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**SUBJECT: COMMUNITY GRANTS PROGRAM**

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1.0 PURPOSE:

In accordance with Nevada Revised Statute (NRS) 244.1505, the Board of County Commissioners may award grant funding to non-profit community organizations created for religious, charitable, or educational purposes to be expended for the public benefit of Douglas County residents. This policy is to establish a process for determining funding available for the Community Grants Program each year, how applications will be solicited and reviewed, and how funding distributions will be decided.

2.0 DEFINITIONS:

- 2.1 *Community Grant Program* is the process by which the Douglas County Commission awards grant funding to qualified Applicants from the General Fund with a contribution from the Indigent (Social Services) Fund.
- 2.2 *Applicant* is any entity that is qualified to receive a grant from Douglas County under Nevada law and County requirements, provides a beneficial public service to Douglas County residents, and completes and submits an application according to this policy and any other applicable guidelines issued by Douglas County.
- 2.3 The *application* is a document approved by the Board of County Commissioners by which Applicants apply for Community Grant funding.
- 2.4 *Notice of Award (NoA)*: A legally binding document notifying the recipient that an award has been made. The NoA contains or references all terms and conditions of the award and documents the obligation of funds. The NoA may include both standard and special conditions that are considered necessary to attain the grant's objectives.
- 2.5 *Supplanting*: To take the place of and serve as a substitute. Federal, state and city funds cannot be used to pay for services, staff, programs or materials that would otherwise be paid out of an approved budget.
- 2.6 *Close Out*: A procedure to officially conclude a grant. The project contact must ensure that necessary administrative and financial reports have been submitted and documented in compliance with the grant close out terms and conditions.
- 2.7 *Fiscal Year*: The fiscal year is an accounting period for the County budget which begins July 1 and ends June 30.

3.0 FUNDING:

- 3.1 Each year the Board of County Commissioners will determine during the budget process the amount of funding, if any, available in for use in the Community Grant Program for the Fiscal Year. The Finance Department will identify the prior year ending grant fund balance available, and the amount available from the General Fund, and the Social Services Division will determine how much can be allotted to the Community Grant Program from the Indigent Fund for the Fiscal Year. At the end of the Fiscal Year any unobligated funds revert to the fund balance.
  - 3.2 Grant funds are intended to augment the efforts of community organizations, non-profits, to benefit the residents, neighborhoods and communities in Douglas County.
  - 3.3 Funding may not be available every year and may not be at the same level of availability from year to year. Applicant requests should represent specific projects, not operating funds. Operational funding may be granted as an exception at the discretion of the County Commission.
  - 3.4 The Finance Department, once the amount of funding is approved by the Board of County Commissioners, will post a Notice of Funding Availability for the Community Grant Program on the County website, social media, and a press release in July of each year that will stay open for at least 60 days.
- 4.0 APPLICATION PROCESS:
- 4.1 All applications submitted on time and according to posted guidelines will be received, date stamped, and recorded by the County Manager's Office.
  - 4.2 A representative from the Finance Department, County Manager's Office, and Social Services at minimum, will review each application after they have been received. If an applicant or application does not satisfy the requirements of Nevada law and/or County policy, the applicant and/or application may be rejected.
  - 4.3 The representative from the Finance Department, County Manager's Office, and Social Services will present the applications and scoring sheet to the Audit Committee to develop recommendations for funding distribution among the accepted applicants. These recommendations will be considered by the Board of County Commissioners for approval.
  - 4.4 Not all applicants will receive the full amount requested, and all levels of funding are subject to the discretion of the Board of County Commissioners.
- 5.0 AWARD, DISTRIBUTION AND PROGRAM COMMENCEMENT:
- 5.1 The recommendation of funding distribution will be presented to the Board of County Commissioners at a regular meeting for approval. Once the funding

distribution amounts are approved by the Board, the Finance Department will prepare the Notice of Award and project numbers.

