



# Starr County

## Grant Policy

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## **PURPOSE**

The intent of this policy is to provide accurate, current and complete disclosure of the program and financial results of each federal and state grant within the existing budgetary accounting and reporting framework. The grant procedures outlined in this document are meant to provide the following:

The purpose of this Grant Management policy is to:

- Ensure proper oversight of all grant funds in accordance with statute and policy.
- Ensure consistency and accountability in securing and managing grant funds.
- Ensure that each grant application submitted by or on behalf of the County is aligned with an established County priority.
- Ensure proper implementation of grant funded project in accordance with the fully executed grant contract or agreement.
- Improve the efficiency and impact of programs and services funded through grants.

For the purpose of this policy, a grant is an award of financial assistance in the form of money, property, or other financial assistance paid or furnished by the federal government, the state government, other local government, a foundation or organization, a local business, or an individual that the County has the ability to accept or reject. This definition applies to awards directly to the County when the County is the grantee as well as, awards to the County when the County is a sub-grantee of another agency's award. It does not include contributions made to the County for charitable purposes and activities.

## **SCOPE**

This policy shall apply to all grants under the budgetary and fiscal control of the Starr County Commissioners Court. All grant applications must be submitted through the Commissioners Court with review by the County Grant Administrator and the County Auditor's Office. The County Project Director, in conjunction with the County Grant Administrator and the County Auditor's Office, shall oversee all requests, application submissions, acceptances, post award and closeout requirements, including programmatic and financial reporting. The County Auditor's Office has sole authority for the drawdown of funds, who must also review and approve financial reports prior to submission. The Starr County Federal & State Office administers many of Starr County's grants in relation to public safety, health and welfare, it is urged each department utilizes their assistance.

## **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 stimulation 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.

**Authorized Official** – Head of the organization, the County Judge, is authorized by the governing body to apply for, accept, reject, alter, or terminate the grant and certify changes made to applications or grants.

**Cash Match** – Includes actual cash spent by grant recipients for project-related costs. Accounting records should be verifiable and track back to source documentation. Local cash matches will be required to be paid in advance; unless approved otherwise by Commissioner's Court.

**CFDA Number** – A Catalog of Federal Domestic Assistance (CFDA) number is a number assigned in the awarding document to most grants and corporative agreements funded by the federal government.

**Contracts** – Written agreements entered into by the awarding agency, recipients or sub-recipients, commercial and non-profit organizations.

**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 advance in anticipation of expenditure of funds.

**Financial Officer** – The County Auditor or Chief Financial Officer of the organization should have an in-depth understanding of the grantee's financial system, as well as the meet the obligations for maintaining County financial records to account for all grant fund expenditures, request payments and complete all required financial reports.

**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 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, direct appropriation, or revenue sharing.

**Grantor** – Primary awarding agency (e.g., federal, state, or local 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.

**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 recipients' 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. See cash match and in-kind match.

**Program Income** – Gross income earned by the recipient during the funding period as a direct result of the award.

**Project Director** – A designated employee within a county department that is responsible for day-to-day operations of the project and see to managing the programmatic side of grant projects received within their department or that meet the mission of their department.

**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.

**Reimbursable Grant** – A reimbursable grant provides funding to grant recipients after County expenses have been incurred. The grantee must follow a certain procedure to obtain reimbursement for project expenses. Reimbursements are provided on a set payment schedule after the organization has submitted sufficient documentation as a means to verify expenses.

**Subrecipient** – The legal entity to which a sub-award is made, and which is accountable to the recipient for the use of the funds provided. Subrecipient and sub-awardee are interchangeable terms.

**Sub-award** – An award of financial assistance, generally a monetary award, made to a Subrecipient as a result of a federal award made to a direct grant recipient or contractor to a Subrecipient or sub-contractor respectively.

**Sub-contractor** – A business or person that carries out work for a contractor as part of a larger project.

**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."

**Questioned Costs** – Costs that, in the opinion of the County 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.

## **ROLES AND RESPONSIBILITIES**

County Project Directors (Department Requesting Funds) is responsible for:

- Working with the County Grant Administrator to identify needs
- Provide all necessary information for grant submissions
- Developing grant implementation plans
- Managing grant programs
- Preparing and submitting programmatic reports to Grantors

County Grant Administrator is responsible for:

- Working with all County Departments to understand needs
- Identifying potential grant resources through grant writing
- Submitting all grant proposals
- Preparing the Commissioners Court agenda items for the acceptance of grant awards
- Assist County Project Directors with grant implementation plans
- Properly close out grant projects as detailed in this policy and delineated in conditions of the grant

County Auditor's Office is responsible for:

- Oversight of grant-related financial activity
- May assists in preparing grant budgets
- Submits grant reimbursement requests
- Prepares and submits grant budget revisions
- Reconciles grant accounts
- Ensures proper accounting for grants and awards

- Sole authority for the "drawdown" of funds
- Must approve all financial reports and reimbursement requests prior to submission

## **GRANT PROCESS**

### Pre-Award Planning and Research

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 the County Judge and County Grant Administrator.

