

**COUNTY OF HENRICO**  
**MANAGEMENT OF STATE AND FEDERAL GRANTS**



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## **INTRODUCTION**

The County of Henrico (County) will cooperate and participate in programs of the United States of America (Federal) and the Commonwealth of Virginia (State) which benefit the citizens of the County. The County will apply for, accept and administer grants providing financial support to the County. The authority to approve participation in intergovernmental grant programs is vested in the Board of Supervisors and for certain other grant programs involving only the Department of Education, the School Board.

The County Manager may authorize variation from this Grants and Administration Policy. All Departments and Agencies shall observe this policy. The County Manager is the Chief Grant Administrator and the Director of Finance is the Chief Grant Fiscal Officer.

## **SECTION I. FEDERAL, STATE AND LOCAL REGULATIONS**

County personnel involved in the administration of Grants, Performance Grants, Contracts, and other Special Agreements will encounter the following Federal, State and Local regulations. Specifically, the general grant and program administration personnel (Department Head/grant director or his/her designee) as well as the grants accountant in the Accounting Division of the Department of Finance should be familiar with the regulations described below and use them as resources and guidance when needed. These regulations should be used in administering grants, reviewing financial matters and understanding what auditors may investigate for each grant.

### **A. Federal Regulations**

1. Office of Management and Budget updated the Code of Federal Regulations effective December 26, 2014.

Effective December 26, 2014 the Code of Federal Regulations, Title II-Grants and Agreements has been updated.

<http://www.ecfr.gov/cgi-bin/text-idx?tpl=%2Findex.tpl>

2. Office of Management and Budget published technical corrections on December 19, 2014, in the Federal Register.

Federal awarding agencies published implementing regulations, including OMB-approved exceptions and clarifying language.

<https://www.gpo.gov/fdsys/pkg/FR-2014-12-19/pdf/2014-28697.pdf>

3. Office of Management and Budget published the Super Circular on December 26, 2013, in the Federal Register.

[http://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title02/2cfr200\\_main\\_02.tpl](http://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title02/2cfr200_main_02.tpl)

This Super Circular sets forth new guidance on Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. These sweeping changes are the result of more than two years of work by both deferral and nonfederal assistance sectors overseen by the Council on Financial Assistance Reform. The new guidance affects entities receiving and administering federal awards as well as auditors responsible for auditing federal awards programs. (See the Super Circular for the specifics of these items.)

The new guidance found in the OMB's Super Circular is in part due to the promise of a 21<sup>st</sup> Century government that is more efficient, effective and transparent. The Super Circular is a key component of a larger Federal effort to more effectively focus Federal resources on improving performance and outcomes while ensuring the financial integrity of taxpayer dollars in partnership with non-Federal stakeholders. This guidance provides a governmentwide framework for grants management which will be complemented by additional efforts to strengthen program outcomes through innovative and effective use of grant-making models, performance metrics, and evaluation. This reform of OMB guidance will reduce the administrative burden for non-Federal entities receiving Federal awards while reducing the risk of waste, fraud and abuse.

The new guidance was published December 26, 2013, will be in effect for all federal awards or funding increments to nonfederal entities on or after December 26, 2014, and will apply to nonfederal entity audits for fiscal years beginning on or after that date.

This new guidance supersedes and streamlines requirements contained in OMB Circulars A-21, A-50, A-87, A-89, A-102, A-110, A-122 and A-133 by consolidating the requirements of these eight documents into one. The final guidance consolidates the guidance previously contained in the aforementioned citations into a streamlined format that aims to improve both the clarity and accessibility.

The final guidance is located in Title 2 of the Code of Federal Regulations-Grants and Agreements; which includes Part 200-Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. This final guidance does not broaden the scope of applicability from existing government-wide requirements, affecting Federal awards to non-Federal entities including state and local governments.

## **B. State Regulation**

The Auditor of Public Accounts Specifications for Audits of Counties, Cities and Towns Manual indicates that testing of federal funds that are passed-through the State should comply with the requirements issued by the Federal government. The Virginia Compliance Supplement includes Budget and Appropriation Laws, Cash and Investments, Conflicts of Interest, Debt Provisions, Retirement Systems, Procurement and Unclaimed Property.

Effective July1, 2016, the Commonwealth changed its Accounting and Reporting System from CARS to Cardinal.

