



# Grants Management Handbook

Approved by Bay County Board of County Commissioners August 21, 2018,  
Revisions: March 27, 2019; January 31, 2022; May 16, 2023

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## PREFACE

This document is the Grants Management Handbook prepared by the Bay County Grants Management Team, composed of representatives from different departments of the Bay County Board of County Commissioners and staff of the Bay County Clerk of Court and Comptroller's Offices involved in grant management and related activities. The handbook addresses the Board of County Commissioners (BoCC) policy, federal and state laws and regulations, and other relevant information pertaining to grants administration in Bay County.

## DISCLAIMER

This handbook is not intended to be an exhaustive listing of all rules, regulations, or laws relating to grant administration, but is a guide of standardized procedures to direct County staff in the pursuit, application, and management of grant proposals and awards.

## UPDATES AND REVISIONS

This is a living document and contains Federal, State and County policies and by its nature may be revised over time as regulations change, new tools emerge, new processes are designed, and risks change. The Grants Management Team will review this document no less than annually and recommend updates as necessary or as circumstances dictate.

## ACKNOWLEDGEMENTS

This Grants Management Handbook builds on the efforts of other counties, including Hillsborough and Santa Rosa Counties. Bay County appreciates other counties' willingness to share materials. The work of staff of the Bay County Board of County Commissioners and staff of the Clerk of Court and Comptroller's Office is acknowledged and appreciated.

## REVISIONS

The Handbook was administratively amended on March 27, 2019, to include a new section on Time and Activity Reporting in Chapter 5, Managing the Grant.

Revisions were administrative amended on January 31, 2022, to include the following (note that referenced page numbers may change with each version):

- Page 2 Under Authority, Subparagraph Federal to include Section 3 Act of 1968: ADA of 1990 and Section 519 of P.L. 101-144 of the Department of Veterans Affairs and HUD and Independent Agencies Appropriations Act of 1990 and Section 906 of P.L. 101-625 of the Cranston-Gonzales National Affordable Housing Act of 1990
- Page 17 – Types of reports – addition of “HUD Annual 60002 Section 3, HUD 4710 Semi-Annual Labor Standard Forms or HUD 2880 Forms may be required for CDBG-DR, HMGP or other Federal Grant Programs.”
- Page 18/19 – Special Funding Conditions – addition of language regarding “Affirmative Action Plan Program as amended; Section 3 Act of 1968; Federal Age Discrimination of 1975; Section 519; Section 906 of Cranston-Gonzales National Affordable Housing Act of 1990.
- Pages 19/20 – Addition of Sections on “ADA and Non-Discrimination Policy; Equal Employment Opportunity, Fair Housing”.
- Pages 31/32 – Updated Titles/Phone numbers

\*Revisions were administratively amended on May 16, 2023 to include the following:

- Page 12 – Addition of Citizens Participation and Complaint Policy
- Page 15 – Addition of Fraud, Waste and Abuse Language
- Page 18-19 – Addition of Duplication of Benefits and Program Income Language
- Page 26 – Grant Website Maintenance <https://baycountyfl.gov/622/Projects>

## **CHAPTER 1: PURPOSE, SCOPE, AND AUTHORITY**

### **PURPOSE**

The purpose of this handbook is to document grant-related protocols for the pursuit of grant funding and the management of those awards, as well as to serve as an informational guide for Bay County departments that have a need or interest in grant funding. This handbook describes the Bay County, Florida grant administration policy and procedures:

- Grant Identification, Application and Tracking
- Grant Award Notification, Review and Acceptance
- Grant Oversight and Monitoring
- Grant Accounting and Reporting
- Grant Sub-recipient Procedures and Monitoring
- Grant Close-out

The grant management responsibilities reside with the individual County department. Bay County refers to the primary custodian of any grant as the Grant Manager, who is assigned by the relevant department. The Grant Manager is assisted by other departments and agencies when expertise of that department/agency is necessary: County Attorney, Purchasing, Budget, Human Resources and Clerk of Court – Board Finance, as examples.

This handbook was approved by the Board of County Commissioners and may be administratively amended as circumstances require. In some cases, amendments to the handbook will be governed by changes in laws and rules that may necessitate approval by the Board of County Commissioners.

The Grants Management Handbook is alternately referred to as the Grants Manual in other County documents.

### **SCOPE**

#### **Support and Control**

It is the responsibility of the Grants Management Team under the direction of the County Manager to define the policy and procedures addressed within this handbook for each stage of the grant process. Grant Managers and their departments are responsible for the implementation of the BoCC grant administration policy and compliance to the grantor agency, all within the Florida Sunshine Law and public record rules and laws of the Federal Government and Board of County Commissioners.

#### **Definition of a Grant**

A grant is financial assistance from an external entity to carry out a public purpose. A grant award is not expected to be repaid to the offering entity. Funds can either be disbursed directly by the granting entity to the County or may be passed through another entity – such as the state or other governmental entity.

## AUTHORITY

Grant funds are administered according to Federal and State laws and regulations, issuing entity guidelines and the Board of County Commissioners' policy. Individual funding agreements often dictate special funding conditions unique to the offered award. Governance of grant awards are disclosed in the Federal, State and County laws and policies listed below. This list and the Grants Management Handbook are not intended to be an exhaustive listing of all processes and procedures, rules, regulations, or laws relating to federal funds management. Each award should be examined for additional governance within the agency or program issue.

### Federal

- Federal Grant and Cooperative Agreement Act of 1977, as incorporated in Title 31 § 6304 of the US Code
- Office of Management and Budget (OMB), 2 Code of Federal Regulations (CFR) Part 200, *et al.* – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards
- OMB Circular A-133 (grant awards prior to December 2014)
- Equal Employment Opportunity Program and Policy Against Discrimination, Harassment and Retaliation
- Title VI and Nondiscrimination Plan
- Section 3 of the Housing and Community Development Act of 1968, as amended
- Americans with Disabilities Act of 1990 (ADA)
- Section 519 of P.L. 101-144 of the Dept. of Veterans Affairs and Housing Urban Development and Independent Agencies Appropriations Act, 1990 and Section 906 of P.L. 101-625, the Cranston-Gonzales National Affordable Housing Act, 1990

### State

- Florida Statutes, Chapter 125 County Government
- Florida Statutes, Chapter 287 Consultants' Competitive Negotiation Act (CCNA)
- Florida Administrative Code
- Rules of the Auditor General, Chapter 10.550, Local Governmental Entity Audits
- Florida Single Audit Act, Florida Statutes 215.97

### County

- Personnel Policies and Safety Manual for Employees of the Bay County Board of County Commissioners
- Bay County Procurement Manual <http://co.bay.fl.us/DocumentCenter/View/139/Procurement-Manual-PDF>

- Bay County Procurement Code - Bay County, Fla., Code Ch. 2, Art. III, Division 3, §2-101, *et seq.* [https://library.municode.com/fl/bay\\_county/codes/code\\_of\\_ordinances?nodetid=BAY\\_CO\\_CODE\\_CH2AD\\_ARTIII\\_DIV3PRCO](https://library.municode.com/fl/bay_county/codes/code_of_ordinances?nodetid=BAY_CO_CODE_CH2AD_ARTIII_DIV3PRCO)
- Bay County, Florida Fixed Assets Procedures, maintained by the Bay County Clerk of Court & Comptroller
- Bay County Florida Clerk of Court & Comptroller Grant Management – Financial Accounting Procedure Guide

A primary reference document for management of federal funds is Office of Management and Budget (OMB) 2 Code of Federal Regulations (CFR) Chapter I, Chapter II, Part 200 *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* [http://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title02/2cfr200\\_main\\_02.tpl](http://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title02/2cfr200_main_02.tpl)

An additional reference relevant to federal awards and government operations in general is the *Standards for Internal Control in the Federal Government* (GAO-14-704G – “Green Book”) <http://www.gao.gov/greenbook/overview>.

## CHAPTER 2: BAY COUNTY GRANT ADMINISTRATION

Grants are an exceptional funding source for County projects; however, such funding comes with responsibilities to manage the grant award properly. Failure to comply with grant regulations could potentially result in fines, penalties, award denial and loss of goodwill.

Study and review of grant program terms and conditions during the initial application process will protect the County from a contract agreement that is inconsistent with the County's strategic plan or budgetary process.

### **POLICY**

***The Grant Policy of Bay County, Florida is to pursue grant funding that contributes to the success of the County's strategic plan for growth and enhancement to infrastructure, safety, health and prosperity of the County and its Citizens.***

***No grant application or request for funding assistance shall be submitted without the respective department manager's approval. If required by the funding agency, approval of the Board of County Commissioners shall be obtained prior to submittal of a grant application.***

### ROLES AND RESPONSIBILITIES

#### Board of County Commissioners

Bay County, Florida is a non-chartered county established under the legal authority of the Florida Constitution and the Laws of the State of Florida. Florida Statutes Chapter 125 defines the powers and duties of County Government. By this statute, the Board of County Commissioners is empowered to accept all grant awards on behalf of Bay County or its subrecipients. After approval by the BoCC, the BoCC Chairman, or Vice-Chairman in the absence of the Chairman, executes grant awards.