If a department that reports to a governing board other than the Commissioners Court seeks to apply for a grant that requires a County-funded match, the application shall be submitted to Commissioners Court for pre-approval.

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.

#### Financial

- Total anticipated project cost
- Match requirements and sources
- Other possible County costs as a result of implementation, unrecouped from grant program
- Program income requirements, if applicable
- Staffing requirements (including salary and benefits increases for multi-year grants)
- Development of a continuation plan or seek for alternative sources for sustaining program, if funding is reduced or terminated

#### Programmatic

- Alignment with Department and County strategic priorities
- Department's capacity to administer the programmatic and administrative aspects of the grant.

### Application Submission

The County Project Director is responsible for working with the County Grant Administrator to ensure that pre-application assessment factors, noted above, have been evaluated and completed prior to submission. All pre-application assessment factors noted above will be formally reviewed and subsequently entered for the corresponding Grantor application.

- If Commissioners Court approval is required by the Grantor at the time of submission, the County Grant Administrator must coordinate with the Commissioners Court to get consideration for approval on the Commissioners Court meeting agenda in advance of the submission deadline.
- The County Grant Administrator will prepare a Resolution for each grant for Commissioners Court consideration and approval.

### Award Notification

The official award document contains or references the terms and conditions of the federal, state or local grant, including funding limits and obligations. Grant agreements are legal contracts. It is the County's responsibility to carry out the project and/or activities associated with a grant to accomplish its objectives, while adhering to all the terms and conditions prescribed by the Grantor.

Failure to do so increases the County's exposure to legal liability and compromises current and future grant funding. Therefore, the County carries a significant legal and ethical responsibility when accepting grant funding.

### Award Review

The County Grant Administrator is responsible for reviewing the grant award and ensuring that Commissioners Court 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 County Project Director, with the assistance of the County Grant Administrator, 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 County Grant Administrator must negotiate with the Grantor and obtain changes to the grant award in writing.

### Award Acceptance

The County Grant Administrator must prepare a Commissioners Court agenda item and fiscal impact statement and submit it for Commissioners Court 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.

The County Grant Administrator must provide the County Auditor's Office with a copy of the award letter and approved budget to request a budget amendment to add the grant award to the department's budget. Each grant will be maintained in a separate fund. Separate accountability by funding source shall be maintained and all Federal programs must be properly identified by their individual CFDA number.

### Post-Award Grant Execution

The purpose of this policy is to ensure that grants and associated funds are properly used and received by Starr County. 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.

#### Use and Receipt of Grant Funds

- No grant funds shall be disbursed until a Commissioners Court agenda item has been approved by the Commissioners Court, a budget amendment request has been submitted to the County Auditor's Office, an award notification has been received from the awarding agency, and a project and funding source has been established in the County's financial system.
- Grant funds awarded to the County 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.
- Changes in project leadership must be provided, in writing, to the Grantor by the County Grant Administrator.
- Changes to the grant budget and/or scope must receive prior written approval of the Grantor before being made.

- Any conflict of interest regarding the administration of grants and/or participation in grant activities must be identified and addressed as they arise. The County Grant Administrator will notify the Grantor in writing of any conflict of interest in accordance with individual grant agreements.
- The County Grant Administrator will make full written disclosure to the Grantor of any criminal violations involving fraud, bribery, or gratuity which would potentially affect the award. The disclosure will be made in compliance with grant contracts/guidelines.
- County contributions (matching) and grant funds should be clearly identified and separated.
- The County Auditor's Office is responsible for ensuring that all expenditures are correct, necessary, reasonable, allowable, and appropriately allocated.
- Each grant award will have an established period of performance. The County Project Director is responsible for ensuring expenditures, included in the grant, are for activity and material purchases occurring during the period of performance. The only exception shall be if the County has received written permission from the Grantor to submit a funds request for funds expended outside the period of performance.
- The County will certify in writing to the Grantor that the project or activity was completed, or the level of effort was expended. If the required level of activity or effort was not carried out, the amount of grant funds must be adjusted.

