# Table of Contents

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Introduction</td>
<td>2</td>
</tr>
<tr>
<td>Terms</td>
<td>3</td>
</tr>
<tr>
<td>ARRA Checklist</td>
<td>5</td>
</tr>
<tr>
<td>Management Roles and Responsibilities</td>
<td>5</td>
</tr>
<tr>
<td>Applying for a Grant</td>
<td></td>
</tr>
<tr>
<td>Risk Assessments</td>
<td>6</td>
</tr>
<tr>
<td>Legal Review</td>
<td>7</td>
</tr>
<tr>
<td>Grant Application</td>
<td>7</td>
</tr>
<tr>
<td>Accepting a Grant</td>
<td></td>
</tr>
<tr>
<td>Grant Acceptance</td>
<td>8</td>
</tr>
<tr>
<td>Project Setup</td>
<td>8</td>
</tr>
<tr>
<td>Managing the Grant</td>
<td></td>
</tr>
<tr>
<td>Purchasing</td>
<td>10</td>
</tr>
<tr>
<td>Matching and Cost Sharing</td>
<td>13</td>
</tr>
<tr>
<td>Central and Indirect Costs</td>
<td>14</td>
</tr>
<tr>
<td>Reporting</td>
<td>15</td>
</tr>
<tr>
<td>Tracking</td>
<td>20</td>
</tr>
<tr>
<td>Monitoring Internal Controls</td>
<td>24</td>
</tr>
<tr>
<td>Sub-recipient Compliance</td>
<td>26</td>
</tr>
<tr>
<td>Appendix I: Risk Assessment Form</td>
<td></td>
</tr>
<tr>
<td>Appendix II: Writing sample of an Agenda item for applying for an ARRA grant</td>
<td></td>
</tr>
<tr>
<td>Appendix III: List of items to include on Agenda item when applying for an ARRA grant</td>
<td></td>
</tr>
<tr>
<td>Appendix IV: Administrative Approval Form for an ARRA grant</td>
<td></td>
</tr>
<tr>
<td>Appendix V: Grant Project Account Request Site</td>
<td></td>
</tr>
<tr>
<td>Appendix VI: Writing sample of an Agenda item for acceptance of an ARRA grant</td>
<td></td>
</tr>
<tr>
<td>Appendix VII: List of items to include on Agenda item for acceptance of an ARRA grant</td>
<td></td>
</tr>
<tr>
<td>Appendix VIII: ARRA Section 1554 Competitive Procurement Procedures</td>
<td></td>
</tr>
<tr>
<td>Appendix IX: ARRA Section 1605 – Buy American</td>
<td></td>
</tr>
<tr>
<td>Appendix X: ARRA Section 1606 – Davis Bacon Act and WH-347 Form</td>
<td></td>
</tr>
<tr>
<td>Appendix XI: Grant Requirement Checklist</td>
<td></td>
</tr>
<tr>
<td>Checklists and Standard Operating Procedures (SOP)</td>
<td></td>
</tr>
<tr>
<td>Attachment A: Quick Checklist Form</td>
<td></td>
</tr>
<tr>
<td>Attachment B: Applying for Grant SOP</td>
<td></td>
</tr>
<tr>
<td>Attachment C: Accepting a Grant SOP</td>
<td></td>
</tr>
<tr>
<td>Attachment D: Managing a Grant SOP</td>
<td></td>
</tr>
<tr>
<td>Attachment E: Grant Coordinator Responsibilities SOP</td>
<td></td>
</tr>
<tr>
<td>Attachment F: Setting Up a Grant in SharePoint Instructions</td>
<td></td>
</tr>
</tbody>
</table>
Introduction

On February 17, 2009, the American Recovery and Reinvestment Act of 2009 (ARRA) was enacted to promote economic recovery by investing $787 billion into the economy through a “stimulus package”. Of the $787 billion included in the Act, approximately $280 billion will be administered through State and Local governments.

ARRA provides for an unprecedented outpouring of grant funding for a wide range of discretionary and formula-based programs. To ensure full transparency and accountability, the Recovery Act provisions require substantially more oversight and reporting than traditional federal grant funds.

The federal Office of Management and Budget (OMB) implemented guidance for carrying out Recovery Act program detailing federal agency responsibilities, reporting requirements, and risk management procedures. Standard grants management administrative requirements in OMB Circular A-122 Common Rule for state, local, and tribal governments. The 2009 Compliance Supplement provides more specific guidance for grant management under the Recovery Act.

The purpose of this manual is to provide County specific guidance for ARRA funding that does not replace, but is in addition to standard operating procedures for County grant management.
Terms

ARRA
American Recovery and Reinvestment Act

Block Grant
A Block Grant is a broad intergovernmental transfer of funds or other assets by the U.S. Congress to state or local governments for specific activities such as justice initiatives, housing, health, and human services, but with few restrictions attached. Block grants are distributed according to legal formulas defining broad functional areas such as health, income, security, education, or transportation.

Discretionary Grant
Discretionary Grants are non-formula grants that use competitive procurement methods to distribute funding. A Competitive Grant is an award of financial assistance in the form of money, or property in lieu of money, by the Federal Government to an eligible grantee, usually made based on a competitive review process.

Conditional Grant
A Conditional Grant, or matching grant, involves one grant maker seeking the involvement of others by making their grant (only a part of the total costs of a project) conditional upon the remainder of the cost being funded from another source.

Cooperative Agreement & Contract
Cooperative Agreements & Contracts are types of Federal assistance; essentially, a variation of a discretionary grant, awarded by a Federal agency when it anticipates having substantial involvement with the grantee during the performance of a funded project.

Cost Reimbursement
A cost reimbursement grant is a type of funding mechanism under which the grantee is reimbursed for qualifying expenditures after they have been incurred, as specified in the terms of the grant agreement for such a program.

