



## **Gaston County ACCESS**

### **Grants and Financial Management Policies and Procedures**

**Date:** \_\_\_\_\_

**Approved by:** \_\_\_\_\_

#### **Purpose**

The purpose of these grant and financial management policies and procedures is to establish clear procedures and Gaston County ACCESS's position regarding grant and financial management and administration of Federal Transit Administration (FTA) and North Carolina Department of Transportation (NCDOT) grants when Gaston County ACCESS is the subrecipient.

FTA and NCDOT grant programs have requirements with which Gaston County ACCESS must comply to continue to be eligible for grant funding. As a subrecipient, Gaston County ACCESS must demonstrate to NCDOT the legal, technical, and financial capacity to manage and administer grants. Financial ability includes the ability to match and manage NCDOT/FTA grant funds, cover cost and operating deficits, financially maintain and operate NCDOT/FTA funded facilities and equipment, and conduct and respond to applicable audits.

The policies contained herein outline Gaston County ACCESS procedures regarding application, acceptance, budgeting, accounting and administration of NCDOT /FTA grants, as well as in regard to compliance with FTA/U.S. Department of Labor requirements related to Section 5333(b) labor protections.

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# ORGANIZATIONAL MANAGEMENT

## Legal Authority

### *Authorizing Resolution*

To be eligible for NCDOT/FTA funding, Gaston County ACCESS is authorized by its Governing Board, Gaston County Board of Commissioners, to apply for and receive funding. This was affirmed when the appropriately authorized person signed the authorizing resolution form included in the NCDOT grant application package. This form is submitted annually to NCDOT-PTD as required and is also maintained in the Gaston County ACCESS files.

### *Annual Certifications/Signature Procedures*

Federal and State grant awards require applicants and grantees to certify that they are in compliance with or will comply with a variety of laws and regulations. As a subrecipient of federal and state transit funds Gaston County ACCESS signs and submits certifications and assurances on an annual basis with its grant application to NCDOT. The Transportation Administrator is responsible for updating the Gaston County ACCESS annual C&As and securing the proper signatures/approvals including both the approval of the Governing Board and the Opinion of Counsel. The annual C&As are filed according to the following procedure:

1. The Transportation Administrator reviews the list of C&As received from FTA and compares -them with the C&As from the previous year.
2. If there are changes in the C&A from the previous year, the Transportation Administrator forwards the C&As to the Attorney for review.
3. If there are reports to be filed in conjunction with the C&As, the Transportation Administrator completes the applicable reports for submission to NCDOT.
4. Upon concurrence from the Attorney (and a signed Opinion of Counsel), the Transportation Administrator secures approval and signature on the C&As from the person authorized to act on behalf of the transit agency, the Adult & Aging Services Administrator.
5. The Transportation Administrator compiles the approved C&As and applicable reports for submittal to NCDOT.
6. The Transportation Administrator officially submits the C&As to NCDOT with the application.
7. The Transportation Administrator is responsible for maintaining a file with all of Gaston County ACCESS's past and present C&As.

## **Governance**

The Governing Board of Gaston County ACCESS, under the Gaston County Board of Commissioners, holds the legal and fiduciary responsibilities of the organization. This Board represents the community, offering valuable community-based insights to transit personnel while also bringing essential management skills and expertise that support effective transit operations. The Board meets regularly, demonstrating active engagement and conducting its business in an open and transparent manner. Additionally, all members sign conflict of interest statements as mandated by federal regulations.

### ***Organizational Structure***

The Governing Board for Gaston County ACCESS is the Gaston County Board of Commissioners. The Governing Board is governed by the County Code.

As outlined in the agency's Articles of Incorporation or By-laws, Board members are appointed by *election*.

### ***Transportation Advisory Board***

Gaston County ACCESS also has a Transportation Advisory Board (TAB). The role of the TAB is to advise the Governing Board on policy decisions and operating policies and procedures. The TAB meets regularly, is "actively engaged" with the transit program and conducts business in an open and transparent manner. The TAB is not involved in financial, procurement or hiring decisions although, as a good business practice, members of the TAB Board sign conflict of interest statements as required by federal regulations.

The TAB consists of 25 members. TAB members are selected and appointed by *County Commissioners*. The TAB is representative of the community to provide the service area community with a mechanism to advise and bring to management the mobility concerns and needs of the entire service community.

The by-laws for the TAB are available upon request.

## **Control Environment**

### ***Signature Policy***

The following individuals are authorized to sign checks for Gaston County ACCESS:

- County Manager
- County Finance Director

The following individuals are authorized to sign contracts that financially obligate Gaston County ACCESS:

- County Manager or Manager's Designee

### ***Division of Duties***

The following is a list of personnel who have responsibilities within the financial functions of the organization:

#### **Governing Board (DHHS Board):**

1. Reviews monthly and annual financial reports.
2. Reviews and approves annual budget.
3. Reviews and approves grant application (including financial program of projects).
4. Reviews and approves multi-year financial plans (including those included in service and capital planning studies).

#### **Transportation Advisory Board (TAB):**

1. Reviews annual financial reports.
2. Reviews annual budget.
3. Makes recommendations for grant application.
4. Reviews multi-year financial plans (including those included in service and capital planning studies).

#### **Director/Division Director:**

1. Reviews and approves all financial reports.
2. Reviews and approves annual budget.
3. Reviews the payroll summary for the correct payee, hours worked and check amount.
4. Reviews all vouchers and invoices for those checks which require his or her signature.
5. Reviews all contracts for goods and services.

**Transportation Administrator:**

1. Approves all vouchers, invoices and checks.
2. With the Business Services Administrator, and input from the Executive Director, Board Chair and Program Directors/Managers, develops the annual budget.
3. Authorizes all inter fund transfers.
4. Reviews the payroll summary for the correct payee, hours worked and check amount.
5. Approves all reimbursements.
6. Manages the assets accounts.

**Administrator-Business Services and Financial & Management Services:**

1. Processes all receipts and disbursements.
2. Processes the payroll, including payroll tax returns.
3. Submits requests for interfund transfers.
4. Maintains and reconciles the general ledger monthly.
5. With the Transit Director/General Manager, and with input from the Executive Director, Board Chair and Program Directors/Managers, develops the annual budget.
6. Prepares all financial reports, including requests for reimbursements.
7. Reconciles the bank accounts.
8. Reconciles the statement of credit card deposits and service charges.
9. Double checks all reimbursement requests against receipts provided.

**Finance Director/Department:**

1. Acts as second signatory on checks.
2. Reviews all vouchers and invoices for those checks which require his or her signature.

**Billing Specialist**

1. Along with Accounting Tech II removes cash from fareboxes from vehicles on a daily basis.
2. Together with Accounting Tech II, counts cash from fareboxes daily and compares it with daily driver ridership reports.
3. Logs each fare media transaction
4. Makes daily bank deposit.

**Accounting Tech II**

1. Accepts payment and makes change for fares.
2. Prepares deposit form for cash.
3. Observes removal of cash from fareboxes from vehicles on a daily basis.

