



2021 UFA Policy & Procedure Manual

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Governing documents, organizational charters and bylaws and staff procedures and the composition of the governing body of the applicant are reviewed to determine term lengths, recruitment and retention policies, and communication methods from board to executive officer to routine staff and clients. This includes organizational staff capacity, hierarchy of authority, and dedicated staff sufficient to carry out the proposed activities detailed in their application narrative.

Thoughtful program delivery is evidenced through a clear logic model with identified inputs, measurable performance output tracking, and the long-term impact expected from the activity given the parameters of the application and funding. Contingency plans, scaling or modification of program structure should be included in the program narrative. Technology is considered in order to ensure reliable data security, storage, and reporting abilities.

SCORING AND RANKING:

As with all competitive grants, CoC applicants will submit applications for review, scoring and ranking by the CoC Ranking Workgroup under the direction of the CoC Finance Committee. The approved rubric and financial capacity analysis tools are provided ~~at the end of this document as Appendix 2 on an annual basis and can be viewed on the Community Development webpage.~~ The Finance Committee charter outlines the responsibilities ~~and can be read in detail in Appendix 3.~~

Should the Ranking Workgroup recommend funding to an agency with a history of poor performance or low utilization, the County may impose additional requirements as allowed by 2 CFR 200.207 and as necessary to ensure compliance with federal regulations and performance expectations. Recommendations of the Ranking Workgroup are submitted to the full CoC membership for approval, and then successful projects will be included in the Priority Listing of the full CoC Application.

GRANT AWARD:

CoC subrecipients will be held to the same policies and procedures currently in use for CDBG and HOME subrecipients. Information contained in the subrecipient agreement shall conform to the requirements put forth in 2 CFR 200.210, an example of which is provided at the end of this document ~~as Appendix 4.~~ Program Component-specific performance requirements will be embedded in the individual subrecipient agreements as applicable.

Each subrecipient will select, and approve through their governing body through board resolution, the appointed project lead for each award. This individual will attest to the accuracy of information provided and serve as the liaison between the County UFA agent and the subrecipient. Changes in the approved point of contact must be communicated to the UFA immediately, and a suitable replacement must be made and authorized by both the County as UFA and the entity's governing body. Copies of resolutions and authorizations are required to be kept and made available to the County or HUD upon request. County staff will conduct an initial risk assessment by reviewing organizational indicators, prior year audit reports, the agency's internal controls, previously submitted invoices, and results from prior year monitoring visits to assess level of risk. Enhanced risk subrecipients will be subject to increased monitoring and may be subject to the conditions specified in the McHenry County CoC Policy and Procedures for Determining and Monitoring Enhanced Risk Partner Agencies. The project will be monitored throughout the grant term to ensure compliance with project delivery standards for service provision, data accuracy and reporting, fiscal management, and internal controls.



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ANNUAL ONSITE MONITORING VISITS:

During the annual monitoring evaluation process the County will obtain updates to internal controls from the prior year and, if necessary, test certain controls, review fiscal standards, follow-up on items found non-compliant in the prior year's monitoring visit, review findings from current year invoice monitoring, discuss issues raised during the external audit, and assess risk. If in-kind services are provided, the County will check for in-kind match source documentation, eligibility of use, and the tracking method while onsite during the monitoring review.

PROGRESS REPORTS AND REPORTING TO THE COC:

Each program will receive at least one on-site monitoring and one desk monitoring annually. Subrecipients will be given two weeks' notice to prepare for the on-site monitoring. Results of any **financial** monitoring will be shared with the CoC **Finance Committee** and will dictate if they will require more oversight. Programs with concerns but no findings will receive quarterly monitoring for one full year following the initial review. Programs with findings will be required to complete the corrective actions within one month and will continue with monthly on-site monitoring until the issues of non-compliance have been demonstrably rectified. Programs with no findings or concerns will have a follow-up desk monitoring within six months to certify continued compliance. The CoC may impose stronger or less stringent follow-up compliance or in-person interviews with the subrecipient.

Quarterly financial monitoring reports will be provided to the Finance Committee and quarterly program progress reports including HMIS data will be collected and disseminated to the full CoC membership. The McHenry County CoC complies with the Illinois Open Meeting Act, and as such all information released to the full membership of the CoC will be posted on the CoC webpage and accessible to the public at any time without formal request.

