

**Auditor Disclosure:** The following passages and interpretation of 2 Code of Federal Regulation (CFR) 200 are solely examples and guidance of criteria to assist in developing policies and procedures that are compliant and meet the needs of your entity/agency to conduct, perform, and monitor federal grant efforts. There are no guarantees that these examples fully describe your entity/agency processes. It is up to the entity/agency to review and gain an understanding of 2 CFR 200 codes with the assistance of this guidance in creating policies and procedures that best describe your entity/agency's efforts in meeting 2 CFR 200 compliance and are true to your entity's/agency's processes.

#### [Example of CFR 200.205 – Federal awarding agency review of risk posed by applicants](#)

The **entity/agency name** will comply with 2 CFR 200.205 by submitting a competitive application during the Notice of Funding opportunity and/or Request for Proposal Process to the federal awarding agency, whenever the Request for Proposal may align with organizational vision and mission. Proposals must include program planning and design with reasonable and feasible strategic goals and objectives, allowable costs, an appropriate budget, history of performance on prior grants (if applicable), and any audit findings that may have gone unaddressed during time of submission. The **entity/agency name** will comply with any revisions or additional request from the awarding agency during the review of merit process.

#### [Example of CFR 200.213 – Suspension & Debarment](#)

The **entity/agency name** is aware and has certified that they or their sub-contractors, if applicable are not debarred or suspended and are not excluded from activities involving Federal financial and nonfinancial assistance and benefits. Activities covered by this Order include, but are not limited to:

- grants
- cooperative agreements
- contracts of assistance
- loans
- loan guarantees

#### [Example of CFR 200.300 - Statutory and national policy requirements](#)

The **entity/agency name** will comply with all requirements of the Federal award. For all Federal awards, this includes the provisions of FFATA, which includes requirements on executive compensation, and also requirements implementing the Act for the non-Federal entity at 2 CFR part 25 Financial Assistance Use of Universal Identifier and System for Award Management and 2 CFR part 170 Reporting Subaward and Executive Compensation Information. See also statutory requirements for whistleblower protections at 10 U.S.C. 2409, 41 U.S.C. 4712, and 10 U.S.C. 2324, 41 U.S.C. 4304 and 4310.

#### [Example of CFR 200.310 – Insurance Coverage](#)

The **entity/agency name** will at a minimum, provide the equivalent insurance coverage for real property and equipment acquired or improved with Federal funds as provided to property owned by **entity/agency name**. Federally-owned property may need not be insured unless required by the terms and conditions of the Federal award.

#### Example of CFR 200.312 – Federally Owned and Exempt property

Title to federally owned property remains vested in the Federal Government if this property was purchased with awarded federal funds. The **entity/agency name** will submit:

- an annual inventory listing of federally owned property in its custody to the Federal awarding agency.
- once property is no longer needed or federal awards have ended completion, the **entity/agency name** must report the property to the Federal awarding agency for further Federal agency utilization.

#### Example of CFR 200.313 – Equipment

Equipment acquired under federal award will follow the following conditions:

- use the equipment for the authorized purposes of the project during the period of performance, or until the property is no longer needed for the purposes of the project.
- not encumber the property without approval of the Federal awarding agency or pass-through entity.
- use and dispose of the property in accordance with state laws and procedures or request disposition instructions from the Federal awarding agency if required by the terms and conditions of the Federal award.

#### Example of CFR 200.314 – Supplies

Supplies acquired under federal award will follow the following conditions:

- title to supplies will vest in **entity/agency name** upon acquisition to meet project or program purpose.
- if there is a residual inventory of unused supplies exceeding \$5,000 in total aggregate value upon termination or completion of the project or program and the supplies are not needed for any other Federal award, the **entity/agency name** will retain the supplies for use on other activities or sell them, but must, in either case, compensate the Federal Government for its share.

