ADMINISTRATIVE POLICY

SECTION: 400 – FINANCE MANAGEMENT	**POLICY#:** 450
TITLE: GRANTS	**R & O #:** **26-12**
	IMPLEMENTED BY PROCEDURE #: 450-A
SPONSORING DEPT/DIV: FINANCE	
ADOPTED: 01/20/2026	**REVIEWED:**

PURPOSE: The purpose of this policy is to establish consistent guidelines for the solicitation, acceptance, administration, and oversight of grants received or distributed by Washington County. Washington County is committed to fair access in the solicitation, management, and distribution of grant funds, ensuring all eligible communities, organizations, and residents have fair opportunity to participate and benefit. This policy ensures all grant activities are conducted in a manner consistent with and in compliance with federal and state civil rights laws, including Title VI of the Civil Rights Act of 1964 and the Americans with Disabilities Act (ADA), Section 504 of the Rehabilitation Act. This policy ensures that grants align with the County's mission, comply with applicable laws and regulations, and are managed in a transparent and accountable manner.

AUTHORITY: The authority to establish and enforce this policy is granted by the Washington County Board of County Commissioners (BCC) and the County Administrator. Oversight of grant activities will be delegated to department heads and the Grants Coordinator under the direction of the County Administrator.

DEFINITIONS:

Access Impact Assessment: Evaluation of how grant funding, eligibility criteria, and outcomes affect targeted communities.

Accessibility: Ensuring all grant-related information, applications, and processes are available in formats accessible to individuals with disabilities and those with limited English proficiency.
Civil Rights Compliance: Adherence to all applicable civil rights laws, including Title VI of Civil Rights Act, Title II of Americans with Disabilities Act (ADA), Section 504 of the Rehabilitation Act, and other nondiscrimination statutes.

Congressionally Directed Spending: Funding allocations specifically requested by members of congress, and included in appropriation legislation having the effect of directing federal funding to specific projects identified by members of congress. These are typically one-time sources of funding for projects and workstreams that mandate federal grant approval.

Entitlement: Entitlement funding refers to federal spending that is legally obligated to provide benefits to individuals who meet specific eligibility criteria. These programs, often called mandatory or direct spending, are funded through permanent laws passed by Congress, meaning they do not require annual legislative action to continue funding. Examples of entitlement programs include Social Security, Medicare, and Medicaid. The government is obligated to pay benefits to all who qualify, regardless of budgetary constraints, making these programs a significant part of the federal budget.

Grant: Financial assistance in the form of funds, property or other support awarded to Washington County by Federal, State, local, private or nonprofit entities, or awarded by Washington County to eligible recipients.

Grantee: Washington County or another party receiving grant funding.

Grantor: An entity or organization providing a grant.

Grant Coordinator: A designated staff member within the Finance Department who serves as the County's primary point of contact for grants administration. The role facilitates centralized coordination and ensures consistency in compliance, reporting and financial oversight across all departments receiving or managing grant funding.

Grant Manager: The County staff member within a department is responsible for monitoring, administering and overseeing a specific grant.

Grant Work Tag: A unique identifier assigned to each award and grant in the County's Enterprise Resource System (ERP), the county's primary finance operating system. The Grant Work Tag allows transactions to be assigned to and reported on at the specific grant or award level. This provides a wealth of reporting and data options for users of the Grants Module.

Internal Service Department: Departments which provide services and goods to other Washington County Departments, and which develop cost allocations for the recovery of operating costs in providing those services or goods to departments, in order to offset General Fund costs.

Language Access: Providing meaningful access for individuals with limited English proficiency (LEP) to County programs, benefits, and grant opportunities.

Maintenance of Effort: Refers to a grantor requirement to maintain an increased level of operating capacity, an elevated level of service, or higher staffing levels that was made possible through grant funding, for a certain number of fiscal years after the grant expires.

Philanthropic Funds: Refers to financial contributions received from private, nonprofit organizations (commonly known as foundations) that are established to provide funding for specific charitable, educational, research or public service purposes. These funds are typically awarded through a formal grant process and may come with specific conditions or reporting requirements set by the foundation.