REIMBURSEMENTS:

Transactions are initiated by a reimbursement request sent to the County for payment. The request comprises of a cover sheet unique to each subrecipient and grant award, and provides an overview of the grant fund naming convention details, award amount, approved budget line items, and a notarized signature from individual authorized to request payment. Division staff then reviews the materials supplied to corroborate the requested reimbursement for eligibility and cost reasonableness. In the event of new awards, proof of activity commencement and incurred costs will prompt initial reimbursement for the first quarter, after which, successful quarterly monitoring will ensure continued payments. Effective procedures that provide for clear and error-free submission of reimbursement requests and supporting source documents to corroborate expenditures are required. A detailed instruction guide is included in the grant agreement supplementary documents.

Agencies will fully complete the reimbursement form and supply corroborating documents. Descriptions must be detailed enough to show the type of expense (e.g., 'office supplies' rather than 'supplies'). For rental assistance and leasing line item descriptions must include the client HMIS number. Program income descriptions must detail how program income was spent.

Matching expenses are to be listed in the same manner as expenses being submitted for reimbursement. If an expense is not allowable for reimbursement, it is not allowable as match. Matching expenses must follow the same rules for documentation and allow ability as expenses to be



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reimbursed. County staff will review all invoices to verify mathematical accuracy, correctness of budget/program categories, consistency with prior invoices, and allowable costs, per applicable regulations.

The initial review will include comparison of the items listed on the reimbursement form to the agency's submitted CoC application budget to ensure the expenses were included in the original budget. Items will also be reviewed to ensure the expense is allowable per the CoC Homeless Crisis Response System Policies and Procedures (HEARTH regulations) for each budget line item. If any expense requires further explanation, the County will contact the agency. If the expense is determined to be unallowable, the agency will be asked to remove the expense and resubmit the invoice. If no problems are detected, the invoice will be processed for payment in accordance with the reimbursement procedures established by McHenry County. If the reimbursement package contains document errors or ineligible items, the reimbursement will not be processed until the errors are resolved. Simple mathematical errors will be fixed by County staff and the reimbursement will be processed for payment.

REALLOCATION POLICY:

There will be a separate reallocation policy for underspending, which is temporary in nature and needs to be rapidly redistributed, and a separate policy for all other funding reallocations, which are permanent in nature and may not require rapid redistribution. The underspending policy imposes specific spending expectations on the subrecipients and permits the UFA to reallocate funds if a project does not meet expectations. If spending is below the target, the subrecipient must present a plan to spend the funds by the end of year, otherwise the funds will be reallocated to another project. When recaptured funds are identified, UFA ~~does not need to obtain approval provided it follows the policy~~ **will relay the matter to the Finance Committee for review/recommendations, which will be forwarded to the Steering Council for review and then to CoC Board for final vote. Consistent with by-laws, this review/approval can be completed via email or Special Meeting in the interest of time.** The UFA will issue a Funding Request to the community and will try to quickly match the reallocated funds to an appropriate project. Reallocated funds will be restored to the original subrecipient in the following grant year (unless permanently reallocated under the "permanent" policy).

Reallocation decisions will be documented and reviewed by the ~~UFA Oversight Committee~~ **Finance Committee** (after the fact) as part of its ongoing monitoring of UFA performance.

The other reallocation policy addresses reallocations which are permanent in nature, both voluntary and involuntary. The policy lists likely scenarios where funds may be permanently reallocated, including chronic underspending, and capacity and compliance issues with the subrecipient.

A voluntary reallocation is either initiated by the subrecipient or the subrecipient agrees to a recommendation to reallocate by the UFA or CoC. The reallocation process is straightforward, as the subrecipient agrees to the reallocation. An involuntary reallocation is a reallocation that is contested by the subrecipient. The policy details the procedure for making a final determination to reallocate. The recommendation is initially reviewed by the ~~UFA Oversight Committee~~ **Finance Committee, forwarded to the Steering Council for review/recommendation**, and the final decision rests with the CoC Board. Once funds are permanently recaptured, the process for reallocating the fund varies based on the timing of the reallocation:



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- If the funds need to be reallocated within a grant year, the reallocation process will be similar to the underspending policy process.
- If the funds will be reallocated in the following grant year, reallocated funds will either be added to the funding pool for new project applications, or a separate Funding Request can be issued, with expanded notice provisions that align with the availability of the funds.

