

NORTH SHORE FIRE DEPARTMENT	
STANDARD OPERATING PROCEDURES	SECTION: 200 S.O.P.# 248
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SUBJECT: GRANT MANAGEMENT GUIDELINES	
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2 **PURPOSE**

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4 The purpose of these Grant Management Guidelines is to develop, implement and maintain
5 meaningful grant oversight and coordination for the North Shore Fire Department, thereby
6 increasing grant-related revenue, ensuring grant compliance, and improving the efficiency and
7 impact of programs and services funded through grants. These guidelines create an internal
8 system of application, approval, accounting, financial administration and reporting of grants for
9 use by department heads. These guidelines may be changed as required by applicable law and
10 regulations in a timely fashion by staff.

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12 **SCOPE**

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14 This procedure applies to all members.

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16 **PROCEDURES**

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18 1. Coordination Applications Procedure

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20 a. The Finance Department will maintain a master list of grants, both awarded and

21 pending. This list is to be made available upon request.

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23 b. Grant coordinators and department heads will confirm whether multiple

24 applications are allowed during the same funding cycle.

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26 c. Grant coordinators will establish a notification process in which all grant

27 applications are reported to the Finance Director prior to submission.

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29 2. Grants Management Tracking List

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31 a. The North Shore Fire Department will maintain a grant management master list of

32 all grants awarded and entered into the accounting system. The Department will

33 also maintain a list of pending grant applications. The purpose of these lists is to

34 improve coordination, enhance oversight, and provide a snapshot of the current

35 Department wide grant management needs. This responsibility lies with the

36 Finance Director and the grant coordinators.

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33 **GRANT REQUIREMENTS AND COMPLIANCE**

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35 1. Financial Management

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37 a. Advances.

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- i. If the Department received advances from the federal agency, the Department will maintain or demonstrate the willingness to have both

- 39 written procedures that minimize the time elapsing between the transfer of
40 funds and disbursement by the Department and financial management
41 systems that meet the standards for fund control and accountability.
42 Advance payments of federal funds must be deposited and maintained in
43 insured accounts when possible.
- 44 ii. If the Department received advance payments, these payments must be
45 kept in an interest-bearing account. If the Department receives more than
46 \$120,000 per year or earns over \$5000 in interest, the Department will
47 have procedures in place to monitor and remit the interest earned on
48 federal funds residing in interest bearing accounts on an annual basis. [2
49 CFR 200.305 (b)(8), 44 CFR13.20-21]
- 50 b. Expenditure Controls.
- 51 i. The Department has in place expenditure controls to ensure the grant
52 funds are expended on allowable items and are cost reasonable.
- 53 c. Costs.
- 54 i. The Department shall spend federal grant funds in accordance with the
55 terms and conditions of the grant award. Therefore, prior to incurring
56 expenses, Department employees must be aware of what costs are eligible
57 and what expenses are ineligible under the grant. This section offers
58 information regarding grant costs. [2CFR 200.302, 44 CFR 13.20-22]
- 59 ii. Allowable and Unallowable Costs Allowable costs are those costs that fit
60 the definition for authorized expenditures as stated in the applicable cost
61 principles.
- 62 iii. Allocable A cost is “allocable” to a federal award if it is treated
63 consistently with other costs incurred for the same purpose and in like
64 circumstances. The Department shall use cost reasonableness practices to
65 ensure that costs are consistent.
- 66 iv. Reasonable and Necessary Costs that the Department incurs with grant
67 funds will be specifically for the award, benefit the award and be
68 necessary to the overall operation of the Department.
- 69 v. Consistent Cost Treatment Costs incurred for the same purpose and in like
70 circumstances must all be treated the same. For example, an equipment
71 cost cannot be treated as a direct cost in one instance and an indirect cost
72 in another instance if it was incurred for the same reason and
73 circumstances in both instances.
- 74 d. Cost Share or Match
- 75 i. Cost share that the Department uses must meet the following criteria:
- 76 Verifiable
77 Not from other federal agency unless authorized and not included
78 in another federal grant
79 Are necessary and reasonable to meet project objectives
80 Allowable as grant costs
81 Conform with other provisions of the grant award
82 [2 CFR 200.306, 2 CFR 200.434]
- 83 e. Financial Management Systems
- 84 i. The Department shall have in place financial management systems,