Earmark
Earmarks, also known as Special Projects, Member Projects, or Turkeys, designate a certain source of revenue for specific projects made at the request of a legislator. Typically, the County submits requests for projects to State and Federal legislators who seek to obtain funds for those requests, usually to be spent in the district the legislator represents. Earmarking bypasses the normal procedure by which revenues are allocated into a general fund, then divided among various government programs.

Formula Grant
Formula grants are usually Block Grant funds. A Formula Grant is a grant that a Federal agency is directed by Congress to make to grantees, for which the amount is established by a formula based on certain criteria that are written into the legislation and program regulation. This funding is directly awarded and administered in the Federal agency’s program offices, or may be a pass-through grant to another unit of government.
Pass-Thru Grant
Pass-Thru Grant funds are received by one grantor, but passed through another grantor or funding source.

Prime Recipient
A prime recipient is a non-federal entity that receives Recovery Act funding in the form of a contract, grant, or loan, directly from the federal government.

Sub-recipients/Sub-awardee
Sub-recipients are non-federal entities that are awarded Recovery funding through a contract from the prime recipient to support the performance of any portion of the substantive project or program for which the prime recipient received the Recovery funding. The terms and conditions of the Federal award are carried forward to the sub-recipient. A sub-recipient may also be a prime recipient of other Federal awards directly from the Federal government.

Vendor
Vendors are entities or individuals from which the prime recipient or sub-recipient procures goods or services needed to carry out the project or program. Vendors are not awarded funds by the same means as sub-recipients and are not subject to the terms and conditions of the federal financial assistance award.
Management Roles and Responsibilities

Department Director
The Director of each department is ultimately accountable for all aspects of ARRA funding administered thru their Department. It is the Director’s responsibility to ensure that grants are properly administered in accordance with the guidelines set forth in this manual.

The Director’s primary grant related responsibilities include:

- Ensuring that the risk associated with a grant is thoroughly calculated and vetted.
- Ensuring that department personnel are properly trained and qualified to carry out the tasks related to grant administration.
- Ensuring that grant related funds are properly tracked and accounted for.
- Ensuring the accuracy of technical and programmatic reports.
- Ensuring that critical reporting timelines are met.
- Prevention and detection of fraud, waste, and abuse.

The Director shall identify the process to assign a Grant Coordinator and Financial Contact for each grant, and will ensure each Grant Coordinator is familiar with Federal grant guidelines in general and complies with the expectations outlined in this manual.

Grant Coordinator
The Grant Coordinator is responsible for the administration of each grant and ensures that the processes and procedures outlined in this manual are followed. The Grant Coordinator is responsible for coordinating all grant-related activities and is the primary contact for grant related inquiries.

Following is a partial list of the Grant Coordinator’s responsibilities:

- Researching program requirements prior to submitting a grant application.
- Performing a Risk Assessment to determine if the department has the capacity to properly implement and manage each program associated with a grant.
- Coordinating the preparation and submission of a grant application.
- Implementing the internal controls established in this manual.
- Verifying that multi-departmental processes and procedures are properly followed.
- Monitoring sub recipients.
- Establishing a thorough tracking and reporting process.
- Submitting timely and accurate reports.
- Monitoring the performance and outcomes of the programs associated with a grant.
- Preparing for and coordinating grant audits.

The Grant Coordinator will be responsible for communicating program status and outcomes with various levels of staff and management.
Applying For a Grant

Risk Assessment

Types of Risk
Various types of risk are associated with the acceptance ARRA funding. It is important to review the risks associated with each grant prior to accepting funding.

A Risk Assessment Form (RAF) Appendix I will be completed for each grant that is being applied for by the County. The department considering the grant application will be responsible for completing the RAF.

Once completed, determined by staff that it is a feasible grant to apply for and signed by the director, the RAF will become an attachment for the Novus Agenda Item requesting permission from the Board of County Commissioners (BCC) to apply for the grant. If staff determines that the grant would not be feasible for the County to pursue after review of the RAF, then the completed RAF will be kept on file at the department that completed it so any future inquiries into why that grant was not pursued can be answered by that document.

Items to be included for consideration in the pre-application process shall include:

Financial
- Total anticipated grant costs.
- Matching requirements. This includes types of match and the source of the matching funds that are needed.
- Program income considerations.
- Staff time spent on the grant application process.
- Staffing requirements for the grant itself. This includes both administrative staff time and program staff time. Consider the timeframe for the grant, employee type (regular, part-time, contract).
- A continuation plan of the grant funding if needed.

Programmatic
- Alignment with the County’s mission and goals.
- Possibility of continuation of the program once the grant funding has ended.
- Staff’s knowledge of the programmatic requirements of the grant.
- Partnerships, community involvement.
- Required Memorandums of Understanding (MOUs) with partner agencies.
- Possible duplicative services already in the community.
- Can the goal of the grant be accomplished?
A. Pre Application
The BCC approval process to authorize to submit the grant application begins with the Legal review, which is to occur before a department applies for an ARRA grant. The legal review shall include the following.

1) The Grant Coordinator and appointed Legal representative shall review the application to make sure the County is able to meet all legal requirements of the grant program.
2) Assure that all prerequisite legal work has been performed.
3) Review the certifications and assurances for compliance.

Documents required: Grant application any exhibits or attachments, and information about the grant program or grant requirements.

B. Authorization To Submit Application
After the Legal review is complete, the next step is for the Department to complete a BCC Agenda Item, which must include specific information regarding the grant under consideration (See Appendix II and III for a sample). Key points to include in the request are:

- Chair and County Administrator authorization to apply for the grant
- Estimated funding in the grant request
- Type of grant
- Description of the grant purpose and objectives
- Funding method
- Source of match
- Name of the Federal or state agency administering the grant
- Estimated number of jobs retained or created.

The item is placed on the BCC agenda under Consent Agenda. A department representative shall attend both pre agenda and the Board meeting to answer any questions the Board of Commissioner's may have.

