



## Grants Management Policy

Adopted by the Executive Committee on 05/09/2023

### 1.0 Purpose

The Central Vermont Regional Planning Commission (CVRPC) is committed to responsible grant financial management. The policy and procedural guidelines contained in this statement are designed to:

1. Ensure the maintenance of accurate grant records,
2. Ensure compliance with state and federal reporting requirements,
3. Ensure compliance with subrecipient monitoring and management,
4. Ensure compliance with Act 76 (the Clean Water Service Delivery Act) and Environmental Protection Rule Chapter 39 when acting in its role as a Clean Water Service provider, and
5. Provide CVRPC staff with information to make responsible subawards and contracts.

Federal requirements are defined in the Uniform Guidance (2 CFR Part 200 and its associated documents) and in specific Federal agreements. State requirements are defined in Administrative Bulletins (<https://aoa.vermont.gov/bulletins>) and specific State agreements. When CVRPC receives grants from other parties, requirements are defined in the associated awarding documents.

### 2.0 Definitions

Recipient: A non-Federal entity that receives a State or Federal award directly from a State or Federal awarding agency to carry out an activity under a State or Federal program. The term recipient does not include subrecipients.

Pass-through Entity: A non-Federal entity that provides a subaward to a subrecipient to carry out part of a State or Federal program.

Subrecipient: A non-Federal entity that receives a subaward from a pass-through entity to carry out part of a State or Federal program but does not include an individual that is a beneficiary of such program. A subrecipient has responsibility for programmatic decision making and its activities are carried out for a public purpose. A subrecipient may receive funds from the Recipient or from another Subrecipient.

Consultant/Contractor (Contractor): An individual or organization from whom professional goods or services are procured for CVRPC's own use. Contractors typically provide similar goods or services to many different purchasers and normally operate in a competitive environment.

### 3.0 Subawards and Contracts

CVRPC determines whether external assistance is needed for a project prior to applying for grants or other funding. CVRPC will select subrecipients or contractors in accordance with Uniform Guidance Subpart D and in compliance with the regulations in 2 CFR §200.330-332.

#### **Avoiding Conflicts of Interest**

CVRPC's Code of Conduct and Conflict of Interest Policy has been developed to avoid real or apparent organizational conflicts of interests among contractors and subrecipients and among employees, officers, and other parties engaged in procurement supported by State and Federal funds. All parties involved in any aspect of a grant, contract or cooperative agreement are to abide by this policy including any disciplinary actions should the policy be violated.

Parties that participate in a CVRPC procurement process sign a copy of CVRPC's Code of Conduct and Conflict of Interest Policy prior to participating in the procurement. Individuals sign a new copy of the policy when the policy is modified or at least every five years. Signed copies of the Policy are e-filed by the Office Manager. The Office Manager also maintains a searchable list of individuals that have signed the policy and the date the individual last signed the policy.

#### **Responsibility**

CVRPC may be a grantee (recipient), a subrecipient or a contractor for different agreements and contracts.

*Grantees (recipients)* are responsible for the settlement and satisfaction of all legal, financial, contractual and administrative issues related to agreements entered into in support of an award. This includes disputes, claims, protests of award, source evaluation, or other matters of a contractual nature.

*Subrecipients* are responsible for the settlement and satisfaction of all legal, financial, contractual and administrative issues related to agreements entered into in support of an award. This includes disputes, claims, protests of award, source evaluation, or other matters of a contractual nature.

*Contractor* responsibilities vary by contract. Responsibilities are outlined in each contract. CVRPC's Project Manager on a contract is responsible for reviewing and understanding the requirements of the contract.

#### **Procurement**

CVRPC's Procurement Policy documents the requirements for procurement actions. As a political subdivision of the State of Vermont, CVRPC follows the same policies and procedures for its procurements using non-Federal funds as it does for procuring property and services under a Federal award. Procurement is conducted in a manner to provide, to the maximum extent practical, open and free competition and as required by the Uniform Guidance. Procurement actions are documented using CVRPC's applicable Procurement Summary form.