85 including records documenting compliance with Federal regulations, and
86 terms and conditions of the federal award. The systems are sufficient for
87 required reporting and for tracing funds to a level of expenditures
88 adequate to establish that such funds have been used according to the grant
89 terms and conditions and federal regulations. [2 CFR 200.302(a)]

90 f. Audits

91 i. During fiscal years in which the Department expends at least \$750,000 in
92 federal funds, the Department will participate in a compliance audit
93 known as the Single Audit. This will be conducted by an independent
94 auditor and will audit the Department compliance with federal grant
95 requirements and the management of expenses and revenues from the
96 federal grants. [2 CFR 200.500, 44 CFR 13.26]

97 g. Budgets

98 i. The Department uses Caselle, a robust governmental accounting system,
99 to track and reconcile the budget. Expenditures on grant-funded projects
100 will align with the grant budget included in the award to the Department.

101 ii. The Department's budget process is open for Department employees to be
102 involved as well as citizens. The Finance Director is responsible for
103 outlining the budget process working with the Department Board,
104 Administrator and Department heads.

105 h. Payment Methods Payment methods must minimize the time elapsing between the
106 transfer of funds from the United States Treasury or the state and the
107 disbursement by the Department whether the payment is made by electronic funds
108 transfer, or issuance or redemption of checks, warrants, or payment by other
109 means. [2 CFR 200.305(b), 44 CFR 13.20(b)(7)]

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111 **GRANT ADMINISTRATION AND OVERSIGHT REQUIREMENTS**

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113 1. The Department acknowledges its responsibility for oversight of the operations of State
114 and Federal grants. The Department monitors grant activities through a variety of means
115 to assure compliance with applicable Federal requirements and to ensure that
116 performance expectations are achieved.
- 117 2. The Department fully participates in the reporting, auditing and monitoring requirements
118 for each grant. Oversight includes frequent references to the grant agreement and vendor
119 contracts to ensure work is being completed as agreed in the contract; comparing actual
120 accomplishments to the project objectives; meeting contract provisions; reviewing
121 invoices as compared to proposed work; and submitting reimbursement requests which
122 are carefully reviewed by the granting source. [2CFR 200.328]
- 123 3. Internal Controls
- 124 a. The Department shall establish and maintain effective internal control over the
125 federal award that provides reasonable assurance that the Department is managing
126 the federal award in compliance with statutes, regulations, and the terms and
127 conditions of the award.
- 128 4. Lobbying Restrictions
- 129 a. The Department prohibits using federal funds to influence federal employees or
130 members of Congress and their staff. If the Department engages in lobbying

- 131 activities, it must submit a form SF-LLL, Disclosure of Lobbying Activities, with
132 the grant application. [2 CFR 200.450]
- 133 5. Personally Identifiable Information
- 134 a. The Department will take reasonable measures to safeguard protected personally
135 identifiable information and other information the federal awarding agency or
136 state designates as sensitive or the Department considers sensitive information
137 consistent with applicable federal, state and local laws regarding privacy and
138 obligations of confidentiality. [2 CFR 200.303]
- 139 6. Equipment Management
- 140 a. The Department has procedures for managing equipment (including replacement
141 equipment), whether acquired in whole or in part under a federal award, until
142 disposition takes place. The Department will, at a minimum, meet the following
143 requirements:
- 144 i. Property records must be maintained that include a description of the
145 property, a serial number or other identification number, the source of
146 funding for the property (including the FAIN), who holds title, the
147 acquisition date, and cost of the property, percentage of federal
148 participation in the project costs for the federal award under which the
149 property was acquired, the location, use and condition of the property, and
150 any ultimate disposition data including the date of disposal and sale price
151 of the property.
- 152 ii. A physical inventory of the property must be taken and the results
153 reconciled with the property records at least once every two years.
- 154 iii. A control system must be developed to ensure adequate safeguards to
155 prevent loss, damage, or theft of the property. Any loss, damage, or theft
156 must be investigated.
- 157 iv. Adequate maintenance procedures must be developed to keep the property
158 in good condition.
- 159 v. If the Department is authorized or required to sell the property, proper
160 sales procedures must be established to ensure the highest possible return.
161 [2 CFR 200.313(d), 44 CFR 13.32]
- 162 7. Inventory Management
- 163 a. Title to federally-owned property remains vested in the federal government. The
164 Department must submit annually an inventory listing of federally-owned
165 property (if any is in its custody) to the federal awarding agency. Upon
166 completion of the federal award or when the property is no longer needed, the
167 Department must report the existence of the property to the federal awarding
168 agency for further federal agency utilization. [2 CFR 200.312]
- 169 b. Title to supplies will vest in the Department upon acquisition of supplies. If there
170 is a residual inventory of unused supplies exceeding \$5,000 in total aggregate
171 value upon termination or completion of the project or program and the supplies
172 are not needed for any other federal award, the Department must retain the
173 supplies for use on other activities or sell them, but must, in either case,
174 compensate the federal government for its share. As long as the federal
175 government retains an interest in the supplies, the Department must not use
176 supplies acquired under a federal award to provide services to other organizations

