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**DOUGLAS COUNTY ADMINISTRATIVE  
POLICIES AND PROCEDURES**

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**AUTHORITY:** BOC  
**COUNTY MANAGER:** \_\_\_\_\_

**PAGE 1 OF 22**

**SUBJECT: GRANT POLICY**

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**I. PURPOSE:** To establish a uniform method for grant applications, grant agreements, grant reporting and grant related functions for funds received by the County from various entities that are subject to audit requirements. The updated policy and procedure for grant administration incorporates the changes in the *Uniform Guidelines* by providing more in-depth information to departments to ensure grant compliance. Douglas County receives grant funding to support programs and/or services that are provided to the community. These policies and procedures are to provide guidance for Douglas County departments who are responsible for administering and managing grant funding for their department.

**II. POLICY AND PROCEDURES:**

**A. GRANT RESPONSIBILITIES**

1. Finance Department

- a. All grant opportunities shall be evaluated by the Finance Department and Chief Financial Officer (CFO) prior to grant acceptance. The CFO will make a recommendation to the County Manager after considering the amount of matching funds required and available, if in-kind services are to be provided, length of grant and consequential disposition of service, and related operating expenses. The Finance Department provides oversight of grant-related activities. Responsibilities of the Finance Department include management of the annual Single Audit, accounting for grant revenues and expenditures, and overseeing the fiscal impact of federal funding.
- b. Pre-award activities – the Finance department must review the financial impact of all grants before the grant is accepted. This includes the percentage of grant match the County will be responsible for, staffing requirements, and plans for sustaining the program in the event of funding loss or grant termination.
- c. Upon acceptance by the Board of County Commissioners, and receipt of grant award letter, establishes a revenue and expenditure budget for the designated grant.
- d. Coordinates the preparation of the Schedule of Expenditures of Federal Awards (SEFA) for the annual independent auditor review (Single Audit).

2. District Attorney
  - a. Reviews grant documents for approved grant awards prior to execution.
3. County Manager
  - a. All grants shall be presented to the County Manager and the Internal Review Committee prior to the presentation to the Board of County Commissioners. (Exceptions can be made on a case-by-case basis outside of the General Fund under certain circumstances. For example, due to the constraints and time allowed to apply for FAA grants, these grants are often approved in January by the FAA. The Airport will bring the proposed project to the IRC in December following Board Approval in January)
    1. The Douglas County Library and the Towns of Gardnerville, Genoa and Minden shall present all grants to their designated Board.
4. Board of County Commissioners
  1. All grants shall be presented to the Board of County Commissioners for approval and acceptance. The Douglas County Library and the Towns of Gardnerville, Genoa and Minden shall present all grants to their designated Board.
  2. Approves appropriation of funds for all grant awards.
  3. Adopts resolution accepting grant funds and/or designating signature authority, if required by grantor.
  4. Authorizes the County Manager or designee to execute necessary grant documents.
5. County Departments
  - a. County Departments that apply for grant funding are responsible for the managing of the grant in all aspects. This includes grant writing, Finance and County Manager review, Board approvals, managing grant programs, ensuring compliance including expenditure requirements, reporting, sub recipient requirements, grant close-out procedures, and adhering to the grant agreement or contract that outlines the conditions of the grant.
  - b. County Departments should evaluate grant applications to determine their benefit to the County, long and short-term financial implications, feasibility and compatibility with existing County priorities/
  - c. Pre-award activities – each department must provide information to Finance regarding new/existing grants prior to acceptance for review.
  - d. Post-award activities – each department is responsible for conducting a comprehensive review of all grant documentation such as the grant agreement and terms and conditions. Copies of the award, agreements, terms and conditions must also be provided to Finance for grant tracking.

## B. AUDIT REQUIREMENTS

1. Each fiscal year the Finance Department prepares a “Schedule of Expenditures of Federal Awards” (SEFA) that reports all federal grant expenditures for the year. This is a requirement for all governmental entities that expend over \$750,000 of federal funds in a year. A “single audit” is an audit of this schedule performed by our external auditors in conjunction with our annual financial audit. This single audit tests compliance with the following regulations:
  - a. Office of Management & Budget (OMB) Circular A-133
  - b. OMB Circular A-87, Cost Principles of State, Local and Indian Tribal Governments (prior fiscal years)
  - c. 2 CFR 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. (For fiscal years beginning after December 26, 2014).
2. The single audit is the federal government’s way of testing if federal funds have been properly used by the grantee. Any instance of non-compliance is reported as a “finding” in the annual audit report and is reported to the Federal Audit Clearinghouse. This information is available online and is reviewed by federal awarding agencies. If a finding is significant or on-going, it could jeopardize future federal funding and may put the County at risk for additional audits that are costly.
3. The Single Audit process for Douglas County is as follows:
  - a. Copies of all grant awards, agreements/contracts, reimbursement requests must be provided to Finance on a monthly/quarterly basis for quarterly reconciling
  - b. All federal expenditures for the year must be reported to Finance no later than July 25. (date may be subject to change)
  - c. Finance will prepare and submit a draft SEFA to our external auditors after all federal expenditures have been confirmed by each department by August 10. (date may be subject to change)
  - d. Auditors will begin on-site audit work at the Minden Inn and at departments depending on selected programs by late August.
  - e. The Single Audit should be complete with findings reported to the departments and Finance by October.
  - f. The Single Audit will be finalized for the County’s Comprehensive Annual Financial Report (CAFR) and submitted to the Federal Audit Clearinghouse by late December
4. If any grant requires a separate, individual audit beyond the annual Single Audit, any costs incurred by this process shall be borne by the applicable grant.

