

## yvonne ramon

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**From:** Dan Glotzer [DGlotzer@sos.state.tx.us]  
**Sent:** Wednesday, May 12, 2010 5:54 PM  
**To:** undisclosed-recipients:  
**Subject:** HAVA Supplemental Funding

**Follow Up Flag:** Follow up  
**Flag Status:** Flagged

Additional HAVA funding has been made available to your county under the existing General HAVA Compliance grant awarded to your county. The updated terms and conditions of the grant award agreement must be agreed to by the authorized official for the county (county judge) when submitting a budget via the online grant system located at <https://hava.tamu.edu/>. The online grant system has also been updated with the new grant award amount. All users have access to view current approved budgets and reimbursements, but only the county judge has access to submit budgets, including grant adjustments. Upon approval by the Secretary of State's Office, the county financial officer (the county auditor or treasurer, depending on the county) has access to request reimbursement against the approved budget. If you don't have a user ID and password, please email [hava@sos.state.tx.us](mailto:hava@sos.state.tx.us).

The highlights of the amended terms and conditions of the grant award agreement are as follows:

- The General HAVA Compliance grant has been expanded to allow for costs previously eligible under the TEAM Compatibility grant.
- Military Overseas Voters Empowerment ("MOVE") Act costs will be eligible under General HAVA Compliance pending an implementation plan from the state. Details will be forthcoming.
- The General HAVA Compliance and County Education Fund grants have been extended through December 31, 2011.

For more information about the additional funding as well as other HAVA grant-related resources, please refer to the HAVA section of the Secretary of State's website at <http://www.sos.state.tx.us/elections/hava/index.shtml>. On the [HAVA Grant Award Terms & Conditions](#) page you'll find the following important documents:

- A memo from Secretary Andrade dated May 11, 2010 that outlines the details of the additional funding.
- The amended terms and conditions of the grant award agreement.
- The supplemental funding awarded to each county.

As a reminder, the following grants have expired and are no longer available: 1) Voting System Accessibility, 2) TEAM Compatibility, 3) Polling Place Accessibility, and 4) Opportunity for Access.

Also be reminded that certain requirements may still apply to grants that have expired. For example, property management requirements remain in effect (e.g., inventory lists for the equipment, including disposition information). Additionally, the EAC may still require the reporting of various data, such as program income. Program income is defined as gross income received from a grant-supported activity during the grant period and includes items such as fees from the use or rental of voting systems acquired with grant funds.

If you need assistance, or if you have questions, please call toll-free at 1.800.252.8683 or email [elections@sos.state.tx.us](mailto:elections@sos.state.tx.us)—we are here to help you, to answer questions, and to make the grant process as easy as possible.

- Note - In order to submit a budget for voting equipment, the county will have to select from a list of Texas-certified voting systems. Consequently, counties are advised to submit a budget to the SOS for voting equipment ONLY if the county has determined the voting system it will be purchasing. However, this should not prevent a county from submitting a budget for other HAVA-eligible costs (e.g., travel and training costs eligible under the County Education Fund). In addition, a county may submit a partial budget and reallocate the balance as future needs arise. For example, a county may submit a budget under the County Education Fund for a certain number of training events, submit it to the SOS for approval, and then add additional line items at a later date as new training opportunities arise.
- Assuming the necessary documents have been submitted (i.e., the original grant award agreement, the required resolution, and the recent amendment), the budget is approved by the Secretary of State's Office. It is important to submit the budget as soon as the county knows what system, including the components, it will be purchasing because the county cannot request reimbursement from SOS until SOS approves the budget (see next step).
- After SOS approves the budget and the county is invoiced for goods or services received and releases payment to the vendor, the county financial officer (the county auditor or treasurer, depending on the county) has access to request reimbursement against the approved budget. Counties are encouraged to time the payment to the vendor with its reimbursement request to SOS as closely as possible to minimize any cash flow issue.
  - The county has the discretion to define release of payment as the agency obligation or encumbrance of the funds such as a purchase order or other document authorizing payment. Consequently, the county can request funding from SOS when they have "officially" obligated the funds and been billed (invoiced) for goods or services received, but that doesn't necessarily mean that county funds must have been disbursed prior to drawing down the funds from SOS.
- 5. If you need assistance, or if you have questions, please call Dan Glotzer or Jennifer Holliman toll-free at 1.800.252.8683 or email [dglotzer@sos.state.tx.us](mailto:dglotzer@sos.state.tx.us) or [jholliman@sos.state.tx.us](mailto:jholliman@sos.state.tx.us)—we are here to help you, to answer questions, and to make this process as easy as possible.

**Other Regulations Not Mandated by the Grant Program But Are Mandated by Statute:**

1. Before a newly acquired voting system may be used, the commissioners court must first adopt it for use in county elections by resolution, order, or other official action. Tex. Elec. Code Ann. § 123.001(a) (Vernon 2003).
2. After the court has adopted the new system, it must be submitted for preclearance with the U.S. Department of Justice (DOJ) under Section 5 of the Voting Rights Act. This process entails submitting a copy of the order adopting the new system along with a cover letter that:
  - a) Includes a name, title, mailing address, and telephone number of the person making the submission for any questions DOJ might have;
  - b) States the reason for the change (to comply with the requirements of Section 301(a)(3)(B) of the Help America Vote Act); and,
  - c) Includes a statement that the change will not affect members of any racial or linguistic minority differently from the way the general public is affected and does not have the intent and will not have the effect of diluting the voting strength of any racial or linguistic minority.
3. If you have previously submitted a voting system for preclearance, you should submit a copy of DOJ's preclearance letter or refer to their file number and date of preclearance in your cover letter.