- 177 for a fee that is less than private companies charge for equivalent services, unless
178 specifically authorized by federal statute.
- 179 c. Costs incurred for materials, supplies, and fabricated parts necessary to carry out a
180 federal award are allowed. Purchased materials and supplies must be charged at
181 their actual prices, net of applicable credits. Withdrawals from inventory should
182 be charged at their actual net cost under any recognized method of pricing
183 inventory withdrawals, consistently applied. Incoming transportation charges are
184 a proper part of materials and supplies costs.
- 185 d. Materials and supplies used for the performance of a federal award may be
186 charged as direct costs. In the specific case of computing devices, charging as
187 direct costs is allowable for devices that are essential and allocable, but not solely
188 dedicated, to the performance of a federal award. Where federally-donated or
189 furnished materials are used in performing the federal award, such materials will
190 be used without charge. [2 CFR 200.314, 200.453]
- 191 8. Sub-recipient and Contractor Determinations
- 192 a. The Department may concurrently receive federal awards as a recipient, a sub-
193 recipient, and a contractor, depending on the substance of its agreements with
194 federal awarding agencies and pass-through entities. As a pass-through entity, the
195 Department must make case-by-case determinations whether each agreement it
196 makes for the disbursement of federal program funds casts the party receiving the
197 funds in the role of a sub-recipient or a contractor. The federal awarding agency
198 may supply and require recipients to comply with additional guidance to support
199 these determinations provided such guidance does not conflict with this section.
200 [2 CFR 200.330-332, 44 CFR 13.37]
- 201 9. Procurement and Contracts
- 202 a. 2 CFR 200.319 and Appendix II, 44 CFR 13.236 – see Grant Purchases and
203 Contract Management Sections.
- 204 10. Nondiscrimination
- 205 a. Section 504 of the Rehabilitation Act of 1973 prohibits discrimination of people
206 with disabilities. The Department, as a recipient of federal funds adopts a policy
207 of nondiscrimination on the basis of disability. The Department's programs and
208 activities shall be accessible to, and usable by, qualified persons with disabilities,
209 in accordance with Section 504 and the Americans with Disabilities Act (ADA).
210 The Department conducted a Section 504 Self-Evaluation and drafted a transition
211 plan and that is reviewed annually. Citizens requiring assistance may contact the
212 Department.
- 213 b. Intellectual Property The Department may copyright any work under a grant
214 award. The federal awarding agency retains a royaltyfree, nonexclusive and
215 irrevocable right to reproduce, publish or otherwise use the work for federal
216 purposes and to authorize others to do so.

USE AND RECEIPT OF GRANT FUNDS

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- 220 1. The purpose of this section is to ensure that grant funds are properly used and received by
221 the North Shore Fire Department. Violations can result in a range of penalties, including
222 suspension of future funds from the grantor, return of funds associated with the award,

- 223 including those already expended, and civil and/or criminal penalties.
- 224 2. All departments receiving grant funds must comply with all applicable Department
- 225 policies and state and federal laws and regulations. Grant funds will not be disbursed
- 226 until the Department receives a fully executed grant agreement and the Board of
- 227 Directors has approved the award, if appropriate. Pre-award expenditures are often
- 228 allowed during emergencies and other circumstances. Grant coordinators and department
- 229 directors should be knowledgeable about pre-award allowances.
- 230 3. Grant funds awarded to the Department shall not be used to supplant an existing expense
- 231 so that current funds can be diverted to another use, unless such use of grant funds is
- 232 explicitly identified as allowable in writing by the granting entity in the grant award.
- 233 4. All procurement activity associated with grant-funded projects shall follow the
- 234 procedures outlined in the Department Purchasing Policy and Procedures and shall
- 235 adhere to grant requirements.
- 236 5. Cost share or matching funds will be accounted for in the budget and coded accordingly.
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238 **PAYMENT/ REIMBURSEMENT REQUEST PROCESS**

