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January 10, 2023

The Honorable Troy D. Jackson
President of the Senate
3 State House Station
Augusta, Maine 04333

The Honorable Rachell Talbot Ross
Speaker of the House
2 State House Station
Augusta, Maine 04333

Dear Mr. President and Madame Speaker:

Pursuant to 5 M.R.S.A., Section 12023, please consider this the letter of transmittal for the required report from the Midcoast Regional Redevelopment Authority.

MRRA was created in 2006 by the Maine Legislature (5 MRSA §13083-G) as a municipal corporation charged with the responsibility to implement the reuse master plans for Naval Air Station Brunswick (NAS Brunswick) and the Topsham Annex, which closed as a result of the 2005 Base Realignment and Closure (BRAC) process.

Please contact me if you have any questions or need additional information. Thank you.

Sincerely,

A handwritten signature in blue ink, which appears to read 'Jeffrey K. Jordan', is written over the typed name and title. The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Jeffrey K. Jordan
Deputy Director

cc. Kristine Logan, Executive Director



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The Honorable Troy D. Jackson
President
Maine Senate
3 State House Station
Augusta, ME 04333

The Honorable Rachell Talbot Ross
Speaker of the House
Maine House of Representatives
2 State House Station
Augusta, Maine 04333

Subject: Government Accountability Report (5 MRSA §12023)

Dear Mr. President and Madam Speaker:

In compliance with the requirements of the Government Accountability and Oversight Law for quasi-independent State entities (5 MRSA §12023), I am submitting this report on behalf of the Board of Trustees of the Midcoast Regional Redevelopment Authority (MRRRA).

MRRRA was created in 2006 by the Maine Legislature (5 MRSA §13083-G) as a municipal corporation charged with the responsibility to implement the reuse master plans for Naval Air Station Brunswick (NAS Brunswick) and the Topsham Annex, which closed as a result of the 2005 Base Realignment and Closure (BRAC) process. The Authority is entrusted with the acquisition and management of properties within the geographic boundaries of NAS Brunswick. The enabling statute creating MRRRA established very detailed description of its powers and duties. The MRRRA Board held its first meeting on September 27, 2007. Operations began on January 1, 2008.

In compliance with the Government Accountability Act please find below our responses to the statutorily required questions:

- A. A list of all procurements exceeding \$10,000 in the preceding year for which competitive procurement was waived under the policies adopted pursuant to section 12022, subsection 3, including procurements exceeding \$10,000 that were made under contracts previously entered into for which competitive procurement was not required. The list must include the names of the vendors and costs associated with those procurements;**

The Midcoast Regional Redevelopment Authority did not procure any good or service in calendar year 2022 that exceeded \$10,000 without first having solicited competitive bids with the exception of the following:

1. Five years ago, MRRRA entered into a Memorandum of Agreement (MOA) with the **Brunswick Sewer District** to conduct spot repairs to the sanitary sewer collection system at Brunswick Landing. During calendar year 2022, MRRRA engaged the District in projects totaling \$62,570.12 for sewer repairs with the balance of \$2,566.35 for sanitary sewer services. This MOA allows MRRRA to have repairs made at below market rates and also allows the District to learn more about our sanitary sewer system, which one day they will take over.
2. In 2020 MRRRA negotiated an agreement with **Flight Level Aviation**, our current fixed based operator for the airport to provide airport oversight and oversee Federal Aviation Administration grants used to upgrade capital infrastructure at the Brunswick Executive Airport. For calendar year 2022 MRRRA paid FlightLevel Aviation \$71,749.98.
3. One of the larger property owners at Brunswick Landing is Tom Wright. Mr. Wright employs a maintenance person who maintains those facilities. In the fall of 2018, MRRRA and Mr. Wright the owner of **BLCC Maintenance LLC** entered into discussions regarding the availability of that person to assist MRRRA in maintaining its facilities. The proximity of the maintenance person, availability and hourly rates were determined to be of value to MRRRA. In 2022 BLCC Maintenance was paid a total of \$82,099.75 for thirty-five small projects.
4. In On August 14, 2012, the Executive Director signed a Utility and Light Pole and Energy Savings Lease with PEMCO & Company, LLC, a Maine Limited Liability Company. The purpose of this agreement was to fund the replacement of 414 street and parking lot lights and wall packs with 148 streetlights, 77 parking lot lights and 189 wall packs to promote energy efficiency, cost savings, reduced maintenance cost, improve lighting quality and reduced CO2 emissions. The new lighting system also includes the live control of 113 streetlights to monitor operation, rate of dim percentage and energy consumption. Then in December of 2015, PEMCO sold the contract to **Sustainable Income**, LLC of Brooklyn, New York. During 2022, MRRRA paid a total of \$138,000 to Sustainable Income.
5. Three years ago, MRRRA used Goodall Landscaping of Topsham to conduct weed removal from the airport for \$7,300 which took more than 3 weeks to complete. There are only a limited number of pesticide applicators in the area. Ehrlich was the only vendor we could find with the pesticide licensing and capacity to undertake the size and scope of the project given the size of our runways and taxiways. **Erllich Pest Control** of South Portland was paid \$12,997 to remove weeds at Brunswick Executive Airport.
6. As required by the McKinney–Vento Homeless Assistance Act of 1987 MRRRA was required by the Navy as part of the Economic Development Conveyance process to enter into a Homeless Assistance Covenant Agreement with a local service provider who provided for the unmet needs of the homeless in Brunswick. Through a competitive process, MRRRA ended up partnering with Tedford Housing. Each time property is transferred from the Navy to MRRRA, we are required under that agreement to make a payment of \$560 per acre of developable property transferred to MRRRA. In 2022, we paid **Tedford Housing** \$22,400.
7. Last year, MRRRA purchased twenty-five items from MiltonCAT of Scarborough, Maine for a total of \$14,551.41. MiltonCAT is a heavy equipment, service and repair vendor serving southern Maine. MiltonCAT provides inspection, oil changes and preventative maintenance activities on the MiltonCAT emergency generators we have at Brunswick Executive Airport.

Please find attached a detailed list of all MRRRA vendors that were paid a total of \$10,000 or more during 2022,

B. A list of all persons to which the entity made contributions greater than \$1,000 in the preceding year and the total amount contributed to each; and

On March 14, 2022 MRRRA donated three sanitary sewer pump stations that were completed reconstructed at a cost of \$1,437,078.32 to the Brunswick Sewer District.

As described above, MRRRA donated \$22,400 to Tedford Housing under the McKinney-Vento Homeless Assistance Act of 1987. MRRRA was required by the Navy as part of the Economic Development Conveyance process to enter into a Homeless Assistance Covenant Agreement with a local service provider who provided for the unmet needs of the homeless in Brunswick.