- 5.2 The Notice of Award is the official notification of award and approval. The award acts as the contract obligating grant funds to the agency. An award packet will be mailed to each agency. The award package needs to be read, all assurances and agreements signed and returned to the County by the due date indicated in the award.
- 5.3 The Finance Department will finalize the returned Notice of Award and provide the applicant with a signed copy. The grant program may begin on the stated commencement date found on the award notice.
- 5.4 Each grant will be tracked by a project number, which will be included in the award. Please make sure that the project number is on all financial and progress reports.
- 5.5 If using Community Grant funds to sponsor an event, Douglas County must be identified as a sponsor by the Applicant.

## 6.0 RECORDKEEPING

- 6.1 All agencies who receive a grant award are required to keep a separate file containing documents related to the grant award. The grant file includes but is not limited to six (6) sections that must be created in a 3-ring binder, or a 6-section classification folder with two dividers, or a similar device. Your agency may keep an electronic filing system as long as it includes all the documents listed below and is easy to find and review. In each section whether hard copy or an electronic file must include the following:
  1. Correspondence –
    - a. All correspondence regarding the grant
  2. Progress Reports –
    - a. Evaluation Reports
    - b. Monthly or quarterly and/or annual project activities and progress reports
  3. Monitoring –
    - a. Monitoring letters, reviews and recommendations
    - b. Equipment and Inventory Logs
  4. Financial Reports –
    - a. Reimbursement Requests
    - b. All backup required including payroll registers and accounting registers
    - c. Proof of payment once received from the reimbursement request
  5. Project Changes –
    - a. Requests and approvals for any changes to the grant
  6. Grant and Application paperwork –
    - a. Grant agreement

- b. Grant application
- c. Goals and Objectives
- d. Certifications
- e. Assurances

6.2 All documents are subject to review by Douglas County staff.

## 7.0 FINANCIAL MANAGEMENT

7.1 To comply with the County's requirements, recipients must establish and maintain accounting systems and financial records that accurately justify the grant funds received and spent. The accounting system must fully record the amount and disposition of all project funds.

7.2 An adequate method of internal controls to safeguard funds is a requirement of award acceptance to include:

7.2.1 Allow for broad budget categories as listed in the award (i.e., Personnel, Travel, Operating, Equipment, Contract/Consultant and Other). Not all projects will have approved budget funding in each category.

7.2.2 Provide cost and property control to ensure optimal use of funds.

7.2.3 Provide for financial reporting of operations.

7.2.4 Include a system of property records for all equipment (See Equipment and Inventory).

7.2.5 Maintain all records for a minimum of three to seven years from the date of the final report and until all questions arising from an on-site review have been resolved.

7.2.6 Ensure funds specifically budgeted and/or received for one project cannot be used to support another project or program.

7.2.7 Ensure funds are not obligated before the commencement date stated in the grant award.

## 8.0 FUNDING

### 8.1 REIMBURSEMENT:

8.1.1 To receive reimbursement; submit a completed financial claim, including all supporting documentation and proof of payment. All back up documents must match the date of the purchase. All financial claims must be timely and received within a reasonable time of the purchase or pay period. Financial claims will be rejected for incomplete back up documents, accuracy, and lapse in reporting the expense.

8.1.2 The County will make a reimbursement for eligible and allowable expenditures; which means, funds expended only for activities and purposes stated in the approved budget and within the approved grant period. Grant funds must be obligated before the end date of the grant

period. Obligated funds equal funds committed for ordered goods or services not yet received.

- 8.1.3 Douglas County may disburse grant funds to recipients within 30 days of submittal of an invoice requesting funds for reimbursement. In addition to the invoice, the recipient shall provide to Douglas County all necessary supporting documentation, copy of original invoice and proof of payment, or required under any federal or state law or regulation 2 CFR 200, for reimbursement. No funds shall be disbursed to the recipient unless all requested and required documentation is provided to Douglas County.

8.2 MATCH:

- 8.2.1 Grant match is optional; if your agency would like to declare a match, then the match must be declared in the application.

