

Hopkins County, Texas
Internal Control System – FEMA Grants
FEMA Events Occurring During 2015 and Following Years



Compliance Requirements:

1. Activities Allowed and Unallowed

a. Allowed Activities

- i. Repairs made due to damages incurred during the Incident Period as determined by the Presidential declaration of a major disaster or emergency. Repairs must be located in a designated disaster area.
- ii. Actively used and maintained paved roads, gravel roads, dirt roads, and bridges under the jurisdiction of Hopkins County are eligible for repair or replacement, unless they are part of the Federal Aid Roads System.
- iii. Debris removal –
- iv. Emergency Protective Measures – Not applicable

b. Administrative Costs

i. Must be related to specific project and be tracked by

- 1. Date
- 2. Name
- 3. Rate
- 4. Hours
- 5. Location
- 6. Description of work performed

c. Unallowed Activities

- i. Any activity not expressly allowed as discussed per the above.

2. Allowable Costs/Cost Principals

a. The cost principals in 2 CFR Part 200, subpart E (Cost Principles) prescribes the cost accounting requirements associated with the administration of Federal awards.

i. The general criteria affecting allowability of costs under Federal awards are:

- 1. Reasonable and Necessary – Costs must be reasonable and necessary for the performance and administration of Federal awards
- 2. Allocable – Costs must be allocable to the Federal awards under the provisions of the cost principals as applicable. A cost is allocable to a particular cost objective if the goods and services involved are charged in accordance with the benefits received.

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3. Consistency – Costs must be given consistent treatment through application of those generally accepted accounting principles appropriate to the circumstances.
4. Conformity to Laws, Regulations, and Sponsored Agreements – Costs must conform to any limitations or exclusions set forth in the circulars, Federal laws, State or local laws, sponsored agreements, or other governing regulations as to types or amounts of cost items.
5. Transactions that reduce or offset Direct or Indirect Costs – Costs must be net of all applicable credits that result from transactions that reduce or offset direct or indirect costs.
6. Cost Documentation – Costs must be documented in accordance with A-102 Common Rule for local governments.

3. Cash Management

- a. Cash Receipts – All grant money from is direct deposited into the County's bank account as maintained by the County Treasurer directly into the Road & Bridge account for which the payments are received.
- b. Cash Disbursements – All disbursements other than payroll are sent in by the various departments to the Treasurer's department, where they are entered into the accounts payable system and a list is prepared. This list is then forwarded to the County Auditor's Office along with the supporting documentation (bills, statements, invoices, etc.) for the County Auditor's approval. The list shows the amount of the disbursement, the vendor, , the line item to which it will be charged and the amount left in the budget for that line item. The County Auditor then reviews the items for coding, proper approval, whether they are within the budget and is there is proper supporting documentation. The documentation for each department's expenditures kept in a separate folder for that department until paid. Once the County Auditor has approved the payables they are sent to the Commissioners' Court for approval along with the list and the supporting documentation where they are open for inspection and approval in an open session of the Commissioners' Court. Once approved by the Court, the list and documentation is returned to the Treasurer's Office where the checks are prepared and then forwarded to the County Auditor for signing. Once signed by the County Auditor, the checks are returned to the County Treasurer for a second signature and mailing.

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- c. Payroll – Pay for each departments employees and officials is prepared in the County Treasurer's Office and is allocated to the proper accounts of each department along with the related benefit costs. Paper checks are then forwarded to the County Auditor's Office for signature. Once signed by the County Auditor's Office, the checks are returned to the County Treasurer's Office for a second signature and disbursement. Directly deposited checks are prepared in the Treasurer's Office and then approved by the County Auditor's office. Once approved by the County Auditor's Office, the direct deposits are disbursed from the Treasurer's Office.

4. Eligibility

a. Eligible Costs:

- i. Must be reasonable and necessary to accomplish the eligible work
- ii. Must comply with Federal, State, and local requirements for procurement, and do not include(or are reduced by) insurance proceeds, salvage values, and other credits.

b. Eligible Facility:

- i. Must be the responsibility of Hopkins County, Texas.
- ii. Must do located in a designated disaster area, and
- iii. Not be under the specific authority of another government's jurisdiction.
- iv. Must be in active use at the time of the disaster.

c. Eligible Work:

- i. Must be required as a result of the declared event
- ii. Must be located within the designated disaster area
- iii. Must be under the legal responsibility of Hopkins County, Texas

d. Eligible Labor:

- i. Labor rates include actual wages paid, plus fringe benefits paid or credited to personnel
- ii. Emergency work (Category B) – Not applicable
- iii. For debris removal (Category A) –e. Equipment Rates
 - i. Rates include operation, insurance, depreciation, and maintenance, but are not to include operator labor.