In addition, MRRRA transferred \$19,700 in venue fees paid by various not for profit organizations for one day fund raising events to the Midcoast Charitable Foundation of Maine; a 501(c)(3) organization that MRRRA created back in 2011 to strengthen community organizations and services that will improve the quality of life, economic viability and sustainability of the communities and not for profit organizations that serve the Midcoast region. On December 20, we released a request for grant proposals which was advertised in the *Times Record* and on MRRRA's website. Proposals are due by January 20, 2023. The Foundation Board will made decisions on those grant requests in February.

C. A description of changes made in the preceding year to the written policies and procedures required by section 12022 or to the procedures used by the governing body to monitor compliance with those policies and procedures.

The Board of Trustees amended the *Accounting Policies and Procedures Manual* on February 23, 2022 (attached). On August 31, the Board of Trustees adopted a new *Grants Management and Administration Policy* (attached).

I would also note that last week MRRRA submitted an eleven-page detailed narrative and financial report on the activities of MRRRA for calendar year 2022 to Governor Janet Mills consistent with the requirements of 5 MRSA §13083-S.

Sincerely,



Kristine M. Logan
Executive Director

cc. MRRRA Board of Trustees
Jeffrey K. Jordan, Deputy Director, CFO
Suzanne Gresser, Executive Director, Legislative Council

Midcoast Regional Redevelopment Authority

Vendors Paid \$10,000 or More

Calendar Year 2022

<i>Vendor</i>	<i>Dollar Amount</i>	<i>Explanation</i>
Constellation Energy - 7157704	\$1,268,801.97	Utility Vendor
CMP 3501-0969-208	\$829,375.19	Utility Vendor
Maine Natural Gas	\$514,910.80	Utility Vendor
Brunswick & Topsham Water District	\$362,720.63	Utility Vendor
FirstLight	\$286,433.99	Reimbursement to First Light for overpayment of Electric Utility Bill
Treasurer of the United States	\$278,082.02	Navy Covenant Agreement - Property Purchase - 25% Revenue Share
Maine Municipal Employees Health Trust	\$152,468.80	Health Insurance Bid
Enterprise Electric, Inc.	\$141,048.00	Heavy Electric Bid
Axtell's Inc.	\$138,356.95	FAA Project Grant Required Bid
Sustainable Income, LLC	\$138,000.00	See attached explanation
Pegasus Solar, LLC	\$131,806.03	Power Purchase Agreement
Treasurer, State of Maine.	\$131,295.80	Property and Vehicle Insurance Maine Risk Management Agency
MPG Construction, LLC	\$87,951.54	Snow Removal Bid
Crooker Construction, LLC	\$86,860.45	Excavation Bid
FlightLevel Aviation, LLC	\$71,749.98	See attached explanation
Thayer, LLC - a BCTS Company	\$68,567.54	HVAC Bid
Brunswick Sewer District	\$65,136.47	See attached explanation
Hoyle Tanner & Associates, Inc.	\$55,011.93	FAA Project Grant Required Bid
Compass Technology Managers	\$54,411.16	Computer Service Bid
BLCC Maintenance, LLC	\$52,099.75	See attached explanation
Davis-Ulmer Sprinkler Co., Inc dba Eastern Fire	\$43,813.45	Fire Alarm Service Bid
G&E Roofing Co., Inc.	\$33,938.26	Roofing Maintenance Service
Four Seasons Landscape	\$30,913.49	Grounds Maintenance Bid
Town of Brunswick	\$30,365.45	Property Taxes to the Town of Brunswick
Drummond Woodsum	\$25,109.32	Legal Service Bid
DeLyra Cleaning Service	\$24,508.76	Cleaning Service Bid
Sevee & Maher Engineers	\$23,458.27	Environmental Services Bid
Tedford Housing	\$22,400.00	See attached explanation
Mechanics Savings Bank	\$21,238.16	Bid for Bank Loan - Tenant Fit Up
B&B Locksmiths	\$20,981.75	Navy Vendor - Created proprietary lock system for NAS Brunswick
Overhead Door Company	\$17,801.21	Original installer of hangar doors
Dead River Co.	\$17,545.99	Used Navy Vendor
American Pavement Solutions, Inc.	\$17,126.56	FAA Project Grant Required Bid
Bureau Mijksenaar USA, Inc	\$15,254.91	Wayfinding RFP
MiltonCAT	\$14,551.41	Proprietary Milton Cat Dealer on our Milton Cat emergency generators - see attached explanation

Midcoast Regional Redevelopment Authority

Vendors Paid \$10,000 or More

Calendar Year 2022

<i>Vendor</i>	<i>Dollar Amount</i>	<i>Explanation</i>
Lucas Striping	\$14,042.76	Line Striping Bid
Finance Authority of Maine	\$13,125.00	Maine Rural Development Authority Loan Repayment
Ehrlich	\$12,997.00	Weed control - See attached explanation
Vortex Services, LLC	\$11,500.00	Stormwater Cleaning and Video Inspection Services Bid
Everett J Prescott Inc	\$10,913.82	This included 10 invoices paid over the calendar year; the largest single one was \$3,450.00
Maine Municipal Association	\$10,308.20	Workers Compensation Premium
Diligent Board Member Services LLC	\$10,194.56	Survey of on line electronic board packet software programs
Maine Public Utilities Commission	\$10,146.00	Required fees of the MainePUC

Midcoast Regional Redevelopment Authority

Accounting Policies and Procedures Manual

Purpose and Background

The stewardship of public funds is one of the greatest responsibilities given to the officials of the Midcoast Regional Redevelopment Authority (MRRRA). Therefore, the establishment and maintenance of wise financial policies enables MRRRA officials to protect public interests and ensure trust.

This document incorporates policies to be used by MRRRA to meet its obligations and operate in a financially prudent manner. These policies have been established to provide general financial guidelines and are intended to provide sound direction in the management of MRRRA's financial affairs.

