

# POLK COUNTY

## Financial Policies and Procedures for Federal Grant Contracts

### **Designation of County depository.**

The First State Bank is hereby appointed the depository of the funds of the County on the terms and conditions set forth in the bank depository agreement which is on file in the County Auditor's office.

The Polk County Treasurer, Terri Williams, is hereby authorized to execute, on behalf of the County, such bank depository agreement and to execute such other instruments as shall be necessary in order for the bank to receive and handle funds for the County in accordance with the contract.

### **Receipt of funds.**

Upon receipt of funds from the Comptroller via warrant, First State Bank shall stamp "For Deposit only" and deposit into the appropriate grant account at the designated depository.

### **Disbursement of funds.**

Checks, vouchers or warrants for the withdrawal of such sums of money as authorized by applicable statutes or ordinance from the County depository shall contain two signatures as designated by resolution and authorized signatory forms.

### **Accounting control of purchases and invoices related to grants.**

Upon receipt, invoices shall be submitted to County Auditor for approval, to include verification of work/quantities completed and review to ensure no duplication of work exists. Once approved, invoices will be provided to the grant administrator for the project for processing and submittal to appropriate agency (if applicable) and County's Auditor for issuance of checks consistent with existing financial policies. The County Auditor will then mail to the appropriate vendor in accordance with the terms of the contract and in accordance with program requirements.

All purchases made shall be pursuant to written authorization from the head of the office, department or agency whose appropriation will be charged, and no contract or order shall be issued to any seller unless and until the County Auditor certifies that there is to the credit of such office, department or agency a sufficient unencumbered appropriation balance to pay for the supplies, materials, equipment or contractual services for which the contract or order is to be issued.

### **Advance Payment Requirements and Procedures.**

This section of the financial management system of Polk County, a non-Federal entity other than a state, is intended to provide written procedures to implement the requirements of 2 CRF 200.305, including establishing payment methods to minimize the time elapsing between the transfer of funds from the United State Treasury or any pass-through entity and the disbursement by the County whether the payment is made by electronic funds or transfer, or issuance or redemption of checks, warrants, or payment by other means, to meet Federal standards for fund control and accountability.

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Advance payments received by the County shall be limited to the minimum amounts needed and shall be timed to be in accordance with the actual, immediate cash requirements of the County in carrying out the purpose of the approved program or project, with the timing and amount of advance payments to be as close as is administratively feasible to the actual disbursements by the County for direct program or project costs and the proportionate share of any allowable indirect costs.

- 1) The County shall make timely payment to contractors in accordance with the contract provisions.
- 2) Whenever possible, advance payments shall be consolidated to cover anticipated cash needs for all Federal awards made by the Federal awarding agency to the County.
- 3) Advance payment mechanisms including Treasury check and electronic funds transfer shall comply with applicable guidance in 2 CFR Part 208.
- 4) The County may submit requests for advance payments and reimbursements monthly when electronic fund transfers are not used, and more often when electronic transfers are used, in accordance with the Electronic Fund Transfer Act (15 U.S.C. 1693-1693r).
- 5) When the reimbursement method is used, the County shall make payment within 30 calendar days after receipt of the billing, unless the Federal awarding agency or pass through entity reasonably believes the request to be improper.
- 6) When the cash method on a working capital advance basis is used, and advance cash payments are made to the County to cover its estimated disbursement needs for an initial period generally geared to the County's disbursing cycle, thereafter the County may receive from the Federal awarding agency or pass-through entity reimbursement for the County's actual cash disbursements.
- 7) Use of resources before requesting cash advance payments – To the extent available, the County shall disburse funds available from program income (including repayments to a revolving fund), rebates, refunds, contract settlements, audit recovered, and interest earned on such funds before requesting additional cash payments.
- 8) The County shall at all times, including during the period of performance:
  - a) Comply with the project objectives, Federal statutes, regulation, or the terms and conditions of the Federal award;
  - b) Not be delinquent in a debt to the United States as defined in OMB Guidance A-129, "Policies for Federal Credit Programs and Non-Tax Receivables," and;
  - c) Comply with Federal award conditions.
- 9) In regard to the use of banks and other institutions as depositories of advance payments under Federal awards, the County shall at all times be able to account for the receipt, obligation, and expenditure of funds, and advance payments of Federal funds shall be deposited and maintained in insured accounts whenever possible.
- 10) The County shall maintain advance payments of Federal awards in interest-bearing accounts, unless the following apply:
  - a) The County receives less than \$120,000 in Federal awards per year;

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b) The best reasonably available interest-bearing account would not be expected to earn interest in excess of \$500 per year on Federal cash balances;

c) The depository would require an average or minimum balance so high that it would not be feasible within the expected Federal and non-Federal cash resources; or

d) A foreign government of banking system prohibits or precludes interest bearing accounts.

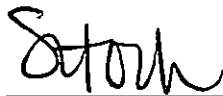
11) Interest earned up to \$500 per year may be retained by the County for administrative expense but any additional interest earned on Federal advance payments deposited in interest-bearing accounts shall be remitted annually to the awarding agency through an electronic medium using either ACH network or as otherwise prescribed by awarding agency.

  
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Sydney Murphy, County Judge

October 13, 2020

Date

ATTEST:

  
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Schelana Hock, County Clerk