



## Administrative Policies and Procedures

Policy Title: Grant Accounting and Administration	Policy Number: 508
Effective: 6/2023	
Supersedes: APP #508, revised 1/93, 8/07, 3/15, 4/16	
Approval: <i>Milton Dohoney Jr.</i>	Page 1 of 7

### 1. Purpose

To establish guidelines for submitting grant applications, accepting awards, and passing through grants to other entities on behalf of the City.

### 2. Policy

Accounting Services shall maintain Citywide grant information and federal fund accounting to facilitate the annual audit and compliance with federal and state requirements. The requesting service area is solely responsible for all requirements of the grant award and agreement including the application, approval, reporting, and closeout.

### 3. Procedure

#### 3.1 Pre-application

3.1.1 Prior to applying for a grant award, the requesting service area must consider:

- Is the grant in alignment with the City's goals and strategic priorities?
- Are there any conflicts of interest?
- Does the expected benefit exceed the cost (staff time, materials, compliance)?
- Are funds available for required match, future maintenance, and administrative costs?
- Will any funds be passed through to a subrecipient, and is the requesting service area prepared to monitor subrecipients for compliance?
- Is there sufficient time to get approvals, apply for, and carry out the award?

- 3.1.2 The requesting service unit must assign a grant manager and backup grant manager who are responsible for all aspects of the award. As used in this APP, "Grant Manager" shall mean the grant manager or the backup grant manager.
- 3.1.3 The City shall not accept any federally-funded grant for an amount less than \$15,000.00, as the expense incurred to remain compliant would outweigh the benefit received for such a small award. State and local grants may be accepted at any dollar amount.
- 3.1.4 The requesting service unit must obtain approval from the Accounting Services Manager, or their designee, prior to applying for a grant. The Service Area Administrator or designee shall complete **Appendix A** and email it the Accounting Services Manager for approval.
- For entitlement grants awarded without an application process, **Appendix A** shall be provided when notified of the award.
  - For federal funding administered through MDOT or other entity that requires a City-State or other agreement, **Appendix A** shall be provided prior to when the agreement is added to the City Council agenda.

### 3.2 Application

The Grant Manager should contact the Accounting Services Manager or City Treasurer if assistance or information is needed for the application process. A contracted grant writer may be available to assist with applications, the cost of which must be paid by the requesting service area or unit. Grant writing costs are typically not an allowable cost that is recoverable under the grant.

### 3.3 Award Acceptance

- 3.3.1 Grants under \$75,000 do not require City Council approval and are authorized to be accepted by the City Administrator by resolution R-23-179. If the grant is expected to be less than \$75,000 but it is later awarded above that amount, then the grant must be approved by City Council prior to acceptance.
- 3.3.2 Grants over \$75,000 must be approved by City Council resolution prior to acceptance. The resolution must define the general ledger accounts that will be used and appropriate funds as required. Grants that include the purchase or creation of capital assets (equipment, vehicles, infrastructure, etc.) must describe in the resolution (or attached memo) how maintenance and replacement costs will be funded in the future. The requesting service area is solely responsible for proper acquisition, safeguarding, disposal, and replacement of grant-funded assets (see Uniform Guidance §200.310 - §200.316 and APP #516).

3.3.3 When the grant is approved for acceptance by City Council, the Grant Manager shall contact their assigned Financial Manager for an appropriation or other necessary budget adjustment. The Grant Manager shall include all cost sharing and matching funds related to the grant in the proposed budget adjustment.

#### 3.4 Grant Making

The discretionary awarding of non-federal funds to outside entities is managed entirely by the responsible service unit to ensure:

- The awardee's use of funding is in alignment with the City's intended purpose and goals
- The awardee is appropriately vetted
- A grant award agreement is approved by the Attorney's Office and executed prior to disbursing funds
- The proposed deliverables and final reports are received timely
- No portion of the grant was used to influence legislation or any political campaign, or was related to any candidate for public office

#### 3.5 Uniform Guidance; Post Award Requirements and Internal Controls

3.4.1 The Grant Manager shall complete **Appendix B** and send it to the Accounting Services Manager within 30 days of accepting a federal award. **Appendix B** documents the plan to administer the grant and defines staff roles prior to the incurrence of direct costs.

3.4.2 In 2014, the Office of Management and Budget's (OMB) Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) was officially implemented. This represents an authoritative set of rules and requirements for federal awards. For detailed information and to locate the subsections referenced in this policy as part of 2 CFR 200, please visit:

<https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200?toc=1>

The Grant Manager is responsible for reviewing and complying with applicable sections of the Uniform Guidance. Relevant areas of internal control that the Grant Manager must review, at a minimum, include:

##### 3.4.2.1 Cash Management (Uniform Guidance §200.305)

The City operates on a reimbursement-only basis with respect to requesting federal grant funds. Exceptions may be made in extenuating circumstances if advances are approved by the federal agency and the Accounting Services

Manager.