### **C. Local Regulation**

The County's Department of Finance issued the grant regulations titled "Grants Policy and Administration" on October 1, 1993. The policy covered procedures on State and Federal grant application, award and grant acceptance, program and fiscal administration, duties and responsibilities of the grant director or his/her designee and grants accountant, audit requirements, definition and accounting requirements. Additionally, the County's Department of Finance issued sign off procedures regarding State and Federal Grants, Performance Grants, Contracts and Special Agreements on April 1, 1997. The purpose of this policy was to facilitate communication and accountability during the application and acceptance process of a grant through the use of a Transmittal Document. The "Management of State and Federal Grants" rescinds both prior documents and includes grant definitions, appropriated regulations, procedures for application; award and acceptance of a grant, duties of grant personnel, revenue recognition and grant audit requirements.

## **SECTION II. PROCEDURES: STATE AND FEDERAL GRANTS**

### **A. Preliminary**

Grant directors or their designees becoming aware of opportunities for cooperation with other governmental agencies that will benefit the County and conform to the goals and objectives of the County should communicate the opportunity in writing to the County Manager. If the County Manager approves the agency's intent to apply for a grant, then the application process begins.

### **B. Application**

Preparation: After the County Manager approves an agency's intent to apply for a grant, the grant director or his/her designee initiating an application shall prepare the application in accordance with instructions of the granting Federal or State agency. During the application process, the grant director or his/her designee should review and determine which Federal compliance requirements and State laws and regulations govern the grant program to ensure the County can meet the compliance requirements. Grant directors or their designees maintaining liaisons with the granting agencies are prohibited from making any commitment beyond the approved application.

Content: The application shall contain on its face or in narrative form the following: (1) the period of the grant, (2) the County Manager identified as the Chief Grant Administrator and the grant director or his/her designee directly responsible for the grant program, (3) the Director of Finance, identified as the Chief Grant Fiscal Officer, and the grant director or his/her designee responsible for financial administration and (4) the commitment of County resources (personnel, funds, facilities, equipment, etc.).

Application Approval: The grant director or his/her designee initiating the application should

submit the application, the transmittal document (Attachment A) and all other necessary information regarding the grant to the County Manager or his designee for his approval. Once the County Manager signs the application and transmittal document all information is sent back to the initiating agency. The initiating agency then submits the application to the grantor and sends applicable copies of the transmittal document to the Department of Finance's divisions of Accounting and Budget. The Transmittal Document serves as first notification to the Department of Finance's divisions of Accounting and Budget that a grant is in progress so they can begin discussing how to best account for the grant.

The Transmittal Document distribution is as follows:

- Original: County Manager receives as the summary sheet for the "packet" of grant materials.
- Copy: Accounting Division, of the Department of Finance, no backup documentation necessary.
- Copy: Budget Division, of the Department of Finance, no backup documentation necessary.
- Copy: Retained by the Initiation Agency/Department.

The Transmittal Document is not required for the following exception situations. First, the Transmittal Document is not required for continuing (on-going) grants if the grants are included in the annual fiscal plan. In this case, however, the agency must provide the award information and request the establishment of additional account codes to the grants accountant. Secondly, the Transmittal Document is not required for donations if the amount is under \$500.

It should be noted that the County Manager may approve grant applications provided a signature is not required of an elected official. If an elected official signature is required, then a board paper will be initiated by the affected agency because the application must be approved by the Board of Supervisors.

### **C. Award and Grant Acceptance**

1. When the grant director or his/her designee receives notice of a grant award, a board paper shall be prepared by the grant director or his/her designee in order to accept the grant award. If the award is materially different from the original application, the grant director or his/her designee shall inform the County Manager in writing. The Board Paper and the grant award document and any other appropriate grant materials should be forwarded to the County Manager at least 7 calendar days prior to the Board of Supervisors meeting at which the Board Paper will be considered. The Board Paper should contain the following elements: Funding Source (Federal or State), Funding Agency, Grant Amount, Matching Requirements, County Account Structure, Grant Purpose and Need for Additional Personnel, if any.