### **Transit Operators**

1. Monitor vehicle and farebox security during his or her shift.
2. Record ridership by individuals whose trips are sponsored by another organization.

### ***Background and Reference Checks***

Every candidate for employment at Gaston County ACCESS is subject to a basic background check, as a condition of employment. This investigation includes a review of motor vehicle records and contact references provided by the candidate. All candidates for financial, key human resources, IT, key management positions, and other information-sensitive positions will also be subject to a criminal background check and/or credit report.

The Criminal Record Check (CRC) includes a 10-year history. Candidates must have:

- No felony convictions
- No convictions of moral turpitude, including child or elder abuse and/or sexual misconduct
- No alcohol or drug-related convictions
- No more than two (2) misdemeanor convictions over history

### ***Conflict of Interest Policy / Code of Conduct***

In accordance with Board policy and related legislation, no employee, officer, agent, immediate family member, or Board member of the agency shall participate in the selection, award, or administration of a contract supported by Federal and/or State funds if a conflict of interest, real or apparent, would be involved. Such a conflict arises when any of the following has a financial or other interest in the firm selected for award:

- The employee, officer, agent, or Board member,
- Any member of his/her immediate family,
- His or her partner, or
- An organization that employs, or is about to employ, any of the above.

The agency's officers, employees, agents, or Board members will neither solicit nor accept gifts, gratuities, favors, or anything of monetary value from contractors, potential contractors, or parties to subagreements.



Members of the DHHS Board, TAB, and all staff will sign a confidentiality/conflict of interest statement. Also see COI Policy approved on 2023-068.

### *Ethics Policy*

**Purpose** - Because it is imperative that officials and employees of Gaston County ACCESS maintain the highest possible standards of ethical conduct in their transaction of public business, such standards must be clearly defined and published. The following Code of Ethical Standards includes standards of the Federal Transit Administration.

**Relationships** - In all procurement matters relating to Gaston County ACCESS, no Transit employee, official, or agent, including any member of an evaluation committee for a Gaston County ACCESS project, shall participate in the selection, award, or administration of a contract between Gaston County ACCESS and a private business if a conflict of interest, real or apparent, would be involved. Such a conflict would exist when an employee, officer, or agent of Gaston County ACCESS; any member of his/her immediate family; his or her partner; or an organization which employs, or is about to employ, any of the above; has a material financial or other interest in a firm selected for award of a contract.

**Gifts and Gratuities** - It is Gaston County ACCESS policy that no official or employee of Gaston County ACCESS shall seek or accept, directly or indirectly, any gift, service, favor, employment, engagement, compensation or economic opportunity from a contractor, potential contractor, or subcontractor which would tend improperly to influence a reasonable person in his or her position to depart from the faithful and impartial discharge of his or her public duties. No Gaston County ACCESS official or employee may use his or her position to secure or grant unwarranted privilege, preferences, exemptions, or advantages for himself or herself, any member of his or her immediate household, any business entity in which he or she has a financial interest, or any other person.

**Violations** - Violation of Gaston County ACCESS 's ethics policy by any employee shall subject the individual to disciplinary action up to and including discharge as determined by Gaston County Human Resource Policy. Violation of this policy by contractors or their agents may be considered a breach of contract and shall subject such contractor or agent to action up to and including cancellation of contract and suspension and debarment from contracting with Gaston County ACCESS. Violation of this policy by bidders or potential contractors may be considered to make such bidder ineligible to bid or render a bid or proposal non-responsive.

**Organizational Conflict of Interest** - It is Gaston County ACCESS policy in soliciting and contracting for goods and services to prevent any real or apparent

organizational conflicts of interest which could arise when the nature of work to be performed under a proposed contract would result in an unfair competitive advantage to the contractor in the award of future work. It shall not be a bid or proposal requirement that a prospective vendor or contractor have prior contracts with Gaston County ACCESS. This shall not be construed, however, to prevent or limit the use of two-step sealed bidding.

### ***Computer Usage Policy***

Any usage of Gaston County ACCESS equipment and/or services unrelated to direct business activities of the County is expressly prohibited. Gaston County ACCESS forbids the use of its equipment or Internet connection to promote personal political or religious beliefs, solicit or advertise, the use of pornography, engage in personal business interest, participate in harassment or discrimination of any kind, violate or infringe on the rights of others, be involved in deliberate propagation of harmful computer code, violate copyright or licensing laws, or be part of any illegal activity.

The equipment provided and all contents thereof are the property of Gaston County ACCESS. Users understand that all information transferred to and from this equipment is the property of Gaston County ACCESS and should be considered as available for public review. The user has no expectation that Internet usage history is private. Gaston County ACCESS retains the right to monitor activity on its equipment and to review incoming and outgoing communications for appropriateness without prior notice or warning.

Employees may not install, download, store, print, view, or redistribute files on Gaston County ACCESS equipment that are not directly related to their job or the Gaston County ACCESS business activities. An automatic exception will be made for storing and displaying photographs used as "wallpaper" to provide an individual touch to the computer, provided the photograph is in compliance with all other sections of this policy. Employees are not to modify Gaston County ACCESS hardware or software to foil any security or monitoring measure that the agency puts in place.

Employees understand that these means of productivity and communication are a privilege exclusively for professional activities during work hours. The Transportation Administrator may allow employees to utilize Gaston County ACCESS equipment or to access the Internet for personal improvement or non-business needs outside of established business hours, provided that usage is consistent with the standards of employee conduct for the department during business times.

Violations of any of these stipulations may result in reduction, limitations, or termination of Computer and Internet and/or E-mail privileges without notice. If so warranted, infractions may involve disciplinary action, suspension, termination, or even legal redress. All disciplinary action shall be pursuant to the Gaston County Human Resources Personnel Policy.

### ***Travel Policy***

When using state and federal transit grant funds, Gaston County ACCESS follows NCDOT-IMD travel policy and only seeks reimbursement of expenses up to the State approved rates. The travel policy followed by Gaston County ACCESS can be found in the Gaston County Finance Sharepoint site.

### **Labor Protections**

Gaston County ACCESS receives federal assistance under the Federal Transit statute and agreed to comply with the terms and conditions of the protective labor arrangements in 49 CFR Section 5333(b). Section 5333(b) of Title 49 of the U.S. Code (Federal Transit Law) requires that employee protections, commonly referred to as “protective arrangements” or “Section 13(c) arrangements” be certified by the Department of Labor and in place, before Federal transit funds can be released to a transit provider. Gaston County ACCESS protects employee in the following ways: the preservation of rights, privileges, and benefits (including continuation of pension rights and benefits) under existing collective bargaining agreements or otherwise, the continuation of collective bargaining rights, the protection of individual employees against a worsening of their positions related to employment, assurances of employment to employees of acquired mass transportation systems, assurance of priority of re-employment of employees whose employment is ended or who are laid off, and paid training or retraining programs.