Cash draws from grant funds must be made timely and in accordance with the grant agreement. Draws should be requested no later than 30 days after the end of each quarter, but more frequent draws are permitted. Fiscal year-end draws (quarter ending June 30) must be finalized as soon as possible and prior to the 30-day deadline whenever possible. All draws must be reviewed and approved by the Grant Manager.

The assigned Grant Manager and backup Grant Manager are the only authorized requestors of reimbursement for their assigned award. The Service Area Administrator or designee must immediately notify the City Treasurer and Accounting Services Manager when a draw occurs and provide a copy of the draw request for accurate and timely recording.

#### 3.4.2.2 Cost Sharing or Matching Funds (Uniform Guidance §200.306)

A grant award may or may not require a cost share or matching funds. When required, to the Service Area Administrator or designee must document the source of the match and inform Accounting Services to ensure it is budgeted and recorded in the accounting ledger along with the federal, state, and/or local share. This includes in-kind match that may otherwise not be recorded in the ledger.

#### 3.4.2.3 Program Income (Uniform Guidance §200.307)

If income is generated from a grant award, generally it must be used to offset costs reimbursed by the grant during the award period. The Grant Manager shall review the grant agreement and program plan to determine if program income is likely to be generated and consult with the granting authority on how to handle such income.

#### 3.4.2.4 Procurement (Uniform Guidance §200.17 - §200.327)

The Grant Manager shall follow Uniform Guidance and City policies, including APP #204 (Purchase of Goods and Services) and APP #207 (Procurement Standards for Federally Funded Contracts) as well as using the Vendor Conflict of Interest Disclosure Form when required. Contact the City Purchasing Manager with questions.

#### 3.4.2.5 Monitoring and Reporting (Uniform Guidance §200.328 - §200.330)

Upon acceptance of a federal grant award, the City also accepts responsibility to monitor all activities under the award and assure compliance with federal requirements and performance expectations. If there is ever a question about the

allowability of a cost or activity, the Grant Manager must contact the granting authority immediately for guidance. All correspondence should be retained in accordance with record retention requirements.

The Grant Manager is responsible for timely and accurate financial and programmatic reporting based on the grant award requirements. The Grant Manager and backup Grant Manager must have proper access and the capability of reporting using the designated program and/or format.

#### 3.4.2.6 Subrecipient Monitoring (Uniform Guidance §200.331 - §200.333)

Additional monitoring is required for subrecipients of federal awards. If the Grant Manager is unable to determine if a sub-awardee is considered a contractor or a subrecipient after reviewing the Uniform Guidance, they must contact the Accounting Services Manager. This determination is important and dictates the level of monitoring required to comply with federal regulations.

If a subrecipient relationship exists, the Grant Manager must prepare a contract with the subrecipient using the most recent City Attorney-approved subrecipient agreement. Prior to executing a subrecipient agreement, the Grant Manager shall complete **Appendix C** and submit it to the Accounting Services Manager.

Subrecipients must submit progress reports to the City in time to meet the granting authority's reporting deadlines. Expectations should be clearly outlined in the subrecipient agreement.

#### 3.4.2.7 Time and Effort Reporting (Uniform Guidance §200.430)

Payroll and fringe benefits charged to a grant must relate to allowable work performed under the terms of the grant and be properly reflected in the payroll system. External tracking via Excel spreadsheets or handwritten notes are not appropriate ways to document time charged to a grant.

#### 3.4.2.8 Indirect Costs (Uniform Guidance §200.414)

A service unit shall not apply for an indirect cost rate when applying for a grant, or accept reimbursement for indirect costs, except with the prior written approval of the Accounting Services Manager. Generally, the City does not receive reimbursement for indirect costs.

#### 3.4.2.9 Allowability and Documentation

When requesting a draw, the Grant Manager shall ensure that the funds are applied only to transactions that are allowable under the grant agreement.

The Grant Manager shall ensure that documentation to support all reimbursement requests matches the City's financial system and all related backup documentation is retained with the reimbursement request, including invoices, receipts, time and attendance reports, and all other related documentation. This documentation will be requested during future audits.

#### 3.4.2.10 Related Policies

The Grant Manager shall review and understand all City policies that impact their grant, including but not limited to:

APP #203, Sale of Surplus Property  
APP #204, Purchase of Goods and Services  
APP#207, Procurement Standards for Federally Funded Contracts  
APP #503, Retention of Financial Records  
APP #504, Travel Policy  
APP #506, Special Event, Office Refreshments, and Performance Award Fringe Benefit Policy  
APP #512, City Issued Purchasing Cards  
APP #515, Debarment of Vendors of Federally Funded Grant Projects  
APP #516, Fixed Assets

#### 4. Annual Single Audit

The City is subject to an annual Single Audit. The completed **Appendix A** will be used to compile award information for the Schedule of Expenditures of Federal Awards (SEFA). Federal programs may be selected for detailed testing by the auditors. The Grant Manager shall provide documentation and substantiate all transactions related to their grants upon request. This documentation must be complete and accurate.

#### 5. Close Out Documents

After the terms of the grant have been satisfied, the Grant Manager shall prepare all necessary documents to close out the grant on a timely basis. The Grant Manager shall provide copies of all close-out documents for federal awards to the Accounting Services Unit after the final reimbursement is requested. Close-out requirements under Uniform Guidance may be found at §200.344.