### Example of CFR 200.318 – General Procurement Standards

The **entity/agency name** will use its own documented procurement procedures which reflect applicable State, local, and tribal laws, and regulations, provided that the procurements conform to applicable Federal law and the standards. These procurement procedures will include:

- oversight to ensure that contractors perform in accordance with the terms, conditions, and specifications of their contracts or purchase orders.
- written standards of conduct covering conflicts of interest and governing the actions of its employees engaged in the selection, award and administration of contracts and if entity/agency has a parent, affiliate, or subsidiary organization that is not a state, local government, or Indian tribe.
  - No employee, officer, or agent may participate in the selection, award, or administration of a contract supported by a Federal award if he or she has a real or apparent conflict of interest.
- officers, employees, and agents of the entity/agency may neither solicit nor accept gratuities, favors, or anything of monetary value from contractors or parties to subcontracts.
- standards of conduct must provide for disciplinary actions to be applied for violations of such standards by officers, employees, or agents of the non-Federal entity.
- procurement must avoid acquisition of unnecessary or duplicative items. Consideration should be given to consolidating or breaking out procurements to obtain a more economical purchase. Where appropriate, an analysis will be made of lease versus purchase alternatives, and any other appropriate analysis to determine the most economical approach.
- award contracts only to responsible contractors possessing the ability to perform successfully under the terms and conditions of a proposed procurement. Consideration will be given to such matters as contractor integrity, compliance with public policy, record of past performance, and financial and technical resources.
- maintain records sufficient to detail the history of procurement. These records will include but are not necessarily limited to the following: rationale for the method of procurement, selection of contract type, contractor selection or rejection, and the basis for the contract price.
- The **entity/agency name** alone will be responsible, in accordance with good administrative practice and sound business judgment, for the settlement of all contractual and administrative issues arising out of procurements.
  - These issues include, but are not limited to, source evaluation, protests, disputes, and claims.
  - These standards do not relieve the entity/agency of any contractual responsibilities under its contracts.
  - The Federal awarding agency will not substitute its judgment for that of the entity/agency unless the matter is primarily a Federal concern.
  - Violations of law will be referred to the local, state, or Federal authority having proper jurisdiction.

### Example of CFR 200.319 – Competition

All procurement transactions will be conducted in a manner providing full and open competition. In order to ensure objective contractor performance and eliminate unfair competitive advantage, contractors that develop or draft specifications, requirements, statements of work, or invitations for bids or requests for proposals must be excluded from competing for such procurements. Some of the situations considered to be restrictive of competition include but are not limited to:

- placing unreasonable requirements on firms in order for them to qualify to do business;
- requiring unnecessary experience and excessive bonding;
- noncompetitive pricing practices between firms or between affiliated companies;
- noncompetitive contracts to consultants that are on retainer contracts;
- organizational conflicts of interest;
- specifying only a “brand name” product instead of allowing “an equal” product to be offered and describing the performance or other relevant requirements of the procurement; and
- any arbitrary action in the procurement process.
- prohibit the use of statutorily or administratively imposed state, local, or tribal geographical preferences in the evaluation of bids or proposals, except in those cases where applicable Federal statutes expressly mandate or encourage geographic preference.

The **entity/agency name** will have written procedures for procurement transactions. These procedures must ensure that all solicitations:

- Incorporate a clear and accurate description of the technical requirements for the material, product, or service to be procured. Such description must not, in competitive procurements, contain features which unduly restrict competition.
- Identify all requirements which the offerors must fulfill and all other factors to be used in evaluating bids or proposals.
- ensure that all prequalified lists of persons, firms, or products which are used in acquiring goods and services are current and include enough qualified sources to ensure maximum open and free competition. Also, the non-Federal entity must not preclude potential bidders from qualifying during the solicitation period.