#### Procurement Standards

The County will use procurement methods that will adhere to all applicable grant requirements in addition to all Federal and State laws and regulations. These procurement methods will include the following:

- Oversight to ensure that contractors perform in accordance with the terms, conditions and specifications of their contracts or purchase orders.
- Written standards of conduct covering conflicts of interest and governing the actions of County employees engaged in the selection, award, and administration of contracts.
- No employee, Elected Official, or agent may participate in the selection, award, or administration of a contract supported by a federal award if he or she has a real or apparent conflict of interest.
- Elected Officials, employees, and agents of Starr County may neither solicit nor accept gratuities, favors, or anything of monetary value from contractors or parties to subcontracts.
- Standards of conduct must provide for disciplinary actions to be applied for violations of such standards by Elected Officials, employees, or agents of Starr County.
- County Project Director shall ensure that all proposed purchases are necessary, reasonable, and non-duplicative in accordance with grant requirements. Prior to county review and approval, Project Director must initial all purchase orders to certify that the expenditure is allowable and consistent with the terms and conditions of the grant.
- County Project Director shall obtain certification or complete training provided by the granting agency when such certification or training becomes available.



- Award contracts only to responsible contractors possessing the ability to perform successfully under the terms and conditions of a proposed procurement. Consideration will be given to such matters as contractor integrity, compliance with public policy, record of past performance, and financial and technical resources.
- Maintain records sufficient to detail the history of procurement. These records will include but are not necessarily limited to the following: rationale for the method of procurement, selection of contract type, contractor selection or rejection, and the basis for the contract price.
- Starr County alone will be responsible, in accordance with good administrative practice and sound business judgement, for the settlement of all contractual and administrative issues arising out of procurements. These issues include, but are not limited to, source evaluation, protests, disputes, and claims. These standards do not relieve Starr County of any contractual responsibilities under its contracts.
- Violations of law will be referred to the local, state, or Federal authority having proper jurisdiction.
- The County Grant Administrator will certify that all vendors, if applicable, are not debarred or suspended and are not excluded from activities involving Federal financial and nonfinancial assistance and benefits.
- Starr County will incorporate federal procurement provisions where possible and appropriate.

All procurement transactions will be conducted in a manner providing full and open competition, in order to ensure objective contractor performance and eliminate unfair competitive advantage. Starr County will follow procurement procedures that will ensure that all solicitations:

- Incorporate a clear and accurate description of the technical requirements for the material, product, or service to be procured. Such a description must not, in competitive procurements, contain features which unduly restrict competition.
- Identify all requirements which the offerors must fulfill and all other factors to be used in evaluating bids or proposals.
- Ensure that all prequalified lists of persons, firms, or products which are used in acquiring goods and services are current and include enough qualified sources to ensure maximum open and free competition. Also, the non-Federal entity must not preclude potential bidders from qualifying during the solicitation period.

Procurement should include a separate process for the following thresholds as labeled below and can also reference back to the Starr County Purchasing Policy & Procedures Manual:

Micro-purchase	< \$9,999.99	no quotations, and must be a reasonable cost.
Small-purchase	\$10,000.00 - \$99,999.99	three separate vendor source quotations or cooperative program.
Large-purchase	> \$100,000.00	Sealed bids through formal advertising, cooperative program, or sole source vendor, whichever best meets the need.

#### Oversight and Monitoring

The County Auditor's Office, in coordination with the County Project Director and the County Grant Administrator, shall manage awards in accordance with 2 CRF part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, applicable state laws and/or regulations, and corresponding contractual agreements.

The Grant Program Manager shall meet with the County Grant Administrator and a representative from the County Auditor's Office once per quarter for the duration of the grant period to review and discuss program progress, including metrics, expenditures, and any programmatic issues or budget amendments.

### Internal Controls

Proper Authorizations - Procedures shall be designed, implemented, and maintained to ensure that financial transactions and activities are properly reviewed and authorized.

Separation of Duties - Job duties will be adequately separated to reduce, to an acceptable level, the opportunities for any person to be in a position to both perpetrate and conceal errors or irregularities in the normal course of assigned duties.

Proper Recording - Procedures shall be developed and maintained that will ensure financial transactions and events are properly recorded, and that all financial reports may be relied upon as accurate, complete, and up to date.

Access to Assets and Records - Procedures shall be designed and maintained to ensure that adequate safeguards exist regarding the access to and use of financial assets and records.

- Title to federally owned property remains vested in the Federal Government if the property is purchased with awarded federal funds.
- The County will maintain an inventory listing of federally owned property in its custody.
- Once property is no longer needed or federal awards have ended completion, the County will report property meeting the valuation threshold to the Federal awarding agency for further Federal agency utilization.

Independent Checks - Independent checks and audits will be made on staff performance to ensure compliance with established procedures and proper valuation of recorded amounts.

Costs and Benefits - Internal control systems and procedures must have an apparent benefit in terms of reducing and/or preventing losses. The cost of implementing and maintaining any control system should be evaluated against the expected benefits to be derived from that system.

