

**OFFICIAL MINUTES OF MAYVILLE
VILLAGE COUNCIL MEETING
SEPTEMBER 1, 2020
(Official Minutes)**

The Village Council of Mayville, Michigan held a Regular Meeting at the Mayville District Library on September 1, 2020. The meeting was called to order at 7:00 p.m. by President Barbara Valentine, with the following officers and Trustees present: Susan Atkinson, William Barkowska, Steve Charette and Sue Marlow.

Absent – None

Employees Present – Clerk Kayla Reed

Guests – 4

Pledge of Allegiance -

Action Items - (Motion Needed)

- a) **USDA Approved Smith Bovill Legal Services Agreement - Required by USDA for Sewer\Lagoon Project**
Moved by Charette 2nd by Marlow to Retain Smith Bovill P.C as the Village Attorney.

**Roll Call Vote - Barkowska - Y Marlow - Y Atkinson - Y Charette - Y Valentine - Y
Motion Carried**

- b) **Resolution Adopting the Village of Mayville Village Office Procedures and Federal Awards Administration OMB Compliance -**
Moved by Atkinson 2nd by Charette to Adopt the Resolution Adopting the Village of Mayville Village Office Procedures and Federal Awards Administration OMB Compliance.

VILLAGE OF MAYVILLE

TUSCOLA COUNTY, MICHIGAN

**RESOLUTION ADOPTING THE VILLAGE OF MAYVILLE VILLAGE OFFICE
PROCEDURES AND FEDERAL AWARDS ADMINISTRATION**

OMB COMPLIANCE SUPPLEMENT

RESOLUTION NO. 20- 0901

DATED: SEPTEMBER 1, 2020

At a regular meeting of the Village of Mayville Village Council, Tuscola County, Michigan, held at the Mayville District Library located at 6090 Fulton St. on the 1st day of September 2020, at 7:00 p.m. the following Resolution was introduced and adopted:

PRESENT: Atkinson, Barkowska, Charette, Marlow and Valentine

ABSENT: None

RESOLUTION ADOPTING THE VILLAGE OF MAYVILLE VILLAGE OFFICE PROCEDURES AND FEDERAL AWARDS ADMINISTRATION

OMB COMPLIANCE SUPPLEMENT

WHEREAS, the Village of Mayville desires to adopt procedures relating to the Village's local administration of federal awards in order to ensure that the Village maintains lawful, prudent, and ethical methods to administer said awards.

WHEREAS, the Village of Mayville Village Council has determined that the adoption of the Village of Mayville Village Office Procedures and Federal Awards Administration OMB Compliance Supplement will serve to effectuate the goal and desire described in the preceding paragraph.

NOW, THEREFORE, BE IT RESOLVED:

1. The Village of Mayville Village Council hereby fully adopts the Village of Mayville Village Office Procedures and Federal Awards Administration OMB Compliance Supplement, attached hereto as **Exhibit A**.
2. Said Village of Mayville Village Office Procedures and Federal Awards Administration OMB Compliance Supplement is subject to change at any time pursuant to the discretion of the Village Council. Said Procedures shall remain in effect until further notice.
3. All resolutions or parts of resolutions insofar as they conflict with the provisions hereof are rescinded to the extent of such conflict.

This RESOLUTION was offered by Council member Atkinson, supported by Council member Charette at a meeting on September 1, 2020. The members of the Village Council voted as follows:

YEAS: Charette, Barkowska, Marlow, Atkinson, Valentine

NAYS: None

ABSTAIN: None

The foregoing Resolution was duly adopted at a regular meeting of the Village of Mayville Village Council held on the 1st day of September 2020.

