



Clay County Policy and Procedures on Grants

Clay County grant process:

How and by whom are transactions initiated and authorized?

Clay County Department Heads and Elected Officials hereafter referred to as department or Other Identity want to apply for a grant that will provide a service to the citizen of Clay County that is currently not funded or is not funded to extent that is necessary. A request from the department to be on the courts agenda along with a copy of the contract would be done first. These policies and procedures should be used by all County departments when requesting approval of a grant application and acceptance notices. Departments are required to fully justify all grant applications contracts and indicate the importance of the program to the Commissioners Court to be considered for approval. The court would review the information received as well as the contract before coming to a decision, if funding is available and no time to notify court, then action must be taken at next Court meeting.

The information would need to include but is not limited to:

The necessary need should be addressed for the purpose of the grant and allowable expenses

Date grant to be submitted

Date anticipated that grant might be approved

Amount applied for

What agency or funding source grant will be submitted to?

Percentage of grant (100%. 80-20-) it is also recommended that departments seek grants that are 100%funded on an annual basis.

Departments applying for the grant are responsible for the record keeping and correct invoicing.

It is the responsibility of the department to understand terms and conditions, reporting deadlines, the grant period, terms and clauses. A grant is and should be treated as a contract, because if the terms and conditions are not met it could cause the loss of funds or could cause the County to pay the funds back.

Pass-Through Grants are resources received by a recipient government to transfer to or spend on behalf of a secondary recipient. Proceeds from pass-through grants received by a government entity, referred to as a recipient should be reported in the financial statements. Proceeds for pass-through grants should be recognized as a recipient government serves only as a conduit and a recipient transmits grantor-supplied money without having responsibility for monitoring recipient compliance, determining recipient eligibility, or exercising discretion on how the funds are allocated.

The funds can come in as an advance or on a reimbursement basis.

On a reimbursement grant, careful consideration should be done to be sure of adequate funding from other sources to make up differences, some departments may not have the funding up front on reimbursement grants and the money would have to be obtained from other sources for the excess. These seemingly minor items can have significant impact of the ultimate collectability of reimbursement for costs incurred.

Procedures

(Award)-If grant is successful-Procedures must be followed to insure that the County is compliant with requirements for each Federal, State, and any other Grants .The County must follow good internal Dual control procedures and use good general accounting practice on all grant proceeds received and expended.

The applicant of the Grant must follow procurement,

Cash Management and Allowable Cost

The department applies for the grant. Once notification of award is received the Treasurer's office, Department Head or Grant Administrator is notified. The applicant of the grant would follow procurement for acquiring, buying goods, services, or work from external sources, and that expenditures are procured at the best possible cost to meet the necessary needs of the acquirer. At least two or three bids should be taken if the amount is over 5,000.00. Conflict of interest must also be considered, there should be no special assistance to any private person or business in their dealings with services or goods. Good ethics should always be used and under no circumstances should applicant receive any money or economic gain. If this is ever suspected it would be reported and handled accordingly. The Treasurer is involved in the process of reporting/tracking of grants and confirming that the funds have been received and be familiar with what is an allowable cost approved budget expenses. The expenses are then reviewed by the County Auditor to be sure the services were performed or supplies was received and are accounted for in the County Budget at the best possible cost before approving expenditures. Once it has been approved by Auditor's office it will be presented to Commissioners Court to be approved for payment on the County bill list.

Manage & Monitoring

A monthly report prepared by the Treasurer is presented in Commissioners Court with all activity for the month including grant expenditures and grant revenues.

Grant documentation should be inspected and monitored throughout the year by the County Auditor

Supporting Documents involved:

Grant documentation-award, compliance terms, objectives, etc.

Grant expenditure budget from grant agreement and allowable Necessary expenses.

Journal entries of grant expenditures and grant revenue

The accounting processing steps from initiation to inclusion in the general ledger

Computer input or output data are as follows:

Journal entry document

General Ledger

Specific financial statement accounts affected by transaction class are as follows:

ACH Clearing account 7322689816 and General Fund account 7322689840

Grants Receivables-Line Item 10-330-432 & Grants Paid Out-Line Item 10-580-335

Commissioners have Line Items set up in each of their budgets for Grants in and Grants out as well, in some case they may have expenditures out of several line items in their budget, because of having multiple allowable cost. (An example would be FEMA grant)

21-330-432 PCT1	Grants in	21-722-335 PCT1	Grants Out
22-330-432 PCT2		22-722-335 PCT2	
23-330-432 PCT3		23-722-335 PCT3	
24-330-432 PCT4		24-722-335 PCT4	

Financial reporting procedures for this transaction class:

Grant request require Commissioners Court approval and documentation is reviewed by the Treasurer's office, the County has a Grants line to track revenues and expenditures of grants in most cases.

If unexpected grant money is received during the fiscal year, the proceeds can be certified and spent with a special budget or amending our current budget.

Close & Record Retention

Once the grant proceeds have been expended and properly accounted for the grant can be closed and the supporting documents must be kept for at least three years following the most recent financial report.

All records are subject to audit or monitoring during the entire retention period.