Finance Committee Roles and Responsibilities

- A. MRRRA will maintain a Finance Committee whose membership includes at a minimum: the Treasurer, who shall act as chair, and up to four Trustees. The Finance Committee will meet at least bi-monthly.
- B. Establish and review fiscal policies, guidelines, operations and procedures that will ensure the financial integrity of MRRRA and foster its purpose and mission.
- C. Recommend to the Board of Trustees the selection of an independent auditing firm to conduct an audit of the financial statements of the MRRRA. Review with the approved auditor the scope of the audit, the responsibilities of the firm and its fees for the audit. Review the audit report and management letter with the auditor and MRRRA management and report findings to the Board of Trustees.
- D. The Executive Director shall develop and present a proposed budget to the Finance Committee for its review, amendment and approval. The Finance Committee will then present the budget along with the Executive Director to the Board of Trustees.
- E. Review financial reports of MRRRA with an emphasis on sound fiscal practice.
- F. Establish and evaluate the investment policies and cash management program.
- G. Periodically review MRRRA's accounting system to make its reporting more effective while maintaining fiscal integrity.
- H. Periodically review the banking and other financial relationships of the MRRRA as well as the financial aspects of its insurance and employee benefit plans.
- I. Report to the Board of Trustees on all of the above charges and, when appropriate, recommend actions or changes that will enhance the MRRRA's fiscal performance.

- J. The Finance Committee shall review all awards of bids and contracts over \$50,000 and prepare a recommended award of bid to the Board of Trustees.

Treasurer Roles and Responsibilities

- A. Chair the Finance Committee.
- B. Present summary financial statements on a quarterly basis to the Board of Trustees.
- C. Review the annual financial reports for presentation to the Auditor.
- D. Present audited accounts of the MRRA at Board of Trustee meetings or at other such times as may be necessary.
- E. Act as a co-signatory to all accounts of MRRA.
- F. The day-to-day responsibilities are be delegated to the Executive Director, or his/her designee, except that the Treasurer shall present financial reports to the Board.

Executive Director Roles and Responsibilities

- A. The Executive Director is responsible for the direction and oversight of financial and administrative matters, including accounting, financial reporting, budgeting, long-range financial plans, grants management accounting and MIS internal control procedures, payroll, banking and audit firm relationships, human resource matters (i.e., personnel policies, benefits, insurance) and procurement of goods and services.
- B. The Executive Director shall have primary control and custody of the funds of the MRRA and may endorse or deposit for collection any and all notes, drafts, checks, and other instruments payable to the MRRA.
- C. The Executive Director shall have the power to sign on behalf of MRRA all contracts, leases, deeds of conveyance, mortgages, notes, bonds and any and all other instruments necessary to the exercise of the powers given to the MRRA by law, and shall bind the MRRA thereby as authorized by the Board.
- D. The Executive Director shall have the power to expend such sums up to \$50,000.00, for such purchases and other purposes, as are necessary for carrying out the general business of the MRRA, at the discretion of the Executive Director. The Executive Director shall have the power to expend sums of \$50,000.00 or more with the express approval of the Board or if the expenditure is made pursuant to a contract which has already been approved by the Board.

Deputy Director Roles and Responsibilities

The Deputy Director shall serve as the Chief Financial Officer and shall have the following responsibilities:

- A. Responsible for preparing monthly financial statements for review by the MRRA Executive Director and subsequent issuance of the MRRA Treasurer. Responsible for the preparation of other financial reports as necessary to ensure timely and accurate reporting of the MRRA's financial results. Accounting services may be provided a third party contractor with an appropriation for such services by the Board of Trustees
- B. Responsible for oversight of invoice processing functions as performed by MRRA staff to determine accurate and comparable reporting of MRRA's expenditures.
- C. Responsible for oversight of the MRRA's management information systems (i.e., computer network, personal computers, internet access, etc.) through a third-party contractor. This responsibility also includes the assurance that the MRRA has technologically current hardware and software and a mechanism to maintain the systems in a timely and reliable manner.
- D. Responsible for oversight of the MRRA's property/liability insurance programs and employee benefits programs.
- E. Responsible for filing timely grant reports summarizing the financial status of the MRRA's various grants and submits to the Finance Committee and Board of Trustees.
- F. Responsible liaison between MRRA's external Certified Public Accounting firm and any governmental auditors associated with the MRRA's grant programs.
- G. Assists in establishing administrative objectives for the budget and identifying budgetary constraints; evaluating budget, and developing final budget recommendations for consideration by the MRRA Board.

Finance Officer Roles and Responsibilities

The Finance Officer shall have the following responsibilities:

- A. Day-to-day accounting functions, including, but not limited to, maintenance of general ledger system and implementation of internal control procedures as well as responsibility for billing, accounts receivable maintenance, invoice processing/accounts maintenance and vendor and supplier payments, prepares and submits invoices as payment and writes checks as needed, which may be performed through a third-party contractor.
- B. Responsible for the oversight of the procurement of goods and services, including the administration of the request for proposal/request for qualification process.

- C. Responsible for oversight of invoice processing functions as performed by MRRA staff to determine accurate and comparable reporting of MRRA's expenditures.
- D. Prepares revenue for deposit and makes deposits.
- E. Responsible for collecting, submitting and storing for safekeeping weekly payroll sheets to MRRA's payroll firm.

Operating Budget Policy

- A. The creation of all funds and/or budgets shall be approved by the Board of Trustees.
- B. MRRA will maintain a budgetary control system to help it adhere to the budget. The Executive Director shall have primary responsibility for management of the budget. The responsibility to manage budgets includes providing accurate and timely annual budget estimates, monitoring revenues to ensure they are being received as anticipated, ensuring that expenditures are in compliance with the law, adopted budget and are within the approved appropriations. The Executive Director or Deputy shall provide prompt notification to the Treasurer when either revenues or expenditures are not as anticipated.
- C. The Deputy Director will present to the Finance Committee regular reports comparing actual revenues and expenditures to budgeted amounts. The Treasurer will then present these reports to the Board of Trustees.
- D. The Executive Director will present to the Board of Trustees a proposed work plan and corresponding budget for the ensuing fiscal year.
- E. MRRA shall operate on a fiscal year that begins January 1 and ends on December 31.

Chart of Accounts

The Deputy Director shall establish a Chart of Accounts for MRRA that include expenditure and revenue account numbers, as well as other long term and short term assets and liabilities account numbers and accounts used for accounting purposes (see attached Chart of Accounts).

Cash Management

- A. Careful financial control of MRRA's daily operations is an important part of MRRA's overall financial management program. The Deputy Director, under the general direction of the Executive Director, is accountable for the management of all funds and for the proper receipting, numbering, and deposit of revenue and expenditure of funds. Achieving adequate cash management and investment control requires sound financial planning to ensure that sufficient revenues are available to meet the current expenditures of any one operating period.

