

FORT BEND COUNTY

Grants Management Policy and Procedures

October 2025 | Version 1



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Section 1 – Policy Overview

Purpose

The purpose of the Fort Bend County Grants Management Policy and Procedures (“Policy” or “GMPP”) is to establish a consistent and transparent framework for the effective and efficient management of grant funds received by Fort Bend County (“County”) from Federal, State and other external sources. This policy aims to ensure compliance with all applicable grant regulations, optimize the utilization of grant resources to achieve County objectives, and promote accountability and sound fiscal stewardship throughout the grant lifecycle. By outlining clear roles, responsibilities and procedures, this policy maximizes the benefits derived from grant funding and minimizes potential risks.

Scope

This policy applies universally to all County departments and elected officials involved in the application, administration, expenditure and management of grant awards. The provisions extend to any contractors, sub-grantees, and subrecipients who perform functions associated with any County grant award or pass-through award. This policy encompasses all stages of the grant lifecycle, from initial identification of funding opportunities, project implementation, financial reporting, performance monitoring, and grant closeout.

It is the responsibility of the Fort Bend County Grants Management Team (“Grants Management Team”) to maintain an accurate and informed policy that complies with applicable Federal and State laws, statues, rules, and regulations. This policy is not an exhaustive list of requirements and serves as overarching guidance for all grant-related activities within the County. Departments should reference their internal policies and procedures in conjunction with the standard practices outlined herein and adhere to the guidance with the strictest requirements. The grant award terms and conditions take precedence over County policies and may necessitate additional procedures.

Policy Integrity

This policy has been reviewed and authorized by the Fort Bend County Commissioner’s Court. Policies and procedures must not be modified, amended, or otherwise changed in any manner without the review and formal approval of the Commissioner’s Court.

The Grants Management Team proposes amendments and revisions in accordance with changes in Federal or State laws, rules, or regulations, audit findings, operational improvements, or efforts to enhance grant management practices within the County. Any official modifications or amendments supersede previous versions of this policy; Version history and information to describe key changes can be found on the Fort Bend County internal webpage.



County Definitions

For the purpose of this policy, the County defines a **grant** as an award of financial assistance in the form of money or property by a funding source including the Federal government, State government, other local governments, non-profit agencies, private businesses, or citizens that the County has the ability to accept or reject. A grant is awarded to support a specific project, program or activity that serves a public purpose or aligns with the County's mission and objectives. Grants are not expected to be repaid provided that the recipient complies with the grant terms and conditions.

References made to **the County** throughout this policy should be generally understood as the recipient of the grant award, encompassing departments, employees, and elected officials. Any mention of an **entity** refers to external agencies and individuals who are not affiliated with the County, such as Fort Bend County residents, non-profit organizations, businesses, school districts, towns, or cities.

Uniform Guidance

This policy was written with a strong emphasis on aligning with the Code of Federal Regulations ("CFR") Title 2, Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards ("[2 CFR Part 200](#)") , established by the Office of Management and Budget ("OMB"). These principles and requirements provide a government-wide framework for Federal grants management and are commonly referred to as "Uniform Guidance." By aligning with Federal guidance, the County adheres to the highest standards of accountability, transparency, and efficiency, thereby mitigating the risk of non-compliance.

It is important to recognize that certain grant awards, such as those from states or private entities, may have their own specific terms and conditions that deviate from the Uniform Guidance. In such instances, the requirements identified by the awarding agency take precedence.

Texas Grant Management Standards

In addition to Uniform Guidance, this Policy complies with the Texas Grant Management Standards ("[TxGMS](#)"), established by the Texas Comptroller of Public Accounts. This standardized guidance promotes efficient and effective use of funds, ensuring compliance with both state and Federal regulations.

Grant Resources

The following includes additional grant resources that may be referenced for best practices, laws, rules, and regulations while administering and managing grant funds.



Federal Resources

- [Office of Management and Budget \(OMB\), 2 Code of Federal Regulations \(CFR\) Part 200, et al. – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards](#)
- [Federal Grant and Cooperative Agreement Act of 1977, as incorporated in Title 31](#)
- [§ 6304 of the US Code](#)
- [Davis-Bacon and Related Acts | U.S. Department of Labor](#)
- [www.usa.gov](#)
- [Debarred and Suspended Contractors - Federal Excluded Parties List System](#)
- [Federal Trade Commission - Protections Against Discrimination and Other Prohibited Practices](#)
- [Title VI](#)
- [Americans with Disabilities Act of 1990](#)
- [SAM.gov](#)
- [Grants.gov](#)

State Resources

- [2024 Texas Guidebook for Employers](#)
- [Texas Grant Management Standards - Statewide Procurement Division](#)
- [Texas Uniform Assurances and Standard Conditions Required](#)
- [Texas Constitution and Statutes](#)
- [Texas Grant Management Standards \(TxGMS\), Version 2.0](#)
- [Texas Nondiscrimination Plan](#)

County Resources

- [eCivis Portal | Login](#)
- [Employee E-connect Portal](#)
- [Purchasing Manual](#)
- [Employee Information Manual | Fort Bend County](#)
- [Emergency Operations Plan](#)
- [Continuity of Operations Plan](#)
- [County Judge's Office Grants Page](#)

Section 2 – Roles and Responsibilities

Clear delineation of roles and responsibilities is crucial for effective grant administration, fiscal accountability, programmatic success, and compliance with Federal, state and local regulations.



The following describes the key personnel and their responsibilities while overseeing and administrating grant-funded projects received by the County.

Commissioner's Court:

The primary governing body of Fort Bend County who is responsible for the oversight, approval, and strategic direction for all grant activities, including the following:

- Ensures ethical and transparent conduct with the establishment of the County's Grants Management Policy and Procedures.
- Acts as the Authorized Representative/Official on behalf of the County by certifying grant application submissions, accepting awards, and approving the terms and conditions with the funding agency.
- Provides overarching strategic vision for the County, ensuring grant opportunities align with the County's goals and priorities.
- Evaluates compliance with grant terms, reporting requirements and responsible use of funds.

County Judge's Office Grants Manager:

Serves as the primary point of contact and central resource for all grant-related activities across County departments. The Grants Manager facilitates communication, ensures consistency, and provides expertise while navigating local, State and Federal funding requirements. Responsibilities of the Grants Manager include the following:

- Develop, implement, and maintain the County Grants Management Policy and Procedures.
- Identify potential grant opportunities that align with County strategic priorities and departmental needs.
- Disseminate information about grant opportunities to relevant County departments.
- Evaluate Grant Information and Assessment forms to determine if the department has the capacity to properly implement and manage each grant program/project.
- Provide technical assistance and guidance to departments on grant application development, budget preparation, compliance, and reporting requirements.
- Collaborate with the County Attorney's Office to ensure compliance with all laws, rules and regulations.
- Maintain a centralized database of all grant applications, awards, and related documentation.
- Monitor overall grant performance and compliance across the County and coordinate grants management training opportunities and resources.
- Serve as a liaison between County departments and grant-making agencies when needed.
- Prepare aggregate reports on grant activity for County leadership.

County Attorney's Office:



The County Attorney's Office assists Departments with monitoring and evaluation of Federal, State, and local laws, and regulations to ensure compliance with grant requirements. Responsibilities of the County Attorney's Office include the following:

- Assist Departments with the development of internal policies, compliance frameworks, and procedures and adhering to Uniform Guidance and other applicable regulations.
- Approve all grant agreements, contracts, and sub-award agreements to ensure legal soundness and protection of the County's interests.
- Develop and deliver compliance training opportunities for employees, management, and other relevant stakeholders to uphold compliance standards and ethical conduct.
- Investigate potential violations of laws, regulations, or internal policies, and document findings and recommend appropriate responses.
- Conduct internal compliance audits and assessments to evaluate the effectiveness of existing compliance systems to mitigate risks.
- Serve as the primary point of contact and liaison between the organization and regulatory bodies when necessary(e.g., government agencies, auditors).

County Auditor's Office:

Includes the County Auditor and First Assistant County Auditor, who are responsible for the general oversight of all books and records of all County officials and departments and strictly enforce the laws governing County finances. Responsibilities of the Auditor's Office include the following:

- Ensure that the financial statements conform to generally accepted accounting principles.
- Ensure grants are carried out within budgetary and other guidelines that the awarding agency and the County have approved.
- Designate grant accountants to each grant activity who will collaborate with the department receiving the grant.
- Compile information and working with independent auditors to develop the annual Schedule of Federal Awards ("SEFA") and Schedule of State Awards ("SESA").
- Maintain adequate documentation on all financial aspects of the grant and adhere to the required retention period and closeout requirements.
- Verify that finances are managed with accuracy, efficiency, and transparency.
- Safeguard assets and sensitive information.
- Responsibilities of the three divisions of the Auditor's Department include the following:
 - Internal Audit – Responsible for auditing the various County departments to ensure that control procedures are in place, that prescribed statutes are being followed, and that receipts are properly accounted for and deposited.



- Accounting – Responsible for maintaining the integrity of the general ledger, accounting for grants and projects, preparing financial reports, maintaining fixed asset records, and various other accounting functions.
- Accounts Payable – Responsible for auditing all claims of the County submitted for payment, entering invoices, and preparing the payment process.

Budget Office

Ensures the fiscal integrity, accountability, and compliance of all grant funds received and expended by the County. Responsibilities of the Budget Department include the following:

- Responsible for the overall comprehensive planning of County operations.
- Review cash match requirements of grant budget.

Human Resources Department

Manages personnel aspects related to grant-funded positions, ensuring compliance with labor laws and grant-specific requirements. Responsibilities of the Human Resources Department include the following:

- Assist departments in developing job descriptions for grant-funded positions.
- Ensure proper classification and compensation for grant-funded employees.
- Maintain accurate personnel records for employees who are paid with grant funds.
- Advise on and ensure compliance with grant-specific requirements regarding personnel costs (e.g., effort certification, fringe benefits).
- Address any labor relations issues pertaining to grant-funded staff.

Procurement/Purchasing Department:

Ensures all procurement activities utilizing grant funds comply with federal, state, and County procurement regulations and grant-specific requirements.

- Develop and implement procurement procedures that align with OMB Uniform Guidance and specific grant requirements.
- Assist departments in preparing requests for proposals (RFPs), bids, and other procurement documents for grant-funded purchases.
- Review and approve all procurements funded by grants to ensure compliance.
- Maintain documentation of all procurement processes and vendor selections.
- Ensure proper vendor vetting and contract management for grant-funded services and goods.

Department Heads/Directors:



Oversees grant activities within their respective departments, ensuring that grant-funded programs align with departmental missions and are implemented effectively and compliantly. Responsibilities of the Department Heads/Directors include the following:

- Identify departmental needs that could be addressed through grant funding.
- Verify all employees follow timekeeping procedures and sign off each timesheet.
- Designate a Departmental Project Lead (see below) for each grant project.
- Review and approve grant applications originating from their department before submission to the Grants Management Software for review.
- Communicate with the County Attorney's Office to discuss compliance requirements.
- Ensure proper implementation of grant-funded programs in accordance with grant agreements and County policies.
- Monitor programmatic progress, performance measures, and outcomes.
- Ensure departmental staff receive appropriate training on grant requirements and procedures.
- Collaborate with the Auditor's Office to monitor departmental grant expenditures.

Departmental Project Lead/Program Manager:

Directly manages the day-to-day operations and programmatic aspects of a specific grant project within a department. The Project Lead may be a Grant Manager, Coordinator, or other designated employee. Responsibilities of the Grant Lead include the following:

- Develop grant proposals in collaboration with the County Judge's Office Grant Manager.
- Develop detailed project work plans and timelines.
- Guarantee that all programmatic activities are carried out in accordance with the grant agreement and approved work plan.
- Monitor and track project performance against established goals and objectives.
- Prepare and submit accurate and timely programmatic reports to the granting agency and internal stakeholders.
- Communicate regularly with the Grants Manager and the Auditor's Office regarding project status, challenges, and financial needs.
- Participate in site visits or audits as required by the awarding agency.
- Ensure that all funds are expended or encumbered prior to the end of the grant period of performance.

