more the Simplified Acquisition Threshold as set by federal regulation. If small purchase procedures are used, price and rate quotations shall be obtained from an adequate number of qualified sources. When small purchase procedure applies, State and/or County bidding and/or quote requirements must still be followed where applicable.
3. Procurement by sealed bids (formal advertising): Bids are publically solicited and a firm-fixed-price contract (lump sum or unit price) is awarded to the responsible bidder whose bid is deemed to be the lowest responsible bid and conforms to all the material terms and conditions of the invitation for bids. The sealed bid method is the preferred method for procuring construction.

In order for sealed bidding to be feasible, all of the following conditions will be present:

- a. A complete, adequate, and realistic specification or purchase description is available.
- b. Two or more responsible bidders are willing and able to compete effectively for the business.
- c. The procurement lends itself to a firm fixed price contract and the selection of the successful bidder can be made principally on the basis of price.

If sealed bids are used, the following requirements apply:

- a. The invitation of bids must be publically advertised and bids must be solicited from an adequate number of known suppliers, providing them sufficient response time prior to the date set for opening the bids.
- b. The invitation of bids which will include any specifications and pertinent attachments, must define the items or services in order for the bidder to properly respond.
- c. All bids will be publically opened at the time and place prescribed in the invitation for bids.
- d. A firm fixed price contract award will be made in writing to the lowest responsive and responsible bidder.
- e. Any and all bids may be rejected if there is a sound documented reason.

Procurement by competitive proposals: The technique of competitive proposals is normally conducted with more than one source submitting an offer, and either a fixed-price or cost reimbursement type contract is awarded. It is generally used when conditions are not appropriate for the use of sealed bids and price is just one of many considerations, when the estimated cost of the proposal exceeds the simplified acquisition threshold as set by federal regulation. Competitive proposals may also be utilized for smaller proposals when there will be

federal funding and where the estimated cost would exceed a threshold for competitive proposals or bidding under State law or County policy, but when conditions are not appropriate for the use of sealed bids (when price is just one of many considerations). If this method is used the following requirements apply:

- a. Request for proposal must be publicized and identify all evaluation factors and their relative importance. Any response to publicized request for proposals must be considered to the maximum extent practical.
  - b. Proposals must be solicited from an adequate number of qualified sources.
  - c. A written method for conducting the technical evaluation of the proposals received and for selecting recipients, must be used and included in the file.
  - d. Contracts must be awarded to the responsive firm whose proposal is most advantageous to the program, with price and other factors considered.
  - e. The grantee may use competitive proposal procedures for qualifications-based procurement of architectural/engineering (A/E) professional services whereby competitors' qualifications are evaluated and the most qualified competitor is selected, subject to negotiation of fair and reasonable compensation. The method, where price is not used as a selection factor, can only be used in procurement of A/E professional services. It cannot be used to purchase other types of services though A/E firms are a potential source to perform the proposed effort.
4. Procurement by noncompetitive proposals. 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.
  - The public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation.
  - The awarding agency authorizes noncompetitive proposals.
  - After solicitation of a number of sources, competition is determined inadequate.

### **Suspension and Debarment**

It is the responsibility of the department administering the grant to verify that purchases will not be made from contractors that are on the Debarment or Suspension list supplied by the Federal Government. The list is available at <https://www.sam.gov/>. For subgrant awards, the grantee department must check the list for each subgrantee agency prior to submitting an agreement to their authorizing Board.

Documentation of the status check for all contracts or subawards must be included in the grant file for any purchase or project that exceeds the suspension and debarment threshold as set by federal regulation. If the grant file is maintained in electronic format, an electronic copy of the verification is allowable. If using paper files, it is recommended that the printout also be signed, as some sponsors request this level of documentation.

### **Small and Minority Businesses, Women's Business Enterprises**

When Federal funds are used affirmative steps must be taken to assure that minority firms, women's business enterprise, and labor surplus area firms are used when possible.

Affirmative steps shall include:

1. Placing qualified small and minority business and women's business enterprises on solicitation lists;
2. Assuring that small and minority business and women's business enterprises are solicited whenever they are potential sources;
3. Dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by small and minority business and women's business enterprises;
4. Establishing delivery schedules, where the requirement permits, which encourage participation by small and minority business and women's business enterprises;
5. Using the services and assistance of the Small Business Administration, and the Minority Business Development Agency of the Department of Commerce; and
6. Requiring the prime contractor, if subcontracts are to be let, to take the affirmative steps listed above.

