

ST. CLAIR COUNTY COMMUNITY MENTAL HEALTH AUTHORITY

ADMINISTRATIVE PROCEDURE

Date Issued **03/24**

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I. APPLICATION:

ST. CLAIR COUNTY CMH

- SCCCMH Board
- SCCCMH Providers and Subcontractors
- Direct-Operated Programs
- Community Agency Contractors
- Residential Programs
- Specialized Foster Care

II. PURPOSE STATEMENT:

St. Clair County Community Mental Health Authority (SCCCMHA) shall ensure to document the policies and procedures for the administration of federal awards of SCCCMHA.

III. DEFINITIONS:

None available

IV. STANDARDS:

A. The *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (“Uniform Grant Guidance”) [2 CFR 200] requires all sub-recipients of federal funds to establish and maintain internal controls designed to reasonably ensure compliance with Federal laws, regulations and program compliance requirements. Written policies and procedures are part of the necessary internal controls and are required as a precondition to receiving federal funds. These policies and procedures are intended to be sufficiently comprehensive to adequately meet such requirements. However, in no case are these policies and procedures intended to supersede or limit federal or state laws or regulations, or the provisions of individual grant agreements.

V. PROCEDURES:

In the event that conflicting guidance on the administration of Federal awards is available, SCCCMHA has deemed Federal guidance to be the most authoritative, followed by guidance from other State or local agencies.

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Chief Financial Officer

1. Establish and document operating procedures to ensure compliance with the provisions of federal regulations and the provisions of grant agreements. These procedures are documented and will be reviewed and updated as necessary.

Apply the following procedures:

1. Comply with the *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (“Uniform Grant Guidance”) [2 CFR 200] issued by the federal government.
2. Comply with all contractual requirements detailed in its duly executed grant agreements with awarding agencies.

A. Cash Management Related to Payments of Federal Funds

In order to ensure compliance with cash management requirements and to ensure that the time elapsing between the draw and receipt of federal funds and disbursement to contractors/employees/sub recipients is minimized, SCCCMHA has implemented the following procedures.

Finance Supervisor or Designee

1. Expends and disburses all costs prior to requesting reimbursement from the grantor agency. Substantially all of SCCCMHA grants are awarded on a reimbursement basis.
2. Analyzes the detailed general ledger activity and prepares the draw request for review and approval by the Chief Financial Officer. Cash draws will be initiated by the Chief Financial Officer or designee. Documentation of how the amount was determined will be retained and signed/dated.
3. Files supporting documentation or a copy of the cash draw paperwork along with the approved paperwork and retain for audit purposes.

B. Purchasing and Procurement

Management

1. Ensures that all disbursements of SCCCMHA funds are properly reviewed and authorized, and consistent with sound financial management principles. In order to meet these objectives, SCCCMHA has implemented an Administrative Procedure, #[07-001-0006](#)

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Administrative Procedures related to Board Fiscal Responsibilities, which outlines the procurement methods for various levels of purchases.

C. Conflict of Interest

Transactions involving Federal awards are subject to all conflict of interest policies. SCCCMHA has a Conflict of Interest Policy, #[01-001-0030](#).

Additional guidance is provided within the following policy:

- [#01-001-0020](#) CMH Board Member Meeting Attendance

Board Members, SCCCMHA employees and Contractual employees

The following procedures will also be applied, to the extent that they do not conflict with or contradict the Board policy / administrative procedures listed above:

1. Discloses any conflict of interest (whether in fact or in appearance). When a member of the Board determines that the possibility of a personal interest conflict exists, he/she should, prior to the matter being considered, disclose his/her interest in a public meeting (which will be noted in the official meeting minutes). The individual shall abstain from discussing or voting on this matter.
2. Discloses any related party transactions as part of the annual audit.
3. Abstains from accepting money or gifts from current or potential vendors of SCCCMHA if such items are valued in excess of a threshold.
4. Prohibits use of SCCCMHA equipment, materials, and supplies for personal benefit.

D. Allowability of Costs Charged to Federal Programs

The requirements for allowable costs/cost principles are contained in 2 CFR 200, program legislation, Federal awarding agency regulations, and the terms and conditions of the award.

Finance Supervisor and Staff

1. Comply with *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (“Uniform Grant Guidance”) [2 CFR 200], State law, SCCCMHA policy, and the provisions of the grant award agreement for ***all*** Grant expenditures. Grant funds will only be used for expenditures that are considered reasonable and necessary for the administration of the program.

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2. Approving grant expenditures and ensuring allowability will be done by department heads/program supervisors initially through the purchase order (when applicable) or other purchase procurement process, and again when the bill or invoice is received. This will be evidenced by signature or initials and date on the invoice. Ultimately, all grant expenditures should be supported by either a signed purchase order or signed invoice to support not only payment, but the determination that the transaction was allowable to be charged to the grant. Furthermore, the Finance Supervisor reviews all invoices to ensure the accounts charged are reasonable. Accounts payable disbursements will not be processed for payment by the Finance Department until necessary approval(s) have been obtained.
3. Document payroll costs in accordance with 2 CFR 200 as described in the Compensation section of this procedure.
4. Charge an indirect cost rate to the grant only to the extent that it was specifically approved through the grant budget/agreement. When allowable, indirect costs will be charged using the 10% De Minimis rate.

In addition, there are periods of availability requirements. SCCCMHA has implemented the following procedures:

1. Charges costs to an award only if the obligation was incurred during the funding period (unless pre-approved by the Federal awarding agency or pass-through grantor agency).
2. Liquidates all obligations not later than 90 days after the end of the funding period (or as specified by program legislation).
3. Complying with period of availability requirements will initially be assigned to the individual approving the allowability of the expense/payment. This will be subject to review and approval in the finance department as part of the payment processing.

E. Compensation (Personnel & Benefits)

The agreement between SCCCMHA and the two Union Chapters of SCCCMHA sets forth the terms and conditions of employment and to promote orderly and peaceful labor relations for the mutual interest of the Authority, the employee, and the Union, including, but not limited to, the Compensation and Benefits of the employees. Separately, there is a group of employees outside of the union, mainly those in upper management, whose compensation and benefits are set forth under a contractual arrangement.

The following provisions apply to the payment of employees and recording of time and effort (as required) in accordance with Federal Cost Principles.

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All Agency Employees

1. Enters time spent on grant activities in the payroll software (ADP) and electronic health record software (OASIS) using the codes specifically related to the grant. Hours billed to the program should be based exclusively on the actual hours worked.
2. Submits corrections to the Finance Supervisor who will record the changes.

F. Travel Costs

1. Travel expenses are addressed in the Travel and Business Reimbursement administrative procedure #[07-003-0020](#).
2. Costs charged to grants shall follow the policies and procedures as outlined above.

VI. REFERENCES:

Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (“Uniform Grant Guidance”) [2 CFR 200]

VII. EXHIBITS:

None

IX. REVISION HISTORY:

Date issued 01/20, 03/21, 03/22, 3/23.