#### ***Section 5333(b) Labor Warranty (S.5311)***

As part of its application for Rural and Small Urban Program funding, Gaston County ACCESS has signed the 14-page NCDOT-PTD Section 5333(b) Labor Warranty. In signing this warranty, Gaston County ACCESS agrees to preserve the collective bargaining rights of employees, including the right to arbitrate labor disputes and to maintain union security and check-off arrangements. Gaston County ACCESS also agrees to provide allowances for dismissed and displaced employees under the terms set forth in the agreement (based on years of service). Further, in signing the warranty, Gaston County ACCESS agrees that it will post notice of its compliance with Section 5333(b) in conspicuous place and maintain

records to document compliance. This form is signed annually by the official authorized to sign the grant application.

### ***Labor Complaint Resolution Procedures***

Gaston County ACCESS has policies and procedures to provide adequate and fair hearing of employee grievances as set forth in the attachment to this document. Gaston County ACCESS also maintains records that track compliant investigations including the date files, allegations, actions taken and resolutions. The grievance or complaint resolution procedures for the Gaston County ACCESS are outlined in the Gaston County Personnel Policy.

### **Contract Management and Oversight**

Gaston County ACCESS monitors each contract for quality in fulfilling the contract requirements as well as compliance with FTA requirements. The Transportation Administrator is responsible for reviewing each contract and determining specific monitoring requirements based on the type of contract and funding utilized.

### ***Quality Assurance Monitoring***

At a minimum, service operating contractors are required to report monthly on the following.

- Number of one-way passenger trips by passenger/trip type
- Number of trips requested (demand-response service)
- Number vehicle miles and revenue vehicle miles
- Number of vehicle hours and revenue vehicle hours
- Accidents and incidents that occur during the provision of contracted service. All accidents or incidents involving passenger injury or damage to Gaston County ACCESS-owned vehicles shall be reported immediately
- Complaints received and how they were addressed. Any complaint about potential discrimination (Title VI or ADA) shall be reported immediately
- Vehicle breakdowns
- Delayed performance
- Maintenance performed on Gaston County ACCESS-owned vehicles
- Employee training conducted
- Drug and alcohol testing activity
- Operating and administrative expenses
- Fares collected (if appropriate)

- Any other performance measures specified in the contract

These reports are submitted in support of the contractor's invoice. The Transportation Administrator is responsible for reviewing the contractor's reports and invoices and determining if quality standards set forth in the contract are being met, or if penalties are needed.

Should a contractor fail to deliver service meeting the contract's minimum standards, the Transportation Administrator is responsible for following through with any penalties as specified in the contract.

Any complaints received regarding contractor performance shall be investigated by the Transportation Administrator. This will include contacting the customer/complainant for further information, discussing the complaint with the contractor, and determining what actions are needed to resolve the complaint.

### ***Monitoring Compliance with FTA Requirements***

Each contract funded by FTA funds includes the Federally required clauses appropriate to the contract. The Transportation Administrator is responsible for monitoring the contractor's compliance with all FTA requirements applicable to their contract, including:

- Financial Management
- Appropriate Use of FTA-Funded Vehicles and Facilities
- Maintenance of FTA-Funded Vehicles and Facilities
- Federal Contract Clauses in subcontracts
- Disadvantaged Business Enterprise
- Debarment and Suspension
- Lobbying
- Title VI
- Americans with Disabilities Act
- Charter Bus
- School Bus
- Drug and Alcohol Program
- Equal Employment Opportunity

In addition to signing the contract clauses for multi-year contracts, each contractor submits an annual compliance certification.

Gaston County ACCESS also receive quarterly contractor reports from each contractor to ensure compliance with each applicable FTA compliance area. A checklist is used for this review, and the completed checklist and related

correspondence are kept on file. The Operations Supervisor follows up on any findings from the monitoring in writing. Contractors that do not correct any found problems may be dismissed depending on the terms of the contract and the severity of the violation.

## **Document Control and Retention**

Gaston County ACCESS retains all personnel, time, payroll, audit, tax, vendor, client and accounting records for a period no less than five years or three years beyond the close-out of any grant that finances each expense, whichever is longer. All tax records are maintained for a 7-year period. Both digital as well as hard records are stored in a manner which allows them to be both secure as well as easily accessible.

### ***Public Access***

Gaston County ACCESS complies with North Carolina regulations regarding access to public records and follows the procedures set forth in Records Retention and Disposition Schedule Public Transportation Systems and Authorities issued by North Carolina Department of Cultural Resources in April 2006.

North Carolina General Statute §132.1 states:

*(a) "Public record" or "public records" shall mean all documents, papers, letters, maps, books, photographs, films, sound recordings, magnetic or other tapes, electronic data-processing records, artifacts, or other documentary material, regardless of physical form or characteristics, made or received pursuant to law or ordinance in connection with the transaction of public business by any agency of North Carolina government or its subdivisions. Agency of North Carolina government or its subdivisions shall mean and include every public office, public officer or official (State or local, elected or appointed), institution, board, commission, bureau, council, department, authority or other unit of government of the State or of any county, unit, special district or other political subdivision of government.*

*(b) The public records and public information compiled by the agencies of North Carolina government or its subdivisions are the property of the people. Therefore, it is the policy of this State that the people may obtain copies of their public records and public information free or at minimal cost unless otherwise specifically provided by law. As used herein, "minimal cost" shall mean the actual cost of reproducing the public record or public information. (1935, c. 265, s. 1; 1975, c. 787, s. 1; 1995, c. 388, s. 1.)*

The default guideline that is followed by Gaston County ACCESS is if the agency generates, stores, or maintains a document, that document is a public record and shall be made available to the public upon request. There are exceptions to what

the statutes designate as public records, including the following sensitive information:

- Personnel records, including drug and alcohol program records
- Social security numbers (of employees, applicants, and customers)
- Medical and mental health information about specific customers

Unless otherwise specified, all personnel and financial records will be stored electronically, all sensitive materials will be saved in files where access is limited to appropriate individuals.

The following criteria apply to all Gaston County ACCESS employees, Board Members and volunteers:

1. Employees and all person's associated with Gaston County ACCESS must maintain the confidentiality of privileged information concerning staff and participants in accordance with North Carolina confidentiality statutes and regulations.
2. No identifying information will be released to an outside agency or person without the informed consent of the person. Such consent must be granted in writing and the release to inform will expire one year from the date it is signed.
3. The following will have access to locked files:
  - Employees, students, volunteers and others who must access information to perform required job functions.
  - Federal, State, local or other monitoring agencies.
  - Court order.

After documents' holding period has been completed, documents are destroyed using safety sensitive measures such as shredding, in accordance with the Records Retention and Disposition Schedule Public Transportation Systems and Authorities issued by North Carolina Department of Cultural Resources.

### ***Electronic Documents***

All electronic documents are backed up daily to ensure all data is maintained in the event of local computer failure.

Prior to an employee being terminated, that employee's access to computer files is terminated.

### ***Financial Records***

All financial records associated with NCDOT/FTA grants are retained for a minimum of five years or three years beyond grant close-out, whichever is longer. This includes all personnel, time, payroll, audit, tax, vendor, client and accounting records.

All financial records associated with the procurement of vehicles and equipment purchased with NCDOT/FTA grants will be retained for a minimum of five years or three years beyond the end of NCDOT's title lien on the vehicle/equipment, whichever is longer. This includes all vehicle maintenance and repairs records.