### **Contract Provisions**

It is the policy of Black Hawk County to include all of the following provisions, as applicable, in all contracts (including small purchases) with contractors and subawards:

1. **Remedies:** All contracts in excess of the small purchase threshold set by federal regulation shall contain contractual provisions or conditions that allow for administrative, contractual, or legal remedies in instances in which a contractor violates or breaches the contract terms.
2. **Termination:** All contracts in excess of \$10,000 shall contain suitable provisions for termination by Black Hawk County, including the manner by which termination shall be effected and the basis for settlement. In addition, such contracts shall describe the conditions under which the contract may be terminated for default as well as conditions where the contract may be terminated due to circumstances beyond the control of the contractor.
3. **Equal Employment Opportunity:** All contracts shall contain a provision requiring compliance with E.O. 11246, "Equal Employment Opportunity," as amended by E.O. 11375, "Amending Executive Order 11246 Relating to Equal Employment Opportunity," and as supplemented by regulations at 41 CFR Part 60, "Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor."
4. **Davis-Bacon Act, as amended (40 U.S.C. 3141-3148):** If included in the federal agency's grant program legislation, all construction contracts of more than \$2,000 awarded by Black Hawk County and its subrecipients shall include a provision for compliance with the Davis-Bacon Act (40 U.S.C. 276a to a-7) and as supplemented by Department of Labor regulations (29 CFR Part 5, "Labor Standards Provisions Applicable to Contracts Governing Federally Financed and Assisted Construction"). Under this Act, contractors are required to pay wages to laborers and mechanics at a rate not less than the minimum wages specified in a wage determination made by the Secretary of Labor. In addition, contractors shall be required to pay wages not less than once a week. It is the policy of Black Hawk County to place a copy of the current prevailing wage determination issued by the Department of Labor in each solicitation and the award of a contract shall be conditioned upon the acceptance of the wage determination. The County shall



also obtain reports from contractors on a weekly basis in order to monitor compliance with the Davis-Bacon Act. The County shall report all suspected or reported violations to the Federal awarding agency.

5. **Contract Work Hours and Safety Standards Act (40 U.S.C. 327-333):** [Where applicable] All contracts awarded by Black Hawk County in excess of \$100,000 for contracts that involve the employment of mechanics or laborers shall include a provision for compliance with 40 U.S.C. 3702 and 3704, as supplemented by Department of Labor regulations (29 CFR Part 5). Under 40 U.S.C. 3702 of the Act, each contractor must be required to compute the wages of every mechanic and laborer on the basis of a standard work week of 40 hours. Work in excess of the standard work week is permissible provided that the worker is compensated at a rate of not less than one and a half times the basic rate of pay for all hours worked in excess of 40 hours in the work week. The requirements of 40 U.S.C. 3704 are applicable to construction work and provide that no laborer or mechanic must be required to work in surroundings or under working conditions which are unsanitary, hazardous or dangerous. These requirements do not apply to the purchases of supplies or materials or articles ordinarily available on the open market, or contracts for transportation or transmission of intelligence
6. **Rights to Inventions Made Under a Contract or Agreement:** Contracts or agreements for the performance of experimental, developmental, or research work shall provide for the rights of the Federal Government and Black Hawk County in any resulting invention in accordance with 37 CFR §Part 401, "Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under Government Grants, Contracts and Cooperative Agreements," and any implementing regulations issued by the awarding agency.
7. **Clean Air Act (42 U.S.C. 7401-7671q and the Federal Water Pollution Control Act (33 U.S.C. 1251 -1387), as amended:** Contracts and subawards of amounts in excess of \$150,000 shall contain a provision that requires the recipient to agree to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act (42 U.S.C. 7401 et seq.) and the Federal Water Pollution Control Act, as amended (33 U.S.C. 1251 et seq.). Violations shall be reported to the Federal awarding agency and the Regional Office of the Environmental Protection Agency (EPA).
8. **Debarment and Suspension (E.O.s 12549 and 12689):** For all contracts, the County shall obtain from the contractor a certification that neither the contractor nor any of its principal employees are listed on the Excluded Parties List System in System for Award Management (SAM).
9. **Byrd Anti-Lobbying Amendment (31 U.S.C. 1352):** For all contracts or Subgrants that exceed the federal threshold for certification of compliance with the Byrd Anti-Lobbying Act, the County shall obtain from the contractor or sub-grantee a certification that it will not and has not used Federally appropriated funds to pay any person or organization for influencing **or** attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any Federal contract, grant or any other award covered by 31 U.S.C. 1352. Likewise, since each tier provides such certifications to the tier above it, the County shall provide such certifications in all situations in which it acts as a sub-recipient of a sub-grant of \$100,000 or more.