- B. The Deputy Director will review MRRRA's cash position at least monthly throughout the fiscal year. Sufficient cash shall be maintained to provide adequate funds for current operating expenditures.
- C. For purposes of assuring continuity of operations and financial liquidity, MRRRA should strive to maintain a minimum of ten percent (10%) of the operating budget between its operating and savings bank accounts at all times. In the event that balances fall below that amount the Executive Director should be notified immediately by the Deputy Director.
- D. In the event the Finance Committee determines it is in the best interest of MRRRA to change banking services, it will solicit bids through a formal bidding process in order to provide MRRRA with the banking services that best fits MRRRA's needs. The Finance Committee will present a recommendation to the Board of Trustees for an award of bid.
- E. The Deputy Director is primarily responsible for accounting and financial reporting for MRRRA. Accounting services may be provided a third party contractor with an appropriation for such services by the Board of Trustees MRRRA will establish and maintain a high standard of accounting practices. Accounting and budgetary systems will, at all times, conform to Generally Accepted Accounting Principles and meet the financial reporting standards set by the Governmental Accounting Standards Board and the Government Finance Officers Association.
- F. A comprehensive accounting system will be maintained to provide all financial information necessary to effectively operate MRRRA.

Payroll Procedures

- A. Each Monday MRRRA employees will record through electronic means (shared Google document) for the week ending for the previous Saturday at midnight to the Finance Officer prior to noon. Time sheets shall be prepared each week in ink by employees and be signed by the employee.
- B. The is responsible to transfer to payroll sheet (attached) the following information:
 - Week Ending/ Pay Date
 - Employee Name
 - Salary
 - Other Pay
 - Hours
 - Gross Wages
 - Pay Type (e.g., regular, vacation, sick, holiday, leave, overtime, comp time) in accordance with MRRRA's personnel policy
- C. The submits the payroll sheet to Deputy Director for review.

- D. The then submits the payroll sheet to Executive Director for approval and signature.
- E. The submits payroll sheets to MRRA's payroll contractor, the Leclerc Group of Brunswick, Maine.
- F. The files payroll sheet and timesheets chronologically.
- G. The payroll contractor provides electronically copies of payroll register to MRRA by close of business Wednesday.
- H. The payroll contractor makes ACH transfers Thursday from MRRA checking account for Friday morning direct deposit in employee designated bank accounts.
- I. The Deputy Director or third party accounting firm balances payroll direct deposits each month against expenditures in preparation of monthly reports.
- J. MRRA shall maintain all payroll records for a period of six years.

Purchasing

- A. All purchases shall be in accordance with the Purchase Policy and consistent with the conditions of any grant agreement or award.
- B. The Finance Officer shall serve as the primary purchasing agent for MRRA.

Purchase Orders

- A. Issue purchase orders as needed, recording in QuickBooks:
 - Purchase Order Number will be issued chronologically
 - Provide MRRA's contact information
 - Date
 - Vendor
 - Address for Shipment
 - Item No.
 - Description
 - Quantity
 - Rate
 - Amount
- B. Obtain authorized MRRA signature from either the Executive Director or Deputy Director.
- C. Reconcile purchase order with receipt of goods or services received.
- D. Reconcile purchase with an invoice.
- E. Pay the invoice.

Accounts Payable Procedure - Invoices

- A. The Finance Officer receives and reviews invoices from vendors for accuracy.
- B. Review invoices and/or expense reimbursement forms ensuring accuracy and that the appropriate supporting documentation is attached.
- C. Code invoices and/or expense reimbursement forms with the name of the vendor, account code number, invoice amount and date.
- D. Submit invoices and supporting information to Deputy Director for review and signature. In the event that the invoice is to be paid to the Deputy Director, the Executive Director shall review and sign the invoice.
- E. Enter information into QuickBooks to print checks and to register debit charges, recording:
 - Check Number
 - Vendor (payee) information
 - Date
 - Amount
 - Invoice number or other identifying characteristics of invoice
 - Account Number (budget item number)
- F. Submit checks with supporting information to Executive Director for approval and signature. In the event that the check is payable to the Executive Director, the Deputy Director shall sign the check.
- G. Make a photocopy of all checks.
- H. Stuff checks into envelopes and mail checks.
- I. Checks should be mailed as soon as this process is complete.
- J. File copy of check with supporting information by check number.
- K. Maintain all financial records for a period of six years.

Accounts Payable Procedure - Debit Card

- A. Review debit card purchase forms (attached) from employees ensuring accuracy and that the appropriate supporting documentation is attached. Debit card purchases shall be processed on a timely basis; but in no event later than the last week of each month.
- B. Code the debit card purchase form with the name of the vendor, account code number, debit card amount and date.
- C. Submit debit card purchase form and supporting information to Deputy Director for review and signature. In the event that the Deputy Director used the debit card, the Executive Director shall review the debit card documentation and sign the debit card purchase form.
- D. Enter information into QuickBooks to record debit charges, recording:

- Debit card transaction number
 - Vendor (payee) information
 - Date
 - Amount
 - Invoice number or other identifying characteristics of invoice
 - Account Number (budget item number)
- E. File copy of the debit card purchase form with supporting information chronologically by date.
- F. Maintain all debit card transactions for a period of six years.

Check Signing Authority

The prime individual designated with check writing authority is the Executive Director. In the event that the Executive Director is not available or is the recipient of a reimbursement check the Treasurer or Chair of the Board of Trustees are authorized to sign checks.

Asset Inventory

- A. The Finance Officer shall keep on QuickBooks the Asset Inventory for MRRA.
- B. Upon receipt of a new asset the will enter the following information:
- Date of Purchase
 - Value of the Asset (purchase price)
 - Make, brand and/or model description
 - Serial or model number.

Receipt of Revenues

Checks payable to MRRA is the most liquid asset MRRA has. Therefore, the objective of MRRA is to establish and follow the strongest possible internal controls in this area of its finances. Receipts create a trail from the transaction origination to whom or what entity the money is paid, when and which individual received it.

- A. The Finance Officer receives all incoming mail. All checks received by the should be stamped "for deposit only". The then makes two copies of the check with one copy forwarded to the Deputy Director and the other copy to be filed in a chronological receipts file.
- B. Next, the prepares a deposit slip and deposits the funds into MRRA's checking account. The validated deposit slip should be attached to the copy of the check and filed in the chronological receipts file. All check copies should be filed according to month received.
- C. A deposit not forwarded or mailed to the bank should be stored in a locked filing cabinet. No deposit should be locked in the file cabinet for more than 24 hours.

- D. The will then record in QuickBooks the revenue receipt, noting the appropriate revenue account to debit or expenditure account (reimbursement of expenditure) to credit, the date, the money, who the money was received from, and the purpose of the receipt of funds.

Checks

- A. Checks are preprinted that are sequentially numbered and have security features.
- B. Checks will be stored in a locked cabinet.

Bank Statement and Check Reconciliation.