All financial records associated with the development of a facility financed with NCDOT/FTA grants will be retained for a minimum of five years or three years beyond final NCDOT/FTA payment for construction, whichever is longer.

## GRANTS ADMINISTRATION

### Grant Application

The NCDOT generally issues annual grant applications at the following times:

Program	Application package released	Applications due to NCDOT
S. 5311 (CTP)	Early February	Late March
S. 5311(f)	Mid-January	Mid-February
S. 5310, 5316, 5317	Early February	Mid-May
State Maintenance Assistance Program		Late February
State Transportation Demand Management	Mid-February	Late March
Urban Advanced Technology	Late March	Late April

Preceding the release of each application, Gaston County ACCESS determines which projects and services will be included in that year's application, based on area's Community Transportation Services Plan – CTSP (particularly the implementation plan, vehicle replacement plan, and financial plan).



Grant application packages are received electronically from NCDOT-PTD. Included in each is a timetable for the processing and completion of the application along with specific instructions on how to complete each section.

1. **Receive Application Package and Organize** - Upon receipt of each application package, the Transportation Administrator reviews the entire package for general application requirements and determines the best approach to delegate development of portions of the application and develop a timeline for preparation, public notice, and submission to the Board of Commissioners for review and approval before submission to NCDOT.
2. **Prepare Application** - Tasks involved in preparing the grant application include:
  - a. Compile narrative, statistical and financial information to justify a grant award
  - b. Determine the amount of matching funds that is needed for the grant application and identify potential sources of matching funds
  - c. Secure a commitment of matching funds from each source
  - d. Secure approval of the grant project from the MPO (if in an urbanized area)
  - e. Consult with the agency's Attorney regarding specific certifications and assurances that will have to be signed as part of the application.
  - f. Finalize budget with Business Administrator.
3. **Secure Public Input and Board Approval** - Once the grant application is completed, the following procedures are followed:
  - a. Forward the complete grant application package to the Clerk to the Board with a request to be scheduled on the agenda for an upcoming Board meeting. Depending on the complexity and commitment of the grant, the Board is provided with a minimum of two weeks to review the grant. Grant applications must be approved by the Board of Commissioners before the application is submitted to NCDOT.
  - b. Schedule a public hearing regarding the proposed grant application before the Board of Commissioners. The public hearing is advertised at least 7-days in advance.
  - c. The date and time of the public hearing for the grant application, along with a summary of the application and the availability of the application for review upon request, is advertised in English and Spanish versions by postings in the local newspaper, and announcements are posted in English and Spanish versions in various places throughout the County on public bulletin boards. Electronic postings in English and Spanish versions are sent

to various local media vendors, TV, radio and newspapers by the Gaston County ACCESS Transportation Administrator.

- d. The public is encouraged to ask questions and/or make comments. Gaston County ACCESS considers all public comments before finalizing the grant application. A public hearing is held, and all comments received are addressed before the application is submitted to NCDOT.
- e. A copy of the initial grant application package is made available for public review upon request, and, if revised, the final grant application also is made available to the public.

### **Grant Award and Agreement Execution**

1. NCDOT sends official notification by mail, and usually contacts the Transportation Administrator in advance of receiving a formal notification in the mail. It is the responsibility of the Transportation Administrator to forward the grant agreement to the Business Services Administrator for processing immediately upon receipt. The Administrator of Business Services is aware of target dates for grant approval by NCDOT and anticipates the receipt of grant awards and agreements in advance of their arrival.
2. The Business Services Administrator reviews the grant award and agreement to ensure that it is accurate and to determine if the award differs substantially from the grant application. The grant award package normally contains a letter of award, a grant project budget, a blank Request for Reimbursement form and an unsigned Grant Agreement. It is the responsibility of the Business Services Administrator to secure the required signatures and attestations and return the grant agreement to NCDOT by the deadline.
3. If applicable, the Business Services Administrator notifies the Staff Attorney of any special award conditions and receives his or her concurrence that they are acceptable.
4. The Board of Commissioners is informed of all grant awards and agreements received by the Transportation Administrator. If a grant award or agreement requires concurrence with the governing board prior to execution, the Transportation Administrator coordinates the placement of the grant award on the Board agenda to the meeting immediately after the award is received to formally request execution of the grant agreement.

5. If the Board has adopted a previous resolution authorizing the Transportation Administrator to execute the grant award, then the Transportation Administrator signs the grant agreements.
6. The Business Services Administrator makes a copy of the signed grant agreements and returns the appropriate number of signed agreements to NCDOT or the appropriate funding agency.
7. NCDOT signs the grant agreement and returns at least one full executed agreement Gaston County ACCESS. The Transportation Administrator ensures that the fully executed grant agreement is forwarded to the Business Services Administrator upon receipt in the mail.
8. The Business Services Administrator makes copies of the fully executed grant agreements for the Gaston County ACCESS grants file as well as his/her own working file and provides copies of relevant excerpts to all applicable staff members.

## **Grant Reporting**

NCDOT requires the submission of quarterly progress reports for grants using a designated Quarterly Progress Report Form. These reports are due within 15 days of the end of each quarter, throughout the Period of Performance.

The Transportation Administrator is responsible for ensuring that all grant funds are expended in accordance with specific grant regulations and is responsible for ensuring that any fiscal and programmatic reporting requirements are adhered to.

These reports are compiled by the Assistant Business Services Administrator and Transportation Administrator using financial, asset and operating data from the following sources:

- Financial Data - *Using Tyler Munis*
- Operating Data - *Using the scheduling software RouteMatch*
- Asset Inventory - *Using the web application AssetWorks*

All NCDOT reports are reviewed and submitted by the Transportation Administrator.

## **Grant Recordkeeping and Auditing**

1. The Transit System maintains the reports for review by auditors and NCDOT.
2. All financial reports should be submitted to Business Services to ensure timely

reconciliation of the grant reported expenditure and revenues to the County's general ledger.

3. Financial reports should be maintained on file until all audits have been accepted by the grantor or for five fiscal years, whichever is longer. The Transportation Administrator consults the records retention schedule when planning to destroy grant records.
4. All Gaston County ACCESS grants are subject to periodic review by Grants Division and an annual audit by independent auditors. Gaston County ACCESS makes grant files and supporting information available for annual audit review. Any audit findings and/or questioned costs resulting from the audit require a written response to Gaston County ACCESS within the designated response period.
5. All state and federal grant funds will be included in the county's annual single audit report prepared by the Business Services Administrator.
6. Any auditors or officials representing the grantor agencies that request access to grant records should be directed to the Business Services Administrator to determine authorization. All audits are performed by third party auditor. However, the grantor agency may elect to monitor the grant program to possible include sending a representative to discuss the program and review records which would be allowable.
7. Annual audit reports are submitted to NCDOT Public Transit Division (PTD) within nine months after the close of the fiscal year.

### **Period of Performance**

The Period of Performance for NC DOT-PTD grants is defined as the period during which the Grantee/Contractor is expected to complete the grant activities outlined in their proposal and grant agreement. The Period of Performance also establishes the timeframe of execution of project activities and period when expenses may be incurred and reimbursed.