Barbara Valentine

President of the Village of Mayville

Kayla Reed

Clerk of the Village of Mayville

****The Village Clerk's Certification is contained on the following page***The balance of this page is intentionally left blank****

Certification

I, Kayla Reed, Clerk of Mayville Village, do hereby certify that the foregoing constitutes a true and complete copy of a resolution adopted at a regular meeting of the Mayville Village Council held on September 1st, 2020; that the meeting was conducted and public notice of the meeting was given pursuant to and in compliance with the Michigan’s Open Meetings Act; that a quorum of the Council was present and voted in favor of the resolution; and that the minutes of the meeting will be or have been made available as required by the Open Meetings Act.

Kayla Reed, Clerk

Village of Mayville

Tuscola County, Michigan

*** EXHIBIT A ***

VILLAGE OF MAYVILLE

VILLAGE OFFICE PROCEDURES AND FEDERAL AWARDS ADMINISTRATION

OMB COMPLIANCE SUPPLEMENT

Source of Information – Each year the Federal government (Office of Management and Budget, “OMB”) issues a comprehensive document on the compliance requirements each grant recipient is obligated to follow in general terms, along with program-specific guidance on various grant awards.

The following pages document the policies and procedures of the Village of Mayville (hereinafter “the Village”) related to compliance with such procedures, as applicable. In each year that the Village is subject to a single audit, applicable compliance requirements are expected to be tested in detail by the Village’s independent auditors.

Objectives – The objectives of most compliance requirements are generic in nature. While the criteria for each program may vary, the main objective of the compliance requirement is relatively consistent across all programs. As such, the policies and procedures of the Village have been based on the generic sense of the compliance requirement. This is not intended to imply that a program is not subject to such policies if it is not specifically mentioned here. It is the intention of the Village that all Federal awards are subject to the following procedures.

Controls over Compliance – In addition to creating policies and procedures over compliance with provisions of Federal awards, the Village has implemented internal controls over such compliance, generally in the form over administrative oversight and/or independent review and approval. In order to document these control activities, all independent reviews are signed/initialed and dated.

Documentation – The Village will maintain adequate documentation to support both the compliance with applicable requirements as well as internal controls over such compliance. This documentation will be provided to the Village’s independent auditors and/or pass-through grantor agencies, as requested, during the single audit and program audits.

Source of Governing Requirements – The requirements for activities allowed or unallowed are contained in program legislation, Federal awarding agency regulations, and the terms and conditions of the award.

The requirements for allowable costs/cost principles are contained in Uniform Guidance 2 CFR 200, program legislation, Federal awarding agency regulations, and the terms and conditions of the award.

Village Procedures. The following procedures will be applied, to the extent that they do not conflict with or contradict any Council policies listed herein:

1. All grant expenditures will be in compliance with the Uniform Guidance, 2 CFR 200, State law, Village policy, and the provisions of the grant award agreement will also be considered in determining allowability. Grant funds will only be used for allowable costs; costs must meet the following general criteria to be allowable under Federal awards:

- a. Be reasonable and necessary for the performance of the program and allocable thereto.
- b. Conform to any limitations or exclusions set forth in applicable regulations or in the award itself.
- c. Be consistent with policies and procedures that apply uniformly to federally-financed activities and other activities of the non-Federal entity.
- d. Be accorded consistent treatment. A cost may not be assigned to a Federal award as a direct cost if any other cost incurred for the same purpose in like circumstances has been allocated to the Federal award as an indirect cost.
- e. Not be included as a cost or used to meet cost sharing or matching requirements of any other federally-financed program in either the current or a prior period.
- f. Be adequately documented.

2. A cost is reasonable if it does not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision was made to incur the cost. In determining reasonableness of a given cost, consideration must be given to:

- a. Whether the cost is ordinary and necessary for the proper and efficient performance of the Federal award.
- b. The requirements imposed by such factors as: sound business practices; arms-length bargaining; Federal, state, local, tribal and other laws and regulations.
- c. Market prices for comparable goods or services.

