

# County Needs to Establish Clear Roles, Responsibilities, and Procedures for Grant Management



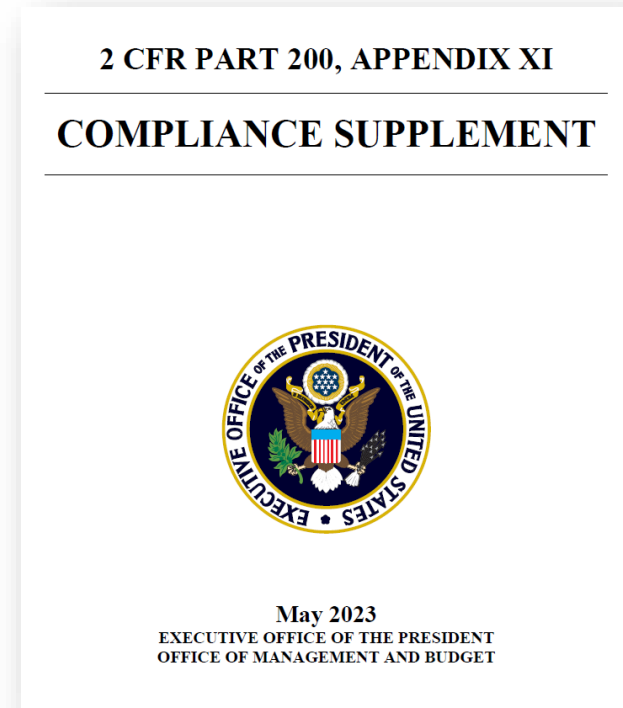
December 2024

# The Uniform Guidance

The Uniform Guidance (also known as 2 CFR 200) is a 153-page document and contains an additional 596 pages of federal agency specific regulations for grants and agreements. There are 33 agencies listed who have published additional regulations.

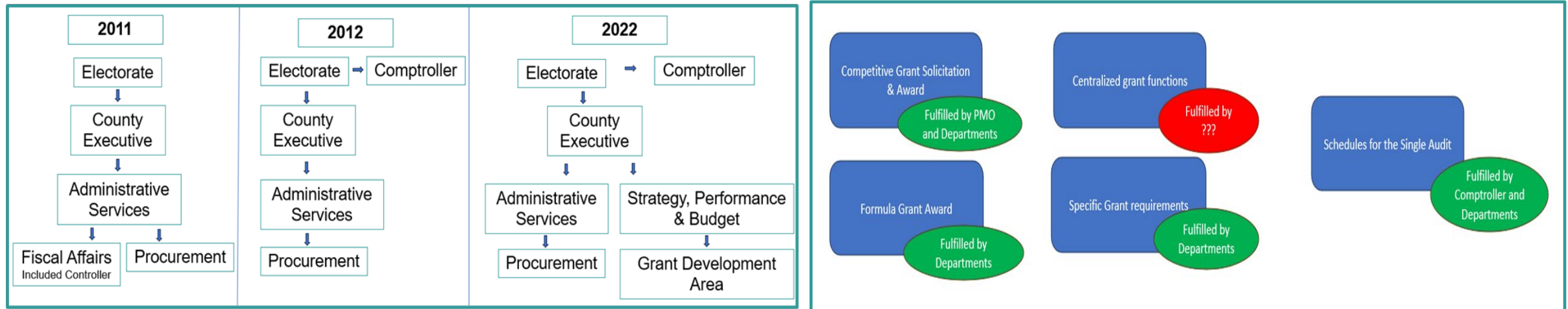
Annually, the OMB issues A Compliance Supplement that identifies existing compliance requirements that the federal government expects to be considered as part of the Single Audit framework. The supplement issued in 2023 was over 2,000 pages in its entirety.

We reviewed 64 Uniform Guidance requirements against the current procedures that exist at Milwaukee County. The gaps we identified led to the following 14 recommendations in the report.



# Evolution of Departments with Grant Responsibilities and Which Area Fulfills Them


Due to changes both in State law and the County's organizational structure, the roles and responsibilities at the County for post-grant awards are unclear. Three departments at the County have varying countywide grant responsibilities.





The SBP Director, the Comptroller, and the DAS Director collaborate to determine roles, responsibilities, and processes in relation to grants at the County including communication of the roles to County staff. The departments should set up a structure to regularly review those roles, responsibilities, and processes at least annually.


