

GRANT MANAGEMENT POLICY TOWN OF WATERBURY

Section 1: Title, Authority, and Purpose

This policy shall be known as the “Town of Waterbury Grant Management Policy.” It has been adopted by the Town of Waterbury Select Board pursuant to 24 VSA § 872.

The purpose of this policy is to establish guidelines for the management of all federal, state and non-profit grant funding received by the Town of Waterbury and to ensure that the funds are applied for, received and accounted for, and equipment that is federally funded is safeguarded in compliance with applicable federal and state laws and guidance and in accordance with all grantor provisions. For all sections of this policy, the Town shall refer to and follow the relevant provisions of Title 2, Part 200 of the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (“Uniform Grant Guidance”) in the application and administration of all federal and pass-through grants.

Section 2: Scope

This policy is applicable to any Town of Waterbury program or department preparing and submitting grant applications to federal, state, non-profit or other organizations agencies for funds, materials, or equipment to be received and administered by the Town of Waterbury. The goals and objectives of the Town of Waterbury departments for federally funded programs should be established early in the planning process and should not change based on changes in the availability of different funding sources sought and received. If grant polices and regulations conflict with regulations and policies of the Town of Waterbury, the federal and state regulations will prevail unless they are less restrictive than Town’s policies-where Town policy prevails. No grant will be accepted that will incur management reporting costs greater than the grant amount unless such excess costs are due to a local match that is part of the grant funding agreement. Such costs include, but are not limited to, indirect costs, overhead and any other items needed to administer the grant. Any unapproved submittal by any Town program or department in violation of these grant procedures shall not bind the Town of Waterbury.

Section 3: Administrative Authority

The Municipal Manager authorizes the Finance Department to develop and maintain any procedures that minimize the Town of Waterbury's risk for non-compliance with grant requirements and for providing support to requesting agencies. The Finance Department will maintain a complete back-up file of all grants in order to facilitate management reporting and overall monitoring. The required central grant file will be maintained by the department seeking grant funds and must be retained in accordance with the State of Vermont retention standards. See the link below for specific requirements and further details on record retention:

https://sos.vermont.gov/media/p2sgfyhj/municipalclerks_approvedrecordschedule_revised2017.pdf

For Federal Grants (direct and pass-through), the department should ensure compliance with the Federal Office of Management and Budget (OMB) general requirements (as outlined in Uniform Guidance) and any other state and/or federal requirements specified in the grant conditions. The Finance Department will review expenditures for obvious non-compliance and will act as liaison with independent auditors. All Town programs or departments shall submit any/all grant information required by the Finance Department to carry out its oversight responsibilities.

All grant applications that exceed \$3,000 must be authorized by the Municipal Manager and the Select Board. Those applications between \$750 and \$3,000 may be authorized by a Department Head provided they have been budgeted and already approved by the Municipal Manager. Grant applications under \$750 may be authorized by a Department Head. If the grant requires a local match or any other obligation for the Town that will impact future budgets, the application must be authorized by the Municipal Manager and the Select Board.

Section 4: Grant Application

Town staff are required to follow the grantors' determined application processes. The grant executor, the Town Department Head seeking and monitoring the grant, is responsible for compiling the grant application and the Finance department provides certain information that is required to go along with the proposal. If a local funding match is required, it must be discussed with the Municipal Manager before submitting the application. The Finance department must be notified upon submission of a grant application and receive a copy of the application and all supporting documents. The Municipal Manager is authorized to execute all grant applications subsequent to approval by the Select Board.

Grant programs should be integrated into the budget process whenever possible.

Section 5: Grant Award

The grant award letter/acceptance agreement (notification received detailing the amount of the grant awarded, grant assurances and special conditions, and the guidelines that must be followed to comply with the grant requirements) will be forwarded to the Finance Department to review the grant award for reporting requirements, special conditions, and deadlines related to administering the grant. The Finance Department must be notified of any changes in the grant or its provision and should receive copies of all correspondence pertaining to such changes.

