



MARICOPA COUNTY INTERNAL POLICY

Policy Title: ADMINISTERING GRANTS	Policy Number:	A2505
	Current Adoption Date:	6-27-2018
	Current Implementation Date:	6-27-2018
Approved by: BOARD OF SUPERVISORS	Board Agenda Number:	C-18-18-014-6-00
	Original Adoption Date:	February 1997

I. **PURPOSE**

The purpose of this policy is to serve as the framework for Maricopa County Departments and Special Districts (Flood Control District, Library District, and Stadium District) to follow when applying for grants and negotiating the terms and conditions of the agreements and/or contracts to ensure optimum financial and administrative arrangements for Maricopa County and/or the Special Districts.

II. **APPLICATION**

This policy applies to all County Departments, Elected Officials, and Special Districts.

III. **DEFINITIONS**

- A. **Central Service Costs** – Costs benefiting both grant and non-grant activities for inclusion as part of indirect cost in grants. The allocation is calculated in compliance with the 2 CFR PART 200 — Appendix VII to Part 200 (Federal OMB Uniform Grant Guidance).
- B. **Cognizant Agency** – The Federal agency responsible for reviewing, negotiating, and approving cost allocation plans or indirect cost proposals developed under 2 CFR PART 200 — Appendix VII to Part 200 (Federal OMB Uniform Grant Guidance) on behalf of all Federal agencies. Maricopa County’s Cognizant Agency for the Central Service Cost allocation plan is the U.S. Department of Housing and Urban Development – San Francisco Office. For the purposes of audit issues, the Cognizant Agency is the U.S. Department of Health and Human Services.
- C. **Department** – Refers to the department, office or agency under budgetary responsibility of the Board of Supervisors, which has direct oversight responsibility for the program(s) funded partially or totally with the grant funds. The elected official or department director of the Department shall act as the agent of the County for purposes of this policy.
- D. **Department Overhead** – Departmental/Special District costs incurred for both grant and non-grant programs.
- E. **Fund Balance Report** – A report created by the Department of Finance monthly detailing a fund’s (inception to date) financial activity for each individual grant. This report should be used to ensure effective management of grant activity.
- F. **Grantor Agency** – Refers to a Federal, state, local, or private agency or organization, which provides the grant funding and/or grant funding oversight.
- G. **Indirect Costs** – Refers to those costs incurred for a common or institution-wide objective that benefits more than one grant program or project. Such costs are not readily assignable to the cost objective specifically benefited.

Policy Title: ADMINISTERING GRANTS	Policy Number: A2505
	Current Adoption Date: 6-27-2018

- H. **In-Kind** – Refers to contributions in the form of goods or services rather than in cash.
- I. **One-time Grants** – Refers to funding from a Grantor Agency which is provided for a limited duration for a specified project or program. This type of grant may be provided to start a new program or service or for a program or services which has a limited life.
- J. **Ongoing Contributions** – Refers to future contributions to be provided by the County including after the grant award has ended.
- K. **Ongoing Grants** – Refers to funding from a Grantor Agency which is expected to be provided year after year for a specified program(s) or service(s).
- L. **Special District** – Flood Control District of Maricopa County, Maricopa County Library District, Maricopa County Stadium District.
- M. **Uniform Administrative Rules, Cost Principles, and Audit Requirements for Federal Grants (Federal OMB Uniform Grant Guidance)** – The OMB has issued a final guidance regulating the management of grants. This guidance supersedes Federal OMB Circulars A-21, A-87, A-89, A-102, A-110, A-122, A-133 and the Single Audit Act. The Federal OMB Uniform Guidance — 2 CFR Part 200 consolidated aforementioned circulars into a streamlined format improving clarity and accessibility.

IV. **POLICY**

Maricopa County and Special Districts receive funding from Federal, state, and local agencies. The following policy statements will ensure that the County or Special District is managing grants to its optimum potential.