## C. GRANT MANAGEMENT

1. Allowable Costs – Ensure that all costs charged to federal grants are allowable and accounted for correctly (including personnel costs if applicable). Costs that are to be allocated or charged to a grant should be adequately documented and incurred prior to requesting reimbursement. Inevitably, honest mistakes are made in allocated costs to a grant. If this happens, immediately

correct the mistake through appropriate journal entries or correction memos. If costs were inaccurately charged to a program, reverse the charges as soon as possible and note the change in writing. Contact the grantor regarding the error and document the recommendation for correction provided by the grantor. Below are factors affecting the allowability of costs. Except where otherwise authorized by statute, costs must meet the following general criteria to be allowable under Federal awards. (2 CFR 200, Title 2, Subtitle A, Chapter II, Part 200, subpart E, 200.403)

- a. Be necessary and reasonable for the performance of the federal award  
Conform to any limitations or exclusion according to Cost Principles of the Uniform Guidance or excluded by the terms of the grant award letter or agreement.
  - b. Be consistent with policies and procedures that apply uniformly to both federally-financed and other activities of the County.
  - c. Treated consistently when charged.
  - d. Not otherwise disallowed by law, executive order, or agency funding regulations.
  - e. Properly documented
  - f. Not to be included as a cost or used to meet cost sharing or matching requirements with any other federally-financed program.
2. Allocable Costs – a 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 CFR 200, Title 2, Subtitle A, Chapter II, Part 200, subpart E, 200.405)
3. Direct Costs – costs that can be identified specifically with a particular cost objective or that can be directly assigned to such activities relatively easily with a high degree of accuracy. Costs incurred for the same purpose in like circumstances must be treated consistently as either direct or indirect costs. (2 CFR 200, Title 2, Subtitle A, Chapter II, Part 200, subpart E, 200.413) Direct costs include (allowable as a budgeted item):
- a. Salaries/wages & fringe benefits
  - b. Materials and supplies
  - c. Equipment
  - d. Facilities
  - e. Travel
  - f. Telephone
  - g. Maintenance & Repairs
  - h. Advertising
  - i. Publications
4. Indirect Costs – Indirect costs must be classified within two categories: facilities and administration. Indirect costs are those costs incurred for a common purpose that benefit multiple programs or departments. Indirect costs represent the expenses of doing business that are not readily identified to a particular grant, project, contract or activity, but are necessary for the general operation of the organization and the activities the organization performs. Cost

allocation plans or indirect cost rates are used to distribute these costs fairly and consistently. (2 CFR 200, Title 2, Subtitle A, Chapter II, Part 200, subpart E, 200.414)

5. Program Income – Revenue that is earned by a program that also receives federal funds must be reported. An example of program income is farebox revenue generated from a public transit system or client contributions for services provided. (2 CFR 200, Title 2, Subtitle A, Chapter II, Part 200, subpart E, 200.80)

6. Matching Funds – Grants often require matching funds as part the grantee’s share of the program costs. The grant program will require either cash match or in-kind match. It is the department’s responsibility to understand these requirements and ensure proper documentation of matching funds.

7. Requests for Funds – all requests for funds shall be submitted in accordance with the grant agreement along with supporting documentation. In addition, a copy of the reimbursement request must be submitted to Finance with each request in preparation for the single audit. Departments must also ensure that the Treasurer is informed of the expected revenue by submitting a revenue summary indicating the amount to be received and the general ledger revenue account to credit funds.

8. End-of-year reporting – all federal funding must be reconciled to the County’s general ledger as of June 30. All grant expenditures must also be reported to Finance no later than July 25 for the prior year in order to prepare for the single audit.

9. Internal Control – is a process for assuring achievement of the County’s objectives in operational effectiveness and efficiency, reliable financial reporting, and compliance with laws, regulations and policies. All grant administrators should be familiar with internal control recommendations in regards to grants. Please refer to Douglas County Financial Policies that can be found here: <http://www.douglascountynv.gov/DocumentCenter/View/4519> or you may visit the GFOA website for more information located here: <http://www.gfoa.org/framework-entity-wide-grants-internal-control>

#### D. CASH MANAGEMENT

1. Advances - If the Grant Contract/Agreement allows agencies to request an advance of funds, prior review of the grant contract or agreement by the Chief Financial Officer or Budget Manager is required to determine if the advance terms and conditions are in the best interest of the County. (Towns to conduct their own review and notify Finance/Treasurer of any such transactions upon approval of the Town Board.)

a. To ensure that the County has the minimum amount of cash-on-hand, please adhere to the following:

1. The County requires reimbursement requests or drawdowns be based on actual expenditures or for expenditures incurred within 10 days.
2. The Finance Department (Budget Analyst) will process a report from New World Systems for the appropriate Federal grant to calculate total expenditures.