# The State of Texas



Elections Division  
P.O. Box 12060  
Austin, Texas 78711-2060  
www.sos.state.tx.us

Phone: 512-463-5650  
Fax: 512-475-2811  
TTY: 7-1-1  
(800) 252-VOTE (8683)

The Office of  
The Secretary of State

## **HELP AMERICA VOTE ACT GRANT AWARD AGREEMENT** **AS AMENDED 5/7/2010**

**Note: County-specific information (i.e., name and award amounts) have been omitted from the following version of the terms and conditions set forth in the grant award agreements between Texas Counties and the Office of the Secretary of State pursuant to Title 1, Section 101 (CFDA No. 39.011) and Title II, Section 251 (CFDA No. 90.401) of the Help America Vote Act (HAVA), Public Law 107-252, October 29, 2002; 42 U.S.C. 15301. This document is for reference purposes and should not be signed.**

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## **Part A – General**

### **SECTION 1. AUTHORITY**

- 1.1. This agreement is made by COUNTY (“COUNTY”) to the STATE OF TEXAS, OFFICE OF THE SECRETARY OF STATE (“SOS”) and is authorized pursuant to Title 1, Section 101 (CFDA No. 39.011) and Title II, Section 251 (CFDA No. 90.401) of the Help America Vote Act (HAVA), Public Law 107-252, October 29, 2002; 42 U.S.C. 15301. This agreement encompasses the original grant award agreement issued on September 14, 2004 (“ORIGINAL AWARD AGREEMENT”) and all subsequent grant award agreement amendments.

### **SECTION 2. SOURCE**

- 2.1. The funding identified in this agreement is federal funding from (federal) fiscal year 2003, 2004, 2008, and 2009 appropriated funds with applicable state match coming from 2004/2005, 2006/2007, 2008/2009, and 2010/2011 (state) fiscal year appropriated funds:
  - 2.1.1. Title I, Section 101 – 100% federal (see Section 6.1 of this agreement for purpose area).
  - 2.1.2. Title II, Section 251 – 95% federal / 5% state (see Section 6.2 of this agreement for purpose areas).

### **SECTION 3. APPLICABILITY**

- 3.1. The terms and conditions set forth in this agreement apply to and must be adhered to by the COUNTY referenced in Section 1 of this agreement.

### **SECTION 4. ADOPTIONS BY REFERENCE**

- 4.1. Although the SOS has attempted to highlight the most relevant rules and guidelines through this agreement, the COUNTY must abide by the applicable Office of Management and Budget (OMB) Circulars and the Uniform Grant Management Standards (UGMS) adopted pursuant to the Uniform Grant and Contract Management Act of 1981, Chapter 783, Texas Government Code (see Texas Administrative Code Title 1, Part 1, Chapter 5, Subchapter A, Division 4, §§5.141 - 5.167).
- 4.2. UGMS incorporates the relevant OMB Circulars as outlined below:
  - 4.2.1. Cost Principles for State and Local Governments and Other Affected Entities (Chapter II of UGMS, which incorporates OMB Circular A-87).
  - 4.2.2. State Uniform Administrative Requirements for Grants and Cooperative Agreements (Chapter III of UGMS, which incorporates OMB Circular A-102 and “Common Rule”, Administrative Requirements, 53 FR 8087, March 11, 1988).
  - 4.2.3. State of Texas Single Audit Circular (Chapter IV of UGMS, which incorporates OMB Circular A-133).
- 4.3. The OMB Circulars can be found at <http://www.whitehouse.gov/omb/circulars/> and UGMS can be accessed through the Governor’s Office website at <http://www.governor.state.tx.us/>.

### **SECTION 5. GRANT OFFICIALS**

- 5.1. Authorized Official – The COUNTY judge must serve as the authorized official for the COUNTY and must be designated as such in the resolution (see Section 13.1.4 of this agreement). The authorized official has signing authority on behalf of the COUNTY and is responsible for ensuring the necessary forms are submitted through the Texas HAVA online grant system (see Section 14 of this agreement).
- 5.2. Election Official(s) – The COUNTY election official(s) include the executive officer(s) of the offices(s) responsible for conducting elections and maintaining the voter registration list in the COUNTY (e.g., the elections administrator or the county clerk and/or voter registrar). The

election official(s) of the COUNTY must be consulted and concur with all expenditures pursuant to this agreement (see Section 13.1.1 of this agreement).

- 5.3. Financial Officer – The COUNTY auditor or treasurer must serve as the financial officer for the county. The financial officer is responsible for establishing and maintaining financial records to accurately account for funds awarded to the COUNTY. These records shall include both federal funds and all matching funds of state and local organizations, when applicable. The financial officer is also responsible for requesting payments through the Texas HAVA online grant system (see Section 17 of this agreement).