### Example of CFR 200.320 – Methods of Procurement to be followed

Procurement policies should include a separate process for the following thresholds as labeled below:

- Micro-purchase (<\$3,000, no quotations, equitable distributions)
- Small purchase (\$3,000-\$150,000, rate quotations, no cost or price analysis)
- Sealed bids (\$150,000, formal advertising, price is a major factor)
- Competitive proposal (> \$150,000, fixed price or cost reimbursement, request for proposal (RFP) with evaluation methods)
- Noncompetitive proposal (solicitation of a proposal from only one source, unique product/service)

**Example of CFR 200.321 - Contracting with small and minority businesses, women's business enterprises, and labor surplus area firms** (This can be included under section CFR 200.318)

The **entity/agency name** will take all necessary affirmative steps to assure that minority businesses, women's business enterprises, and labor surplus area firms are used when possible, which include but not limited to:

- placing qualified small and minority businesses and women's business enterprises on solicitation lists;
- assuring that small and minority businesses, and women's business enterprises are solicited whenever they are potential sources;
- 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;
- establishing delivery schedules, where the requirement permits, which encourage participation by small and minority businesses, and women's business enterprises;
- using the services and assistance, as appropriate, of such organizations as the Small Business Administration and the Minority Business Development Agency of the Department of Commerce; and
- requiring the prime contractor, if subcontracts are to be let, to take the affirmative steps listed above.

**Example of CFR 200.322 – Procurement of recovered materials**

As a recipient of federal awards, **entity/agency name** will comply with section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act. The requirements includes making maximum use of products containing recovered materials that are designated at the EPA's website at <https://www.epa.gov/smm/comprehensive-procurement-guideline-cpgprogram> unless the product cannot be acquired.

**Example of CFR 200.323 – Contract cost and price** (This can be included under section CFR 200.318 or 200.320.)

The **entity/agency name** will perform a cost or price analysis in connection with every procurement action in excess of the Simplified Acquisition Threshold including contract modifications.

- **entity/agency name** will make an independent estimate before receiving bids or proposals.
- negotiate profit as a separate element of the price for each contract in which there is no price competition and, in all cases, where cost analysis is performed.
- costs or prices based on estimated costs for contracts under the Federal award are allowable only to the extent that costs incurred or cost estimates included in negotiated prices would be allowable for the non-Federal entity under Subpart E—Cost Principles of this part.
- **entity/agency name** will not utilize the cost plus a percentage of cost and percentage of construction cost methods of contracting.

### Example of CFR 200.324 - Federal awarding agency or pass-through entity review

The **entity/agency name** will make available, upon request of the Federal awarding agency or pass-through entity, technical specifications on proposed procurements where the Federal awarding agency or pass-through entity believes such review is needed to ensure that the item or service specified is the one being proposed for acquisition.

This request may include, but is not limited to pre-procurement review, procurement documents, such as requests for proposals or invitations for bids, or independent cost estimates or when procurement procedures fail to comply to standards or thresholds, and **entity/agency name** procurement system.

Example of CFR 200.326 – Contract Provisions (Please review Appendix II 200 for further code detail applicable to your entity/agency.)

This should include Appendix II to Part 200—Contract Provisions required by **entity/agency name** for all contracts made by the **entity/agency name** under the Federal award and must contain the following provisions as applicable:

- Contracts for more than the simplified acquisition threshold currently set at \$150,000.
- All contracts more than \$10,00 must address termination for cause and for convenience by the **entity/agency name** by the manner which it will be affected and the basis of the settlement.
- Equal Employment Opportunity.
- Davis-Bacon Act, as amended (40 U.S.C. 3141-3148).
- Contract Work Hours and Safety Standards Act (40 U.S.C. 3701-3708).
- Rights to Inventions Made Under a Contract or Agreement.
- Clean Air Act (42 U.S.C. 7401-7671q.).
- Debarment and Suspension (Executive Orders 12549 and 12689).
- Byrd Anti-Lobbying Amendment (31 U.S.C. 1352)
- See §200.322 Procurement of recovered materials.

### Example of CFR 200.430 Compensation – Personal Services

The **entity/agency name** will review Compensation for personal services includes all remuneration, paid currently, or accrued, for services of employees rendered during the period of performance under the Federal award, including but not necessarily limited to wages and salaries. These personal services may also include fringe benefits. Compensation determination and review will include observation of:

- reasonableness of services rendered and conforms which conforms to **entity/agency name** and to both Federal and non-Federal activities;
- unless an arrangement is specifically authorized by a Federal awarding agency, **entity/agency name** must follow its written **entity/agency name** wide policies and practices concerning the permissible extent of professional services that can be provided outside the **entity/agency name** for non-organizational compensation. Where such non-Federal entity-wide written policies do not exist or do not adequately define the permissible extent of consulting or other non-organizational activities undertaken for extra outside pay, the Federal Government may require that the effort of professional staff working on Federal awards be allocated.
- unallowable costs are costs which are unallowable under other sections of these principles must not be allowable under this section solely on the basis that they constitute personnel compensation.