3. A cost is allocable to a particular Federal award if the goods or services involved are chargeable or assignable to that Federal award in accordance with the relative benefits received. This standard is met if the cost:

- a. Is incurred specifically for the Federal award:
- b. Benefits both the Federal award and other work of the non-Federal entity and can be distributed in proportions that may be approximated using reasonable methods; and
- c. Is necessary to the overall operation of the non-Federal entity and is assignable in part to the Federal award.

4. Applicable credits refer to those receipts or reduction of expenditure type transactions that offset or reduce expense items allocable to the Federal award. To the extent that such credits relate to allowable costs, they must be credited to the Federal award either as a cost reduction or cash refund, as appropriate.

The Federal award may be subject to statutory requirements that limit the allowability of costs. Payments made for costs determined to be unallowable must be refunded (including interest) to the Federal Government unless Federal statute or regulation directs otherwise.

5. Grant expenditures will be approved by department heads/program managers initially through the purchase order process, and again with the bill or invoice is received. This will be evidenced by signature or initials and date on the invoice. Accounts payable disbursements will not be processed for payment by the Village until necessary approval has been obtained.

6. Payroll costs will be documented in accordance with the Uniform Guidance, 2 CFR 200 and as otherwise described herein.

7. Indirect costs will be charged to federal grants at the federally negotiated indirect cost rate (if available) or the de minimis rate of 10% permitted by the Uniform Guidance, 2 CFR 200. The selected rate will be applied to Modified Total Direct Costs (MTDC). The Village may, at its discretion, choose to use all available grant funds for program purposes and not charge an indirect cost rate to a federal award.

8. To the extent that the Village passes through federal awards to subrecipients, the Village will review the subrecipient's grant budgets for compliance with allowable/unallowable costs.

Source of Governing Requirements – The requirements for cash management are contained in the Uniform Guidance 2 CFR 200, program legislation, Federal awarding agency regulations, and the terms and conditions of the award.

Village Procedures. The following procedures will be applied, to the extent that they do not conflict with or contradict any Village policies listed herein:

1. Substantially all of the Village's grants are awarded on a reimbursement basis. As such, program costs will be expended and disbursed prior to requesting reimbursement from the grantor agency.

2. Cash draws will be initiated by the Village President who will determine the appropriate draw amount. Documentation of how this amount was determined will be retained and signed/dated. An individual independent of this determination will review the draw amount and sign/initial the paperwork as evidence of the control.

3. The physical draw of cash will be processed through the means prescribed by the grant agreement.

4. Supporting documentation from a copy of the cash draw paperwork will be filed along with the approved paperwork described above and retained for audit purposes.

5. To the extent that the Village passes through federal awards to subrecipients, the Village will make payments to subrecipients within 30 calendar days after receipt of billing unless the Village reasonably believes the request to be improper.

Source of Governing Requirements – The requirements for eligibility are contained in program legislation, Federal awarding agency regulations, and the terms and conditions of the award.

Village Procedures. The following procedures will be applied, to the extent that they do not conflict with or contradict any Village policies listed herein:

1. Federal grants will only benefit those individuals and/or groups of participants that are deemed to be eligible.

Source of Governing Requirements – The requirements for equipment are contained in the Uniform Guidance 2 CFR 200, program legislation, Federal awarding agency regulations, and the terms and conditions of the award.

Village Procedures. The following procedures will be applied, to the extent that they do not conflict with or contradict any Village policies listed herein:

1. All equipment will be used in the program for which it was acquired or, when appropriate, other Federal programs.
2. When required, purchases of equipment will be pre-approved by the grantor or pass-through agency. The Village President will be responsible for ensuring that equipment purchases have been previously approved, if required, and will retain evidence of this approval.
3. Equipment records will be maintained and an appropriate system shall be used to safeguard equipment.
4. When equipment with a current per unit fair market value of \$5,000 or more is no longer needed for a Federal program, it may be retained or sold with the Federal agency having a right to a proportionate amount of the current fair market value. Proper sales procedures shall be used that provide for competition to the extent practicable and result in the highest possible return.