Subcontractor: A subcontractor is an individual, business, non-governmental organization, or other legally recognized entity, hired by a general contractor to perform a specific, specialized part of a larger project. They have a contractual agreement with the contractor, not the end client, and are responsible for their own portion of the work. Washington County may contract with a prime contractor who in turn may subcontract certain tasks or services. Subcontractors must comply with the same rules, standards and requirements as the prime subcontractor (e.g. insurance, licensing, background checks, data quality and protection of confidential information). Washington County could also be the Subcontractor with an obligation to perform, based on the grant agreement.

Subrecipient: A third party that receives grant funding from a primary recipient to carry out part of a grant-funded program or project. In some cases, Washington County could be the subrecipient with an obligation to perform, based on the grant agreement. In all cases, subrecipients are bound by federal law to deliver all elements of any scope of work associated with a subaward or subcontract in compliance with all applicable federal civil rights and accessibility obligations required by federal, state, and local laws.

Vendor: An entity that enters into an agreement with the county to supply products or services, either through a formal contract, purchase order or procurement process, in exchange for payment of provided goods and services.

GENERAL POLICY: Washington County will pursue and manage grants that align with the County's strategic goals, as identified in the county's strategic plan. All grants must comply with applicable federal, state and local regulations, funder requirements and internal County policies.

When Washington County distributes funding via grant-making, the County will ensure compliance and fiscal control, while also ensuring grant opportunities and administration processes shall be transparent, accessible, and fair. Departments will ensure outreach to target communities, provide

accessible application materials, and support equitable participation among community-based partners. All elements of grant management must comply with state and federal civil rights laws.

As a recipient, Grants, Congressionally Directed Spending, and Philanthropic Funds are typically restricted to specific purposes and must only be used for allowable activities outlined in the funding agreements. Appropriate internal controls must be maintained to ensure responsible stewardship and compliance.

While these external funds help and sustain County services, they may also create ongoing obligations. Departments must assess both the benefits and long-term risks, especially if funding ends, and prepare for sustainability, this includes keeping program costs aligned with available funding, identifying alternate non-General Fund resources or restructuring programs to match revised delivery models.

POLICY GUIDELINES:

1. **Risk Management, Access and Opportunity, and Sustainability**
    - Before applying for or accepting a grant, departments must assess and disclose any financial, operational or programmatic risks. Departments should also consider long-term fair outcomes and community impact, not only fiscal sustainability, when determining whether to pursue or renew grant funding. Departments must evaluate fairness and access implications when assessing risk and sustainability. This includes identifying which communities may be disproportionately affected by grant termination and ensuring continuity of critical services for vulnerable populations.
    - Grants that result in unfunded liabilities or require ongoing County support beyond the department's existing General Fund budget are strongly discouraged and therefore must receive prior approval from the Chief Financial Officer or designee. Any need for additional appropriations because of grant acceptance, beyond the department's current or future planned appropriation levels, must be reviewed and approved by the BCC.
    - Departments must review grant agreements for maintenance of effort, or other required funding or program restrictions. Maintenance of effort requirements beyond the department's total appropriations, should in general be avoided and must be approved prior to applying by the Budget Director.

2. Risk Management for Federal Grants

- The Grant Review Worksheet for any application for federal grant funding must include a short statement demonstrating the department's planned actions to control spending against federal funding in the event of loss of funding during the award period. Action steps must explicitly state what will happen to offset the loss of federal funds. Action steps may include program closure, staffing reductions, contract cancellations, or other steps available to the department to offset loss of federal funds. Departments are encouraged to research all available sources of support when considering applying for federal funding and to rely on state and local funding that is more stable and reliable, to reduce the now inherent risks of federal funding.