## **SECTION 6. FUNDING PURPOSE AREAS**

### **6.1. County Education Fund**

- 6.1.1. These funds are to be used for reimbursement of costs incurred as a result of attending professional election training such as conferences and seminars.
- 6.1.2. Expenditures under this fund may be incurred by the offices(s) of the COUNTY election official(s) as defined in Section 5 of this agreement. If the election duties are split between more than one office (e.g., the county clerk and voter registrar), funding must be made available and expended in consultation and agreement between the offices.

### **6.2. General HAVA Compliance**

- 6.2.1. Upgrading voting systems to comply with new federal standards.
- a) Funds may be used for reimbursement of costs incurred as a result of purchasing equipment or software consistent with Section 9 of this agreement.
  - b) Funds may be used for reimbursement of costs for maintenance and storage of voting equipment purchased pursuant to this agreement.
- 6.2.2. Acquiring an accessible voting system in each polling place.
- a) These funds are to be used for reimbursement of costs incurred as a result of acquiring a HAVA-compliant accessible voting system in each polling location.
  - b) This requirement may be met by having at least one accessible direct recording electronic voting system (“DRE”) or other system equipped for individuals with disabilities at each polling place.
- 6.2.3. Voter education – Funds may be used for reimbursement of costs incurred as a result of educating voters on the following:
- a) How to verify/review selections before casting the vote.
  - b) How to change or correct any error on the ballot before casting the vote.
  - c) How to avoid over-voting.
  - d) How individuals with disabilities, including non-visual accessibility for the blind and visually impaired, can access the voting system in a manner that provides the same opportunity for privacy and independence as other voters.
  - e) How the county’s voting system provides alternative language accessibility pursuant to the requirements of Section 203 of the Voting Rights Act of 1965.
  - f) What constitutes the uniform definition of the voting system(s) in use in the county.
  - g) How to vote a provisional ballot, including written information on how the voter can ascertain whether his or her vote was counted, and if not counted, the reason given.
- 6.2.4. Voter education – Funds may be used for reimbursement of costs incurred as a result of producing the following information to be posted at each polling place on the day of an election:
- a) A sample version of the ballot that will be used for that election.

- b) Information regarding the date of the election and the hours during which polling places will be open.
- c) Instructions on how to vote, including how to cast a vote and how to cast a provisional ballot.
- d) Instructions for mail-in registrants and first-time voters under Section 303(b) of HAVA.
- e) General information on voting rights under applicable Federal and State laws, including information on the right of an individual to cast a provisional ballot and instructions on how to contact the appropriate officials if these rights are alleged to have been violated.
- f) General information on federal and state laws regarding prohibitions on acts of fraud and misrepresentation.

6.2.5. Election worker education – Funds may be used for reimbursement of costs incurred as a result of educating election workers on the following:

- a) How a voter verifies/reviews selections before casting the vote.
- b) How a voter changes or corrects any error on the ballot before casting the vote.
- c) How a voter avoids over-voting.
- d) How individuals with disabilities, including non-visual accessibility for the blind and visually impaired, can access the voting system in a manner that provides the same opportunity for privacy and independence as other voters.
- e) How the county’s voting system provides alternative language accessibility pursuant to the requirements of Section 203 of the Voting Rights Act of 1965.
- f) What constitutes the uniform definition of the voting system(s) in use in the county.
- g) Provisional voting procedures.

6.2.6. TEAM Compatibility – Funding may be used to acquire equipment, software, supplies, and contractual services, such as Internet service provider fees, to integrate with the official list of registered voters maintained by the Secretary of State, known as the Texas Election Management System (“TEAM”). The following are the basic technical specifications:

- a) Broadband connection to the Internet.
- b) Baseline PC configuration for TEAM is:  
PC - 512MB RAM, 40GB disk  
Medium resolution monitor  
Acrobat Reader 6.0 or better  
Microsoft Internet Explorer 6.x web browser  
Windows 2000, Windows XP Professional or more recent operating system
- c) Laser printers are recommended; however, all files will be output in a PDF format so the COUNTY can configure the setup. Printer recommendation is:  
Low-volume printer (A larger COUNTY might want to obtain a high-volume printer).  
Printers must be able to handle 8.5X11 or 8.5X14 paper size.
- d) Certificates, notices and several reports will have the option to print a bar code for easier retrieval of the voter information in TEAM. The following is the bar code reader specification:  
Bar code readers must be able to process the bar code font of: IDAutomationC39XS (72, 48, 36, 28, 26, 24, 22, 20, 18, 16, 14, 12, 11, 10, 9 and 8 pt available).

- 6.2.7. The COUNTY may use the funding to attend TEAM Training specific to voter registration or election management functionality; however, the COUNTY is encouraged to first utilize the HAVA County Education Fund that has already been awarded to the COUNTY through a separate award agreement. Expenditures under this fund may be incurred by the offices(s) of the COUNTY election official(s) as defined in Section 5 of this agreement.
- 6.2.8. Effective November 2, 2010 the Military Overseas Voters Empowerment (MOVE) Act Compliance requires changes to the way military an overseas voters may register and vote in federal elections in an effort facilitate the entire process for this population of voters who face unusual obstacles in voting. The COUNTY may use the funding for activities consistent with the requirements set forth in the MOVE Act pursuant to adoption of State Administrative Rules and compliance with any applicable requirements imposed by the US Election Assistance Commission ("EAC").