2. The grant director or his/her designee receiving the grant award shall advise the Department of Finance Accounting Division of the award by forwarding a copy of the award documents and other necessary grant materials. The grant director or his/her designee will request new Oracle accounting segments from Accounting. Accounting will assign the required segments and forward the request to the Oracle Database Administrator to get set up within Oracle G/L. The grants accountant shall also provide any assistance on other accounting/funding issues.
3. After the Board of Supervisors approves the acceptance of the grant, the grant director or his/her designee prepares budget amendments and transfer forms and forwards them along with the award documents and other necessary grant materials to the Budget Division. The budget forms begin the process to amend the annual fiscal plan. A copy of the budget amendment and transfer forms should also be sent to the grants accountant in the Accounting Division.

### **SECTION III. ADMINISTRATION AND ACCOUNTING**

Responsibilities for grants are divided into two categories: grant accounting and general grant and program administration.

#### **A. Grant Accounting**

Grant Accounting is performed by the grants accountant in the Accounting Division of the Department of Finance. The grants accountant oversees the accounting for grant funds. The responsibilities of the grants accountant include but are not limited to the following:

1. The grants accountant will work with the respective department and the budget office to establish the required account structure in Oracle.
2. The grants accountant will process journal entries as needed and answer accounting recording questions from agencies, questions regarding ORACLE reports, etc.
3. The grants accountant will record and accumulate grant revenue information collected from processed pay-in-vouchers, Electronic Data Interchange (EDI) receipts and wire transfers from the Federal government and reconcile these revenues to Oracle monthly.
4. Revenues accumulated in #3 above are used to reconcile the County's records to the State Commonwealth Accounting System (Cardinal) report on a quarterly basis. The Cardinal report received quarterly summarizes categorical aid received from the Commonwealth of Virginia. It breaks the revenues out by State and Federal pass-through funds.

5. Periodically, during the year, the grants accountant will prepare a Schedule of Expenditures of Federal Awards (SEFA). This schedule summarizes the Catalog of Federal Domestic Assistance (CFDA) number, Federal expenditures and amounts passed through to subrecipients for each grant. Preparing this report periodically aids in the completion of it annually as required by the Super Circular (Federal Regulations #3, page 3, or [http://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title02/2cfr200\\_main\\_02.tpl](http://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title02/2cfr200_main_02.tpl)).
6. Quarterly or semiannually, depending on grant submission requirements, a copy of all grant requests for funds and financial reports should be sent to the grants accountant for his/her records. The grants accountant will review the revenues and expenditures submitted by County agencies in conjunction with an agency request for funds and/or reporting requirements for a particular grant. The grants accountant will follow up with the grants director or his/her designee on specific questions that need to be addressed prior to filing the grant request with the respective State or Federal agency.
7. Annually, the grants accountant will analyze revenues and expenditures for each grant. The grants accountant will work with the grant director or his/her designee to determine if all necessary accrual and deferral journal entries have been made for the annual audit.
8. If the grants accountant becomes aware of any noncompliance with the Grants and Administration Policy, then the Director of Finance will be notified.
9. When requested by the grants director or his/her designee, the grants accountant will monitor the County's subrecipients. The grants accountant determines whether or not the subrecipient's financial management system is in compliance with federal regulations. A conclusion about compliance is documented in a memo and forwarded to the appropriate grant director or his/her designee. The grants accountant maintains a file on all monitoring activities. For example, the Community Development Block Grant (CDBG) allots funds to private agencies. These agencies are the County's subrecipients. The County must monitor the subrecipients to comply with federal regulations.
10. In May of each year, the grants accountant will send a confirmation to all County agencies asking them to certify that they maintain a copy of and understand the County's grant policy, that they are responsible for proper grant administration, and that they have established the proper system of internal controls to ensure compliance with federal, state or local requirements as applicable (see Attachment C for an example of this certification).
11. Of the Federal Compliance requirements under the Super Circular, Appendix B, responsibility for reporting and subrecipient monitoring is divided between the grants accountant and the grant director or his/her designee. Refer to the grants accountant's duties in number 7 & 9 above for his/her specific responsibilities.



12. At fiscal year-end, the grants accountant will verify unspent grant funds identified by the grant director or his/her designee and advise the Budget Division by account string code, the available funds to be reappropriated into the new fiscal year.