3. The Finance Department will review the request for reimbursement to ensure expenditures reconcile to the general ledger.
  4. The Budget Manager or Chief Financial Officer will approve and sign off on the request for reimbursement.
  5. A copy of the request will be sent to the Treasurer's Office for revenue receipting and reconciliation.
  6. The approved reimbursement request will return to the Department Director/Manager who will process the drawdown.
2. Reimbursement Requests – Many Federal, State and Local Granting Agencies require grant reimbursements be submitted in arrears. This means that the County must expend the funds first before a request for funds can be made. The County requires that all Federal and State reimbursement requests are based on actual expenditures. It is important to ensure that all invoices are paid and a check is cut to the vendor prior to requesting reimbursement. Also, it is required that each request is reconciled to the general ledger by processing an Expense Ledger Detail report or an Accumulated Transaction Listing report through New World Systems to ensure all expenditures reconcile to the pending request. All grant reimbursements will be requested in the manner that is set forth in the grant agreement/contract.
- a. Once the request for funds is ready it must be reviewed and approved by the following:
    1. All invoices must be paid and posted to the general ledger prior to requesting funds. Payments to vendors over \$10,000 will be reviewed by the Finance Department (Accounting Manager),
    2. Once the reimbursement request is complete by the grant administrator, the request will be reviewed by the Project Manager/Department Director. The department will then send a copy of the request to the Finance Department for review. If the Project Manager prepares the reimbursement request, the request may be reviewed the Finance Department (Budget Analyst) or the department director. After review, the request will be sent to the authorized signer as directed in the Grant Agreement). This review ensures a complete examination of expenditures, proper account numbers are utilized, and that personnel time (if applicable) is accurate. (Towns must follow internal controls similar to the County policy and procedures when requesting federal or State funds. If this procedure cannot be done for any reason, Finance may approve/review grant expenditures and billings for the Towns if necessary.)
    3. After the billing or reimbursement request is signed, the grant administrator or the Finance Department (Budget Analyst) will mail the approved request to the Granting Agency or submit the request electronically to the Granting Agency.
    4. A copy of the request must be forwarded to the Treasurer's Office (Accountant) for revenue tracking and receipting.
  - b. Finance Department – The Budget Analyst may be responsible for either preparing the reimbursement request or reviewing the reimbursement

request for other departments before submitting the request to the Granting Agency. To ensure separation of duties, if the Budget Analyst is preparing the reimbursement requests, the Project Manager, Budget Manager, or Senior Budget Analyst will review the reimbursement request before submitting to the Granting Agency.

#### E. PURCHASING AND PROJECTS

1. Procurement – Departments must adhere to the County’s procurement policy #300.19 located on the County’s website and in accordance with the Uniform Guidance (2 CFR 200, Title 2, Subtitle A, Chapter II, Part 200, subpart D, 200.318) **For procurement policy pertaining to FTA Funding, please see the Appendix A.**

2. Competition - All procurement transactions must be conducted in a manner providing full and open competition consistent with the Uniform Guidance. 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. (2 CFR 200, Title 2, Subtitle A, Chapter II, Part 200, subpart D, 200.319)

3. Debarment and Suspension - Organizations, governmental units, and individuals can be excluded from participation in Federal Awards, Sub-Awards and other certain types of Federal contracts. To find a list of current organizations, governmental units, and individuals that have been excluded from participating in Federal contracts, the department must check to see if the entity has been placed on the debarment list. Please print and save the results. More information can be found by visiting the United States Department of Labor website or you may contact Finance. (2 CFR 200, Title 2, Subtitle A, Part 180 – OMB Guidelines to Agencies on Governmentwide Debarment and Suspension (Nonprocurement)).

<http://www.dol.gov/ofccp/regs/compliance/preaward/debarlst.htm>

4. Prevailing Wage Construction Projects - Federally funded construction project that are required to pay prevailing wages, certified payroll reports must be submitted weekly to the responsible department for review. Please date stamp the certified payroll reports as evidence that they are being submitted timely. Also, please ensure the wages are paid in accordance with Davis-Bacon Regulations. (*Appendix II to Part 200 – Contract Provisions for Non-Federal Entity Contracts Under Federal Awards*). Please contact Finance with any questions.

5. Subawards – The County may subaward Federal funds to other entities as long as the subrecipient is eligible and that federal funds are used in compliance with the federal program laws, regulations, and grant agreements. It is the County’s responsibility to provide the subrecipient the Douglas County Notice of Sub Grant Award that can be located on the County’s website. A copy of the signed notice must also be forwarded to Finance.

6. Capital Assets – Equipment purchased with federal funds having a useful life of more than one year and an acquisition cost that is equal to or exceeds \$5,000 must be capitalized. Written authorization from the awarding agency must be provided before disposing or donating the asset.

#### F. GRANT AWARD CLOSEOUT

1. The Federal awarding agency or pass-through entity will close-out the Federal award when it determines that all applicable administrative actions and all required work of the Federal award have been completed by the non-Federal entity. This section specifies the actions the non-Federal entity and Federal awarding agency or pass-through entity must take to complete this process at the end of the period of performance. (*2 CFR 200, Title 2, Subtitle A, Chapter II, Part 200, subpart D, 200.343*)

#### G. DEFINITIONS:

Grant: A type of financial or in-kind assistance bestowed by a government agency or private organization to an eligible recipient for a specified purpose.