- incentive compensation to employees based on cost reduction, or efficient performance, suggestion awards, safety awards, etc., is allowable to the extent that the overall compensation is determined to be reasonable.

**Example of CFR 200.431 Compensation – Fringe Benefits** (This can be included under section CFR 200.431)

Fringe benefits are allowances and services provided by **entity/agency name** to their employees as compensation in addition to regular salaries and wages. Fringe benefits include, but are not limited to, the costs of leave (vacation, family-related, sick, or military), employee insurance, pensions, and unemployment benefit plans. (Add additional benefits that may apply and are allowable)

**Example of CFR 200.432 - Conferences**

If **entity/agency name** will host or sponsor a conference that is associated with the federal program or project. The following allowable costs may be used to sponsor or host, but are not limited to rental of facilities, speakers' fees, costs of meals and refreshments, local transportation, and other items incidental to such conferences unless further restricted by the terms and conditions of the Federal award. As needed, the costs of identifying, but not providing, locally available dependent-care resources are allowable. **Entity/agency name** will exercise discretion and judgment in ensuring that conference costs are appropriate.

**Example of CFR 200.433 – Contingency Provisions**

If it is probable that **entity/agency name** may have a contingency cost from, but not limited to large construction projects, IT systems, or other items as approved by the Federal awarding agency. It will be added to part of a budget estimate.

**Example of CFR 200.434 – Contributions and Donations**

The **entity/agency name** will not make cost of contributions and donations, including cash, property, and services to other entities while receiving federal award.

If **entity/agency name** will receive contributions and donations, including cash, property, and services from other entities, the **entity/agency name** will be vigilant to document and record items appropriately to distinguish between items received/donated and federal award.

The value of services and property donated to **entity/agency name** may not be charged to the Federal award either as a direct or indirect (F&A) cost. The value of donated services and property may be used to meet cost sharing or matching requirements (see §200.306 Cost sharing or matching). Depreciation on donated assets is permitted in accordance with §200.436 Depreciation, as long as the donated property is not counted towards cost sharing or matching requirements.

Entity/Agency Name

### Policies and Procedures

<b>Subject: Grant Management</b>	<b>Policy Number:</b>
<b>Issue Date: 05/24/2021</b>	<b>Revision Date:</b>
<b>Approval Authority Title and Signature:</b>	<b>Approver of Policy/Procedure</b>

*This policy is for internal use only and does not enlarge an employee's civil liability in any way. The policy should not be construed as creating a higher duty of care, in an evidentiary sense, with respect to third party civil claims against employees. A violation of this policy, if proven, can only form the basis of a complaint by this department for non-judicial administrative action in accordance with the laws governing employee discipline.*

I. **Purpose:** The Entity/Agency Name receives grant funding from various State and/or Federal Sources on an occasional basis. This policy is intended to ensure that these grants and the associated funds are managed in a manner compliant with 2 CFR 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, applicable State law and/or regulations and Agency Policies and Procedures.

II. **Scope:** This policy shall apply to all grants under the budgetary and fiscal control of the

III. **Policy:**

A. **Conflict of Interest** – Any conflict of interest regarding the administration of grants and/or participation in grant activities must be identified and addressed as they arise. The with notify the grantor in writing of any conflict of interest in accordance with individual grant agreements.

B. **Mandatory Disclosures** – The shall make full written disclosure to the grantor of any criminal violations involving fraud, bribery, or gratuity which would potentially affect the award. The disclosure will be done in compliance with grant contracts/guidelines.