Monitoring and Audit Guide

Initial Evaluation of Internal Controls

County staff will conduct an evaluation of the subrecipient's internal controls over financial matters to determine if the controls required by the grant(s) being reviewed are in place. The initial evaluation will be more extensive, and will only need to be updated on subsequent monitoring visits, unless there are significant changes in internal controls, significant staff turnover, or other risk factors present. As part of the initial evaluation process, each sub-recipient will be asked to provide the following information:

- A completed Internal Controls Questionnaire provided by the County
- A copy of the accounting manual or other policies and procedural manuals including, at a minimum, the following policies and procedures:
 - ✓ *Procurement*
 - ✓ *Property and Equipment*
 - ✓ *Travel expense reimbursement*
 - ✓ *Accounts payable/invoice processing*
 - ✓ *Personnel and timekeeping*
 - ✓ *Direct and Indirect Cost allocation plan*
 - ✓ *The organization's chart of accounts*
 - ✓ *The organizational chart*

The Internal Controls Questionnaire must be completed by agencies and returned to the County one week prior to the agency's monitoring visit. County staff will review the material and during the onsite visits will conduct an internal controls interview with the appropriate fiscal staff focusing on the control areas significant to or required for the grant(s) being monitored.

Any areas of noncompliance will be noted in the monitoring report and the subrecipient will be asked to address the areas of concern. McHenry County will monitor implementation of and the effectiveness of the updated procedures in subsequent monitoring visits or monthly invoice monitoring. If significant deficiencies remain, the sub-recipient may be deemed to be an enhanced risk.

Subrecipients with the following characteristics will be deemed as having an enhanced risk:

- Independent auditors' reports
- A modified opinion or going-concern findings on the audited financial statements
- Findings of deficiencies or material weaknesses in internal control
- Findings of non-compliance with 2 CFR 200
- Management letter comments having a direct impact on the grant(s) being monitored
- Other significant audit findings
- A history of failing to fully expend federal funds (if applicable)



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- Recurring invoice/reimbursement errors on invoices submitted to the County
- High staff turnover in key fiscal positions
- Prior monitoring findings in the fiscal area

To be removed from the enhanced risk category, a subrecipient must demonstrate the following improvements, depending on the area of concern:

- Clean audit opinions on financial statements, internal controls, and federal 2 CFR 200 audit
- Steady spend down of federal funds
- No significant invoice errors for 6-12 months, at McHenry County 's discretion
- For high staff turnover, an acceptable transition plan and consistent implementation of that plan
- Compliant monitoring report in the fiscal area

DATA TREATMENT COMPLIANCE:

The review will be conducted on a sample of files. A minimum of 95% of the data elements from the sampled files must match McHenry County data to achieve compliance. Data for the files will be extracted, selected, and compiled by the Operations Administrator or Database Administrator responsible for pulling monitoring data. The data will be retrieved from the HMIS database and organized into an Excel table. The reviewer(s) will compare the HMIS data to the agency file to determine compliance. File reviews must consist of a minimum of 10 files. If a program does not have the minimum number of 10 files, all files will be reviewed. The maximum number of files reviewed for emergency shelter programs is 10% of the annual unduplicated number served or 40 files for single adult programs and 30 files for family programs, whichever is lesser. The maximum number of files reviewed for all other programs is 10% of the annual unduplicated number served or 40 files, whichever is lesser, but not less than the 10 files noted [in item 3](#) above.

Selected files will generally include at least 25% but no more than 50% closed (exited) files. If a program does not have the minimum number of 25% exited files, all exited files will be reviewed. For PSH/long-term programs, around 50% of un-exited clients will be those who entered in the past 12 months. McHenry County reserves the right to increase file selection size above the stated maximum or adjust the mix of exited/un-exited files selected, based on prior year agency performance.

All files will be reviewed for the following elements:

- Signed Client Acknowledgement for Electronic Data Collection/Consent form.
- List of HMIS data elements
- Exit or annual review data, including date of exit from program and other data elements related to exit/annual reviews, as applicable.