#### Grants Management Team

The Grants Management Team is responsible for reviewing the County's grant management policies and procedures and making recommendations for revisions to the County Manager. The composition of the Grants Management Team is at the discretion of the County Manager and the BoCC and usually includes representatives from at least Purchasing, County Attorney, Budget, Human Resources, Risk Management, IT, Transit, Public Works and Emergency Services. Bay County Clerk of Court – Board Finance is also invited to participate.

## Purchasing Department

The Purchasing Department coordinates all aspects of the procurement process as authorized in the Bay County, Florida Procurement Policy. This includes the entire project/equipment bid process for contractors or vendors and purchase order processing.

## County Attorney

The County Attorney's office provides counsel and legal representation to the BoCC, County Manager and staff. The County Attorney reviews all grant agreements, subrecipient agreements, and any pertinent grant documents prior to the award execution.

## Bay County Departments

The Grant Manager is usually an employee assigned by the department that initiates a grant application and receives an award. The Grant Manager and the department are responsible for complying with all grant requirements.

It is their responsibility to:

- Identify the need that will provide for a public purpose
- Find the Funding Opportunities
- Prepare the Proposal, considering
  - Program guidelines
  - Staffing requirements
  - Budget obligation
  - Purpose of the project
  - Responsibilities
  - Legal Obligations
- Submit the Proposal
  - Application to Department Head for approval
  - Application presented for BoCC approval, if required
  - Application filed with the grantor
- Receive the Award
  - Terms and Conditions of the award are acceptable and manageable
  - County Attorney confirms terms through legal review
  - Board of County Commissioners is presented contract for acceptance, if required
  - Executed contract forwarded to Clerk of Court and Comptroller – Board Finance Office (Clerk of Court – Board Finance) for recording
- Manage the Award
  - Establish budget and assign account

- Establish grant filing folders (see suggested guidelines and information on central online grant filing system, [\\bay-admin\Grants Administration](#))
- Initiate communications with the Purchasing Department for construction/vendor bid process, as necessary
- Monitor and oversight
  - Project – site, documents and other monitoring
  - Contractors
  - Subrecipients
  - Staffing
  - Fiscal responsibility
    - Vendor payment processing
    - Grantor reimbursement requests
    - Purchase order reconciliations
  - Compliance
    - Terms and Conditions of the contract
    - 2 CFR Part 200, if applicable
    - Bay County Policies
- Reporting
  - Required periodic reports
  - Contract amendments, filing and notifications
  - Budget reconciliations
- Award Closeout
  - Final contractor or subrecipient inspections, if applicable
  - Final reporting requirements
  - Final budget reconciliations
- Record Retention
  - Maintained for the grant and statutorily required terms, whichever is longer
  - Complete record of grant contract history, activity and reporting requirements

Any instances of possible or actual noncompliance with grant requirements, abuses or fraud, suspicions or otherwise, should be immediately brought to the attention of the department head in which the grant is being administered and the Board Finance Office. The funding entity should be notified according to the requirements of the funding agreement.

#### Clerk of Court & Comptroller-Board Finance (Clerk of Court-Board Finance)

The State Constitution defines the duties of the Clerk of Court – Board Finance Office. Their contribution to a grant award is ensuring compliance with the Single Audit Act and the preparation of the Schedule of Expenditures of Federal Awards (SEFA) compliance report. Listed are the operating functions of the Clerk of Court– Board Finance Office.

- Accounts Payable Pre-Audit and Payment Process

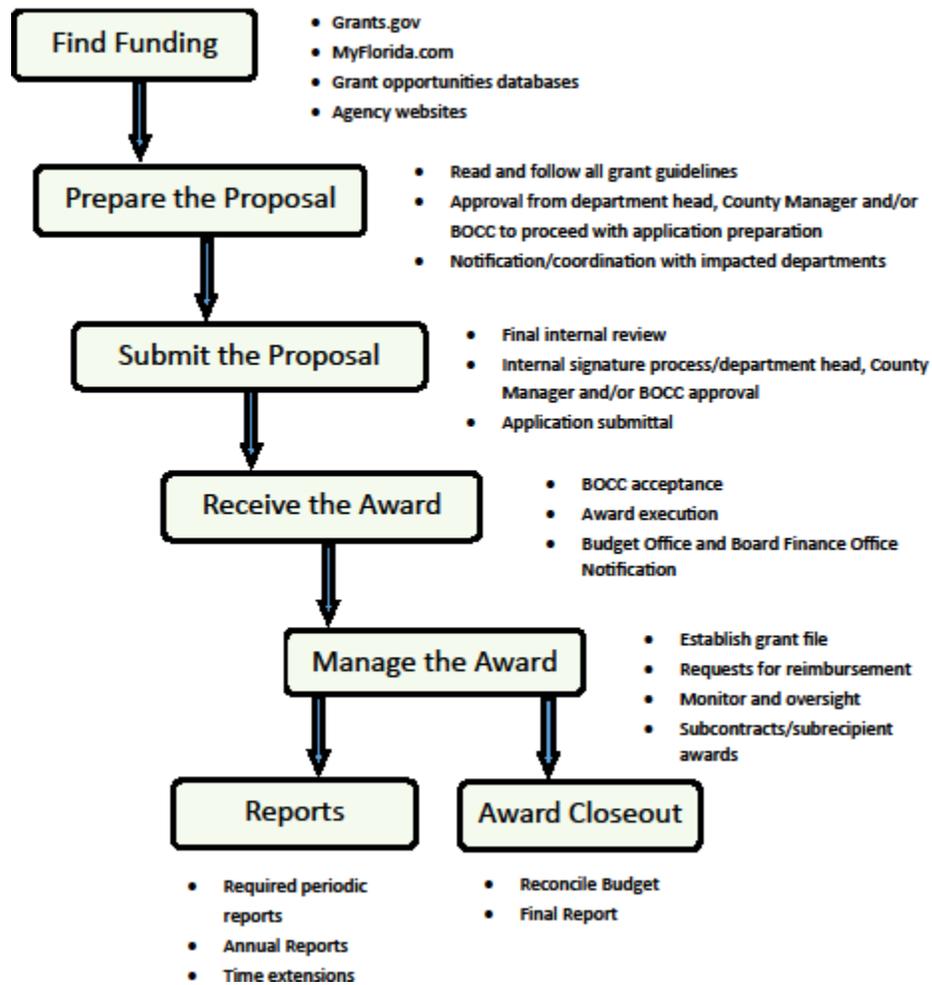
- Receipt of Awarded Funds
- Asset Inventory Control
- County Recorder
- Comprehensive Annual Financial Report (CAFR)

The Board Finance Office also conducts financial-related aspects of grant award subrecipient risk assessments for the County.

#### Requirements for Federally Funded Grants

- Conflict of interest. The County must disclose in writing any potential conflict of interest to the Federal awarding agency or pass-through entity in accordance with applicable Federal awarding agency policy (§200.112).
- Mandatory disclosures. In applying for and during management of a Federal award, the County must disclose, in a timely manner, in writing to the Federal awarding agency or pass-through entity all violations of Federal criminal law involving fraud, bribery, or gratuity violations potentially affecting the Federal award. Non-Federal entities that have received a Federal award, including the term and condition outlined in Appendix XII— Award Term and Condition for Recipient Integrity and Performance Matters, are required to report certain civil, criminal, or administrative proceedings to the System for Award Management (SAM). Failure to make required disclosures can result in any of the remedies described in §200.338 Remedies for noncompliance, including suspension or debarment (§200.113)

### Pre and Post Award Administration



## GRANT IDENTIFICATION

It is the responsibility of each County department to identify and pursue external funding opportunities, including grants.

Agency websites and list serves: Many agencies have list serves to which interested parties can subscribe to receive the latest grant opportunities and information. Simply visit the respective agency office website and subscribe per instructions. The following web sites are useful to identify grant opportunities.

- Grants.gov: <http://www.grants.gov>

Grants.gov is the clearinghouse for all federal grant opportunities, and allows organizations to electronically find and apply for more than \$400 billion in federal grants. Creating a grants.gov profile will provide perpetual notice of grant opportunities from federal agencies.

- State of Florida [www.myflorida.com/directory/](http://www.myflorida.com/directory/)

This website is available to search State of Florida grants by agency.

- eCivis: <http://www.ecivis.com>

This website is available on a subscription basis. It includes access to online training, grant opportunity research, as well as thousands of opportunities from all types of granting agencies.

