

Grant Policy

Purpose

To record grant activity timely and in accordance with Generally Accepted Accounting Principles.

General

There are two types of grants: reimbursement and advance. This policy is designed to recognize revenue when it is measurable and available and expenditures when they are due and payable.

With advance grants, receipts are deferred. Revenue is recognized when the expenditure is recognized.

With reimbursement grants, revenue is accrued when the expenditure is recognized.

Expenditures for both types of grants are recognized on the accrual basis of accounting.

Procedure

General

- 1) Prior to acceptance, the Commissioners must approve all grants in a public meeting.
- 2) All grant requests, applications, rules and awards including the governor and council approval are submitted to the Finance Office for audit purposes.
- 3) As with any general fund or enterprise fund expense, grants must be appropriated in order to use. The Commissioners may authorize a department to use the appropriations in the contingent grant line for those grants obtained mid budget cycle.
- 4) The Accountant (AP) copies all grant related expenditure payments & support for the Finance Officer.
- 5) The Associate Accounting Analyst copies all grant related revenue receipts & support for the Finance Officer.

Reimbursement Grants

- 1) The department in which the grant originates reports expenditures to the person responsible for preparing the grant reimbursement form. Any expenditure accruals are reported following established accrual reporting procedure.
- 2) The person responsible for filling out the "grant reimbursement request" fills out the form periodically in accordance with the grant rules associated with the individual grant.
- 3) The person responsible for preparing the reimbursement request submits a copy of the signed request to the Associate Accounting Analyst.
- 4) The Associate Accounting Analyst accrues the revenue in accordance with established revenue accrual procedure.
- 5) The Associate Accounting Analyst is responsible for monitoring checks that are received and ensuring that they are recorded against the receivable and not recorded as revenue again.

- 6) Receivable accounts are monitored through the established account reconciliation procedure and reviewed monthly by the Accounting Manager as part of a trial balance review.
- 7) The Associate Accounting Analyst notifies the department in which the grant originated of any older uncollected receivables and asks the department to follow up on when payment may be expected.
- 8) At least annually, the Finance Office recommends to Commissioners for approval write off of any old receivable that is not expected to be collected.

Advance Grants

- 1) When a grant is received in advance, the assistant accounting analyst completes a revenue warrant in accordance with established revenue warrant procedure. The advance grant should be recorded on this revenue warrant as deferred revenue.
- 2) As the grant is expended, grant progress reports are completed in compliance with the grant requirements (if applicable). Expenditure warrants, payroll records, etc support the progress reports.
- 3) When the progress reports are completed, the Associate Accounting Analyst recognizes the revenue using the progress report and support as back up documentation.
- 4) When the deferred revenue is exhausted, the department who benefits from the grant is responsible for requesting an additional advance, if applicable.
- 5) The department who benefits from the grant is responsible for requesting the return of any unused portion of the grant should it not be used within the period required by the grant, if applicable.

CDBG (Community Development Block Grants)

- 1) CDBG are pass-through grants for Rockingham County. After Commissioners' approval (see "General" section) is secured, both the revenue and expenses are periodically accrued upon receipt of each drawdown request forwarded to the Finance Office by the Executive Assistant to the Commissioners.
- 2) Once the Associate Accounting Analyst ("AAA") receives a copy of a drawdown request (with proper support) from the Executive Assistant to the Commissioners, the AAA prepares a revenue warrant, in accordance with FO procedures, to accrue the amount listed in the request. *Revenue should be accrued in WHOLE dollars* based on drawdown request as that is the way that the Office of State Planning (OSP) makes payment to the County.
- 3) The AAA forwards a copy of the drawdown request (with proper support) to the Accountant (AP) who then prepares an accounts payable voucher (see attached sample) to accrue the expense. *Expenses should be accrued according to the amounts on the invoices attached to the drawdown request as payment is made for the exact amount of the invoices.* The Accountant (AP) processes this voucher in accordance with Finance Office procedures (i.e. obtains approval of Finance Officer and Commissioners' etc.). This voucher lists the GL entry to accrue the expense as well as the AP entry for payment. The AP entry is not processed at this time but is held until step (8).
- 4) Both accrual warrants are forwarded to the Accountant (GL) for posting according to FO procedures. Reminder that only the GL accrual portion of the AP voucher is posted at this time.
- 5) After posting, the Accountant (GL) returns the revenue warrant to the Associate Accounting Analyst for filing and returns the AP warrant to the Accountant (AP)

who holds it in a "pending" file awaiting notice of receipt of revenue from the State.

- 6) When the revenue is received from the State of New Hampshire, the check should be date/time-stamped as "received" by the recipient. It is then forwarded to the Associate Accounting Analyst. If the AAA receives the check and it is not date/time-stamped, he/she should stamp it and note that he/she received it at that time.
- 7) The Associate Accounting Analyst advises the Accountant (AP) that the check has been received, and then prepares a revenue warrant to accompany the deposit of that check according to FO procedures.
- 8) *Within three (3) days of the receipt of the check from the State*, the Accountant (AP) must cut a check(s) to the vendor(s) for the amount(s) covered in the drawdown request. The original AP warrant created in step (3) is used for this purpose (e.g. both the accrual entry and the payment entry are on the same warrant). Accountant (AP) cuts the check(s) and marks the AP voucher as "posted" in accordance with FO procedures. Voucher can then be filed by Accountant (AP).