

Grants represent a valuable source of funding for local projects, and are a viable means of augmenting City budgets. However, those who provide the funds, whether private foundations, state governments, or federal agencies, want to know that these funds are being used appropriately. Guidelines and regulations are stipulated in grant awards to ensure funds are being used for the intended purpose. These should be strictly followed to avoid repercussions which may include repayment of grant monies, and in the case of federal funds, the loss of the ability to apply for future grants.

This policy has been established to for the following reasons:

- 1) Enable and maintain a viable relationship with granting entities;
- 2) Ensure compliance with internal control procedures and grant requirements;
- 3) Coordinate grant activities with the City's budget process.

To fulfill our objectives, the following general procedures will be followed.

If a department head wishes to pursue obtaining grant funds, the Mayor and Grants Administrator must be notified. The Grants Administrator will review the grant purpose and requirements and determine the amount of matching funds required (whether direct outlay or "in-kind"). A determination will then be made by the Mayor if the grant meets with City objectives and if monies are available to be appropriated for outside help with grant submission or matching funds. Input may be sought from the Finance Department with regard to budgetary issues. Only after approval from the Mayor may the grant process continue.

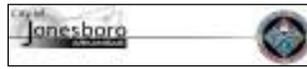
Upon approval, the Grants Administrator in cooperation with granting organizations and other invested City employees completes and submits the grant application. If the grant is awarded, the Grants Administrator will serve as primary manager of the grant (except for HUD/CDBG and MPO entitlement programs). The Mayor may appoint a project manager (typically a senior staff member associated with the grant) if technical expertise is needed, to work with the Grants Administrator.

The cost of participating in any grant must not exceed the total amount of funds received from the grant combined with the City's designated pool of funds to cover the City's match.

Upon receipt of award notification and instructions, the Grants Administrator will complete and submit any required documentation such as the award acceptance letter and ACH enrollment forms. He will then assign a unique project number to each individual grant which will be used to track the grant revenue and monitor expenses.

When the Grants Administrator is ready to begin the project, he will schedule a grant opening with a member of the Finance Department, preferably the person designated as the Grants Accountant. At the opening, the Grants Administrator and Accountant will review and discuss both the program and financial management procedures of the grantor. A grant opening form will be completed, and the Accountant will be responsible for ensuring that any internal accounting issues (such as new general ledger accounts) are addressed. In the event additional procedures are identified that should be employed, such procedures should meet the requirements of applicable OMB Circulars and federal accounting systems regulations.

Interim grant audits will also be scheduled to coincide with any grant financial reporting requirements. This will enable the Finance Department to monitor expenses, requests for reimbursement, and review reporting for compliance with grant objectives and requirements.



The Grants Administrator should also schedule a meeting with the project manager. During this meeting individual responsibilities will be assigned and a time-line including critical deadlines will be established.

During the grant period, City staff involved with the fulfillment of the grant will make purchases in accordance with both the grantor's and City's procurement policies and procedures (to include competitive bidding), and will annotate by means of project number assignment that said expenses are associated with the grant.

The Grants Administrator will compare actual to budgeted expenditures, and maintain records of remaining available funds. Any deviations from the budget require prior approval from the Mayor and, if necessary, from the grantor.

The Grants Administrator will be responsible for completing and submitting all financial progress reports, including Financial Status Reports (FSRs) and conducting periodic site visits to any grantees. This visit will include a review of the receipt of goods, insuring the goods are used solely for the authorized purpose and to assure proper documentation and safekeeping of assets. The Grants Administrator will monitor all financial matters associated with the grant for compliance with grant guidelines. This will include monitoring of grant revenues and expenditures, requesting grant funds, administering any program income, and any other grant related activities, including oversight of the submission of any program reports prepared by other City staff associated with the award.

The Grants Administrator will ensure properly obligated funds are expended within 90 days of the end of the award, and that requests for grant funds are submitted as reasonably possible as to match the timing of the payment of expenses. The Grants Administrator will submit all final financial reports within 90 days after the completion of the award. An inventory of property acquired with grant funds will be conducted at a minimum of every two years.

The assigned Grants Accountant will audit all drawdowns and check each department's documentation to ensure all requests for funds comply with the grant's requirements.

All grant funds must be appropriated and approved by the Mayor and the City Council. Any expected expenditures that exceed budgeted amounts to complete a program or project, must be approved by the City Council.

Accounting policies and procedures should be reviewed annually to ensure adequate control and oversight of grant funds.