If a department finds that due to time restraints they are unable to go to the Board for approval to apply for a grant, then the County Administrator can sign approval through the ARRA Administrative Approval Form. (Document included in Appendix IV)

C. Project Setup
The next step is to contact the Fiscal Services Division to have a point person set up the Grant Application documents on SharePoint (electronic filing). One purpose of SharePoint is to have one place where all information related to a grant can be found quickly and easily. This is a tool used for auditing and tracking every step of the grant process. An ARRA grant folder will be set up in accordance with the standard file structure. In the application process, the documents to be filed electronically would include the goldenrod (agenda item), the contract, and any other supporting documentation. The contract draft is kept in a placeholder until the approval has been given that the contract has been fully executed. The status of the grant is either “applying”, “pending” for when the application has been submitted, “awarded” for when the grant has been awarded and “rejected” for when the grant was not awarded.
Grant Acceptance

A. Post Award
The Grant Acceptance process begins after the granting agency has indicated that an application has been approved. BCC must authorize acceptance of the award prior to execution of a grant agreement. The process begins with a legal review by the County Attorney, which occurs before a department goes to the Board for approval to accept the ARRA grant award.

If the contract is for a re-occurring grant, review for any changes from previous year’s agreement. New contracts are reviewed for legal sufficiency, clarity, and any terms that may be ambiguous. If legal issues of concern are identified, a memo will be drafted to the department noting the issues. The department needs to contact the appropriate agency with the concerns. Unless the issue is significant the state or federal program is unlikely to change the contract, but the County has documented the potential issues.

**Documents required:** Contract with all the exhibits or attachments

B. BCC Acceptance and Grant Award
After the Legal review is complete, the next step is for the Department to complete a Novus Agenda Item, which must include specific information regarding the award under consideration. Key points to include in the request are:

- Requesting the Chair to sign any related documents.
- Requesting the Board to approve the grant award.
- The amount of the award.
- Requesting approval the budget amendment.
- Authorization for the Board Chair to sign all documents associated with the grant.
- A description of the project or program funded by the grant.
- The expected outcomes of the project.
- If a sub award is included, identify the amount and agencies involved.

The item is placed on the BCC agenda under Regular or Consent Agenda. A department representative shall attend both pre agenda and the Board meeting to answer any questions the Board of Commissioner’s may have. Examples of what needs to be included in the Agenda Item are in Appendix VI and VII.

C. Project Setup
After the grant award has received BCC approval, the next step is to post electronic copies of all pertinent grant documents to SharePoint. Pertinent documents include all agenda items, any documents relating to the acceptance of the grant award, a fully executed signed contract, and a copy of the award check (if applicable) or electronic deposits related to the grant.

The documents relating to the acceptance of a grant award should all be certified through the County Minutes Division,

Instructions for using the SharePoint site are located at [http://macmoss/bocc/budg/budg/grants/default.aspx](http://macmoss/bocc/budg/budg/grants/default.aspx), the homepage of the Grants site, in the “Quick Link” menu in the far right hand column.
D. **Contract Employees**
Whenever possible, additional employees that are required for grant purposes and paid for by the grant should be employed as contract employees. Their pay will still go through the County payroll system and the County will be required to pay the salary, retirement benefit (if the employee is to be employed for a term of six (6) months or longer), and the social security on that employee. The contract (sample attached) should have an end date that usually will correspond to the grant end date. The hiring department will coordinate the new grant hire with the Human Resources Department. Grant-specific employees will not be utilized for non-grant related tasks.
Overview
Contracts associated with ARRA funding must comply with all federal procurement, Buy American, Davis Bacon Act and Individual ARRA grant specific requirements.

ARRA Sections 1554, 1605, and 1606 contain specific procurement requirements for federal agencies. Although these procurement requirements pertain to federal agencies, the County should use the requirements as a guide for internal ARRA contracting procedures.

The Grant Coordinator is responsible for reviewing the funding agreement associated with each ARRA grant to ensure that grant specific procurement requirements are adhered to and to notify Purchasing about the grant specific procurement requirements.

Federal Procurement Procedures
Unless otherwise specified by grant specific guidance, all Federal procurement procedures must be followed for all contracts associated with ARRA funding.

Competitive Procurement Procedures
As required by ARRA Section 1554, to the maximum extent possible, contracts using ARRA funds must be awarded as fixed-price contracts using competitive contracting procedures.

A copy of ARRA Section 1554 is included in Appendix VIII.

Buy American
Buy American requirements established in ARRA Section 1605 must be followed for all ARRA related expenditures that involve construction, alteration, maintenance, or repair of a public building, or public work. Buy American applies regardless of the size of a project.

ARRA Section 1605 states that all iron, steel and manufactured goods used in a project must be produced in the US. Limited exceptions can be made if:

- An exception is granted from the granting Federal agency. An exception must obtain determination of appropriateness and approval from the granting Federal agency.
- A Federal agency has a blanket exception for a specific program. If a blanket exception for a specific program exists, it will be documented in the Federal Register.
- A Federally approved exception is granted when the requirement will increase cost of an overall project by 25%.

If an exception is granted for a County project or for a grant associated with a County project, the exception must be granted in writing from the administering agency and filed with the procurement information for the project.

All contracts funded or partially funded with ARRA proceeds must require the contractor to certify compliance with the Buy American provision of ARRA or, if required in guidance documents provided by a Federal agency, other applicable Buy American provisions.

A copy of ARRA Section 1605 is included in Appendix IX.
**Davis Bacon Act**

All laborers and mechanics employed by contractors and subcontractors on projects funded or partially funded with ARRA funds must be paid in accordance to the Davis Bacon Act as identified in ARRA section 1606. This requirement pertains to all contracts greater than $2,000.

All County contracts funded or partially funded with ARRA funds must require the contractor to follow Davis Bacon wage requirements. The contractor must be required to submit Form WH-347 to verify that Davis Bacon Requirements were met. The contract must also require the prime contractor to obtain form WH-347 from any sub-contractors that are used.

