

Grant Management Policy and Procedures

City of Seaside Grant Management Policy and Procedures

Purpose

With continued decreases in local government revenues, grant revenues have become an even more important part of the City's overall resource picture, especially in funding capital improvements. Although grant programs themselves are being reduced and becoming more competitive, actively seeking out grant revenues that assist in achieving identified City goals and objectives should nonetheless play a key role in the City's overall financial health strategies

The purpose of this policy is to set forth an overall framework for guiding the City's use and management of grant resources.

Definition

1. Grant – a monetary award of financial assistance or property provided to the City to carry out an activity or project for a public purpose or public good.
2. Grant Manager – The Grant Manager is the individual responsible for the administration of the project as stated in the grant proposal. The Grant Manager shall be listed on the grant application as the primary contact when there are co-grantees.

General Concepts and Framework

1. The City will aggressively pursue grant funding from federal, state and other sources, consistent with identified City goals and objectives.
2. Aside from entitlement grants, the City should focus its efforts on securing grants for capital improvements. This approach will allow the City to compete for projects we might not otherwise be able to afford while maintaining financial independence should future grant sources diminish.

Grants for operating purposes may be considered on a case-by-case basis after careful consideration of the benefits of the program and the ongoing impacts on the City if grant funding is no longer available.

Grant Management Policy and Procedures

3. Until the City's financial situation significantly improves, we should avoid grants that fund "pilot" operating programs or short-term staffing enhancements to existing programs. Taking on these programs could ultimately aggravate the City's fiscal position should the desire for the program remain once the grant funding is no longer available.
4. The City will only seek grants when sufficient staff resources are available to effectively administer the program in compliance with grant requirements and successfully perform the grant workscope.
5. Indirect costs of administering grant programs will be recovered to the maximum extent feasible.
6. Operating departments have the primary responsibility for seeking out grant opportunities, for preparing effective grant applications and for successfully managing grant programs after they have been awarded.

Roles and Responsibilities

City Council

1. Approves all grant applications in excess of \$10,000 and delegates receipt and contract execution to the City Manager if delegation is allowed by the grantor agency.
2. Approves resolutions accepting grant funds and matching funds, if required.
3. Directs Administrative Services – Finance Department to increase revenues and increase appropriations of expenditures to proper general ledger accounts.

City Manager

The City Manager is the only authorized person to sign contracts, agreements, and grants on behalf of the City. If the grant is to be submitted electronically, then the City Manager shall be listed as the authorizing agent or person. The **City of Seaside** is the Grantee, not the specific department or division.

1. Receives grants and executes related contract documents when delegated to do so by the Council.
2. Approves all grant applications under \$10,000 and delegates receipt and contract execution to the department head requesting the grant application if delegation is allowed by the grantor agency.

Grant Management Policy and Procedures

Operating Departments

1. Develop systems for maintaining ongoing information regarding grant availability within their functional areas of responsibility.
2. Evaluate benefits and costs of specific grant programs on a case-by-case basis:
 - a. Purpose of the grant program and its consistency with identified City goals and objectives.
 - b. Additional staffing, office space, facilities, supplies or equipment that will be required if the grant is awarded.
 - c. Ongoing impacts of the grant program after it is completed.
 - d. Responsibilities of other departments and impacts on them in preparing the grant application or performing workscope if the grant is approved.
 - e. Amount of indirect costs to be recovered from the grant,
 - f. Total program costs, including portion funded through grant revenues and any required City contribution.
 - g. Source of funding for any required City share.
 - h. Compliance and audit requirements, paying special attention to those areas where the grantor's administrative procedures are different than the City's.
3. Prepare grant application
 - a. Work with the grantor agency in identifying special program requirements and developing strategies for preparing a successful grant application.
 - b. Complete grant application documents.
 - c. Coordinate with affected departments as necessary.
 - d. For grants in excess of \$10,000, prepare a Staff Report for the City Council requesting authorization to seek grant funding. This report should describe the grant program's conformance with this policy, including the results of the cost/benefit analysis.
 - e. The fiscal impact of the Staff Report for the City Council must be approved, prior to City Council review, by the Administrative Services – Finance Department.
 - f. For grants of \$10,000 or less, Operating Departments may submit the grant application without further approval, subject to the following conditions:
 - There are no changes to existing staffing.
 - Matching funds or in-kind contributions are already available within existing resources, and no additional appropriation of unreserved, undesignated fund balance or working capital is required.
 - At the conclusion of the grant, there will be no ongoing commitments or obligations to continue the program.