The Period of Performance for NC DOT-PTD grants begins on the date that the grant is approved by the North Carolina Board of Transportation (BOT) and ends on the last day of the performance period unless otherwise stated in the grant agreement. Depending on the type of grant the end date may be 12 – 36 months (with potential exceptions for facilities and New Starts projects). The Period of Performance is stated in the grantee cover letter.

### ***Period of Performance Extensions***

If the grant funds cannot be expended during the Period of Performance, a Period of Performance Extension may be requested. Extensions are intended to provide additional time for projects that have made reasonable progress to expend funds, invoice and seek reimbursement. By extending the Period of Performance it allows the project to remain in compliance with the terms of the grant agreement.

If, during monthly reviews of budget status, grant expenditures within two months of the end of the Period of Performance are found to be behind year-to-date budget, the Transportation Administrator submits a request for a Period of Performance extension to NCDOT. The request is prepared by accounting staff and signed off by the Administrator, in writing and on agency letterhead, with pertinent documentation.

If the extension is granted, in accordance with NCDOT-PTD policy, an NCDOT-PTD Requests for Budget Revisions and/or Requests for Budget Amendments form are submitted.

### **Grant Termination**

1. Gaston County ACCESS maintains close communication with the NCDOT-PTD to ensure that everyone is aware when grants expire and that the transit system does not incur expenditures with no funding source. When grant funds are subgranted (pass-through) to other agencies, the contract agency should include a statement that “payment for services is contingent upon receipt of grant funds.”
2. NCDOT/FTA grants are closed out following the Period of Performance for which funds were awarded (non-capital grants), following purchase of the vehicle or equipment for which the funds were awarded (non-facility capital grants), or following the completion of the facility or the expenditures of the grant funding, whichever comes first (facility capital grants). Except in the case of facility development, NCDOT/FTA grant funds are to be expended, and grant close-out initiated within three years of the initial grant award. Initiating grant close-out is the responsibility of the Business following a review each grant’s status at the end of each quarter.

## **FINANCIAL MANAGEMENT**

The fiscal year for Gaston County ACCESS is from *July 1* to *June 30*.

### **Multi-year Financial Plan**

Gaston County ACCESS develops a five-year financial plan as part of its Community Transportation Service Plan (CTSP), which is required for funding under NCDOT. This financial plan is based on planned service changes and identified funding sources and is used as a basis for the annual grant application to NCDOT as well as for the development of Gaston County ACCESS's annual budget.

Updating the multi-year financial plan is the responsibility of the Transportation Administrator in consultation with the Business Services Administrator.

### **Budget Development**

Gaston County ACCESS also prepares an annual budget that updates the CTSP financial plan, based on CTSP service implementation milestones and changes in available funding. The annual budget is prepared at the beginning of the fiscal year/in preparation for the annual grant application to NCDOT/in preparation for the annual budget.

The process for developing the annual budget includes:

1. Gaston County ACCESS management sends out notification about when it is time to begin the process to develop next year's budget and provides updated instructions and process timeline.
2. The Transportation Administrator reviews the organization's goals and objectives and CTSP/Strategic Plan for implementation activities scheduled in the upcoming year (as well as any which were deferred in the previous year).
3. The Transportation Administrator reviews the status of open grants from FTA/State DOT for current funding and reviews the most recent grant application package to anticipate timeline for next grant application cycle (to coordinate budget development when feasible).
4. The Transportation Administrator consults the Social Services Director to program-specific budget needs for the upcoming year.
5. The Business Services Administrator prepares prior-year actual, current budget and year-to-date actual, and projections for next year payroll needs at current service levels and provides to the Transportation Administrator.
6. The Transportation Administrator, assisted by Business Services Administrator and Social Services Director
  - a. reviews the previous year budget to determine needed adjustments to each line item, including overhead costs and costs attributable to specific programs

- b. estimates revenues and sources for upcoming year
  - c. adjusts accordingly to expenditures and revenues for the projected fiscal year's budget
  - d. projects capital budget needs according to replacement schedule guidance of both State DOT
  - e. documents assumptions used in preparing the budget (for example, assumes available funding, increases in fuel prices, increased insurance expenses, more operator overtime, etc.)
7. The Transportation Administrator submits the budget to the Advisory Board for informational purposes.
  8. The Business Services Administrator and Social Services Director prepare budget requests for submission to the Budget Office.
  9. The Budget Office prepares the final budget submission to the County Manager's office. Once approved by the Manager's Office.
  10. The Budget is approved and adopted by the Board of Commissioners.

### **Grant Budgeting and Accounting**

1. Each federal and state grant is assigned individual account codes to record all fiscal transactions.
2. The agency enters the necessary budget accounts upon Board of Commissioners' approval.
3. All expenditures are supported by adequate documentation as required by the grantor agency, the Single Audit Act, Federal OMB Circular A-133, and the State Single Audit Implementation Act.
4. Gaston County ACCESS charges all expenditures directly to assigned grant account line items instead of charging grant related costs toward an indirect rate and subsequently transferring to grants periodically by journal entry.
5. Gaston County ACCESS is responsible for maintaining accurate grant budgets and ensuring all grant expenditures and revenue transactions are coded to the appropriate accounts.

### **Multi-Year Grant Budgeting and Accounting**

1. Grants are often accepted by Gaston County ACCESS that continue into the following fiscal year(s). For those grants that continue into the next fiscal year, once the actual grant budget balances are determined after the end of the fiscal year, a budget amendment is prepared if the amount appropriated in the new budget year needs adjusting.
2. Gaston County ACCESS establishes a grant project ordinance when major multi-year grant programs are accepted. These ordinance budget and record grant

revenues and expenditures for the entire grant period and alleviate the need for Gaston County ACCESS to compute and re-budget the grant each subsequent fiscal year. When major multi-year grants are received, Gaston County ACCESS determines if a grant project ordinance is appropriate.

## **Budget Revisions and Amendments**

A mid-year budget revision or amendment may be necessary when the revenues unexpectedly increase or decrease, or expenditures are accruing at a faster rate than budgeted for. Grants are often amended to shift allocated funds from one cost category to another, increase or decrease the grant budget, change the grant period or alter the programmatic requirements.

Any amendment that alters the total grant revenues should be prepared by the Transportation Administrator and submitted to the Business Services Administrator. This budget amendment requires the Board of Commissioners' approval.

The budget cannot be legally amended after the end of the fiscal year to incorporate previous amendments approved by the grantor. Therefore, Gaston County ACCESS uses caution to ensure no grant funds are expended prior to approval and appropriation by the Board of Commissioners.

General budget procedures include:

1. The Transportation Administrator reviews the budget status on a monthly basis and compares actual expenditures to budgeted amounts by line item.
2. If revenues unexpectedly increase or decrease, or expenditures are accruing at a faster rate than budgeted for, the Transportation Administrator identifies where adjustments are required and where corresponding adjustments are needed to balance the budget.
3. If needed, a budget revision/amendment request is prepared by Transportation Administrator and submitted to Board of Commissioners for review and approval.
4. If needed, an NCDOT grant budget revision/amendment request is prepared by the Transportation Administrator and submitted per NCDOT instructions.