All County Employees Involved in Grant Activities:

Understand and adhere to the County's grants management policy and specific grant requirements relevant to their duties. Responsibilities may include the following:




- Familiarize themselves with the County's Grants Management Policy and Procedures.



- Accurately track time and effort spent on grant-funded activities in accordance with this policy.
- Maintain accurate records and documentation related to their grant responsibilities.
- Report any potential non-compliance or irregularities to their supervisor or the Grants Manager.
- Participate in grants management training as required.
- Act with integrity and ethical conduct in all grant-related activities.
- Collaborate with other departments to ensure compliance with all grant-related requirements and notify the Auditor’s Office of any changes to the grant award.

Grant Award Workflow Chart

The chart on the following page illustrates the workflow process for County employees navigating pre-award and post-award procedures. The chart is used as a summary of the award lifecycle, but exceptions to the process may exist and should be approached on a case-by-case basis in compliance with County policies and Federal and State laws, rules and regulations.

Pre-Award	
STEP 1: Complete County Requirements	
	Participate in Grants Management Training
	Obtain Grants Management Software license
STEP 2: Grant Opportunity Identification	
	Departments research local, state and Federal funding sources
	Align opportunities with County strategic needs and priorities
	Evaluate eligibility criteria
STEP 3: Grant Proposal Preparation	
	Determine capacity and resources for project implementation
	Complete Grant Information and Assessment form and Grant Application
	Develop project budget and scope
	Upload documentation to Grants Management Software for review
STEP 4: Internal Review and Approval	
Grants Management Team reviews proposal and grant terms and conditions	





Project uploaded to Agenda Quick for review by Commissioner’s Court

STEP 5: Application Submission



Submit application and supporting documents to the awarding agency in collaboration with the County Judge’s Office Grants Manager

Post-Award

STEP 6: Award Notification and Acceptance



Review awarding agency terms and conditions

Agreement reviewed by County Attorney’s Office

Approval by Commissioner’s Court

Execute contract or agreement signed by the County Judge

STEP 7: Grant Management



Determine project team roles and responsibilities

Initiate contract requests for goods and services funded with grant award

Execute activities and agreements as outlined in the award terms and conditions

STEP 8: Reporting and Evaluation



Monitor actual spending against budget

Maintain detailed records of all activities and expenditures

Evaluate project outcomes and performance indicators

Submit financial and performance reports to awarding agency

STEP 9: Extensions/Amendments



Approval of amendments by the Grants Management Team

Prepare amendment for Commissioner’s Court approval

STEP 10: Closeout





- Complete all project activities
- Submit all financial and programmatic reports
- Address any audit findings or closeout requirements
- Retain records for required retention period

Section 3 – Pre-Award Process

The following section describes the steps necessary for a department to identify and apply for grant funding. Failure to comply with this policy may result in the department’s disallowance from pursuing grant opportunities.

Employee Training

To ensure responsible stewardship of funds and maximize the success of grant-funded initiatives, it is ***mandatory for employees and elected officials to complete grants management training and pass a test before seeking any grant funding.***

The training and testing will be administered by the County Judge’s Office and Auditor’s Office. This mandatory training ensures that all personnel involved in grant-funded projects possess the necessary knowledge, skills, and abilities to navigate the entire grant lifecycle, from pre-award planning and application to post-award administration, reporting, and closeout.

By investing in staff training, the County builds internal capacity to manage grants more effectively and minimize the risk of noncompliance with award requirements. Employees will be able to develop realistic project plans, measurable goals, and detailed project timelines, thereby resulting in achieved outcomes. This leads to greater success in securing future funding, as funders often look for evidence of robust administrative and financial management capabilities.

Identify Grant Opportunities

Grant funding opportunities may be located through a variety of sources, including Federal and State government websites, foundation websites, industry-specific newsletters, professional organizations and associations, grant databases, and networking engagements. Guidance on how to search for grant opportunities on the County’s current granting software, **eCivis**, can be found on the County’s webpage.

When evaluating a potential grant opportunity, the department should consider the following:

- **Alignment with County and Departmental Goals:** The extent to which the grant aligns with the County's strategic plan, departmental goals, and priorities.



- **Eligibility Requirements:** The department's eligibility to apply for the grant, including any specific fiscal or programmatic requirements.
- **Funding Availability and Amount:** The amount of funding available and the likelihood of receiving an award.
- **Grant Requirements and Restrictions:** The terms and conditions of the grant, including any fund matching requirements, reporting obligations, and allowable use of funds.
- **Project Feasibility and Sustainability:** The feasibility of implementing the proposed project within the grant period and the long-term sustainability of the project, including the sustainability of the program after grant funding ceases, and any potential unfunded mandates.
- **County Resources and Capacity:** The availability of County resources (e.g., staff time, equipment, facilities) to develop the grant application and, if awarded, to manage and implement the grant.
- **Cost-Benefit Analysis:** A preliminary assessment of the potential benefits of the grant in relation to the costs of applying for and managing the grant.

Grant Application Development

Grant Guideline Review

Securing grant funding is a competitive process, and a well-crafted application is crucial. The Project Lead is responsible for reviewing and adhering to the grant requirements outlined in the award opportunity guidelines, including specific terms, conditions or assurances. This document may be referred to as a Notice of Funding Opportunity (NOFO), Notice of Funding Announcement (NOFA), Request for Application (RFA), or other similar terminology.

It should be noted that some awarding agencies stipulate that by applying for the grant opportunity, the applicant automatically confirms their compliance with the requirements; therefore, ***a thorough understanding of the grant expectations is essential to avoid noncompliance.***

Each award will have differing formatting requirements and submission deadlines. In general, the project narrative should be impactful, summarizing the project plan and expected outcomes with supporting data as necessary.

Preliminary Cost Approval

The budget within the application must be realistic, justifiable, and developed in consultation with the Auditor's Department and Budget Office to ensure accuracy and compliance with County financial policies and Federal and State cost principles.

Departments must receive prior approval from the Information Technology Department for any proposed technology-related purchases included in grant applications. This requirement applies to all technology services and solutions, including but not limited to software, hardware,



subscriptions, and hosted or cloud-based services. Grant applications that include technology components without documented IT approval will not be permitted for submission.

Grant Information and Assessment Form

Departments pursuing grant funding must adhere to the County's assessment and approval process prior to submitting an application to the awarding agency. This includes the completion of the Grant Information and Assessment Form ("Assessment Form"), available at: <https://econnect.fortbendcountytexas.gov/departments/county-judges-office/grants/>. Instructions on how to complete the Assessment Form are included within the document.

Please reference the Grants Deadline Calendar on E-Connect to verify the time frame for uploading the Assessment form to the Grants Management Software. The purpose of the Assessment Form is to:

1. Outline the preliminary project operations and participation requirements;
2. Make more thoughtful decisions about the program/project and consider goals and objectives;
3. Limit and prevent unexpected risks or ineffective program/project operations;
4. Evaluate financial obligations and administrative procedures;
5. Consider fund obligation requirements after the completion of the grant program; and
6. Prepare for a well-crafted and successful grant application.

Grants Management Software

The County utilizes a Grant Management Software to establish a comprehensive record of active and completed grant projects from local, State and Federal sources. In order to apply for funds, the department must obtain a licensure on the Grants Management Software; for questions on this process, please contact the County Judge's Office Grants Manager.

The grant application and all supporting documentation must be uploaded to the Grants Management Software at least **2 months prior** to the awarding agency's submission deadline to allow for ample time for the County's application review process.

The application portal should include all necessary supporting documentation, such as the project application, Project Information and Assessment Form, budget, materials and supplies, policies, and assurances and conditions.

Maintenance of Records

Maintaining accurate and updated records within the Grants Management Software provides the County with numerous benefits, including the establishment of a workflow to alleviate backlog and streamline the application review process. All individuals involved in the application preparation, review, and submission process must adhere to time restraints and quality expectations.



The Project Lead is expected to continuously update the Grant Management Software throughout the grant lifecycle. Maintaining a comprehensive database of all grant documentation establishes transparency across departments and effectively prepares for reporting requirements, documentation retention and auditing. The documentation uploaded to the Grants Management Software does not expire and will be retained indefinitely, unless otherwise determined by the County. Previous versions and amendments of documents should be renamed to establish version control.

If the department opts not to pursue the funding opportunity, the application is rejected by the awarding agency, or the project is discontinued, the Project Lead must update the project status within the Grant Management Software.

Internal Application Evaluation

The application evaluation process is expected to take approximately **1 month**, though the actual timeframe may vary. For exceptions to the time requirement, please review the *Expedited Application Procedures*.

The application evaluation process will begin after the Project Lead submits all required documentation on the Grants Management Software. The grant application and Grant Information and Assessment Form will undergo an internal review by the **Grants Management Team**, consisting of the County Judge's Office, Human Resources, Auditor's Office, Budget Office, and the County Attorney's Office. The multifaceted approach for evaluating grant application proposals will ensure all project requirements and risks are considered prior to project approval.

The Grants Management Team will be automatically assigned to review the proposals within the Grants Management Software; each reviewer must evaluate the proposal based on their jurisdiction within the County and provide feedback to the Project Lead in a timely manner.

If additional information is required, the application will be rejected, returning the submission back to the Project Lead for review and editing. Once the project is resubmitted, the Grants Management Team will evaluate the changes and approve or reject the application. If the Project Lead does not provide supplemental information in a timely manner, it may result in a delay of approval or inability to apply for the award.

Evaluation Considerations

The Grant Management Team reviews applications in the order in which they are received; the applications must be evaluated without bias or preferential treatment to ensure fairness, equity, and avoid any perceived or actual conflicts of interest. The reviewers must use due diligence in approving projects that maintain the integrity and budgeting priorities of the County.

The Grants Management Team must record project evaluation results and deficiencies, integrate internal controls for grant administration, and retain all associated documentation. The following



includes questions to assist the Grants Management Team in evaluating the department's ability to successfully administer a project or program:

- Does the Grant Information and Assessment Form adequately describe the project, or is additional information required?
- Have all employees on the project completed the Grants Management Training?
- Does the Project Lead have a general understanding of the laws, rules and regulations applicable to the project/program including specific grant terms and conditions?
- Does the department understand their responsibilities by accepting the award?
- Does the application adhere to the awarding agency's requirements and expectations?
- Has the department previously received funding, and if so, what were the outcomes?
- Does the department have an effective project plan and timeline established?
- Does the budget make sense?
- Does the department have the capacity to manage programmatic and financial monitoring requirements?
- Does the project/program align with the County's strategic goals?
- What is the long-term impact of the project/program?
- Are there any risks identified?

Order of Review

The Grants Management Team maintains a sequential order of review to prevent delays in the application proposal review and validation process. Secondary department members are selected to assume responsibility in instances where a primary member cannot review an application in a timely manner or there is a potential conflict of interest. The primary member will notify the secondary member of their inability to review the application as soon as possible to maintain appropriate workflow.

Commissioner's Court

The County Attorney's Office will review the grant terms and conditions as set forth in the grant application. County departments may be required to provide certification that they have read and understood all applicable terms and conditions related to the grant application. Once approved, the County Attorney's Office will upload a Grant Review Form into the Grant Management Software. The department will receive a notification via the Grants Management software that the application is now ready to be uploaded to Agenda Quick. If authorized by the Commissioners Court, the department will be granted permission to submit the final project application to the awarding agency.



Expedited Application Procedures

Grant award opportunities oftentimes have short application submission windows. If a department identifies a grant that could support priority funding initiatives, they may reach out to the County Judge's Office Grants Manager to request an expedited submission process. The expedited process is only allowable under certain circumstances, where the grant award could have a substantial impact that may not otherwise be affordable or available.

The Grants Management Team may conduct an expedited project review by validating the application and supporting documentation. If time does not permit a thorough review prior to the application deadline, the County Judge's Office Grants Manager may preapprove the application for submission to the awarding agency. The expedited project application will be submitted to the Commissioners Court during the next available court hearing to ratify the project.

An expedited application submission does not negate the department's responsibility to complete standard County application procedures. If the application is submitted prior to approval by the Commissioners Court, the department must still complete the Grant Information and Assessment Form and upload all supporting documentation to the Grants Management Software. This process will ensure eligibility and consistency with grant administration and management.

