



REGULAR COMMISSION MEETING
Tuesday, September 10, 2024, at 9:00 am
338 W. First St, Port Angeles, WA 98363
AGENDA

The Regular Commission Meeting will be available to the public in person and remotely. For instructions on how to connect to the meeting remotely, please visit <https://portofpa.com/about-us/agenda-center/>

I. CALL TO ORDER / PLEDGE OF ALLEGIANCE

II. EARLY PUBLIC COMMENT SESSION (TOTAL SESSION UP TO 20 MINUTES)

III. APPROVAL OF AGENDA

IV. WORK SESSION

- A. City of Port Angeles Comprehensive Plan Update – Ben Braudrick

V. APPROVAL OF CONSENT AGENDA

- A. Regular Commission Meeting Minutes – August 27, 2024.....1-4
- B. Vouchers in the amount of \$1,290,875.20.....5

VI. COMPLETION OF RECORDS

- A. Monthly Delegation of Authority Report.....6-9

VII. PLANNING AND CAPITAL PROJECTS

No items

VIII. LOG YARD

No items

IX. MARINE TRADES AND MARINE TERMINALS

No items

X. PROPERTY

XI. MARINAS

No items

XII. AIRPORTS

No items



XIII. OTHER BUSINESS

- A. Resolution 24-1306 - Federal Grant Policy.....10-31
- B. Letter of Support – Chehalis-Centralia Airport Grant Application.....32

XIV. ITEMS NOT ON THE AGENDA

XV. COMMISSIONER REPORTS

XVI. PUBLIC COMMENT SESSION (TOTAL SESSION UP TO 20 MINUTES)

XVII. FUTURE AGENDA.....33

XVIII. NEXT MEETINGS

- A. September 24, 2024 - Regular Commission Meeting
- B. October 8, 2024 - Regular Commission Meeting
- C. October 22, 2024 – Regular Commission Meeting
- D. November 12, 2024 – Regular Commission Meeting

XIX. UPCOMING EVENTS

- A. WPPA Environmental Seminar – September 18-20, 2024 – Walla Walla, WA
- B. International Workboat Show – November 12-14, 2024 – New Orleans, LA
- C. Pacific Marine Expo – November 20-22, 2024 – Seattle, WA
- D. WPPA Annual Meeting – December 11-13, 2024 – Bellevue, WA

BROWN BAG LUNCH AND OPEN DISCUSSION WITH THE COMMISSION *(TIME PERMITTING)*

XX. EXECUTIVE SESSION

The Board may recess into Executive Session for those purposes authorized under Chapter 42.30 RCW, The Open Public Meetings Act.

XXI. ADJOURN



RULES FOR ATTENDING COMMISSION MEETING

- Signs, placards, and noise making devices including musical instruments are prohibited.
- Disruptive behavior by audience members is inappropriate and may result in removal.
- Loud comments, clapping, and booing may be considered disruptive and result in removal at the discretion of the Chair.

RULES FOR SPEAKING AT A COMMISSION MEETING

- Members of the public wishing to address the Board on general items may do so during the designated times on the agenda or when recognized by the Chair.
- Time allotted to each speaker is determined by the Chair and, in general, is limited to 3 minutes.
- Total time planned for each public comment period is 20 minutes, subject to change by the Chair.
- All comments should be made from the speaker's rostrum and any individual making comments shall first state their name and address for the official record.
- Speakers should not comment more than once per meeting unless their comments pertain to a new topic they have not previously spoken about.
- In the event of a contentious topic with multiple speakers, the Chair will attempt to provide equal time for both sides.



REGULAR COMMISSION MEETING
Tuesday, August 27, 2024, at 9:00 am
338 W. First St, Port Angeles, WA 98363
MINUTES

The Regular Commission Meeting will be available to the public in person and remotely. For instructions on how to connect to the meeting remotely, please visit <https://portofpa.com/about-us/agenda-center/>

Connie Beauvais Commissioner
Colleen McAleer, Commissioner
Steve Burke, Commissioner
Paul Jarkiewicz, Executive Director

Jennifer Baker, Interim Dir. of Finance & Admin.
Braedi Joutsen, Clerk to the Board
Caleb McMahon, Director of Economic Development

I. CALL TO ORDER / PLEDGE OF ALLEGIANCE (0:00-0:38)

Comm. Beauvais called the meeting to order at 9:00 am.

II. EARLY PUBLIC COMMENT SESSION (TOTAL SESSION UP TO 20 MINUTES) (0:39-0:58)

None.

III. APPROVAL OF AGENDA (0:59-1:07)

- Motion to approve the agenda as presented: Comm. McAleer
- 2nd: Comm. Burke
- Vote: 3-0 (Unanimous)

IV. WORK SESSION (1:08-31:40)

- A. City of Port Angeles Comprehensive Plan Update – Ben Braudrick
****Presenter unavailable, added to the September 10th meeting agenda.***
- B. July Financial Report
 - Presentation: Jennifer Baker
 - Discussion
 - No Action
- C. Monthly Cash & Investment Report
 - Presentation: Jennifer Baker
 - Discussion
 - No Action
- D. Strategic Plan Review
 - Presentation: Paul Jarkiewicz
 - Discussion
 - No Action
- E. Community Partner Program Review and 2024 Overview and Update
 - Presentation: Braedi Joutsen
 - Discussion
 - No Action

V. APPROVAL OF CONSENT AGENDA (31:41-32:44)

- A. Regular Commission Meeting Minutes – August 13, 2024
- B. Special Commission Meeting Minutes – August 13, 2024
- C. Vouchers in the amount of \$353,160.75
 - Discussion
 - Motion to approve the consent agenda: Comm. Beauvais
 - 2nd: Comm. McAleer
 - Vote: 3-0 (Unanimous)



VI. COMPLETION OF RECORDS

No items

VII. PLANNING AND CAPITAL PROJECTS (32:45-50:13)

- A. Resolution 24-1305, Port Angeles Boat Haven Marina Master Planning CERB Grant
- Presentation: Katharine Fraizer
 - Discussion
 - Motion to introduce Resolution 24-1305 authorizing the Port's Executive Director to apply for a total of \$125,000 in CERB funding, including \$50,000 in local match: Comm. Beauvais
 - 2nd: Comm. McAleer
 - Vote: 3-0 (Unanimous)
 - Motion to waive second consideration: Comm. Burke
 - 2nd: Comm. Beauvais
 - Vote: 3-0 (Unanimous)
 - Motion to adopt Resolution 24-1305 authorizing the Port's Executive Director to apply for a total of \$125,000 in CERB funding, including \$50,000 in local match: Comm. Burke
 - 2nd: Comm. McAleer
 - Vote: 3-0 (Unanimous)

VIII. LOG YARD

No items

IX. MARINE TRADES AND MARINE TERMINALS

No items

X. PROPERTY (50:14-53:57)

- A. Item for Consideration – Shipwrecked Port Angeles LLC. Term Lease
- Presentation: Caleb McMahon
 - Discussion
 - Motion to authorize the Executive Director to sign the lease as presented: Comm. Burke
 - 2nd: Comm. Beauvais
 - Vote: 3-0 (Unanimous)

XI. MARINAS

No items

XII. AIRPORTS

No items

XIII. OTHER BUSINESS (53:58-1:06:18), (1:10:29-1:12:01)

- A. Resolution 24-1302, Appointment of Port Treasurer
- Presentation: Paul Jarkiewicz
 - Discussion
 - **Moved item to Executive Session**
 - Motion to introduce Resolution 24-1302, a resolution of the Port of Port Angeles designating Treasurer and confirming blanket fidelity bond to protect against loss: Comm. Beauvais
 - 2nd: Comm. McAleer
 - Vote: 3-0 (Unanimous)
 - Motion to waive 2nd consideration: Comm. Beauvais
 - 2nd: Comm. McAleer
 - Vote: 3-0 (Unanimous)



- Motion to adopt Resolution 24-1302, a resolution of the Port of Port Angeles designating Treasurer and confirming blanket fidelity bond to protect against loss: Comm. Beauvais
- 2nd: Comm. Burke
- Vote: 3-0 (Unanimous)

B. Resolution 24-1304, Port Travel Policy

- Presentation: Braedi Joutsen
- Discussion
- Motion to introduce Resolution 24-1304, a resolution governing the reimbursement and payment of travel and other business expenses, and rescinding Resolution 22-1265: Comm. Beauvais
- 2nd: Comm. McAleer
- Vote: 3-0 (Unanimous)
- Motion to waive second consideration: Comm. McAleer
- 2nd: Comm. Beauvais
- Vote: 3-0 (Unanimous)
- Motion to adopt Resolution 24-1304, a resolution governing the reimbursement and payment of travel and other business expenses, and rescinding Resolution 22-1265: Comm. Burke
- 2nd: Comm. McAleer
- Vote: 3-0 (Unanimous)

XIV. ITEMS NOT ON THE AGENDA

XV. COMMISSIONER REPORTS

XVI. PUBLIC COMMENT SESSION (TOTAL SESSION UP TO 20 MINUTES) (1:06:19-1:06:47)

None.