A minimum of 95% of all the reviewed data elements per program must match the data entered into CSP, excluding entry and exit dates which must be 100% accurate. For annual reviews, each individual sub-assessment record will be counted as incorrect if the data element is not entered into HMIS within a 30-day window on either side of the client's anniversary of program entry. Agencies should correct all errors identified by the reviewer(s) even when the 95% compliance is achieved. The corrections will not be reviewed by County staff and will not affect subsequent reports.



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Agencies that fall below 90% accuracy will not be provided specific data relating to CSP errors and may have to schedule a technical assistance visit. The County may request a corrective action plan as well.

Agencies that fall between 90%-94.45% accuracy will be given an opportunity to review data with the reviewer and clarify any errors during the initial site visit. If the rating does not reach 95%, the County may schedule a second visit and may request additional information.

If an agency fails to achieve compliance, the agency may appeal the decision and/or remedy the problem. A follow-up review may occur and the reviewer will repeat the steps described above. The agency must demonstrate that 100% of files previously found to be non-compliant have been corrected to the fullest extent possible. If information is not available to achieve 100% compliance, the agency will demonstrate steps taken to ensure the errors will not be made again. In addition, a new sample of files must also meet the 95% standard. The new sample of files will be the same number of initial client files representing new admissions since the time of the previous review(s) or for the initial evaluated period, at the County's discretion.

If the agency requires a second file review, the agency may need to recertify all HMIS end-users through additional training sessions conducted by County staff. Additional trainings and recertification should occur prior to the second file review, if possible, and must be completed before the final monitoring report will be issued.

If the agency requires a third file review, the agency may be required to develop a comprehensive Quality Improvement (QI) Plan, in addition to the third visit and other corrective actions noted above. The QI Plan will detail new policies and procedures the agency will adopt to ensure present and future compliance with McHenry County standards. The QI Plan must be approved by the McHenry County CoC. Any agency with a final status of non-compliant will enter into a conditional subrecipient agreement amendment with McHenry County for the remainder of the current fiscal year. Specific conditions will be determined by the areas of concern leading to the non-compliant status. Failure to comply with conditional contracting may lead to loss of funding and/or other penalties as determined by McHenry County.

SERVICE PROVISION (AND OTHER) COMPLIANCE:

Using the sample of files compiled for the data accuracy review, McHenry County reviewers will conduct a separate file review to determine compliance with standards related to program operations, client rights, services planning, housing, and facilities. The reviewer will review each selected client's file to ensure (1) client eligibility, (2) adherence to the Housing First model, (3) compliance with regulations, as applicable, and (4) the program's ability to meet outcomes as specified in the program's Program Outcome Plan. The County has the right to randomly inspect CoC-funded units. The County will not reimburse partner agencies for any unit that fails inspection until inspection is passed.

The reviewer will focus on program outcomes rather than methodologies. Areas of concern and/or possible non-compliance gleaned from the review of the client files will be tracked using a program-specific review tool. Each separate instance of possible non-compliance will be noted on the review tool, identified by client ID number and correlating standard.



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CLIENT PROTECTIONS:

Records will be examined to verify confidentiality of records, specifically for those records pertaining to any individual or family that was provided family violence prevention or treatment services through the project; confidentiality of the locations of family violence projects; and proof of policies and practices that enable program participants to exercise the rights afforded them. Federal statutes, orders and other laws relating to the provision of educational and related services to individuals and families experiencing homelessness must be followed, including protections under McKinney-Vento. The established education Homeless Liaison must be known for each school available upon request from reviewers. Sufficient staff must be in place for family projects to ensure that children of program participants are enrolled in school and connected to early childhood programs and other appropriate services.

HMIS DATA PRIVACY:

Notice of implied consent must be posted and visible to anyone entering the building. A signed copy of the agency's client policy must be evident in the file. Verification of specific HMIS end-user compliance will be monitored during data training and certification.