If the Commissioner's Court does not approve the grant application, the department will be required to withdraw their application to the awarding agency.

Grants Management Internal Control

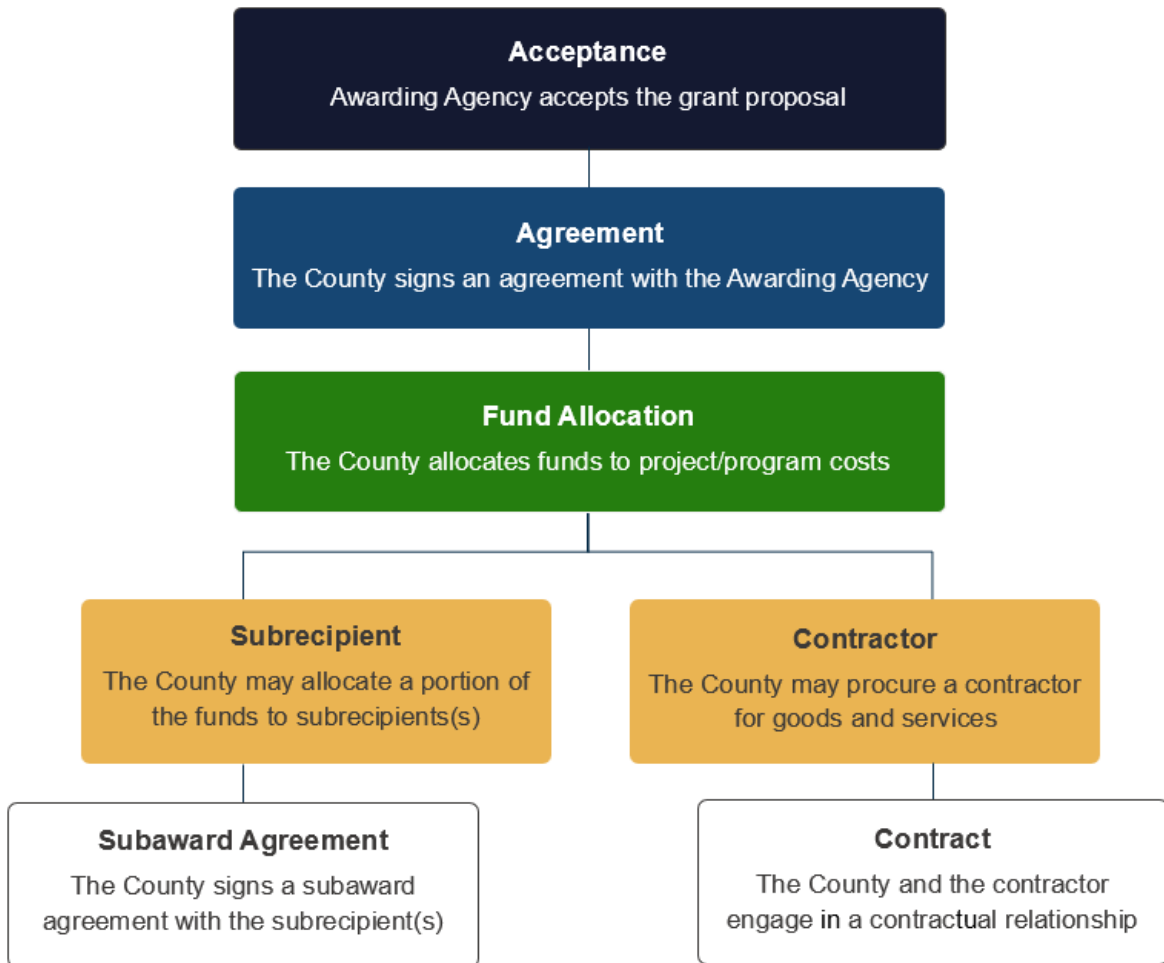
To assess the efficacy of the review process and consider potential areas for improvement, the Grants Management Team will convene on an annual basis, or more frequently if applicable. The meeting may include other key elected officials and department heads/supervisors to gain comprehensive feedback to address gaps or challenges in procedures and training. Establishing a system of checks and balances is necessary to ensure the proficiency of the County's grant management workflow and maintenance of internal control. The meetings lend an opportunity for departments to collaborate and develop training resources for employees, review updated State and Federal guidance, and discuss funding priorities.

The Grants Management Team will analyze the grant applications submitted, approved, and withdrawn, and gather data to track grant performance and outcomes. The County Judge's Office Grant Manager, the County Attorney's Office and County Auditor will develop a written report to track progress, which will be retained in the County's official records.



Section 4 – Grant Award Acceptance and Management

The following section describes the necessary steps for accepting a grant award and allocating funds to eligible costs, as illustrated in the chart below. For more information on subrecipients and contractors, reference Section 6.



Notification of Award and Acceptance

The department will receive an award notification letter and agreement from the awarding agency, which details the awarded amount, guidelines, grant assurances, and special conditions that must be followed to comply with the grant requirements. To accept the award, the County must enter into a legally binding agreement with the awarding agency. **No grant funds shall be officially accepted, nor shall any expenditure commence, until the agreement is approved by the Commissioner’s Court.** The award acceptance process includes the following steps:



- The award notification is forwarded to the County Judge’s Office Grants Manager for review.
- The Project Lead must ensure the awarded amount aligns with the proposed budget and the department has the capacity to carry out grant requirements. Please review Project Adjustments below if modifications are required.
- The Project Lead participates in informational meetings with the County Attorney’s Office to evaluate the department’s legal obligations and grant requirements under the award.
 - *All County departments must strictly adhere to the terms and conditions stipulated in the application and grant agreement. The County faces substantial legal, financial, and ethical responsibilities when accepting grant funding. Any failure to comply with requirements could lead to legal and financial penalties and/or jeopardize current and future funding opportunities.*
- Once approved by the County Judge’s Office Grant Manager and County Attorney’s Office, the Project Lead will upload the award notification letter and agreement to Agenda Quick for review and signature by the Commissioner’s Court.
- An official copy of the executed agreement will be retained by the County Auditor’s Office, the County Clerk’s Office, the County Judge’s Office, and the receiving department.
- The County Auditor’s Office will establish a unique grant account within the County’s financial system to ensure proper tracking of expenditures for each grant award. The Auditor will work with the department to ensure effective internal capacity to appropriately and compliantly administer grant funds.

Project Adjustments

Any project modifications that significantly alter the project, such as changes to program/project scope or objective, or changes in key personnel, must be reviewed and approved by the Commissioner’s Court, and when necessary, the awarding agency.^[1] All modifications must be appropriately documented and retained within the County’s Grants Management Software.

If the awarded amount differs from the proposed budget, or adjustments are necessary for other reasons, the Project Lead must propose a budget modification to ensure the project can be accomplished with the allocated award. If other funding sources are necessary to supplement the difference in the approved funding amount, the Project Lead must notify the Budget Office and Auditor’s Office to determine alternative funding opportunities.

If the project cannot be accomplished due to a lack of funding or inadequate resources, the Project Lead must notify the County Judge’s Office Grant Manager for the Commissioner’s Court to formally decline the award.

Distribution of Funds

As the recipient, departments may receive funds from the awarding agency via reimbursement, advancement, or other arrangement, which is stipulated in the award agreement.



Reimbursement Basis

The funds may be allocated on a reimbursement basis in alignment with the grant agreement, provided that the department can substantiate invoices and supporting documentation for the eligible costs.¹ If the department does not provide documentation within a timely manner or is noncompliant with eligibility requirements, the department may be at risk for not receiving the entire award amount.

Advance Pay

The department may receive the total amount of available funds as an advance prior to obligating funds. The funds may be distributed in multiple tranches such as on an annual or biannual basis in accordance with the grant agreement. The department will be required to demonstrate progress made towards a program/project goal and provide proof of payment. The approval of advanced funds may be contingent on an expenditure deadline; if the funds cannot be obligated and/or spent by the deadline, the County may be required to return the funds to the awarding agency.

Grants Team Project Planning

To prepare for the project kick-off, a meeting should be conducted with the core project team, including the County Judge's Office Grant Manager, Project Lead, Department Head, and any other key team members as applicable.

The Project Lead is responsible for verifying that all employees involved on the project have completed the **Grants Management Training** and understand eligible activities and timekeeping requirements. The Project Lead will determine the next immediate steps to initiate the project and ensure completion by the end of the period of performance.

Discussion Topics:

- Review of the grant agreement in detail
- Distinguish roles and responsibilities
- Discuss project objectives, timelines and budget
- Identify monitoring and reporting requirements
- Verify sufficient fiscal oversight
- Establish communication protocols

Reporting Requirements

The County will be required to complete a variety of progress reports for internal review and submission to the awarding agency. The Project Lead may prepare reports, but official submission

¹ 2 CFR 200.208(c)(1) available at [https://www.ecfr.gov/current/title-2/part-200/section-200.208#p-200.208\(c\)\(1\)](https://www.ecfr.gov/current/title-2/part-200/section-200.208#p-200.208(c)(1))



to the awarding agency may be handled by the County Auditor's Office or other administrative officials in accordance with the County's policies and the terms and conditions of the award. Reports must be submitted on time, formatted correctly and maintained consistently across all reports. Reports may include:

Financial Reports – Outlines expenditures, drawdowns, and remaining balances. Financial reports should be developed in collaboration with the Project Lead and the Auditor's Office.

Programmatic/Performance Report – Describes project activities, progress towards the objectives, challenges, and outcomes. This may include statistics, demographic data, participation results, or other performance measures. The Project Lead is responsible for monitoring performance and writing reports, unless otherwise determined by the County or the awarding agency.

Subaward report – If the department allocates subawards to other entities, the awarding agency may require specific reports similar to performance reports. Additional information is included in the Program Development and Subrecipient Monitoring section of this policy.

Construction Performance Report – The awarding agency may require on-site technical inspections and certified percentage of completion data to monitor progress under Federal awards for contraction.² The Project Lead may be responsible for completing these evaluations.

Compliance Report – Specific reports related to regulatory or legal compliance which may include compliance with civil rights laws, environmental laws, or other special conditions. The Project Lead may work in partnership with the County Attorney's Office to complete all compliance requirements, such as drafting new policies or procedures or review of existing policies or procedures.

Real Property Report – The Project Lead may be required to submit reports on real property, including land, land improvements, structures and appurtenances.³ The Project Lead should work in partnership with the County Attorney's Office to complete all compliance requirements.

Closeout Report – The Project Lead is responsible for preparing a closeout report to include all financial, performance, and other reports required in the grant terms and conditions.⁴ Additional information regarding closeout requirements are including in the Post-Award section of this policy.

2 2 CFR 200.329(d) available at [https://www.ecfr.gov/current/title-2/part-200/subject-group-ECFR36520e4111dce32#p-200.329\(d\)](https://www.ecfr.gov/current/title-2/part-200/subject-group-ECFR36520e4111dce32#p-200.329(d))

3 2 CFR 200.330 available at <https://www.ecfr.gov/current/title-2/section-200.330>

4 2 CFR 200.344 available at <https://www.ecfr.gov/current/title-2/section-200.344>



Site Visits – The awarding agency may conduct in-person visits to evaluate the project activities in real-time, or schedule desk reviews, which may include remote interviews and requests for additional information.⁵ Typically, the awarding agency will provide notice of a scheduled site visit to allow for adequate preparation.

Performance Monitoring

The Project Lead is responsible for monitoring the status of the grant-funded activities and ensuring performance objectives are accomplished in alignment with grant expectations.⁶ Monitoring must cover the entirety of the program/project, function or work activity throughout the duration of the grant lifecycle. The awarding agency may schedule monitoring or reporting requirements, which may occur as often as quarterly, unless special conditions apply. The content within the performance monitoring will differ depending on the award terms and conditions; the reports may include aspects of financial and programmatic activities.

When reporting program performance, the County should relate financial data and project or program accomplishments to the performance goals and objectives of the award.⁷ All expenditures and performance measures must be fully documented and justifiable, adhering to the County's procurement and purchasing policies and any requirements identified by the awarding agency. The Project Lead should identify any cost overruns, failure to complete objectives, and lessons learned.