## **SECTION 7. ELIGIBLE FUNDING BY PURPOSE AREA**

- 7.1. Each allotment of funding outlined below will have its own budget and grant period and must be accounted for separately in the Texas HAVA online grant system, as well as the COUNTY accounting records:
  - 7.1.1. County Education Fund – Refer to Texas HAVA online grant system for amount.
  - 7.1.2. General HAVA Compliance – Refer to Texas HAVA online grant system for amount.

## **SECTION 8. VOTING SYSTEM DEADLINE**

- 8.1. Effective January 1, 2006, precincts within the requesting county cannot use a punch card or lever voting system for an election.
- 8.2. Effective January 1, 2006, each polling place within the requesting county must have a voting system that will be accessible for individuals with disabilities, including non-visual accessibility for the blind and visually impaired, in a manner that provides the same opportunity for privacy and independence as other voters.

## **SECTION 9. VOTING MACHINE STANDARDS**

- 9.1. The COUNTY ensures all voting systems comply with the following:
  - 9.1.1. Permit voter to verify/review selections before casting the vote.
  - 9.1.2. Allow voter to change or correct any error on the ballot before casting the vote.
  - 9.1.3. Prevent or alert voter if he/she over-votes on the ballot.
  - 9.1.4. Produce a permanent paper record with a manual audit capacity.
  - 9.1.5. Be accessible for individuals with disabilities, including non-visual accessibility for the blind and visually impaired, in a manner that provides the same opportunity for privacy and independence as other voters. (This requirement may be met by having at least one DRE or other system equipped for individuals with disabilities at each polling site.)
  - 9.1.6. Provide alternative language accessibility pursuant to the requirements of Section 203 of the Voting Rights Act of 1965.
  - 9.1.7. Ensure error rates (machine errors only) do not exceed the Federal Election Commission or Election Assistance Commission standards.
  - 9.1.8. Maintain consistency with the uniform definition of what constitutes a vote for each voting system in use in the state.
  - 9.1.9. Title 8 of the Texas Election Code.

## **SECTION 10. PAPER AND CENTRAL COUNT VOTING SYSTEMS**

- 10.1. A COUNTY that uses a paper ballot voting system or a central count voting system (including mail-in absentee ballots and mail-in ballots), may meet the requirements in Section 9 of this agreement by--
  - 10.1.1. Establishing a voter education program specific to that voting system that notifies each voter of the effect of casting multiple votes for an office; and
  - 10.1.2. Providing the voter with instructions on how to correct the ballot before it is cast and counted (including instructions on how to correct the error through the issuance of a replacement ballot if the voter was otherwise unable to change the ballot or correct any error).
- 10.2. This Section does not in any manner eliminate the requirement of Section 8.2 of this agreement, which requires that each polling place must have at least one accessible voting system effective January 1, 2006.
- 10.3. The voting system shall ensure that any notification required under this Section preserves the privacy of the voter and the confidentiality of the ballot.

## **SECTION 11. STATE VOTING SYSTEM CERTIFICATION**

- 11.1. As a condition of funding and pursuant to Section 123.035 of the Election Code, any contract for the acquisition of voting system equipment executed on or after September 1, 2003 must be in writing and be approved by the SOS as to compliance of the voting system and voting system equipment with the applicable requirements.
  - 11.1.1. A copy of the relevant portions of the contract containing only the identifying information that the SOS needs to determine whether the version of the system and equipment being acquired under the contract complies with the applicable requirements must be submitted to the SOS.
- 11.2. Pursuant to Section 11.1 of this agreement, the COUNTY may not request reimbursement unless it has received a letter from the state confirming that the voting system and voting system equipment being acquired under the contract satisfies the applicable requirements for approval.
- 11.3. If the COUNTY utilizes a term contract through the Texas Building and Procurement Commission, the requirements described in Section 11.1 may be satisfied by submitting a copy of the purchase order via fax or mail to the Secretary of State's Office:

Voting System Contract Verification  
Elections Division  
Texas Secretary of State  
P.O. Box 12060  
Austin, Texas 78711-2060  
512-475-2811 (fax)

## **Part B – Pre-Award Requirements**

### **SECTION 12. GRANT AWARD PROCESS**

- 12.1. The grant award will be comprised of the following:
  - 12.1.1. ORIGINAL AWARD AGREEMENT signed by the county judge and the secretary of state, which is on file with the Secretary of State.
  - 12.1.2. The resolution described in Section 13 of this agreement, which is on file with the Secretary of State.
  - 12.1.3. Satisfactory completion of the forms described in Section 14 of this agreement.

- 12.1.4. AMENDMENT 1 signed by the county judge and the secretary of state, which is on file with the Secretary of State.
- 12.1.5. Any electronic transactions executed through the Texas HAVA Online Grant System, including grant adjustments, grant amendments, and supplemental awards.