HOMELESSNESS AT ENTRY GUIDELINES:

Partner agencies are responsible for having the appropriate documentation in the client files. Non-compliance can result in a finding for the Continuum of Care and can result in repayment of federal funds and reduced chances of receiving future federal funding. Appropriate documentation is:

- HMIS entry/exit record printout showing the client is in shelter, rapid re-housing, or transitional housing.
- Documentation from a domestic violence shelter, outreach provider, institution, or other third party.
- Self-certification of homelessness from the client can be used rarely and only as a last resort, if HMIS or third-party documentation cannot be obtained. Agencies must document multiple attempts to obtain third-party documentation prior to resorting to self-certification.

RENT REASONABLENESS GUIDELINES:

- Review of Rental Assistance projects files to ensure the following items are included:
 - ✓ *Copy of lease for RA programs*
 - ✓ *Annual income recertification*
 - ✓ *Annual Rent Reasonableness for RA programs*
 - ✓ *Annual HUD HQS inspection form*
 - ✓ *Annual Client rent calculation form*

Rent reasonableness is required to be 100% accurate because non-compliance results in a finding for the Continuum of Care and can result in repayment of federal funds and reduced chances of receiving future federal funding. If 100% accuracy is not met, the agency will be found non-compliant and will be required to have a second site visit. During the second visit, both the first set of files reviewed and a new set of files must be 100% accurate.

RENT CALCULATION GUIDELINES:



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Rent calculations must be 100% accurate because non-compliance results in a finding for the Continuum of Care and can result in repayment of federal funds and reduced chances of receiving future federal funding. If there is a minor typo/edit on one calculation, the agency will be found compliant with conditions, the condition being that the agency must correct the error and give its staff a memo impressing on them the importance of the accuracy of the rent calculations. Both the corrected rent calculation document and the memo to agency staff must be submitted to the County.

If numerous mistakes and/or an obvious consistency in the type of errors are found, the agency will be found non-compliant and must review and correct all files. McHenry County will conduct a second site visit. During the second visit, both the first set of files reviewed and a new set of files must be 100% accurate.

FINDINGS, CONCERNS, AND POOR PERFORMANCE: FISCAL, PERSONNEL, GOVERNANCE, AND OTHER COMPLIANCE:

Upon completion of the review of the selected files and standards, the reviewer will discuss any areas of concern with agency staff. Full compliance with standards is determined by HUD requirements, McHenry County requirements, and historical patterns found by the County during the review. For HUD requirements, 100% of the program files must be compliant because non-compliance with federal standards results in a finding for the Continuum of Care and can result in repayment of federal funds and reduced chances of receiving future federal funding. For McHenry County programmatic requirements, 95% of the files must be compliant. Areas of concern noted on the program review tool may not be sufficient to issue a status of non-compliance. Additional information may be requested at the County's discretion.

Agencies found non-compliant for any issue may be held to no more than three separate site visits to achieve compliance. If the agency is found non-compliant due to a service-related issue(s) after the first visit, the agency, represented by any staff members directly responsible for the service-related issue(s), may be required to attend a technical assistance (TA) meeting led by the County. If the non-compliance can be corrected, a follow-up site visit will be scheduled following the TA meeting to ensure that all services are being provided in a manner compliant with County standards. The agency must demonstrate that 100% of files previously found to be non-compliant have been corrected to meet HUD and/or McHenry County programmatic requirements of 100% and 95% compliance respectively. The new sample of files will be the same number of initial client files representing new admissions since the time of the previous review(s) or for the initial evaluated period, at the County's discretion.

If, after the second visit, the agency is still found to be non-compliant, the agency will, at its own expense, schedule and attend McHenry County-directed or third-party-led technical assistance prior to any third and final site visit, if applicable. Any third-party-led technical assistance must be approved by the County prior to the event. Any agency with a final status of non-compliant will enter into a conditional subrecipient agreement amendment with McHenry County for the remainder of the fiscal year. Specific conditions will be determined by the areas of concern leading to the non-compliant status and developed by the County. Failure to comply with conditional contracting may lead to loss of funding and/or other penalties as determined by the McHenry County CoC.



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If the agency is found to be non-compliant, the agency will be issued a non-compliant status for the current fiscal year. Conditional contract language incorporated as a result of non-compliance will be carried over into the next fiscal year.

Agencies found non-compliant may be held to no more than three separate site visits to achieve compliance. However, at the discretion of the CoC, non-compliance and/or termination of funding for the year may be determined after the first site visit, dependent on the severity of the non-compliance.