Financial Management

Departments are responsible for continuously monitoring the financial status of grants, ensuring adequate internal controls are in place to manage the award expenditures. The department should work with the Auditor's Office to review financial reports, taking note of any discrepancies or additional reporting requirements.

The internal budget must be divided by line items to prepare for reimbursement from the awarding agency. The department must continuously track actual expenditures against budgeted expenditures to prevent overspending or underspending. Any adjustments made to the budget must be approved by the Auditor's Office and the awarding agency if necessary.

The Auditor's Office or the Project Lead is responsible for submitting reimbursement requests to the awarding agency. If the Project Lead is responsible, all requests must be forwarded to the

5 2 CFR 200.329(f) available at [https://www.ecfr.gov/current/title-2/part-200/subject-group-ECFR36520e4111dce32#p-200.329\(f\)](https://www.ecfr.gov/current/title-2/part-200/subject-group-ECFR36520e4111dce32#p-200.329(f))

6 2 CFR 200.329 available at <https://www.ecfr.gov/current/title-2/section-200.329>

7 2 CFR 200.329(b) available at [https://www.ecfr.gov/current/title-2/part-200/subject-group-ECFR36520e4111dce32#p-200.329\(b\)](https://www.ecfr.gov/current/title-2/part-200/subject-group-ECFR36520e4111dce32#p-200.329(b))



Auditor's Office before submission to the awarding agency to ensure an accurate recording of expenditures. Timely requests for reimbursements are crucial to maximizing the financial benefits of the grants to the County.

Allowable Costs

The Project Lead must ensure that all costs charged to a grant are allowable, being necessary and reasonable for the performance of the grant award.⁸ A cost is reasonable if it does not exceed an amount that a prudent person would incur under the circumstances prevailing when the decision was made to incur the cost.⁹ Deciphering reasonable costs should be considered by evaluating the necessity of the cost, local market prices, and alignment with the County's policies and procedures.

Costs must conform to any limitations or exclusions set forth in Uniform Guidance, TxGMS, the grant agreement, and any applicable Federal or State statutes. To maintain consistency and accurate reporting, costs must be treated in a consistent manner and incurred within the period of performance of the grant. All allowable costs must be supported by adequate documentation that clearly identifies the nature of the cost and its relation to the grant.

Generally Unallowable Costs

The guidance within 2 CFR 200 provides examples of costs that are generally not eligible for reimbursement, including: alcoholic beverages, bad debts, contingency provisions, donations, entertainment costs (unless programmatic and specifically authorized), fines and penalties, fundraising costs, lobbying costs, and goods/services for personal use. Eligibility should be evaluated on a grant-by-grant basis.

The County must diligently spend funds according to the requirements set forth by the awarding agency. Fraud, waste and abuse of funds must be avoided and mitigated in all instances.

Allocable Costs

A cost is allocable to a grant if the goods or services involved are chargeable or assignable to the award in accordance with the relative benefits received.¹⁰ This means that costs incurred directly for the purpose of the award or overall operation of the department are allocable. If costs benefit

⁸ 2 CFR 200.403 available at <https://www.ecfr.gov/current/title-2/section-200.403>

⁹ 2 CFR 200.404 available at <https://www.ecfr.gov/current/title-2/section-200.404>

¹⁰ 2 CFR 200.405 available at <https://www.ecfr.gov/current/title-2/section-200.405>



both the grant award and other activities the department is engaged in, reasonable proportions of eligible costs can be demonstrated through documented allocation methods.

For example, if an employee provides direct support to grant activities and engages in other duties that are not eligible for reimbursement, a time and effort report can distinguish what labor hours are allocable and can be reimbursed. An additional example includes facilities that are utilized for multiple purposes; the department could provide justification to describe the square footage or building design to verify allocable costs.

Indirect and Direct Costs

The department has a responsibility to determine if each budgeted line item is a direct or indirect cost. This is necessary as Federal regulations and award terms and conditions may have specific requirements as to the amount of funds that can be spent on indirect costs.

Direct Costs – Direct costs are expenses that are specifically in relation to a project or objective and can be assigned to such activities accurately.¹¹ This may include salaries and fringe benefits for employees working directly on the project, contracts, supplies, materials, equipment, or travel expenses in relation to grant-funded activities.

Indirect Costs – Indirect costs are those costs incurred for a common or joint purpose benefiting more than one cost objective, and not readily assignable to the cost objectives specifically benefitted, without effort disproportionate to the results achieved.¹² This refers to costs that are not essential to accomplishing the grant objectives or are costs that are associated with standard operating expenses. Examples of indirect costs include utility bills, administrative position salaries, executive directors, performance management costs, data systems, and general office supplies.

The department must verify with the awarding agency and the County Auditor's Office the appropriate indirect cost rate to ensure allocable expenditures. The indirect cost rate should be either a negotiated indirect cost rate agreement (NICRA), or a de minimis rate in accordance with [2 CFR 200.414\(f\)](#), unless otherwise determined with the awarding agency. Failure to adhere to the indirect cost rate requirements could result in a delay in payment or cancellation of payment.

¹¹ 2 CFR 200.413 available at <https://www.ecfr.gov/current/title-2/section-200.413>

¹² 2 CFR 200.414 available at <https://www.ecfr.gov/current/title-2/section-200.414>



Program Income

Any income that is generated from a grant-funded project must be managed and reported as required by the awarding agency requirements and in compliance with [2 CFR 200.307](#). Grant-related program income may include fees for services performed, from the use or sale of real or personal property, equipment, and supplies, and payments of principal and interest on loans. Revenue should not be interpreted as money earned without any contingencies – All revenue must be tracked separately from the grant award and spent as determined by the awarding agency.

Procurement and Purchases

Departments receiving grant funds are subject to and must follow the County's Purchasing Manual, which prescribes methods and thresholds for County operations and ensures compliance with Uniform Guidance.¹³ The procedures instruct the award recipient to not acquire unnecessary or duplicative items, avoid conflicts of interest, and encourage the prioritization of cost-effective purchases.¹⁴

The department must verify alignment with the requirements and expectations of the awarding agency, adhering to all guidelines for informal procurement methods, formal procurement methods, and noncompetitive procurement methods, as applicable. The department follows the requirements of the procurement policy when purchasing equipment, materials, real property, or soliciting contractors or consultants to engage or manage grant-funded services.

If procurement policies differ, the Project Lead must work with the Procurement Department to identify and adhere to the strictest procurement policy unless otherwise required by the awarding agency. All policies and procedures must be retained within the County's internal records and shared with the awarding agency when required.

Professional Services

In accordance with the terms of the award agreement and [2 CFR 200.459](#), professional and consultant services may be allowable when specialized knowledge or skills are necessary to achieve grant activities. Professional services must abide by the legal requirements outlined within [2 CFR 200.435](#) and the allowability factors and considerations in [2 CFR 200.459](#), including:

- The cost is necessary and reasonable

¹³ Purchasing Manual available internally, contact Purchasing department for more information

¹⁴ 2 C.F.R. 200 Parts 200.317- 200.327, available at <https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200/subpart-D/subject-group-ECFR45ddd4419ad436d>



- The cost is not contingent on recovery of the costs from the Federal government
- The nature and scope of the services
- The past pattern of such costs, particularly in the years prior to receiving a Federal award(s)
- The impact on the County
- Whether the costs are influenced by the County's interest in incurring the cost
- Whether the service can be performed more economically by direct employment rather than contracting
- The qualifications of the individual or entity providing the service and the customary fees charged, especially on non-federally funded activities
- Adequacy of the contractual agreement for the service
- Retainer fees must be supported by evidence of bona fide services available

Professional services may include accounting and auditing services, architectural and engineering services, consulting services (management, IT, program evaluation), training and instructional services, and research services. For additional information on contractors, please reference Section 6.

Supplies and Materials

All purchases of supplies and materials must be necessary and reasonable for the performance of the grant-funded project, being within the approved grant budget as direct costs.¹⁵ Any significant deviations or purchases not explicitly listed in the budget may require prior written approval from the awarding agency. The Project Lead must ensure that the quantity and type of supplies purchased are necessary and can be adequately justified with invoices and proof of payment. All purchases must follow the County's Purchasing Manual, including requirements for competitive bidding or obtaining quotes, as applicable, to ensure the best value.

Supplies should be stored securely to prevent loss, theft or damage, and in a manner consistent with any special handling requirements. For high-value or sensitive supplies, the Project Lead may establish a local log for tracking usage. For a definition of supplies, equipment and real property, reference Appendix A.

¹⁵ 2 CFR 200.314 available at <https://www.ecfr.gov/current/title-2/section-200.314>



Equipment

The department must use equipment in accordance with the use and disposition requirements identified by the awarding agency and the County's Purchasing Manual. According to 2 CFR 200.313, equipment is subject to the following conditions:

- Use the equipment for the authorized purposes of the project during the period of performance or until the property is no longer needed for the purposes of the project.
- While the equipment is being used for the originally authorized purpose, the recipient or subrecipient must not dispose of or encumber its title or other interests without the approval of the Federal agency or pass-through entity.
- Use and dispose of the property in accordance with grant requirements.

It is vital to understand that title to equipment acquired under a Federal award vests in the County upon acquisition, but this is a *conditional* title. Therefore, the County does not possess full, unencumbered rights to the asset until the Federal interest is satisfied through proper use and disposition procedures.⁶ Disposition requirements may continue *after* the completion of the grant project or program, subsequently requiring effective long-term management practices. Additional guidance is available within the Disposition section of this Policy.

Departments must adequately track equipment, ensuring it is properly tagged, inventoried, and managed. Equipment logs must include the vendor, item description, manufacturer, model, serial number, acquisition cost, department user, location, and condition.¹⁶

Property Management

Any purchases of real property, including land improvements, structures and appurtenances, or personal property, being tangible, physical existence, or intangible, must be consistent with 2CFR 200.311 unless stated otherwise by the awarding agency. Real property must be used for the originally authorized purpose as long as it is needed for that purpose. The awarding agency may maintain long-term interest in real property for the lifetime of its use, requiring compliance with appraisal, acquisition and disposition procedures.

The department must maintain all supporting documentation as applicable, including contracts, purchase agreements, zoning certificates, title reports, deeds, encumbrance certificates, proof of payments, and needs assessments. When the real property is no longer needed for the Federal

¹⁶ 2 CFR 200.313(d)(1) available at [https://www.ecfr.gov/current/title-2/part-200/section-200.313#p-200.313\(d\)\(1\)](https://www.ecfr.gov/current/title-2/part-200/section-200.313#p-200.313(d)(1))



project or program, the department may be subject to specific disposition requirements identified by the awarding agency.¹⁷

Section 5 – Payroll and Timekeeping Procedures

In alignment with 2 CFR 200.430, the County upholds that the total compensation for individual employees is reasonable for the services rendered and conforms to the established written policy of the County for all Local, State and Federal awards. The County integrates internal controls to provide reasonable assurance that the employee labor is accurate, allowable, and properly allocated across work activities. Further, the timekeeping records are incorporated into the County's official records for compliance purposes.¹⁸

Eligible Labor

Grant awards may have differing requirements for labor hours that are eligible for reimbursement. According to 2 CFR 200.431, eligible labor may include wages, salaries, fringe benefits, leave costs, employee insurance, pensions, and unemployment benefit plans.

Incentive and compensation based on cost reduction, efficient performance, suggestion awards, or safety awards is allowable given that the costs are reasonable and effective with the use of an agreement established by the County.¹⁹

Fringe Benefits

The costs of fringe benefits are allowable provided that the benefits are reasonable and are required by law, an organization-employee agreement, or an established policy of the County.²⁰ This may include employer contributions or expenses for social security; employee life, health, unemployment, and worker's compensation insurance (except as indicated in 2 CFR 200.447); pension plan costs; and other similar benefits.²¹ Fringe benefit reimbursement may be allocated according to the percentage of time worked on each project. If an indirect cost rate is used, fringe benefits may be included as a percentage of the employee's salary, wage, and benefits.