Grant Management Policy and Procedures

- The purpose of the grant program is clearly consistent with current City plans, policies, and goals.
4. Administer grant programs if awarded.
 - a. For grants in excess of \$10,000, prepare a Staff Report for the City Council accepting the grant award, including a budget adjustment request in the fiscal impact section, and attaching the grant summary form signed by Finance (see attached).
 - b. Coordinate execution of grant documents by the City Manager and return executed documents to grantor agency.
 - c. For grants of \$10,000 or less, execute and return grant documents to grantor agency.
 - d. Notify affected departments of grant award, in writing.
 - e. Provide the Administrative Services – Finance Department with electronic copies of the following:
 - Grant Award Letter;
 - Grant Contract;
 - Grant Summary Form;
 - Grant Amendments;
 - Reimbursement/ Drawdown request;
 - Close Out Reports.
 - f. Maintain financial and other records in accordance with grant requirements.
 - g. Complete and submit required reports, including requests for funds (reimbursements, drawdowns, advances).
 - h. Monitor grant expenditures and receipt of revenues. All methods of payments shall be made payable to the “City of Seaside” and not to City Departments or employees.
 - i. Coordinate on-site management reviews by the grantor agency during the grant term.
 - j. Ensure compliance with grant requirements, paying special attention to those areas where the grantor’s administrative procedures are different than the City’s.
 - k. Perform the grant workscope.
 5. Complete grant closeout.
 - a. Complete the grant workscope.
 - b. Notify affected departments, in writing, that the project is completed and schedule a “close-out” meeting if necessary to resolve any final procedural issues.
 - c. Ensure final receipt of grant revenues.
 - d. Prepare and submit any required grant close-out documents.
 - e. Return unobligated funds, if applicable, to funding agency.
 - f. Review grant file for completeness.

Grant Management Policy and Procedures

- g. Retain all necessary program and financial records for the period of time required by grantor agency, but not less than five (5) years after the City audit.
- h. Coordinate any on-site management reviews or audits by the grantor.
- i. Resolve any audit findings.

Administrative Services – Finance Department

1. Provide technical assistance to operating departments in preparing grant applications and completing the fiscal impact section of the Council agenda report.
2. Upon approval by City Council, increase revenues and expenditure appropriations.
3. Coordinate the accounting and recording for all receipts and disbursements related to the grant. Finance will determine setup and maintain the most appropriate method(s) of accounting for grants in the financial system.
4. Provide technical support to the operating departments preparing and submitting request for funds, drawdowns, advances, financial performance reports, close out, etc.
5. Schedule bi-annual meetings with operating departments to review the financial status of grants.
6. Schedule Single Audit and coordinate preparation and distribution of single audit reports.

Single Audit Act Requirement

Background

The City is subject to the financial and compliance requirements of the Single Audit Act of 1984, which is applicable to all local and state governments expending more than \$500,000 in federal financial assistance during a fiscal year. The purpose of the Act is to:

1. Improve the financial management and accountability of state and local governments with respect to federal financial assistance programs.
2. Establish uniform requirements for audits of federal grants.
2. Promote efficient and effective use of audit resources.

Grant Management Policy and Procedures

3. Assure that federal departments and agencies rely upon and use audit work performed during a single audit rather than performing the audit work themselves.

Under this Act, federal grants are included under an inclusive single audit program that is incorporated into the City's annual audit and financial report preparation process. During the audit, tests are made to determine the adequacy of the internal control structure, including that portion related to federal financial assistance programs, as well as to determine that the City has complied with applicable laws and regulations.

City's Policy Regarding the Single Audit Approach

For federal grants included in the scope of the City's single audit approach, it is the City's policy that all financial and compliance issues have been met through the single audit, and follow-up audits to determine these issues are not necessary unless specifically related to findings or recommendations included in the single audit report.

As noted above, the purpose of the Act is to establish uniform audit requirements, promote efficient use of audit resources, and assure that federal agencies rely upon audit work already completed; its purpose is **not** to audit local agencies twice.

Accordingly, the City will strongly resist any efforts by federal agencies to duplicate audit work already performed in complying with Act requirements. As such, whenever federal grantor agencies request final audits, the managing department should notify the Department of Finance in order to ensure a consistent response to these types of requests.