A copy of ARRA Section 1606 and form WH-347 are included in Appendix X.

**Voucher package submitted for payment**

In order for the County to identify invoices for ARRA grant funding versus regular grant funding, a process was developed to use ink stamps with the word ARRA imprinted on each stamp. All County departments and fiscal staff have been given a stamp to use with written instructions from the Finance Department.

The typical forms of payment include purchase orders, visa credit cards and check requests and any general ledger change would be through journal entries. These forms of payment at a minimum must include the ARRA grant project string (phase, task and details).

If a purchase order is being used as a form of payment for goods or services, the department generates a receiver in the County’s Financial Software System which goes to the Purchasing Department along with the invoice. The receiver and invoice need to be stamped with the ARRA stamp.

If a check request is used as a form of payment, the check request form and invoice need to be stamped with the ARRA stamp. A check request is typically used for services or one time purchases. The check request is forwarded to the Finance Department for payment.

If a visa credit card is being used as a form of payment, the credit card reconciliation sheet needs to be stamped and the charge used for an ARRA grant needs to be easily identified. The reconciliation sheet is forwarded to the Purchasing Department who then sends it to the Finance Department.

If a journal entry is created to correct an entry that is ARRA related, then the journal request form needs to be stamped with the ARRA stamp.

Understanding that some of the grant expenses incurred are going to be payroll related and will run through the County’s payroll system, it is imperative that the salaries related to ARRA grants are charged to the appropriate project in the County’s Financial Software System with the exception of the City of Punta Gorda Police Department and the Sheriff's Office which have their own payroll systems. For the Board related salaries, the project could either be added to the position through position control or charged on the actual timesheet submitted by the employee each pay period (preferred method if the % of time charged to the project will vary by period).
The Accounts Payable Supervisor in the Clerk’s Finance Division reviews all ARRA related account numbers to ensure they are appropriate and accurate. The Clerk’s Finance Division has added this level of oversight on ARRA due to the importance of tracking and reporting ARRA expenditures.

**Asset Management**

Assets purchased with ARRA funds must be separately tracked and accounted for.

Upon receiving the paid invoice, the Clerk’s Finance Division will create assets using the Fixed Asset Module.

Assets will be placed into one of four categories, which are based on the cost and type of the asset. The categories are:

- **Equipment with a unit cost of $1,000 and up to $5,000**
  Assets in this category are considered continuing property assets. These assets are tagged for inventory purposes but are not depreciated.

- **Equipment with a unit price over $5,000**
  Assets in this category are considered equipment fixed assets. These assets are tagged for inventory purposes and are depreciated.

- **Land**
  Assets in this category are considered Land Fixed Assets.

- **Building/Building Improvements and Improvements Other Than Buildings**
  Assets in this category are considered a Building/Building Improvements or Fixed Assets. These assets are depreciated.

Reports identifying ARRA assets will be required for audits. Current asset reports must be filed in the appropriate location for each grant. Asset reports are created through the Fixed Assets Module of the County’s Financial Software System. The process for creating an asset report is as follows:

- Open the County’s Financial Software System.
- Select the Fixed Assets module under the “Fixed Assets” folder.
- Click the “QBE” or query button.
- Search by Funding Source and Asset Status.
  - The funding source is the ARRA grant number followed by the (account number for the project number) (Ex. arra201.901.77002).
  - The status is either: Active, Pending, or Retired.
- The Query will bring all asset records for that grant number.
- Export to Excel.
- Modify the excel spreadsheet to display the information as desired.
Match and Cost Sharing

Overview
Some grant programs require that federal grant funds are matched proportionately with nonfederal funds, or that the grantee participate in the cost of the project. Congress frequently prescribes matching requirements in the grant program’s authorizing legislation and sets limits on the federal financial participation in a project.

Types of Match
With a few exceptions that are listed below, either or both of the following may satisfy matching or cost sharing requirements:

1. **Cash Match**: Allowable costs incurred by the grantee, sub-grantee or a cost-type contractor under the grant agreement. This includes costs borne by non-Federal grant or by other cash donations from non-federal third parties.

2. **In-Kind Contributions**: The value of goods and/or services from the grantee or a third party under the grant agreement. The contributions must be applicable to the period to which the cost sharing or in-kind matching requirements apply.

Allowable Match Costs
Match may be satisfied by using any nonfederal sources of funding including program income if allowed under the terms of the grant.

A cost sharing or matching requirement may not be satisfied with Federal funds, except as provided by a Federal statute.

Match Recording
All cash match, including overmatch, provided with County funds shall be recorded in the grant project in the general ledger.

Sub-recipient Match
The Grant Coordinator ensures through monitoring that any source of required matches are provided according to the contractual agreement, and is a single match and is not being used to meet multiple match requirements, and is properly documented.
Overview
OMB Circular A-87 (A-87) establishes principles and standards for determining allowable direct and indirect costs for Federal awards. Local governments claiming central service costs must develop a Cost Allocation Plan (CAP) in accordance with the requirements described in A-87 and maintain the plan and related supporting documentation for audit. Local governments are not required to submit the plan for Federal approval unless the cognizant agency specifically requests it. However, many Federal grants disallow these charges if the rate has not been pre-established. If a local government receives funds as a sub-recipient only, the primary recipient, usually the State, will be responsible for negotiating and/or monitoring the local government’s plan.

Some Federal grants will allow indirect costs without a pre-established rate so long as they conform to certain guidelines. Prior to including indirect costs in Federal grant budgets, the Grant Coordinator and applicable County management shall ensure the following:

Basic Guidelines
To be allowable under Federal awards, costs must be:

1) Necessary and reasonable for the performance and administration of Federal awards.

2) Allocable to Federal awards as stated in the specific.

3) Authorized or not prohibited under State or local laws or regulations.

4) Consistent with policies, regulations, and procedures that apply uniformly to both Federal awards and other activities of the governmental unit.