Grantee: An individual or organization to whom a grant is made.

Grantor: An individual or organization that provides aid in the form of a grant.

Sub recipient: An individual or organization that receives a grant through the grantee, with the grantee acting as a pass-through entity.

**III. RESPONSIBILITY FOR REVIEW:** The Finance Department shall review this policy as needed or at least once every 1 year.



## APPENDIX A

### I. PURCHASING AND PROJECTS FOR FTA FUNDING ONLY

#### 1. Gratuities

1. The acceptance of any gratuity in the form of cash, merchandise, or any other thing of value by an official or employee of the county, his or her immediate family, his or her partner, board members, officers, agents, or an organization which employs or is about to employ any of the parties, from any vendor or contractor is hereby deemed an incompatible activity and is cause for termination or other disciplinary action.
  2. The offer of any gratuity to any official or employee of the county, his or her immediate family, his or her partner, board members, officers, agents, or an organization which employs or is about to employ any of the parties, by any vendor or contractor is cause for declaring the vendor or contractor to be an irresponsible bidder and for barring the vendor or contractor from bidding on County contracts for a minimum period of one year or such period as may be specified by the Board of Commissioners of Douglas County.
2. Procurement - Procurements undertaken with any portion of Federal funds, in part or in whole, require that procedures are followed to ensure compliance with Federal regulations as detailed in 2 CFR Part 200.318 “General Procurement Standards,” through 2 CFR Part 200.326, “Contract Provisions.”

#### 1. Small Purchases

- a. Procurements from \$3,500-\$24,999: These purchases are exempt from Buy America requirements and require that an adequate number of quotes are obtained during the procurement process. All purchases under \$5,000 are considered “supplies” and not “equipment.” It is the responsibility of the respective department head to ensure the following:
  - Terms: The term of federally funded contracts shall not exceed five (5) years inclusive of options, unless prior written approvals are obtained from Federal or State Agency.
  - Cost Principles: Cost or prices for federally funded contracts will be allowable only to the extent that the costs or prices are consistent with federal cost principles and any cost principles promulgated by Douglas County or the State of Nevada.
  - Advance Payments: Douglas County may not use federal funding to make payments to a third-party contractor before the contractor has incurred the unless prior written concurrences is obtained from a State or Federal agency. Examples include but are not limited to, rent, tuition, insurance premiums, subscriptions to publications, software licenses. All third-parties are subject to search in the System for Award Management (SAM.gov) in order to determine eligibility for procurements.
  - Audits and Indirect Costs: The FTA Master Agreement and other federal grant rules require grantees to accept undisputed

audits of other federal or state government agencies for purposes of establishing indirect cost rates that are used for pricing, negotiation, reporting and contract payment. The Purchasing Agent shall consult the FTA Master Agreement and other federal grant rules to confirm indirect cost rates.

- FTA Authorization: If FTA funding will be used for the purchase, Staff may request the FTA authorization to use sole source procurement if there is a justification that does not fit into one of the other circumstances.
  - Progress Payments: Progress payments are payments for work that has not been completed and are a means of financing contractors that are performing fixed price contracts. Douglas County may use federal funding to support progress payments. The progress payments are only issued to the contractor for cost incurred in the performance of the contract. The Douglas County must obtain adequate security for the progress payments. This may include, taking title, letter of credit or equivalent means to protect Douglas County's interest in the progress payment. For federally funded construction contracts ONLY, progress payments must be issued based on a percentage of completion method. The county is responsible for timely payments to the contractor for acceptable work completed and invoiced during the life of the contract in accordance with the schedule of values submitted by the contractor and approved by the architect/engineer. The County must make payments within thirty days of the completion of work and proper invoicing. The County is also responsible for withholding from progress payments, the retainage specified in the contract, subsequently releasing same, with interest when the project is satisfactorily completed and invoiced.
  - NRS 338.400 through NRS 338.645 contains detailed instructions that must be followed by the County in administration of a public works contract.
2. Micro-Purchasing
    - a. Procurements from \$0-\$3,500: These purchases are exempt from Buy America requirements and no additional quotes are required if it is determined that the price is fair and reasonable and adequate records are kept to document that the price is fair and reasonable and how the determination was reached.
  3. Budget
    - a. The Division Manager shall consult with Accounting as necessary to determine whether the purchase is within budget. If the purchase is not within budget, the County Manager must first obtain Board approval for a budget amendment.
  4. Authorization
    - a. The Division Manager can authorize procurements of \$10,000 or less.