# Project Management Office - AMOPs related to Grants

Existing Administrative Manual of Procedures (AMOP) that include guidance on the grant acquisition process have not had their scheduled review and update and two out of the three procedures incorrectly list a responsible department that no longer oversees the grant acquisition process. In December of 2024, the AMOP Committee approved updated AMOPs 11.01 and 11.02 submitted by the Grants & Special Projects Division.

 <b>Administrative Manual of Operating Procedures</b>			
Procedure #: <b>11.01</b>	Procedure Title: <b>Grant Intent Notification</b>		Revision #: <b>1.0</b>
Original Issue Date: <b>06/03/2021</b>	Revised Issue Date: <b>N/A</b>	Next Review Date: <b>06/03/2023</b>	Responsible Department: <b>DAS - Grants &amp; Special Projects Division</b>

 <b>Administrative Manual of Operating Procedures</b>			
Procedure #: <b>11.02</b>	Procedure Title: <b>Grant System of Support</b>		Revision #: <b>1.0</b>
Original Issue Date: <b>06/03/2021</b>	Revised Issue Date: <b>N/A</b>	Next Review Date: <b>06/03/2023</b>	Responsible Department: <b>DAS - Grants &amp; Special Projects Division</b>

 <b>Administrative Manual of Operating Procedures</b>			
Procedure #: <b>11.03</b>	Procedure Title: <b>Competitive Grant Agreement Review &amp; Approval</b>		Revision #: <b>1.0</b>
Original Issue Date: <b>01/13/2022</b>	Revised Issue Date: <b>N/A</b>	Next Review Date: <b>01/13/2024</b>	Responsible Department: <b>Project Management Office (PMO), Office of Strategy, Budget, and Performance</b>



## Chapter 11 : Project Management Office

- Modifying the AMOP
- Grant Intent Notification
- Grant System of Support
- Competitive Grant Agreement Review and Approval
- Requesting PMO Support
- What's Up Email Notification Process
- Elected Official Transition Process
- Records Management

Within six months, the Office of SBP should review and update as needed the AMOPs related to grants to reflect current grant application processes and update the responsible party listed for both AMOPs.

# A Centralized Space for all Financial Guidance Materials

The County does not have a centralized location where staff can find all financial guidance materials. Currently, the guidelines are found in:

- State Statutes
- County Ordinances
- Administrative Manual of Operating Procedures (AMOP)
- Forms Library
- County's Financial System Guides
- PMO Self-Service Center
- Learning Management System (LMS) Training Videos
- Memos issued by Comptroller (ARPA, Single Audit, Bond Eligibility)



*GFOA states that governments should document accounting policies and procedures and have them readily available to all employees.*

AMOPs by Chapter, Title, and Amount		
Chapter	Title	# of AMOPs
2	Human Resources	23
3	Budget & Financial Transactions	4
5	Risk Management	9
6	Information Management	1
7	Financial & Management Accounting	3
8	Emergency Management	4
9	Accessibility	4
10	Land Sales	3
11	Project Management Office	8
12	DAS	2
13	Parks, Recreation & Culture	2
14	Facilities	3
15	Contracting	3
	<b>TOTAL</b>	<b>69</b>

In 2018, an AMOP Committee was formed that oversees AMOPs, replacing hard copy versions with readily available online versions on the County's AMOP webpage. As of October 24<sup>th</sup>, there is a total of 69 AMOPs.

The Comptroller, SBP and DAS determine how best to create a centralized space within the County's intranet system to provide staff with a one stop place for all financial management guidance including those specifically related to grants.

# Office of the Comptroller – AMOPs related to Grants

In the Fall of 2024, after the conclusion of our fieldwork, the Office of the Comptroller issued AMOP 7.01 - Federal Grants Management and AMOP 7.02 - Allowable Costs policies as part of the process to obtain a Federal Negotiated Indirect Cost Rate Agreement.

In its financial system, the County does not assign coding to identify grant expenditures nor employ the Grant Module.

MILWAUKEE COUNTY Administrative Manual of Operating Procedures			
Procedure #: <b>07.01</b>	Procedure Title: <b>Federal Grants Management Policy</b>		Revision #: <b>1.0</b>
Original Issue Date: <b>10/17/2024</b>	Revised Issue Date: <b>N/A</b>	Next Review Date: <b>10/17/2026</b>	Responsible Department: <b>Office of the Comptroller</b>
Statutory References:		Ordinance References:	