5) Accorded consistent treatment. A cost may not be assigned to a Federal award as a direct cost if any other cost incurred for the same purpose in like circumstances has been allocated to the Federal award as an indirect cost.

6) Determined in accordance with generally accepted accounting principles.

7) Not included as a cost or used to meet cost sharing or matching requirements of any other Federal award, except as specifically provided by Federal law or regulation.

8) A net of all applicable credits.

9) Adequately documented.
Reporting

Full and easy access to information on government spending promotes accountability by allowing detailed tracking and analysis of the deployment of government resources. Such tracking and analysis allow both the public and public officials to gauge the effectiveness of expenditures and to modify spending patterns as necessary to achieve the best possible results. Transparency also gives the public confidence that we are properly managing its funds. This memorandum is a major step, building on the achievements of and the lessons learned from implementing ARRA, toward further instilling a culture of transparency in federal spending.

Prime recipients of ARRA funding are required to report to the federal government on quarterly basis detailed information on the projects and activities supported by the Recovery Act. These reports are mandated by Section 1512 of the Recovery Act.

**Reporting: FederalReporting.gov**

**Overview**
FederalReporting.gov is the central government-wide data collection system for Federal Agencies and Recipients of Federal awards under Section 1512 of the Recovery Act. Recipients access FederalReporting.gov in order to fulfill reporting obligations.

Federal Agencies, Prime Recipients, and Sub Recipients are required to submit data on a quarterly basis for grants, loans, and federally awarded contracts under the Recovery Act. Recipient reporting is being executed through the web based FederalReporting.Gov. The Website provides a user-friendly mechanism for submitting required data. Only registered Federal Agency and Recipient users will be able to submit and/or review data through FederalReporting.gov.

NOTE: The reporting templates may change over time. Refer to the FederalReporting.gov website for formal guidance and updates for future reporting requirements.

**General Reporting Process**
Through FederalReporting.gov the Grant Coordinator will:

- Register and manage the account(s).
- Submit reports (see instructions in Table below).
- View and comment on reports (if the County is a Prime Recipient).
- Update or correct reports when appropriate.

This is a general review of the Federal Reporting process. For a sub recipient, the reporting requirements will vary by agency. Refer to grant specific guidelines to identify proper reporting requirements.
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<tr>
<th>Recipient Status</th>
<th>Required Worksheets</th>
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<tbody>
<tr>
<td>If you are a Prime Recipient who is submitting a report or reports on behalf of your Sub Recipient, you must fill out these worksheets (see the tabs at the bottom of the screen):</td>
<td>Prime Recipient</td>
</tr>
<tr>
<td>If you are a Prime Recipient who is <strong>not</strong> submitting a report or reports on behalf of your Sub Recipient, you must fill out these worksheets (see the tabs at the bottom of the screen):</td>
<td>Sub Recipients</td>
</tr>
<tr>
<td>If you are a Sub Recipient who is submitting a report, you must fill out these worksheets (see the tabs at the bottom of the Excel spreadsheet).</td>
<td>Prime Recipient</td>
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**NOTE:** For Sub Recipient reporting for self, the DUNS numbers populated in the "Sub Recipient DUNS Number" field on the "Sub Recipients" tab must all be the same regardless of the Sub Award Numbers.

**Note:** If entering Sub Recipients in the report, you must enter one Sub Recipient Award per numbered row. Do not leave a blank row between entries.

Alternatively, the County may use a properly formatted Extensible Markup Language (XML) file for the report submission. The XML file download provides a zip file containing the XML schema required for formatting and structuring the XML system extracts. An organization's XML extract must match this XML schema for successful report submission. The FederalReporting.gov website provides logged-in users with functionality to validate their XML submission against the published XML schema prior to submission.

**The following are fields to be completed by the Grant Coordinator on the worksheets:**

- **Funding Agency Code**— A 4-digit code for the federal agency responsible for funding/distributing the Recovery funds to the county.

- **Awarding Agency Code**— A 4-digit code for the federal agency that awards or administers the Recovery funds on behalf of the funding agency. In some cases, the funding agency and awarding agency are same. In other cases, such as some federal contracts, the funding agency delegates administration and awarding of a contract to another agency.

- **Funding Agency and Awarding Agency Names**—Based upon the 4-digit codes you input, FederalReporting.gov will infer the name of the agency associated with that code.

- **Program Source (TAS)**—The Agency Treasury Account Symbol (TAS) identifies the funding program.
Award Number--Shown on the federal contract, grant, or loan award documents. The award number is case, space, and special-character sensitive.

CFDA Number—Obtained from the Catalog of Federal Domestic Assistance (CFDA) www.cfda.gov and is associated with grants and loans only. Only CFDA numbers specific to Recovery Act funding are valid.

Activity Code—Select up to 10 NAICS code or NTEE-NTPC codes (National Center for Charitable Statistics), as appropriate to the award. The Data Dictionary provides guidance on the use of these codes. As these codes are presented in one list, be certain to choose the appropriate code. NTEE codes have the suffix —NTEE within the reference lookup to differentiate from NAICS code.

Infrastructure Data Fields — The total federal ARRA infrastructure expenditure, infrastructure purpose, and rationale, infrastructure point of contact data fields are applicable to grant and loan award only.

Congressional District—Every congressional district has a 2-digit code. If you are not sure about your congressional district, go to www.house.gov and search using your ZIP code + 4. If you are not sure about your ZIP Code or ZIP Code extension, you can search for your address on the United States Postal Service website.

Reporting Cycle
Recipients of Federal awards must report on a quarterly basis on the first day following the end of the quarter. Ends of quarters fall on the same dates:

- December 31
- March 31
- June 30
- September 30

**Reporting Cycle: Timeframes**

**Phase 1: Days 1 – 16**
Prime recipients and delegated sub-recipients enter reports. During this phase both Draft and Initial Submission Reports must be filed.