5. Solicitation
  - a. The Purchasing Agent may directly solicit firms for micro-purchases without obtaining competitive quotation if the price is fair and reasonable. When practical, micro-purchases shall be equitably distributed among qualified firms in the local area.
6. Evaluation
  - a. The Purchasing Agent shall document on the Purchase Order Requisition that the price is fair and reasonable.
7. Award
  - a. Contracts valued at \$10,000 or less may be awarded by the Department Director.
8. Notice of Award
  - a. The Division Manager shall notify the selected firm of the award.
9. Contract
  - a. The Department Director shall work with Legal Counsel to coordinate execution of a contract, if necessary.
10. Purchase Order
  - a. The Division Manager shall submit the Purchase Order Requisition to Accounting. Accounting shall issue a Purchase Order.
11. Procurement File
  - a. The Division Manager shall ensure that the Procurement File contains the following:
    - Executed contract if any
    - Purchase Order Requisition
    - Purchase order
    - Evidence of availability of funds
    - Rationale for the method of procurement (negotiations, formal advertising)
    - Lists of sources solicited
    - Independent cost estimate
    - Statement of work/scope of services
    - Copies of published notices of proposed contract action
    - Copy of the solicitation all addenda and amendments
    - Liquidated damages determination
    - Abstract of each offer or quote
    - Contractor's contingent fee representation and other certifications and representations
    - Cost or pricing data including determination that the price is fair and reasonable including any analysis of the cost and price data
    - Notice of award
    - Notice to unsuccessful bidders or offerors and record of any debriefing
    - Record of any protest

- Bid performance payment or other bond documents and notices to sureties
  - Required insurance documents if any
  - Notice to proceed.
12. Intellectual Property Rights
- a. In contracts involving the development of intellectual property, Douglas County shall obtain rights in the intellectual property. In contracts involving the use (but not the development) of intellectual property Douglas County shall obtain indemnification in the event the contractor violates a third-party's rights.
13. Federal Clauses
- a. Federally funded contracts must include federally required third-party contract clauses. The Purchasing Agent shall work with Legal Counsel to review applicable circulars and guidance and ensure that all required clauses are included.
- C. Protest Procedures
1. Scope
    - a. These procedures have been established to ensure uniform, timely and equitable consideration of protest regarding procurement actions. To the greatest extent permitted by law, these procedures are the exclusive means to protest Douglas County procurement actions. The Purchasing Agent shall ensure that every IFB and RFP incorporates and references these procedures.
  2. Grounds
    - a. Protesters may only protest Douglas County procurement actions based on allegation that Douglas County failed to follow these procedures or an applicable law or regulation.
  3. Standing
    - a. In order to file a protest, the protester must be an actual or prospective supplier of the good or services whose direct economic interest would be affected by the award of, or failure to award a contract.
  4. Filing
    - a. Protests must be in writing and filed with the County Manager by physical delivery to 1594 Esmeralda Avenue Minden, NV 89423, or by mail to P.O. Box 218 Minden, NV 89423.
  5. Contents
    - a. Protests shall be concise, logically arranged, clear and legible and must contain the following:
      - Name, address and telephone number of the protester and a contact person.
      - Number, date and description of the procurement.
      - Detailed statement of the grounds for the protest and supporting evidence. The grounds for the protest must be supported by the evidence provided. If the protester later raises new ground or provides new evidence that reasonably could have been raised or provided, Douglas County will not

consider such new grounds or evidence in the determination of the protest.

- The action or relief desired from Douglas County.
6. Pre-bid/proposal Protest
    - a. Protests against Douglas County actions during the solicitation phase must be filed prior to the bid opening or proposal due date.
    - b. The County Manager shall consider and resolve any protest prior to opening bids or evaluation proposals.
    - c. If a protest is not resolved by mutual agreement, the County Manager shall issue a written decision stating the reason for the action taken to resolve the protest.
  7. Pre-award Protests
    - a. Protests against the making of an award of a contract must be filed within 48 hours after Douglas County provides notice of its intent to award a contract.
    - b. The County Manager shall consider and resolve any protests prior to the award of contracts valued at \$50,000 or less. The Board shall consider and resolve any protests prior to the award of contracts valued at more than \$ 50,000.
    - c. If a protest is not resolved by mutual agreement, the County Manager shall promptly issue a written decision stating the reason for the action taken to resolve the protest.
  8. Post-award Protest
    - a. Post-award protest must be filed within five days after the award.
    - b. The award shall remain valid and procurement actions shall continue unless the County Manager determines in writing that it is necessary to suspend the award pending time to resolve the protest.
    - c. If after an award it is determined that a solicitation or award of a contract is in violation of law then: If the firm awarded the contract has not acted fraudulently or in bad faith: the contract may be ratified and affirmed, provided it is determined that doing so is in the best interests of Douglas County, or the contract may be terminated and the firm awarded the contract shall be compensated for the actual expenses reasonably incurred under the contract, plus a reasonable profit, prior to the termination.
    - d. If the firm awarded the contract has acted fraudulently or in bad faith: the contract may be declared null and void, or the contract may be ratified and affirmed if such action is in the best interest of Douglas County, without prejudice to Douglas County's rights to such damages as may be appropriate.
  9. Notice to the FTA
    - a. For FTA funded contracts; Douglas County shall notify FTA through the appropriate reporting mechanism of protests that have a value exceeding \$100,000, involve a controversial matter, irrespective of amount or involving a highly publicized matter irrespective of amount.

Douglas County will keep FTA informed about the status of any protest that requires such notification.