In case of non-compliance, the County may choose to require the recipient to enter into a QI Plan. The QI Plan is tailored to the recipient and focused on the steps required for compliance. The recipient will have a conditional contract with McHenry County that will focus on the steps needed for compliance and continued funding. Intervention will consist of monitoring visits by County staff and/or an improvement plan and regular reports and meetings between the County and the partner agency. McHenry County may request additional external, specialized fiscal oversight on a case by case basis.

COMPLIANT WITH CONDITIONS STATUS:

Agencies may be awarded the status of “compliant with conditions” based upon individual, extenuating circumstances relating to compliance issues. Compliance with conditions requires a resolution similar to any determination of non-compliance, usually involving a development of a corrective action plan and/or monthly file reviews specific to the area(s) of concern. Agencies determined to be “compliant with conditions” will see their compliance status reflected in the program evaluation, but will remain eligible for merit incentive funding.

APPEALS PROCESS:

The CoC will be notified of any appeal. The agency must notify McHenry County if they wish to appeal the monitoring results via email within two weeks of issuance of the Final Report. Each item in the report that the agency is appealing must be listed and a complete, detailed explanation given as to why the agency believes the finding/concern is incorrect. McHenry County will review the appeal with the CoC and if it is determined that the report is incorrect, a new report will be issued. If it is determined that the explanation does not change the findings, the agency will be notified.

In its capacity as a grantee under the Community Development Block and HOME Investment Partnerships Program entitlements, McHenry County is accustomed to developing processes related to the reimbursement of eligible grant program expenses from subrecipients. The vast majority (90%+) of projects under these programs are completed by subrecipients.

Program staff are required to be trained across all grant programs within the Community Development Division. Staff must be trained in eligible activities before they can review reimbursement requests from subrecipients.

As a proposed UFA, the County acknowledges that renewal CoC projects, planning and HMIS awards **we will** be awarded in one grant while new projects will be awarded as a separate grant from HUD and made available to the UFA in LOCCS. Prior to any draws, subrecipient agreements will be in place and all



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required environmental reviews and determinations of consistency with the community's consolidated plan for community development will be cleared.

For subrecipient reimbursements, the following shall be the procedure for draws from LOCCS:

1. After receipt of a fully executed subrecipient agreement, the subrecipient may begin to incur eligible program costs **as of the effective date of the subrecipient contract or agreement.**
2. On a basis of at least monthly, the subrecipient shall provide a reimbursement request, which will include all documented expenses and source information. This means that the subrecipient must provide substantiated expenses for its reimbursement request. This request must be submitted to the County by the end of the month following the month in which they were incurred. For example, if expenses were incurred for February, then the reimbursement request for February must be submitted by March 31st. Reimbursement requests may be submitted more frequently.
3. Within seven (7) days of the receipt of the reimbursement request, the request shall be reviewed and approved for submission (receipted) into the County's proprietary accounting system. If the reimbursement request contains errors, it shall be rejected to the subrecipient for corrections. These actions shall restart the reimbursement request process.
4. Upon receipt of the reimbursement request into the County's proprietary accounting system, a draw sheet (similar to the CDBG Program) shall be drafted and submitted for management approval.
5. The draw sheet shall be reviewed and approved by the Community Development Administrator and the Director of Planning and Development (or their assigned signatories). The draw sheet shall also be signed by its writer and by the individual who intends to make the LOCCS draw. This individual can be the same person. This means the draw sheet shall be signed with four signatures. The draw number shall be documented in the draw sheet.
6. A LOCCS draw sheet will have been developed based on the draw being made from LOCCS. This sheet shall be signed by the Community Development Administrator, or assigned signatory. If requested by HUD, it shall also be countersigned by the assigned Financial Accounting staff from the County's Administrative Division, or their signatory.
7. The reimbursement request, draw sheet, and LOCCS draw sheet shall be scanned and submitted into the County's proprietary accounting system within four working days, and approved electronically for submission to the McHenry County Auditor's Office by the Community Development Administrator. If unavailable, then the Director of Planning and Development. If unavailable, then the Deputy Director of Planning and Development. If none of these individuals are available, a signatory may electronically submit the request.
8. The McHenry County Auditor's office shall review and either approve and forward the requisition to the County's Finance-Administration Division or reject it back to Community Development for corrections or clarifications. The Auditor's Office shall allow any eligible staff person to review



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reimbursements. The latter decision would bring the request back to step 7 after corrections and clarifications have been made. The former decision would result in step 9.