Procurement of both contractor services and subrecipient services are considered procurement actions. Contracts normally will be competitively bid unless the procurement qualifies for Procurement by Micro-Purchase or unless Procurement by Non-Competitive Proposal is approved in writing by the Executive Director. Subawards will be made based on CVRPC's solicitation of a scope of work and cost proposal from potential subrecipients.

### **Notice and Distribution**

*Subrecipients* – Determinations are made on a case by case basis at the proposal stage. A subrecipient sole source procurement form shall be completed for each entity if competitive procurement among multiple subrecipients is not used. If CVRPC intends to use competitive procurement for subrecipient services, a determination of subrecipient or contractor will still be made at proposal stage based on a statement of work.

CVRPC will notify each potential subrecipient by email or other means that CVRPC or the Clean Water Service Provider is making a funding application and is requesting a scope of work and cost estimate from the subrecipient. Each subrecipient must confirm in writing that it received the request.

To be eligible to apply for a subaward, a subrecipient must:

- meet deadlines for applications and scopes of services/cost proposals, including those established by CVRPC or the Clean Water Service Provider, and
- submit grant acceptance letters and/or signed funding contracts as appropriate within 30 days of receipt from CVRPC.

CVRPC, in its role as a Clean Water Service Provider, will prequalify subrecipients through a Request for Qualifications to serve as Project Implementors for a three-year period. The prequalification process will be opened at least once per year. Prequalified subrecipients are eligible to propose non-regulatory, phosphorous-reduction projects for funding under this program.

*Contractors* – For purposes of this policy, Requests for Proposals (RFP) includes Requests for Bids, Qualifications, Information, and other types of instruments used to procure contractor services. CVRPC typically will use Requests for Proposals, Requests for Bids, and Requests for Qualifications in its work. Vermont Agency of Administration Bulletin 3.5 may be used as guidance for deciding if an alternate type of procurement instrument would be appropriate to use. RFPs shall be distributed to an adequate number of qualified sources at least 10 days prior to the date set for receipt of proposals. Procurements of \$5,000 or more must be listed on the State of Vermont Business Registry and Bid System (<http://www.vermontbidsystem.com/>) in addition to other distribution methods. Lessor procurements also may be listed on the State of Vermont Business Registry and Bid System.

### **Evaluation of Proposals**

*Subrecipients* - CVRPC will evaluate a subrecipient's scope of work and cost based on the following

factors, at minimum:

- eligibility to receive funds as a subrecipient,
- unique qualifications of subrecipient to meet the defined public purpose need,
- cost and price analysis,
- responsiveness of scope of work in meeting the funding agency's program objectives,
- capacity to adhere to program requirements, and
- Excluded Parties Listing (debarred entity's).

CVRPC, in its role as a Clean Water Service Provider, will: 1) confirm proposals are eligible for funding; and 2) evaluate proposals using the scoring methodology developed in coordination with the Winooski Basin Water Quality Council and produce a memo reporting proposal scores and a Staff recommendation to be forwarded to the Winooski Basin Water Quality Council for their consideration. Next, the Winooski Basin Water Quality Council provides the CVRPC, in its role as a Clean Water Service Provider, a ranked list of proposals to advance for funding. One of the following two courses of action will then be pursued:

- a) For projects with a sponsor that is an eligible entity for requesting Formula Grant funds, the CVRPC, in its role as a Clean Water Service Provider, will determine if the entity has the experience and financial and staffing capacity to carry out the project. If so, CVRPC, in its role as a Clean Water Service Provider, will develop a subgrant or contract with the sponsoring entity, depending on the nature of the work.
- b) For projects lacking an eligible sponsor, or if the sponsor does not have the capacity to manage the project, CVRPC, in its role as a Clean Water Service Provider, will either manage the project or identify another entity to do so following the CVRPC's procurement process. This may include procuring the services of CVRPC to take on Project Management responsibilities.