XVII. FUTURE AGENDA

XVIII. NEXT MEETINGS (1:06:48-1:06:57)

- A. September 10, 2024 - Regular Commission Meeting
- B. September 24, 2024 - Regular Commission Meeting
- C. October 8, 2024 – Regular Commission Meeting
- D. October 22, 2024 – Regular Commission Meeting

XIX. UPCOMING EVENTS (1:06:58-1:08:55)

- A. (NTIIC) National Transportation in Indian Country – August 26-29, 2024 – Durant, OK
- B. WPPA Environmental Seminar – September 18-20, 2024 – Walla Walla, WA
- C. WPPA Small Ports Seminar – October 24-25, 2024 – Lake Chelan, WA
- D. International Workboat Show – November 12-14, 2024 – New Orleans, LA
- E. Pacific Marine Expo – November 20-22, 2024 – Seattle, WA

BROWN BAG LUNCH AND OPEN DISCUSSION WITH THE COMMISSION *(TIME PERMITTING)*

XX. EXECUTIVE SESSION (1:08:56-1:10:28)

The Board may recess into Executive Session for those purposes authorized under Chapter 42.30 RCW, The Open Public Meetings Act.

- Comm. Beauvais recessed the meeting to convene an executive session. The anticipated length of the executive session is 60 minutes. Following the executive session, the Commission is expected to take action in public session.



- Discussion:
 - One (1) item concerning the performance of a public employee, discussing such matters in executive session is appropriate pursuant to RCW 42.30.110(1)(g).
 - One (1) item concerning legal and financial risk, discussing such matters in executive session is appropriate pursuant to RCW 42.30.110(1)(i).
- Recess: 5 minutes
- Start Time: 10:15 am
- Extended: 30 minutes
- End Time: 11:50 am

Public Session of Commission Meeting Reconvened: 11:50 am

Commissioner Beauvais noted that as a result of the executive session, action will be taken on agenda item XIII A – Resolution 24-1302, Appointment of Port Treasurer.

XXI. ADJOURN (1:12:02-1:12:05)

Comm. Beauvais adjourned the meeting at 11:52 am.

PORT OF PORT ANGELES
BOARD OF COMMISSIONERS

Connie Beauvais, President

Steven Burke, Secretary

**PORT OF PORT ANGELES
GENERAL FUND – LETTER OF TRANSMITTAL
VOUCHER APPROVAL**

We, the undersigned, do hereby certify under penalty of perjury that the materials have been furnished, the services rendered, or the labor performed as described herein, that any advance payment is due and payable pursuant to a contract or is available as an option for full or partial fulfillment of a contractual obligation, and that the claim is a just, due, and unpaid obligation against the Port of Port Angeles, and that we are authorized to authenticate and certify to said claim.

This process is in compliance with the applicable RCWs and the State Auditor's Budget Accounting and Reporting System (BARS) requirements. Further, the Port maintains effective internal controls to ensure that all disbursements are valid obligations authorized in accordance with the Delegation of Authority Policy.

SUMMARY TRANSMITTAL August 22, 2024 – September 4, 2024

Accounts Payable

	Begin	End		
For General Expenses and Construction	Check #	Check #		
Accts Payable Checks (computer)	418520	418549	\$	135,845.81
VOIDED/ZERO PAYABLE CHECKS			\$	-
Accts Payable ACH	003378	003410	\$	889,338.49
Accts Payable ACH			\$	-
VOIDED/ZERO PAYABLE ACH			\$	-
Wire Transfer – Excise Tax			\$	9,256.69
Wire Transfer - Leasehold Tax			\$	-
Total General Expenses and Construction			\$	1,034,440.99
Payroll				
Employee Payroll – Draws (Direct Deposit)			\$	-
Voided Payroll Check			\$	-
Employee Payroll Checks PPD (Direct Dep)	003311	003377	\$	178,272.32
Wire Transfer – (Payroll Taxes, Retirement, Deferred Comp, L&I, PMFL)			\$	78,161.89
Total Payroll			\$	256,434.21
Total General Exp & Payroll			\$	1,290,875.20

Date: September 10, 2024

CERTIFICATION

I, the Port Auditor or Deputy Auditor, do hereby clarify that the claims listed above are true and valid obligations and that appropriate and effective internal controls are in place to ensure that the outstanding obligations have been processed in accordance with the Port of Port Angeles procurement / payment policies and delegation of authority.

Auditor / Deputy Auditor

Commissioner, Connie Beauvais

Commissioner, Steven D. Burke

Commissioner, Colleen McAleer

* Detail is available upon request to Jennifer Baker, Interim Director of Finance & Administration:
jenniferb@portofpa.com

MONTHLY REPORT TO THE BOARD OF PORT COMMISSIONERS

August 2024

SUBJECT: REPORTS REQUIRED UNDER THE PROVISIONS OF THE DELEGATION OF AUTHORITY

REPORT	NO ACTION	ATTACHED
Lease Renewals/Options and 1 Year or Less Agreements at Market Rates; Leases, Assignments, Subleases, Berthage/Dockage, & Miscellaneous (Use, Equipment, Hangar, Marina Slips)		X
Lease Bond, Rental Insurance Deviations	X	
Work Contracts (\$50,000 or less) Executed	X	
Work Contracts Completed	X	
Change Orders Authorized	X	
Work by Port Crews or Day Labor (\$50,000 or less)	X	
Claims Settled	X	
Professional & Consulting Services Awarded and Architectural, Engineering & Technical Services Awarded		X
Fees Waived	X	
Uncollectible Accounts Written Off	X	
Experts Engaged for Litigation	X	
Grant Applications/Award	X	
Travel Outside WA, OR, ID and BC, Canada		X
Surplus Personal Property (under \$10,000)	X	

LEASES, RENEWALS, AMENDMENTS, MISC. AGREEMENTS AND OPTIONS EXECUTED
OF ONE YEAR OR LESS APPROVED BY EXECUTIVE DIRECTOR
(In Accordance with the Delegation of Authority, Resolution 24-1290 dated 1.09.2024)

August 2024

TENANT NAME	DOCUMENT	LOCATION	FORM OF SURETY	SQ FEET	TERM	MONTHLY RENT
J. Eric Bert	First Lease Renewal	812 W. Boathaven	\$2,182.95 on file	945 SF Workshop	1 year	\$746.55 \$0.79/SF
Clallam County	License for County Fair Demolition Derby Parking	Fairchild Airport Road	n/a	Roadway near 100-400 hangars	One day 8.18.2024	n/a
Insitu Ecosystems LLC	Lease Amendment #4	2140 W 18th St, 1050 Bldg	\$2,714.12 on file	2801 SF Bldg 1,559 SF Land	Continue MTM	\$1,578.29

PROFESSIONAL & PERSONAL SERVICES
AWARDED BY THE EXECUTIVE DIRECTOR
(In Accordance with Delegation of Authority)
August 2024

CONSULTANT	PROJECT	EST. COST	OTHER CONTRACT PROVISIONS
Karen Goschen	Port Finance and Accounting Support, Port Audit Activities, and Operational Support	\$150/hour NTE \$20,000	

TRAVEL APPROVED BY THE EXECUTIVE DIRECTOR *
(In Accordance with Delegation of Authority)
August 2024

STAFF	LOCATION OF MTG.	DATE(S)	PURPOSE
Chris Hartman	Durant, OK	8/25 – 8/29	National Transportation in Indian Country Conference

*

VIII. TRAVEL OF EMPLOYEES AND OTHER AUTHORIZED REPRESENTATIVES OF THE PORT:

In order to facilitate necessary normal Port operations, the Executive Director may authorize travel by Port employees and/or other Port representatives for Port business, in accordance with the Port's travel policy adopted pursuant to RCW 53.08.176 and RCW 42.24.090. Reimbursable personal travel expenses per trip shall not exceed \$5,000.00 per person.