**Phase 2: Days 17- 19**
Prime recipients review reports and make corrections where necessary.

**Phase 3: Day 20 – 29**
Federal agencies review and comment on reports. Recipients make corrections as necessary.

**Phase 4: Day 30**
Reports Published on Recovery.gov

**Phase 5: Day 33 – 75**
Continuous QA phase for recipients and federal agencies – During this period, recipients and federal agencies continue to review and make corrections to reports as needed. No new reports can be entered into the system. If there are corrections that require access to a previous quarter's report, the agency must follow the Change Management Process required by the Office of Management and Budget.
The Table below depicts the phases of the reporting cycle.

<table>
<thead>
<tr>
<th>Continuous</th>
<th>1 – 16 days after end of Quarter</th>
<th>17 - 19 days after end of Quarter</th>
<th>20 – 29 days after end of Quarter</th>
<th>30 days after end of Quarter</th>
<th>33- 75 days after end of Quarter***</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Prime Recipients &amp; Subs Enter Draft Reporting Data</td>
<td>Prime Recipients Review Data Submitted By Sub(s)</td>
<td>Agency Review of Data Submitted</td>
<td>Recipient Reports Published on Recovery.gov</td>
<td>Agency Comments on Data Submitted</td>
</tr>
<tr>
<td><strong>1</strong> Agency, Prime and Sub Recipient Registration</td>
<td><strong>2</strong> Initial Submission</td>
<td><strong>3</strong> Prime Recipients &amp; Subs Make Corrections</td>
<td><strong>4</strong> Prime Recipients &amp; Subs Make Corrections</td>
<td><strong>5</strong> Prime Recipients &amp; Subs Make Corrections</td>
<td><strong>6</strong> Prime Recipients &amp; Subs Make Corrections</td>
</tr>
<tr>
<td><strong>7</strong> Agency Daily Extract</td>
<td><strong>8</strong> Agency “View Only”</td>
<td><strong>9</strong> Agency Review Period</td>
<td><strong>10</strong> Recipient Reports Published on Recovery.gov</td>
<td><strong>11</strong> Prime Recipients Review Data Submitted By Sub(s)</td>
<td><strong>12</strong> Prime Recipients Review Data Submitted By Sub(s)</td>
</tr>
</tbody>
</table>

**Reporting Cycle: Phases**

The phases of the reporting cycle correlate to the following four reporting statuses.

1) **Initial Submission**
The Grant Coordinator will enter data into a draft report and save it until all information has been collected. Submit the report when all information is complete.

**NOTE:** A report is considered a draft until submitted. Failure to submit a report by midnight P.S.T. on Day 10 after the end of the quarter will render the County non-compliant with Section 1512 of the Recovery Act.

2) **Recipient Review**
Prime recipients can comment on submitted sub-recipient reports for an associated award number. Federal agencies can view submitted recipient reports through the My Reports section. Recipients cannot submit reports as Draft during this phase.

3) **Agency Review**
At the beginning of the agency review stage, all submitted reports are locked, preventing recipients from modifying their reports. Federal agencies can review and comment on submitted reports. If an agency comments on a report, the recipient receives an email indicating that there has been a comment to the report. The report is then unlocked for recipients to make corrections.
4) Quarterly Reports Published
On Day 30 following the end of the quarter, all data in FederalReporting.gov is published on Recovery.gov. No changes can be made to the Published report.

Additional Notes:

Each phase ends at 12:00 midnight, P.S.T, on the date indicated as the last day of that reporting stage.

Do not use a P.O. Box address and ZIP code as you will only be able to enter the congressional district for the P.O. Box, which might be different from the congressional district for the physical place of performance.
Tracking

Overview
Tracking of all costs associated with ARRA grants is of utmost importance. Detailed tracking of costs is required to enable accurate reporting, documentation of grant outcomes and seamless audit reviews. This section identifies the documentation necessary to accurately track and substantiate each type of grant related cost. The documentation must be stored in the appropriate location as identified in the “Project Setup” section of this manual.

Administrative Costs
Direct grant administrative costs are sometimes allowable expenses in grant budgets. If these costs were included in the grant budget application, and were accepted by the Federal agency that awarded the grant, they should be tracked and documented in the electronic grant file. Examples of direct administrative costs include percentage of the grant coordinator's time or supplies and materials specifically used to support administrative activities performed in support of a particular grant.

Indirect administrative costs include those that are not readily identifiable with a particular project but are required for County operations and general grant-related activities. Indirect costs, if allowed, are represented as a percentage of the grant and do not need to be separately tracked or accounted for after a rate is agreed upon. Please refer to the "Central and Indirect Costs" section of this manual for more information.

Documentation
The Grant Coordinator shall obtain documentation of staff time directly related to grant administration. The Grant Coordinator will indicate on the record the amount of time and cost directly related to grant activities. Invoices or purchase orders for grant supplies will be obtained from the County’s Financial Software System. This information shall be included in the grant file.

Documentation of an indirect cost rate accepted by the federal agency shall be included in the electronic grant file.

Labor Costs
Labor costs include all costs associated with wages for personnel that will be reimbursed by a grant. Normally, when a grant application is submitted, a wage rate is identified for each position that will be funded by a grant.

Wage rates are established by calculating an hourly rate for each employee that includes salary costs as well as fringe benefits. If assistance is needed calculating an hourly rate including fringe benefits, the Payroll Department can provide the necessary information.

The method for documenting the number of hours eligible personnel work on a grant, in order to obtain reimbursement, vary from grant to grant. The method for documenting the hours associated with a grant should be identified when the funding agreement for each grant is reviewed. The funding agreement will often include a formatted spreadsheet for this purpose.

In addition to documenting eligible hours in the format specified by each grant, the following information must be documented for each employee charged to the grant:

- Timesheet
- Payroll summary showing that each employee was paid for the hours worked
Unless otherwise deemed unnecessary by grant specific guidance, this information must be kept as backup to the spreadsheet for each grant.