**SECTION 13. RESOLUTION FROM THE GOVERNING BODY**

- 13.1. The resolution from the COUNTY's governing body on file with the Secretary of State includes, at a minimum, the following:
  - 13.1.1. \_\_\_\_\_ Commissioners Court has agreed that the expenditure of the funds in accordance with any agreement between \_\_\_\_\_ County and the State of Texas, Office of the Secretary of State pursuant to Title 1, Section 101 and Title II, Section 251 of the Help America Vote Act (HAVA), Public Law 107-252, October 29, 2002; 42 U.S.C. 15301 shall be, or, in the case of retroactive payments, was in consultation and agreement with the county election official(s) and the county financial officer of \_\_\_\_\_ County.
  - 13.1.2. The \_\_\_\_\_ County election official(s) include the following:  
(The office of the officials must be listed out – e.g., the elections administrator, the county clerk, the voter registrar, etc. The actual names of the officeholders do not need to be listed.)
  - 13.1.3. \_\_\_\_\_ Commissioners Court has agreed that in the event of loss, misuse, or noncompliance pursuant to any grant award agreement with the Secretary of State, \_\_\_\_\_ Commissioners Court assures that the funds will be returned to the Office of the Secretary of State in full.
  - 13.1.4. \_\_\_\_\_ Commissioners Court has agreed that the county judge will serve as the COUNTY authorized official. The authorized official is the signing authority on behalf of the COUNTY.
- 13.2. The resolution on file with the Secretary of State is signed by the COUNTY election official(s) and the COUNTY financial officer as defined in Section 5 of this agreement.

**SECTION 14. FORMS FOR APPLYING FOR GRANT FUNDING**

- 14.1. The COUNTY must use forms prescribed by the SOS through the Texas HAVA online grant system.
  - 14.1.1. The forms will require the COUNTY to provide the following information:
    - a) Basic county information.
    - b) Grant official confirmation.
    - c) Proposed activities per purpose area.
    - d) A budget for each purpose area.
- 14.2. The SOS reserves the right to require additional information as needed.

**SECTION 15. CERTIFIED ASSURANCES**

- 15.1. By signing this agreement and as the duly authorized representative of the COUNTY, the county judge certifies that the COUNTY:
  - 15.1.1. Complies with the required assurances listed in Chapter III (State Uniform Administrative Requirements for Grants and Cooperative Agreements), Subpart B, Section 14 of the Uniform Grant Management Standards.
  - 15.1.2. Will not construe the availability of these funds to authorize or require conduct prohibited under any of the following laws, or to supersede, restrict, or limit the application of such

laws: the Voting Rights Act of 1965 (42 U.S.C. 1973 et seq.); the Voting Accessibility for the Elderly and Handicapped Act (42 U.S.C. 1973ee et seq.); the Uniformed and Overseas Citizens Absentee Voting Act (42 U.S.C. 1973ff et seq.); the National Voter Registration Act of 1993 (42 U.S.C. 1973gg et seq.); the Americans with Disabilities Act of 1990 (42 U.S.C. 12101 et seq.); and the Rehabilitation Act of 1973 (29 U.S.C. 701 et seq.).

- 15.1.3. Will allow the SOS, the Comptroller General of the United States, the State Auditor's Office, any successor agency, or duly authorized representative to audit or investigate the expenditure of funds under this agreement. The COUNTY further agrees to cooperate fully with the audit or investigation, including providing all records requested such as papers, or documents related to the award; and will establish a proper accounting system in accordance with generally accepted accounting standards or agency directives. The COUNTY will ensure that this clause concerning the authority to audit or investigate state funds received indirectly by subcontractors through the COUNTY, along with the requirement to cooperate, is included in any subcontract it awards.
- 15.1.4. Will obtain the required financial and compliance audits in accordance with the Single Audit Act Amendments of 1996 and OMB Circular No. A-133, "Audits of States, Local Governments, and Non-Profit Organizations".
- 15.1.5. Will comply with federal retention requirements of maintaining records for at least three years following the submission of the final expenditure report. If any litigation, claim, negotiation, audit or other action involving the records has been started before the expiration of the 3-year period, the records must be retained until completion of the action and resolution of all issues which arise from it, or until the end of the regular 3-year period, whichever is later.
- 15.1.6. Will comply with all applicable requirements of all other Federal laws, executive orders, regulations, and policies governing this program – including the Uniform Grant Management Standards published by the Texas Governor's Office of Budget and Planning and applicable OMB Circulars.

## **Part C – Post-Award Requirements**

### **SECTION 16. FINANCIAL MANAGEMENT STANDARDS**

- 16.1. The financial management system of the COUNTY must meet the following standards:
  - 16.1.1. Financial reporting. Accurate, current, and complete disclosure of the financial results of financially assisted activities must be made in accordance with the financial reporting requirements of the grant award.
  - 16.1.2. Accounting records. The COUNTY must maintain records which adequately identify the source and application of funds provided for financially-assisted activities. These records must contain information pertaining to grant awards and authorizations, obligations, un-obligated balances, assets, liabilities, outlays or expenditures, and income.
  - 16.1.3. Internal control. Effective control and accountability must be maintained for all grant award cash, real and personal property, and other assets. The COUNTY must adequately safeguard all such property and must assure that it is used solely for authorized purposes.
  - 16.1.4. Budget control. Actual expenditures or outlays must be compared with budgeted amounts for each grant award. Financial information must be related to performance or productivity data, including the development of unit cost information whenever appropriate or specifically required in the grant award agreement. If unit cost data are required, estimates based on available documentation will be accepted whenever possible.
  - 16.1.5. Allowable cost. Applicable OMB cost principles, agency program regulations, and the terms of grant award agreement will be followed in determining the reasonableness, allowability, and allocability of costs.