The Commission shall be advised at the first regularly scheduled meeting of the following month of all such authorizations for travel outside of Washington, Oregon, Idaho and British Columbia, Canada.

**ITEM FOR CONSIDERATION
BY THE
BOARD OF PORT COMMISSIONERS**

September 10, 2024

SUBJECT: Resolution 24-1306: Federal Grant Policy

STAFF LEAD: Katharine Frazier, Grants & Contracts Manager

RCW & POLICY REQUIREMENTS:

Under the Single Audit Act of 1984 and the Single Audit Act Amendments of 1996, a Single Audit is required annually for non-Federal entities that expend more than \$750,000 of federal financial assistance (grants or loans) in one year. Due to recent funding agreements, the Port is subject to a Single Audit in 2024 and will need to complete Single Audits for the next several years. As part of the audit process, the Port needs to have an approved Federal Grants Policy that outlines our processes and procedures for internal controls and accounting with regards to federal funds.

BACKGROUND:

The Port receives federal funds from various federal agencies, including the Federal Aviation Administration (FAA), the Economic Development Administration (EDA), the Department of Transportation (DOT), and the Maritime Administration (MARAD).

While each agency has specific requirements for how their funding assistance must be spent and managed, the federal government has established a broad set of principles governing the management of grant funds. This includes procurement requirements, allowable cost principles, financial management procedures, and reporting processes. These principles are established by Chapter 2 of the Code of Federal Regulation, Part 200 (2 CFR 200).

While the Port actively maintains compliance with 2 CFR 200 for each of its federal grants, there has not been an official policy recognizing these compliance procedures. Resolution 24-1306: Federal Grant Policy seeks to establish an official policy outlining the Port's responsibilities for following 2 CFR 200.

ANALYSIS:

The proposed Federal Grant Policy includes sections on:

- Allowable Costs and Activities
- Cost Reimbursements and Cash Advances
- Equipment and Real Property Management

- Matching, Level of Effort, and Earmarking
- Period of Performance
- Procurement, Suspension, and Debarment
- Use of Small, Minority-Owned, and Women-Owned Businesses
- Sub-Recipient Monitoring
- Special Tests and Provisions
- Conflicts of Interest and Mandatory Disclosures
- Single Audit Requirements
- Financial Management

Each section references the legal requirements under 2 CFR 200 and the Port's processes for following these requirements.

FISCAL IMPACT:

The Federal Grant Policy has no direct fiscal impact, but it establishes and standardizes internal controls that the Finance Department and Port Staff involved in grant management must follow to maintain compliance with 2 CFR 200.

RECOMMENDED ACTION:

Staff recommends the Commission introduce Resolution 24-1306: Federal Grant Policy. If the introduction of the resolution is unanimous, make a motion to adopt Resolution 24-1306.

ATTACHMENTS:

- Federal Grant Policy (19 pages)

**A RESOLUTION OF THE PORT OF PORT ANGELES, WASHINGTON,
AUTHORIZING A NEW FEDERAL GRANT POLICY GOVERNING THE
MANAGEMENT AND USES OF FEDERAL FINANCIAL ASSISTANCE.**

WHEREAS, the Port of Port Angeles desires to pursue federal financial assistance (Grants and Loans) to fund its capital projects; and

WHEREAS, the Port is currently managing several federal grants from agencies including the Maritime Administration (MARAD), the Federal Aviation Administration (FAA), the Economic Development Administrative (EDA), and others; and

WHEREAS, while it has active grants and is pursuing additional awards, the Port must maintain compliance with the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 CFR 200); and

WHEREAS, the Port is subject to a Federal Single Audit each year it expends more than \$750,000 in federal funds; and

WHEREAS, it is in the best interest of the Port to formally establish a policy governing the internal controls, management, and uses of grant funding in accordance with 2 CFR 200; and

WHEREAS, the Federal Grant Policy is made pursuant to 2 CFR 200 and applicable state laws.

NOW, THEREFORE, BE IT RESOLVED that the Federal Grant Policy set forth on the attached Exhibit A is hereby approved and adopted as the Port of Port Angeles Federal Grant Policy and is effective as of today's date.

ADOPTED this 10th day of September 2024.

PORT OF PORT ANGELES
PORT COMMISSION

Connie Beauvais, President

Colleen McAleer, Vice President

Steven Burke, Secretary

Exhibit A

PORT OF PORT ANGELES FEDERAL GRANT POLICY

PURPOSE

This policy establishes and maintains internal controls that provide assurance that Federal awards are managed in compliance with Federal regulations and award conditions. The Port of Port Angeles will follow standards set in the Uniform Guidance (2 CFR Part 200) and the Standards for Internal Control in the Federal Government (Green Book).

GRANT & LOAN APPLICATIONS

Policy

The Port of Port Angeles (Port) shall, to the extent advisable from time to time, apply for grant and subsidized loan funding to construct capital and infrastructure assets for the benefit of the Port and its tenants. If a grant or subsidized loan is advisable, the Executive Director, the Director of Finance, other authorized Port Staff, and if necessary, the Port Legal Counsel shall work together to gather the data needed to support the application, and appropriate Port Staff shall prepare and submit the application, after approval by the Port Commission.

Procedures

If a grant or subsidized loan is obtained by the Port, a separate account shall be kept in the accounting records of the Port showing all disbursements of obligated funds. The account shall be kept separate for the life of the grant or subsidized loan repayment plus the applicable period required by any rules or regulations of the granting agency.

No separate fund of money is required to be maintained by the Port unless such a separate fund is required by the terms of the grant or subsidized loan.

Grant applications shall be submitted in the English language and in the terms of U.S. dollars.

The acceptance of a grant or subsidized loan application shall be approved by the Port Commission in public session, and appropriate Port Staff shall sign all grant and subsidized loan request documents after the Commission has adopted the appropriate resolutions.

Limitations on Authority Delegated

The Port Commission must approve all final grant or subsidized loan applications that obligate the Port to more than \$50,000 before they are submitted to the granting agency.

FEDERAL GRANTS

The purpose of this document is to ensure fiscal accountability of Federal funds, property and other assets awarded to the Port of Port Angeles.

The Uniform Guidance (UG) must be applied in conjunction with federal and state laws and regulations. Federal laws and regulations would include, but are not limited to, the enabling legislation and implementing regulations of the federal grant program. State laws and regulations would include, but

are not limited to, state enabling legislation and regulations, state procurement and audit requirements, travel regulations, etc. If a conflict exists between the UG and relevant federal and/or state laws and/or regulations, the more restrictive law and/or regulation takes precedence.

It is important to maintain effective internal controls over federal awards. The focus of these policies and procedures is to ensure the proper framework for internal control is in place so:

- These resources are being utilized effectively and efficiently
- Assets purchased or developed with them are being safeguarded properly
- Financial reporting required by these grants is accurate and timely; and
- Grant resources are being utilized in compliance with appropriate laws and regulations

The Port is awarded many grants and different departments may handle the claiming process as part of their responsibility under the Executive Director's direction depending on the complexity and nature of the grant. The Finance Department shall receive notification of these grants and copies of any required paperwork for reporting purposes.