**Sub-recipient and Vendor Costs**

**Sub-recipients**
Sub-recipients are non-federal entities that are awarded Recovery funding through a contract from the prime recipient to support the performance of any portion of the substantive project or program for which the prime recipient received the Recovery funding. The terms and conditions of the Federal award are carried forward to the sub-recipient. A sub-recipient may also be a prime recipient of other Federal awards directly from the Federal government.

**Vendors**
Vendors are entities or individuals from which the prime recipient or sub-recipient procures goods or services needed to carry out the project or program. Vendors are not awarded funds by the same means as sub-recipients and are not subject to the terms and conditions of the federal financial assistance award. A vendor is a distributor, merchant or other seller providing goods or services that are required for the conduct of a federally funded program.

Contractor and Vendor (contractor) costs must be accurately tracked in order to receive reimbursement and/or to document allowable costs for work associated with a grant.

The following documentation shall be saved in the grant file for the appropriate project:

- Purchase orders
- Receiving reports
- Vendor invoices
- Proof of payment
- Time sheets or payroll reports where applicable

If a contractor invoice does not accurately document what type of work or service was performed, a description must be filed with the invoice. A “correct report type” should be printed and filed for each invoice in order to substantiate payment.

In addition to cost documentation, procurement information for each contractor associated with a grant must be filed in each grant file in SharePoint. The procurement information that shall be filed for each subcontract award is as follows:

- Request for Bids or appropriate type of solicitation
- All bids that are submitted
- Bid tabulation
- Contract document (formal contract or purchase order)

The documentation for the ARRA expenses shall be marked with the ARRA stamp logo and filed in SharePoint.

**NOTE:** When a formal contract is not required for eligible work, the department administering the grant should be prepared to demonstrate that the services rendered were acquired following all Federal, State, Local and grant specific purchasing requirements.
**Outcome Measures**
Each federal grant will contain its own outcome measures and requirements for tracking and reporting. Recovery Act grants each contain outcome measures related to job creation or job retention.

**Jobs Created or Retained**
The requirement for reporting jobs is based on a simple calculation used to avoid overstating the number of part time or non-permanent jobs. This calculation converts part-time or temporary jobs into “full-time equivalent” (FTE) jobs. In order to perform the calculation, a recipient will need the total number of hours worked that are funded by the Recovery Act. The recipient will also need the number of hours in a full-time schedule for a quarter. Reporting is cumulative across the project lifecycle, and will not reset at the beginning of each calendar or fiscal year. Work hours from payroll records can be used to calculate the FTE’ according to the formula. The total hours reported may include paid leave.

Formulas for tracking the number of FTE’s may vary between administrative agencies therefore refer to grant specific guidance.

The formula for tracking number of FTE’s can be represented as:

\[
\frac{\text{Hours worked}}{\text{Hours in a full time schedule}} = \# \text{ FTE}
\]

**Allowable Jobs Created**
Direct jobs: Employees directly charged to Recovery Act supported projects or activities

**Not Allowable**
Indirect jobs: Materials suppliers or central service providers
Induced jobs: Jobs in the local community where the project is taking place

**Documentation**
The Grant Coordinator will obtain affected County employee information from the County Financial Software System, and use the formula above to calculate FTE per grant for reporting requirements. This information will be maintained in the electronic grant file, updated monthly, and reported in FederalReporting.gov as required.

Include reporting requirements in contracts with sub-recipients to collect and submit timesheet information for each ARRA funded employee.

**Tracking for Compliance with Civil Rights Laws**
Federal agencies must ensure that their recipients and sub-recipients are subject to the requirements of nondiscrimination requirement from a variety of statutes including but not limited to The Civil Rights Act, the Americans with Disabilities Act and the Fair Housing Act.
Federal agencies monitor recipients’ compliance with applicable civil rights laws and encourage use of the federal funds in a manner that promotes equal opportunity for all to “encourage recipients to implement best practices for ensuring that all individuals – regardless of race, gender, age, and national origin – benefit from the Recovery Act” (OMB Memo, April 3, 2009).

The EEO-1 form tracks employee data by gender, racial identification, and job category. (Sample form http://www.eeoc.gov/employers/eeo1survey/upload/eeo1.pdf) The form is already used to track employment data for employers and contractors covered under Title VII of the Civil Rights Act of 1964.

In addition to tracking the information already captured on the EEO-1 form, a separate section should be added to record the number of employees residing in any given zip code. This information is easily accessible through employee records and will assist in tracking whether ARRA funds are reaching the communities most devastated by the economic downturn.
Monitoring is the process of conducting ongoing and/or separate evaluations to enable management to determine whether the other components of internal controls continue to function over time. Monitoring is an essential and integral component of internal control compliance. If monitoring is implemented effectively, the County is more likely to:

- Identify and correct internal control problems on a timely basis.
- Produce more accurate and reliable information for use in decision-making.
- Prepare accurate and timely financial statements.
- Be in a position to provide periodic certifications or assertions on the effectiveness of internal control.

Grant Specific Assessment
The County shall monitor its overall effectiveness and efficiency of internal controls by periodically performing a self-assessment. The self-assessment can provide insights into the overall organizational tone and effectiveness of oversight functions. This information shall be shared with the Board of County Commissioners and available for public review in order to ensure the County remains transparent and accountable under the provisions of the ARRA.

Grant-Specific Monitoring
Within 30 days of an ARRA grant acceptance, the Grant Coordinator will evaluate all provisions, requirements and timeframes associated with the grant and complete a Grant Requirement Checklist (see sample form in Appendix XI). The Grant Requirement Checklist will be filed in the ARRA Compliance/Monitoring folder in SharePoint.