- 16.1.6. Source documentation. Accounting records must be supported by such source documentation as canceled checks, paid bills, payrolls, time and attendance records, contract and grant award documents, etc.
- 16.2. The SOS or its designee may 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 subsequent to award.

## **SECTION 17. PAYMENT**

- 17.1. All payments will be made on a cost reimbursement basis no more than once a month based on actual expenditures.
  - 17.1.1. The COUNTY may charge to the award only costs resulting from obligations during the funding period.
  - 17.1.2. A grantee must liquidate all obligations incurred under the award not later than 90 days after the end of the funding period.
  - 17.1.3. Payments shall be requested by the COUNTY financial officer via the Texas HAVA online grant system.
- 17.2. Earned program income for the period in which funds are being requested must be reported with the request.

## **SECTION 18. ALLOWABLE COSTS**

- 18.1. Grant funds must be expended in accordance with Chapter II (Cost Principles for State and Local Governments and Other Affected Entities) of UGMS.
- 18.2. Grant funds may only be used for activities approved through the grant award process.
- 18.3. The following are some of the unallowable costs outlined in Chapter II of UGMS (refer to UGMS to review all unallowable costs):
  - 18.3.1. Membership dues for individuals (the membership must be for the governmental unit).
  - 18.3.2. Costs of promotional items including, but not limited to, hats, drink coolers, t-shirts, toys, pens, pencils, jackets, frisbees, emery boards, fans, dominoes, windshield shades, change purses, and other such novelties or items of nominal value.
  - 18.3.3. Costs of advertising and public relations designed solely to promote the governmental unit.
  - 18.3.4. Costs of publicizing or directing attention to any individual official or employee of the COUNTY.
  - 18.3.5. Costs associated with influencing the outcome of any election, or the passage or defeat of any legislative measure.
- 18.4. In addition to the unallowable costs outlined in Chapter II of UGMS, the following uses are not eligible for funding:
  - 18.4.1. Personnel costs.
  - 18.4.2. Indirect costs.
  - 18.4.3. Effective January 1, 2007, equipment that does not meet the voting system standards for disability access (e.g., non-accessible DREs will not be eligible for reimbursement).
- 18.5. The following are guidelines that must be adhered to for travel reimbursements:
  - 18.5.1. The COUNTY will be held to the state lodging, mileage, and per diem rates or the COUNTY rates, whichever is less.
  - 18.5.2. All reimbursements are limited to the actual cost of meals.

- 18.5.3. Claims may not include: alcoholic beverages, tips, room service, or expenses for any person other than the traveling employee.
- 18.5.4. Claims may only be made for travel outside of the employee's headquartering city.
- 18.6. Applicable state rates for travel can be found on the Texas Comptroller's website at the following address:  
<https://fmx.cpa.state.tx.us/fm/travel/travelrates.php>.
- 18.7. This agreement automatically adopts any legislative change to the rates at the time of the legislative effective date.
- 18.8. The following receipts must be retained for audit purposes:
  - 18.8.1. Lodging - check-out document reflecting zero balance due.
  - 18.8.2. Parking fees incurred for personal vehicle or car rental.
  - 18.8.3. Taxi fares - date, destination, and amount.
  - 18.8.4. Gasoline purchased for rental car.
  - 18.8.5. Auto rental contract and receipt.
  - 18.8.6. Air fare receipt.

## **SECTION 19. PERIOD OF AVAILABILITY OF FUNDS (GRANT PERIOD)**

- 19.1. Obligations incurred as a result of acquiring voting equipment, which meets the requirements of Section 301 of HAVA and was acquired after the regularly-scheduled general election for federal office held in November of 2000, may be reimbursed as long as the expenditures are consistent with this agreement.
- 19.2. Obligations means the amounts of orders placed, contracts, goods and services received, and similar transactions during the grant period that require payment by the COUNTY.
- 19.3. Payments may be requested for obligations incurred during the following time periods:
  - 19.3.1. County Education Fund – June 1, 2004 thru December 31, 2011.
  - 19.3.2. General HAVA Compliance:
    - a) Upgrading voting systems to comply with new federal standards – As described in Section 19.1 of this agreement thru December 31, 2011.
    - b) Acquiring an accessible voting system in each polling place – As described in Section 19.1 of this agreement thru December 31, 2011.
    - c) Voter Education – September 1, 2004 thru December 31, 2011.
    - d) Election Worker Education – September 1, 2004 thru December 31, 2011.
    - e) TEAM Compatibility – January 1, 2006 thru December 31, 2011.
    - f) MOVE Act Compliance – January 1, 2010 thru December 31, 2011.