## GRANT SEEKING PROCESS

Prior to preparing the application for a grant, the following steps should be taken:

1. Analysis of the specific objectives and funding needs of the county
2. Identification of the expected results or benefits of the program

The pre-application assessment should take into consideration the following factors:

### a. Financial

1. Total anticipated project cost
  - Is the proposed program budget sufficiently detailed? Have all direct cost items been covered in the budget (salaries, supplies and materials, equipment, travel, computer services, consultants, etc.)
  - Indirect Cost Rates – Are indirect or administrative costs reimbursable?
2. Match requirements and sources
  - Are matching share requirements accurate and consistent with the County's plans and budget?
3. Insurance
  - Does the program or project have any special property, liability, or other insurance requirements?
4. Staffing requirements

- Will the program or project require additional staff? Is such expansion consistent with the County's plans and budget?
5. Cash flow needs
    - Will the terms of the grant agreement meet the cash flow needs of the program or project?
  6. Long-term commitments
    - Does the agreement commit the County to continue the program or project beyond the period of program funding? If so, do budgeting and planning give appropriate support to all such commitments?
  7. Programmatic
    - Does the program or project align with County strategic priorities?
    - Is there the capacity to administer the financial and administrative aspects of the grant?

Refer to the grant opportunity summary or guidelines to obtain important information about the grant opportunity. This reference source may also be referred to as the NOFA (Notice of Funding Announcement) or NOFO (Notice of Funding Opportunity), RFP (Request for Proposals) or other similar terminology, and provides the following information:

- Types of projects to be funded
- The amount of funding available
- The contents required for the application
- Program officer contact information
- Program time frame and other pertinent information

At the planning stage and at the start of all projects, the funding agreement/Grant Manager should define project objectives clearly, identify potential risks related to achieving the objectives, and plan actions to reduce and monitor the risks. This should be an iterative process throughout the project period.

## APPLICATION PREPARATION

### Pre-Application Preparation

Certain essential elements necessary for successful submission of a grant application must be attended to prior to filling out the grant application. Some grants require electronic submission and registration or familiarity with a specific web portal. The following are examples of the various different web-based portals in which the County is registered:

- a. Grants.gov [Board Finance Office as lead]
- b. The System for Award Management (SAM) [Board Finance Office as lead]
- c. The Automated Standard Application for Payments (ASAP) [County, including Board Finance Office]
- d. Florida Public Assistance (FloridaPA.org) [County - Emergency Services, Roads and Bridges]
- e. GrantSolutions [County; County Manager's Office as lead for RESTORE Act grants]

## DUNS Number

- The federal government requires that all applicants for federal grants, cooperative agreements, and subawards, with the exception of individuals other than sole proprietors, have a Data Universal Numbering System (DUNS) number to better identify organizations that are receiving funding under grants and cooperative agreements, and to provide consistent name and address data for electronic grant application systems.
- County DUNS number: 010501120
- County Employer Identification Number (EIN): 59-6000512
- County Unique Identification Number (UEI) YWJLCFZMLNM6

## WRITING THE PROPOSAL

It is necessary to read the grant guidelines thoroughly. Grant application guidelines identify what to include in the respective grant proposal, and it is critical to understand the grantor's requirements and to follow grant application guidelines explicitly. Structure, attention to specifications, concise writing, and a reasonable budget with justification narrative are the critical elements to be considered during the writing stage.

Grant guidelines typically identify:

- Submission deadlines
- Grantee eligibility
- Funding goals, priorities, and ceilings
- Proposal format: forms to use, page limitations, page margins, line spacing, etc.
- Budgets and budget justification narrative
- Proposal evaluation process, criteria, timetables
- Point(s) of contact
- Allowable supplemental materials, such as Letters of Support
- Any and all other submission requirements

## SUBMITTING THE GRANT

When preparing a grant application, it is necessary to be mindful of a timeline that may include coordination with other stakeholders.

- Public Hearings or Community Engagement Meetings
  1. Many grant applications include requirements for public hearings. In such instances, advance planning is required to allow for notification of a public hearing, scheduling of the public hearing, coordination with external entities' meeting schedules, and adequate time for preparation of minutes.
  2. If a grant application requires a public hearing, the agenda items must be submitted no later than Wednesday the week prior to a BoCC Meeting.
- Depending on the nature of the grant, coordination with other Bay County departments and offices may be necessary. Examples include:
  1. Drawings or surveys from Engineering

2. Cost estimates from Public Works Department
  3. Budgetary information from the Budget Office
  4. GIS or other technical information from the Information Technology/GIS Department
  5. Contract review by County Attorney
- Important deadlines
    - Pre-application deadlines – some grants require approval of a pre-application
    - Letters of Intent – some grants require that letters of intent be submitted prior to grant applications
    - Final application deadlines – be sure to consider specific delivery or receipt language such as post mark or delivery deadlines. Some grants require online submittal of application forms. Allow sufficient time in case there are system difficulties inputting or submitting the forms.

## **CITIZENS PARTICIPATION**

Bay County's primary goal is to provide all citizens--especially low and moderate income citizens of the community where Community Development Block Grant (CDBG)-funded activities will take place-- an opportunity to participate in a role in the planning, implementation, and assessment of the programs and projects. The County allows participation through the following ways:

1. Citizens are invited to the Local Mitigation Strategy Meetings (LMS) Meetings that are held quarterly and open to the public where all of the grant projects are discussed and voted on to put on the LMS list.
2. Citizens have the ability to provide input, comments and review the draft application through a public hearing and subsequent comment period on each grant application.
3. Citizens have the ability to provide input and comment twice at the Board of County Commissioners meeting when the Resolution for submittal is being voted on and again if the grant is awarded.

## **CITIZENS COMPLAINT POLICY**

Citizens will have the ability to view all Hazard Mitigation Grant Program (HMGP)-CDBG Disaster Related Projects at <https://baycountyfl.gov/622/Projects>. Citizens may file a complaint via email to [engineering@baycountyfl.gov](mailto:engineering@baycountyfl.gov) or by mail to Attn: Chief Infrastructure Officer, Bay County Engineering Division, 840 W. 11<sup>th</sup> Street, Panama City, FL, 32401. It is the goal of Bay County to try to resolve citizens complaints in a timely manner, usually within fifteen (15) business days of the receipt of the complaint and to provide the right to participate in the process and appeal a decision when there is reason for an applicant to believe its application was not handled according to program policies. The County will (a) conduct investigations, as necessary; (b) find a resolution and (c) conduct follow-up actions.

Program Appeals: Applicants may appeal program decisions related to one of the following activities: (a) A program eligibility determination; (b) A program assistance award calculation; or (c) A program decision concerning housing unit damage and the resulting program outcome. Citizens may file a written complaint or appeal with the Office of Long-Term Resiliency by email at [CDBG-DR@deo.myflorida.com](mailto:CDBG-DR@deo.myflorida.com) or by mail to the following address:

Attention: Office of Long-Term Resiliency  
Florida Department of Economic Opportunity  
107 East Madison Street  
The Caldwell Building, MSC 420  
Tallahassee, Florida 32399.

Department of Housing and Urban Development (HUD) Complaints: If the complainant is not satisfied by the Subrecipient's determination or DEO's response, then the complainant may file a written appeal by following the instructions issued in the letter of response. If the complainant has not been satisfied with the response at the conclusion of the complaint or appeals process, a formal complaint may then be addressed directly to the regional Department of Housing and Urban Development (HUD) at:

Department of Housing & Urban Development  
Charles E. Bennet Federal Building  
400 West Bay Street, Suite 1015  
Jacksonville, FL 32202

Fair Housing Complaints: The Florida Office of Long-Term Resiliency operates in Accordance with the Federal Fair Housing Law (The Fair Housing Amendments Act of 1988). Anyone who feels he or she has been discriminated against may file a complaint of housing discrimination: 1-800-669-9777 (Toll Free), 1-800-927-9275 (TTY) or [www.hud.gov/fairhousing](http://www.hud.gov/fairhousing)

## **CHAPTER 4: AWARD NOTIFICATION, REVIEW AND ACCEPTANCE PROCEDURES**

Grant agreements are legal contracts that obligate Bay County. It is the Grant Manager's and sponsoring department's responsibility to administer the grant in accordance with the grant terms and conditions, regulatory compliance, budget and purpose.

### **AWARD NOTIFICATION**

When the agency accepts the application and awards funding, an Award Notification is presented to the County. The Grant Manager is to review and examine all conditions of the award to ensure the County has the expertise of management, staffing and budget to accomplish the entire project. If required, the Grant Manager prepares a BoCC memo and, through the County Manager, presents the awarded contract to the Board of County Commissioners for final acceptance.

### **BoCC REVIEW AND ACCEPTANCE**

The Grant Manager reviews the contents and requirements of the contracts, specifically for any alterations from the original application. The Grant Manager coordinates with the County Attorney for legal review of the final document.