- A. Bank statements are to be received unopened by the Deputy Director.
- B. Bank statement reconciliation with the general ledger for each account shall be completed within seven days upon receipt of the bank statements. The Deputy Director, or third party accounting firm, may also use the bank statement available on the bank website following the last day of the month to prepare bank reconciliation process. .
- C. When reconciling the bank accounts, the following items should be included in the procedures:
 - 1) A comparison of dates and amounts of daily deposits as shown on the bank statements with the cash receipts file.
 - 2) An investigation of items rejected by the bank, i.e., returned checks or deposits.
 - 3) A comparison of wire transfers dates received with dates sent.
 - 4) A comparison of canceled checks with the disbursement journal as to check number, payee and amount.
 - 5) An accounting for the sequence of checks both from month to month and within a month.
 - 6) Reviewing and reconciliation of all bank fees and charges.
 - 7) An examination of canceled checks for authorized signatures, irregular endorsements, and alterations.
 - 8) A review and proper mutilation of a void check.
 - 9) Investigate and write off checks which have been outstanding for more than six months.
 - 10) Completed bank reconciliations should be stored in compliance with the Records Retention Act.
 - 11) The Deputy Director or third party accounting firm upon receipt of the completed bank reconciliations will prepare any general ledger adjustments.
 - 12) Copies of the completed bank reconciliations will be forwarded to the Executive Director and Treasurer for his/her review.

- 13) Each month the Executive Director should review the ending balance shown on balance sheet accounts such as the cash accounts, accounts receivable, accounts payable and deferred revenue and liabilities. The Executive Director should review and sign the bank reconciliations, schedules of accounts receivable and deferred revenue and the aging of accounts payable to support the balances shown on the balance sheet.

Financial Statements

- A. The Deputy Director shall provide monthly financial reports for distribution to the Executive Director, the Treasurer and Finance Committee. The reports should include: a balance sheet and a statement of income and expenses for all accounts and bank reconciliation statement.
- B. The monthly reports for the quarterly periods (December, March, June, and September) will be submitted to the full board for their review and acceptance at the following board meeting.
- C. The monthly statements should be reviewed by the Executive Director prior to distribution to the Treasurer and Finance Committee for initial comments. After the Finance Committee approval of the financial statements, they will be mailed to the full board as part of the monthly Board packet.

Division of Duties

The division of financial responsibilities for MRRRA is:

- A. Executive Director
 - 1) Reviews and approves all financial reports.
 - 2) Reviews and approves annual budget for presentation to the Finance Committee and Board of Trustees.
 - 3) Reviews and signs weekly payroll summary.
 - 4) Reviews all vouchers and invoices and signs all checks, with the exception of checks made out to the Executive Director.
 - 5) Reviews and approves and signs all contracts.
 - 6) Meets with the Deputy Director monthly to review financial statements.
- B. Deputy Director
 - 1) Reviews and signs all vouchers and invoices for payment with the exception of invoices payable to the Deputy Director.
 - 2) Reviews and approves list of pending check disbursements.

- 3) Reviews and signs all vouchers, invoices and checks made payable to the Executive Director.
- 4) Reviews the payroll summary for the correct payee, hours worked and check amount prior to Executive Director's signature.
- 5) Receives unopened bank statements.
- 6) Prepares or provides oversight of accounting services in the monthly reconciliation of the general ledger.
- 7) Prepares or provides oversight of accounting services for all general journal entries.
- 8) Prepares or provides oversight of accounting services for the preparation of all financial reports.
- 9) Prepares all drawdown requests from grant sources.
- 10) Reviews and approves list of pending check disbursements.
- 11) Prepares or provides oversight of accounting services of all bank reconciliations.
- 12) Maintains and stores contracts and official documents.
- 13) Prepares a draft budget and presents to the Executive Director.
- 14) Provides staff support to the Finance Committee.
- 15) Blank checks are stored in a locked cabinet.
- 16) Prepares or provides oversight of accounting services in the preparation of all financial statements, narratives and detailed schedules presented to auditors for the preparation of the annual audit.
- 17) Prepares a Comprehensive Annual Finance Report to the Board as part of the annual audit.

C. Finance Officer

- 1) Reviews all invoices and vouchers for payment for accuracy.
- 2) Processes all receipts and disbursements.
- 3) Prepares and prints all checks.
- 4) Serves as the primary purchasing agent for MRRA.
- 5) Prepares payroll for submission to MRRA's payroll contractor.
- 6) Reconciles debit card charges and posts activity in general ledger.
- 7) Records and manages asset account
- 8) Receives and opens all incoming mail, except the bank statements.
- 9) Maintains all invoices, check and receipts records.
- 10) Mails all checks for payments.

Grant and Contract Compliance

- A. When a new grant agreement or contract for service is received or renewed, a copy of the executed grant agreement or contract must be forwarded to the Executive Director and Deputy Director.
- B. The Deputy Director should set up a permanent file for each grant agreement or contract and maintain the file along with any other financial correspondence for each grant agreement or contract.
- C. It is the responsibility of the Executive Director to review the grant agreement or contract to assure programmatic compliance by MRRA.
- D. It is the responsibility of the Deputy Director, under the general direction of the Executive Director, to manage fiscal items which must be complied with by MRRA.
- E. Typically, for government grants, reference will be made to various publications put out by the Office of Management and Budget (OMB) and the Comptroller General's Office to which MRRA is responsible for adhering, including:
 - 1) All Federal, State, and local laws applicable to its activities;
 - 2) 32 CFR Part 33, "Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments"
 - 3) 2 CFR Part 225, "Cost Principles for State and Local Governments"
 - 4) OMB Circulars A-133, "Audits of States, Local Governments and Non- Profit Organizations"
 - 5) 32 CFR Part 28, "New Restrictions on Lobbying (Grants)"
- F. It is a policy of MRRA to adhere to any restrictions imposed by its funders, both governmental and private as well as any contractual agreements. Therefore, MRRA employees are expected to bring to the attention of the Executive Director, any instances of non-compliance immediately.

Computer System Backup Procedures

- A. MRRA's networked computer system is maintained by an independent contractor.
- B. The system itself utilizes built in mirrored hard drives that provide continuous and simultaneous back up and is backed up on a continuous basis through the cloud.

Records

MRRA shall comply with the provisions of the Archives and Records Management Law of the State of Maine, 5 MRSA §95-B, for local government and special district records retention (see attached summary).

Annual Audit

- A. An annual audit shall be performed by an independent auditing/accounting firm.
- B. In the event the Finance Committee determines it is in the best interest of MRRA to change auditing firms, it will solicit bid through a formal bidding process. The Finance Committee will present a recommendation to the Board of Trustees for an award of bid.

The Accounting Policies and Procedures Manual was adopted by on 20th of May, 2008, amended this 22nd day of October 2009 and this 23rd day of February 2022.