Peer Reviews
Each Grant Coordinator is responsible for keeping accurate and timely records and filing all information related to the grant in the appropriate ARRA folders in SharePoint. Periodic peer review can provide an extra set of eyes and additional assurance that grant files are complete and up to date. Personnel with the appropriate skills and knowledge of the grant management system shall conduct peer monitoring. The schedule of peer monitoring may vary by grant depending upon the complexity or risk level of each. In general, high-risk grants should be monitored monthly. At a minimum, these shall include those providing the County with
funding over $100,000 and/or for those awarded by federal agencies with whom the County has not received past awards. The latter assumes a higher risk of misreporting due to unfamiliarity with the federal agency policies and practices.

Each Grant Requirement Checklist will provide the basis of and report format for the Peer Monitoring Report.

In addition to monitoring SharePoint files, peer monitoring shall also include:

1) General ledger reconciliation of the grant file to corresponding fiscal and asset reports in the County’s Financial Software System system.

2) Ensuring ARRA stamps are placed on real property as discussed in the ‘Purchasing’ section of this manual.

3) Documentation of property and equipment contains evidence of existence location of the item(s).

**Deficiencies**

- Any deficiencies in grant files or grant management (exception reports) shall be reported to the applicable Grant Coordinator.

- The Program Director and Grant Coordinator will agree on and complete a Corrective Action Plan (CAP). The CAP shall include specific items requiring compliance corrections and timeframes for item completion.

- The monitoring report and CAP will be placed in the ARRA grant folder under the Compliance/Monitoring sub folder.

- The Director will ensure corrective action items are completed within the stated timeframes.

- Deficiencies are communicated to Management. Serious deficiencies and internal control problems are promptly reported to top management.
Overview
Currently OMB A-110 specifically mandates that federal grant recipients monitor each program, function, or activity funded with federal grant awards – including sub-awards. The County is responsible for monitoring the use of those funds, even when the grants are passed through to one or more non-profit providers or other government agencies (sub-recipients). Even though a department does not expend the funds for department use, the department is responsible for sufficient oversight of the funds to ensure funds are spent in accordance with the federal grant requirements.

As part of the Federal Government’s expanded monitoring of expenditures, federal agencies have begun to increase their audit presence at state and local government agencies. A primary focus of these audits is reviewing grantees’ monitoring of sub-recipients.

Each year the Office of Management and Budget (OMB) publishes a guide to identify the compliance requirements that the Federal Government expects auditors to review as part of a single audit. The 2009 OMB Circular A-133 Compliance Supplement adds new material to emphasize and provides guidance on what the federal government considers adequate sub-recipient monitoring.

Given the increased focus on sub-recipient monitoring by the Federal Government along with budget cuts, staffing cuts, and government reorganizations, continued access to Federal funds will be at risk unless agencies maintain careful management and monitoring of sub-recipients.

Sub-recipient monitoring is a crucial internal control function, required by Federal granting agencies. Reporting requirements for sub-grantees become part of the grant agreement and are monitored on a regular basis.

Process for Ensuring Sub-recipient Compliance

The Grant Coordinator will ensure Sub-recipient compliance before, during, and after the award as follows:

1. Application Stage:
   1) Verify that the program laws and regulations allow sub awards.
   2) Include a subcontract information and justification in the funding application.
   3) Require a subcontract budget and scope of work prior to application submission.
   4) Determine whether sub-awards must be competitively procured or if they may be sole sourced.
   5) Evaluate the potential Sub-recipient’s fiscal and administrative ability to comply with applicable Federal and County regulations. To accomplish this, the Grant Coordinator (at a minimum) will:

   ✓ Check the Excluded Parties List System (http://epls.arnet.gov/) to check if sub-recipient is debarred/suspended.
Search the “Single Audit Database” by the sub-recipient’s tax ID number for most recent audits (http://harvester.census.gov/sac/dissem/entity.html).

Search sub-recipient’s web site for indirect cost rate agreement and, possibly their A-133 Audit Report.

2. Post Award Notice/Acceptance:

The Grant Coordinator will develop the subcontract in conjunction with Legal and Purchasing Departments according to existing County policy to ensure continuity between the grant expectations and the sub-recipient contract document.

The sub contract document will provide Federal grant identifying data to the sub-recipient in the agreement including but not limited to:

1) CFDA title and number
2) Award name
3) Name of Federal agency
4) All applicable compliance requirements

The contract must clearly advise sub-recipients of the requirements imposed on them. Terms and conditions contained in the County’s Federal award must ‘flow down’ to the sub-recipient with all applicable terms & conditions.

3. During-the-Award

Monitoring

The County is responsible for monitoring the use of the federal funds it accepts, even when the grants are passed through to non-profit providers or other government agencies (sub-recipients). Carefully monitored funds have a much higher probability of being continued, benefiting the citizens of the County. Diligent monitoring provides reasonable assurance that the sub-recipient administers the Federal award in compliance with the laws, regulations, and the provisions of contracts or grant agreements. Monitoring can also provide evidence of whether performance expectations/outcome measures are on target, or if there are barriers to implementation.

The Grant Coordinator will develop a Monitoring Process for each sub-recipient grant within 30 days of the award or grant acceptance.

Certain factors may increase or decrease scope of monitoring including:

- Program complexity.
- Percentage of award passed through.
- Total amount of awards to the agency.
- Sub-recipient’s overall risk.

This Monitoring Process shall be posted in the ARRA Compliance/Monitoring section in SharePoint for each grant. Monitoring methods should include as many of the following as possible for sub-recipient agreements:
➢ Invoice Verification. Review invoices and documentation/evidence to support the cost.
➢ Reporting. Review financial and performance reports for outliers, require corrective actions.
➢ Regular Contact. Be aware of any potential issues that could affect grant performance.
➢ Audit. Perform an audit of the sub-recipient records/documentation.
➢ Site Visits. Make site visits to review records, policies and observe program/project activities.

The completed monitoring reports and corresponding corrective action plans shall be posted in the electronic ARRA file for the grant. All sub-recipient monitoring reports with findings requiring a corrective action plan will be reported to the Program Director immediately.