#### 10. Confidentiality

- a. Materials submitted by a protest will not be withheld from any interested party outside of Douglas County or from any governmental entity which may be involved in the protest, except that the withholding of information is permitted or required by law or regulation. If the protester considers that a protest contains proprietary materials which shall be withheld, a statement advising of this fact may be affixed to the front page of the protest and the alleged proprietary information must be so identified wherever it appears. If a protester request that Douglas County withhold from disclosure information identified as confidential, and Douglas County complies with the protester's request the protester shall assume all responsibility for any challenges resulting from the non-disclosure, indemnify and hold harmless Douglas County from and against all damages( including but not limited to attorneys' fees that may be awarded to the pay requesting the protesters information), and pay any and all costs and expenses related to the withholding of the protester's information. The protester shall not make a claim, sue, or maintain any legal action against Douglas County or its directors, officers, employees or agents concerning the withholding from disclosures of protester's information.

#### 11. FTA Appeals

- a. For FTA funded contracts, protesters shall have five days from receipt of the written decision by the County Manager to appeal the decision to the FTA in accordance with the procedures set forth in the most current FTA Circular. The FTA will only entertain a protest that alleges that Douglas County failed to have protest procedures, violated it protest procedures, failed to review the protest when presented with an opportunity to do so, or that a federal law or regulation has been violated. If the protester does not appeal to FTA within five days from receipt of the written decision by the County Manger, the written decision shall be deemed final. If the protester does appeal to FTA within five days, the County Manager shall notify all firms of the pending appeal. The notice shall inform each firm of it rights to communicate directly with FTA.

#### 12. Other Procedures

- a. If the State of Nevada is involved in the procurement and requires (prior to the solicitation) that Douglas County uses state protest procedures, Douglas County will comply with those procedures provided that Legal Counsel provides a written opinion that it's permitted under applicable law and regulations.

#### 13. Contact File

- a. The Contract Manager shall compile and maintain a contact file with all records sufficient to document the history of the contract, including

all formal and informal communication with the vendor, supplier, or contractor. The contract file shall reflect the actions taken by the parties in accordance with the requirements of the contract and document the decisions made, and the rational therefore, of matter which may result (or have resulted) in controversy or dispute.

- b. The Contract Manager shall prepare a written statement certifying that the contractor has completed all required work and that such work has been formally accepted by Douglas County including the resolution of any claims or disputes.

14. Small Purchases

- a. Federally funded contracts valued at \$100,000 or more must include remedies for breach of contract.

## **APPENDIX B SUBRECIPIENT MONITORING**

### **Audit Requirements, Audit Resolution, Audit Appeal, and Debt Collection Policies and Procedures**

#### **I. PURPOSE**

These Policies and Procedures outline the audit standards set forth in the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards as established in 2 CFR Part 200 Subpart F (the “Uniform Guidance”). The Uniform Guidance has been implemented by Federal Departments with separate implementing regulations that should be consulted and followed depending upon the applicable federal funding source (e.g., the Federal Transit Administration-FTA Circular 5010.1E).

#### **II. POLICY/ACTION**

With the issuance of these Policies and Procedures, the County is establishing certain audit requirements, audit resolution procedures, audit appeal procedures, and policies and procedures concerning debt collection for subrecipient audits whose fiscal years begin after December 26, 2014.

#### **III. SINGLE AUDIT REQUIREMENTS**

All recipients and subrecipients expending Federal awards are responsible for complying with the Uniform Guidance 2 CFR Part 200 Subpart F. In accordance with §200.501(a), if a subrecipient expends \$750,000 or more in Federal awards during any fiscal year beginning on or after December 26, 2014, the entity must have a single or program-specific audit conducted for that fiscal year. Each subrecipient is responsible for ensuring that any single or program-specific audit required by the Uniform Guidance adheres to §200.500 - §200.521. County will review each audit received for compliance with the appropriate regulations. If a subrecipient expends less than \$750,000 in Federal awards in its fiscal year, no audit is required for that fiscal year pursuant to §200.501(d), except as required by §200.503.

##### **a. Audit Costs – Allowability**

The cost of audits made in accordance with the provisions of the Single Audit Act and the Uniform Guidance Subpart F are generally allowable charges to Federal awards. The charges may be considered direct costs or an allocated indirect cost, as determined in accordance with the provision of the Uniform Guidance cost principles §200.425. No audit costs may be charged to Federal awards when audits required by the Single Audit Act and Uniform Guidance Subpart F have not been made or have been made but not in accordance with Single Audit Act and Uniform Guidance Subpart F. No audit costs may be charged to Federal awards if the subrecipient is exempted from having an audit conducted under the Single Audit Act and Subpart F because its expenditures under Federal awards are less than \$750,000 during the subrecipient’s fiscal year.

##### **b. Sanctions and Corrective Actions**



If a subrecipient fails to have an audit conducted in accordance with the Uniform Guidance and these Policies and Procedures, the County shall take appropriate actions which may include, but not be limited to, implementing one or more of the following sanctions or corrective actions:

1. Withholding a percentage of the Federal awards until the audit is satisfactorily completed in accordance with all applicable Federal requirements;
2. Withholding or disallowing reimbursement for overhead costs;
3. Suspending Federal awards to the subrecipient until a required audit is completed in accordance with all applicable Federal requirements; and
4. Terminate the Federal award.