### **B. General Grant and Program Administration**

General grant and program administration include the agency's grant director or his/her designee whose responsibilities involve compliance issues both general and specific in nature. The grant director or his/her designee's responsibilities include but are not limited to the following:

1. The grant director or his/her designee will perform the duties associated with applying for and accepting a grant. These duties outlined in the Procedures: State and Federal Grants section of this policy (Section II, pages 5-7).
2. The grant director or his/her designee shall be responsible for administering the grant and shall have such authority as may be delegated by the department head to direct the personnel and utilize resources to conduct and complete the grant. Throughout the life of the grant, the grant director or his/her designee has complete authority to seek clarification on grant guidelines and to respond to inquiries from the awarding agency.
3. The grant director or his/her designee is responsible for implementing the terms and conditions of the grant or contract including the applicable Federal compliance requirements and/or State and Local requirements and regulations (see Federal, State and Local Regulations section of this policy, Section I, pages 3-5).
4. The grant director or his/her designee is responsible for maintaining internal control over Federal and State programs. These internal controls provide reasonable assurance that the County is managing the awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have an effect on Federal and State programs as required by the Super Circular (Federal Regulations #3, page 3, or [http://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title02/2cfr200\\_main\\_02.tpl](http://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title02/2cfr200_main_02.tpl)).
5. The grant director or his/her designee maintains necessary information on each grant. The grant director or his/her designee also prepares all quarterly reports and grant request for funds on a quarterly or semiannual basis, depending on the grant submission requirements. This should include any reports required to close the grant at the appropriate time. These reports should reconcile to Oracle. Financial reports that are to be signed by the Director of Finance are due to the grants accountant **five business days** prior to the day the report is due to the grantor so as to have appropriate time to review these reports. These reports are to be emailed/mailed/faxed by the grant director or his/her designee. All other financial

reports still should be sent to the grants accountant for their records.

6. The grant director or his/her designee shall advise the Department of Human Resources of any personnel/payroll changes (personnel requisition, payroll action form, etc.). It should be noted that positions paid from grant funds are only approved for the period of the grant.
7. At fiscal year-end the grant director or his/her designee will provide a listing of unspent grant funds by account string code to the grants accountant to be reappropriated into the new fiscal year.
8. The grant director or his/her designee will work closely with the grants accountant to ensure that he/she is kept informed of all grant activities, such as increases or decreases in funding and changes in eligibility or scope of the grant. The grant director or his/her designee will also advise the grants accountant of inquiries made by the grantor and any periodic audits. For audits performed, the grant director or his/her designee should send the grants accountant a copy of the audit report for his/her records.
9. Annually, prior to fiscal year-end, the grant director or his/her designee will certify and identify assets purchased with federal funds or assets purchased with federal funds which have been disposed of to the capital asset accountant in the Accounting Division (see attachment B for an example of the annual certification). With information furnished by the department administering the grant, the capital asset accountant will ensure that all equipment purchased (including replacement equipment) and disposed of (whether acquired in whole or in part with grant funds) are properly recorded, inventoried and disposed of in accordance with guidelines established in the Code of Federal Regulations: Subpart D-Post Federal Award Requirements.

## **SECTION IV. OMB SUPER CIRCULAR SUBPARTS AND APPENDICES**

Subpart A – Acronyms and Definitions

Subpart B – General Provisions

Subpart C – Pre-Federal Award Requirements and Contents of Federal Awards

Subpart D – Post Federal Award Requirements

Subpart E – Cost Principles

Subpart F- Audit Requirements

Appendix I – Full Text of Notice of Funding Opportunity

Appendix II – Contract Provisions for Non-Federal Entity Contracts Under Federal Awards

Appendix III - Indirect (F&A) Costs Identification and Assignment, and Rate Determination for Institutions of Higher Education (IHEs)

Appendix IV- Indirect (F&A) Costs Identification and Assignment, and Rate Determination for Nonprofit Organizations

Appendix V – State/Local Governmentwide Central Service Cost Allocation Plans

Appendix VI – Public Assistance Cost Allocation Plans

Appendix VII- States and Local Government and Indian Tribe Indirect Cost Proposals  
Appendix VIII- Nonprofit Organizations Exempted from Subpart E-Cost Principles of Part 200  
Appendix IX – Hospital Cost Principals  
Appendix X – Data Collection Form (Form SF-SAC)  
Appendix XI – Compliance Supplement  
Appendix XII- Award Term and Condition for Recipient Integrity and Performance Matters