8.3 ADVANCED PAYMENT:

- 8.3.1 Advanced payment is optional; if your agency would like to declare an advance payment, then the advanced payment must be declared in the application.

- 8.3.2 Purchases made with advance payment must be documented through a completed financial claim, including all supporting documentation and proof of payment. All back up documents must match the date of the purchase. All financial claims must be timely and received within a reasonable time of the purchase. Financial claims will be rejected for incomplete back up documents, accuracy, and lapse in reporting the expense and the agency may be required to reimburse the County.

- 8.3.3 Advanced purchases must be eligible and allowable expenditures; which means, funds expended only for activities and purposes stated in the approved budget and within the approved grant period.

- 8.3.4 Grant funds must be obligated before the end date of the grant period. Obligated funds equal funds committed for ordered goods or services not yet received.

8.4 SUPPLANTING:

- 8.4.1 Grant funds must be used for new program activities or to supplement existing funds in order to enhance program activity. Grant funds shall not be used to replace funds appropriated in the recipient's budget for the same purpose.

- 8.4.2 For example, if a recipient prior to applying to the grant, committed to purchase 2 new computers, then the recipient must purchase those 2 computers in addition to any computers requested and approved from the grant program.

8.5 FISCAL MONITORING:

- 8.5.1 County staff will review all accounting records and reports supporting the amounts claimed for reimbursement or payment. County staff may test

transactions for expenditure categories related to the project. This monitoring is done to ensure: the recipient maintains proper records, expenses claimed are approved properly, and expenditures follow the program requirements.

8.5.2 County staff reserves the right to examine any related grant records during the program or project's performance period and within a three-year period following the conclusion of the program or project.

## 8.6 WITHHOLDING OF FUNDS

8.6.1 Grant money will be withheld and/or disallowed when the program or project fails to comply with any term or condition of this policy or any other County policy. This includes, but is not limited to:

- Failure to attain goals and/objectives;
- Failure to adhere to guideline requirements, policies or special conditions; Improper use of funds;
- Failure to submit required report in a timely manner, including, but not limited to monthly or quarterly request for reimbursement forms, quarterly progress reports, or final evaluations;
- Failure to resolve audit exceptions on past or current grants in a timely manner;
- Inadequate maintenance of accounting records;
- Failure to cooperate with staff or representatives in reviewing program and/or fiscal records;
- Failure to resolve supplanting issues;
- Failure to reconcile financial records, and closeout at the end of the project period;
- Once a grant has been closed no further claims will be accepted.

## 8.7 TERMINATION OR SUSPENSION

8.7.1 The County may reduce or terminate grant funds for reasons that may include, but are not limited to:

- The project failing to comply with terms or conditions of the grant award;
- During the term of the grant period, the funds appropriated for the award are reduced or eliminated by the Douglas County Board of Commissioners;

8.7.2 The Finance Department will notify the recipient in writing prior to reduction or termination of grant funds with a timeline and opportunity to cure noncompliance. To the extent funds are available for payment of costs, such termination or reduction does not apply to allowable costs incurred by the recipient prior to the notice.

- 8.7.3 The Finance Department will review programs and projects previously funded for past compliance. Compliance includes financial management, progress reports, monitoring results, on-site review reports, and any other relevant documentation or information.
- 8.7.4 Lack of compliance with any one requirement above, term and/or condition endangers future awards.

## 9.0 ELIGIBLE AND ALLOWABLE EXPENDITURES

9.1 Douglas County follows the Office of Management and Budget (OMB) Uniform Guidance found in 2 CFR 200, Subparts E and F, allowable and unallowable grant costs. For costs to qualify as allowable, they must be necessary to the success and completion of the approved program or project.