17 2 CFR 200.311(d) available at [https://www.ecfr.gov/current/title-2/part-200/section-200.311#p-200.311\(d\)](https://www.ecfr.gov/current/title-2/part-200/section-200.311#p-200.311(d))

18 2 CFR 200 available at [https://www.ecfr.gov/current/title-2/part-200/section-200.430#p-200.430\(g\)\(1\)\(ii\)](https://www.ecfr.gov/current/title-2/part-200/section-200.430#p-200.430(g)(1)(ii))

19 2 CFR 200.430(f) available at: [https://www.ecfr.gov/current/title-2/part-200/section-200.430#p-200.430\(f\)](https://www.ecfr.gov/current/title-2/part-200/section-200.430#p-200.430(f))

20 2 CFR 200.431 available at <https://www.ecfr.gov/current/title-2/section-200.431>

21 2 CFR 200.431(c) available at [https://www.ecfr.gov/current/title-2/part-200/section-200.431#p-200.431\(c\)](https://www.ecfr.gov/current/title-2/part-200/section-200.431#p-200.431(c))



Employee Timekeeping Requirements

All County employees must complete the **County's Grant Management Training** and understand their responsibilities and expectations prior to engaging in grant-funded tasks and activities. Timekeeping procedures for grant awards align with State and Federal requirements and the County's Employee Information Manual, Section 413.08 Pay Procedures During a Declared Emergency. The following timekeeping procedures apply to **all County employees** whose salaries are paid for with grant-funding, unless otherwise required by the awarding agency:

All exempt and non-exempt employees must record their daily labor hours by clocking in and out on the County's designated timekeeping system.

1. Recording the total number of hours worked each day promotes transparency, accountability, and accurate hourly reporting. Awarding agencies may not reimburse for hours that are not accurately recorded daily.

Employees must select the correct charge code within the timekeeping system for all labor hours.

- Prior to billing towards a grant, the Payroll Department will provide the receiving department with a unique charge code to categorize grant labor hours within the accounting and timekeeping system. Employees will only have access to their assigned charge codes, depending on their role, work type, or grant-funded project. The employee will select the correct charge code while clocking into the timekeeping system.
- One or more charge codes may be used by an employee if time is being split between multiple grant sources, between eligible and ineligible work activities, and direct and indirect costs.²² If multiple charge codes are used on a timesheet, the employee will clock out and clock back in to the other charge code. For help with department charge codes, please contact the Payroll Department.

Employees must accurately record their breaks, when applicable, on the timesheets, in accordance with County Policy Section 407.09 and internal department policies.

1. Breaks should not exceed two 15-minute breaks in an eight-hour shift. Breaks are considered time worked and therefore may not be substituted for time off. For example,

²² 2 CFR 200.430(g)(1)(vi) available at [https://www.ecfr.gov/current/title-2/part-200/section-200.430#p-200.430\(g\)\(1\)\(vi\)](https://www.ecfr.gov/current/title-2/part-200/section-200.430#p-200.430(g)(1)(vi))



an employee who foregoes a 15-minute break period, either voluntarily or involuntarily, is not entitled to leave work 15 minutes early.

Employees must complete an attestation to describe their actual work activities, in compliance with 2 CFR 200.430(g).

2. The written attestation may include details to describe the employee's scope of work in relation to the grant and must coincide with the total hours worked. The Project Lead will determine an appropriate frequency based on the award terms and conditions and labor reporting requirements, as described in the Written Attestation Requirements section below.
3. **Attestation exceptions:** Departments that regularly complete activity logs, such as Emergency Management Services and Health and Human Services, may not have further attestation requirements if approved by the awarding agency.

Adjusted Time Record Form

Employees uphold the responsibility to ensure that their hours and duties are accurately recorded in alignment with County policies. If an employee requires their timesheet to be modified, they must complete an **Adjusted Time Record Form** and submit it to the Department Supervisor for review and approval. Adjustments may include missing a clock-in or clock-out, break corrections, and adjusting recorded hours.

Returning to Standard Timekeeping Procedures

Employees may return to standard timekeeping practices at the end of the grant period of performance when permitted by the Department Supervisor and Project Lead. This may only occur if all grant-related activities have been completed and employees are no longer being funded by grants.

Timekeeping Roles and Responsibilities

The following includes the roles and responsibilities for key employees while managing grant-funded labor.

Employee Responsibilities

1. Comply with this and all County policies and the terms and conditions of the grant.
2. Maintain accurate records of daily hours worked that coincide with activities described on the written attestation.
3. Understand eligibility requirements for the grant and report any issues or timekeeping variances.
4. Respond to assignments in a timely manner.



Payroll Coordinator Responsibilities

- Consolidate timesheets, payroll records, written attestations, and any other employee supporting documentation necessary to substantiate the grant award.
- Make changes to an employee's time to correct errors only if the employee signs an adjusted time record form and the form is approved by the Department Supervisor.
- Prepare a list of charge codes with descriptions to guide employees reporting grant labor hours.

Department Supervisor Responsibilities

- Communicate responsibilities and eligible work activities supported under the grant, including hour requirements, employee reassignments, and emergency response duties.
- Prepare personnel action/status forms to notify Human Resources and the Payroll Coordinator of new personnel positions created or filled as a result of grant funding.
- Review timesheets and attestations for completeness and accuracy and signoff for approval.
- Ensure labor charge codes are accurately reported on the timekeeping system.
- Identify any real or potential conflicts of interest that may arise during the administration of the grant award.
 - If conflicts exist, a disclosure notice must be recorded by Human Resources and disclosed to the awarding agency if necessary. This includes instances where conflicts are temporarily permitted in response to an emergency, such as employing relatives within the same department.

Grant Project Lead Responsibilities

The Project Lead must maintain general oversight of the personnel hours being claimed for reimbursement, taking into consideration the requirements under the grant award. The Project Lead is responsible for the following:

Reporting Requirements

1. Verify any specific timekeeping requirements or supporting labor documentation to be submitted to the awarding agency and retained internally.
 - Documentation may include timesheets, paychecks, employee classifications (i.e. temporarily hired with grant funds or permanent employees), W-2s, payroll reports, job descriptions, written attestations, internal policies and guidelines, and fringe benefit calculations.

Written Attestation Requirements

1. In collaboration with the Department Supervisor, the Project Lead should consider the frequency and level of detail necessary for the written attestation, identifying any specific certifications or assurances required by the awarding agency. The attestation should



describe the actual work performed, including the total activity for which the employee is compensated.²³

2. In general, the County requires semi-annual attestations and/or job descriptions for grant-funded employees.
3. More frequent activity tracking, such as quarterly, monthly or daily, may be necessary in cases where:²⁴
 - There is significant variation in the employees' work activities.
 - The employee is funded from multiple sources, such as Local, State and Federal grants.
 - There are unallowable and allowable activities.
 - The employee is engaged in emergency response activities.
 - There are indirect and direct labor costs.
- A sample of a Personnel Activity Report is available in Appendix 8 of the Texas Grant Management Standards, demonstrating the level of detail necessary to substantiate work under a grant.

Errors and Adjustments

The County will use their discretion in determining appropriate responses to timekeeping errors made by mistake that are corrected accordingly. Falsification of timesheets may result in disciplinary action up to and including termination of employment. This applies to falsifications made by an employee to their own time as well as to supervisors and payroll coordinators who knowingly approve inaccurate time records or make unauthorized changes to an employee's time record.

Edits or changes made to timesheets or payroll records funded by a grant award should be reported to the awarding agency to maintain compliance – specifically if the adjustment significantly impacts the accuracy of the labor documentation. Omitting pertinent changes made to grant-funded labor, such as pay discrepancies, may result in findings during audits or financial reviews.

Audit Trail

Use of an audit trail feature documenting all transactions in the timekeeping and payroll system is required. This includes all employees, time charges, dates, project numbers, and time stamped submission and approvals. The audit trail will record any changes or corrections made, identify

²³ 2 CFR 200.430(g)(1)(iii) available at [https://www.ecfr.gov/current/title-2/part-200/section-200.430#p-200.430\(g\)\(1\)\(iii\)](https://www.ecfr.gov/current/title-2/part-200/section-200.430#p-200.430(g)(1)(iii))

²⁴ 2 CFR 200.430 available at [https://www.ecfr.gov/current/title-2/part-200/section-200.430#p-200.430\(g\)\(1\)\(vi\)](https://www.ecfr.gov/current/title-2/part-200/section-200.430#p-200.430(g)(1)(vi))



the employees involved, including who made the change, date, approvals, and the reason for the adjustment.

Section 6 – Subrecipient and Contractor Determinations

The department may allocate a portion of a State or Federal award to an external entity to accomplish program or project related goals. Under Federal regulations ([2 CFR 200.331](#)), the department must evaluate each partnership individually to determine whether an entity is a **contractor** or a **subrecipient**. This decision needs to be made with clear and reasonable justification. While no single factor confirms the correct classification, the substance of the relationship determines the form of the agreement drafted by the County.

Further, some awarding agencies may include the option to classify an entity receiving funds as a **beneficiary**, which can be generally understood as an entity or participant who benefits by directly receiving the funds, goods or services. *For classification examples that differentiate between subrecipients, contractors and beneficiaries, please reference Appendix B.*

It is important to recognize that the terms subrecipient, contractor and beneficiary are not interchangeable, and each have differing requirements and obligations under the award. Misclassification can jeopardize a program's success and integrity, leading to potential compliance concerns; therefore, accurate designation is paramount to the department's compliance with award requirements.

The County Attorney's Office can aid departments in determining the proper classification. All written agreements and contracts must be drafted by the County Attorney's Office and approved by the Commissioner's Court. Please refer to the chart below for distinguishing characteristics according to ([2 CFR 200.331](#)).

Contractor, Subrecipient and Beneficiary Distinctions

	Subrecipient	Contractor	Beneficiary
Definition	An entity that receives a subaward from a pass-through entity to carry out part of a Federal award. The term subrecipient does not include a beneficiary or participant. A subrecipient may also be a recipient of other	An entity that receives a contract, i.e. a legal instrument by which a non-Federal entity purchases goods or services needed to carry out the project or	An individual recipient of goods or services provided as part of a social service program specifically supported by Federal financial assistance. Beneficiary does not mean an individual who may incidentally benefit from



	Federal awards directly from a Federal agency. ²⁵	program under a Federal award. ²⁶	Federal financial assistance provided to a State, local, or Tribal government, or a private nonprofit organization. ²⁷
Agreement with the County	Subrecipient (subaward) agreement.	Procurement contract.	No agreement.
Monitoring and Reporting	Has its performance measured by the County to determine whether objectives of a program are met; subject to reporting requirements identified by the awarding agency.	Not subject to monitoring and reporting requirements but must comply with the terms and conditions outlined within the contract with the County.	Not subject to monitoring or reporting requirements.
Relationship with the Award	Implements a program for a public purpose, as opposed to providing goods or services for the benefit of the County; has responsibility for programmatic decision-making.	Goods or services are ancillary to the implementation of the program; the contractor does not have direct oversight of grant operations.	Directly benefits from the grant award by receiving goods, services or funds.
Selection Process	County prepares Notice of Funding Opportunity; application or eligibility selection process.	County follows procurement procedures; including competitive bidding when applicable.	May accept goods, services or funds with/without eligibility conditions or application process.
Fund Expenditure	Determines who is eligible to receive Federal assistance (i.e.	Provides the goods and services within normal business operations; similar services offered	End-user of the funds.

25 2 CFR 200.1 available at <https://www.ecfr.gov/current/title-2/section-200.1>

26 2 CFR 200.1 available at <https://www.ecfr.gov/current/title-2/section-200.1>

27 6 CFR 19.2 available at <https://www.ecfr.gov/current/title-6/section-19.2>



	beneficiaries or a second tier of subrecipients).	to many different purchasers.	
Examples (not limited to)	State, Local or Tribal governments, universities, non-profits, hospitals, and schools	Professional services, construction companies, equipment suppliers, healthcare contractors, businesses	Program participants, recipients of scholarships, individuals receiving rental assistance, small businesses, or non-profits

Contractor Requirements

All contractors hired to support grant-funded projects should be selected based on cost reasonability and their capability to successfully adhere to the terms and conditions of the contract. Departments may acquire contractors with fair and open competition through bids or proposals as outlined in the County’s Purchasing Manual and [2 CFR 200.319](#).