9. The McHenry County Auditor's Office shall forward the reimbursement request to the County's Finance-Administration Division. This office shall complete a final review of the reimbursement and act as a liaison to the McHenry County Treasurer's Office.

10. Funds from LOCCS shall be deposited into the County's designated UFA account(s). Designated accounting staff from the Treasurer's Office shall interface with the County's Finance-Administration Division to ensure the fidelity of expenses and revenue. Should any issues arise, they shall be reconciled with the Community Development Division and documented through email.

For reimbursements for which the County is the grantee, the following shall be the procedure for draws from LOCCS:

1. After receipt of a fully executed grant agreement, the County may begin to incur eligible program costs.
2. On a basis of at least monthly, the County shall compile a reimbursement request, which will include all documented expenses and source information. This means that the grantee must provide substantiated expenses for its reimbursement request. This request must be developed for the County by the end of the month following the month in which they were incurred. For example, if expenses were incurred for February, then the reimbursement request for February must be submitted by March 31st. Reimbursement requests may be submitted more frequently, which is highly likely.
3. Within seven (7) days of the completion of the reimbursement request, the request shall be reviewed and approved for submission (receipted) into the County's proprietary accounting system.
4. Upon receipt of the reimbursement request into the County's proprietary accounting system, a draw sheet (similar to the CDBG Program) shall be drafted and submitted for management approval.
5. The draw sheet shall be reviewed and approved by the Community Development Administrator and the Director of Planning and Development (or their assigned signatories). The draw sheet shall also be signed by its writer and by the individual who intends to make the LOCCS draw. This individual can be the same person. This means the draw sheet shall be signed with four signatures. The draw number shall be documented in the draw sheet. If the reimbursement request is made on behalf of any of the individuals intended to sign the draw sheet, this shall be indicated on the draw sheet. Expense reimbursement requests resulting in a LOCCS draw shall not be made by the staff person for whom the expenses are being requested. The exception to this would be salary draws, as these have been reviewed and authorized through the payroll approval process.
6. A LOCCS draw sheet will have been developed based on the draw being made from LOCCS. This sheet shall be signed by the Community Development Administrator, or assigned signatory. If requested by HUD, it shall also be countersigned by the assigned Financial Accounting staff from the County's Administrative Division, or their signatory.



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7. The reimbursement request, draw sheet, and LOCCS draw sheet shall be scanned and submitted into the County's proprietary accounting system within four working days, and approved electronically for submission to the McHenry County Auditor's Office by the Community Development Administrator. If unavailable, then the Director of Planning and Development. If unavailable, then the Deputy Director of Planning and Development. If none of these individuals are available, a signatory may electronically submit the request. Payroll reimbursement is not submitted into the County's proprietary accounting system; proceed to step 10.

8. The McHenry County Auditor's office shall review and either approve and forward the requisition to the County's Finance-Administration Division or reject it back to Community Development for corrections or clarifications. The Auditor's Office shall allow any eligible staff person to review reimbursements. The latter decision would bring the request back to step 7 after corrections and clarifications have been made. The former decision would result in step 9.

9. The McHenry County Auditor's Office shall forward the reimbursement request to the County's Finance-Administration Division.

10. The County's Finance-Administrative Division shall complete a final review of the reimbursement and act as a liaison to the McHenry County Treasurer's Office.

10. Funds from LOCCS shall be deposited into the County's designated UFA account(s). Designated accounting staff from the Treasurer's Office shall interface with the County's Finance-Administration Division to ensure the fidelity of expenses and revenue. Should any issues arise, they shall be reconciled with the Community Development Division and documented through email.

In any case, reimbursements for all eligible expenses shall be made within 45 days of receipt, unless there is a significant error. A significant error would entail a gross mistake in accounting, completely unsubstantiated or ineligible expenses, or suspicions of fraud, conflicts of interest, or malfeasance.