Goals & Objectives:

The Port's Finance Department and responsible staff involved in grant applications and management will:

- Ensure proper disbursement of and accounting for Federal funds, property and assets by:
 - Establishing written accounting policies and procedures
 - Establishing internal controls to safeguard assets and ensure their proper use
 - Maintaining source documentation to support accounting records.
 - Monitoring proper charging of costs and cost allocation (if applicable).
- Serve as a liaison to funding agencies and project managers responsible for grants by:
 - Preparing claims for reimbursement and reports as required by the funding agency in conjunction with the responsible requesting representative and/or the project manager and approved by the responsible requesting representative and/or the project manager and the Director of Finance.
 - Compiling and reviewing information required for the Single Audit (Federal Receipts) approved by the Director of Finance.
 - Taking prompt action when instances of noncompliance are identified including identified in audit findings.

Policy

For Federal grants and agreements, the Port will comply with all State & Federal laws and regulations and the conditions set in the grant or agreement and all the requirements in the following:

2 CFR Part 200 Subpart A, Acronyms and
Definitions 2 CFR Part 200 Subpart B, General
Provision

- 2 CFR Part 200 Subpart C, Pre-Federal Award Requirements and Contents of Federal Awards
- 2 CFR Part 200 Subpart D, Post Federal Award Requirements
- 2 CFR Part 200 Subpart E, Cost Principles
- 2 CFR Part 200 Subpart F, Audit Requirements
- 2 CFR Part 200 Appendix XI, Compliance Supplement 3.2
 - A. Activities Allowed or Unallowed
 - B. Allowable Costs/Cost Principles
 - C. Cash Management
 - E. Eligibility
 - F. Equipment/Real Property Management
 - G. Matching, Level of Effort, Earmarking
 - H. Period of Performance
 - I. Procurement/Suspension and Debarment
 - J. Program Income
 - L. Reporting
 - M. Sub-recipient Monitoring
 - N. Special Tests and Provisions

Applicable OMB or Uniform Guidance, agency program regulations, and the terms of direct and indirect grant agreements will be followed. The specific requirements unique to each Federal program are found in the laws, regulations and provisions of the contract or grant agreement.

ACTIVITIES ALLOWED AND ALLOWABLE COST PRINCIPLES

Legal Requirements: [2 CFR 200 Subpart E – Cost Principles](#), [2 CFR 200 Appendix XI, Compliance Supplement, Part 3-A: Activities Allowed or Unallowed](#), and [2 CFR 200 Appendix XI, Compliance Supplement, Part 3-B: Allowable Costs/Cost Principles](#).

Grants shall be expended only for allowable activities and costs charged shall be allocable in accordance with applicable cost principles. Applicable OMB cost principles or Uniform Guidance, agency program regulations, and the terms of direct and indirect grant agreements will be followed in determining the reasonableness, allowability, and allocability of costs. The specific requirements for activities allowed or unallowed are unique to each Federal program and are found in the laws, regulations, and provisions of the contract or grant agreement.

Procedures

Responsibility: The Director of Finance, the responsible Port Staff and/or the project manager authorizing the charges, and the designated reviewers of each will share responsibility for understanding and adhering to Activities Allowed and Allowable Cost Principles.

The Director of Finance, the responsible Port Staff, and/or the project manager shall determine that all expenditures claimed for payment are accurate, allowable, and allocable to the grant.

The Director of Finance, along with the responsible Port Staff and/or the project manager, shall ensure that costs charged to federal grants are:

- Necessary and reasonable for the performance of the federal award (and be allocated to that use).

- A cost is reasonable if, in its nature and amount, it does not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision to incur the cost was made. The following will be considered in determining the reasonableness of a given cost:
 - It is ordinary and necessary based on the needs of the program – the expenditure must be necessary to achieve an important program objective.
 - It follows the terms and conditions of the Federal award.
 - It is within Federal, State, and other laws and regulations.
 - It is within the market price for comparable goods and services.
 - The authorizing individual acted prudently as a public employee.
 - It is within the established practices and policies regarding the incurrence of costs.
- A cost is allocable to the federal award if the goods or services involved are chargeable or assignable to the federal award in accordance with the relative benefit received. This standard is met if the cost:
 - Incurred specifically for the Federal award.
 - Benefits both the Federal award and other work of the non-Federal entity and can be distributed in proportions.
- Necessary to the overall operation of the non-Federal entity and is assignable in part to the Federal award.
- Conform to limitations or exclusions regarding type of cost (direct or indirect).
- Consistent with the policies and procedures the organization would apply to non-federally financed work.
- Treated consistently with other comparable costs- for example, a cost may not be treated as a direct cost if a cost incurred for the same purpose in similar circumstances was allocated as an indirect cost.
- Determined in accordance with US generally accepted accounting principles except as otherwise provided in 2 CFR 200.
- Not be used to meet cost-sharing or matching requirements of any other federally financed program (see also 2 CFR § 200.300(b)).
- Adequately documented (see also 2 CFR § 200.300 through 2 CFR § 200.309).

The responsible Port Staff and/or the project manager who obtained the grant are responsible will prepare and submit the request for reimbursement to the granting agency. Staff will ensure compliance with grant requirements prior to submitting grant claims (reimbursement) on contract(s) and provide certification.

Process

The Finance Department shall:

- Review invoices to ascertain the charges are within scope of grant agreement and an allocatable expenditure working in conjunction with the responsible Port Staff and/or the project manager.
- Maintain adequate documentation to support accounting records and documents that permit the tracking of funds to a level of expenditure adequate to establish that funds have not been used in violation of the applicable restrictions of the uses of such funds.

- Review the invoice to ensure there is adequate support provided and that the support agrees to the invoice.
- Review the invoice for accuracy.
- If Payments have been made for unallowable costs, the Finance Department will refund the Federal awarding agency.
- Have the financial management system provide for the following:
 - Identification, in its accounts, of all Federal awards received and expended and the Federal programs under which they were received.
 - Accurate, current, and complete disclosure of the financial results of each Federal award or program in accordance with the reporting requirements see for in 2 CFR § 200.327 and 2 CFR § 200.328.
 - Maintain a spreadsheet that identifies adequately the source and application of funds for federally funded activities and comparison of expenditures with budget amounts for each Federal award. The spreadsheet will also include income and interest, obligations and unobligated balance for contracts. (See Matching, Level of Effort, Earmarking/ Period of Performance Process)

COST REIMBURSEMENT

Legal Requirements: [2 CFR § 200.305 \(Federal Payment\)](#) and [2 CFR 200 Appendix XI, Compliance Supplement, Part 3-C: Cash Management](#).

A majority of federal awarding agencies distribute funds via reimbursement payment methods. Cost reimbursement shall be made after actual costs have been incurred in accordance with the requirements of reimbursement-based grant agreements.

Procedures

Responsibility: For federal grants, Port Staff responsible for managing the grant will prepare the required documentation for the reimbursement request to the grantor agency. After review by the Finance Department, the Port Staff responsible for managing the grant will submit the request for reimbursement to the grantor agency.

The responsible Port Staff and/or the project manager who obtained the grant are responsible for ensuring compliance with grant requirements prior to submitting grant claims (reimbursement requests) on contract(s).

Process

The responsible Port Staff shall:

- Prepare supporting documentation (spreadsheets, copies of invoices paid, and general ledger/project cost reports).
- Prepare reimbursement requests as prescribed by the grantor.

The Management Accountant shall:

- Assist Port Staff with preparing supporting documentation for reimbursement requests, such as copies of invoices paid and general ledger reports.
- Retain the documentation that supports the amount of the reimbursement request to claim (refer to state retention requirements).

- Accrue a receivable (as necessary) at the end of each month.
- Coding to Accounts Receivable, Electronic Fund Transfers (EFTs) are received by the Finance Department.
- Monthly, reconcile all grant receivables and grant revenue accounts.