The required approval of local budget amendments is as follows:

1. The following budget amendments can be initiated solely by the authority of the Transportation Administrator:
  - Salary position title changes, no change to salary.



- Updates to salary position numbers.
  - Move current salary filled positions to minimum, not re-evaluations.
  - Carryovers with continuing line items within division.
  - Transfer of general funds within same division.
  - New accounts for existing grants (with permission).
  - Technical corrections, miscoding of account numbers.
  - Reclassification of revenues, no change to total.
  - Addition of a line item (includes line items with zero balances).
  - Carryovers with new line items.
  - Line-item transfers (excluding salary savings) to other line items
  - Move vacant salary positions to midpoint.
  - Transfer of Salary Savings to other line items.
  - New and recurring expenses
2. The following budget amendments will require approval by the Board of Commissioners:
- New positions
  - New Commitments (contracts & maintenance agreements)
  - Transfer of general funds to another division.
  - Carryovers with continuing items and in different department/division.
  - Transfer of savings of up to \$50,000 to meet emergency program needs and/or critical services.
  - Salary increases (unbudgeted).
  - Re-evaluation of currently filled salary positions.
  - Revenue increases/decreases for established programs.
  - New programs.
  - New grants that require general fund money.
  - Requests from endowment/reserve.
  - Use of fund balance.
  - New grants with no general fund money.

### **Governmental Generally Accepted Accounting Principles**

1. It is the policy of Gaston County ACCESS to adhere to any restrictions imposed by its funders, both governmental and private. Therefore, Gaston County ACCESS employees are expected to bring to the attention of management any instances of non-compliance.
2. When Gaston County ACCESS is expending federal and state funds, prior written approval from the funder agency is required for the purchase of:
  - Capital expenditures for land or buildings

- Insurance and indemnification expenses
  - Pre-award costs
  - Public information service costs
  - Publication and printing costs
  - Rearrangement and alteration costs
3. In accordance with federal regulations, Gaston County ACCESS does not request federal funds to pay for the following costs:
    - Bad debt expense
    - Contingencies
    - Contributions or donations to others
    - Entertainment expenses
    - Fines and penalties
    - Interest, fundraising and other financial costs
  4. Federal funds received in advance are deposited into a separate federally insured bank account. Any interest earned from those monies are submitted to the funder agency.

### **Direct / Indirect Cost Recognition and Recovery**

1. All direct costs incurred to support a grant funded program are funded from Gaston County ACCESS operating budget, the grant budget or from new appropriations authorized by the Board of Commissioners.
2. Indirect costs incurred to support grant funded services are reported for reimbursement. These indirect costs are charged to each respective grant budget expenditures account in monthly increments. The Transportation Administrator is responsible for indirect cost calculations related to the transit services based on the type of grant and central services utilized by the grant required. Gaston County ACCESS has developed an indirect cost allocation plan based on NCDOT's Rate Setting Model that has been approved by NCDOT. If changes are made to this plan, it is resubmitted to NCDOT for approval.
3. Indirect cost expenditures and revenues are analyzed at the end of each year and reclassified if necessary to prevent overstatement of revenues and expenditures amount funds. Indirect costs to grants are assessed in accordance with an approved cost allocation plan that was developed in accordance with OMB Circular A-87 or A-122. If the transit agency has not been assigned to a cognizant federal agency, it negotiates with NCDOT to establish an indirect cost rate.

4. In addition to the initial approval by the cognizant agency or NCDOT, the rate is updated annually and the plan resubmitted for approval if the agency has made a change in its accounting system, thereby affecting the previously approved cost allocation plan/indirect cost rate and its basis of application, the proposed cost allocation plan/indirect cost rate exceeds the amounts approved previously by more than 20 percent, or there is a change to the cost allocation plan/indirect cost rate proposal methodology.

### **Preparing Requests for Reimbursement from NCDOT**

Requests for reimbursement from NCDOT are prepared monthly by accounting staff and approved by the Administrator. Procedures for submitting these requests are as follows:

1. Use the appropriate Invoice Form Spreadsheet provided by NCDOT-IMD for Administration, Capital, Operating, Planning, Facility or Technology. Follow the instructions provided by NCDOT for completion of each form.
2. Prepare a cover letter on agency letterhead.
3. Maintain supporting documentation for expenses for each non-capital request for reimbursement in the grant files, following NCDOT's Supporting Documentation Guidelines for Administrative Expenses.
4. Submit supporting documentation to NCDOT for Capital Expenditures and maintain copies in the grant file.

### **Advance Payment Requests**

Gaston County ACCESS requests advance payment for federal and state shares of eligible costs for certain items prior to issuing payment to the vendor. This will be limited to high-cost capital items such as vehicles and computer systems. Gaston County ACCESS deposits the advanced payment into its bank account upon receipt and issue payment to the vendor within three (3) business days.

It will be the responsibility of Gaston County ACCESS's Transportation Administrator to facilitate and complete all necessary requirements associated with requesting advance payment from NCDOT. Copies of all supporting documentation and checks will be kept onsite at ACCESS.

The advance payment request is submitted after receipt of the vendor invoice. The following is submitted to NCDOT when requesting an advance payment:

- Cover letter on agency letterhead
- Completed reimbursement request (usual capital invoice submitted to NCDOT)
- Copy of vendor invoice
- Executed "Advance Payment Certification" form with original signature
- Copy of order form sent to vendor
- Copy of vehicle title application (MVR-1)

NCDOT reviews the documentation for completeness and holds the request until they are notified that the vehicle has been received and accepted. Once Gaston County ACCESS receives the Capital/Expense requested the following procedure is followed to complete the advance payment process.

1. Fax the capital / vehicle inspection form to NCDOT at 919-733-1391
2. Telephone Gaston County ACCESS's MDS at NCDOT to ensure the fax transmission was received 919-733-4713.
3. Request an email confirmation from NCDOT when the Capital Check is cut.
4. Put Gaston County ACCESS's mail room on alert for any envelope from NCDOT.
5. It is the responsibility of the Accounting Specialist to deposit the advance payment from NCDOT and to issue payment to the vendor within three (3) business days of receipt of the vendor's invoice.

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#### ADVANCE PAYMENT CERTIFICATION

I hereby certify that the federal and/or state funds requested are for eligible project costs as defined in the grant agreement and that payment will be made to the vendor(s) within three (3) days of receipt of the check from the North Carolina Department of Transportation. I understand that any deviation from the process will result in immediate termination of this payment procedure.

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SIGNATURE OF AUTHORIZED OFFICIAL

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TITLE

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DATE

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#### Grant Revenue Receipt and Recording

1. The Business Services accounting staff within Gaston County DHHS – is responsible for preparing financial reports to be sent to the grantor to obtain reimbursement of

- grant funds expended. These reports should be submitted in a timely manner to replace the agency funds expended during the reporting period.
2. NCDOT is instructed to utilize electronic fund transfers.
  3. For any grant revenues received, the revenues are always deposited daily and credited to a grant revenue account code. Grant reimbursements are never credited to an expenditures account.
  4. The Financial & Management Services, along with Business Administrator, reviews grant revenues periodically to ensure proper recognition. At the end of each fiscal year, they review each grant program to accrue the revenue earned to be received after the end of the fiscal year from the grantor.