The grant award is presented to the BoCC as a public meeting agenda item for discussion and approval. After approval by the BoCC, the Chairman, or Vice Chairman in his/her absence, will sign the approved grant contract. If it is a paper document, two copies will be signed.

The Grant Manager will submit to the grantor agency the signed grant contract for final execution. If it is a paper document, two original contracts will be submitted. The agency will return an executed copy to the County. The Grant Manager will distribute the executed grant contract. If it is paper, an original grant contract will be submitted to Clerk of Court – Board Finance Office. If electronic, an electronic copy will be provided to the Board Finance Office. A copy is retained for the permanent grant file and another copy distributed to the County Attorney.

The Grant Manager will coordinate with the Bay County Budget Office to establish revenue and expenditure accounts and the appropriate budget transfers.

Acceptance of the executed grant contract and establishment of the budget is the catalyst for the Clerk of Court – Board Finance Office role to be initiated.

## **CHAPTER 5: MANAGING THE GRANT**

The Grant Manager is the principal administrator of the grant and serves as the liaison between the grantor agency, County staff and project participants. Other Bay County departments and the Clerk of Court – Board Finance Office are secondary to the administration of the grant, performing in their respective roles as described in Chapter 2.

### **FRAUD, WASTE AND ABUSE**

Regardless of an individual's grant-defined function, all active participants have a responsibility to the grantor agency, Bay County Board of County Commissioners, and the citizens of Bay County to protect the County from fraud, waste or abuse of public property and funds.

If a citizen or employee of Bay County has a concern of Anti-Fraud, Waste or Abuse, they may contact the HUD's OIG Hotline at 1 (800) 347-3735. HUD's Office of Inspector General (OIG) has a dedicated team that handles fraud cases as a result of Up Front Income Verification (UIV), including identity theft without regard to value. If you would like to report such incidences of fraud, contact your local HUD OIG office (<https://www.hudoig.gov/about/where-were-located>) or HUD OIG Hotline (<https://www.hudoig.gov/hotline>).

The basis on which the OIG, Office of Investigation will consider cases of fraud vary by U.S. Attorney's Office and by each local prosecuting entity. In general, local prosecutors will have lower dollar loss criteria than U.S. Attorneys Offices. Plus, there is flexibility on the dollar amount if the case involves:

- A municipal, State, or Federal employee
- An owner with various residences that he/she sublets
- An individual engaged in other criminal activity
- Other egregious factors

### **FISCAL ACCOUNTABILITY**

The Grant Manager will provide the principal administration of the grant and the project. All invoices are to be examined for accuracy and agreement to the original contract, purchase order and Bay County Procurement Policy. Approved invoices are timely forwarded to Clerk of Court – Board Finance Office for accounts payable processing. It is vital to grant record management that the invoice has the proper grant expenditure account code to enable project/grant reconciliation and budget monitoring. Copies of all invoices received, checks paid, cancelled checks, and any other pertinent information related to the financial management of the grant must be maintained in the grant file. The records should be kept in electronic format and, if required by the award agreement, in paper format.

The costs incurred for the grant-funded project must also be compliant with the terms of the grant agreement and, for federal grants, conform to the Uniform Grant Guidance, OMB 2 CFR Part 200, *et al.* The following are key attributes of the Uniform Grant Guidance to consider when processing federal awards.

#### **Cost-Reimbursable**

Bay County grants are most commonly cost-reimbursement grants. The County incurs the expense, and,

with proper documentation, will submit to the grantor agency for reimbursement. Submission for reimbursement must, at a minimum, be accurate, project-allowable, and well documented.

Documentation would include approved invoice, copy of payment method, cancelled check copy and any other agency-required forms. Individual agency requirements vary. Being educated on the requirements and maintaining communications with the agency representative will create accurate filing and prompt reimbursement. Notification to Clerk of Court – Board Finance Office for pending reimbursement is recommended. For some reimbursements, such as for RESTORE Act Direct Component grants, the Grant Manager prepares the invoice and provides the invoice and supporting documents to the Board Finance Office. The Board Finance Office then submits the reimbursement request to the funding agency.

#### Time and Activity Reporting

Bay County has established policies and procedures for reporting employee time and activities, including those in Bay County's personnel policies handbook. Time and attendance reports are signed by supervisors and submitted to Human Resources for review prior to being provided to Finance, Clerk of Court, for final payroll preparation. Finance is the time-keeping authority for BOCC payroll and their payroll records are audited annually by an outside firm.

Additional time and effort reporting policies and procedures are set at the division level. Some funding sources may have additional time and activity reporting requirements, which may apply to exempt as well as to non-exempt employees.

For federal grants, 2 CFR 200.430(i) requires non-Federal entities, including the County, to maintain records that "accurately reflect the work performed." These records must:

- Be supported by a system of internal control which provides reasonable assurance that the time being charged is accurate, allowable, and properly allocated
- Be incorporated in the official records of the County, such as payroll records
- Reasonably reflect the total activity for which the employee is compensated by the County
- Provide a time or percentage breakdown on all activities, both Federally funded and non-Federally funded, for the employee
- Comply with the established accounting policies and practices of the County

The accounting for time and activity must be signed by the employee on a timely basis, and the employee's supervisor should review and approve the time and activity documentation in a timely manner. If the supervisor will not be available, a backup approver should be designated and should review and approve the time and activity documentation in a timely manner. Records should be retained according to County and division guidelines. A copy should be retained in each related grant management file.

#### Advance Funding/Cash Management Standards

Occasionally, the County will receive the grant award funds in advance of incurred expense. Reporting and record retention will mirror those of a cost-reimbursable grant. Any funds not utilized on the project must be returned to the grantor agency within the defined period of performance. For a federal funds award, the OMB's Uniform Guidance § 200.305 defines the procedures when receiving the award in advance.

The recipient must minimize the time between the transfer of funds from the grantor and the use of funds by the recipient. Advance payments must be limited to the minimum amounts needed and timed to be

in accordance with the actual, immediate cash requirements of the recipient in carrying out the purpose of the approved activity, project, or program. The timing and amount of advance payments must be as close as is administratively feasible to the actual disbursements by the County for direct activity, project, or program costs and the proportionate share of any allowable indirect costs. All federal awards must comply with §200.305 of the Uniform Guidance.

- 1) Advance payments of Federal funds must be deposited and maintained in insured accounts whenever possible.
- 2) The advance payments must be maintained in interest bearing accounts unless certain exceptions apply as outlined in §200.305(b)(8).
- 3) Interest earned on Federal advance payments deposited into interest-bearing accounts must be remitted annually to the Department of Health and Human Services through an electronic medium using either Automated Clearing House (ACH) network or a Fedwire Funds Service payment. Remittances must include pertinent information of the payee and nature of payment in the memo area (often referred to as “addenda records” by Financial Institutions) as that will assist in the timely posting of interest earned on federal funds. Interest amounts up to \$500 per year may be retained for administrative expense.

#### Cost Principles

##### Receipt and Use of Grant Funds

- 1) Grant funds may only be used for grant related expenses and expended within the period of performance identified in the grant agreement and pursuant to the cost principles set forth in §200.400 - §200.475 of OMB’s Uniform Guidance.
- 2) Grant funds awarded to the County shall not be used to supplant an existing expense so that current funds can be diverted to another use, unless such a use of grant funds is explicitly identified as allowable in writing by the grantor in the grant award.
- 3) All procurement activity associated with grant funded projects or programs shall follow the grantor and County policy and procedures for procurement.
- 4) All grant and related matching revenues shall be recorded in the County finance system.

##### Direct and Indirect (Facilities and Administrative/F&A) Costs

- 1) §200.412-§200.415 define direct and indirect costs and provide criteria for determining direct and indirect costs.
- 2) Bay County currently does not have an Indirect Cost Rate Agreement with a Federal cognizant agency. The Bay County Budget Office should be contacted should this status change. A default indirect cost rate is usually available upon coordination with the funding agency.
- 3) Grant-specific guidance may also provide additional information related to indirect costs.

##### Method for determining whether costs are allowable:

- 1) Cost Principles §200.401(a) must be used in determining the allowable costs of work performed by the non-Federal entity under Federal awards.
- 2) These principles must also be used by the non-Federal entity as a guide in the pricing of fixed price contracts and subcontracts where costs are used in determining the appropriate price.
- 3) §200.402 defines the total cost of a federal award as the sum of the allowable direct and indirect costs less any applicable credits.