#### 6. Record Retention

Retention of grant records must comply with Uniform Guidance §200.334 - §200.338 and APP #503, Retention of Financial Records. Should the grant award dictate more restrictive

or longer-term requirements, the Grant Manager shall ensure those requirements are followed.

## 7. Requirement Summary

<b>Award Type</b>	<b>City Policy</b>	<b>Uniform Guidance</b>	<b>Approval to Accept*</b>	<b>Appendix A</b>	<b>Appendix B</b>	<b>Appendix C</b>	<b>Financial Audit</b>	<b>Single Audit</b>
Federal	Y	Y	Y	Y	Y	Y	Y	Y
State / Local	Y	N	Y	Y	N	N	Y	N

*\*If over the threshold described in Section 3.3*

**Appendix A**  
**Summary of Grant Award for Finance Review**

Award type (Federal, State, Local) \_\_\_\_\_

Funder and passthrough \_\_\_\_\_

Grant name and award number \_\_\_\_\_

Program description \_\_\_\_\_

Application amount \$ \_\_\_\_\_

Awarded amount \$ \_\_\_\_\_

Funding period \_\_\_\_\_

Federal Assistance Listing Number (ALN) \_\_\_\_\_

Grant manager \_\_\_\_\_

Backup grant manager \_\_\_\_\_

Describe any matching or in-kind funding and any other required commitments:

\_\_\_\_\_

Does the grant fund FTEs or capital outlay? If so, are there retention or other requirements?

\_\_\_\_\_

Does the grant have any special reporting or banking requirements to be discussed with Accounting and Treasury?

\_\_\_\_\_

*I acknowledge that my service area is solely responsible for compliance with the grant agreement, reporting, monitoring, record retention, and allowability of costs charged to this grant. Any disallowed costs are the responsibility of my service area.*

Service Area Administrator \_\_\_\_\_ Date \_\_\_\_\_

Accounting Services Manager \_\_\_\_\_ Date \_\_\_\_\_

**Forward electronic copies of the following to the Accounting Services Manager:**

- **Grant application, approved resolution, grant award letter or contract**



**Appendix B  
Federally Funded Grant Awards**

Grant name and award number \_\_\_\_\_

Grant manager and backup \_\_\_\_\_

The City is a direct recipient or passthrough \_\_\_\_\_

Does the grant include a cost share or match? If so, how much and what is the source?

\_\_\_\_\_

Will the grant generate program income? \_\_\_\_\_

Are we funding other agencies? \_\_\_\_\_

Will they be a contractor or subrecipient? \_\_\_\_\_

*For subrecipients, complete **Appendix C** risk assessment and monitoring plan.*

Is your grant construction related? If so, describe specific construction requirements

\_\_\_\_\_

\_\_\_\_\_

Does the Grantor Agency have specific additional requirements beyond Uniform Guidance? If so, summarize here.

\_\_\_\_\_

Will bids/proposals be used? If so, are there any additional rules or restrictions?

\_\_\_\_\_

What is the plan for programmatic and financial reporting? How will you ensure everything is accurate and timely?

\_\_\_\_\_

For all contracts involving federal funds, you must document that contractors and subrecipients are not on the Federal Debarment List located at [www.sam.gov](http://www.sam.gov) Retain documentation of this review for reference.

*I have thoroughly reviewed Uniform Guidance and the requirements of this grant.*

Grant Manager \_\_\_\_\_ Date \_\_\_\_\_

Backup Manager \_\_\_\_\_ Date \_\_\_\_\_

**Submit to the Accounting Services Manager prior to incurring award expenditures.**

**Appendix C**  
**Subrecipient Risk Assessment and Monitoring Plan**

Subrecipient \_\_\_\_\_ Federal program \_\_\_\_\_

Prepared by \_\_\_\_\_ Date \_\_\_\_\_

**Assessment of Risk**

Indicate whether the item represents a high, moderate, or low risk and explain why.

Program complexity \_\_\_\_\_

Amount of award passed through and risk level:

In absolute dollars \$ \_\_\_\_\_ Risk level \_\_\_\_\_

As a percentage of Subrecipients' total revenue \_\_\_\_\_% Risk level \_\_\_\_\_

Subrecipient's experience with similar programs and federal funding \_\_\_\_\_

Results of most recent audit (opinion, findings) \_\_\_\_\_

Changes in regulatory, technology, personnel, or operating environment \_\_\_\_\_

Extent of monitoring by other agencies \_\_\_\_\_

Other factors considered \_\_\_\_\_

Likelihood of fraud in subrecipient's grant management process \_\_\_\_\_

**Monitoring plan**

\_\_\_\_\_ No high risks have been identified. Standard operating procedures applied.

\_\_\_\_\_ High and/or moderate risks identified. Additional monitoring procedures required.

Procedures to mitigate identified risks include:

(Specify staff, timing, frequency, on-site vs. offsite, etc.)

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**Submit to Accounting Services Manager prior to executing a subrecipient agreement.**