3. Grant Application and Approval

As Grant Applicant:

- Departments should consider fair access and potential community impact when prioritizing which grants to pursue.
- All grant applications must be reviewed by the appropriate department head and the Grants Coordinator prior to submission.
- Applications exceeding $300,000 must be reviewed by the Budget Office and then receive BCC approval to lobby on behalf of the county budget, via documented signature approval by the appropriate Assistant County Administrator, on the Grant Review Worksheet. The authority to approve lobbying on behalf of the county budget is delegated by the BCC to the County Administrator and their designees. Because the BCC holds all authority to lobby on behalf of the county budget, all applications, including those from appointed and elected department heads, must receive BCC approval.
- Any applications requiring County match funding over $100,000 will require routing through the Finance Department for review for allocation of grant match. County resources dedicated to match are not available for other purposes and must be maintained when funding reductions are required, in order to avoid repayment of grant funding, meaning they cannot be used for other purposes such as backfilling required general fund cuts to department budgets.
    - Any grant application requiring match funding, maintenance of effort, or other commitments required to secure or maintain the grant, must be clearly identified and enumerated as to cost and term of cost, in materials submitted for review and approval.
- All approvals will be documented on the Grant Review Worksheet, which may be hand-routed for expedited review.

NOTE: Congressionally Directed, and State Directed Spending, which typically is the result of congressional or state lobbying efforts and requested by a member of the county or state's congressional delegation, shall be authorized by the appropriate ACA via signature to the Grant Review Worksheet. An ACA signature authorizes lobbying efforts to seek additional fiscal resources on behalf of Washington County. The Grant Review Worksheet will be completed for each congressionally directed or state directed spending appropriation sought by the county and its departments, or a single Grant Review Worksheet completed for the grand total of all requested congressionally directed or state directed spending requests. Because congressionally directed and state directed spending are still a form of federal or state grant, the sections below will apply.

As Grant Maker:

- Departments will ensure grant application materials and outreach efforts are accessible to individuals with disabilities and limited English proficiency populations.
- The Grant Coordinator shall consult, as needed, with the Office of Access & Opportunity to ensure applications, subrecipient selection, and match requirements do not unintentionally exclude or disadvantage eligible community partners.

4. Grant Acceptance

- All grant awards must be formally accepted by the BCC if the funding amount is $300,000 or more. Awards below this threshold may be accepted by the County Administrator or designee, as evidenced by signature of ACA or Board Chair on the Grant Review Worksheet.
- Departments must review and confirm their ability to comply with all grant terms and conditions. Any commitments – such as match requirements, maintenance of effort, or supplanting restrictions – must be clearly identified on the Grant Data Worksheet and if required, any BCC submission materials, including the cost, duration, and source of any required resources.
- Department head shall ensure that spending authority is established for all grants, including amended awards, by including grant revenue in the department budget. BCC approval via a budget amendment through the regular supplemental process is required to add funding to the department budget. This ensures legal spending authority is established for all new funds received.

5. Grant Administration

- All Internal Service Departments must annually develop or revise, and review CFR cost allocation plans with the Grant Coordinator and Chief Financial Officer or their designee,

to ensure compliance with federal grant rules under 2 CFR 200. Only compliant allocations may be charged to federal grants.

- If a cost allocation does not meet 2 CFR 200 standards, it is not eligible for federal grant reimbursement and must be reversed back to the Department attempting to charge- not the Recipient Department's – since the failure to ensure charges were allowable against grants originated with the Initiating Department. Charges will remain in that Department's budget until the allocation or allocation plan is corrected and deemed compliant. Further, charges must not be made to a single cost center using a direct entry. Direct Journal Entries circumvent internal controls over allowability of charges due to a lack of grant manager approval and prevent costs from being allocated reasonably and consistently as required for allowability. Internal Service Department costs must be allocated through the countywide cost pools, as intended.
- The CFR Cost Allocation Plan (CAP) is intended to recover indirect overhead and administrative costs to offset General Fund expenditures. As such, strict adherence to 2 CFR 200 is required. No exceptions can be made if costs are to be allowable.
- Generally, costs for items that are challenging to assign to final cost objects (grants / other activities) and costs for items that would impose unnecessary administrative burden if charged to grants directly, should be incorporated into cost pools when feasible. Equipment such as laptops and phones should be incorporated into cost pools when feasible, rather than directly charged to grants. All expenditures must comply with grantor reporting requirements and County fiscal policy.
- When planning for new grant funding, any new positions funded by a grant need to be limited duration and aligned with the grant timeline.
- All grants received by the county or its departments will be set up, managed, and reported on via the county's primary finance operating system, the county's system of record for financial reporting.