## **SECTION 20. PROGRAM INCOME**

- 20.1. Program income means gross income received by the COUNTY directly generated by a grant supported activity, or earned only as a result of the grant agreement during the grant period. "During the grant period" is the time between the effective date of the award and the final reimbursement request or the grant period expiration date, whichever comes first.
- 20.2. Program income earned during the grant period must be reported when requesting reimbursements as described in Section 17.2 of this agreement.

## **SECTION 21. AUDIT**

- 21.1. During the grant period, for each COUNTY fiscal year in which the COUNTY expends \$500,000 or more of combined federal funding, the COUNTY is responsible for obtaining an audit in accordance with the Single Audit Act (Amendments of 1996 (31 U.S.C. 7501-7507) and revised OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations". Any such audits shall be made by an independent auditor in accordance with generally accepted government auditing standards covering financial audits.
- 21.2. If, after a fiscal year in which grant funds are expended, the COUNTY determines an audit is not required according to OMB Circular A-133, the COUNTY shall make such certification through the Texas HAVA online grant system. The COUNTY'S chief financial officer shall make the certification within 60 days of the end of the COUNTY'S fiscal year.

## **SECTION 22. CHANGES**

- 22.1. The following post-award changes in budgets and projects require prior written approval in the form of a grant adjustment.
  - 22.1.1. Cumulative transfers among direct cost categories which exceed ten percent of the current award.
  - 22.1.2. Transfer of funds allotted for training allowances to other expense categories.
  - 22.1.3. Any needs for additional funding or extension of grant period.
  - 22.1.4. Any revision of the scope or objectives of the project.
- 22.2. All grant adjustment requests must be submitted prior to the end of the grant period.
- 22.3. The SOS reserves the right to make changes to the grant award at any time. The County will be notified in writing or through the Texas HAVA online grant system of all changes prior to the change taking effect.

## **SECTION 23. PROPERTY MANAGEMENT**

- 23.1. Procedures for managing equipment (including replacement equipment), whether acquired in whole or in part with grant funds, until disposition takes place will, at a minimum, meet the following requirements:
  - 23.1.1. Property records must be maintained that include a description of the property, a serial number or other identification number, the source of property, who holds title, the acquisition date and cost of the property, percentage of the SOS participation in the cost of the property, the location, use and condition of the property, and any ultimate disposition data including the date of disposal and sale price of the property.
  - 23.1.2. A physical inventory of the property must be taken and the results reconciled with the property records at least once every two years.
  - 23.1.3. A control system must be developed to ensure adequate safeguards to prevent loss, damage, or theft of the property. Any loss, damage, or theft shall be investigated. Certain types of equipment are classified as "controlled assets". The Comptroller's State Property Accounting User Manual, available on the Internet, contains the most current listing.
  - 23.1.4. Adequate maintenance procedures must be developed to keep the property in good condition.
  - 23.1.5. If the COUNTY is authorized to sell the property, proper sales procedures must be established to ensure the highest possible return.

**SECTION 24. COPYRIGHTS**

- 24.1. The SOS reserves a royalty-free, nonexclusive, and irrevocable license to reproduce, publish or otherwise use, and to authorize others to use, for federal or state government purposes:
  - 24.1.1. The copyright in any work developed pursuant to this grant award; and
  - 24.1.2. Any rights of copyright to which the COUNTY purchases ownership with this grant award.

**SECTION 25. PROCUREMENT**

- 25.1. The COUNTY shall use its own procurement procedures and regulations, provided that the procurement conforms to applicable laws and the standards identified in Chapter III (State Uniform Administrative Requirements for Grants and Cooperative Agreements), Subpart C, Section 36 of the Uniform Grant Management Standards.

**SECTION 26. REPORTS**

- 26.1. Grantees must submit required financial expenditure reports and performance reports.
  - 26.1.1. Payment request must be based on actual expenditures (see Section 17 of this agreement); therefore, reimbursement requests will serve as financial reports.
  - 26.1.2. Additional reports shall be submitted via the Texas HAVA online grant system.
  - 26.1.3. Instructions and due dates will be prescribed via the website.
  - 26.1.4. SOS may place a financial hold on a grantee’s funds for delinquent reports.

**SECTION 27. RECORDS RETENTION**

- 27.1. The COUNTY must maintain records for at least three years following the submission of the final expenditure report.
- 27.2. If any litigation, claim, negotiation, audit or other action involving the records has been started before the expiration of the 3-year period, the records must be retained until completion of the action and resolution of all issues which arise from it, or until the end of the regular 3-year period, whichever is later.

**SECTION 28. MONITORING**

- 28.1. Monitoring reviews include programmatic monitoring, financial monitoring, and financial auditing.
- 28.2. The SOS reserves the right to conduct its own audit or contract with another entity to audit the COUNTY.
- 28.3. The SOS or its designee may conduct monitoring reviews throughout the existence of a grant or conduct an audit after the grant period has ended. The COUNTY must make all grant-related records available to the SOS or its representatives unless the information is sealed by law.
- 28.4. Monitoring reviews may be on-site or desk reviews and may include any information that the SOS deems relevant to the project.
- 28.5. The SOS, or its designee, may make unannounced visits at any time.