Additional details regarding each of the subparts and appendixes listed above can be found in the OMB Super Circular in Title 2 [http://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title02/2cfr200\\_main\\_02.tpl](http://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title02/2cfr200_main_02.tpl) of the Code of Federal Regulations and at <https://www.federalregister.gov/articles/2013/12/26/2013-30465/uniform-administrative-requirements-cost-principles-and-audit-requirements-for-federal-awards>

## **SECTION V. AUDIT REQUIREMENTS-OMB SUPER CIRCULAR**

### **A. Requirement**

Office of Management and Budget Super Circular, *Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, sets forth standards for obtaining consistency and uniformity among Federal agencies for the audit of non-Federal entities expending Federal awards. According to this Circular, the auditee (County of Henrico) must have an annual single audit because the County expends more than \$750,000 a year in Federal awards and the County expends Federal awards under more than one program. This section outlines some of the requirements under the Super Circular. Refer to Subpart F-Audit Requirements in the Super Circular for complete details (Federal Regulations #3, page 3, or [http://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title02/2cfr200\\_main\\_02.tpl](http://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title02/2cfr200_main_02.tpl)).

### **B. Scope of Work**

1. The auditor shall determine whether the County's financial statements are presented fairly in all material respects in conformity with generally accepted accounting principles (GAAP).
2. The auditor shall also determine whether the Schedule of Expenditures of Federal awards is presented fairly in all material respects in relation to the County's financial statements taken as a whole.
3. The auditor shall perform procedures to obtain an understanding of internal control over Federal programs.
4. The auditor shall determine whether the County has complied with laws, regulations, and the provisions of contracts or grant agreements that may have a direct and material affect on each of its major programs.

### **C. Audit Reports**

The County will receive the following reports based on audits performed under the Super Circular:

1. An opinion as to whether the financial statements are presented fairly in all material respects,
2. An opinion as to whether the Schedule of Expenditures of Federal awards is presented fairly in all material respects,
3. A report on internal control related to the Financial statements and the major programs,
4. A report on compliance with laws, regulations, and the provisions of contracts or grant agreements, noncompliance with which could have a material effect on the financial statements and,
5. A schedule of findings and questioned costs, if necessary.

### **D. Super Circular Guidance on Other Audits**

The Super Circular does not limit the authority of Federal agencies to conduct or arrange for additional audits (financial, performance, inspections, etc.). The grant director or his/her designee should notify the grants accountant if such an audit occurs and send a copy of any audit report to the grants accountant for his/her file.

## **SECTION VI. REVENUE RECOGNITION AND FUNDING**

### **A. Revenue Recognition**

The Governmental Accounting and Financial Reporting Standards Codification advise that grants and entitlements must be recorded as revenue in one of the seven fund types (general, special revenue, capital projects, debt service, enterprise, internal service, and trust and agency funds). To identify the proper fund, the purpose and requirements of each grant, entitlement, or shared revenue must be carefully analyzed. Grants, entitlements, or shared revenues received for purposes normally financed through the general fund may be accounted for within that fund provided that applicable legal requirements can be appropriately satisfied; use of special revenue funds is not required unless they are legally mandated or they are to be expended for specific purposes.

The County's Federal and State Grants are currently classified in the General, Special Revenue and Capital Projects Funds which are governmental funds; and James River Juvenile Detention which is the component unit. The General Fund accounts for all revenue and expenditures of the County that are not accounted for in other funds. The Special Revenue Fund accounts for proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The Capital Projects Fund accounts for all revenue and expenditures for capital projects funded by Federal and State Grants (i.e. Highway Funds). The County does not have

any grants in its Proprietary or Fiduciary funds.

**GOVERNMENTAL FUNDS—(GENERAL, SPECIAL REVENUE, CAPITAL PROJECTS & DEBT SERVICE FUNDS)**

Grants, entitlements, or shared revenues recorded in governmental funds should be recognized as revenue in the accounting period when they become susceptible to accrual, that is, both measurable and available (modified accrual basis). Such resources should be recorded as revenue at the time of receipt or earlier if susceptible to accrual. For other such resources, usually grants, expenditure is the prime factor for determining eligibility, and revenue should be recognized when the expenditure is made. Similarly, if cost sharing or matching requirements exist, revenue recognition depends on compliance with these requirements.

**PROPRIETARY FUNDS—(ENTERPRISE & INTERNAL SERVICE FUNDS)**

Grants, entitlements, or shared revenues received for proprietary fund operating purposes, or that may be used for either operations or capital expenditures at the discretion of the recipient government, should be recognized as “non-operating” revenues in the accounting period in which they are earned and become measurable (accrual basis). Such resources restricted for the acquisition or construction of capital assets should be recorded as contributed equity.