If the grant is incorporated into the adopted Town of Waterbury budget and appropriated, then no additional Select Board approval is required and the appropriate fund or funds may be set up by the Finance Department. If the grant is not incorporated into the adopted Town of Waterbury budget and funds are not appropriated, the Select Board must accept the award and approve the budget for the grant.

Training opportunities provided by federal or state agencies should be encouraged and utilized whenever possible to ensure proper compliance with grant guidelines. Funds should be budgeted for training within the grant program budgets.

A contingency plan should be developed for funding services that will be continued if grant funding for such services is terminated.

Section 6: Financial Systems and Controls

The Town's financial management system shall be designed to comply with GASB standards and Uniform Guidance rules with strong internal controls, a high level of transparency and accountability, and documented procedures to ensure that all financial management system requirements are met. This includes:

1. Identification – All federal awards received and expended and the federal programs under which they were received.
2. Financial Reporting – Accurate, current, and complete disclosure of the financial results of each federal award or program must be made in accordance with the financial reporting requirements of granting agency. Internal records should be reconciled with federal and state reporting on a regular basis and at the close-out of the grant.
3. Accounting Records – The Town must maintain records which adequately identify the source and application of funds provided for federally-assisted activities. The chart of accounts should segregate grant funds by either fund type or program type in such a way that complies with GASB standards and allows for matching of sources of funds with uses.
4. Internal Controls – Effective control and accountability must be maintained for all funds, real and personal property and other assets. The Town must adequately safeguard all such property and must assure that it is used solely for authorized purposes. The capital assets schedule must identify federally funded property.
5. Budget Control – Actual expenditures or outlays must be compared with budgeted amounts for each federal award. Procedures shall be developed to establish determination for allowability and allocation of costs for federal funds and for the allocation of indirect costs if applicable.
6. Cash Management – The Town shall maintain written procedures to implement the cash management requirements found in 2 CFR Part 200, including payment requirements found in 2 CFR 200.305.

Section 7: Grant Cash Management

The Town may receive federal grant payments from the State of Vermont (known as a “pass-through”) or directly from the federal granting agency on a reimbursement basis or in some circumstances, the Town may receive an advance of federal grant funds. The Town may also receive non-federal grant funding from the state or some other source either on a reimbursement basis or by an advance. This policy addresses responsibilities of the Town and program staff under those payment methods. In every case, the Town shall maintain accounting methods and internal controls and procedures that assure those responsibilities are met.

Reimbursements. The Town will initially charge federal grant expenditures to nonfederal funds. In practice this will mean that the grant costs will exceed funding source in the fund or program until reimbursement is received. The Department Head responsible for oversight of the grant will request reimbursement by sending an invoice to the Finance Department. The Finance Department will request reimbursement for actual expenditures by filing the appropriate paperwork with the grantor agency as required by the grant contract. This should be done as expeditiously as possible. All reimbursements shall be based on actual disbursements, not on obligations. Department Heads will process reimbursement requests within the timeframes required by the grant agreement for disbursement. Consistent with state and federal requirements, the Town will maintain source documentation supporting the federal expenditures (invoices, time sheets, payroll stubs, etc.) and will make such documentation available for review upon request. Reimbursements of actual expenditures do not involve interest calculations.

Advances. When the Town receives advance payments of federal grant funds, it must minimize the time elapsing between the transfer of funds to the Town and the expenditure of those funds on allowable costs of the applicable federal program. The timing and amount of the advance payments must be as close as is administratively feasible to the actual disbursement of those funds. When applicable, the Town shall use existing resources available within a program before requesting advances. Such resources may include program income (including repayments to a revolving fund), rebates, refunds, contract settlements, audit recoveries, and interest earned on such funds. The Town shall hold federal advance payments in insured, interest-bearing accounts unless otherwise specified by the agency grant provisions. The Town shall not retain any interest earned on federal grant cash balances unless allowed to do so by specific grant provisions. Any interest earned on federal grant funds will be remitted annually to the federal awarding agency. Remittance of interest shall be responsibility of the Finance Department. Copies of the advance request form along with supporting documentation should be submitted to the Finance Department and the Finance Department shall submit the appropriate request form to the grantor agency.