MILWAUKEE COUNTY Administrative Manual of Operating Procedures			
Procedure #: <b>07.02</b>	Procedure Title: <b>Allowable Costs and Costs Principles Policy</b>		Revision #: <b>1.0</b>
Original Issue Date: <b>10/17/2024</b>	Revised Issue Date: <b>N/A</b>	Next Review Date: <b>10/17/2026</b>	Responsible Department: <b>Office of the Comptroller</b>
Statutory References: <b>Federal Regulations (2 CFR § 200.420 through 2 CFR § 200.475)</b>		Ordinance References: <b>N/A</b>	
Appendices: <b><u>Appendix A: Selective Items of Allowable &amp; Unallowable Costs</u></b>		Forms:	

The Office of the Comptroller, with assistance as necessary from DAS, SBP and other County entities,

- Evaluate, within one year, AMOP 7.01 and modify as needed to comply with the Uniform Guidance or to reflect any federal audit findings that are issued within that timeframe.
- Provide annual training on AMOP 7.01 to departments.

The Comptroller explore the implementation of the requirements for all grant funds to be tracked using activity or function codes within the County's financial system or the use of the County's financial system's grants module. Written policies and procedures for departments to follow, along with training, should be developed to assist departments in complying.

As the Comptroller indicated that staff may be required to provide centralized financial grant management functions and ensure the County becomes and remains in compliance with the Uniform Guidance, the Office of the Comptroller should submit any related staffing needs to the County Board for review and approval.

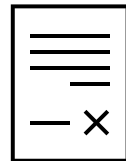


# Unallowable Costs

The County does not have guides for overall non-grant financial actions nor allowable costs. As noted on the prior slide, AMOP 7.02 Allowable Cost policies was issued for grant related funding.

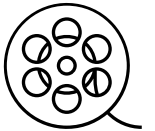
## UG list of unallowable costs include:

- Advertising and public relations
- Alcohol
- Bad Debts
- Commencement and convocation costs
- Legal Representation in criminal and civil proceedings
- Entertainment costs without a programmatic purpose
- Fund raising
- Idle facilities and idle capacity
- Lobbying
- Losses on other awards or contracts
- Selling and marketing costs



## County list of non-reimbursable travel expenses:

- Medical or hospital services
- Amenities such as movies, health clubs, or in-room bars
- Childcare, babysitting, house sitting, or pet-sitting costs
- Entertainment (e.g., exercise facilities, movie rental)
- Gasoline costs if mileage reimbursement is used
- Lost or stolen cash or personal property
- Magazines, books, or other reading materials
- Personal items (e.g., toiletries, luggage, clothing, meds)
- Snacks, beverages, etc. outside of a meal
- Traffic citations, parking tickets, and other fines



The Comptroller work with SBP and DAS to develop and issue an AMOP with a list of unallowable costs for Milwaukee County funds using the Uniform Guidance and the Purchasing and Travel Card listing as guidance.

# Updates to Procurement Guidelines and Subrecipient Monitoring

While the County's Procurement guidelines align with the Uniform Guidance, there is no process in place to ensure as changes to the Uniform Guidance occur that the County makes the corresponding updates. There is not currently written countywide guidance on how to monitor subrecipients of state and federal funding.

## **§ 200.320 Procurement methods.**

There are three types of procurement methods described in this section: informal procurement methods (for micro-purchases and simplified acquisitions); formal procurement methods (through sealed bids or

## **§ 200.331 Subrecipient and contractor determinations.**

An entity may concurrently receive Federal awards as a recipient, a subrecipient, and a contractor. The pass-through entity is responsible for making case-by-case determinations to determine whether the

*The Uniform Guidance states that the County is responsible for determining whether any entity receiving federal funds from the County is classified as a subrecipient or a contractor.*

The Procurement Division establish a documented process to periodically update County purchasing requirements to follow the procurement guidelines found within the Uniform Guidance.

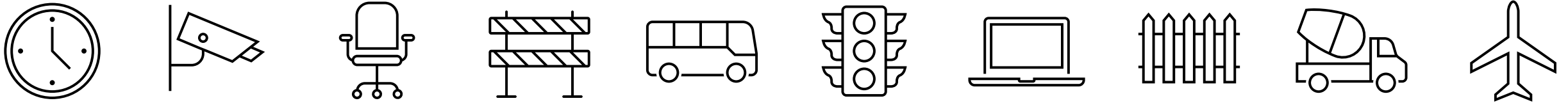
The Comptroller should develop and issue written guidelines on the County's obligations per the Uniform Guidance on subrecipient monitoring.



# Fixed Assets Funded by Grants

The bi-annual Fixed Asset report does not currently align with Uniform Guidance Requirements and the ordinance governing the process lists a responsible department that has not existed at the County since 2003.