Method for determining whether costs are reasonable:

Cost Principles §200.404(a-d) establishes the criteria for reasonable costs. A cost is reasonable if it:

- 1) Does not exceed that which would be incurred by a prudent person under the specific circumstances
- 2) Is considered ordinary and necessary for operation or efficient performance of the award
- 3) Shows sound business practice, arm's-length bargaining, and applicable federal/state/local laws
- 4) Adherence to non-Federal entity's established policies and procedures regarding incurring costs (deviation of which unjustifiably increases cost of the federal award)

Method for determining whether costs are allocable:

Cost Principles §200.405(a-b) establishes the criteria for determining allocable costs. A cost is allocable if:

- 1) The cost is allocable to a particular Federal award or other cost objective if the goods or services involved are chargeable or assignable to that Federal award or cost objective in accordance with the relative benefits received
- 2) All activities which benefit from the non-Federal entity's indirect (F&A) cost including unallowable activities and donated services by the non-Federal entity or third parties will receive an appropriate allocation of indirect costs

#### **DUPLICATION OF BENEFITS**

Bay County Grant Management Personnel must certify that program funds follow all duplication of benefits requirements as stated in the Robert T. Stafford Act. Bay County is required to ensure that the county prevents any duplication of benefits when it is providing financial assistance with CDBG, CDBG-DR, Federal Emergency Management Agency (FEMA), and other federal funding sources.

#### **PURPOSE**

The purpose of the policy on Duplication of Benefits is to ensure that Bay County is not providing grant funds to pay for particular costs where there is another source of financial assistance that is available to pay for that same cost and to identify specific events where the duplication of benefits checks will take place to reduce the risk of a duplication.

Key Events to review for potential duplication of benefits include:

- Identification of community needs
- Application for grant funds
- Acceptance of grant funds
- Management of grant funds

#### **APPLICABILITY**

This policy pertains to the FEMA, HUD, American Rescue Plan Act (ARPA), and other federal funding sources provided to Bay County following a Federally recognized disaster.

A duplication of benefits occurs when a person, household, business, government, or other entity receives financial assistance from multiple sources for the same purpose, and the total assistance received for that purpose is more than the total need for assistance.

## **ENSURING COMPLIANCE**

At the award and acceptance of funds from FEMA, HUD, ARPA and/or other Federal Funding sources, Bay County will ensure the funds are not duplicative for any activity by completing the following steps:

1. Review the award notice and information that identifies the purpose of the funds.
2. Analyze other sources that have been received, anticipated, or that are available and determine if they could be used for the same sources.
3. Conduct ongoing research to understand new funding assistance that becomes available and evaluate as needed.

## **PROGRAM INCOME**

Program income is the gross income received by the grantee and its subrecipients directly generated from the use of CDBG funds. Program income includes:

- Proceeds from the sale or lease of property purchased or improved with CDBG funds;
- Proceeds from the sale or lease of equipment purchased with CDBG funds;
- Gross income from the use or rental of real or personal property acquired, constructed or improved by the grantee (or a subrecipient), less costs incidental to the generation of income;
- Payments of principal and interest on loans made using CDBG funds;
- Proceeds from the sale of loans or obligations secured by loans made with CDBG funds;
- Interest earned on program income pending its disposition (NOTE: interest earned on CDBG funds held in revolving loan funds is not program income and must be remitted to the U.S. Treasury at least annually); and
- Funds collected through special assessments on properties not owned and occupied by Low and Moderate Income (LMI) households in order to recover the CDBG portion of a public improvement.

### **Program Income does not include:**

- Income earned from the investment of initial proceeds of a grant advance from the U.S. Treasury;
- Interest earned on loans or other forms of assistance with CDBG funds that are used for activities that are determined by HUD to be ineligible;
- Interest earned on reimbursements to the program account prior to the use of the reimbursed funds for eligible activities;
- Any income received in a single program year by the grantee and its subrecipients, that does not exceed \$25,000;
- Income generated by certain Section 108 activities (refer to 570.500(a)(4)(ii));
- Proceeds from subrecipient fundraising activities;
- Funds collected through special assessments to recover non-CDBG outlays of capital improvements; and
- Proceeds from the disposition of real property by a subrecipient that was acquired or improved with CDBG funds five years after the termination of the subrecipient agreement. (Certain conditions apply. Refer to 570.503(b)(7).)

### **Equipment and Real Property Management**

- 1) Equipment purchased with federal grant funds shall be used for the project or program for which it was acquired during the life of the grant or until the property is no longer needed for the purposes of the project. The County shall follow 2 CFR 200.313 for the use and disposition of federally grant-funded property.
- 2) Grant-purchased equipment must be properly maintained and safeguarded, and equipment records must be maintained by the Clerk of Court – Board Finance Office, which maintains the

inventory for all County-owned property.

- 3) The Grant Manager must seek disposition instructions from the grantor agency should grant-funded equipment no longer be needed for its original intended purpose. The County policy and procedure for property and inventory control must also be followed, but secondary to that of the grantor agency.

## GRANT REPORTING

Performance and financial reporting requirements are expected for every grant award. Refer to the grantor agency's program and the contracted agreement for the specifics of reporting and filing requirements. The Grant Manager is responsible for filing accurate, complete and timely reports. Upon receipt of the grant agreement, the Grant Manager should add reporting dates for the life of the grant to a tracking tool, such as a grant management spreadsheet or Outlook calendar.

### Types of Reports

- **Performance:** Typically required on a quarterly basis. The recipient is required to regularly submit performance reports that reflect grant-funded operational progress as required by the grant agreement.
- **Financial:** The recipient is required to regularly submit and retain financial reports that reflect the grant's fiscal health as required by the grant agreement.
- **Close-out:** Per grantor award terms and conditions, including time frames for action, the recipient department is required to submit all financial, performance, and other reports required in the grant conditions.

For federal grants, periodic preparation and submittal of the Federal Financial Report (FFR, SF-425), HUD 60002 Annual Section 3; HUD 4710 Semi-Annual Labor Standard Forms or HUD 2880 Forms may be required for CDBG-DR, HMGP or other Federal Grant Projects as a frequent requirement. The purpose of the FFR is to show that the federal funds are being expended according to the purpose for which they were provided, including: the amount of federal funds expended to date; the amount of matching funds provided by the grantee (recipient share); and information about the use of remaining funds.

Coordination with the Board Finance Office may be necessary to fully complete the SF-425 and reconcile it with supporting financial data. Management should review the SF-425 report prior to submitting it to the Federal awarding agency, and financial and performance reports must be submitted at the required intervals.

### Reporting Responsibilities

The Grant Manager is responsible for preparing or reviewing all reports related to a grant award. After review of a report, the Grant Manager is responsible for submitting the report and all required supporting documents to the funding agency. At times there may be a Project Manager who will prepare reports and submit them to the Grant Manager. Some departments may have additional requirements for further internal review prior to submittal of reports to funding agencies. In this case, the department is required to document the process and provide it to all departmental grant managers. Any findings by management will need to be corrected and approved prior to document submission to the funding agency. All reviews and approvals may be done electronically for documentation purposes, unless specified otherwise by the granting entity.

- All documentation should have a date and signature (electronic is acceptable) on the first page

to indicate who prepared the document and who reviewed/approved the document.

- The Grant Manager is responsible for coordinating the timely submission of all reports including oversight and review for accurate preparation of all documentation submitted for review by the Project Manager.
- All documentation will be reviewed and reconciled for accuracy before approval to submit to the granting agency.
- The Grant Manager is responsible for responding to any funding agency comments.

The Grant Manager is responsible for determining the conditions in which an interim reporting of significant developments would be prepared and submitted to the awarding agency. The manager must monitor agreement-related activities to ensure compliance with applicable requirements and that performance expectations are being achieved. Negative or positive developments that will have a material impact on the overall objective of the award should be considered. In both events, a plan of action should be presented to the grantor agency to manage the project (refer to 2 CFR §200.328).

Among the situations that merit notification of the grantor agency are:

- Problems, delays, or adverse conditions which will materially impair the ability to meet the objective of the award. This disclosure must include a statement of the action taken, or contemplated, and any assistance needed to resolve the situation.
- Favorable developments which enable meeting time schedules and objectives sooner or at less cost than anticipated or producing more or different beneficial results than originally planned.

#### GENERAL STANDARDS FOR SUPPORTING DOCUMENTATION

Costs claimed by the County under its grants must be allowable, allocable, and reasonable, and adequate documentation to support charges to the grant must be maintained. Expenditures are governed by the cost principles established by federal, state, and other grantors and must conform to respective policies, grant special provisions and County policies. Federal cost principles are defined in §200.400-§200.475 of OMB's Uniform Guidance. All reports and supporting documentations as required must be retained for the entire retention period specified in the grant. These records will support the grant terms and condition when subject to Single Audit Act compliance.

Financial or reimbursement reporting documentation would include at a minimum a copy of the qualified invoices, receipts, payroll or labor reports, or other proof that complies with Federal and State audit standards.

#### SPECIAL FUNDING CONDITIONS

The Grant Manager is responsible for implementing, monitoring and reporting on agreement requirements, including special funding conditions.