Source of Governing Requirements – The requirements for matching are contained in Uniform Guidance, 2 CFR 200, program legislation, Federal awarding agency regulations, and the terms and conditions of the award. The requirements for level of effort and earmarking are contained in program legislation, Federal awarding agency regulations, and the terms and conditions of the award.

The Village defines “matching”, “level of effort”, and “earmarking” consistent with the definitions of the OMB Compliance Supplement:

Matching or cost sharing includes requirements to provide contributions (usually non-Federal) or a specified amount or percentage of match Federal awards. Matching may be in the form of allowable costs incurred or in-kind contributions (including third-party in-kind contributions).

Level of effort includes requirements for (a) a specified level of service to be provided from period to period, (b) a specified level of expenditures from non-Federal or Federal sources for specified activities to be maintained from period to period, and (c) Federal funds to supplement and not supplant non-Federal funding of services.

Earmarking includes requirements that specify the minimum and/or maximum amount of percentage of the program’s funding that must/may be used for specified activities, including funds provided to subrecipients. Earmarking may also be specified in relation to the types of participants covered.

Village Procedures. The following procedures will be applied, to the extent that they do not conflict with or contradict any Village policies listed herein:

1. Compliance with matching, level of effort, and earmarking requirements will be the responsibility of the Village President.

2. Adequate documentation will be maintained to support compliance with matching, level of effort, and earmarking requirements. Such information will be made available to Village administration, auditors, and pass-through or grantor agencies, as requested.

Source of Governing Requirements – The requirements for period of performance of Federal funds are contained in Uniform Guidance, 2 CFR 200, program legislation, Federal awarding agency regulations, and the terms and conditions of the award.

Village Procedures. The following procedures will be applied, to the extent that they do not conflict with or contradict any Village policies listed herein:

1. Costs will be charged to an award only if the obligation was incurred during the funding period (unless pre-approved by the Federal awarding agency or pass-through grantor agency).

2. All obligations will be liquidated not later than 90 days after the end of the funding period (or as specified by program legislation).

3. Compliance with period of performance requirements will initially be assigned to the individual approving the allowability of the expense/payment. This will be subject to review and approval in the Village Office as part of the payment processing.

Source of Governing Requirements – The requirements for procurement are contained in Uniform Guidance, 2 CFR 200, program legislation, Federal awarding agency regulations, and the terms and conditions of the award.

The requirements for suspension and debarment are contained OMB guidance in 2 CFR part 180, which implements Executive Orders 12549 and 12689, Debarment and Suspension; Federal agency regulations Uniform Guidance, 2 CFR 200, program legislation; Federal awarding agency regulations; and the terms and conditions of the award.

Village Procedures. The following procedures will be applied, to the extent that they do not conflict with or contradict any Village policies listed herein:

1. Purchasing and procurement related to Federal grants will be subject to the general policies and procedures of the Village.

2. Contract files will document the significant history of the procurement, including the rationale for the method of procurement, selection of the contract type, contractor selection or rejection, and the basis of contract price.

3. Procurement will provide for full and open competition in accordance with 2 CFR 200.318 and 200.319.

4. The Village is prohibited from contracting with or making subawards under covered transactions to parties that are suspended or debarred or whose principals are suspended or debarred.

“Covered transactions” include those procurement contracts for goods and services awarded under a non-procurement transaction (i.e., grant or cooperative agreement) that are expected to equal or exceed \$25,000 or meet certain other specified criteria. All non-procurement transactions (i.e., subawards to subrecipients), irrespective of award amount, are considered covered transactions.