Section 8: Grant Monitoring and Reporting

Department Heads must monitor grants for compliance with all applicable federal, state, and local regulations and ensure that grant expenditures are compliant with grant procurement policies and procedures (see Town of Waterbury Purchasing Policy). Federal grants must meet requirements set out in the Uniform Grant Guidance. Line-item expenditures generally may not exceed 10% over budget and total expenditures may not exceed total budget. (See Title 2, Part 200.308 of the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards).

Department Heads handling grant reporting are responsible for complying with all reporting requirements of the grant including financial reporting and reimbursement requests by the due dates. All reimbursement and advance requests should be forwarded to the Finance Department for review and submittal to the appropriate grantor agency and all program reporting submitted directly to the grantor agency should be copied to the Finance Department.

Section 9: Time and Effort Reporting

When the grant award includes amounts to reimburse the Town for employee compensation and/or fringe benefits, the Department Head shall ensure compliance with Title 2 CFR 200.430 Compensation – personal services and Title 2 CFR 200.341 – Compensation – fringe benefits. This requires all Town employees paid with federal funds to document the time they spend in work performed in support of each federal program.

Time and effort reporting requirements do not apply to contracted individuals. Town employees shall be reimbursed for travel costs incurred while performing services related to official business as a federal grant recipient in accordance with the Town of Waterbury Travel, Training and Relocation Cost Policy. The Town shall follow approved and appropriate employee procedures on hiring, benefits and leave and outside activities.

Section 10: Indirect Costs

Grant applicants may request indirect costs if the application guidelines do not require a federally approved indirect cost rate and indirect cost are allowed in the grant. Department Heads should contact the Finance Department for assistance with identifying and calculating indirect costs for inclusion in grant applications. Federal funds may be used to offset costs in overseeing the grant including staff time, external auditor expenditures, etc., in accordance with the provisions of Title 2, Part 200.411 through Part 200.416 of the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards). See also Title 2, Part 200.306, Part 200.405, and Part 200.407.

Section 11: Standards of Conduct

The Town shall maintain standards of conduct covering conflicts of interest and the actions of employees and governing officials engaged in the selection, award and administration of contracts. All employees shall be informed of conduct that is required for federal fiscal compliance and the disciplinary actions that may result from violation of the Town of Waterbury Conflict of Interest Policy as well as the Town of Waterbury Personnel Handbook.

Section 12: Recordkeeping

The Town shall maintain a Records Management Plan following the Vermont Secretary of State's Records Retention Schedule for Municipalities for the retention, retrieval and disposition of manual and electronic records, including emails. This schedule may be accessed at:

https://sos.vermont.gov/media/p2sgfyhj/municipalclerks_approvedrecordschedule_revised2017.pdf

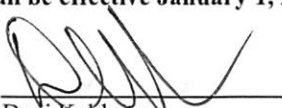
The Town shall ensure the proper maintenance of federal fiscal records documenting the following:

1. Amount of federal funds.
2. How funds are used.
3. Total cost of each project.
4. Share of total cost of each project provided from other sources.
5. Other records to facilitate an effective audit.
6. Other records to show compliance with federal program requirements.
7. Significant project experiences and results.

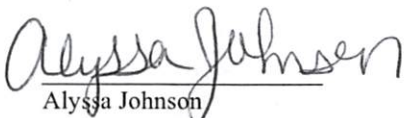
Records retention practice should follow best practice guidelines included in the Town of Waterbury Control Guidance document. Records retention guidance for federally funded projects shall be followed as outlined in the provisions of Title 2, Part 200.333 through 200.337 of the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards ("Uniform Grant Guidance").

The foregoing Policy is hereby adopted by the Select Board of the Town of Waterbury this 19th day of December, 2022 and shall be effective January 1, 2023 until amended or repealed.


Michael Bard, Chair


Dani Kehlmann


Roger Clapp


Alyssa Johnson


Christopher Viens