Midcoast Regional Redevelopment Authority
Grant Management and Administration Policy

1. Introduction

The purpose of this Grant Management and Administration Policy is to develop, implement and maintain meaningful grant oversight and coordination for the Midcoast Regional Redevelopment Authority (MRRA) thereby possibly increasing grant-related revenue, limiting MRRA's exposure to grant-related legal liability, and improving the efficiency and impact of programs and services funded through grants.

2. Policy Statement

To ensure consistency and accountability in securing and managing grant funds, all grant applications must be cleared through the office of the Executive Director. Under the general direction of the Executive Director, the Deputy Director/CFO will work with the staff assigned to a particular grant to coordinate all requests, application submissions, acceptances, and post award and closeout requirements, including programmatic and financial reporting.

The Deputy Director/CFO will have sole authority for the drawdown of funds and must review/approve financial reports prior to submission.

3. Key Resources for Federal Grants Management

On December 26, 2013, the U.S. Office of Management and Budget (OMB) issued [*Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*](#) (Uniform Guidance). The Uniform Guidance supersedes and streamlines requirements from eight different grant circulars into one set of guidance contained in Title 2 of the Code of Federal Regulations. The guidance is divided into subparts for definitions, general provisions, pre-federal award requirements and contents of federal awards, post-federal award requirements, cost principles, and audit requirements.

4. Unique Entity Identifier, DUNS Number and CAGE Code

On April 4, 2022, the federal government stopped using the DUNS Number to uniquely identify entities. Entities doing business with the federal government use the Unique Entity Identifier (UEI) created in SAM.gov. (System for Award Management). MRRA has been issued a Unique Entity Identifier and is available from the office of the Executive Director or Deputy Director. The UEI is essential to prepare a new grant application through www.Grants.Gov.

The Integrated Award Environment (IAE) manages several systems including SAM.gov, FPDS, eSRS, FRSR, CPARS and FAPIIS. All SAM.gov registrants have been assigned their Unique Entity Identifiers.

In order to receive grants and contracts from the Federal Government, MRRA obtained a CAGE Code from the Office of Defense Logistics. CAGE is an acronym for Commercial and Government Entity Code. It is a 5-digit number that has been assigned to MRRA and is available from the office of the Executive Director or Deputy Director.

5. System for Award Management (SAM)

The System for Award Management (SAM) combines the federal procurement systems and the Catalog of Federal Domestic Assistance (CFDA) into a single system. The Deputy Director/CFO has the sole responsibility of establishing and maintaining MRRA's SAM account and submitting financial related information and funds drawdowns.

6. Definitions

Activities:	A logic model component that describes what a program does with the inputs to fulfill its mission. Activities include the strategies, techniques, and types of treatment that comprise a program's service and methodology.
Award:	Financial assistance that provides support or assistance to accomplish a public purpose. Awards include grants and other agreements in the form of money or property in lieu of money, by the grantor to an eligible recipient. The term does not include technical assistance, which provides services instead of money; other assistance in the form of loans, loan guarantees, interest subsidies, or insurance; direct payments of any kind to individuals; and contracts which are required to be entered into and administered under procurement laws and regulations.
Cash Match:	Includes actual cash spent by grant recipients for project-related costs. Accounting records should be verifiable and trace back to source documentation.
Contracts:	Written agreements entered into by the awarding agency, recipients or subrecipients, and commercial (profit-making) and non-profit organizations. With the exception of a few justified sole source contracts, all contracts are filled through MRRA's competitive bid process.

Direct Cost:	Costs that can be specifically identified with a particular cost objective or program; charged directly as a part of the cost of the program.
Drawdown:	A process whereby a request is made to receive federal funds, either as reimbursement for expenses incurred or in advanced in anticipation of expenditure of funds.
Grant:	A financial award given by the federal, state or local government, or a private entity to an eligible grantee, usually with a defined scope of activities or programmatic objectives. Grants are not generally expected to be repaid by the recipient. Grants do not include technical assistance or other forms of financial assistance such as a loan or loan guarantee, an interest rate subsidy or direct appropriation.
Grantor:	Primary awarding agency (e.g. federal, state government).
Grantee:	The direct recipient of a grant award who is legally bound by the grantor's award or contract.
Indirect Cost:	Costs that are incurred by a grantee organization for common or joint objectives and which therefore cannot be identified specifically with a particular project or program. MARRA does not generally apply for grants with an indirect cost rate.
In-kind Match:	In-kind match does not involve a monetary transaction. 'In-kind' is the value of something received or provided, which is beneficial to the program, but for which no cash exchanges hands. In-kind contributions related to a particular grant program must be allowable under the grant program, verifiable from grantee records, necessary and reasonable, allowable under cost principles, and not included as a contribution under any other award.
Match:	The grant recipient's share of the project cost. Under Federal grants, match is restricted to the same use of funds as allowed for the Federal funds. Match must be directly related to the project goals and objectives and must be documented in the same manner as grant-funded activities.
Program Income:	Gross income earned by the recipient during the funding period as a direct result of the award.
Program Manager:	The lead staff member who conducts the activities under a particular grant program.
Project Period:	The total time for which support of a funded project has been programmatically approved. A project period may consist of one or more budget periods.
Questioned Costs:	Costs that, in the opinion of the auditor, may not comply with or may not be consistent with the requirements set forth in contracts, statutes, or

regulations governing the allocation, allowability, or reasonableness of costs charged to awards and programs, and thus may not be reimbursable.

- Reimbursable Grant: A reimbursable grant provides funding to grant recipients after expenses have been incurred. The grantee must follow a certain procedure to obtain the reimbursement for project expenses. Reimbursements are provided on a set payment schedule after the organization has submitted sufficient documents to verify expenses.
- Sub-recipient: The legal entity to which a sub-award is made and which is accountable to the recipient for the use of the funds provided. Sub-recipient and sub-awardee are interchangeable terms.
- Sub-award: An award of financial assistance, generally a monetary award, made to a sub-recipient as a result of a Federal award made to a direct grant recipient or contractor to a sub-recipient or sub-contractor respectively.
- Sub-grant: An award of financial assistance made under a grant by a direct grantee to an eligible sub-grantee. The term includes financial assistance when provided by contractual legal agreement, but does not include procurement purchases, nor does it include any form of assistance which is excluded from the definition of grant in this part.
- Supplanting: Federal law prohibits recipients of federal funds from replacing state, local, or agency funds with federal funds. Existing funds for a project and its activities may not be displaced by federal funds and reallocated for other organizational expenses. "Supplant" means to "replace" or "take the place of." "Supplement" means to "build upon" or "add to."