The Finance Director shall:

- Review prepared documents, invoices, and general ledger.
- Verify that program income, such as rebates, refunds, contract settlements, audit recovers, or interest earned, has been disbursed.
- Approve reimbursement.

Providers should recognize liabilities (or a decrease in assets) and expenses from government-mandated or voluntary non-exchange transactions, and recipients should recognize receivables (or a decrease in liabilities) and revenues (net of estimated uncollectible amounts), when all applicable eligibility requirements, including time requirements, are met.

CASH ADVANCES

Legal Requirements: [2 CFR § 200.305 \(Federal Payment\)](#) and [2 CFR 200 Appendix XI, Compliance Supplement, Part 3-C: Cash Management](#).

Cash advances shall be limited to the minimum amount needed, and shall be requested only to meet actual, immediate cash needs. In the case of a cash advance, the Port will minimize the time elapsed between the transfer of funds from the granting agency and the disbursement of funds for project costs.

Procedures

Responsibility: For federal grants, the Finance Department, in conjunction with the responsible Port Staff and/or the project manager, shall follow procedures to minimize the time elapsing between the transfer of funds from the US Treasury or pass-through entity and disbursement. The Finance Department will monitor interest earned for remitting back to the agency. Note that the Port strongly discourages cash advances unless absolutely necessary. If a cash advance occurs, unless otherwise specified in the grant agreement, interest earned shall be remitted annually to the U.S. Department of Health and Human Services, Payment Management System, P.O. Box 6021, Rockville, MD 20852. Up to \$500 per year may be kept for administrative expenses.

Process

The Finance Department shall:

- Set up an authorized fund to record the advance funds so that interest can be segregated, tracked, and remitted annually unless the exceptions in 2 CFR § 200.305(b)(8) exist.
- Monitor the balance of the authorized fund.
- Ensure the project has that fund coding so expenditures are made to that fund.
- Advise the responsible Port Staff and/or the project manager if the funds are not used expediently with the goal of minimizing the time elapsing between the transfer of funds from the agency and disbursement.

- Report any unused fund balances as restricted cash (in investments and equity) at year-end.

EQUIPMENT AND REAL PROPERTY MANAGEMENT

Legal Requirements: [2 CFR Part 200 Subpart D - Property Standards](#) and [2 CFR 200 Appendix XI, Compliance Supplement, Part 3-F: Equipment and Real Property Management](#).

Equipment means tangible personal property, including information technology systems, having a useful life of more than one year and a per-unit acquisition cost which equals or exceeds the lesser of the capitalization level established by the non-Federal entity for financial statement purposes or \$5,000 (2 CFR §200.1: Definitions). Title to equipment and supplies acquired by a non-Federal entity under grants and cooperative agreements vests in the non-Federal entity subject to certain obligations and conditions (2 CFR § 200.313(a)).

Real property means land (including land improvements) and structures but does not include moveable machinery and equipment (2 CFR § 200.1.). Real property acquired or improved under a federal award will be used only for the authorized purpose. When no longer needed for the authorized purpose, the Port must obtain disposition instructions from the Federal awarding agency or pass-through entity in compliance with 2 CFR § 200.311.

Procedures

Responsibility: The Management Accountant will compile the required documentation for Real Property and Capital assets with acquisition costs of \$5,000 or greater. The Management Accountant shall be responsible for:

- Verify federally funded assets and update the annual fixed asset system.
- Maintaining the documentation for assets with acquisition costs over \$5,000.

If capital assets will be constructed/acquired (in accordance with the Capitalization Policy), have the responsible Port Staff and/or the project manager sign off on the addition into the accounting system.

The Port will not encumber property purchased from grant proceeds without the approval of the Federal awarding agency or pass-through entity. Equipment must be used in the program or project for which it was acquired as long as needed. If needed, the Port will make the equipment available to other projects supported by the granting Federal agency as required in 2 CFR §200.313(c). If the Federal government retains an interest in equipment purchased by a Federal award, the Port will not use the equipment to provide services for a fee less than what a private company would charge unless specifically authorized by the Federal statute.

The Finance Department will maintain the required property records for federally funded assets with acquisition costs of \$5,000 or more in the Great Planes Fixed Asset Module. Property records must include identification of the title holder, a description of the equipment (use, location, and condition), a serial or other identification number, the funding source, the acquisition date, and – if applicable – disposition data.

Process

The Finance Department shall:

- Prepare and distribute the annual inventory listing of federally funded assets for Departmental Staff to confirm. The inventory listings will stagger the federally funded assets over \$5,000 so inventory will confirm each on an annual basis.
- Receive the inventory confirmations from departmental staff and update the asset records as necessary.
- Confirm with Departmental Staff that a physical inventory of Equipment is taken and reconciled with property records at least once every two years.
- Prepare federal reports for Real Property and Equipment owned by the Federal entity.
- Verify Property and Equipment purchased with Federal funds is insured to the equivalent of other Port Property and Equipment.

MATCHING, LEVEL OF EFFORT, EARMARKING

Legal Requirements: Uniform Administrative Requirements for Grants and Cooperative Agreements determined by individual federal awarding agencies, [2 CFR § 200.306 \(Cost Sharing or Matching\)](#), and [2 CFR Part 200 Appendix XI, Compliance Supplement, Part 3-G: Matching, Level of Effort, Earmarking](#).

Matching (or “cost sharing”) refers to a portion of project costs not paid by Federal funds or contributions. Under many Federal programs, the Port is required to provide non-Federal contributions of a specified percentage to match Federal awards. Matching requirements vary per award program. The Port will comply with specific requirements unique to each Federal program which are found in the laws, regulations, and provisions of the contract or grant agreement.

Level of effort refers to requirements for specified levels of service provided from period to period, specified levels of expenditures from Federal or non-Federal sources to be maintained from period to period, and Federal funds that supplement but do not supplant non-Federal funding for services.

Earmarking refers to requirements specifying the minimum and/or maximum amount or percentage of Federal funding that must be used for certain activities.

Procedures

Responsibility: For federal grants, the responsibility for understanding and adhering to Matching, Level of Effort, Earmarking, and Period of Performance requirements of the awards, will be shared between the Director of Finance, the responsible Port Staff, and/or the project manager, and the designated reviewers of each.

Process

The Finance Department, the responsible Port Staff and/or the project manager, and the designated reviewers of each shall:

- Compare expenditures to claimed amounts to ensure that matching, level of effort requirements, and / or earmarking requirements, are met. Verify the costs are necessary and reasonable for accomplishment of the project.

- Verify costs have not been used under another federal award or the proceeds are not included as contributions for another federal award unless otherwise approved by the Federal agency.
- Prepare a Grant Summary for each grant claim providing total awards, budget, and expenditures to date, which is used to track the availability of funds, matching or cost-sharing requirements.
- Report any deviations from the budget or project scope or objective and request prior approval from the Federal awarding agency for budget and program plan revisions.
- Request prior approval from the Federal awarding agency for the following program or budget-related reasons for non-construction Federal awards, unless waived by the Federal awarding agency:
 - Change in scope or objective of the project or program.
 - Change in a key person specified in the application.
 - The disengagement from the project for more than three months or a 25% reduction in time devoted to the project if other than for weather reasons.
 - Any Subpart E costs that require prior approval.
 - Change in participant support costs.
 - The sub-awarding, transferring, or contracting out of any work under the Federal award unless described in the application and funded in the approval of the Federal award.
 - Changes in the amount of approved cost-sharing or matching provided by the non-Federal entity.
- Request prior approval from the Federal awarding agency for the following budget revisions for construction Federal awards, unless waived by the Federal awarding agency:
 - Changes in the scope or the objective of the project or program.
 - The need for additional Federal funds to complete the project.
 - Changes for specific costs.
- Requests for prior approvals will use the same format for budget information that was used in the application unless the Federal awarding agency indicates a letter of request suffices.

PERIOD OF PERFORMANCE

Legal Requirements: Uniform Administrative Requirements for Grants and Cooperative Agreements determined by individual federal awarding agencies, [2 CFR § 200.309 \(Modifications to Period of Performance\)](#), and specific requirements and award conditions set forth in Federal grant agreements and contracts.