**SECTION 29. REMEDIES FOR NONCOMPLIANCE**

- 29.1. If a COUNTY fails to comply with any term or condition of this agreement or any applicable statutes, rules, regulations, or guidelines, SOS may take one or more of the following actions:
  - 29.1.1. Require the return of funds if disbursements have already been made.
  - 29.1.2. Temporarily withhold all payment to the COUNTY pending correction of the deficiency by the COUNTY.

- 29.1.3. Temporarily withhold all payments for other HAVA grant funds awarded to the COUNTY pending correction of the deficiency by the COUNTY.
- 29.1.4. Disallow all or part of the cost of the activity or action that is not in compliance.
- 29.1.5. Impose administrative sanctions, other than fines, on the COUNTY.
- 29.1.6. Withhold further HAVA grant funds from the COUNTY.
- 29.1.7. Terminate the agreement in whole or in part.
- 29.1.8. Exercise other remedies that may be legally available.

## **Part D – After-the-Grant Requirements**

### **SECTION 30. CLOSEOUT**

- 30.1. The SOS will close out the award when it determines that all applicable administrative actions and all required work of the grant have been completed. The SOS will provide any necessary additional information on closeouts.
- 30.2. The closeout of a grant does not affect:
  - 30.2.1. The SOS's right to disallow costs and recover funds on the basis of a later audit or other review;
  - 30.2.2. The COUNTY'S obligation to return any funds due as a result of later refunds, corrections, or other transactions;
  - 30.2.3. Records retention as required in Section 27 of this agreement;
  - 30.2.4. Property management requirements outlined in Section 23 of this agreement; and
  - 30.2.5. Audit requirements prescribed in Section 21 of this agreement.

### **SECTION 31. COLLECTION OF AMOUNTS DUE**

- 31.1. Any funds paid to the COUNTY in excess of the amount to which the COUNTY is finally determined to be entitled under the terms of the award constitute a debt to the SOS. If not paid within 30 days after demand, the federal or state agency may reduce the debt by:
  - 31.1.1. Making an administrative offset against other requests for reimbursements;
  - 31.1.2. Withholding payments otherwise due to the COUNTY; or
  - 31.1.3. Other action permitted by law.
- 31.2. Except where otherwise provided by statutes or regulations, the federal government may charge interest on an overdue debt in accordance with the Federal Claims Collection Standards (4 CFR Ch. II). The date from which interest is computed is not extended by litigation or the filing of any form of appeal.


# The State of Texas



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(800) 252-VOTE (8683)

Hope Andrade  
Secretary of State

TO: Texas County Judges  
CC: County Election Officials  
County Financial Officer  
FROM: Hope Andrade, Texas Secretary of State   
DATE: May 11, 2010  
RE: Help America Vote Act (HAVA) Supplemental Funding

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As you are aware by now, funds were made available to your county pursuant to the Help America Vote Act ("HAVA") of 2002. The original State Plan developed in response to HAVA allocated the "Requirements Payments," which was the bulk of the HAVA funding, into two grants: Voting System Accessibility and General HAVA Compliance. I am pleased to announce that effective immediately, we are making approximately \$19 million in additional Requirements Payments available to the counties.

The supplemental funds have been apportioned to the counties based on the original Voting System Accessibility and General HAVA Compliance allotments formulated in the State Plan. For the sake of simplicity, we have placed all supplemental funds under General HAVA Compliance. Please refer to the attached spreadsheet to view your county's supplemental amount.

The terms and conditions of the grant award agreement have been updated, and will require your acknowledgement when submitting a budget via the online grant system located at <https://hava.tamu.edu/>. You should have a user ID and password to access the grant system. If you do not, please email [hava@sos.state.tx.us](mailto:hava@sos.state.tx.us) in order to obtain one. You can also view the new terms and conditions at <http://www.sos.state.tx.us/elections/hava/index.shtml>. While most of the changes are "housekeeping" in nature, the following are more substantive:

- The General HAVA Compliance fund has been expanded to allow for costs previously eligible under the TEAM Compatibility Fund. Additionally, Military Overseas Voters Empowerment ("MOVE") Act costs will be eligible pending further guidance from the U.S. Election Assistance Commission ("EAC"). Once our office has the EAC's consent to expend HAVA funds on MOVE, we will notify the counties.
- The General HAVA Compliance and County Education Fund grants have been extended through December 31, 2011.

The following grants have been closed out and are no longer available:

- Voting System Accessibility
- TEAM Compatibility Fund
- Polling Place Accessibility
- Opportunity for Access

As a reminder, certain requirements may still apply to grants that are closed out. For example, property management requirements remain in effect (e.g., inventory lists for the equipment, including disposition information). Additionally, the EAC may still require the reporting of various data, such as program income. Program income is defined as gross income received from a grant-supported activity during the grant period and includes items such as fees from the use or rental of voting systems acquired with grant funds.

If you need assistance, or if you have questions, please call toll-free at (800) 252-8683 or e-mail [elections@sos.state.tx.us](mailto:elections@sos.state.tx.us). Agency staff are here to assist you and answer questions you may have. It is our goal to make this transition as easy as possible.