7. Grant Management Roles and Responsibilities

Department Heads (or Program Managers)

Departments that apply for and utilize grant funds, with assistance from the Deputy Director's office are responsible for conducting all grant-related activity including: planning for grant acquisition; preparation and submission of grant proposals including proposals for continuing current awards; grant writing; preparing budget revision requests to accept grant funds; preparing the agenda items for the MRRA Board of Trustees to accept grant awards; developing grant implementation plans; managing grant programs and projects; preparing and submitting programmatic reports to grantors; and properly closing out grant projects as detailed in this policy and in the grant agreement or award letter that delineates the terms and conditions of the grant. Department heads/Program Managers are assisted with the financial and technical management of the grant by the Deputy Director/CFO.

Deputy Director/CFO Office

The Deputy Director under the general direction of the Executive Director is responsible for general management and administration of the MRRRA's grant activities; provides "pre-award" and "post-award" technical assistance to departments to enhance programmatic administration of grants; assists in preparing grant budgets; submits grant reimbursement requests, prepares and submits grant budget revisions; reconciles grant accounts; ensures programmatic reporting requirements are met; and identifies and investigates issues that may arise with respect to the management of agency grants.

The Deputy Director and Finance Officer are responsible for the oversight of grant-related financial activity. In this role, the Deputy Director and Finance Officer provide general oversight of other grant-related issues, including the proper budgeting and accounting. The Deputy Director has sole authority for the "drawdown" of funds and must approve all financial reports and reimbursement requests prior to submission.

Executive Director

The Executive Director, or his/her designee acting on behalf of the MRRRA Board of Trustees, is the "Authorized Official" on all grants. The Executive Director has authority to approve and sign grant applications for MRRRA Board of Trustees at the time of application submission; signs grant agreements that have been approved by the Board of Trustees.

8. Application (Pre-Award)

The department considering an application for a grant is responsible for pre-application assessment, in which, at a minimum, the factors listed below shall be evaluated, in consultation with Executive Director and Deputy Director. Pre-application assessment shall be done well in advance of grant submission due dates to avoid last-minute delays or problems that could cause the grant deadline to be missed.

Pre-Application Assessment Financial

- Total anticipated project cost
- Match requirements and sources
- Costs that will be incurred by the agency as a result of implementing the grant program that will not be recouped in the grant award.
- Program income considerations
- Staffing requirements and staff effort
- Documentation of a clear continuation plan. It is required that departments develop continuation plans (plans for sustaining grant-funded programs if funding is reduced or terminated) prior to applying for grants, which reflect the potential for loss of funding and the subsequent loss of grant-funded positions or program components. Departments must plan responsibly for either termination or reduction of the program or seek to secure alternative

sources of funding. If activities will not be continued absent grant funding, this should be indicated as well.

- ❑ Alignment with MRRAs strategic priorities and/or MRRA's strategic business plan
- ❑ Provision or expansion of services to address critical needs
- ❑ Department's capacity to administer the programmatic and administrative aspects of the grant

9. Application Submission

The purpose of this policy is to ensure that each grant application submitted by or on behalf of MRRA is aligned with an established priorities of the MRRA Board of Trustees, meets the expectations of document quality, has matching funds available if required by grantor, and that the means for continuation of the project or program after the grant period ends has been given realistic consideration. The department submitting the grant application is responsible for ensuring that preapplication assessment factors noted above have been evaluated and completed prior to submission.

Application Submission Procedure

- a) Approval to submit a grant application shall be presented to the Executive Director
- b) If Board of Trustee approval is required by the grantor at the time of submission, the Program Manager must coordinate with the Executive Director to get consideration for approval on the Board of Trustee meeting agenda in advance of the submission deadline.
- c) The Executive Director or his/her designee will provide critical review of grant applications to ensure accuracy, document quality, coordination, and policy and procedure is followed.

10. Award Notification, Review, and Acceptance

Grant agreements are legal contracts. It is MRRA's responsibility to carry out the project and/or activities associated with a grant to accomplish its objectives, while adhering to all of the terms and conditions prescribed by the grantor. Failure to do so increases the MRRA's exposure to legal liability and compromises current and future grant funding.

Therefore, the MRRA Board of Trustee carries a significant legal and ethical responsibility when accepting grant funding. The award notification, review and acceptance process has two components:

(1) Award notification and review; and

All departments or program managers that receive a grant award shall duplicate and forward a copy of the award notification, the grant agreement or contract, and any memoranda of understanding to the Executive Director. The department is responsible for reviewing the grant award and ensuring that Board of Trustee approval to accept the award is completed by the date required by the grantor for full execution.

In the event that funds awarded by the granting entity are reduced from those requested in the original grant application, or factors previously evaluated at the time of application have changed, the department must ensure that the goals, objectives and evaluative components of the grant can still be accomplished within the prescribed timeframe set by the grantor. If award terms need to be amended before the grant award can be accepted, the department must negotiate with the grantor and obtain changes to the grant award in writing. If the award terms are negotiated to the department's satisfaction, the department must request that the grantor provide the changes in writing. When the changes have been received in writing from the grantor, the department must submit the grant agreement or contract, any memoranda of understanding and written changes from the grantor to the Executive Director. If the award terms cannot be negotiated to the department's satisfaction, the Department Director upon authorization of the Executive Director, the submitting department must prepare a letter to the granting entity to decline the award and provide a copy of the letter to Executive Director. At the discretion of the Executive Director, a legal review of the grant agreement to assess whether the terms and conditions of the agreement are legally enforceable and ensure that MRRRA's interests are protected prior to the Executive Director's submission of a Board of Trustee agenda item to accept grant funds.

If the legal review identifies any potential legal issues stemming from the terms and conditions of the agreement, the submitting department must contact the granting entity and seek to resolve the issue. If a resolution cannot be reached, upon authorization of the Executive Director, the submitting department must prepare a letter to the granting entity to decline the award and provide a copy of the letter to General Counsel and Executive Director. If the legal review identifies no potential legal issues stemming from the terms and conditions of the agreement, the Executive may submit a "Board of Trustees Agenda Item" to accept grant funds.

(2) *Board of Trustee's approval to accept the award.*

The purpose of this policy is to ensure that acceptance of each award granted to MRRRA is formally authorized by Board of Trustees either through a Board action or as part of the adoption of the annual Operating Budget or Capital Improvement Program.

For a grant which has not been included as part of the adoption of the annual Operating Budget or Capital Improvement Program, the department receiving the grant award must prepare a Board of Trustee agenda item for the Executive Director and fiscal impact statement and submit it for Board of Trustee approval before any funds from the granting entity are accepted, appropriated or expended. The agenda item must be accompanied by the award letter, grant agreement and any other required documentation.