Period of Performance means the total estimated time interval between the start of a Federal award and the planned end date. The period of performance may include one or more funded portions or budget periods, such as fiscal years. Periods of performance are identified in Federal award agreements per 2 CFR § 200.211(b)(5).

Procedures

The Port may only charge allowable costs that are incurred during the approved period of performance, unless the Federal agency explicitly authorizes prior costs incurred before the period began.

Process

The Finance Department, the responsible Port Staff and/or the project manager, and the designated reviewers of each shall:

- Review all award documents and program regulations to determine any specific requirements related to the period of performance.
- Review the date of service on all invoices to make sure activities occurred within the grant period of performance, and, if not, get approval from the awarding agency for costs incurred before the grant period of performance.
- At closeout, liquidate all obligations incurred and submit all financial, performance, and other reports as required by the Federal award within 90 days after the end date of the period of performance as specified in the terms and conditions of the Federal award unless the Federal awarding agency approved an extension.

PROCUREMENT, SUSPENSION AND DEBARMENT

Legal Requirements: Uniform Administrative Requirements for Grants and Cooperative Agreements determined by individual federal awarding agencies, and [2 CFR Part 200 Subpart D - Procurement Standards](#).

Procedures

Procurement procedures shall reflect applicable State and Local laws and regulations, provided that the procurements conform to applicable Federal law and the standards identified in 2 CFR § 200.318-326 including the five types of procurement: micro-purchases, small purchases, sealed bids, competitive proposals and non-competitive proposals (sole source items) as described below:

Procurement by micro-purchases (2 CFR § 200.320(a)(1)): This applies to the acquisition of supplies or services, the aggregate dollar amount of which does not exceed the micro-purchase threshold established by 48 CFR § 2.101. Purchases must be distributed among qualified suppliers and may be awarded without competitive quotations if the non-federal entity considers the price to be reasonable.

Procurement under small purchase procedures (2 CFR § 200.320(a)(2)): This applies to the purchase of goods or services with an aggregate cost that does not exceed the 'small purchase procedures' Simplified Acquisition Threshold set by 48 CFR § 2.101 (currently \$250,000). If this methodology is used, price or rate quotations must be obtained from an adequate number of sources (generally 3 to 5).

Procurement by sealed bids (2 CFR § 200.320 (b)(1)): This is applied to purchases or contracts exceeding the Simplified Acquisition Threshold, usually construction projects.

Procurement by competitive proposals (2 CFR § 200.320 (b)(2)): This is usually applied when conditions are not appropriate for the use of sealed bids. RFP documents must be prepared and publicized, and proposals must be solicited from an adequate number of qualified sources (general 3 to 5). To meet RCW

Chapters 39.80 and per 2 CFR § 200.320 (b)(2)(iv) competitive proposal for architectural/engineering (A&E) professional services are evaluated and selected on qualifications only, not price. This method, where price is not used as a selection factor, can only be used in procurement of A/E professional services.

Procurement by non-competitive proposals (2 CFR § 200.320(c)): This is otherwise known as 'sole source' purchasing.

General standards that apply to all five types of procurement:

- The policies surrounding procurement must be documented.
- The procurement must be necessary.
- The procurement must award the contract only to responsible contractors possessing the ability to perform successfully under the terms and conditions of the proposed procurement.
- The procurement must be subject to full and open competition among vendors except in the cases of sole source purchasing and micro-purchases where the price is based on research, experience, or purchase history.
- The procurement cannot present a conflict of interest.

The procurement documents (for example, the Request for Proposals or Request for Quotes) must identify all requirements that the offerors must fulfill and all other factors to be used in evaluating bids or proposals without unduly restricting competition.

Responsibility: The responsible Port Staff and/or the project manager shall follow procedures prescribed in policy to ensure the Port complies with federal requirements for Procurement, Suspension and Debarment and implements the Contract Provisions listed in Appendix II to 2 CFR Part 200, Title 2.

Process

The responsible Port Staff and/or Project Manager shall:

- Ensure that requests for public works contracts, consulting services, and requisitions identify whether the procurement is, or may be potentially, subject to federal requirements.
- Provide the Finance Department with a copy of the grant application and grant award document and any special conditions of the grant.
- Maintain oversight to ensure that contractors perform in accordance with the terms, conditions, and specifications of their contracts or purchase orders.
- Avoid purchases of unnecessary or duplicative items.
- Provide to the Federal awarding agency or pass-through entity the procurement documents stated in 2 CFR § 200.324(a), and 200.324(b) when such situations exist in 2 CFR § 200.325(b)(1)-(5).

SMALL AND MINORITY BUSINESSES, WOMEN'S BUSINESS ENTERPRISES

Legal Requirements: [2 CFR § 200.321 \(Contracting with small and minority businesses, women's business enterprises, and labor surplus area firms\).](#)

Procedures

The Port takes all affirmative steps to use minority businesses and women's business enterprises when possible. The Port places qualified small, minority businesses, and women-owned business enterprises onto its solicitation lists and solicits these firms when they are potential sources of appropriate goods or services.

In determining certified firms in our area, the certified directory on the Office of Minority and Women's Business Enterprises (OMWBE) website is consulted. This directory lists all of the certified disadvantaged, women-owned, minority-owned, and Small Business Enterprise (SBE) firms in our area and is searchable based on business name, business type, location, etc. In addition, all of our concessions agreements require concessionaires to use disadvantaged business enterprises (DBE) firms in good faith, when available.

The Port of Port Angeles has a resolution for a Small Works Roster Procedure. This is pursuant to RCW Chapter 39.04.151-154. The Port also has a resolution for a Professional Services and Personal Services contracts Roster in accordance with RCW Chapters 39.80 and 53.19.

Process

The responsible Port Staff and/or Project Manager shall:

- Solicit small businesses, minority businesses, and women's businesses whenever they are potential sources of goods or services;
- Utilize the statewide Small Works Roster, which includes small businesses, minority businesses, and women's businesses, to advertise contract opportunities;
- Where possible and economically feasible, divide projects into smaller tasks or quantities to encourage maximum participation by small businesses, minority businesses, and women's businesses;
- Require prime contractors, where subcontracts are to be let, to take the above steps to encourage participation by small businesses, minority businesses, and women's businesses.

PROGRAM INCOME

Legal Requirements: [2 CFR § 200.307 \(Program Income\)](#) and [2 CFR 200 Appendix XI, Compliance Supplement, Part 3-J: Program Income](#).

Program Income shall be recorded and used in accordance with program requirements, Uniform Administrative Requirements for Grants (codified in the CFRs for each Federal Department), program regulations, and the provisions of the contract or grant agreement pertaining to the program.

Procedures

Responsibility: For federal grants, the Finance Department, in conjunction with the responsible requesting representative and/or the project manager, shall account for program income in accordance with regulations and agreements.

The responsible Port Staff and/or the project manager who obtained the grant is responsible for ensuring compliance with grant requirements prior to submitting grant claims (reimbursement) on contract(s).

Requirements: Program Income means gross income received by the grantee generated by the grant-supported project activity during the grant period. Except as otherwise provided in the regulations of the federal agency, program income does not include interest on grant funds, rebates, credits, discounts, refunds, etc., and interest earned on any of these. Nor does it include the sale of real property or equipment.

Program income may be used in one of three methods (consult with the granting agency):

- Deduction: Ordinarily, program income shall be deducted from total allowable costs to determine the net allowable cost. Program Income shall be used for current costs.
- Addition: When authorized by the Federal awarding agency, add program income to the funds committed to the grant agreement. Program income shall be used for the purposes of the grant and under the conditions of the grant agreement.
- Cost Sharing: With prior approval from the Federal awarding agency, program income may be used to meet the cost sharing or matching requirement of the grant agreement. The amount of the Federal award remains the same.