C. **Use of Grant Agreements** –

i. The will certify in writing to the Federal awarding agency or pass-through entity at the end of the Federal

Example (Ex.)  
of CFR 200.112

Ex. of CFR 200.113

Ex. of CFR 200.201



award that the project or activity was completed or the level of effort was expended. If the required level of activity or effort was not carried out, the amount of the Federal award must be adjusted.

- ii. Changes in project leader or scope of effort must receive the prior written approval of the Federal awarding agency or pass-through entity.

Ex. of CFR 200.301 **D. Performance Measurement –**

- i. The [REDACTED] in coordination with [REDACTED] shall submit project status reports in accordance with the award agreements and maintain these reports in the grant administration files.
- ii. The [REDACTED] in coordination with [REDACTED] shall create and maintain adequate documentation for all program operations and expenditures (activity reports, invoices, purchase orders, receipt documentation, etc.)

Ex. of CFR 200.302 **E. Financial Management – The [REDACTED] in coordination with [REDACTED] shall manage awards in accordance with 2 CFR 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, applicable State laws and/or regulations, and corresponding contractual agreements.**

Adding name of Accounting Software used is preferred.

Ex. of CFR 200.303 **F. Internal Controls –**

- i. **Proper Authorizations**

Procedures shall be designed, implemented and maintained to ensure that financial transactions and activities are properly reviewed and authorized.
- ii. **Separation of Duties**

Job duties will be adequately separated to reduce, to an acceptable level, the opportunities for any person to be in a position to both perpetrate and conceal errors or irregularities in the normal course of assigned duties.
- iii. **Proper Recording**

Procedures shall be developed and maintained that will ensure financial transactions and events are properly recorded, and that all financial reports may be relied upon as accurate, complete and up-to-date.
- iv. **Access to Assets and Records**



Procedures shall be designed and maintained to ensure that adequate safeguards exist over the access to and use of financial assets and records.

v. Independent Checks

Independent checks and audits will be made on staff performance to ensure compliance with established procedures and proper valuation of recorded amounts.

vi. Costs and Benefits

Internal control systems and procedures must have an apparent benefit in terms of reducing and/or preventing losses. The cost of implementing and maintaining any control system should be evaluated against the expected benefits to be derived from that system.

Ex. of CFR 200.305 G. Payment – The [REDACTED] in coordination with [REDACTED] is responsible for ensuring that all documents, reports and required submissions necessary for reimbursement under the grant contract/guidelines. The [REDACTED] is responsible for checking submissions for accuracy and verifying that payment has been made prior to requesting reimbursement. The [REDACTED] will also verify when reimbursement payments are received that the amounts are correct in comparison to the reimbursement request.

Ex. of CFR 200.306 H. Cost Sharing or Matching – A common requirement of grant funding is the concept of cost sharing or matching funds. [REDACTED] contributions (matching) and grantor funds should be clearly identified and separated.

Ex. of CFR 200.308 I. Revision of Budget and Program Plans – It is essential to get written confirmation from the grantor before any money is spent on items different from what was approved in the original budget. Also, project activities that deviate from those originally proposed in the grant application shall be documented and receive prior approval from the grantor before instituting these changes.

Ex. of CFR 200.309 J. Period of Performance – Each grant awarded to the [REDACTED] in coordination with [REDACTED] will have an established period of performance. The [REDACTED] shall ensure that all funds requests from an award are for activities or materials that are incurred by [REDACTED] during the established period of performance. The only exception shall be if the [REDACTED] has received written permission from the grantor to submit a funds request for funds expended outside the period of performance.

Ex. of CFR 200.328 K. Monitoring and Reporting Program Performance –

- i. The purpose of grant reporting is to inform the grantor of the progress made towards fulfilling grant deliverables. The grant agreement or a grantor's guidance manual will outline the types of reports and report due dates required by the grantor. These requirements will be used by the grantor as the basis for evaluation of grant award compliance. Typically, grants require financial and programmatic reports
- ii. Financial reports generally consist of reporting the financial progress of the grant program and invoices requesting reimbursement of grant expenditures.
  - (a) When financial reports are required, the necessary format or form to use will be defined in the grant contract/guidelines, along with procedures to follow.
  - (b) Depending on the grantor, expenditure documentation may also be required to be submitted with the financial report.
  - (c) The [REDACTED] in coordination with Bee [REDACTED] will submit all appropriate expense documentation and reports in a timely manner as required by grant contract/guidelines

For federal award it must be retained for 3 years from date of final expenditure submission.