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- 240 1. Federal grants must be tracked separately for audit purposes. If the Department expends
- 241 at least \$750,000 in federal funds in a calendar year, it is subject to a single audit. For
- 242 more information, see OMB Uniform Administrative Requirements, Cost Principles, and
- 243 Audit Requirements for Federal Awards; Final Rule (12-26-2014).
- 244 2. Grant funds will be paid differently depending on the granting organization. Some
- 245 foundations will pay in a lump sum at the time of the award, though most government
- 246 grants use a reimbursement payment system. In this case, the Department is responsible
- 247 for paying expenses, then requesting reimbursement. There will be a delay in
- 248 reimbursement, so the Department must be in a position to expend funds and wait for
- 249 reimbursement.
- 250 3. Reimbursement documentation will vary depending on the grant. Know the requirements
- 251 by carefully reviewing the grant award contract/agreement. This section provides
- 252 information on what may be required for government grants, which are generally more
- 253 stringent.
- 254 4. PROCESS INVOICES
- 255 a. Department employees must follow the current internal control system for
- 256 processing and approving invoices:
- 257 i. Invoices must be sufficiently detailed, including the responsible
- 258 party, contractor identification, description of the expense
- 259 including date of purchase or service, location, price and fees
- 260 ii. Prior to payment, invoices must be approved by the department
- 261 incurring the expenses
- 262 iii. Signature or initials of the department head shall serve as approval,
- 263 unless the invoice is for \$5,000 or more in which case the Fire
- 264 Chief must also sign to approve the expense
- 265 iv. Invoices should be coded with appropriate grant expense codes
- 266 v. Approved invoices are routed to Accounts Payable for payment
- 267 vi. Original approved invoices will be filed in the Accounts Payable
- 268 files, while a copy of the invoice and the corresponding check stub,

269 or proof of payment, will be filed in the grant file

270 5. ACCOUNTS PAYABLE

- 271 a. Invoices are entered into the Department's accounting system. Each invoice is
272 properly coded identifying the expense, project and grant. A check register is
273 reported to the Board of Directors at regularly scheduled BOD meetings. Internal
274 control is conducted through monthly financial reports.
- 275 b. In order for the Department to request reimbursement for expenses on grants, the
276 following documentation is generally required. Again, grants may differ;
277 therefore, reimbursement requirements for the specific grant must be known and
278 adhered to for successful payment.
- 279 c. CONTRACTS Approved and signed invoices; signed contract; change orders or
280 amendments; all procurement documentation quotes, bids, tabulation, selection
281 process, advertisement, proposals or bids; cost reasonableness documentation as
282 indicated; proof of payment
- 283 d. MATERIALS Approved invoices for inventory process, listing and daily work
284 sheets; bid tabulations or quotes; signed contracts, change orders or amendments;
285 procurement process documentation (advertisement, proposals or price quotes);
286 cost reasonableness documentation as indicated; proof of payment
- 287 e. RENTAL EQUIPMENT Approved invoices; bid tabulations or quotes; signed
288 contracts, change orders or amendments; procurement process (advertisement,
289 proposals or price quotes); cost reasonableness documentation as indicated; proof
290 of payment
- 291 f. FORCE ACCOUNT LABOR AND EQUIPMENT Hourly rates, fringe benefit
292 policy, overtime policy, timesheets, payroll records; schedule of equipment rates,
293 operator hours of each equipment claimed for reimbursement; salvage value
- 294 g. Exceptions to this documentation might arise in an emergency (refer to the
295 Department's procurement policy and procedure), however, every effort must be
296 attempted to uphold the procurement policy.
- 297 h. Required documentation will allow accounting and grant coordinators to submit
298 requests for reimbursement (RfRs). Each grant will have its own process. The
299 Department will strictly adhere to each grant's process for requesting payment or
300 reimbursement using the granting agency forms and/or online systems, and time
301 frames. For example, FEMA reimbursements are processed through the State
302 Department of Homeland Security & Emergency Management and their online
303 portal, EMGrants. Refer to user guidelines.