9.2 Eligible and Allowable Costs:

1. Project personnel salaries and benefits, including overtime pay
2. Equipment necessary for implementation of the program
3. Building rental
4. Project personnel
5. U.S. travel/training
6. Supplies and operating expenses directly related to project operation

9.3 Unallowable Costs (Examples, list not conclusive)

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|---|---|
| 1. Any expenditure not directly related to the program  | 10. Entertainment   |
| 2. Badges and personal items necessary for any job-related duties, i.e., side arms, identification badges, etc. | 11. Food and beverages with the exception of travel                       |
| 3. Bar charges/alcoholic beverages  | 12. Expense of organized fund-raising                                     |
| 4. Bonuses, commissions, gifts and incentives   | 13. Fines and penalties   |
| 5. Business cards   | 14. Membership Dues and Fees  |
| 6. Car wash   | 15. Land/building acquisitions  |
| 7. Construction   | 16. Late charges  |
| 8. Conference rooms   | 17. Lobbying, political contributions, and legislative liaison activities |
| 9. Costs incurred before the project start date or after the expiration of the project period                   | 18. Military type equipment   |
|   | 19. Newspaper subscriptions   |
|   | 20. Promotional Items   |

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|-----|------------------------|---------------------------|
| 21. | Rental cars            | appropriated for the      |
| 22. | State and local sales  | same purpose.             |
|     | taxes                  | 25. Tips                  |
| 23. | Sporting events        | 26. International Travel  |
| 24. | Supplanting: grants    | 27. Honoraria             |
|     | funds must not be used | 28. Corporate Formation   |
|     | to supplement existing | 29. Compensation for      |
|     | funds for program      | federal employees         |
|     | activities in order to | 30. Home office workspace |
|     | replace those funds    | and related utilities     |
|     | which have been        | 31. Passport charges      |

## 10.0 PURCHASING

- 10.1 All purchases must follow the Douglas County Procurement and Purchasing Policy and Grants Policy and the Office of Management and Budget (OMB) Uniform Guidance.

## 11.0 ADJUSTMENT TO AWARDS

- 11.1 Any project change request is required in writing to request budgetary and/or programmatic changes and/or corrections to an approved award. These changes/corrections include:
1. Completion changes
  2. Personnel changes
  3. Budget and category revisions
  4. Minor scope of work revisions
- 11.2 A project change request must include a justification of the requested change, along with any backup documentation necessary to support the requested revision. The County will consider the request and, if approved, return the signed approved project change request. Only upon receipt of the approved project change request may the recipient implement the requested revisions.

## 12.0 CLOSE OUT:

- 12.1 After awards are distributed, each recipient will be required to provide a written report within 60 days of the project or program completion that includes qualitative and quantitative information that shows how the grant funding was utilized.
- 12.2 Recipients must submit reports and documentation to the granting agency to include:
- 12.2.1 All financial claims;
    - 12.2.1.1 All progress reports;



- 12.2.1.2 An inventory list and intention memorandum of future use for equipment/property;
- 12.2.1.3 Any other requested documents related to the Community Grant Program funding.
- 12.2.2 The close of the grant will occur when:
  - 12.2.2.1 All costs to be paid for with grant funds have been incurred;
  - 12.2.2.2 All responsibilities of the Grantee under the agreement have been completed;
  - 12.2.2.3 All financial and progress reports have been turned in;
  - 12.2.2.4 All requests have been fulfilled.
- 12.3 Once all obligations have been met, the County will send a letter of completion to the agency.

### 13.0 RETENTION OF RECORDS

- 13.1 The County will retain all award records for three (3) years after the end of the grant period. For a three-year example, if the funds ended June 30, 2018 the files need to be retained until June 30, 2021.
- 13.2 The retention period starts from the date of notification by the County that the grant is closed out.

### 14.0 FORMS

- 14.1 Application
- 14.2 Assurances
- 14.3 Financial Claim
- 14.4 Grant Agreement
- 14.5 Grant Report
- 14.6 Notice of Award
- 14.7 Project Change Request

### 15.0 RESPONSIBILITY FOR REVIEW OF PROCEDURES:

The Board of County Commissioners, the Finance Department representative, and the Social Services representative will review this procedure as needed or at least every 4 years and will confer on lessons learned at the conclusion of each community grant cycle.