Contractors and their subcontractors are required to follow specific terms and conditions under the procurement contract with the County. Although the contractor does not have Federal monitoring requirements, the County has an obligation to ensure grant funds are used as intended.²⁸ This necessitates the departments to evaluate the contractor’s timeline, progress towards contract objectives, the quality of work performed, and actual costs versus the proposed budget.

If the contractor fails to meet deliverables, produces defective or unsatisfactory work, or does not comply with other contract terms, the County may delay or withhold payment until the deficiency is corrected or resolved, in accordance with the terms of the contract. Any concerns or deficiencies that impact the overall success of the grant-funded project require immediately notifying the awarding agency.

28 2 CFR 200.331(b) available at [https://www.ecfr.gov/current/title-2/part-200/section-200.331#p-200.331\(b\)](https://www.ecfr.gov/current/title-2/part-200/section-200.331#p-200.331(b))



Contractor Records

The department must keep accurate and complete procurement records sufficiently detailing the history of each procurement transaction.²⁹ Items to be retained within the County's records to demonstrate transparent and fair selection procedures include the following:

- Copy of the Request for Funding Proposal or bid announcement, when applicable
- Record of bid responses and applications
- Score cards used during the application selection process
- Agenda and meeting minutes of Commissioner Court acceptance
- Verification of no conflict of interest
- Award contract
- Budget and timelines

Section 7 – Subrecipient Program Development and Monitoring

The purpose of this section is to guide departments who allocate a portion of their State or Federal grant award to a subrecipient to carry out program objectives. As the fund recipient, or pass-through entity, the department has specific requirements they must follow to comply with State and Federal laws, rules and regulations. As described in 2 CFR 200.332, the subrecipient relationship warrants the following actions from the department, unless otherwise specified by the awarding agency:

- Verify that the subrecipient is not suspended, debarred, or otherwise excluded from receiving Federal grant funds, as confirmed in SAM.gov;
- Request a subrecipient agreement from the County Attorney's Office which may include:
 - All necessary subaward requirements imposed by Federal statutes, regulations and the terms and conditions of the Federal award;
 - Clause to allow the department and auditors access to the subrecipient's records;
 - Monitoring, reporting and closeout requirements;
- Determine the indirect cost rate – if the subrecipient has an approved indirect cost rate that was negotiated with the Federal Government, the rate must be used for the project.³⁰ If no

²⁹ 2 CFR 200.318(i) available at [https://www.ecfr.gov/current/title-2/part-200/subject-group-ECFR45ddd4419ad436d#p-200.318\(i\)](https://www.ecfr.gov/current/title-2/part-200/subject-group-ECFR45ddd4419ad436d#p-200.318(i))

³⁰ 2 CFR 200.332(b)(4) available at [https://www.ecfr.gov/current/title-2/part-200/section-200.332#p-200.332\(b\)\(4\)](https://www.ecfr.gov/current/title-2/part-200/section-200.332#p-200.332(b)(4))



approved rate exists, the department and subrecipient may negotiate an approved rate, or use the de minimis indirect cost rate of 15%, calculating the Modified Total Direct Cost. The department must verify if the awarding agency has specific requirements or restrictions on indirect costs.

- Evaluate the subrecipient’s risk of fraud or noncompliance, as outlined in the Risk Assessment section below.
- Monitor all financial and performance reports to ensure that the subrecipient complies with all terms and conditions of the agreement.
- Identify and resolve any negative findings that may impact the integrity of the award, including noncompliance with monitoring results or audit findings.

Program Design Considerations

When allocating funds to a subrecipient, it is essential that the department considers the impact that the program may have on the local community and the County. Programs should be developed with the County’s best interest and priorities at the forefront, considering the long-term investment and reach of the program.

The department or subrecipient may evaluate available data, evidence, research, and results from past initiatives to develop similar programs that have a proven design with substantive outcomes. Evidence-based programs ensure internal control by orchestrating programs that have long-term replicable designs that can withstand unforeseen difficulties such as employee turnover or limited funds.³¹

Community Collaboration and Recruitment

Subrecipients may be identified during the initial grant application phase or after the department receives the award, depending on the grant opportunity. Departments may leverage community collaboration with entities to identify priority needs and develop intentional subaward programs. Formulating a collaborative framework during the program design phase allows the broader community to provide input and expertise that may increase the likelihood of desired outcomes.³² The department should document how community partnerships were established and what benefits are produced through the collaboration to align with awarding agency requirements.

³¹ 2 CFR 200.202(b) available at [https://www.ecfr.gov/current/title-2/part-200/section-200.202#p-200.202\(b\)](https://www.ecfr.gov/current/title-2/part-200/section-200.202#p-200.202(b))

³² 2 CFR 200.202(a)(5) available at [https://www.ecfr.gov/current/title-2/part-200/section-200.202#p-200.202\(a\)\(5\)](https://www.ecfr.gov/current/title-2/part-200/section-200.202#p-200.202(a)(5))



Application Selection Process

If the department opts to recruit eligible subrecipients through an application selection process, they must prepare the following to be reviewed and approved by the awarding agency, as applicable:

- Description of how the program will accomplish the Federal or State award requirements;
- Application to be completed by the subrecipients;
- Subrecipient eligibility requirements;
- Notice of Funding Opportunity announcement; and
- Internal controls describing the application review and selection process.

Risk Assessment

The department must require each subrecipient to complete a Risk Assessment prior to allocating the subaward to evaluate the subrecipient's ability to administer the program and achieve grant objectives.³³ It is the department's responsibility to ensure the subrecipients do not carry risk and are able to comply with the program requirements. The County Judge's Office Grant Manager will support the Project Lead in establishing and scoring a risk assessment by evaluating the following in accordance with 2 CFR 200.332(c):

1. The subrecipient's prior experience with the same or similar subawards;
2. The results of previous audits. This includes considering whether or not the subrecipient receives a Single Audit in accordance with subpart F and the extent to which the same or similar subawards have been audited as a major program;
3. Whether the subrecipient has new personnel or new or substantially changed systems; and
4. The extent and results of any Federal agency monitoring (for example, if the subrecipient also receives Federal awards directly from the Federal agency).

The Risk Assessment may include elements such as assessing the quality of the application, evaluation of financial records, audits, policies and procedures, cybersecurity risks, fraud risks, and impacts on the community.³⁴ The Risk Assessment should be evaluated impartially, being

³⁴ Glenn Hegar, Texas Comptroller of Public Accounts. Texas Grant Management Standards, Statewide Procurement Division. Version 2.0, page 22 available at <https://comptroller.texas.gov/purchasing/grant-management/>



conducted by an advisory committee, the County Grants Management Team, a hired consultant, or other County employees.

Subrecipient Monitoring

The department is required to monitor the programmatic activities and expenditures of each subrecipient to ensure compliance with State and Federal statutes, regulations, and the terms and conditions of the subaward.³⁵ This includes reviewing the burn rate of expenditures and monitoring progress towards achieving grant objectives. It is imperative that the department establishes a monitoring plan to assess the subrecipient's program activities throughout the grant lifecycle.

The results of the Risk Assessment should be used to develop monitoring requirements in relation to each subrecipient's level of risk for noncompliance. The Project Lead may assign subrecipients to tier levels with their assumed level of risk, categorized as **Tier I (Low Risk)** and **Tier II (High Risk)**.

Low Risk subrecipients demonstrate effective fiscal management and programmatic capacity and carry minimal risk while participating in the program. High Risk subrecipients may have compliance concerns, such as deficient fiscal or programmatic management procedures, a history of unsatisfactory grant performance, or not meeting specific grant requirements.

Monitoring Considerations

Subrecipient monitoring may be conducted quarterly, biannually, or annually, depending on the level of risk and terms and conditions of the award. Low Risk subrecipients may be monitored annually, whereas High Risk subrecipients may be monitored biannually with additional monitoring requirements, such as special conditions or restrictions.³⁶ The Project Lead may conduct in-person site visits or virtual desk reviews.

Each subrecipient should receive a Monitoring Checklist describing the documentation that is to be submitted to the Project Lead each monitoring period, which may include the items identified in the chart below. Specific requirements may vary depending on the design of the program and the level of oversight required by the department.

³⁵ Glenn Hegar, Texas Comptroller of Public Accounts. Texas Grant Management Standards, Statewide Procurement Division. Version 2.0, page 24 available at <https://comptroller.texas.gov/purchasing/grant-management/>

³⁶ 2 CFR 200.208 available at <https://www.ecfr.gov/current/title-2/section-200.208>



Effective monitoring promotes compliance, accountability, accurate Federal reporting, and establishes internal control while managing subrecipient programs. The Project Lead may provide continuous support to the subrecipients by offering training and technical assistance to enhance program operations.³⁷ Subrecipients with successful compliance may be eligible to have reduced monitoring requirements, such as being moved from High Risk to Low Risk.

Monitoring Documentation	
4. Financial statements	5. Performance indicators
6. Budgets	7. Progress reports
8. Invoices and proof of payment	9. Pay checks
10. Equipment logs	11. Procurement records
12. Payroll reports	13. General ledgers
14. Description of the populations served	15. Attestations/assurances

Remedying Subrecipient Noncompliance

If a subrecipient is noncompliant with programmatic requirements, such as noncompliance with monitoring, failure to accomplish program goals, or other concerns, the Project Lead must work with the County Judge’s Office Grant Manager to determine appropriate actions to resolve the issues. This may include establishing an approval system, requiring additional monitoring, or withholding payment until the discrepancies or concerns are addressed, as described in 2 CFR 200.208(c).

If any adverse findings are found within a financial review or audit, the Project Lead must develop a monitoring improvement plan for corrective action in collaboration with the County Auditor’s Office.³⁸ The subrecipient must provide written confirmation of their compliance with the improvement plan and their intentions to address the discrepancies.

The Project Lead will continue to monitor the progress made towards correcting any deficiencies and will remove the conditions once satisfactory results have been met.³⁹ Any adjustments to the monitoring tier or submission requirements should be properly documented and recorded within the County’s official records.

³⁷ 2 CFR 200.332(f) available at [https://www.ecfr.gov/current/title-2/part-200/section-200.332#p-200.332\(f\)](https://www.ecfr.gov/current/title-2/part-200/section-200.332#p-200.332(f))

³⁸ Glenn Hegar, Texas Comptroller of Public Accounts. Texas Grant Management Standards, Statewide Procurement Division. Version 2.0, page 24 available at <https://comptroller.texas.gov/purchasing/grant-management/>

³⁹ 2 CFR 200.208(e) available at [https://www.ecfr.gov/current/title-2/part-200/section-200.208#p-200.208\(e\)](https://www.ecfr.gov/current/title-2/part-200/section-200.208#p-200.208(e))



Return of Funds

For noncompliance that cannot be resolved with additional conditions, the subrecipient may be required to return all or part of the subaward to the County, which may result in an early award termination.⁴⁰ For significant concerns, the Project Lead must notify the County Attorney's Office and Auditor's Office, who will evaluate the situation and discuss any legal ramifications, concerns, and next steps. Noncompliance may be in relation to program requirements, inadequate fiscal management, insufficient monitoring documentation, ineligible expenditures, non-compliance with federal or state regulatory requirements, fraud, waste, or abuse of funds. The awarding agency's terms and conditions will be evaluated to determine any additional requirements necessary to remedy compliance concerns.

If a return of funds is determined to be the most appropriate action, a **Notice of Noncompliance** must be prepared and submitted to 1) the subrecipient and 2) the awarding agency. The letter may include but is not limited to the following information:⁴¹

- Reason for the letter and evidence of the issues identified. The subrecipient's Notice to Return Funds letter should be detailed, outlining all inconsistencies and discrepancies identified;
- Date when the award will be officially terminated;
- Total amount of funds to be returned and the due date;
- Statement that all parties involved have been notified of the noncompliance, including the subrecipient and the awarding agency;
- Recommendation to the awarding agency that suspension and debarment proceedings take place in [SAM.gov](https://www.sam.gov); and
- Description of other legal remedies, if applicable.