Process

The Finance Department and/or the Port Attorney shall:

- Upon receipt of program income or applicable credits, review the laws, regulations, and provisions of the grant agreement applicable to the program and ascertain and apply the requirements for recording and using program income. Consult with the granting agency and the responsible project manager for confirmation, as needed.
- Regularly review accounting records to determine if program income was received during an award's period of performance.

REPORTING

Legal Requirements: [2 CFR Part 200 Subpart D - Performance and Financial Monitoring and Reporting](#) and [2 CFR 200, Appendix XI, Compliance Supplement, Part 3-L: Reporting](#).

Accurate, current, and complete disclosure of the financial results of financially assisted activities must be made in accordance with reporting requirements of the grant or sub-grant.

Procedures

Responsibility: For designated grants, the Director of Finance shall provide accurate, current and complete disclosure of financial results of each grant program in accordance to reporting requirements established in the grant.

For other grants, the responsible Port Staff and/or the project manager who obtained the grant are responsible for ensuring compliance with grant requirements prior to submitting grant claims (reimbursement) on contract(s).

Process

For federal grants, the Finance Department shall assist responsible Port staff with:

- Preparing financial reports as required by the terms of the grant agreement including but not limited to the SF425, SF270, SF271, etc.
- Reviewing all financial reports for compliance with the terms of the grant agreement and alignment with accounting records.
 - Obtaining Grant Recipients Department's signature/approval.
 - Sending Report to Awarding Agency.
 - Filing copy of the completed report and supporting documents.

The responsible Port Staff and/or the project manager shall:

- Submit performance reports to the Federal agency in compliance with the grant requirements using the OMB approved government-wide standard information collections, unless otherwise specified in the grant, in accordance with 2 CFR § 200.328.
- File all other reports related to the grant that are not financial.
- File copy of the report and supporting documents

SUB-RECIPIENT MONITORING

Legal Requirements: [2 CFR Part 200 Subpart D - Performance and Financial Monitoring and Reporting](#) and [2 CFR 200, Appendix XI, Compliance Supplement, Part 3-M: Sub-recipient Monitoring](#).

"Sub-recipient" refers to an entity, usually non-Federal, that receives a sub-award to carry out part of a Federal award. A "sub-award" is an award provided by a pass-through entity to a sub-recipient and does not include payments to a contractor.

The activities of all sub-recipients will be monitored, as necessary, to ensure that federal awards are used for authorized purposes in compliance with laws, regulations, and the provisions of contracts or grant agreements and that performance goals are achieved.

Procedures

Responsibility: The responsible Port Staff and/or the project manager shall provide reasonable assurance that grants are monitored and that funds are expended in ways that meet provisions of pertinent statutes, regulations, agency administrative requirements, relevant OMB circulars (or 2 CFR Part 200 as applicable) and the terms of the award notice, sub-award or agreement.

As part of the monitoring process, the Finance Department (a) evaluate the sub-recipient risk of noncompliance with Federal statutes, regulations, and the terms and conditions of the sub-award to determine the appropriate sub-recipient monitoring (b) ascertain that the sub-recipient has received a Single Audit as required, and obtain a copy of the report from the Federal Clearing House and (c) follow-up to ensure the sub-recipient takes appropriate and timely corrective action to any audit findings (d) issue a management decision for audit findings pertaining to the Federal award (e) provide the non-federal entity an opportunity to object and provide information and documentation challenging any

suspension or termination action and (f) if terminated, the Finance Department will issue a notice of termination to the non-federal entity and the FFATA.

Requirements: In accordance with GASB No. 24, paragraph 5, all cash ***pass-through grants*** received by the Port should be recognized as revenue and expenditures or expenses in its financial statements. Unless the recipient government serves only as a cash conduit, the grant receipts should then be reported in an agency fund.

The Port, as a recipient of funds, serves as a cash conduit if it merely transmits grantor-supplied money without having administrative or direct financial involvement in the program.

The following are examples of administrative involvement.

- Monitors secondary recipients for compliance with program-specific requirements,
- Determines eligible secondary recipients or projects, even if using grantor-established criteria, or
- Has the ability to exercise discretion in how the funds are allocated.

The following are examples of direct financial involvement.

- Finances some direct program costs due to a grantor-imposed matching requirement or
- Is liable for disallowed costs.

Unless the Port serves as a cash conduit in its pass-through federal grants-in-aid funds according to the grant agreement, the Port records cash pass-through grants received as revenue and expenses in its financial statements.

Process

The Finance Manager, in conjunction with the Director of Finance and/or Project Manager, will ensure that sub-awards over \$25K are entered into the Federal Funding and Accountability Transparency Act (FFATA) Sub-award Reporting System (FSRS).

The Finance Manager, in conjunction with the Director of Finance, will ensure that the time elapsing between the transfer of Federal funds to the sub-recipient and the disbursements of such funds for program purposes by the sub-recipient is minimized.

The Finance Manager will verify that the sub-recipients are awarded amounts within the funding limits, and the Director of Finance will approve the awarded amounts.

For sub-recipient grants, the responsibility for verifying the approved application will be shared between the Director of Finance, the responsible Port Staff and/or the project manager and the designated reviewers of each.

The responsible Port Staff and/or the project manager will review the programmatic reports required by the pass-through entity, and the Director of Finance will review the financial reports required by the pass-through entity.

The Finance Manager in conjunction with the Director of Finance and/or Project Manager will, in compliance with 2 CFR § 200.332, ensure that every sub-award is clearly identified to the sub-recipient as a sub-award and includes:

- Federal Award Identification.
 - a. Sub-recipient name (which must match the registered name associated with its unique entity identifier (UEI));
 - b. Sub-recipient's UEI number
 - c. Federal Award Identification Number (FAIN);
 - d. Federal Award Date (see 2 CFR § 200.39 Federal award date);
 - e. Sub-award Period of Performance Start and End Date;
 - f. Amount of Federal Funds Obligated by this action;
 - g. Total Amount of Federal Funds Obligated to the sub-recipient;
 - h. Total Amount of the Federal Award;
 - i. Federal award project description, as required to be responsive to the Federal Funding Accountability and Transparency Act (FFATA);
 - j. Name of Federal awarding agency, pass-through entity, and contact information for awarding official,
 - k. CFDA Number and Name; the pass-through entity must identify the dollar amount made available under each Federal award and the CFDA number at the time of disbursement;
 - l. Indirect cost rate for the Federal award (including if the de Minimis rate is charged per §200.414 Indirect (F&A) costs).
- All requirements imposed by the pass-through entity on the sub-recipient.
- Additional requirements that the pass-through entity imposes on the sub-recipient in order for the pass-through entity to meet its own responsibility to the Federal awarding agency.
- Approved federally recognized indirect rate, if any.
- Appropriate terms and conditions concerning the closeout of the award.
- Requirement that the sub-recipient permit the pass-through entity and auditors to have access to the sub-recipient's records and financial statements as necessary to meet reporting and monitoring requirements.
- Any additional requirement that the pass-through entity imposes.

SPECIAL TESTS AND PROVISIONS

Legal Requirements: [2 CFR 200, Appendix XI, Compliance Supplement, Part 3-N: Special Tests and Provisions](#).

Applicable OMB or Uniform Guidance, agency program regulations, and the terms of direct and indirect grant agreements will be followed. The specific requirements unique to each Federal program are found in the laws, regulations, and provisions of the contract or grant agreement.

Procedures

Responsibility: For designated grants, the responsibility for understanding and adhering to Special Tests and Provisions of the awards will be shared between the Director of Finance, the responsible Port Staff, and/or the project manager and the designated reviewers of each.

Process

The Finance Department shall maintain adequate documentation to support accounting records and documents that permit the tracking of funds to a level of expenditure adequate to establish that funds have not been used in violation of the applicable restrictions of the uses of such funds.

CONFLICT OF INTEREST AND MANDATORY DISCLOSURES

Legal Requirement: [2 CFR § 200.112: Conflict of Interest](#) and [2 § CFR 200.113: Mandatory Disclosures](#).

Procedures

Under 2 CFR § 200.318, recipient organizations are required to address conflicts of interest through written policies that govern the actions of employees who advertise for, select, award, and administer contracts.