**FIDUCIARY FUNDS—(TRUST AND AGENCY FUNDS)**

Grants, entitlements, or shared revenues recorded in trust funds should be recognized as revenue on a basis consistent with the fund’s measurement objective (governmental or proprietary). Revenue is not recognized in agency funds. Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Trust funds include pension, nonexpendable and expendable funds.

**FINANCIAL REPORTING (BALANCE SHEETS)**

Grants, entitlements, or shared revenues received before the revenue recognition criteria have been met should be reported as Deferred Revenue, a liability account. Such resources not received should be reported as a receivable if the revenue recognition criteria have been met. When such resources have not been received nor the revenue recognition criteria met, they should not be reported on the balance sheet, but may be disclosed in the notes to the financial statements.

**SECTION VII. GRANT FUNDING SOURCES**

Grant funding is accomplished in the following methods:

<b>Source</b>	<b>Method</b>
Federal	Received directly from the Federal Government
Federal Pass-Through	Passed from Federal through State Government

State

Received directly from the State Government

The County revenue codes clearly differentiate between state and federal money. Federal revenue account codes begin with 42XXX and state account codes begin with 41XXX.

## **SECTION VIII. DEFINITIONS**

**ACCRUAL**—The method of recognizing revenues when earned rather than when cash is received, and recognizing expenses when incurred rather than when paid.

**ACCOUNTS RECEIVABLE INVOICE**—A bill sent to the grantor if there are no formal reimbursement procedures.

**AUDITEE**—Any non-Federal entity that expends Federal awards.

**AUDITOR**—An auditor, that is a public accountant or a Federal, State or local government audit organization, which meets the general standards specified in generally accepted government auditing standards (GAGAS). The term auditor does not include internal auditors of non-profit organizations.

**AUDITOR OF PUBLIC ACCOUNTS**—The independent auditor serving the Commonwealth of Virginia.

**BLOCK (PERFORMANCE) GRANT**—A grant awarded to a governmental unit (usually a state) to be used for a variety of activities within a broad functional area. Under a block grant, a set amount of funds is distributed to the states, which then “passes through” the funds to local governments and agencies in accordance with any Federal compliance requirements. (Example, would be the Mental Health and Developmental Services performance contract (block grant).

**BUDS**—The budget development system is an interactive budget system that was created in-house by IT to replace the previous Access database used for budget development. The use of BUDS began with the development of the FY2016-17 budget.

**CARDINAL**—The Commonwealth of Virginia’s general ledger and statewide financial system. It replaces the CARS (Commonwealth Accounting and Reporting System).

**CATALOG OF FEDERAL DOMESTIC ASSISTANCE (CFDA)**—Published annually by the OMB. This document is a comprehensive source of information about all federal assistance programs. It details the laws and regulations affecting programs, funds use and use restrictions, and other information relevant to compliance auditing. Refer to <https://www.cfda.gov/>

**CATEGORICAL**—A grant awarded to a governmental unit to be used for a specific reason (category) within a broader functional area.

**COMPLIANCE REQUIREMENTS**—Non-Federal entities receiving Federal awards must comply with Federal compliance requirements. The compliance requirements can be found within the Super Circular (See Subpart C-Pre-Federal Awards Requirements and Contents of Federal Awards; Subpart D-Post Federal Award Requirements and Subpart E-Cost Principles at [http://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title02/2cfr200\\_main\\_02.tpl](http://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title02/2cfr200_main_02.tpl)).

**CONTRACT**—A mutually binding legal relationship obligating the seller to furnish the supplies of services (including construction) and the buyer to pay for them. It includes all types of commitments that obligate the government to an expenditure of appropriated funds and that, except as otherwise authorized, are in writing. In addition to bilateral instruments, contracts include (but are not limited to): awards and notices of awards; job orders or task orders issued under basic ordering agreements; letter contracts; orders, such as purchase orders, under which the contract becomes effective by written acceptance or performance; and, bilateral contract modifications.

**DEFERRAL**—The accounting process concerned with past cash receipts and payments; in contrast to accrual. Recognizing a liability resulting from a current cash receipt or recognizing an asset from a current cash payment.