6. Equipment Purchased with Federal or State Funds

- All equipment purchased using federal or state grant funds must be recorded in a designated County asset management system and include required details to ensure compliance with 2 CFR 200. State funding is frequently combined with federal funding, or the source of state grants may later change to include federal funds after an award has been made, resulting in federal asset control requirements becoming active after items have already been purchased. All equipment will be entered into the asset tracking system of record, with an assumption that federal requirements could retroactively be required, in order to ensure all required data are entered, and audit findings are proactively avoided. Required details include a description of the equipment, the source of funding (cost center, program element, grant work tag), title

holder, acquisition date, the cost, the percentage of federal or state funding used, location, use, condition, and final disposition.

- Departments are responsible for providing the necessary information for accurate and timely entry of equipment data. Use of existing county-approved systems that track equipment is mandatory; separate tracking systems are not permitted. Failure to maintain complete asset records may result in audit findings and financial accountability assigned to the department.
- All grant expenditures must be tracked separately and reported according to grantor requirements and County fiscal policies.

7. Monitoring and Reporting

- Departments must submit timely progress and financial reports to the grantor as required by the terms and conditions of the grant. A copy of each submitted report must be saved to the appropriate Award in county's primary finance operating system. Use of appropriate grant work tags makes reporting at finer levels of detail available to departments in meeting grantor reporting requirements. All documents and reports provided to funders, including Programmatic and Financial reports, must be saved to the Award in county's primary finance operating system.
- The Grants Coordinator may conduct internal reviews to ensure compliance with grant terms.
- Departments must assess subrecipient risk using the Washington County Subrecipient Pre-award Risk Assessment Form and establish monitoring aligned with the evaluated level of risk identified on the form. This form is a part of the audit process for most federal grants involving a subrecipient and must be retained with the associated grant agreement and other related documentation compiled for audit purposes. These documents, and any others associated with risk assessment and monitoring must be attached to the Award in county's primary finance operating system.

8. Subrecipient Management

- When grant funds will pass through to subrecipients, departments must establish written funding contracts with each subrecipient and are responsible for monitoring subrecipient performance and compliance with federal regulations (such as 2 CFR 200), funder requirements, and County policy. All subrecipient agreements must include clauses requiring compliance with applicable civil rights, nondiscrimination, accessibility, and language access laws and County policies.
- Subrecipient organizations and contracts should be established in county's primary finance operating system as separate grants for each recipient, allowing for the finest

levels of financial and transaction reporting at the individual recipient level, facilitating monitoring for subrecipient performance and compliance with funder requirements.

- Departments must use the County's approved pre-award assessment process, collect applicable financial and audit documentation, and conduct appropriate monitoring activities, including site visits when required. All subrecipient contracts must comply with County procurement rules and federal purchasing thresholds. Additionally, subrecipient contracts should document any and all data shared or data required to perform the scope of work, and the appropriate measures for protecting this data, and any Personal Identifiable Information (PII) with the highest levels of security at minimum comparable to county security measures.
- Subrecipients must be selected through an appropriate, compliant public procurement process (e.g. RFP/RFQ), consistent with federal and County requirements, based on funding source. Departments shall ensure subrecipient selection processes do not create barriers for smaller, community-based, or culturally specific organizations.
    - Departments shall coordinate with the Office of Access & Opportunity, as needed, for guidance on accessibility and fairness in contracting and subrecipient compliance.
- All documentation related to subrecipient selection, evaluation, and contract award must be retained in accordance with County record retention policies.

RESPONSIBILITIES:

Board of County Commissioners (BCC): Approve grant applications of $300,000 or more, acceptances, review and approval of maintenance of effort requiring general funds and oversee strategic alignment. Delegated authority to County Administrator's Office to accept grants less than $300,000 via Grant Data Worksheet. Guides the development, review, and adoption of the county's strategic plan and updates.