Special funding conditions are supplemental to a standard grant contract or program. Special funding conditions could relate to additional Federal or State laws that are unique to the project, action that must occur prior to funding, or any attention the grantor feels is in the best interest of the program. These special funding conditions will be fully disclosed in the original executed contract. The Grant Manager is responsible for satisfying any and all conditions.

While not considered a "Special Funding Condition", there are legislative and regulatory conditions

attached to grants that could require monitoring, reporting or action. These Federal or State funding conditions should be considered when making an application and in managing the subsequent award, understanding the requirements and the method for adherence to them. Listed are a few examples to consider:

If the grant contracts require, Bay County will adhere to and comply with the following policies:

Affirmative Action Plan Program in compliance with Presidents Order 11246 of September 24, 1966, as amended

Age Discrimination Act of 1975 – 42 U.S.C. § 6101 *et seq.* Americans with Disabilities Act of 1990 - 42 U.S.C. § 12101 *et seq.* Title VI of the Civil Rights Act of 1964 – 42 U.S.C. § 2000 *et seq.*

Title VII of the Civil Rights Acts of 1968 – 42 U.S.C. § 3601 *et seq.*

Title VIII of the Civil Rights Act of 1968 (Fair Housing Act) Drug

Free Workplace Act of 1988 – 41 U.S.C. § 701 *et seq.*

Protection for Whistleblowers – 41 U.S.C. § 4712

Davis-Bacon Act of 1931 – 40 U.S.C § 3141-3148

Immigration and Nationality Act (INA) – 8 U.S.C. § 1324a (e) [§ 274A(e)] Lobbying provisions – 31 U.S.C. § 1352

Equal Opportunity Employment – 41 CFR § 60.1.4(b)

Copeland Anti-Kickback Act – 18 U.S.C. § 874

Section 3 Act of 1968, as amended

Federal Age Discrimination Act of 1975

Section 519 of P.L. 101-144 of the Department of Veterans Affairs and Housing and Urban Development and Independent Agencies Appropriations Act, 1990

Section 906 of P.L. 101-625 of the Cranston-Gonzalez National Affordable Housing Act, 1990

### **Davis-Bacon Act**

The Davis-Bacon and Related Acts apply to contractors and subcontractors performing on federally funded or assisted contracts in excess of \$2,000 for the construction, alteration, or repair (including painting and decorating) of public buildings or public works. Davis-Bacon Act and Related Act contractors and subcontractors must pay their laborers and mechanics employed under the contract no less than the locally prevailing wages and fringe benefits for corresponding work on similar projects in the area.

Before external work is started, it must be determined if the Davis-Bacon Act is applicable to the funding agreement. If it is applicable, the Grant Manager is responsible for monitoring and reporting related to the Davis-Bacon Act. All related subrecipient agreements and procurement documents and contracts will specify that the Davis-Bacon Act must be adhered to. At times, a third party may be contracted to monitor and report on Davis-Bacon requirements for an award or contract. The Grant Manager is responsible for ensuring this is done correctly. Information sources include <https://www.wdol.gov/dba.aspx> and <https://www.dol.gov/whd/govcontracts/dbra.htm>.

## **ADA and Non-Discrimination Policy**

Bay County established a Grievance Policy to meet the requirements of Americans with Disabilities Act of 1990 ("ADA") and state and federal nondiscrimination laws. It may be used by anyone who wishes to file a complaint alleging discrimination in the basis of race, color, national origin, sex, age, disability, religion, or marital status in the provision of services, activities, programs or benefits by the Bay County Board of Commissioners. The Bay County Board of Commissioner's Personnel Policy governs employment-related complaints of discrimination.

The complaint should be in writing and contain information about the alleged discrimination such as name, address, phone number of complainant and location, date, and description of the problem. Alternative means of filing complaints, such as personal interviews or a tape recording of the complaint, will be made available for persons with disabilities upon request. The complaint should be submitted by the grievant and/or his/her designee as soon as possible but no later than 60 calendar days after the alleged violation to:

**Eve Tooley, ADA/Nondiscrimination Coordinator Risk Management Director  
840 W. 11th Street  
Panama City, FL 32401**

Within 15 calendar days after receipt of the appeal Robert J. Majka Jr., County Manager or Joel Schubert, Assistant County Manager or his designee will meet with the complainant to discuss the complaint and possible resolutions. Within 15 calendar days after the meeting, Robert J. Majka, County Manager or Joel Schubert, Assistant County Manager or his designee will respond in writing and where appropriate, in a format accessible to complainant with a final resolution of the complaint.

All written complaints by Eve Tooley or her designee, appeals to Robert J. Majka, County Manager or Joel Schubert, Assistant County Manager or his designee and responses from these two offices will be retained by Bay County for at least three years.

## **Non-Discrimination Policy**

The Bay County Board of County Commissioners does not tolerate discrimination in any of its programs, services, or activities. Bay County will not exclude participation in, deny the benefits of, or subject to discrimination of anyone on the grounds of race, color, national origin, sex, age, disability, religion, or marital status.

Anyone who requires special language services to participate in a Bay County program, service or activity, should contact Eve Tooley, Risk Management Director/ADA Coordinator at 850-248- 8230 as soon as possible but no later than 48 hours before any scheduled event. The Bay County Board of County Commissioners is not legally required to take any action that would fundamentally alter the nature of its programs or services, or impose an undue financial or administrative burden, in order to provide language services for those who do not speak English.

## **Equal Employment Opportunity**

Bay County is an Equal Employment Opportunity Employer.

### **Fair Housing Act**

Bay County will adhere to the Title VIII of the Civil Rights Act of 1968 (Fair Housing Act), as amended, prohibits discrimination in the sale, rental, and financing of dwellings, and in other housing-related transactions, because of race, color, religion, sex (including gender, gender identity, sexual orientation, and sexual harassment), familial status, national origin, and disability.

### **Lobbying provisions**

As applicable, all lobbying provisions related to a funding source and funding agreement will be followed. This includes all federal lobbying provisions.

### **Other provisions**

Additional provisions, such as the Copeland “Anti-Kickback” Act, must be adhered to.

## DISASTER ASSISTANCE GRANTS

Federal or State disaster assistance grants generally require Bay County to support reimbursement requests with agency-specific documentation and contract agreements. It is imperative that Grant Managers understand and apply all Federal Emergency Management Administration (FEMA) requirements prior to a declared disaster to prevent loss of reimbursement for noncompliance with the FEMA standards. <https://www.fema.gov/procurement-disaster-assistance-team>

Necessary documentation includes:

- All relevant invoices
- Payroll reports including pay rates and overtime rates
- Fringe benefit information provided by the Human Resources Department
- Equipment purchase, rental, and usage including dates, operator identification and pay rate, fuel charges
- Dated and labeled photographs reflecting damage, work site, and project completion
- Any other relevant documentation

Bay County Procurement Policy addresses emergency situations, allowing the County Government to continue operations.

## GRANT FILE MANAGEMENT

Files associated with a grant award must maintain a file structure that includes the important documents that chronicle the application, receipt of the award, and all management related documents and correspondence through award close out. The County’s standard grant file structure is outlined below. Files should have clear separations between different fiscal years. Original files must be maintained for each grant based on grantor agency requirements, including retention period and method (paper or electronic copy). The County’s centralized electronic file system for grants (<\\bay-admin\Grants Administration>) should be used unless otherwise directed by the funding entity. Contact Bay County IT about read-write permissions for files in the centralized system.

- a. Proposal submission
  - Proposal guidelines and supporting legislation
  - Copy of the original submitted application
  - Information and data used in preparation of and support of the grant proposal
  - Public hearing notices and meaningful public comment
  - Any correspondence related to the proposal
- b. Award
  - Grant award letter with budget and special conditions
  - BoCC agenda item
  - Grant amendments, modifications, extensions, cancellations, and terminations and correspondence related to the award
- c. Financial
  - Account setup documents
  - Purchase orders
  - Invoices
  - Grantor approval for items such as budget reallocation, changes to scope, procurement, and contractor selection
  - Performance and fiscal reports on grant activities
  - Personnel time and effort worksheets
- d. Contracts
  - Debarment forms
  - Lobbying forms
  - Non-collusion forms
  - Executed contracts
- e. Reports
  - All reports to grantor – progress, technical, quarterly, annual, final, etc.
  - Evaluation forms and data
  - Compliance monitoring reports from desk audits or on-site visits
  - Project Closeout documents
  - Any other relevant communication with grantor
- f. Subrecipient Documents (if applicable)
  - Subrecipient risk assessment documentation
  - Subrecipient contract
  - All site visit documentation
  - Any subrecipient correspondence
  - All financial, legal and procurement records related to the subrecipient's execution of the grant funded project
- g. All other pertinent or necessary information to show compliance with the award terms and conditions

## GRANT WEBSITE MAINTENANCE

Bay County will maintain a website at <https://baycountyfl.gov/622/Projects> to provide citizens with direct access to information, procurement documents and project details on the County's Hazard Mitigation and Community Development Block Grant Disaster Related Grants. The website will be maintained and updated at least on a quarterly basis.