**DIRECT ASSISTANCE**—Assistance received directly from a Federal agency.

**ENTITLEMENT**—The amount of payment to which a state or local government is entitled as determined by the federal or other government pursuant to an allocation formula contained in applicable statutes. (For example, Community Development Block Grant (CDBG) is an entitlement grant).

**ORACLE**—The County of Henrico’s accounting system.

**FEDERAL AWARD**—Federal financial assistance and Federal cost-reimbursement contracts that non-Federal entities receive directly from Federal awarding agencies or indirectly from pass-through entities. It does not include procurement contracts, under grants or contracts, used to buy goods or services from vendors. Contracts to operate Federal Government owned, contractor operated facilities (GOCO) are excluded from the requirements of this part.

**FEDERAL FINANCIAL ASSISTANCE**—Assistance that non-Federal entities receive or administer in the form of grants, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other assistance, but does not include amounts received as reimbursement for services rendered to individuals.

**GOVERNMENT**—A federal, state or local government or a federally recognized Indian tribal government.

**GRANT**—An award of financial assistance, including cooperative agreements, in the form of money, or property in lieu of money, by the federal and state government to an eligible grantee. The term does not include technical assistance, which provides services instead of money, or

other assistance in the form of revenue sharing, loans, loan guarantees, interest subsidies, insurance, or direct appropriations. Also, the term does not include assistance, such as a fellowship or other lump sum award, which the grantee is not required to account for.

***INTERNAL CONTROL STRUCTURE***—Procedures that ensure that (1) resource use is consistent with laws, regulations, and policies, (2) resources are safeguarded against waste, loss and misuse, and (3) reliable data is obtained, maintained and fairly disclosed in reports. The internal system is made up of both accounting and administrative controls.

***MODIFIED ACCRUAL***—Revenues are recognized when measurable (i.e. the amount can be determined) and available (i.e. the revenue was collected in the current fiscal year or soon enough after year-end to pay liabilities of the current year) and expenditures are recognized when measurable (i.e. the amount can be determined) and incurred (the liability has been created).

***NON-FEDERAL ENTITY***—A State, local government, or non-profit organization.

***OFFICE OF MANAGEMENT AND BUDGET (OMB)***—OMB's predominant mission is to assist the President in overseeing the preparation of the Federal budget and to supervise its administration in Executive Branch agencies. OMB evaluates the effectiveness of agency programs, policies, and procedures, assesses competing funding demands among agencies, and sets funding priorities. OMB ensures that agency reports, rules, testimony, and proposed legislation are consistent with the President's budget and with Administration policies. In addition, OMB oversees and coordinates the Administration's procurement, financial management, information, and regulatory policies. In each of these areas, OMB's role is to help improve administrative management, to develop better performance measures and coordinating mechanisms, and to reduce any unnecessary burdens on the public.

***PASS-THROUGH ENTITY***—A non-Federal entity that provides a Federal award to a Subrecipient to carry out a Federal program.

***PASS-THROUGH GRANTS***—Grants and other financial assistance received by a governmental entity to transfer or spend on behalf of a secondary recipient.

***SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (SEFA)***—This schedule summarizes the Catalog of Federal Domestic Assistance (CFDA) number, Federal expenditures and amounts passed through to sub recipients for each grant.

***SINGLE AUDIT***—An audit which includes both the entity's financial statements and the Federal awards.

***SUBRECIPIENT***—A non-Federal entity that expends Federal awards received from a pass-through entity to carry out a Federal program, but does not include an individual that is a beneficiary of such a program. A Subrecipient may also be a recipient of other Federal awards directly from a Federal awarding agency.



***SUPER CIRCULAR*** – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Federal Regulations #3, page 3, or [http://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title02/2cfr200\\_main\\_02.tpl](http://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title02/2cfr200_main_02.tpl)).

**ATTACHMENT A**

**GRANTS, CONTRACTS, and SPECIAL AGREEMENTS  
INFORMATION**

This document serves as a summary sheet for the attached grant, contract or special agreement application.