### **Invoicing for Purchase-of-Service Arrangements**

1. Preparing invoices for organizations that purchase service from Gaston County ACCESS is the responsibility of the Business Services accounting staff
2. Invoice preparation is initiated on the last day of the month and completed by the first week of the following month and mailed by the 10<sup>th</sup> of the month, with a due date of the last day of the month.
3. The Business Services accounting staff maintains a list of all current contracts along with their rates, invoice requirements, contract time periods, and contact person.
4. The Transportation Administrator compiles operating statistics (including trips, miles, hours, fares collected, no-shows and/or any other measures on which contract rates are based and for which reports are required) from the previous month from driver/scheduler reports to produce a comprehensive monthly report as well as individual monthly reports for each contracting organization or grant.
5. Using the monthly reports, the Business Services Accountant prepares a monthly invoice for each grant. Copies are made of supporting documentation as required for each grant and submitted with the invoice as well as included in each grant file.

## **Fare Collection and Storage**

1. Cash and farebox revenues are maintained in a secure location, such as a locked filing cabinet.
2. It is the intent of Gaston County Access not to put any of its employees in a position that might cause injury to them or to put them in a situation that might cause suspicion of their handling of fare collections. Locked fare boxes are installed on most transit vehicles to minimize the need for cash handling and the risk of theft.
3. Fares may be paid by cash. All passengers must pay the appropriate fare upon boarding, subject to the published policy regarding fare amounts.
4. Cash fare must be paid with exact change only. Drivers are not to make change for passengers. It is the responsibility of the passenger to have the correct change, and passengers are notified in writing of this policy as part of the fare policy. Checks are not allowed for non-vendor fares.
5. Drivers request passengers to deposit the correct fare into the fare box.
6. Drivers inspect each fare and transfer to verify that the correct fare has been paid
7. When paying for a single trip with cash, passengers are instructed to physically put their fare in the fare box. Upon request, drivers should assist passengers with disabilities with this process.
8. Drivers maintain a tally of passenger boardings and fare types by manifest, which is turned in at the end of each day and reconciled with fares collected. All passengers are counted by the driver and noted on his/her trip report.
9. The farebox vaults are removed from the vehicle by the Billing Specialist/ Accounting Tech II or Transportation Administrator. The removal is conducted at Access parking lot. When a vault is removed an empty vault is replaced in the fare box.
10. The farebox vaults are either emptied by two persons in preparation for cash counting or stored in a located location.
11. The keys to opening the fare boxes/vaults are to be stored in the Billing Specialist office and are accessible by the Billing Specialist, Accounting Tech II, or Transportation Administrator.
12. Whenever a vehicle is taken in for preventative maintenance or repairs the fare box vault is removed and the above procedures followed.
13. Each fare box vault is emptied and counted separately for other vaults. The totals are reconciled to the daily driver reports and fare box revenues are attributed to the appropriate account.

## **Deposits**

1. Deposits will be made on a daily basis in accordance with NC G.S. 159-32.
2. The deposit slip for cash is prepared by Accounting Tech II at the time of counting farebox revenue.
3. Bus fares should be listed on the "Bus Farebox Receipts" spreadsheet
4. Deposits can be made during banking hours.

## **Purchases by Credit Card**

It is the policy of Gaston County ACCESS to allow the use of a procurement card (p-card) by the department for specific expenses as outlined in Gaston County Policy. The Transportation Administrator is responsible for any procurement cards and for the use of those cards. Personal use is prohibited and will be subject to discipline. See Gaston County p-card policy for details.

## **Bill Payment**

1. Mail is received daily by the Courier and distributed by the Billing Specialist.
2. Incoming invoices are logged in by the Billing Specialist and delivered to the staff person responsible for ordering the product or service for his/her approval prior to disbursement dates.
3. The staff person responsible for ordering the product or service checks the validity of the invoice against the contract/proposal/bid, work accomplished/delivered (which must be reported with the invoice) The individual's signature on the invoice indicates that they believe the invoice satisfactorily represents the work accomplished delivered.
4. The County Finance Department is responsible for the preparation of disbursements. All disbursements are to be made by check, EFT/ACH payment or procurement card.
5. A check request voucher is then completed by the Business Services staff person and attached to the original vendor invoice, and/or any other supporting documentation. The voucher includes the account codes to which the expense will be applied. Approval for an expense by the Transportation Administrator must be indicated on the check request voucher.
6. After inputting all the check requests, Business Services Section then prepares a master list of all checks to be paid for approval by the Transportation Administrator. If there are any questions or concerns about the amounts, the Business Services provides necessary information prior to running any disbursements. If there are any items removed from the batch, the totals on the payment summary form should be corrected, initialed and dated by the Transportation Administrator
7. Business Services Section then runs an aging account payable, which is generated by the accounting software. A total of the disbursements to be paid will be recorded on the form and sent to the Transportation Administrator for approval, along with the current balance in any and all cash accounts.
8. Once the amount to be disbursed has been received, Finance Department prints the checks from the computer system. The checks are attached to the invoice, and other supporting documentation, being paid and submitted for signature. A check register is run and filed together with the disbursement transmittal form.

9. While the Finance Director electronically signs each check, the Accounting Specialist double-checks the check request voucher. This approval is to ensure the account and grant/project is charged to the correct expense and line item.
10. Any checks made to pay invoices in excess of \$5,000 must be signed by the Transportation Administrator and authorized for payment in writing by Business Services Section through an authorized purchase order for signature. After DHHS Director approves requisition, Procurement Manager or designee approves purchase order.
11. After the checks have been signed, a copy is saved into Munis accounting system as proof of payment by the Finance Department staff.
12. All checks are issued as soon as this process is completed.
13. Supporting documentation is saved in the Munis accounting system by Accounting Technician II in Transportation Department in appropriate vendor files.
14. The Transportation Administrator utilizes the paid invoice files to respond to any discrepancies which arise with vendors or other payees.
15. Once monthly, the Accounting Tech II checks the invoice log to determine if there are any outstanding invoices which have not yet been paid. If so, the Accounting Tech II investigates the nonpayment of these invoices with the responsible staff member.

### **Payroll Preparation and Timekeeping**

1. Timesheets are prepared by all staff persons and submitted bi-weekly on the dates indicated on the annual Timesheet Schedule. Time is to be inputted daily.
2. Timesheets are to be submitted by the staff person and approved by his/her supervisor.
3. Business Services reviews the payroll summary page of the payroll service report for inappropriate payees or unusual hours.
4. Paychecks are distributed by direct deposit on the designated day, after the end of the pay period according to a prearranged schedule. In the event that a paycheck is picked up by a designated person other than the staff person, proper identification should be requested from the party picking up the paycheck.
5. As an employee benefit, Gaston County ACCESS offers direct deposit through the employee's own financial institution. Through direct deposit, payroll is deposited as cash into the employee's account on payday.