5. The Village will ensure that compliance with suspension/debarment requirements through one of the following controls:

a. Including a suspension/debarment clause in all written contracts in which the vendor/contractor will certify that it is not suspended or debarred. The contract will also contain language requiring the vendor/contractor to notify the Village immediately upon becoming suspended or debarred. This will serve as adequate documentation as long as the contract remains in effect.

b. Requiring vendors and contractors to sign a statement certifying that they are not suspended or debarred and agreeing to notify the Village immediately upon being suspended or debarred. This would also serve as adequate documentation as long as the contract/vendor relationship remains in effect.

c. Periodically searching the federal excluded parties database at www.sam.gov and the State of Michigan debarred vendor list at <http://www.michigan.gov/micontractconnect/0,4541,7-225-48677-354349--,00.html> for the vendor name. Any potential match would be followed-up on immediately. A listing of the vendors search and the date of the procedures would be retained.

6. If a vendor is found to be suspended or debarred, the Village will immediately cease to do business with this vendor.

Source of Governing Requirements – The requirements for program income are found in Uniform Guidance, 2 CFR 200, program legislation, Federal awarding agency regulations, and the terms and conditions of the award.

Village Procedures. The following procedures will be applied, to the extent that they do not conflict with or contradict any Village policies listed herein:

1. Program income will include (but will not be limited to): income from fees for services performed, the use or rental of real or personal property acquired with grant funds, the sale of commodities or items fabricated under a grant agreement, and payments of principal and interest on loans made with grant funds. It will not include interest on grant funds unless otherwise provided in the Federal awarding agency regulations or terms and conditions of the award.

2. The Village will allow program income to be used in one of three methods:

- a. Deducted from outlays
- b. Added to the project budget
- c. Used to meet matching requirements

Absent specific guidance in the Federal awarding agency regulations or the terms and conditions of the award, program income shall be deducted from program outlays.

3. Program income, when applicable, will be accounted for as a revenue source in the same program code as the Federal grant.

Source of Governing Requirements – Reporting requirements are contained in the following documents: Uniform Guidance, 2 CFR 200, program legislation, Federal awarding agency regulations, and the terms and conditions of the award.

Village Procedures. The following procedures will be applied, to the extent that they do not conflict with or contradict any Village policies listed herein:

1. Reports will be submitted in the required frequency and within the required deadlines.

2. Reports will be completed using the standard forms (as applicable) and method of delivery (i.e., email, grantor website, postal service, etc.).
3. Regardless of the method of report delivery, a copy of the submitted report will be retained along with any documentation necessary to support the data in the report. The report will evidence the date of submission in order to document compliance with timeliness requirements.
4. Financial reports will always be prepared based on the general ledger using the required basis of accounting (i.e., cash or accrual). In cases where financial data is tracked outside of the general accounting system (such as in spreadsheets or paper ledgers), this information will be reconciled to the general ledger prior to report submission.
5. Any report with financial-related data will either be prepared or reviewed by the Village President.
6. Preparation of reports will be the responsibility of Village Treasurer. All reports (whether financial, performance, or special) must be reviewed and approved by a knowledgeable administrator (such as the Village President) or Council member prior to submission. Both the preparer and reviewer will sign and date the report and retain this documentation.
7. Copies of submitted reports with preparer and reviewer signatures and dates will be filed with supporting documentation and any follow-up correspondence from the grantor or pass-through agency. Copies of all such reports will be made available to school administration, auditors, and pass-through or grantor agencies, as requested. - **End Exhibit A**

**Roll Call Vote - Charette - Y Barkowska - Y Marlow - Y Atkinson - Y Valentine - Y
Motion Carried**

- c) **Village of Clinton - Conflict with General Law Villages and the new Lead and Copper Rules Letter.** The Village of Clinton is starting a grassroots campaign to challenge EGLE’s lead and copper rules.
Moved by Charette 2nd by Atkinson to contact the Village of Clinton with interest

**Roll Call Vote - Marlow - Y Charette - Y Barkowska - Y Atkinson - Y Valentine - Y
Motion Carried**

Public Comments - None

Adjournment - Moved by Charette, 2nd by Marlow to adjourn at 8:05 p.m.

Yes - 5 No - 0

Motion Carried.

Barbara Valentine
Village President

Kayla Reed
Village Clerk