



# City of Grand Island

Monday, March 26, 2012

Council Session

## Item G12

**#2012-82 - Approving the Adoption of the Resolution to Comply with Local Public Agency Guidelines Manual by Updating the Financial Management Systems Certification**

Staff Contact: John Collins, Public Works Director

# Council Agenda Memo

**From:** Terry Brown, Manager of Engineering Services

**Meeting:** March 26, 2012

**Subject:** Approving the Adoption of the Resolution to Comply with Local Public Agency Guidelines Manual by Updating the Financial Management Systems Certification

**Item #'s:** G-12

**Presenter(s):** John Collins, Public Works Director

## Background

Grand Island is a Local Public Agency (LPA) in the State of Nebraska receiving federal transportation funding from the Federal Highway Administration (FHWA). FHWA federal transportation funds are limited to Roadway, Bridge, and Trail Projects. As a sub-recipient of federal transportation funding, the City of Grand Island is charged with the responsibility of spending these funds in accordance with Federal and State law. The Nebraska Department of Roads (NDOR) administers these funds under guidelines in the NDOR's Local Projects Agency (LPA) Manual.

There are a number of requirements to comply with the NDOR's LPA Manual. The City completed one of the steps by agreeing to comply with the requirements of the Nebraska Department of Road's (NDOR'S) LPA Manual by passing a resolution at the October 27, 2009 council meeting.

The NDOR stipulated that LPAs receiving federal transportation funds adopt a resolution agreeing to comply with the requirements of the LPA Guidelines Manual, specifically for the following procedures:

- Consultant selection process
- National Environmental Policy Act (NEPA)
- Uniform Relocation Assistance and Real Property Acquisition Policies Act (Uniform Act)
- Financial Management Systems (certification attached to resolution)

## **Discussion**

With the permanent appointment of Jaye Monter as the City's Finance Director it is now necessary to update Resolution No. 2009-284 to reflect this change in responsibility and stay in compliance with the LPA Guidelines Manual.

## **Alternatives**

It appears that the Council has the following alternatives concerning the issue at hand. The Council may:

1. Move to approve
2. Refer the issue to a Committee
3. Postpone the issue to future date
4. Take no action on the issue

## **Recommendation**

City Administration recommends that the Council approve a resolution, designating Jaye Monter, City Treasurer/Finance Director, as the individual authorized to sign the Financial Management Systems Certification.

## **Sample Motion**

Move to approve the adoption of the resolution and authorize the City Treasurer/Finance Director to sign the Financial Management Systems Certification.



Adopted by the City Council of the City of Grand Island, Nebraska, March 26, 2012.

The City Council of the CITY OF GRAND ISLAND

Randy Gard	Robert Niemann
Peg Gilbert	Scott Dugan
Kirk Ramsey	Linna Dee Donaldson
Larry Carney	Mitch Nickerson
Chuck Haase	John Gericke

Council Member \_\_\_\_\_  
Moved the adoption of said resolution  
Member \_\_\_\_\_ Seconded the motion  
Roll Call: \_\_\_Yes \_\_\_No \_\_\_Abstained \_\_\_Absent  
Resolution adopted, signed and billed as adopted

\_\_\_\_\_  
Jay Vavricek, Mayor

Attest:

\_\_\_\_\_  
RaNae Edwards, City Clerk



## LOCAL PUBLIC AGENCY (LPA)

### FINANCIAL MANAGEMENT SYSTEMS CERTIFICATION

#### ATTACHMENT

Name of Local Public Agency      THE CITY OF GRAND ISLAND

Date: March 26, 2012

#### **Additional Financial Management System Requirements**

A. The LPA is responsible for maintaining an adequate financial management system and will immediately notify the NDOR when the LPA can no longer comply with the requirements established below.

B. The LPA's financial management system shall provide for:

Financial Reporting: The LPA must maintain accurate, current and complete disclosure of the results of the financial audits of Federal financially-assisted activities in conformity with generally accepted principles of accounting, and reporting in a format that is in accordance with the financial reporting requirements of the Federal-aid program.

Accounting Records: The LPA must maintain records that adequately identify the source and application of funds for Federal financially-assisted activities. These records must contain information pertaining to Federal financial assistance and authorizations, project expenditures to date and the project funds remaining and available to pay for future expenditures. The LPA agrees to grant NDOR and FHWA access to these records immediately upon request.

Internal Control: The LPA must maintain effective internal and accounting controls over all funds, property and other assets. The LPA shall adequately safeguard all such assets and assure that they are used solely for authorized purposes.

Budget Control: The LPA will maintain records for Federal financial assistance that compares actual expenditures or outlays with budgeted amounts. Financial information must be related to performance and productivity data including the development of unit cost information.

Allowable Cost: The LPA must have procedures for determining whether costs are reasonable, allowable, and allocable; consistent with State and Federal requirements.

Source Documentation: The LPA must maintain, or cause to be maintained, the source documentation for its accounting records.

C. The NDOR will periodically review the adequacy of the financial management system of any applicant for financial assistance, as part of a pre-award review or at any time during the Federal-aid project. If NDOR determines that the LPA's accounting system does not meet the standards described in paragraph B above, the NDOR will require remedial action by the applicant to maintain eligibility for federal assistance. Failure to comply with any requirements imposed by the NDOR may result in sanctions as identified in Chapter 15 of the LPA Guidelines Manual.