- A. The Board of Supervisors or Board of Directors must formally accept all grant awards **prior** to any funds being expended.
- B. Departments/Special Districts will consistently negotiate grant agreements to meet County or Special District goals and policies. This includes conducting a cost/benefit study to determine the appropriateness of Maricopa County or Special District pursuing a particular grant.
- C. Departments/Special Districts will negotiate for advance funding financial arrangements first and only accept reimbursement funding as the final option.
- D. Departments/Special Districts will disclose indirect costs and any matching or ongoing contributions required by Maricopa County or Special District during the award and acceptance process.
- E. To minimize interest expense to Maricopa County, Departments/Special Districts will try and negotiate a reimbursement schedule that is in alignment with this policy. Departments/Special Districts will closely monitor their expenditures and claim reimbursement whenever expenses exceed \$100,000, or on a monthly basis, as allowable by grantor.
- F. Maricopa County or Special Districts will utilize the County financial system to track, monitor and report all grant financial activity. All grant activity must be closed out within 120 days of the grant end date.
- G. Departments/Special Districts are required to charge Indirect Costs on all grants unless prohibited by the grant contract.
 - 1. Indirect Costs will always be included (applied for) in the financial section of the grant application.

Policy Title: ADMINISTERING GRANTS	Policy Number: A2505
	Current Adoption Date: 6-27-2018

2. Indirect Costs will be recovered at the maximum allowed by the Grantor or as defined on the Indirect Cost Plan that is approved by the Department of Finance.
3. Indirect Cost will be disclosed within the agenda process.

H. Departments/Special Districts do not have the authority to negotiate a lower indirect cost reimbursement in order to increase program funding.

I. Departments will expend all grant funds prior to expending any general fund appropriations, or in the case of Special Districts, before expending other Special District revenues in relation to grant programs.

V. GUIDELINES

This Policy shall serve as the framework for Departments/Special Districts to follow when applying for grants and negotiating the terms and conditions of the agreements. The Policy is not intended to discourage Departments/Special Districts from seeking grant funding as a means to support various services and programs. Rather, it is intended to provide consistent guidelines for grant administration to ensure optimum financial arrangements for Maricopa County or Special District and to enhance Board of Supervisors or Board of Directors acceptance of grants conforming to this Policy. Specific information and detailed procedures are contained in the Maricopa County Grant Manual, which is located at [Grants Management | Maricopa County Intranet, AZ](#). The Maricopa County Grant Manual may be updated by the Department of Finance, as determined necessary, to accommodate the effective administration of this policy.

A. Grant Application

1. Departments/Special Districts are not required to obtain Board of Supervisors/Board of Directors approval prior to submitting an application for grant funding provided the grant meets the following requirements:
 - a. Cash or in-kind matching requirements, if any, will be absorbed in the department's operating budget appropriation; and
 - b. Indirect Costs, if not fully recoverable, will be absorbed in the department's operating budget appropriation; and
 - c. Ongoing contributions required after the grant period end date, if any, will be absorbed in the department's operating budget appropriation.

In addition, the Director of the Department or Special District shall certify that the grant being applied for meets the above requirements.

2. Departments/Special Districts that wish to apply for grants that do NOT meet the above requirements must obtain Board of Supervisors/Board of Directors approval prior to submission of the grant application.
3. Grants for the Judicial Branch in Maricopa County will be identified by the Presiding Judge of the Superior Court in an annual presentation to the Board of Supervisors. The presentation will reference the individual grants, and whether any of the provisions of the grants deviate from this Policy. If these grants are awarded and accepted by the Board of Supervisors, subsequent grants for that fiscal year from the same Grantor Agency with like provisions do not require the Board's award acceptance of the grant. Subsequent grants from a new Grantor Agency must be transmitted to the Board of Supervisors for review and acceptance.

Policy Title: ADMINISTERING GRANTS	Policy Number: A2505
	Current Adoption Date: 6-27-2018

4. Departments/Special Districts will provide to the Department of Finance a copy of all grant agreements which must specifically include the award amount, grant period dates, availability of Indirect Costs and the indirect cost percentage (%), matching amounts, ongoing contributions, distinction between reimbursement or advance funding, and a complete description of the grant. The provided information will be used to establish controls on the County financial system and will not be changed or modified (award period, grant award, etc.) without supporting documentation from the Grantor.

B. Funding

1. To improve cash management practices, it is the County and Special Districts' preference to receive funding on an advance basis instead of a reimbursement basis. Therefore, every effort is to be made by Departments/Special Districts to obtain advance funding from the Grantor Agency. This is especially critical for one-time grant funded programs where the County or Special District is advancing funds to nonprofit subcontractors (subrecipients, vendors, etc.).
2. The Department/Special District may be requested by the Budget Office to present the cost/benefits of accepting a grant versus not accepting a particular grant. The cost/benefit analysis must take into account if the grant-funded services are mandated and comply with budgeting guidelines.
3. One-time Grants, which are actually start-up grants for new programs or services will be submitted to the Board of Supervisors/Board of Directors. Ongoing contribution costs, which Departments/Special Districts wish to continue once the grant funding has been depleted, will be identified and reported to the Board of Supervisors /Board of Directors at the time of consideration of award and acceptance. The Department must present analysis and information to the Board of Supervisors/Board of Directors to assist the Board in deciding whether the County or Special District should fund expenses for the project or program from other County or Special District funds following the depletion of the grant funds.