In 2022, the Office of the Comptroller released a memo indicating what County expenses qualify for bond eligibility guidelines to be a fixed asset. Items include property, plant, equipment, and infrastructure assets which need to have an initial individual cost of more than \$5,000 and an estimated useful life more than one year.



The Comptroller submit to the County Board an update to the County Ordinances to reflect the current responsibility for preparation of the Fixed Asset report based upon departmental submittals.

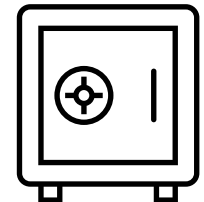
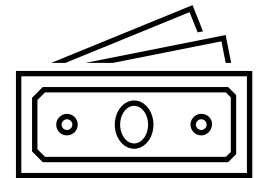
The Comptroller should develop written policies and procedures to instruct departments to include the required federal funding information contained within the Uniform Guidance when submitting information for the County's Fixed Asset report.

# Updates to the County Cash Handling Procedure

The County's Cash Handling Procedure was last updated in 2000. The former Comptroller indicated that the Treasurer should be the main author of an update to the Cash Handling Procedure, but the Office of the Comptroller should be involved in the reviewing of the new policy prior to its issuance. According to the Treasurer's Office, the role of the Treasurer is minimal as it pertains to grants. The Treasurer indicated he believed that it was the role of the Comptroller to set the policy and for his office to carryout said policy.

*OMB requires the County to minimize the time elapsing between the transfer of funds from the US Treasury and disbursement by the County for direct program or project costs and the proportionate share of allowable indirect costs regardless of payment method.*

Procedure ADMINISTRATIVE MANUAL MILWAUKEE COUNTY	<u>REVISION DATE</u> 10-02-00	<u>CHAPTER TITLE</u> Financial & Management Accounting	<u>CHAPTER NO.</u> 7
	<u>ORIG ISSUE DATE</u> 05-19-92	<u>SECTION TITLE</u> Cash Handling Procedure	<u>SECTION NO.</u> 7.91



The Comptroller, with assistance from the Treasurer, should develop and issue an updated Cash Handling Procedure including guidance to departments on alerting the Treasurer's office of pending payments, and provide training as necessary to County departments.

# The Single Audit Report

The required annual Single Audit Report that comprises the listing of all state and federal grant awards was found to have a lack of written procedures to prepare the listings. The Office of the Comptroller issued a memo identifying departmental roles in the Single Audit Report. In its financial system, the County does not assign coding to identify grant expenditures nor employ the Grant Module. The Comptroller signs grant awards but does not use this process to help develop a listing of County grants.

## GRANT AGREEMENT

Between the

State of Wisconsin  
Department of Corrections

And

Milwaukee County  
Department of Health & Human Services

THIS GRANT AGREEMENT is made and entered into by and between the Department of Corrections, State of Wisconsin ("Grantor") and Milwaukee County, a Wisconsin municipal corporation ("Grantee").

**WHEREAS**, the Legislature has provided that the Wisconsin State Building Commission ("Commission") may authorize funds ("Grant Program") to assist counties in establishing or constructing secured residential care centers for children and youth and attached juvenile detention facilities ("SRCCCY"); and

**WHEREAS**, pursuant to 2017 Act 185, as amended by 2019 Act 8, (the "Act") Grantee applied for a grant under the Grant Program to pay for costs of designing and constructing one of the following:  
X A grant to pay 95 percent of the costs of designing and constructing a secured residential care center for children and youth.

## Milwaukee County Inter-Office Communication

DATE: November 17, 2023  
FROM: Tina Lausier, Director of Accounting – Office of Comptroller  
SUBJECT: 2023 Single Audit Grant Award Update

The following items are attached to provide assistance with the Single Audit Grant Award Update:

1. 2023 Grant Award Update template
2. 2023 Grant Award Update procedures
3. 2022 Single Audit grants
4. 2023 Single Audit template
5. 2023 Single Audit procedures

COUNTY OF  
MILWAUKEE, WISCONSIN



SINGLE AUDIT REPORT  
FOR THE YEAR ENDED DECEMBER 31, 2023

The Comptroller develop written policies and procedures to track signed grant agreements and provide the list to Central Accounting at the end of the fiscal year to assist in the preparation of the SEFA for the Single Audit Report.

The Comptroller convert their memo on departments' roles and responsibilities and role in the preparation of the Single Audit into an AMOP.

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December 2024

## Project Staff

### Audit Team

Bruce Landrum, Jr.  
Diana Xiong  
Sandra Swan



### Review Staff

Paul Grant, CPA  
Matthew Hart, CFE

### Administrative Staff

Cheryl A. Hosp