Office of Access & Opportunity (OAO): Provides consultation on fair grant access, nondiscrimination, Americans with Disabilities Act compliance, limited English proficiency access, and civil rights monitoring; collaborates with Finance and departments to ensure grant administration aligns with Access & Opportunity principles and applicable federal/state civil rights laws.

Chief Financial Officer: The person designated as responsible for reviewing and approving for allocation, matching and maintenance of effort requirements in grant applications, that would

require on-going or discrete investments that are supplementary to a department's typical annual operating budget.

Department Heads: Ensure grants align with County goals described in county plans; assign qualified Grant Managers; oversee grant performance and alignment to county priorities and alignment to county plans. Evaluates grant outcomes using key performance indicators and other metrics in order to determine whether to reapply. Ensures any match, maintenance of effort, or other grant commitments fall within the department adopted budget, or ensures supplemental appropriations required are secured from the Board.

Departments: Review and confirm ability to comply with all grant terms and conditions, in addition, departments receiving grants are responsible for proper grant management, including programmatic and financial compliance within the confines of their defined operations and delegated authorities. This includes accurate and timely entry of equipment data into county-approved systems for tracking purposes.

Finance: Supports financial tracking and reporting of grant funds in accordance with applicable regulations. Assist in invoicing as needed to ensure cash on hand aligns with recognized grant revenue, ensures data integrity for production of the Schedule of Expenditures of Federal Awards (SEFA) and that the SEFA is produced accurately and timely on an annual basis.

Finance Business Support Team: Responsible for field maintenance and process configuration to support grant setup and management in the county's primary finance operating system. Assists departments with the configuration of grants in the county's primary finance operating system to associate the appropriate accounting treatment to each grant. Supports configuration and issue escalation for workflows in county's primary finance operating system.

Grant Managers: A role in the county's primary finance system grants module as well as a function inside departments with grants, responsible for day-to-day management of a grant. Administers grant activities, maintains grant agreement, documents all grant-funded activities as required by grantor, budget maintenance as needed either directly or through delegates, initiates directly or through support staff, any board materials and submissions for grant application, acceptance, or amendment, as needed. Ensures reporting, drawdowns, and compliance in accordance with the grant funding agreement and any related local, state or federal regulations, code, or grant-specific requirements; manages activities with the Grants Coordinator to ensure administrative, accounting, policy and fiscal support for the grant from Finance Department.

County Grants Coordinator: Support grant seeking and management; review applications; monitor County-wide compliance including accessibility, nondiscrimination, and language access requirements; provide technical assistance and training; coordinate with internal service departments and the Budget Office to annually revise and update any cost allocation plans and the

methods used to charge, while ensuring allowability of charges against federal grants; provide guidance on procurement and contracts as requested; assists in the development of contract scopes of work, deliverables, and billable milestones or activities as requested; may engage in grant research, development of grant applications and budgets, author letters of support, coordinate with funding partners.

EXCEPTIONS: Exceptions may only be granted by the Washington County Board of Commissioners unless such authority has been delegated to the County Administrator or Chief Financial Officer. Exceptions will be considered on a case-by-case basis based on the best interests of Washington County and its constituents.

IMPLEMENTATION: This policy is effective upon adoption by the Board of County Commissioners. Elected officials and department directors are expected to be knowledgeable of, and shall be responsible for, implementing this policy within their respective departments. The Board of County Commissioners retains all lobbying and funding appropriation authority and may delegate, rescind, approve, or deny, as they deem fit on a case-by-case basis. Observance of this policy is mandatory for all County employees and violation may result in disciplinary action (up to and including termination).

PERIODIC REVIEW: This policy shall be reviewed by the Grant Coordinator, in coordination with the County Administrator at least every three years, or more often if needed, and updated as necessary. Periodic review shall include analysis of access and opportunity outcomes, including how grants are distributed across departments, communities, and populations.