C. Claiming Reimbursement

1. Departments/Special District will record and track grant revenues and expenditures utilizing the County financial system.
2. Departments/Special District shall submit claims to the Grantor Agency as frequently as permitted under the grant agreement. This will be no less frequent than monthly or when the expenditures reach \$100,000, unless otherwise established by the Grantor.
3. At grant year-end, each Department/Special District shall close out its respective grants. This includes preparing and submitting any required final reports to the Grantor Agency and either returning excess funds or requesting final reimbursement for the grant year. All grant closing documentation will be submitted to the Finance Department to ensure the grants are accurately closed on the financial system within 120 days after the grant end date as represented on the County financial system. All unreimbursed costs must be identified and a plan of action defined to ensure an alternate funding source is identified and the grant is effectively closed within the 120 day timeframe. All unresolved grant balances/(deficits) after the 120 day timeframe will be reported to the County Manager by the Department of Finance and the Budget Office by utilizing the Fund Balance Report.

Policy Title: ADMINISTERING GRANTS	Policy Number: A2505
	Current Adoption Date: 6-27-2018

D. Indirect Costs- 2 CFR PART 200 — Appendix VII to Part 200 (Federal OMB Uniform Grant Guidance)

2 CFR PART 200 — Appendix VII to part 200 (Federal OMB Uniform Grant Guidance) recognizes Indirect Costs as legitimate grant expenses. As such, it is the intention of Maricopa County or Special District to recover Indirect Costs at all opportunities. In order to do so, the Department of Finance will prepare the following plans on an annual basis:

1. County-wide Central Services Cost Allocation Plan – The Department of Finance is responsible for preparing and negotiating the County-wide plan with Maricopa County's Cognizant Agency, United States Department of Housing and Urban Development (HUD). The Department of Health and Human Services is Maricopa County's assigned Cognizant Agency regarding audit issues.
2. Whenever permitted by the Grantor Agency, grants requiring County or Special District matching funds may utilize County Overhead as a last option. All other opportunities must be exhausted to meet the In-Kind match before utilizing County Overhead. If the required match exceeds the amount of In-Kind and/or County Overhead or Overhead is not an allowable expense by the Grantor Agency the Department must inform through the award and acceptance agenda item the Board of Supervisors/Board of Directors of the estimate the relative financial In-Kind impact (2 CFR PART §200.306).
3. Departmental Indirect Cost Allocation Plan(s) are used as a means of equitably recovering Indirect Costs from both federal and non-federal grant programs. All Departments/Special Districts receiving grant funds can submit a written request to the Department of Finance to prepare a Departmental Indirect Cost Allocation Plan.

E. County Departments Providing Grant Services to Outside Entities

Maricopa County Departments that are allowed to perform grant financial services for entities outside of the County and are not considered to be subrecipients may recover Indirect Costs and/or user charges for the administration of grants. If these outside entities are allowed by their Grantors to recover Indirect Costs and/or charge a user fee to reimburse Maricopa County for services rendered, the monies must be deposited back to the funding source where the support services were initially provided. For example, a General Fund Department being reimbursed for grant management activities shall remit the reimbursement back to the General Fund.

F. Purchase of Computing and Network Systems Relating to Grant Supported Programs

1. To ensure compatibility and supportability of the County computing and network infrastructure, Departments/Special Districts are to ensure any computer equipment is compatible with the County network prior to purchasing any desired equipment. This applies to hardware, software and communications technologies including data, voice, video, image radio telemetry and facsimile purchases under the provisions of the County's Procurement Code.
2. Departments in the Judicial Branch of Maricopa County will determine whether the purchase will require compatibility and supportability of the County computing and network infrastructure.