## **SUBRECIPIENT PROCEDURES**

**In the event federal thresholds and/or other federal regulation applicable to subrecipient procedures has changed from what is stated in this policy, this policy shall be read to incorporate the updated federal thresholds and regulations as to subrecipient procedures.**

### **Making of Subawards**

A subaward is an award of financial assistance in the form of money, or property in lieu of money, made under a grant by a recipient to an eligible subrecipient. All sub-awards in excess of \$5,000 shall be subject to the same procurement policies described under the Purchasing Goods and Services section. In addition, all subrecipients must agree to the subrecipient monitoring provisions described in the next section.

With respect to subrecipients with whom the County has not recently had a subaward relationship, the grantee department shall determine an appropriate level of pre-award inquiry that shall be performed. The purpose of such inquiry, which may involve a site visit to a potential subrecipient, is to gain assurance that a potential subrecipient has adequate policies and procedures in place to provide reasonable assurance that it is capable of complying with all applicable laws, regulations and award provisions. In addition, the County shall obtain the following documents from all new subrecipients:

- a. Articles of incorporation
- b. By-laws or other governing documents
- c. Determination letter from the IRS (recognizing the subrecipient as exempt from income taxes under IRC section 501 (c)(3))
- d. Last 3 years' Forms 990 or 990-EZ, including all supporting schedules and attachments (also Form 990-T, if applicable)
- e. IRS Form W-9
- f. Copies of the last 3 years' audit reports and management letters received from subrecipient's independent auditor (including all reports associated with audits performed in accordance with Single Audit Act, if applicable)
- g. Copy of the most recent internally prepared financial statement and current budget
- h. Copies of reports of government agencies (Inspector General, state or local government auditors, etc.) resulting from audits, examinations or monitoring procedures performed in the last three years

### **Elements of Subaward**

The County will ensure that every subaward is clearly identified to the subrecipient as a subaward. The subaward agreement shall include the following information at the time of the subaward and if any of these data elements change, the subaward agreement shall include the changes in subsequent subaward modifications. When some of this information is not available, the County will provide the best information to describe the Federal award and subaward.

1. Subaward agreements shall include all information necessary to identify the funds as federal funding. This information shall include:

- a. Subrecipient name (which must match registered name in the Data Universal Numbering System (DUNS))
- b. Subrecipient's DUNS number
- c. Federal Award Identification Number (FAIN)
- d. Federal Award Date
- e. Subaward Period of Performance Start and End Date
- f. Amount of Federal Funds Obligated by this action
- g. Total Amount of Federal Funds Obligated to the subrecipient
- h. Total Amount of the Federal Award
- i. Federal award project description, as required to be responsive to the Federal Funding Accountability and Transparency Act (FFATA)
- j. Name of Federal awarding agency, pass-through entity, and contact information for awarding official
- k. Catalog of Federal Domestic Assistance (CFDA) Number and Name; the pass-through entity must identify the dollar amount made available under each Federal award and the CFDA number at time of disbursement;
- l. Identification of whether the award is Research and Development (R&D)
- m. Indirect cost rate for the Federal award (including if the de minimis rate is charged)
2. Subaward agreements shall identify all applicable audit requirements, including the requirement to obtain an audit in accordance with 2 CFR Part 200 Subpart F, if the subrecipient meets the criteria for having to undergo such an audit.
3. Subaward agreements shall include a listing of all applicable Federal requirements that each subrecipient must follow.
4. Subaward agreements shall require that subrecipient employees responsible for program compliance obtain appropriate training in current grant administrative and program compliance requirements.
5. Subaward agreements shall require that subrecipients submit financial and program reports to the County in accordance with grant requirements.
6. Subaward agreements shall require that subrecipients permit the County and auditors access to the subrecipient's records and financial statements as necessary.

### **Monitoring of Subrecipients**

When the County utilizes Federal funds to make subawards to subrecipients, the County is subject to a requirement to monitor each subrecipient in order to provide reasonable assurance that the subaward is used for authorized purposes, in compliance with Federal statutes, regulations, and the terms and conditions of the subaward; and that subaward performance goals are achieved. In fulfillment of its obligation to monitor subrecipients, the following policies apply to all subawards of Federal funds made by Black Hawk County to subrecipients:

1. The County will review programmatic and financial reports prepared and submitted by the subrecipient and following up on areas of concern.
2. The County will follow up with all subrecipients to determine whether all required audits have been completed. The County will cease all funding of subrecipients failing to meet the requirement to undergo a Single Audit in accordance with 2 CFR Part 200 Subpart F. The County will follow-up and ensure that the subrecipient takes timely and appropriate action on all deficiencies pertaining to the subaward detected through audits, on-site review, and other means. The County will issue a management decision for audit findings pertaining to the

subaward as required by 2 CFR §200.521 Management decision. The County will consider whether the results of the subrecipient's audits, on-site reviews, or other monitoring indicate conditions that necessitate adjustments to the pass-through entity's own records.