### **Reconciliations of Other General Ledger Accounts**

1. Each month the Business Services Administrator and Transportation Administrator review the ending balance shown on balance sheet accounts such as the cash accounts, accounts receivable, accounts payable and deferred revenue.



2. **Assets** - These accounts include cash, property, equipment and fixtures, and intangible assets.
  - a. Cash - The balances in cash accounts should agree with the balances shown on the bank reconciliations for each month.
  - b. Property, Equipment & Fixtures - The amounts in this account should equal the totals generated from the audited depreciation schedules. When additional purchases are made during the year, the balances in the accounts may be updated accordingly.
3. **Liabilities** - These accounts are described as accounts payable, payroll tax liabilities, loans and mortgages payable, and amounts due to others.
  - a. Accounts Payable - The balance in this account should equal amounts owed to vendors at the end of the accounting period and the aging report.
  - b. Payroll Tax Liabilities - The amounts in these accounts should equal amounts withheld from employee paychecks as well as the employer's portion of the expense for the period that has not been remitted to the government authorities.
  - c. Due to Others - If there are any amounts owed to others at the end of the period they should be recorded and the correct balance maintained in the general ledger accounts.
4. **Income/Revenues** - These accounts are described as income from grants, fares, purchase-of-service contracts, sale of advertising on vehicles, contributions, (in-kind contributions?), etc.
  - a. Income - The amounts charged to the various cash accounts should be reconciled with funding requests, funders reports, draw down schedules, etc.
  - b. Expenses - These accounts are described as expense line items
  - c. Gross Salary Accounts - The balances in the gross salary accounts should be added together and reconciled with the amounts reported on quarterly payroll returns.

## **Financial Reporting**

Financial statements are prepared and maintained to assist in monitoring revenue and expenditures. Financial statements are presented to programs administered by the Gaston County ACCESS on a monthly basis.

### ***Month-End***

The month-end process is as follows:

1. After the General Ledgers are updated and printed, the Business Services Administrator prints an Income and Expense Statement for each program.
2. The Business Services Administrator forwards a copy to the Transportation Administrator by the 20<sup>th</sup> day of each month.
3. The Transportation Administrator reviews the Income and Expense Statement to verify that it is complete and accurate.
4. If errors are detected, the Transportation Administrator must submit a request to Business Services to make a journal entry by the last day of the month.
5. The Finance Office posts the necessary journal entries to resolve errors and prints an updated Income and Expense Statement

### ***Year-End***

The year-end process is as follows:

1. After the General Ledgers are updated and printed, the Business Services Administrator prints an Income and Expense Statement for each program.
2. The Business Services Administrator forwards a copy to the Transportation Administrator for review.
3. The Transportation Administrator reviews the Income and Expense Statement to verify that it is complete and accurate.
4. If errors are detected, the Transportation Administrator must submit a request for journal entry to Business Services by the last day of the month.
5. During the year-end process, draft copies of the Income and Expense Statement for the new fiscal year will be available upon request by the Transportation Administrator. The normal process will resume at the conclusion of the audit.

### ***Accruals***

The procedures for accruals are as follows: (This process will be made in accordance with MUNIS accounting software)

1. The deadline for Cash Receipt, Accounts Receivable, and Accounts Payable accruals is within 5 days of the end of month. The deadline for Grant accruals and inventory adjustments is 5 days of the end of month.
2. After all accruals are posted, the Business Services prints an updated Income and Expense Statement for each program.
3. The Business Services stamps the updated Income and Expense Statement "draft", files the original copy and forwards a second copy to the Transportation Administrator.

### ***Audit Adjustments***

During the audit process, the procedures for audit adjustments are as follows:

1. Single County Auditors prepare journal entries and present them to the Business Services Administrator.
2. The Business Services Administrator reviews the journal entries and approves Finance Office to posts.

### ***Final Financial Statements***

The procedures for preparing and maintaining final financial statements are as follows:

1. After the final General Ledgers are printed for the year, the Business Services prints the final Income and Expense Statement and a Balance Sheet for each program.
2. The Business Services Section files the original copy of the final Income and Expense Statement and the Balance Sheet and forwards a second copy to the Transportation Administrator.

## **Audit**

An annual audit is conducted in accordance with OMB Circular A-133 or other external auditing standards. The purpose of the audit is to attest to the fairness of management's assertions in the financial statements or to evaluate whether management has efficiently and effectively carried out its responsibilities.

The State auditor's office is responsible for initiating the annual audit process by June 30 of each year. The audit is conducted by a third party auditor. The audit is completed by December 31 of each year and submitted to NCDOT within nine months after the end of the fiscal year.

The basic requirements for the financial reporting model include the presentation of certain basic financial statements as well as a management discussion and analysis (MD&A) and certain other required supplementary information (RSI).

The basic financial statements include:

- Government-wide financial statements.
- Fund financial statements; and
- Notes to the financial statements

A Management's Discussion and Analysis is also required, and should include the following:

At the least, the MD&A should discuss:

1. The government's current year results in comparison with the prior year's results with emphasis being placed on the current year, with the focus being placed on the primary government.
2. The financial managers should report the most relevant information and avoid "boilerplate" discussion.

MD&A should include:

1. A brief discussion of the basic financial statements, including the relationships of the statements to each other, and the significant differences in the information they provide. It should also include an analysis to assist readers in understanding why measurements and results reported in fund financial statements either reinforce information in government-wide statements or provide additional information.
2. Condensed financial information derived from government-wide financial statements comparing the current year to the prior year. The elements included in the analysis are below:
  - a) Total assets, distinguishing between capital and other;
  - b) Total liabilities, distinguishing between long-term and other;
  - c) Total net assets, distinguishing between types;
  - d) Program revenues, by major source;
  - e) General revenues by major source;
  - f) Total revenues
  - g) Program expenses, at a minimum by function;
  - h) Total expenses
  - i) Excess (deficiency) before contributions to term and permanent endowments or permanent fund principal, special and extraordinary items, and transfers
  - j) Contributions;
  - k) Special and extraordinary items;
  - l) Transfers;
  - m) Change in net assets;
  - n) Ending net assets.
3. An analysis of the government's overall financial position and results of operations to assist users in assessing whether financial position has improved

or deteriorated as a result of the year's operations.

4. An analysis of balances and transactions of individual funds.
5. An analysis of significant variations between original and final budget amounts and between final budget amounts and actual budget results for the general fund (or its equivalent).
6. A description of significant capital assets and long-term debt activity during the year, including a discussion of commitments made for capital expenditures, changes in credit ratings, and debt limitations that may affect the financing of planned facilities or services.
7. A discussion by governments that use the modified approach to report some or all of its infrastructure assets.
8. A description of currently known facts, decisions, or conditions that are expected to have a significant effect on financial position (net assets) or results of operations (revenues, expenses, or other changes in net assets).

Following the completion of the audit, third party auditor meets with the Business Services Administrator to discuss any audit findings in an exit interview and develop a plan and timeline for rectifying any identified problems. It is the responsibility of the Transportation Administrator to ensure that the problems are addressed prior to the next audit.