Refer to Port of Port Angeles Personnel Policies Document 220 Conflict of Interest Policy and Port of Port Angeles Personnel Policies Document Gifts and Gratuities Policy.

Process

The responsible Port Staff will:

- Disclose, in writing to the Federal awarding agency or pass-through entity, any potential conflict of interest.
- Disclose, in writing to the Federal awarding agency or pass-through entity, any and all violations of Federal criminal law including fraud, bribery, or gratuity violations that potentially affect the Federal award.
- Report civil, criminal, or administrative proceedings to the System for Award Management (SAM).

SINGLE AUDIT REQUIREMENTS

Legal Requirements: Single Audit Act of 1984 and [2 CFR § 200.501: Audit Requirements](#).

An audit, performed in accordance with the Single Audit Act, will be obtained when the Port spends more than \$750,000 in Federal Financial Assistance in a fiscal year.

Procedures

Responsibility: The Finance Department will compile the required documentation for the Single Audit of the Port. The Federal awarding agency or any authorized representative has the right to access any documents, papers, or other records which are pertinent to the Federal award, along with access to the Port's personnel.

Process

The Finance Department shall:

- Prepare the SEFA with notes and grant claims/agreements as supporting documentation.
 - List individual Federal programs by Federal agency and the total expended with the CFDA number and any Federal program loans and interest received. Includes endowment funds, free rent, and non-cash assistance.
 - List Federal awards received as a sub-recipient, the name and identifying number of the pass-through entity, and the total amount provided to sub-recipients.

- Include Notes that describe the significant accounting policies used in preparing the schedule, any loan proceeds outstanding from a loan program, and whether or not the Port has elected to use the 10% de minimis cost rate.
- Reconcile the annual financial statements and general ledger.
- Provide a completed schedule to the responsible requesting representative and/or the project manager for review.
- Procure or arrange for an audit if required.
- Submit the Data Collection Form to FAC within 30 days of the Single Audit being published and/or before September 30th of the following year, whichever is earlier.
- Ensure that the reporting package does not include protected personally identifiable information and take reasonable measures to safeguard protected personally identifiable information and other information the Federal awarding agency or pass-through entity designates as sensitive or the non-Federal entity considers sensitive consistent with applicable Federal, state, and local laws regarding privacy and obligations of confidentiality. The reporting package includes the financial statements and schedule of expenditures of Federal awards, a summary schedule of prior audit findings, an Auditor's report, a corrective action plan, and a management letter issued by the auditor.

FINANCIAL MANAGEMENT

Legal Requirements: Uniform Administrative Requirements for Grants and Cooperative Agreements determined by individual federal awarding agencies, and [2 CFR Part 200 Subpart D – Post Federal Award Requirements](#).

Procedures

Responsibility: The responsibility for understanding and adhering to Financial Management Requirements for federal grants will be shared between the Director of Finance, the responsible requesting representative and/or the project manager and the designated reviewers of each.

The Financial Management System shall contain sufficient detailed information to accurately account for sub-grants and grant awards. Financial transactions must be adequately supported with pertinent documents available for audit.

Process

The Director of Finance shall:

- Review contract or grant agreement for designated grants.
- Upon request, meet with the responsible requesting representative and/or the project manager to determine reporting and cost-tracking needs. All transactions must be recorded in a way that readily permits them to be traced from originating documents through summary records and financial reports.
- Determine if the revenue stream will be operating, non-operating, or capital.

- If capital and Port assets will be constructed/acquired (in accordance with the Capitalization Policy), have the finance department set up the General Ledger for proper tracking of assets. This is in compliance with 2 CFR § 200.501 Subpart F – Audit Requirements.

All responsible parties, including responsible Port Staff and the Finance Department, will maintain a spreadsheet that lists what has been done with the grant agreement, when, and where the documentation is located.

LINKS TO DOCUMENTS

Uniform Administrative Requirements (Uniform Guidance) Chapter 2 of the Code of Federal Regulations (2 CFR 200) Subparts A through F.

<https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200>

2 CFR 200 Appendix XI, Compliance Supplement

<https://www.whitehouse.gov/omb/office-federal-financial-management/current-compliance-supplement/>



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Board of Commissioners
Connie Beauvais, President
Colleen McAleer, Vice President
Steven Burke, Secretary
Executive Director
Paul Jarkiewicz

September 10, 2024

RE: Support for Chehalis-Centralia Airport's Charging and Fueling Infrastructure (CFI) Grant Application

To Whom It May Concern:

The Port of Port Angeles strongly supports the Chehalis-Centralia Airport's FY2025 USDOT Charging and Fueling Infrastructure grant application for electric charging infrastructure at small, rural airports across western Washington State. As the operator of William R. Fairchild International Airport (FIA) in Port Angeles, WA, the Port is excited to participate in this regional effort to reduce aviation facility emissions and provide better connectivity between rural and urban hub airports.

The City of Chehalis' application presents a unique opportunity to electrify landside and airside operations at FIA and other partner airports. The proposed chargers will be capable of serving both electric vehicles (airport support and airport customer vehicles) and electric aircraft. FIA is 70 miles from the Seattle-Tacoma International Airport (SeaTac), Washington's busiest airport, ideally located for electric aircraft flights. By addressing both vehicle and aircraft needs, this proposal maximizes participating airports' emission reductions and opens the door to more sustainable connections between rural and urban areas.

Electric charging infrastructure will move the Port closer to its sustainability goals. In recent years, the Port has worked closely with Clallam County, the City of Port Angeles, and the Puget Sound Emissions Inventory to identify and reduce sources of Port emissions. Charging infrastructure at FIA will reduce airport emissions and enable the Port to connect the Olympic Peninsula to a growing sustainable aviation network.

The Port's role in this project will be to act as the Project Manager for the site at FIA. In this role, we will work closely with Chehalis-Centralia Airport and the Aviation Planning Group to complete the project as specified.

This grant would allow a coalition of Washington airports to provide fast and efficient multi-modal charging infrastructure, attract new businesses, create new revenue streams, and prepare for the future of sustainable aviation. The Port urges strong consideration of this application for its contributions to regional connectivity and emissions reductions, which will, in turn, improve air quality for citizens across Western Washington.

Sincerely,

Connie Beauvais
Commissioner
Port of Port Angeles

Steven Burke
Commissioner
Port of Port Angeles

Colleen McAleer
Commissioner
Port of Port Angeles

WE BRING PEOPLE, RESOURCES AND INDUSTRY TOGETHER TO FOSTER LIVING WAGE JOBS

Future Agenda Items –Commission Meeting

9/10/2024

September 24, 2024 (Regular Commission Meeting)

- 9:00 Time Specific – Audit Exit Meeting
- August Financial Report
- Monthly Cash & Investment Report
- Strategic Plan Review
- 2024 Operating Budget Assumptions
- IFC ACI Boats Term Lease

October 8, 2024 (Regular Commission Meeting)

- Monthly DofA Report
- Operating Budget Highlights

October 22, 2024 (Regular Commission Meeting)

- September Financial Report
- Monthly Cash & Investment Report
- Strategic Plan Review
- 3rd Quarter Operations Report
- Introduce Operating Budget

October 26, 2024 (Special Commission Meeting)

- 2025 Budget & Tax Levy

November 12, 2024 (Regular Commission Meeting)

- Monthly DofA Report

November 26, 2024 (Regular Commission Meeting)

- October Financial Report
- Monthly Cash & Investment Report
- Strategic Plan Review
- Treasurer Resolution Update

Upcoming Events/Announcements

- Sep. 18-20 – WPPA Environmental Seminar (Walla Walla, WA)
- Nov. 12-14 – International Workboat Show (New Orleans, LA)
- Nov. 20-22 - Pacific Marine Expo (Seattle, WA)
- Dec. 11-13 – WPPA Annual Meeting (Bellevue, WA)

Future

- Boatyard and Marina Rules & Regulations
- Port Emergency Response Plans and Activities
- Employee Handbook Update and Resolutions