*Contractors* – CVRPC will evaluate contractor proposals based on price and other factors identified within the RFP. These typically include factors relevant to a determination of responsibility (such as financial, human, and organizational capability), as well as other technical factors (such as the degree to which the proposer is expected, based on information submitted and available, to achieve the performance objectives, to provide the quality expected, and on the relative qualifications of the proposer's personnel). Factors that should be considered when selecting a contractor are, at minimum:

- contractor integrity,
- compliance with public policy,
- record of past performance,
- financial and technical resources,
- responsiveness of bid, and
- Excluded Parties Listing (debarred contractors).

### **Award and Compensation**

*Subrecipient* – CVRPC may make a sub-award to a responsible subrecipient whose scope of service and cost proposal is deemed advantageous and whose rate is reasonable. Any agreement with a subrecipient must be in writing.

CVRPC in its role as a Clean Water Service Provider may offer sole source sub-awards when the Project Implementor has been prequalified to provide services pursuant to § 39-306(h) and whose clean water project has been selected pursuant to § 39-403(e). The only entities who meet these criteria will be providing project management services. For Project Implementors recruited via a Request for Qualifications process and retained by CVRPC in its role as a Clean Water Service Provider:

1. Upon a positive vote of a Basin Water Quality Council, Project Implementors are selected to receive funds from CVRPC for a phase of a clean water project;
2. At the start of a clean water project, the CVRPC or its Project Implementors must seek proposals from at least three potential Subcontractors;
3. Project Implementors may continue to manage subsequent phases of a clean water project and employ the same Subcontractor:
  - a. based on an affirmative vote of the Basin Water Quality Council,
  - b. provided the project costs are consistent with the standard cost as identified by the Secretary of the Agency of Natural Resources as noted in Act 76, and
  - c. so long as the CVRPC in its role as a Clean Water Service Provider is satisfied with the work performed in prior project phases.

The CVRPC or its Project Implementors may choose to solicit new proposals for Operations & Maintenance and / or Inspection / Verification project phases.

*Contractor* - Upon conclusion of a competitive proposal process, CVRPC may award a contract to a responsible contractor whose proposal is deemed most advantageous and whose rate is reasonable and consistent with that paid for similar services in the market place. Any agreement with a contractor must be in writing, except for micro-purchases. The Executive Director determines whether contracts are required for micro-purchases. Factors considered in determining whether a micro-purchase contract is required include, but are not limited to:

- type of service (ex. copies versus professional services),
- previous experience with the contractor, and
- procurement requirements in the Resource Conservation and Recovery Act (42 U.S.C. 6962) and Executive Order 13101 of September 14, 1998, Greening the Government through Waste Prevention, Recycling, and Federal Acquisition.

Contractor rates should not exceed the maximum limit established by the granting agency. The Executive Director must approve any contractor rates exceeding granting agency limits prior to any contract award. An analysis is completed and documented which shows justification for the agreed upon rate.

The Executive Director (awards of \$25,000 or less) or Executive Committee (awards greater than \$25,000) makes awards to CVRPC's contractors or subrecipients per government requirements on an as needed basis. Funding awards are communicated to contractors and subrecipients electronically.

CVRPC maintains records sufficient to detail the history of procurement using its Procurement Summary form. The form identifies information to be retained as part of the procurement process.

### **Obligations**

CVRPC uses standard contracting forms to provide subrecipients and contractors with required federal information at the time of the award. If any of the data elements change during the award period, CVRPC includes the changes in subsequent award modifications.

## **4.0 Management and Monitoring**

CVRPC will monitor its activities under Federal and State awards to assure compliance with applicable Federal and State requirements and performance expectations are being achieved. CVRPC will submit performance reports at intervals required by the funding agency.

*Subrecipients* - The Uniform Guidance 2 CFR 200.330 - 200.332 are the federal regulations that define the requirements for recipients of federal funds with respect to subrecipient monitoring and management. As a recipient of federal funds, CVRPC is responsible for the programmatic and financial monitoring of its subrecipients. Such monitoring responsibilities are shared among various staff and should be followed in accordance with the guidelines provided below.

*Contractor* - CVRPC will monitor all contractor activities to include documenting performance, adherence to timeline or deadlines, time and effort reports, and review and verification of invoices. Any deficiencies in performance will be addressed directly with the contractor. CVRPC will monitor its activities under Federal and State awards to assure compliance with applicable Federal and State requirements and performance expectations are being achieved. CVRPC will submit performance reports at intervals required by the funding agency.