**c. Record Keeping & Retention**

All subrecipients, whether subject to the audit requirements or not, shall continue to comply with any applicable Federal statute or regulation that requires the recipient and subrecipient to maintain records concerning Federal awards. All recipients and subrecipients must permit access to and make available records for review, monitoring, or audit by appropriate Federal agencies, state agencies serving as pass-through entities for federal funds and the County.

The auditor shall retain working papers and reports for a minimum of three years after the date of issuance of the Auditor's Report(s) to the auditee, unless the auditor is notified in writing by the cognizant agency for audit, oversight agency for audit, or pass-through entity to extend the retention period. When the auditor is aware that the Federal awarding agency, pass-through entity, or auditee is contesting an audit finding, the auditor shall contact the parties contesting the audit finding for guidance prior to destruction of working papers and reports.

**IV. AUDIT RESOLUTION PROCEDURES**

These procedures highlight the specific the County audit and audit resolution procedures. They should be followed in addition to all applicable Federal requirements under the Uniform Guidance. Should there be any conflict between the County's procedures and the Uniform Guidance, the Uniform Guidance shall govern.

**a. Auditor Procurement**

Subrecipients shall follow the procurement requirements of 2 CFR §200.509.

**b. Submission of Audit Report(s) to the County**

**1. Audited Financial Statements**

In conjunction with the requirements at §200.512, audited financial statements prepared in accordance with the Uniform Guidance shall be provided to the County by the subrecipient within the earlier of 30 days after receipt of the Auditor's Report(s), or 9 months after the end of the audit period.

**2. Management Letter**

If the subrecipient's primary amount of direct Federal funding was received from the County, the management letter provided by the

subrecipient's auditor shall be submitted to the County along with the audited financial statements.

### 3. Corrective Actions

- a. A subrecipient, whose primary amount of direct Federal funding was received from the County, shall prepare and submit a Corrective Action Plan to the County for every general and/or administrative audit finding.
- b. A subrecipient, whose primary amount of direct Federal funding from the County, shall prepare and submit a Corrective Action Plan to the County for every Management Letter matter.
- c. If corrective action is necessary, the County shall give the subrecipient written notice setting forth the nature of the subrecipient's non-compliance and the required corrective action. Subrecipient shall have thirty (30) days from the date of the non-compliance letter to implement all required corrective action and provide the County with a follow up report regarding the same.
- d. The County may institute any remedies for noncompliance codified in 2 CFR § 200.338.

### c. **Audit Resolution Process**

#### 1. Review

When a subrecipient submits an audit report to the County will review it to determine whether it has been prepared and submitted in accordance with the Uniform Guidance. If the audit report has not been prepared or submitted as required by the Uniform Guidance, the County shall request that the audit report be prepared in accordance with the Uniform Guidance. If it is determined by the County that the proper preparation and submittal of an audit report cannot be reasonably attained or if the subrecipient fails to provide an audit report in accordance with the Uniform Guidance within thirty (30) days of the County's request, the County may implement corrective actions or sanctions upon the subrecipient. If the audit report has been prepared and submitted in accordance with the Uniform Guidance, the audit report will be considered "received", and thereby, start the one hundred eighty (180) days audit resolution time period.

#### 2. An audit resolution file will be established. The audit resolution file may contain the following:

- a. Non-compliance letter;
- b. Sign-in sheets documenting the attendants of the informal resolution meeting;

- c. Notes related to the informal resolution;
- d. Final Determination letter and proof of receipt by the subrecipient;
- e. Responses to the final audit report;
- f. Final audit report; and
- g. Any other relevant documentation.

### 3. Initial Determination

Following review of subrecipients audit report, if a subrecipient is deemed to be non-compliant the County shall issue a non-compliance letter to the subrecipient. The non-compliance letter will provide the subrecipient with ten (10) calendar days from the date of the letter to contact the County with a response regarding the corrective action to be taken and implemented by the subrecipient and may request additional information or documentation the County deems necessary. The County may, in its discretion take any remedial action it deems necessary pursuant to the audit report findings and applicable law.

4. The non-compliance letter will allow thirty (30) days for informal resolution.

### 5. Informal Resolution

All information, documentation, explanations, reconciliations, and other supporting material in response to the non-compliance letter shall be submitted by the subrecipient to the County within thirty (30) calendar days of the date of the non-compliance letter. If the requested information, documentation, explanations, and other supporting material are not submitted to the County within thirty (30) calendar days of the date of the non-compliance letter, the County will issue a Final Determination of non-compliance. The County may consider granting written requested extensions to the informal resolution submission deadlines for good cause.

