

GRANT POLICIES

1.0 Purpose:

- 1.1 To establish decentralized policies to guide authorized City personnel in the process of grant approval and management in accordance with requirements of state and federal law, the City Charter, the City Code and the City purchasing policies.
- 1.2 As defined by the Uniform Grant Guidelines (UGG), all sub recipients or pass through agencies of Federal awards must comply with the Federal Award Requirements of part §200.330 of the guidelines. The UGG is effective for grant awards after December 26, 2014. The established policies will assist staff to conform to the new guidelines. The UGG applies to state grant awards of federal monies on a pass-through basis.
- 1.3 To establish policies and to conform with state Grant Accountability & Transparency Act (GATA)
- 1.4 To provide separate procedures outlined in the City's Grant Procedure Manual.

2.0 Scope:

- 2.1 This Directive governs all approvals, filings, procurements, report filings and Single Audit requirements. This includes who is authorized to approve grant requests, grant administration, report filings and grant budgeting.
- 2.2 This Directive will provide guidance to departments, as they are responsible for managing the application and the administration of the grant and providing sufficient data to Finance for the proper accounting of the grant revenues and expenditures. The requirements for each grant may differ significantly. It is imperative for the department to adhere closely to the requirements outlined in each grant contract.
- 2.3 This Directive will provide guidance to ensure the City's risk level remains low as outlined in UGG §200.205 to maintain the City's eligibility for Federal Grants and State Grants.
- 2.4 For fiscal years in which grant funded expenditures exceed the Federal threshold mandating a Single Audit, the City's annual financial audit is significantly broadened in scope resulting in additional testing and reporting by the City's audit firm. The requirement for a Single Audit is driven by the timing of the expenditures, regardless of when the grant proceeds are received. The Finance Department is responsible for determining the need for a Single Audit each fiscal year, so it is critical that accurate, timely and complete data is provided to Finance related to all grants awarded to the City. Auditee responsibilities can be found under §200.508. The Single Audit will be filed in accordance with §200.512.
- 2.5 For fiscal years in which grant funded expenditures exceed the state threshold mandating a Generally Accepted Government Auditing Standards (GAGAS) audit, the City's annual financial audit is broadened in scope to include additional testing as outlined in section 2.4. The State threshold is determined by expenditures from Federal, State and MFT projects.

3.0 Policy:

- 3.1 Request approval from Finance and the City Manager prior to submitting grant application.
 - a. Grant Approval form – form to be submitted prior to applying for grant funding to Finance Director for approval, with final approval from the City Manager.

Appendix A

Grant Policy and Procedures

- b. City Council approval required for total project over \$25,000 – Any project including City and grant portion totaling over \$25,000 requires City Council approval per Administrative Directive 3-5 section 5.5.

3.2 Procedures for grant expenditures

- a. Grant approval prior to bid or expending funds – Departments are prohibited from initiating any bids, encumbering or expending City funds until the required grant approvals (including City Council if applicable) are obtained and all required grant documents have been executed. This will ensure all grant requirements are included in bid requests. If a Federal Grant, only allowable costs incurred during the period of performance and any costs incurred prior to the Federal award that were authorized by the Federal awarding agency may be charged to the Federal award as outlined in §200.309.
- b. The City purchasing directive 3-5 will follow UGG §§200.317-200.326.
- c. No Employee, officer or agent may participate in the selection, award, or administration of a contract supported by a grant award if he or she has a real or apparent conflict of interest. §200.318 UGG
- d. Internal controls as provide in §200.303 of the UGG shall be followed to ensure Federal statutes, regulations and terms and conditions of the Federal award are met.
- e. Purchasing policies to be followed to conform to §200.320 UGG
- f. Affirmative steps are to be followed to assure that minority businesses, women's business enterprises and labor surplus area firms are used when possible. Steps to be followed are included in section §200.321 of the UGG.
- g. Equipment purchased utilizing federal funds must comply with section §200.313

3.3 Reimbursement requests

- a. Timely reimbursement requests – Delayed grant reimbursement submissions greatly increase the risk that the City will not receive full funding due to: lack of State resources, missing or incomplete City records, or simple failure to request reimbursement due to changes in personnel or other unforeseen circumstances. Per §200.305 reimbursement requests are to be made within 60 calendar days after the receipt of the billing.
- b. Progress billing during project – If grant language allows, progress billing to grant agency is encouraged to provide more timely reimbursements to the City.

3.4 Grant Reporting

- a. Schedule of required grant filing – A schedule of all required filings for grant needs to be developed to ensure timely filing of all reports. Financial reporting must be collected with the frequency required by the grant agreement, but no less frequently than annually nor more frequently than monthly. Timeliness of reporting affects the City's risk assessment for future grant awards. Delayed or failure to submit required monthly or quarterly reporting can place the City on the Do Not Pay list, which affects all payments for all grants or MFT funding.
- b. Grant audit required – If the grant will require a Single Audit as a major program or a GAGAS audit, the cost of the audit, if allowed, should be included in the project budget.
- c. Per section §200.343 the Federal award must submit, no later than 90 calendar days after the end date of the period of performance all required financial and performance reports.
- d. Annually the states Consolidated Year End Financial Report (CYEFR) must be submitted within 6 months of fiscal year end.

Appendix A
Grant Policy and Procedures

4.0 Related Policies

- 4.1 In addition to the Grant Policies and Procedures, additional policies to assist with compliance to the UGG can be found:
- a. Grant Procedures Manual
 - b. Personally Identifiable Information – Directive 3-4 Identity Theft Policy
 - c. Travel Expenses – Directive 1-11 Reimbursement of Authorized Expenses
 - d. Procurement – Directive 3-5 Purchasing Procedures
 - e. The full UGG can be found at www.whitehouse.gov/omb/grants_docs

5.0 Distribution

Employee Information Site, www.citylf.org.



Jason Wicha
City Manager

Revised, 5/1/2015, 5/1/2019, 5/1/2020