### **Financial Oversight**

*Subrecipient* - When CVRPC delegates performance of activities under a grant to a subrecipient, it is responsible for all aspects of the program including proper accounting and financial recordkeeping by the subrecipient. Required financial recordkeeping includes the accounting of receipts and expenditures, cash management, the maintaining of adequate financial records, and the refunding of expenditures disallowed by audits.

CVRPC will monitor the activities of the subrecipient as necessary to ensure that the subaward is used for authorized purposes and is in compliance with State and Federal regulations. This includes but is not limited to the following:

- Reviewing financial and performance reports required by the award.
- Ensuring the subrecipient takes appropriate action on any deficiencies detected.
- Monitor and consider any effect the subrecipient activity may have on CVRPC's books.

*Contractor* - CVRPC's assigned project manager will review contractor invoices to insure costs are eligible and appropriate under the contract.

### **Budgeting and Budget Review**

*Subrecipient* - Each subrecipient shall prepare and submit to CVRPC a budget that adequately reflects its subaward. CVRPC shall approve and maintain each subaward project budget.

### **Unexpended Funds**

*Subrecipient* - If a subrecipient informs CVRPC that it will be unable to expend all allocated funds from a grant program before the end of the award period, CVRPC will inform all other eligible subrecipients of that grant program of the amount of funding that is available. All other eligible subrecipients of that grant program will be invited to submit requests for the specified remaining funds.

Staff will review all requests submitted to ensure that the proposed use of the funds is allowable within the grant program requirements. CVRPC will divide available funds evenly among the subrecipients that request the funds for allowable expenses. If a subrecipient requests less than an equal share of the funds available, that amount will be granted, and the balance divided evenly among the other requests. If the total amount requested by all subrecipients is less than the available funds, CVRPC may choose to use the unallocated funds itself to address the program's scope of work if the proposed use of the funds is allowable within the grant program requirements.

*Contractor* - If unexpended funds remain at the conclusion of a contract, those funds revert to CVRPC for use on the project, or, as applicable, for return to the State or federal agency.

### **Audit Requirements**

*Subrecipient* - CVRPC must ensure that subrecipients meet applicable audit requirements. CVRPC incorporates requirements for the subrecipient to send CVRPC a federal expenditures report and the subrecipient's independent audit and management letter in its agreements with subrecipients. CVRPC may determine that its own single audit may be expanded to include the scope of State and federal funds expended at the subrecipient level; or the subrecipient may be eligible to have a program specific audit.

*Contractor* - CVRPC includes contract provisions to ensure contractor records are available for audit if needed.

### **Reporting Irregularities**

CVRPC and its subrecipients are responsible for promptly notifying the granting Federal and/or State agency of any illegal acts, irregularities and/or proposed and actual improper actions related to fund administration.

### **Monitoring**

*Subrecipient* - CVRPC will monitor all subrecipient activities to include documenting performance, adherence to timeline or deadlines, time and effort reports, and review and verification of invoices. Any deficiencies in performance will be addressed directly with the subrecipient. CVRPC will monitor subrecipient activities under Federal and State awards to assure compliance with applicable Federal and State requirements and performance expectations are being achieved.

CVRPC is required during a contract program period to monitor a subrecipient's use of funds. CVRPC will evaluate the subrecipient's risk of non-compliance with Federal statutes, regulations and terms and conditions of the subaward for purposes of determining the appropriate monitoring.

Subrecipients will be evaluated as higher risk or lower risk to determine the need for closer monitoring. Risk will be determined based on analysis of subrecipient responses to CVRPC's Risk Assessment Form.

Methods of monitoring may vary. Factors considered in determining the nature, timing, and extent of monitoring are as follows:

- A subrecipient's prior experience with the same or similar subawards.
- Results of previous audits, monitoring, status of quarterly financial reports, communications regarding financial matters.
- Whether the subrecipient has new personnel or a new or a substantially changed financial system.
- The extent and results of Federal awarding agency monitoring.