### 6. Stand-in Costs

The application of stand-in costs is an informal resolution activity. If the auditee agrees that the auditor's questioned cost is unallowable and wishes to propose the use of stand-in costs as substitutes for otherwise unallowable costs, the proposal shall be included with the response to the Initial Determination and submitted during the informal resolution period. Stand-in costs are substitutes, disbursed or accounted for from non-Federal funds, for unallowable Federal costs identified in the audit report. To be considered as valid substitutions, the costs must:

- a. Not be caused by the willful disregard of the requirements of the federal award, gross negligence, failure to observe accepted standards of administration, or fraud;
- b. Be allowable Federal costs that were actually incurred by a Federal program, but paid by a non-Federal source;
- c. Have been reported as uncharged Federal program costs;

- d. Have been included within the scope of the subrecipient's audit;
- e. Have been accounted for in the auditee's financial system; and
- f. Be adequately documented in the same manner as all other Federal program costs. This means that the unbilled expense must be treated in a manner consistent with cost principles affecting other expenses, including, but not limited to the cost allocation methodology, cost classification methodology and supporting documentation requirements. To be accepted, stand-in costs must come from the same Federal Title/Program and program year as the costs that they are proposed to replace, and they must not cause a violation of the cost limitations or the violation of any applicable law or grant agreement.

#### 7. Final Determination

The County will issue a Final Determination letter within 180 days of the County's receipt of the subrecipient's audit report, unless this period is extended as provided for herein. The final letter may include, but not be limited to, when applicable:

- a. Whether or not the audit findings and/or management letter matters are sustained, and costs allowed or disallowed;
- b. The reason for the decision;
- c. Establishment of a debt for disallowed costs;
- d. The expected subrecipient action to repay disallowed costs, make financial adjustment, or take other actions;
- e. Debt collection process; and
- f. Appeal process.

## V. **AUDIT APPEAL PROCESS**

### a. **Audit Appeal Process**

#### 1. Request for Reconsideration

The subrecipient will be offered thirty (30) days from the date of the Final Determination letter in which to submit a request for reconsideration.

#### 2. Failure to timely submit a request for reconsideration shall be considered a waiver of the right.

3. The request for reconsideration must include a clear and concise statement of the issue(s) to be reconsidered and any additional corrective action being taken by the subrecipient along with any supporting documentation related to the same not previously submitted to the County. Those provisions of the Final Determination letter not specified for review shall be considered resolved and not subject to reconsideration.

4. The County shall, within thirty (30) days of receipt of a Request for Reconsideration, review the request and issue a letter either affirming the Final Determination Letter or Amending the Final Determination Letter.

## VI. **DEBT COLLECTION PROCESS**

### a. **Sanctions for Unallowable use of Grant Funds**

The County shall hold all subrecipients responsible for all grant funds provided to subrecipients. Debts, if not paid when due, shall be subject to sanctions, which may include, but not be limited to, debarment.

### b. **Establishment of Debt**

After the issuance of a Final Determination letter that includes requirements related to the repayment of funds to the County for unallowable or undocumented charges concerning a Federal grant, a debt to the County shall be established. The subrecipient has the right to appeal and must follow the appeal procedures as in accordance with the Audit Appeal Process section above. If after the appeal process is complete and the Final Determination letter is not adjusted for the repayment of funds to the County, then a debt will be established. The debt will be due and payable as established in the Final Determination letter. If the debt is not paid by the subrecipient on the date that it is due, a letter will be forwarded to the subrecipient with a due date of thirty (30) days from the date the original debt was due. Two additional letters will be forwarded to the subrecipient, each with 30 day due dates, if the debt has not been paid in full the County will establish and maintain an outstanding debt category in the accounts receivable system (to be set up at first occurrence). the County will post an account receivable including any interest rate charged, to the accounting records until the debt is paid in full.. Notwithstanding the foregoing, nothing in this section or these Policies and Procedures shall preclude the County from pursuing all available legal remedies related to the improper use of or the repayment of funds to the County in accordance with any agreement between the subrecipient and the County or applicable law.

### c. **Repayment Options**

#### 1. Repayment

Federal cash repayment to the County, either as a lump sum or as installments, must be in writing or agreed upon by both parties. Repayments made to the County will be made available for use under the same program only if the expenditure for the funds can be made within the same contract period of the original funds and if permitted pursuant to any applicable grant agreement or applicable law. Unless otherwise required by any applicable grant agreement or applicable law, subrecipients must remit to the County, and the County, in turn, must remit non- Federal funds to applicable Federal agency that will not be available for use in the same program during the same contract period.

#### 2. Use of Funds

When the availability period for the funds has not lapsed and none of the criteria that require repayment to the applicable Federal agency applies, the County may use the funds it collects within the same contract period.

3. Debts Outstanding

If a subrecipient has an outstanding debt, they may be considered ineligible for additional and/or future funding from the County.

d. **Record Keeping & Retention**

1. The County will maintain an audit resolution log details the disposition of all audit resolutions and debt collection procedures. This log will be maintained and updated as audit resolution, appeals and debt collection steps are taken.
2. All subrecipients, whether subject to the audit requirements or not, must continue to comply with any Federal statute and regulations, that require the subrecipient to maintain records concerning Federal awards provided to the subrecipient and the record retention requirements enumerated in subrecipients agreement with the County.
3. The the County accounting department will maintain a permanent record of all debt collection cases and their status in electronic format.
4. All subrecipients shall take reasonable measures to safeguard protected personally identifiable information and other information the Federal awarding agency or the County designates as sensitive or the subrecipient considers sensitive consistent with applicable Federal, state, local, and tribal laws regarding privacy and obligations of confidentiality.