3. Ongoing monitoring of subrecipients by Black Hawk County will inherently vary from subrecipient to subrecipient, based on the nature of work assigned to each subrecipient. The County will evaluate each subrecipient's risk of noncompliance with Federal statutes, regulations, and the terms and conditions of the subaward for purposes of determining the appropriate subrecipient monitoring, which may include consideration of such factors as:
  - a. The subrecipient's prior experience with the same or similar subawards;
  - b. The results of previous audits including whether or not the subrecipient receives a Single Audit in accordance with 2 CFR Part 200 Subpart F, and the extent to which the same or similar subaward has been audited as a major program;
  - c. Whether the subrecipient has new personnel or new or substantially changed systems;
  - d. The extent and results of Federal awarding agency monitoring (i.e. if the subrecipient also receives Federal awards directly from a Federal awarding agency).

Depending upon the pass-through entity's assessment of risk posed by the subrecipient, the following monitoring tools may *involve* any or all of the following:

- a. Regular contacts with subrecipients and appropriate inquiries regarding the program.
  - b. Monitoring subrecipient budgets.
  - c. Performing site visits to the subrecipient to review program operations, financial and programmatic records and assess compliance with applicable laws, regulations, and provisions of the subaward agreement.
  - d. Providing subrecipients with training and technical assistance on program-related matters.
  - e. Establishing and maintaining a tracking system to assure timely submission of all reports required of the subrecipient.
4. The department administering the grant shall maintain documentation in support of all efforts associated with Black Hawk County's monitoring of subrecipients.

### **Federal Funding Accountability and Transparency Act (FFATA) Reporting**

When the County receives a direct federal award and then issues subrecipient agreements on that award for greater than \$25,000, FFATA reporting requirements are in effect. The department administering the grant will report qualifying subrecipient awards through the [www.USASpending.gov](http://www.USASpending.gov) website within the month following the month of the award. If the initial award is less than \$25,000 but subsequent amendments result in a total award equal to or over \$25,000, the award will be subject to reporting requirements.

## **RECORD RETENTION**

In accordance with 2 CFR §200.334, financial records, supporting documents, statistical records, and all other records pertinent to a Federal award must be retained for a period of three years from the date of submission of the final expenditure report or, for Federal awards that are renewed quarterly or

annually, from the date of the submission of the quarterly or annual financial report, as reported to the Federal awarding agency or pass-through entity. The only exceptions are the following:

1. If any litigation, claim, or audit is started before the expiration of the 3-year period, the records must be retained until all litigation, claims, or audit findings involving the records have been resolved and final action taken.
2. When Black Hawk County is notified in writing by the Federal awarding agency, cognizant agency for audit, oversight agency for audit, cognizant agency for indirect costs, or pass-through entity to extend the retention period.
3. Records for real property and equipment acquired with Federal funds must be retained for 3 years after final disposition.
4. When records are transferred to or maintained by the Federal awarding agency or pass-through entity.
5. In the case of records for program income transactions after the period of performance: In some cases program income must be reported after the period of performance. Where there is such a requirement, the retention period for the records pertaining to the earning of the program income starts from the end of the non-Federal entity's fiscal year in which the program income is earned.
6. Indirect cost rate proposals and cost allocations plans indirect cost rate computations or proposals, cost allocation plans, and any similar accounting computations of the rate at which a particular group of costs is chargeable):
  - a. If the proposal, plan, or other computation is required to be submitted to the Federal government (or to the pass-through entity) to form the basis for negotiation of the rate, then the 3-year retention period for its supporting records starts from the date of such submission.
  - b. If the proposal, plan, or other computation is not required to be submitted to the Federal government (or to the pass-through entity) for negotiation purposes, then the 3-year retention period for the proposal, plan, or computation and its supporting records starts from the end of the fiscal year (or other accounting period) covered by the proposal, plan, or other computation.

## **GRANT CLOSEOUT**

### **Close Out of Federal Awards**

Black Hawk County shall follow the close-out procedures described in 2 CFR §200.343, and in the grant agreements as specified by the Federal awarding agency or pass-through entity:

1. The County will submit, no later than 90 calendar days after the end date of the period of performance, all financial, performance, and other reports as required by the terms and conditions of the Federal award, unless an extension is approved.
2. Unless the Federal awarding agency or pass-through entity authorizes an extension, the County will liquidate all obligations incurred under the Federal award not later than 90 calendar days after the end date of the period of performance as specified in the terms and conditions of the Federal award.

3. The County will promptly refund any balances of unobligated cash that the Federal awarding agency or pass-through entity paid in advance or paid and that is not authorized to be retained by the County for use in other projects.
4. The County will account for any real and personal property acquired with Federal funds or received from the Federal government.