Once Board has approved the grant award, the recipient department shall notify the Deputy Director's office with a copy of the award letter and approved budget to request a budget revision to add the grant award to the department's budget. Each grant will be maintained in a separate fund source, project and/or organizational code. Separate

accountability by funding source shall be maintained and all Federal programs must be properly identified by their individual CFDA numbers.

The department is responsible for submitting any required award activation documents to the grantor by the grant award due date. The department will be assisted with the technical aspects of activating a grant by the Deputy Director.

11. Post-Award (Grant Execution and Reporting)

Use and Receipt of Grant Funds

The purpose of this policy is to ensure that grant funds are properly used and received by MRRA. Violations can result in a range of penalties, including suspension of future funds from the grantor, return of all funds associated with the award, including those already expended, and civil and/or criminal penalties.

1. No grant funds shall be disbursed until a Board of Trustees agenda item has been approved by the Board as a special action or as part of an adopted Operating Budget or Capital Improvement Plan, an award letter has been received from the awarding agency, and a project and fund source established in the accounting records.
2. Modifications to the budget associated with a grant-funded project in such a way that alters the grant amount or moves funds from one budget line item to another must adhere to Board of Trustees policy and procedures for budget modifications and grantor requirements.
3. Grant funds awarded to MRRA shall not be used to supplant an existing expense so that current funds can be diverted to another use unless such use of grant funds is explicitly identified as allowable in writing by the granting entity in the grant award.
4. All income resulting from a grant-funded project or program shall adhere to Board of Trustees policy and procedure and be managed and maintained as established in the award letter, grant agreement, contract, special conditions, or other document generated by the granting entity.
5. All procurement activity associated with grant-funded projects or programs shall follow the procedures outlined in MRRA's Purchasing Policy, Accounting Policies and Procedures Manual.
6. All property acquired through grant funds shall be subject to the MRRA's Purchasing Policy as well as restrictions and/or requirements set forth within the terms of the grant, including any applicable federal rules or regulations.
7. All grant and any related matching fund revenues and expenditures shall be recorded in the grant fund source/project. Any revenues or expenditures that occur in another

program/project that are applicable to a grant or that are used as a match shall have a journal entry (JE) made to put the revenues or expenditures in the appropriate grant project with a detailed explanation.

8. Grant project managers with assistance from Deputy Director's Office are ultimately responsible for adherence to the stipulations outlined in the approved grant award/contract to ensure that allowable expenditures are incurred.

12. Grant Oversight and Monitoring

The purpose of this policy is to ensure that all grant-funded programs or projects are managed according to the terms set forth in the grant agreement, Grant Management and Administration Policies and Procedures and other applicable MRRRA policies and procedures.

- a) All departments that receive grant awards must develop an implementation plan.
- b) Departments with existing work plans that provide the elements noted below and plans already included in the grant application or grant award are acceptable implementation plans.
- c) The grant implementation plan shall have the following elements: (1) Project overview (2) Project goals and objectives (3) Identification of activities and dates (4) Identification of roles and associated responsibilities (5) Anticipated expenditure schedule (6) Evaluation matrix that identifies the measurable objectives, the metrics used to measure them, the anticipated completion date, and fields to enter the actual completion date and outcome measures.

13. Programmatic Reporting and Reimbursement

Grants awarded to MRRRA may require that progress, programmatic and financial reports be submitted to the grantor. Accurate and timely reporting is critical to maintaining a good relationship with the grantor. Late or inaccurate reports may negatively impact current or future funding.

Grant Reporting Procedure

- a) Recipient departments must prepare timely and accurate progress or programmatic reports as required by grants.
- b) The Deputy Director's office shall prepare or review all financial reports, grant budget adjustments, and reimbursement requests to the grantor prior to submission. The Deputy Director's office must provide support or reconciliation to the general ledger. A copy of the report will be maintained in the master file.
- c) Programmatic reports shall be prepared by the department/program manager and shall be forwarded to the Executive Director or Deputy for review and authorization to submit to the

funding agency. Upon satisfaction with the report, the Department or Program Manager's office will place a copy of the report in the master file.

- d) Copies of all financial status and final reports prepared for submission to the grantor shall be provided, along with the associated grant name and year to the Deputy Director's office at the time of submission to the grantor.

14. File Management, Access and Retention

File Management Procedure

The master file shall be maintained by the Department/Program Manager, and a copy of all grant proposals or applications, award letters, memoranda of understanding, contracts, and programmatic and financial reports shall be maintained in the file. All department and master files associated with a grant award must maintain a file with the following information:

- a.) Application or Proposal (e.g., application guidance, a copy of the application and research including statistical information used in preparation of and support of the grant)
- b.) Award Documents (e.g., award letter, Board agenda item, grant agreement, grant amendments, modifications, extensions, cancellations and terminations and anything else related to the award)

15. File Retention Procedure

MARRA, in accordance with State records retention policy, maintains its programmatic records for at least three years following the closure date of the grant award. Accounting records are maintained for at least seven years following the closure of its most recent audit report. If any litigation, claim, negotiation, audit, or other action involving grant records has been started before the expiration of the seven-year period, the records must be retained until completion of the action and resolution of all issues which arise from it, or until the end of the regular seven-year period, whichever is later.

Grantors may require retention periods in excess of five years. Departments must ensure they comply with retention requirements specified by each grantor. Retention requirements extend to books of original entry, source documents supporting accounting transactions, the general ledger, subsidiary ledgers, personnel and payroll records, cancelled checks, and related documents and records. Source documents include copies of all awards, applications, and required recipient financial and narrative reports. Personnel and payroll records shall include time and attendance reports; personal activity reports or equivalent documentation for all individuals reimbursed under the award. Recipient departments are also obligated to protect records adequately against loss, theft, fire or other damage in accordance with statutory provisions.

16. Grant Closeout

Upon completion of the grant term of each grant award, the recipient department shall alert the Deputy Director and Executive Director to place the grant's fund source and/or project in a no posting status.

Grant Closeout Procedure

- a. Upon completion of the grant period of each grant, the recipient department shall forward to the Executive Director and Deputy Director a copy of the grant close out report filed with the funding agency. If no such report is required the recipient department shall prepare a brief memorandum to the Executive Director and Deputy Director that identifies the name of the grant, the project number and describes the final disposition of the funds and required activities. Upon review of the memorandum and satisfaction of any discrepancies, the Deputy Director will update the budget and accounting system and confirm grant closeout. The grant closeout memo shall be placed in the grant's master file.

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This Policy was adopted by the Board of Trustees at its August 31, 2022 Board meeting.