Ex. of CFR 200.333 L. Retention Requirements for Records – The [REDACTED] shall create and maintain all pertinent award-related documentation in accordance with §200.333 Retention Requirements for Records and applicable State law and supply it as requested to authorized grant monitors.

Ex. of CFR 200.336 M. Access to Records – Procedures shall be designed and maintained to ensure that adequate safeguards exist over the access to and use of financial assets and records. The pass-through entity, or any of their authorized representatives, has the right of access to any documents, papers, or other records of the non-Federal entity which are pertinent to the Federal award, in order to make audits, examinations, excerpts, and transcripts. The right also includes timely and reasonable access to the non-Federal entity's personnel for the purpose of interview and discussion related to such documents. The rights of access in this section are not limited to the required retention period but last as long as the records are retained.

Ex. of CFR 200.343 N. Closeout –

- i. After completion of all required performance period activities, the [REDACTED] in coordination with [REDACTED] shall perform grant closeout tasks in accordance with §200.343 Closeout or corresponding State regulations, County policies and contractual requirements.

This closeout should not be completed no later than 90 days per terms/condition.

- ii. The [REDACTED] in coordination with [REDACTED] is responsible for final financial reports required by the terms and conditions of the award. The [REDACTED] Office and the [REDACTED] Office are further responsible for collecting and maintaining all appropriate back up documentation for financial reports.
- iii. The [REDACTED] in coordination with the [REDACTED] Office shall ensure final reimbursement requests are submitted. The [REDACTED] shall verify that final reimbursement has been received.
- iv. The [REDACTED] in coordination with the [REDACTED] shall ensure that all financial activities are recorded, that revenues balance to expenditures, and that revenues and expenditures balance to budget figures.

Ex. of CFR 200.413 and if 200.414 (Indirect Costs if applicable)

**O. Direct Costs** – Direct costs are those costs that have been included in the grant contract, and can be directly attributable to the expenses necessary to fulfill the grant’s objectives. Key direct costs typically allowable on awards are those that have been budgeted and thus approved via the grant contract.

Direct and indirect costs should be clearly identified and separated.

Ex. of CFR 200.415

**P. Required Certifications** – To assure that expenditures are proper and in accordance with the term and conditions of the grant award and approved project budgets, the annual and final fiscal reports or vouchers requesting payment under the agreements must include a certification, signed by an official who is authorized to legally bind the Agency, which reads as follows: “By signing this report, I certify to the best of my knowledge and belief that the report is true, complete, and accurate, and the expenditures, disbursements and cash receipts are for the purposes and objectives set forth in the terms and conditions of the Federal award. I am aware that any false, fictitious, or fraudulent information, or the omission of any material fact, may subject me to criminal, civil or administrative penalties for fraud, false statements, false claims or otherwise. (U.S. Code Title 18, Section 1001 and Title 31, Sections 3729-3730 and 3801-3812).”

**Q. Specific Costs** –

Ex. of CFR 200.441 - 200.475

- i. The [REDACTED] in coordination with [REDACTED] is responsible for ensuring that all expenditures are necessary, reasonable, allowable, and appropriately allocated
- ii. The [REDACTED] and the [REDACTED] are responsible for ensuring that all disbursements are correct, and that any required retainage is accounted for properly.

Ex. of CFR  
200.500 - 200.521

## **Audit Requirements –**

- iii. [REDACTED] employs an external auditor to conduct annual county audits. The external auditor will perform the annual audit to include income and expenses resulting from state or federal grant funds to satisfy the needs of the County.
- iv. A statement will be sent to the pass-through entity that a single audit is not required due to the agency not meeting the \$750,000 threshold. If a single audit is performed, the audit results will be sent to the pass-through entity.