Policy Title: ADMINISTERING GRANTS	Policy Number: A2505
	Current Adoption Date: 6-27-2018

G. Department of Finance Responsibility

While each Department/Special District has staff assigned to monitor and report the financial activities of grants, the Department of Finance will provide general and technical oversight and monitoring of all grant funds. At a minimum, the Department of Finance will:

1. Review and approve grant agenda items when they comply with County policy and the County Grant Manual.
2. Establish a Board approved grant on the County financial system when all supporting documentation is provided.
3. Prepare and provide to the Departments/Special Districts a monthly grant report (Fund Balance Report). This report will include inception to date financial activity for each individual grant. This report will be used to ensure the effective management and maintenance of grant activity.
4. Monitor that grant expenditures do not exceed grant awards.
5. Review individual grant balances, utilizing the Fund Balance Report, on a quarterly basis to identify Departments that are not requesting reimbursement from the Grantor Agency on a timely basis. Departments/Special Districts that are not regularly claiming reimbursements will be contacted by the Department of Finance.
6. Communicate with the Budget Office regarding fund balance and/or deficit issues.
7. Initiate the preparation of the Indirect Cost Allocation Plan by providing a copy of the current plan, detailed listing of expenditures and other supporting data. Provide support, guidance and direction to Departments/Special Districts to assist them in the preparation of their Indirect Cost Allocation Plan.
8. Review Fund Balance Report for closed grants to determine compliance with fund balance/deficits.
9. Review and recommend approval of proposed grant applications when Department/Special District is not in full compliance with Grant policy.

H. Budget Office Responsibilities

1. Review and recommend approval of grant agenda items when they comply with County policy and the County Grant Manual.
2. Review and recommend approval of Department's/Special District's proposed grant budget.
3. Review and recommend approval of adjustments to Department's/Special District's grant budget as necessary.
4. Review and take action as necessary to correct any deficit in Grant Funded Budgets.
5. Review and take action as necessary to minimize lost interest earnings to the General Fund due to negative cash positions in grant funds.
6. Review and take action as necessary regarding departmental indirect cost rate plans. Ensure maximum reimbursement of all allowable Indirect Costs.
7. Consistent with Board policy, review Departments spending to ensure that Grant Funds are used before General Fund dollars, and for Special Districts, to ensure that Grant Funds are used before other Special District revenues.

Policy Title: ADMINISTERING GRANTS	Policy Number: A2505
	Current Adoption Date: 6-27-2018

8. Review and recommend approval of proposed grant applications when Department/Special District is not in full compliance with Grant policy.

I. Department/Special District Responsibilities

Each Department/Special District will ensure the following general maintenance activities are completed as defined below:

1. Review, reconcile and certify the monthly Fund Balance Report. Any discrepancies are to be reported to the Department of Finance within two (2) weeks of receiving the Fund Balance Report. A written response must be received by the Department of Finance to report any discrepancies.
2. Reconcile and close expired grants on the County financial system within 120 days of the grant end date (as entered on the County financial system).
3. Communicate with the Budget Office and the Department of Finance regarding grants with a negative balance (un-reimbursable expense). The Department/Special District must develop a plan of action to resolve the deficit. For Departments, the plan should only consider utilizing General Funds as a last option.
4. Prepare the Indirect Cost Allocation Plan in the format defined by the Department of Finance. Obtain Departmental/Special District approval of the Indirect Cost Allocation Plan and provide a complete copy of the plan with all supporting documenting to the Department of Finance and the Budget Office by the timeline established by the Department of Finance.
5. Ensure that grant expenditures do not exceed grant awards.
6. Comply with all reporting requirements as defined by the Grantor and County-wide Grant Policy and Manual.
7. Comply with all record retention requirements as defined by the Grantor.

Policy Title: ADMINISTERING GRANTS	Policy Number: A2505
	Current Adoption Date: 6-27-2018

VI. RELATED DOCUMENTS:

The following documents are available at the indicated site:

- A. [Grant Manual](#)
- B. [Uniform Grant Guidance](#)
- C. Agenda Numbers: C-18-05-013-6-00; C-18-05-014-6-00; C-18-05-015-6-00; C-18-05-016-6-00; C-18-08-045-6-00; C-18-08-046-3-00; C-18-08-047-3-00; C-18-08-048-3-00; C-06-09-283-6-01; C-06-09-307-6-01; C-06-09-308-6-01; C-06-09-309-6-01

Revision History

Version	Revision Date	Description of Revision
1	February 1997	Initial version
2	11-17-2004	C-18-05-013-6-00
3	5-7-2008	C-18-08-045-6-00
4	5-6-2009	C-06-09-283-6-01
5	10-30-2017	Revised version. Updated to reflect changes to the Code of Federal Regulations, County department structure, and update to County Grants Manual.
6	6-27-2018	Updated the requirements for County Departments when applying for grants.