The County Auditor will draft the letters and submit to the County Attorney's Office for review, edit and approval. The letters will be sent to the subrecipient and the awarding agency via email and/or certified mail, with the County Attorney's Office determining any additional legal action or next steps to resolve the noncompliance in reference to the awarding agency's requirements.

⁴⁰ 2 CFR 200.339 available at <https://www.ecfr.gov/current/title-2/section-200.339>

⁴¹ 2 CFR 200.341 available at <https://www.ecfr.gov/current/title-2/section-200.341>



Section 8 – Additional Award Considerations

Fund Blending

The County may have the capability to leverage funding from multiple State and Federal agencies to obtain the highest possible fund allocation. By blending funds from various sources, the County can pursue funding goals and projects that may not otherwise be possible, expanding opportunities for the County and greater community.

To blend funding from local, state, and Federal agencies, the County must confirm that combining funds is allowable, in accordance with the Notice of Funding Opportunity and the grant award terms, conditions and stipulations.⁴² If blending is eligible, the County must engage in an assessment of needs to determine the necessity, reasonability, and accuracy of the costs. Internal controls should be incorporated to ensure transparency and avoid a duplication of benefits, increasing the likelihood of compliance and award obligation.

Performance Plan

In accordance with Uniform Guidance, the County must develop performance plans to describe the approach used while blending funds. The performance plans should outline the costs charged to each grant, eligible activities, and how effective program outcomes can be tracked and measured. The County must submit this information to the awarding agency prior to allocating costs to an award.

Fund blending may be utilized to cover costs in the following instances:

- Incorporate funds from multiple sources to cover costs that would accomplish the same or a similar project/program goal.
- Blend funds to pool a larger fund amount necessary to pursue additional program goals or fund new positions.
- Blend funds to cover costs with one grant that may not be eligible under another grant, such as fringe benefits, supplies and materials, or tasks indirectly related to the program goal.

Grant Extension or Amendment

Departments with interest in extending or amending their grant must prepare an evaluation to describe the successful administration of funds and compliance with grant requirements. The

⁴² 2 CFR 200.430(g)(7) available at <https://www.ecfr.gov/current/title-2/section-200.430>



actual costs must effectively align with the County's mission and strategic priorities and provide reasonable assurance that renewing the project will generate desirable outcomes.

For grants awarded on a multi-year basis, the Auditor's Office will conduct a cost effectiveness analysis that relates the project's cost to its key outcomes or benefits to determine the extent to which they have produced positive, meaningful outcomes that provide cost effective services or improvements.

The Department Head/Supervisor must ensure no funds are expended and no project activities take place until the grant agreement extension or amendment is approved and executed by the Commissioner's Court.

Section 9 – Post-Award Requirements

Closeout

Upon the completion of all grant-related tasks, or the termination of the grant award, the County is responsible for closing out all awards in compliance with the awarding agency's requirements and 2 CFR 200.344. Closeout is necessary for both the County and all of their subrecipients. The Project Lead or designated closeout reviewer may develop a closeout report to consolidate and review each section of the grant closeout process, as outlined in this section.

All programmatic and financial documentation submitted throughout the period of performance must be validated. To effectively close out the award, the Project Lead must be able to make the following determinations, as applicable:

- The recipient and/or subrecipient complied with the terms and conditions of the award;
- The information provided is sufficient to demonstrate an effective and eligible use of funds;
- All final performance and financial reports have been provided;
- There is substantive proof to demonstrate outcomes achieved with specific performance indicators;
- Any discrepancies, issues, or concerns identified have been remediated;
- The program will continue to function appropriately with a new funding source, or the program will no longer be operational;
- Any unobligated funds have been returned to the recipient and/or awarding agency;⁴³

43 2 CFR 200.344(e) available at [https://www.ecfr.gov/current/title-2/part-200/section-200.344#p-200.344\(e\)](https://www.ecfr.gov/current/title-2/part-200/section-200.344#p-200.344(e))



- The recipient and subrecipient understand and will comply with all post-award requirements, including:
 - Any potential for extensions to complete award and post-award requirements
 - Liquidating financial obligations⁴⁴
 - Grant documentation retention
 - Property management and disposition
 - Auditing requirements

Disposition

Disposition procedures take place when equipment, supplies or real property are no longer needed for the original project, program, or grant activities. Subrecipients and recipients must not dispose of any items purchased with grant awards, including supplies, real property, or equipment, without receiving disposition instructions and approval by the County and the awarding agency.⁴⁵ Contractors may be subject to disposition requirements identified by the County and the awarding agency. **The following sections are a general overview of the guidance within 2 CFR 200, but may differ depending on the awarding agency and terms and conditions of the grant.**

Supplies and Materials Disposition

In accordance with 2 CFR 200.314, if a recipient or subrecipient has residual inventory of unused supplies exceeding \$10,000 in aggregate value at the end of the period of performance, and the supplies are not needed for any other Federal award, the supplies may be *retained* or *sold*. Unused supplies refer to supplies that are in new condition, not having been used or opened before. The awarding agency may require compensation for a percentage of the profits.

Real Property Disposition

The recipient and subrecipient may consider the following options to dispose of real property in compliance with 2 CFR 200.311:

1. Retain title after compensating the awarding agency.
2. Sell the property and compensate the awarding agency.
3. Transfer title to the awarding agency or a third party designated/approved by the awarding agency.

⁴⁴ 2 CFR 200.344(c) available at [https://www.ecfr.gov/current/title-2/part-200/section-200.344#p-200.344\(c\)](https://www.ecfr.gov/current/title-2/part-200/section-200.344#p-200.344(c))

⁴⁵ 2 CFR 200.314 available at <https://www.ecfr.gov/current/title-2/section-200.314>



Prior to selling or transferring expenses, the recipient or subrecipient must determine the current Fair Market Value (FMV). The FMV refers to the selling price or the advertised price for a similar item in a competitive market, which ensures the potential for receiving the highest possible return.

Equipment Disposition

The recipient and subrecipient may consider the following options to dispose of equipment in compliance with [2 CFR 200.313](#):

1. Equipment valued at \$10,000 or less may be retained, sold, or otherwise disposed of with no further responsibility to the awarding agency or pass-through entity.
2. Equipment valued \$10,000 or more may be retained, sold or otherwise disposed of, provided that the recipient or subrecipient is compensated for its attributable percentage for the cost of the original purchase.
3. The recipient or subrecipient may transfer the equipment title to the awarding agency or an eligible third party provided that they are compensated appropriately.
4. In cases where a recipient or subrecipient fails to take appropriate disposition actions, the awarding agency may determine additional disposition actions required.

Record Retention

Record Retention requirements may vary and should be verified by the awarding agency for compliance purposes. The County adheres to [2 CFR 200.334](#), which states that all Federal award records must be retained for **three years** from the date of submission of their final financial and/or programmatic report. If an awarding agency has longer retention requirements exceeding three years, the County must comply. (Individual agency requirements are found in the granting agencies terms and conditions, usually found in the Application, RFA, NOFO, or Grant Award document.) Additionally, [2 CFR 200.333\(a\)](#) provides for an extended retention period for records involved in a litigation, claim, or audit that occurs before the end of the standard 3-year retention period.

Grant records to retain include but are not limited to:

16. Grant agreements/contracts	17. Financial records	18. Improvement plans
19. Applications	20. Budgets	21. Performance measures
22. Contractor determinations	23. General ledgers	24. Equipment and material logs
25. Risk assessments	26. Timesheets	27. Procurement policies
28. Monitoring results	29. Payroll reports	30. Statistical records
31. Employee procedures	32. Employee information	33. Single Audits



The County must ensure all grant documentation is valid and accurate and incorporated into the County's Official records in preparation for grant closeout. All grant-related documentation is retained within the County's Grant Management Software; financial documentation is secured within the County Auditor's Office SharePoint.

When considering the internal folder structure for documentation retention, the County should organize files by the grant award or program. The folder system must ensure sufficient information is retained to describe the subrecipients/contractors, align the budget with the actual costs, and demonstrate compliance with Federal and State retention requirements. The folders are developed and incorporated by the County as follows:

- Primary Folder – Folders are established for each grant award to ensure all required grant award documentation is consolidated within one location.
- Secondary Folders – Within the primary grant award folders, the secondary folders organize the documentation into categories of necessary supporting information, such as monitoring documentation, employee labor, and policies and procedures
- Tertiary Folders – Any and all supporting documentation necessary to demonstrate compliance with federal reporting and retention requirements, such as invoices, timesheets, and equipment logs

Section 10 – Audit

External Audits

Departments and their subrecipients who receive Local, State or Federal awards may be subject to a financial or programmatic audit by the awarding agency, inspector general, or U.S. Government Accountability Office (GAO).

Federal Single Audit

According to [2 CFR 200.501](#), a non-Federal entity that expends \$1,000,000 or more during the non-Federal entity's fiscal year in Federal awards must have a Single Audit or Program-Specific Audit conducted for the entity's fiscal year. The County or a subrecipient may elect to have a Program-Specific Audit conducted if: 1) expenditures fall under only one Federal program, and 2) the Federal program's statues or regulations, and terms and conditions do not require a financial statement audit.

A non-Federal entity that expends less than \$1,000,000 in Federal awards during its fiscal year is exempt from Federal audit requirements for that year, except as noted in [§ 200.503](#). However,



in all instances, the records of the non-Federal entity must be available for review or audit by appropriate officials of the Federal agency, the County, and the Government Accountability Office (“GAO”). It is essential that all grant activity and any changes to the grant are well-documented and retained in preparation for a Single Audit. All Single Audits and Program-Specific Audits must be uploaded to the [Federal Audit Clearinghouse](#).

Awarding Agency or Pass-Through Agency Audit

Each awarding agency may operate under different terms and conditions while auditing County grants and subaward programs. Regardless of the award type, the agency may review documentation that substantiates whether the County is compliant with the terms and agreements associated with the specific grant or subaward.

Audits may include in-depth program evaluations to determine if program goals and objectives have been reached, including evaluations of specific program data and performance indicators. Financial statements and supporting documentation may be requested.⁴⁶

Department Preparation for Audits

It is the expectation of each Department Head/Supervisor or Project Lead to evaluate the department’s grant expenditures and programs at the end of each reporting period or fiscal year to assess compliance with award requirements. If a department is subject to an awarding agency or Single Audit, the Supervisor or Grant Manager must perform a preliminary assessment of performance. Departments must provide the County Attorney’s Office any notification received from an Awarding Agency of an upcoming audit.

The assessment should evaluate the status of the goals and objectives and adherence to grant requirements, including effective financial and programmatic management, procurement, and bidding procedures. All supporting documentation for the award must be consolidated and retained within the County’s internal records in preparation for the audit.

In instances where significant compliance concerns are identified, such as fraud, waste, or abuse of funds, the Department Head/Supervisor or Grant Manager must immediately notify the County Auditor and County Attorney’s Office to initiate an internal audit or program evaluation. The awarding agency must be notified of any risks, inconsistencies, or discrepancies that cannot be resolved with additional procedures.

⁴⁶ 2 CFR 200.510 available at <https://www.ecfr.gov/current/title-2/section-200.510>



Internal Audits

The County may conduct internal audits and assessments to evaluate compliance with grant requirements.

Fort Bend County Auditor's Office

The Auditor's Office utilizes a disciplined and unbiased approach to providing reasonable assurance that grant awards are administered and managed responsibly. The County Auditor has general oversight of books and records of all County officials and departments and is charged with strictly enforcing the laws governing County finances, in accordance with the Fort Bend County Auditor's Office Accounting Policies and Procedures. It is the responsibility of the Auditor's Office to conduct annual County audits and ensure that auditing is properly executed, documented, and retained within the County's records.

The accounting team is responsible for ensuring that the funds are allocated correctly, and that the grants are carried out within budgetary and other guidelines that the awarding agency and the County have approved. This includes evaluating that grant expenditures align with the project scope, budgets are amended appropriately, and financial grant reports are submitted on time.