## GRANT MODIFICATIONS, EXTENSIONS, OR CANCELLATIONS

During the course of a grant's lifetime, there are times when changes are necessary to periods of performance, budget or the project scope of work. Most of these changes, typically called grant amendments or modifications, are allowable, but it is important to follow the procedures written in the grant agreement or in the guidelines provided by the grantor. Most changes must be pre-approved by the grantor before they are considered eligible. Modifications, extensions, or cancellations may require the authorization of the Board of County Commissioners, depending on the terms of the grant award.

### Grant Modifications

When the activities of the grant deviate from the original scope of the project, a modification must be formally filed and approved. Modifications to the grant contract generally follow the same approval process as the original contract.

Basis for modifications might be the scope of work could not be performed as originally expected, an increase to the scope of the original project, or unforeseen expenses requiring additional funds to complete the overall project.

Written confirmation from the grantor is necessary before any money is spent on items different from what was approved in the original budget, subject to limitations outlined in the grant agreement.

### Grant Extensions

An extension is a modification to the contract. The modification is to extend the program's period of performance to accommodate for project delays or to provide adequate opportunity to file the final grant close out reporting. These requests must be documented and written approval must be received from the grantor, usually in the form of a grant amendment/modification.

### Cancellations

A grant should only be cancelled by the County if the originally-funded project has been cancelled by the Board of County Commissioners or the appropriate level of County authority. Cancellation must follow the guidelines within the grantor agency's procedure.

## GRANT CLOSEOUT AND RECORDS RETENTION

The grant closeout is the final official process of the grant cycle. This process is when the funding agency determines that all applicable administrative acts and required work associated with the award contract have been completed.

The Grant Manager is to finalize all construction contracts, purchases orders, and final payments. A final reimbursement request is submitted to the agency for all qualified, reimbursable expenses. All financial and performance reports are filed accordingly.

The grantor agency will submit to Bay County a notice the grant has been successfully closed. Retention of all grant records extends beyond the closing date. Federally funded grants require a minimum of three years record retention. Records for real property and equipment acquired with federal funds must be retained for three years or the time limit specified by the grant agreement after the final disposition date.

The State of Florida's required record retention period is five years from the date of closure. The retention period could be extended for both Federal and State issued grants, if events subsequent to the grant closure occur.

## CHAPTER 6: GRANT CONTRACTING

The County may choose or be required to enlist the services of private companies to address an objective of the County. The objective could be a service, project or purchase. A contract between both parties will establish the agreed arrangement. A contract with a vendor must comply with the Bay County Procurement Code and the Bay County Procurement Manual. A contract that will be federally funded must be fully disclosed to the contractor. The contractor must also comply with the grant contract requirements in order for any expenses incurred to be eligible for reimbursement under the grant.

### CONTRACT INFORMATION

A contract is for the purpose of obtaining goods and services for an entity's own use and creates a procurement relationship with the contractor. Solicitations are developed by the Grant Manager and the manager's division/department in cooperation with Purchasing. Purchasing advertises and drafts contracts with approval from the County Attorney office.

Request for Qualifications (RFQ), Request for Proposals (RFP), and Invitation to Bid (ITB)

1. All procurements shall comply with the Bay County Procurement Code and Bay County Procurement Manual and reflect Federal Grant requirements.
2. When preparing an RFQ, RFP or ITB for a grant funded project, it is essential to incorporate any requirements specific to the grant agreement. The grant can include specific processes for procurement, evaluation, and selection of contractors. Failure to adhere to these requirements can result in loss of funding.
3. Affirmative steps may be required to be taken to include small and minority and women's business enterprises, and labor surplus firms as described in the next section.

Bay County Code Sec. 2-113 establishes that ITBs, RFPs and RFQs shall be advertised at least 5 days prior to the date established for receipt of bids in some newspaper of general circulation in the County. Actual practice typically dictates a two to four-week advertisement period. The Purchasing Department and the Grant Manager will work closely together regarding these requirements, ensuring that all advertisements for bid meet the approval of the grantor agency and comply with Bay County Code and do so within the constraints of the grant contract performance measures.

### SMALL AND MINORITY BUSINESSES, WOMEN'S BUSINESS ENTERPRISES, AND LABOR SURPLUS AREA FIRMS - FEDERAL AWARD REQUIREMENTS

For federal awards, the procurement and monitoring requirements set forth in the Uniform Guidance §200.318-200.328 and Appendix II to Part 200 – Contract Provisions for Non-Federal Entity Contracts must be followed.

For federal awards, §200.321 of the Uniform Guidance requires that all necessary affirmative steps must be taken to assure that minority business, women's business enterprises, and labor surplus area firms are used when possible including:

1. Placing qualified small and minority businesses and women's business enterprises on solicitation lists
2. Assuring that small and minority businesses, 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 businesses, and women's business enterprises
4. Establishing delivery schedules, where the requirement permits, which encourage participation by small and minority businesses, and women's business enterprises
5. Using the services and assistance, as appropriate, of such organizations as the Small Business Administration and Minority Business Development Agency of the Department of Commerce
6. Requiring the prime contractor, if subcontracts are to be let, to take the affirmative steps listed in this section

In order to demonstrate compliance with these requirements, the following steps must be taken by the Grant Manager in coordination with the Purchasing Department:

1. The requirements of §200.321 shall be included in any ITBs, RFPs or RFQs such that all contractors must take affirmative steps.
2. A list of local minority business and women's business must be downloaded and maintained in the grant file. All minority and women's businesses must be notified of RFPs or RFQs.

#### PROCUREMENT DURING EMERGENCIES

Procurement during times of emergency can be hurried. Below are some of the most common procurement mistakes related to FEMA funding. Errors can lead to audits and potential loss of funds.

1. Engaging in a noncompetitive procurement (i.e., sole-sourcing) without carefully documenting how the situation has created an urgent need to perform the work sooner than a competitive procurement process would allow.
2. Continuing work under a sole-source contract after the urgent need (see #1) has ended, instead of transitioning to a competitively procured contract.
3. Piggybacking onto another jurisdiction's contract in a situation that doesn't allow noncompetitive procurement (see #1) or where the other contract is materially different in terms of scope or requirements. Piggybacking is rarely allowable.
4. Awarding a "time-and-material" contract without a ceiling price that the contractor exceeds at its own risk and documenting why no other contract type is suitable.
5. Awarding a "cost-plus-percentage-of-cost" or "percentage-of-construction-cost" contract.
6. Not including the required contract clauses (available online at the below website under "PDAT Resources" menu).
7. Including a geographic preference in a solicitation (i.e., giving an advantage to local firms).
8. Not making and documenting efforts to solicit small businesses, minority businesses, and woman's business enterprises.
9. Conducting a procurement exceeding the federal simplified acquisition threshold (currently \$250,000) without conducting a detailed cost or price analysis.

10. Not carefully documenting all steps of a procurement to create a record if questions arise potentially years later.

*For further information on FEMA grant procurement requirements, including contract review checklists, detailed guidance on the above topics, and online webinar training classes, visit <https://www.fema.gov/procurement-disaster-assistance-team>*

## SUSPENSION AND DEBARMENT

Bay County and its subrecipients shall not award grant assistance to applicants that are debarred or suspended, or otherwise excluded from or ineligible for participation in federal assistance programs under Executive Order 12549.

A person or entity debarred or suspended is excluded from federal financial and non-financial assistance and benefits under federal programs and activities. Debarment or suspension of a participant in a program by one federal agency has government-wide, reciprocal effect.

The managing department shall ensure that the federal Excluded Parties List System (EPLS) site and the state Convicted/Suspended/Discriminatory/Complaints Vendor Lists are checked prior to entering into any contractual relationship or use of services.

1. The System for Award Management (SAM) is the official federal EPLS. It is accessed at: <https://www.sam.gov/portal/public/SAM/#1>.
2. Convicted, Suspended, Discriminatory, Complaints Vendor Lists for the State of Florida are accessed at: [http://www.dms.myflorida.com/business\\_operations/state\\_purchasing/vendor\\_information](http://www.dms.myflorida.com/business_operations/state_purchasing/vendor_information)

## CONTRACT DEVELOPMENT, EXECUTION, AND DISTRIBUTION

Once a contractor has been selected and approved by the BoCC, the Grant Manager must coordinate with the Purchasing Department to ensure the contract contains all standard language for Bay County contracts, details specific to the ITB, RFP or RFQ including cost, period of performance, deliverables, and dates of completion as well as any other requirements of the grant agreement. The Grant Manager will need to forward all information to be included in the contract to the Purchasing Department as soon as it is available or note its availability in the centralized grant files. The County Attorney shall review the contract before it is presented to the BoCC.