## **SUBRECIPIENT GRANTS**

Grants awarded to the County may require utilizing Subrecipients to achieve grant objectives. If Subrecipients are required, the County, as the pass-through agency, is responsible for monitoring the programmatic and financial activities of award subrecipients to ensure proper stewardship of federal and state funds. The County Grant Administrator, in conjunction with the County Auditor's Office, must evaluate each Subrecipient's risk of noncompliance in order to determine the appropriate monitoring level and provide evidence of due diligence in this evaluation.

The County Grant Administrator shall:

Pre-Award	Post-Award
<ul style="list-style-type: none"> <li>Collaborate with the subrecipients regarding their narrative, goals, and budget for the grant application.</li> </ul>	<ul style="list-style-type: none"> <li>Monitor subrecipient activity and approve quarterly programmatic progress and financial reports.</li> </ul>
<ul style="list-style-type: none"> <li>Clearly identify subrecipients identification information, period of performance, amount obligated to the subrecipient, and all requirements imposed by the County on the subrecipient.</li> </ul>	<ul style="list-style-type: none"> <li>Coordinate subrecipient budget revision requests and obtain Grantor approval.</li> </ul>
<ul style="list-style-type: none"> <li>Notify subrecipients of grant award approvals or denials.</li> </ul>	<ul style="list-style-type: none"> <li>Ensure all required documents are received from subrecipient at the appropriate time in the grant timeline to ensure timely closeout of the grant.</li> </ul>
<ul style="list-style-type: none"> <li>Ensure the subrecipient provides reasonable assurance of compliance with federal statutes, regulations, and the terms and conditions of the federal awards with acknowledge receipt of conditions and provide a signed agreement to comply.</li> </ul>	<ul style="list-style-type: none"> <li>Coordinate and facilitate annual monitoring of subrecipient.</li> </ul>
<ul style="list-style-type: none"> <li>Create and coordinate approval of a Memorandum of Understanding between the County and the subrecipients.</li> </ul>	<ul style="list-style-type: none"> <li>Maintain regular communication with subrecipients</li> </ul>

## REPORTING AND RECORD RETENTION

Grants awarded to the County 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. Financial reports generally consist of reporting the financial progress of the grant program. The progress or programmatic reports inform the Grantor of the progress made towards fulfilling grant deliverables.

### Grant Reporting Procedure

- County Project Directors must prepare timely and submit accurate progress or programmatic reports as required by Grantor.
- County Project Directors failing to comply with grant expenditure guidelines should expect their department's budget incur for any unallowable costs.
- The County Auditor's Office is responsible for ensuring that all documents, reports and required submissions necessary for reimbursement under the grant contract and/or guidelines are accurate.
- The County Auditor 's Office will also verify that payment has been made prior to requesting reimbursement and will verify that the amounts of payments received are correct in comparison to the reimbursement request.
- In order to maintain cashflow for salaries, equipment or administrative cost, all grant reimbursement requests must be submitted on a monthly basis, unless indicated otherwise by the Grantor.

- Copies of all financial and programmatic reports submitted should be sent to the County Grant Administrator and the County Auditor Office.

#### File Management and Retention

The County Grant Administrator, in conjunction with the County Auditor's Office and the County Project Director, shall create and maintain all pertinent award related documentation in accordance with 2 CFR 200.333 Retention Requirements for Records and applicable State law and supply it as requested to authorized grant monitors.

The County Auditor's Office shall ensure that adequate safeguards exist regarding the access to and use of financial assets and records.

- 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, personnel activity reports or equivalent documentation for all individuals reimbursed under the award.
- The County Grant Administrator and the County Project Director are also obligated to protect records adequately against loss, theft, fire, or other damage in accordance with statutory provisions.

#### **CLOSEOUT**

The grant process by which the awarding agency or pass-through entity determines that all applicable administrative actions and all required work of the award have been completed by the non-federal entity.

Upon completion of all required performance period activities, the County Grant Administrator, in conjunction with the County Project Director and the County Auditor's Office, shall perform grant closeout tasks in accordance with the grant requirements.

The County Grant Administrator shall ensure all required reports and certifications are received and evaluated, any equipment is accounted for, allowable costs are determined, and amounts due to either the Grantor or to the recipient are determined, and payment arrangements made.

The County Auditor's Office shall ensure that all financial activities are recorded and all final reimbursement requests are submitted and will verify that final reimbursement has been received.

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APPROVED AND ADOPTED by the Starr County Commissioners Court and County Judge on this 12<sup>th</sup> of January, 2026.

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Eloy Vera, County Judge

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Attested By Humberto Gonzalez  
County Clerk