

<b>NORTH SHORE FIRE DEPARTMENT</b>	
<b>STANDARD OPERATING PROCEDURES</b>	<b>SECTION: 200      S.O.P.# 248</b>
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<b>SUBJECT: GRANT MANAGEMENT GUIDELINES</b>	
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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.

25

26 c. Grant coordinators will report all grant applications to the Finance Director prior

27 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)]

110  
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 b. Intellectual Property. The Department may copyright any work under a grant  
211 award. The federal awarding agency retains a royalty free, nonexclusive and  
212 irrevocable right to reproduce, publish or otherwise use the work for federal  
213 purposes and to authorize others to do so.

## 214 **USE AND RECEIPT OF GRANT FUNDS**

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- 217 1. The purpose of this section is to ensure that grant funds are properly used and received by  
218 the North Shore Fire Department. Violations can result in a range of penalties, including  
219 suspension of future funds from the grantor, return of funds associated with the award,  
220 including those already expended, and civil and/or criminal penalties.
- 221 2. All departments receiving grant funds must comply with all applicable Department  
222 policies and state and federal laws and regulations. Grant funds will not be disbursed

223 until the Department receives a fully executed grant agreement and the Board of  
224 Directors has approved the award, if appropriate. Pre-award expenditures are often  
225 allowed during emergencies and other circumstances. Grant coordinators and department  
226 directors should be knowledgeable about pre-award allowances.

- 227 3. Grant funds awarded to the Department shall not be used to supplant an existing expense  
228 so that current funds can be diverted to another use, unless such use of grant funds is  
229 explicitly identified as allowable in writing by the granting entity in the grant award.
- 230 4. All procurement activity associated with grant-funded projects shall follow the  
231 procedures outlined in the Department Purchasing Policy and Procedures and shall  
232 adhere to grant requirements.
- 233 5. Cost share or matching funds will be accounted for in the budget and coded accordingly.  
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### 235 **PAYMENT/ REIMBURSEMENT REQUEST PROCESS**

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- 237 1. Federal grants must be tracked separately for audit purposes. If the Department expends  
238 at least \$750,000 in federal funds in a calendar year, it is subject to a single audit. For  
239 more information, see OMB Uniform Administrative Requirements, Cost Principles, and  
240 Audit Requirements for Federal Awards; Final Rule (12-26-2014).
- 241 2. Grant funds will be paid differently depending on the granting organization. Some  
242 foundations will pay in a lump sum at the time of the award, though most government  
243 grants use a reimbursement payment system. In this case, the Department is responsible  
244 for paying expenses, then requesting reimbursement. There will be a delay in  
245 reimbursement, so the Department must be in a position to expend funds and wait for  
246 reimbursement.
- 247 3. Reimbursement documentation will vary depending on the grant. Know the requirements  
248 by carefully reviewing the grant award contract/agreement. This section provides  
249 information on what may be required for government grants, which are generally more  
250 stringent.

#### 251 4. PROCESS INVOICES

- 252 a. Department employees must follow the current internal control system for  
253 processing and approving invoices:
  - 254 i. Invoices must be sufficiently detailed, including the responsible  
255 party, contractor identification, description of the expense  
256 including date of purchase or service, location, price and fees
  - 257 ii. Prior to payment, invoices must be approved by the department  
258 head overseeing the expenses
  - 259 iii. Signature or approvals of the department head in the Department's  
260 AP system MiViewPoint shall serve as approval, unless the invoice  
261 is for \$5,000 or more in which case the Fire Chief must also  
262 approve the expense
  - 263 iv. Invoices should be coded with appropriate grant expense codes
  - 264 v. Invoices are routed in the Accounts Payable system to obtain the  
265 appropriate approvals then move on for payment
  - 266 vi. Scanned images of all approved invoices will be filed in the  
267 Accounts Payable system, a copy of the corresponding check stub,  
268 or proof of payment, will be filed in the Accounts Payable system

269 and 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.