Once a contract has been executed, originals and copies shall be distributed as follows:

- 1) Clerk of Court – Board Finance Office – original
- 2) County Attorney’s Office – copy
- 3) Managing Department Grant File – copy
- 4) County online central grant file – copy

## CHAPTER 7: SUBRECIPIENT INFORMATION

For federal awards, a subrecipient is a non-Federal entity that receives a subaward from a pass-through entity to carry out part of a Federal program, but does not include an individual that is a beneficiary of such program. It is important for the Grant Manager to be able to distinguish between a contractor and a subrecipient.

Characteristics of a subrecipient:

- Receiving entity determines who is eligible to receive what financial assistance
- Has its performance measured against whether the objectives of the program are met
- Has responsibility for programmatic decision making
- Has responsibility for adherence to applicable program compliance requirements
- Uses the funds to carry out a program of the organization, as opposed to providing goods or services for the benefit of the pass-through entity

### SUBRECIPIENT MONITORING

Bay County subrecipient monitoring for projects involving federal funds shall follow the regulations and guidance set forth in §200.330 -§200.332 of the Uniform Guidance for Federal Awards. Bay County shall also adhere to the requirements for pass-through entities as described in these sections, including:

- 1) Ensure that every subaward is clearly identified to the subrecipient as a subaward and includes the required information at the time of the subaward. If any of these data elements change, include the changes in subsequent subaward modification. When some of this information is not available, the pass-through entity must provide the best information available to describe the Federal award and subaward. Required information can be found in §200.331.
- 2) Evaluate each subrecipient's risk of noncompliance with Federal, State, and County statutes, regulations, and the terms and conditions of the subaward for purposes of determining the appropriate subrecipient monitoring as described below (this is not an all-inclusive list). A risk assessment questionnaire and risk assessment worksheet are available on the centralized grant file system ([\\bay-admin\Grants Administration](#)) to assist in this effort. The Clerk of Court – Board Finance Office participates in this assessment.
  - a. The subrecipient's prior experience with the same or similar awards
  - b. The results of previous audits, including whether or not the subrecipient receives a Single Audit in accordance with Subpart F of the Uniform Guidance for Federal Awards, 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 (e.g., if the subrecipient also receives Federal awards directly from a Federal awarding agency)
- 3) Consider imposing specific subaward conditions upon a subrecipient if appropriate as described in §200.207 of the Uniform Guidance for Federal Awards and below (this is not an all-inclusive

list).

- a. Requiring payments as reimbursements rather than advance payments
  - b. Withholding authority to proceed to the next phase until receipt of evidence of acceptable performance within a given period of performance
  - c. Requiring additional, more detailed financial reports
  - d. Requiring additional project monitoring
  - e. Requiring additional technical or management experience
  - f. Establishing additional prior approvals
- 4) If additional conditions are imposed on a subrecipient, the pass-through entity must notify the applicant of the following:
- a. The nature of the additional requirements
  - b. The reason why the additional requirements are being imposed
  - c. The nature of the action needed to remove the additional requirement, if applicable
  - d. The time allowed for completing the actions, if applicable
  - e. The method for requesting reconsideration of the additional requirements imposed
- 5) Monitor the activities of the subrecipient as necessary to ensure 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.
- 6) Utilize the monitoring tools as described below dependent on the assessment of risk.
- a. Providing subrecipients with training and technical assistance on program-related matters
  - b. Performing on-site reviews of the subrecipient's program operations
  - c. Arranging for agreed-upon procedures engagements as described in §200.425 of the Uniform Guidance for Federal Awards
- 7) Verify that every subrecipient is audited as required by Subpart F of the Uniform Guidance for Federal Awards when it is expected that the subrecipient's Federal awards expended during the respective fiscal year equaled or exceeded the threshold set forth in §200.501
- 8) 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.
- 9) If it is determined that noncompliance cannot be remedied by imposing additional conditions, consider taking enforcement action against noncompliant subrecipients as described below.
- a. Temporarily withhold cash payments pending correction of the deficiency
  - b. Disallow (that is, deny both use of funds and any applicable matching credit for) all or part of the cost of the activity or action not in compliance
  - c. Wholly or partly suspend or terminate the award
  - d. Recommend to Federal awarding agency initiation of suspension or debarment proceedings
  - e. Withhold further awards for the project or program

- f. Take other remedies that may be legally available

Bay County, as the grant recipient, is responsible for evaluation and monitoring of subrecipients. Subrecipients will be evaluated and monitored by the Grant Manager, Clerk of Court – Board Finance Office and other departments as necessary to ensure the subrecipient’s adherence to award requirements and other conditions included in the agreement with the County. Subrecipients are subject to the same regulations, standards, and audits as the award pass-through agent (the County) and performance is measured against whether the objectives of the program are met.

A template subaward agreement developed by Bay County for RESTORE Act subawards is available and may be useful for subaward agreements for other federal funds and is available on the centralized grant file system ([\\bay-admin\Grants Administration](#)).

## **CHAPTER 8: YEAR END PROCEDURES**

Bay County, Florida's fiscal year is from October 1 through September 30. End of year financial accountability is necessary not only for a grantor agency, but to conduct the County's annual audit and compliance for the Single Audit Act.

### **ANNUAL BUDGET CARRY FORWARDS**

End of fiscal year processes include reconciling the financial activity of the grant-funded project for the current fiscal year. Revenue and expenses that were budgeted in the current year, but were not incurred, can be forwarded to the next budgetary cycle. The grant manager will communicate those activities and amounts to the Bay County Budget Department for the coming fiscal year's budget allocations.

### **REVENUE AND EXPENDITURE ACCRUALS**

Bay County's fiscal year end is September 30. All revenue earned or expense incurred, but not received, by this date must be recognized as an accrued receivable, matching revenue to expenses according to the Government Accounting Standards Board (GASB). The County's financial system allows for a 13<sup>th</sup> Period of accounting to recognize these amounts and postings.

The Clerk of Court – Board Finance Office is to reconcile all grant activity as posted in the Financial System, maintaining constant communications with the Grant Manager so that all activity is appropriately identified and accrued. Accrued revenues are recognized as an Accounts Receivable for the Department; expenditures are Accounts Payable.

### **ANNUAL AUDIT**

The Bay County Audit Committee selects an accounting firm to conduct the County's annual audit. The contract abides by the Purchasing Procurement Code of Bay County for selections and approval.

The accounting firm conducts the County's annual audit and the Single Audit Act compliance as required by Federal and State grants.

When the audit is concluded the County's financial statements are prepared and printed. The Comprehensive Annual Financial Report (CAFR) is distributed to all required grantor agencies by the Clerk of Court – Board Finance Office. The web link for the CAFR report is: <http://baycoclerk.com/other-services/comprehensive-annual-financial-reports-cafr>.

## **APPENDIX: Bay County Florida Grants Contacts Directory**

County Administration  
County Manager  
840 W 11<sup>th</sup> Street  
Panama City, Florida 32401  
850-248-8140

### **Grants Contact List:**

#### **Emergency Management, Homeland Security Grants, CERT, Hazard Mitigation, Public Assistance (Disaster Recovery)**

Emergency Services Department  
850-248-6040

#### **Parks and Recreation Grants**

General Services  
850-248-8732

#### **Transit Grants**

Transit Department  
850-248-8161

#### **Planning Grants, Artificial Reefs, Defense Support Grants**

Planning Department  
850-248-8250

#### **Mosquito Control Grants**

Mosquito Control  
850-248-8720

#### **Transportation, Sidewalks Grants, Flood Mitigation Assistance, CDBG-DR**

Public Works Department  
850-248-8302

#### **Library Grants**

Library Services  
850-522-2100

#### **RESTORE Act Grants**

County Manager's Office  
850-248-8253

**Utility Grants**

Utility Services  
850-248-5010

**Other Grant Management Entities****Economic Development Grants**

Bay Economic Development Alliance  
850-215-9965

**Housing Grants**

Bay County Collaborative Services Office  
840 W. 11<sup>th</sup> Street  
Panama City, Bay County, Florida  
(850) 248-2465

**Airport Grants**

Northwest Beaches Florida International Airport (Airport District) 6300  
West Bay Parkway, Panama City, FL 3240  
850-763-6751

**Other Useful Contacts**

County Attorney  
840 W 11<sup>th</sup> Street  
Panama City, Florida 32401  
850-248-8175

County Purchasing  
840 W 11<sup>th</sup> Street  
Panama City, Florida 32401  
850-248-8270

County Budget  
840 W 11<sup>th</sup> Street  
Panama City, Florida 32401  
850-248-8240

Clerk of Court – Board Finance Office 225  
McKenzie Avenue  
Panama City, Florida 32402  
850-747-5219