Name of Grant, Contract, Special Agreement: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Total Amount of Anticipated Award: \_\_\_\_\_

Grantor: \_\_\_\_\_

Matching Requirements, if any: \_\_\_\_\_

\_\_\_\_\_  
Agency Head

\_\_\_\_\_  
Department

\_\_\_\_\_  
Date

**APPROVED BY:**

\_\_\_\_\_  
County Manager's Office

\_\_\_\_\_  
Date

**ATTACHMENT B**

**COUNTY OF HENRICO  
VIRGINIA**

**INTER-OFFICE MEMORANDUM**

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<b>TO:</b>	Department Heads & Key Officials	<b>SUBJECT:</b>	Items Purchased with Federal Grant or Assistance Funds
<b>FROM:</b>	Capital Asset Accountant	<b>DATE:</b>	XX/XX/XX

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Your department, division, agency or office may have received for Fiscal Year 20XX federal grant or assistance funds. Grants or Assistance programs may be fully or partially funded by federal funds. The Federal Common Rule requires records be maintained on assets purchased and disposed of with federal funds.

We are requesting that you review your use of Federal funds for the period of July 1, 20XX to June 30, 20XX, to determine if any piece of equipment, furniture or vehicle having a unit cost of \$5,000 or more has been purchased or disposed of with Federal funds either in whole or in part. If an item has been purchased or disposed of that meets this criteria, then you should fill in the attached Asset Information Sheet(s) for each item and include it on your inventory of items purchased or disposed of with Federal funds as required by the Federal Common Rule.

Please complete the attached “Certification” and return it to us by “Month/Day/Year”, whether or not you purchased or disposed of capital assets that were acquired with federal funds. If you did not receive federal grant funds, please complete the attached certification showing \$0.00 and return it to us.

Your cooperation is greatly appreciated. Should you have any questions, please advise us at (804) 501-XXXX.

Attachments

## CERTIFICATION

I hereby certify that \_\_\_\_\_ has reviewed its use of Federal Funds. Based  
(Department)

on this review, it has been determined that \_\_\_\_\_ items of \$5,000 or more have  
(Number)

been purchased by the above referenced department in whole or in part with Federal Funds or assets purchased with Federal Funds which have been disposed of. An "Asset Information Sheet" has been completed and submitted for the item(s) noted. The item or items were purchased or disposed of from July 1, 20XX to June 30, 20XX.

I hereby certify that, in accordance with the Federal Common Rule an inventory listing is maintained at the \$5,000 threshold as governed by the County of Henrico Capital Asset Policy. The inventory listing contains the following information on each item: description of item, serial number or other identification number, source of item, who holds title to item, acquisition date, acquisition cost, location of item, percent of Federal participation in cost of item, use of item, condition of item, disposal date and sale or disposal price of item.

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Date

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Department Head Signature

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Name and Title

**ATTACHMENT C**



**COUNTY OF HENRICO  
VIRGINIA**

**INTER-OFFICE MEMORANDUM**

**To:** Department Heads & Key Officials  
**From:** Accounting Division Director  
**Date:** XX/XX/XXXX  
**Subject:** Annual Grants Confirmation

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Your department, division, agency or office may have received Federal or State grants during the fiscal year. If so, please complete the certification below for our records.

Please fill in the information for each grant on page 2 of this certification. The information is documented on the letter of award/acceptance.

I hereby certify that the Department of \_\_\_\_\_ maintains a copy of the latest update of the County of Henrico's "Management of State and Federal Grants" issued \_\_\_\_\_ and that all department employees with designated general grant and program administration duties have been made aware of this publication and its requirements. I also confirm that I am responsible for proper grant administration as the Grant Director and have established the proper system of internal controls to ensure compliance with federal, state or local requirements as applicable.

\_\_\_\_\_  
Department Head Signature

\_\_\_\_\_  
Name and Title

\_\_\_\_\_  
Date

Grant Name: \_\_\_\_\_

Grant Amount: \_\_\_\_\_

Award date: \_\_\_\_\_

CFDA Number: \_\_\_\_\_

Grantor: \_\_\_\_\_

Type of Grant:             Direct       Pass Through

## ATTACHMENT D

### **PART-200-UNIFORM ADMINISTRATIVE REQUIREMENTS, COST PRINCIPLES, AND AUDIT REQUIREMENTS FOR FEDERAL AWARDS**

Subpart A [Acronyms and Definitions](#)

Subpart B [General Provisions](#)

Subpart C [Pre-Federal Awards Requirements and Contents of Federal Awards](#)

Subpart D [Post Federal Award Requirements](#)

Subpart E [Cost Principles](#)

Subpart F [Audit Requirements](#)