Generally, new subrecipients require closer monitoring. For existing subrecipients, closer monitoring may be warranted based on results noted during monitoring and subrecipient audits, a history of non-compliance as either a recipient or subrecipient, the factors listed above, or other factors related to the implementation of grant funding and fiscal practices.

*Contractor* - CVRPC will monitor all contractor activities to include documenting performance, adherence to timeline or deadlines, time and effort reports, and review and verification of invoices. Any deficiencies in performance will be addressed directly with the contractor.

### **Non-Compliance**

Subrecipients are required to comply with applicable Federal and State laws, rules and regulations, and applicable policies and procedures adopted by Federal and State funding agencies and CVRPC in effect during the contracting period. Failure to comply with such obligations may result in remedial consequences and corrective actions up to and including the reduction or termination of funding to the subrecipient. If remedial actions include reduction or termination of funding, those actions may only be made by the Executive Director, in consultation with the Executive Committee.

### **Record Retention and Access**

CVRPC's Records Retention Policy outlines a schedule for retention of documents. CVRPC will retain



financial records, supporting documents, statistical records, and all other records pertinent to a Federal award for a period of three years from date of submission of the final expenditure report. There are exceptions listed under Subpart D, 200.333, of the uniform guidance.

The State or Federal awarding agency, Inspector General, the Comptroller General of the United States, or any other authorized representatives will have the right of access to any documents or other records to make audits, or examinations.

### **Closeout**

The State or Federal awarding agency will close-out the award when it determines that all administrative actions and work have been completed. CVRPC and the Clean Water Service Provider will close out their subawards when they determine that all administrative actions and work have been completed.

## **5.0 Financial Reporting**

### **Allowable Costs**

All expenses are reviewed by the appropriate party(s) (Project Manager and Executive Director) prior to payment to ensure that costs to be allocated to the grant are allowable and that there is appropriate documentation to support the expense. Key areas that are considered are as follows:

- Necessary and reasonable for the performance of the award (and be allocated to that use)
- Conform to limitations or exclusions regarding type or cost
- Consistent with the policies and procedures CVRPC would apply to financed work (whether financed by private, municipal, state or federal sources)
- Treated consistently with other comparable costs - for example, a cost may not be treated as a direct cost if a cost incurred for the same purpose in similar circumstances was allocated as an indirect cost
- Costs are adequately documented

### **Monthly Review of Actual vs. Budget Expenses**

Expenses related to CVRPC's grant agreements are monitored on a monthly basis. At the end of each month after all transactions have been entered into the accounting system, a budget versus actual report is run for each grant agreement. These reports are reviewed for reasonableness and for indications that actual expenses may not be in line with approved budgeted amounts. Monitoring these variances on a monthly basis helps ensure that substantial expenses which have not been approved are not incurred. This monitoring also ensures that if necessary, budget modification requests can be made in a timely manner.

### **Requesting Grant Reimbursement**

CVRPC's practice is to only draw funds after allowable expenses have been incurred unless otherwise documented in contracts and agreements. This practice ensures compliance with the federal

administrative requirements.

When an awarding entity makes payment to CVRPC in advance of incurring expenses, CVRPC will minimize the time elapsing between the transfer of funds from the awarding agency and disbursement for expenses incurred.

The appropriate party (Executive Director, Finance Office, Project Manager) reviews the balance of each of the grants, contracts, and cooperative agreements, at a minimum, on a monthly basis to determine the total amount expended by CVRPC on the grant, contract or cooperative agreement related items. The CVRPC subsequently requests reimbursement for the amount through invoices or other means as required by the grantor. All amounts requested are documented in CVRPC's financial system. The financial system is maintained so that, at any given time, CVRPC knows the amount of funds requested and received for each of its grants and has the necessary accounting support for the draw.

### **Monthly, Quarterly, Semi-Annual and Year End Grant Reporting**

As outlined in the specific grant, contract or cooperative agreement, CVRPC reports grant, contract or cooperative agreement related activities as required by the funder. The Federal Financial Report (FFR) Federal Cash Transaction Report for the quarter is due 30 days after the end of the period. The FFR is filed together with the accounting data that supports the transactions.