County Attorney's Office The County Attorney's Office is committed to ensuring that grant funds are used in accordance with all applicable Federal, State, and Local regulations, as well as the specific terms and conditions of each grant. When a County Department receives grant funding, it bears responsibility for complying with all legal requirements tied to that funding.

To support compliance efforts, the County Attorney's Office conducts internal audits aimed at identifying potential legal and regulatory risks. These audits assess whether departmental policies and procedures comply with governing laws and grant requirements. The goal is to detect gaps or areas of non-compliance before they result in adverse consequences.

Following these audits, the County Attorney's Office will provide guidance on corrective actions, assist in the development of compliance programs when needed, and support ongoing monitoring efforts to mitigate future risk and reduce exposure to legal liability. This proactive approach helps to protect public resources and maintain the County's eligibility for future grant funding.

In addition to internal audits, State and Federal funding agencies may conduct their own reviews—either through desk audits or onsite inspections. The County Attorney's Office assists departments in preparing for these external audits by reviewing internal policies and procedures, responding to document requests, and addressing questions from agency reviewers.

Preparing thoroughly for both internal and external audits helps ensure that the County fulfills its contractual and regulatory obligations and strengthens its position to secure future funding.



Appendix A

Definitions

The following definitions are found in [2 CFR 200.1](#) unless otherwise noted.

Advanced Payment – means a payment that a Federal agency or pass-through entity makes by any appropriate payment mechanism and payment method before the recipient or subrecipient disburses the funds for program purposes.

Allocation – means the process of assigning a cost, or a group of costs, to one or more cost objective(s), in reasonable proportion to the benefit provided or other equitable relationship. The process may entail assigning a cost(s) directly to a final cost objective or through one or more intermediate cost objectives.

Assurance – refers to a statement of compliance with Federal or state law that is required of a local government as a condition for the receipt of grant or contract funds.⁴⁷

Audit finding – Means deficiencies which the auditor is required to report in the schedule of findings and questioned costs. (See [§ 200.516\(a\)](#))

Awarding Agency – entity that provides the funding for a grant, whether it be a government agency, foundation, or corporation. The awarding agency makes the decision to award the grant after reviewing proposals and evaluating the project's potential impact.

Beneficiary – A non-Federal entity or individual that receives supplies, goods, services, or funds from a recipient or subrecipient of a state or Federal award. The beneficiary is not subject to Federal auditing or reporting requirements but may be required to meet specific eligibility requirements to receive the award.

⁴⁷ Government Code Chapter 783.005(a) Uniform Grant and Contract Management



Block Grant – An award allocated from the Federal government to a state or local government necessary to fund a specific project or program. These grants may be in support of community-based priorities, including health, income, security, education or transportation.

Budget – means the financial plan for the Federal award that the Federal agency or pass-through entity approves during the Federal award process or in subsequent amendments to the Federal award.

Capital expenditures – Means expenditures to acquire capital assets or expenditures to make additions, improvements, modifications, replacements, rearrangements, reinstallations, renovations, or alterations to capital assets that materially increase their value or useful life.

Closeout – means the process by which the Federal agency or pass-through entity determines that all applicable administrative actions and all required work of the Federal award have been completed and takes actions as described in [2 CFR 200.344](#).

Contract – means, for the purpose of Federal financial assistance, a legal instrument by which a recipient or subrecipient conducts procurement transactions under a Federal award. For additional information on subrecipient and contractor determinations, [2 CFR 200.331](#).

Contractor – means an entity that receives a contract.

Cooperative Agreement - means a legal instrument of financial assistance between a Federal agency and a recipient or between a pass-through entity and subrecipient, consistent with [31 U.S.C. 6302-6305](#).

Corrective Action – means action taken by the auditee that:

- (1) Corrects identified deficiencies;
- (2) Produces recommended improvements; or
- (3) Demonstrates that audit findings are either invalid or do not warrant auditee action.

Cost Sharing – means the portion of project costs not paid by Federal funds or contributions (unless authorized by Federal statute). This term includes *matching*, which refers to required levels of cost share that must be provided.

Equipment – Means tangible personal property (including information technology systems) having a useful life of more than one year and a per-unit acquisition cost which equals or exceeds the lesser of the capitalization level established by the County for financial statement purposes, or \$10,000.

- Eligible equipment may include but is not limited to personal protective equipment, information technology hardware/software, cyber security enhancements, medical devices,



decontamination solutions, communication equipment, power supplies, and other authorized equipment.⁴⁸

Expenditures – means charges made by a recipient or subrecipient to a project or program for which a Federal award is received.

Federal agency – means an “agency” as defined at [5 U.S.C. 551\(1\)](#) and further clarified by [5 U.S.C. 552\(f\)](#). The term generally refers to the agency that provides a Federal award directly to a recipient unless the context indicates otherwise. See also definitions of Federal award and recipient.

Federal Audit Clearinghouse (FAC) – means the repository of record designated by OMB where non-Federal entities must transmit the information required by subpart F, including Single Audits.

Grant Agreement – means a legal instrument of financial assistance between a Federal awarding agency or pass-through entity and a non-Federal entity that, consistent with [31 U.S.C. 6302, 6304](#):

(1) Is used to enter into a relationship the principal purpose of which is to transfer anything of value to carry out a public purpose authorized by a law of the United States (see [31 U.S.C. 6101\(3\)](#)); and not to acquire property or services for the Federal awarding agency or pass-through entity's direct benefit or use;

(2) Is distinguished from a cooperative agreement in that it does not provide for substantial involvement of the Federal awarding agency in carrying out the activity contemplated by the Federal award.

(3) Does not include an agreement that provides only:

(i) Direct United States Government cash assistance to an individual;

(ii) A subsidy;

(iii) A loan;

(vi) A loan guarantee; or

(v) Insurance.

⁴⁸ The Federal Emergency Management Agency's Authorized Equipment List was referenced as an example of eligible costs, but may differ depending on the grant award.



Indirect Cost – means those costs incurred for a common or joint purpose benefitting more than one cost objective and not readily assignable to the cost objectives specifically benefitted, without effort disproportionate to the results achieved.

Internal Control – A process, implemented by a grantee or sub-grantee, designed to provide reasonable assurance regarding the achievement of objectives in the following categories:

- (a) Effectiveness and efficiency of operations;
- (b) Reliability of reporting for internal and external use; and
- (c) Compliance with applicable laws and regulations

Local Government – municipality, county, or other political subdivision of the state, as those terms are used in Government Code, Chapter 783. Does not include a school district or other special-purpose district.⁴⁹

Modified Total Direct Cost (MTDC) - means all direct salaries and wages, applicable fringe benefits, materials and supplies, services, travel, and up to the first \$50,000 of each subaward (regardless of the period of performance of the subawards under the award). MTDC excludes equipment, capital expenditures, charges for patient care, rental costs, tuition remission, scholarships and fellowships, participant support costs, and the portion of each subaward in excess of \$50,000. Other items may only be excluded when necessary to avoid a serious inequity in the distribution of indirect costs and with the approval of the cognizant agency for indirect costs.

Non-Federal Entity – means a State, local government, Indian tribe, Institution of Higher Education (IHE), or nonprofit organization that carries out a Federal award as a recipient or subrecipient.

Notice of Funding Opportunity – is any paper or electronic issuance that an agency uses to announce a funding opportunity, whether it is called a “program announcement,” “notice of funding availability,” “broad agency announcement,” “research announcement,” “solicitation,” or some other term.⁵⁰

Office of Management and Budget (OMB) – means the Executive Office of the President, Office of Management and Budget.

Pass-Through Entity – means a recipient or subrecipient that provides a subaward to a subrecipient (including lower tier subrecipients) to carry out part of a Federal program. The



authority of the pass-through entity under this part flows through the subaward agreement between the pass-through entity and subrecipient.

Performance Goal – A measurable target level of performance expressed as a tangible, measurable objective, against which actual achievement can be compared, including a goal expressed as a quantitative standard, value, or rate.

Period of Performance – means the time interval between the start and end date of a Federal award, which may include one or more budget periods.

Personal property – Refers to property other than real property. It may be tangible, having physical existence, or intangible.

Program Income – means gross income earned by the recipient or subrecipient that is directly generated by a supported activity or earned as a result of the Federal award during the period of performance except as provided in [2 CFR 200.307\(c\)](#).

Property – Means real property or personal property.

Real property – Refers to land, including land improvements, structures, and appurtenances thereto, but excludes moveable machinery and equipment.

Recipient – means an entity that receives a Federal award directly from a Federal agency to carry out an activity under a Federal program. The term recipient does not include subrecipients or individuals that are participants or beneficiaries of the award.

Subaward – Means an award provided by a pass-through entity to a subrecipient for the subrecipient to carry out part of a Federal award received by the pass-through entity. It does not include payments to a contractor or payments to an individual that is a beneficiary of a Federal program. A subaward may be provided through any form of legal agreement, including an agreement that the pass-through entity considers a contract.

Subrecipient – Means an entity, usually but not limited to non-Federal entities, that receives a subaward from a pass-through entity to carry out part of a Federal award; but does not include an individual that is a beneficiary of such award. A subrecipient may also be a recipient of other Federal awards directly from a Federal awarding agency.



Appendix B

Non-Profit Classifications – Subrecipient, Contractor or Beneficiary

The purpose of Appendix B is to describe the various methods for classifying the relationship between multiple entities receiving Federal grant funds. Specifically, this document considers non-profit organizations and how their role may shift depending on the design and purpose of the program. A similar understanding may be applied to other types of entities when determining if they are a subrecipient, contractor, or beneficiary. Fort Bend County (the “County”) must use their discretion when determining the most appropriate classification and adhere to the specifications of the awarding agency. Below are examples of where the County is the recipient of a Federal award and is allocating funds to non-profit organizations.

Non-Profit as Contractor

The U.S. Department of Housing and Urban Development (HUD) awards a Community Development Block Grant (“CDBG”) to the County. The County identifies a significant need for home repair services for elderly and low-income residents and uses a portion of the CDBG funds to address this need.

- Rather than relying on County departments to manage and execute the home repairs, the County issues a Request for Proposal (RFP) for qualified organizations to provide the services. The County follows internal procurement procedures and selects a local non-profit organization with expertise in affordable housing repairs.
- The County establishes a procurement contract with the non-profit organization, as the program was designed to achieve the County’s CDBG program objectives. In this case, the non-profit would be the contractor, and the elderly and low-income residents would be the beneficiaries.



Non-Profit as Subrecipient

The U.S. Department of Health and Human Services (HHS) awards a grant to the County for the purpose of improving mental health services for underserved youth in rural areas. As the recipient, the County is responsible for overseeing the program but does not have the direct capacity to reach out to rural communities and provide necessary mental health services.

- The County enters into a subaward agreement with a non-profit organization that has a proven track record of providing mental health support to youth in remote areas. The non-profit has experience establishing community centers, conducting outreach programs, and networking with licensed therapists.
- The County is allocating a portion of the funds through a subaward to carry out part of the Federal program, and therefore the non-profit is a subrecipient. The non-profit is responsible for developing and implementing the program, such as developing therapeutic programs, determining which youth are eligible, and tracking objective progress.
- While the non-profit handles the direct services, the County is responsible for monitoring the non-profit to ensure performance goals are achieved and reporting financial and programmatic data directly to HHS.

Non-Profit as Beneficiary

The U.S. Department of Labor awards the County a Workforce Development Initiative grant aimed at boosting local economies through job training. The County issues a Request for Proposals with specific eligibility criteria to identify local non-profit organizations.

- The County selects two local non-profits who described their difficulties in continuing to operate their job placement programs due to a significant lack of funding and resources.
- The County may choose to enter into an agreement with the non-profits outlining specific guidelines they must follow; however, the non-profit is not subject to Federal monitoring requirements. In this case, the Federal funds are expanding the non-profits' workforce and capacity to continue operating the job placement programs, thereby classifying the non-profits as beneficiaries.
- It should be noted that the non-profits in this case could also be classified as subrecipients, because they are allocating funds to individuals for job training, who are beneficiaries. The County must determine if monitoring the progress of the program is necessary based on the terms and conditions of the Federal award.



