City of Riverside
Administrative Manual

City of Arts & Innovation

		Approved:	
Effective Date:	07/2003		
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Policy Owner(s):	City Manager's Office		Department
		_____	
			City Manager

SUBJECT:

Grant Administration

PURPOSE:

Grants are an important source of revenue to support City programs and activities. The City is committed to actively identifying and pursuing grant opportunities that help meet City strategic goals and operational objectives.

The purpose of this policy is to provide a framework for:

1. Ensuring grant applications submitted by or on behalf of the City reflect the City's General Plan, Envision Riverside 2025 Strategic Plan", align with operational objectives, and meet the City's expectations of document and submittal quality;

2. Clearly and fully identifying the source(s) of matching funds, if required by Grantor, and the proper approval levels for committing matching funds to grant projects;

3. Considering the ability of the City applicant to administer funding, both during and after grant closeout, if applicable;

4. Confirming the source of resources to continue a project or program after the grant period ends;

5. Accepting, expending, and financially accounting for grants;

6. Providing proper reporting on grants, per the City and Grantor requirements; and

7. Closing out grants and associated projects.

DEFINITIONS:

City Grants Administrator – A position in the City Manager's Office that coordinates and supports grant activities across municipal departments.

Co-applicant – A local or regional partner agency that joins the City in a grant application to strengthen funding applications and offer unique projects or services that enhance delivery outcomes.

Departmental Managers – Entitlement Grants - City staff under various job classifications may serve as managers of specific funding sources including, but not limited to, the following:

    A. Federal Antipoverty Grants – The Community & Economic Development Department's Grant Division serves as lead for overseeing the CDBG Grant Program, Housing Opportunities for Persons with AIDS and Emergency Solutions Grant, and Riverside County Continuum of Care funding.

    B. Public Works Transportation Funding – AB2766 funding distributed by the South Coast Air Quality Management District.

    C. Community and Economic Development - SB2 Permanent Local Housing Allocation Funding.

Grant – A type of financial or in-kind assistance bestowed by a government agency or private organization to an eligible recipient for a specified purpose.

Grantee – An organization to whom a grant is made.

Grantor – An individual or organization that provides aid in the form of a grant.

Grants Management Database – The City's internal database used to track and document grants.

Indirect Costs – When permissible, the City may apply indirect costs for grants above $50,000 in compliance with Office of Management and Budget (OMB) guidance.

Sub-recipient – An individual or organization that receives a grant through the grantee, with the grantee acting as a pass-through entity.

Unique Entity Identifier number (UEI) – A successor to the Data Universal Numbering System (DUNS) number, the UEI is an identifier of contractors applying for federal assistance and is found on the sam.gov system.

GRANT TYPES

The following grant funding types and descriptions represent grants typically awarded to the City.

Grant Funding Types	Description
Block Grants	A broad intergovernmental transfer of funds or other assets by the U.S. Congress to state or local governments for specific activities determined largely at the recipient's discretion. Block grants are distributed according to legal formulas defining broad functional areas such as health, income security, education, transportation, etc. Some examples of block grants include Community Development Block Grants (CDBG), Housing Opportunities for Persons with AIDS (HOPWA) and Emergency Services Grants (ESG).
Competitive (Discretionary) Grants	An award of financial assistance in the form of money, or property in lieu of money, by the Federal Government to an eligible grantee, usually made on the basis of a competitive review process.
Formula Grants	A grant that a federal agency is directed by Congress to make to grantees, for which the amount is established by a formula based on criteria written into the legislation and program regulations. This funding is directly awarded and administered in the federal agency's program offices.
Pass-thru of any grant type	A grant originating from one Grantor but passed through another Grantor or funding source.
Reimbursement Programs	A type of funding program under which the Grantee is reimbursed for

	qualifying expenditures already incurred or to be incurred, as specified in the terms of the grant agreement.
County Grants	A grant made by a County Government.
State Grants	A grant made by the State Government, which has a corresponding Catalog of State Financial Assistance (CSFA) number.
Federal Grants	A grant made by the Federal Government, which has a corresponding Catalog of Federal Domestic Assistance (CFDA) number.
Foundation Grants	A grant made by a philanthropic foundation.
Corporate Grants	A grant made by a corporate foundation.

POLICY:

The City will aggressively pursue grant funding from federal, state, and other sources, consistent with identified City goals and objectives. Grants for operating purposes will be approved after careful consideration of the benefits of the program and the ongoing impacts once the grants expires.

The City should seek grants only when sufficient staff resources are available to effectively administer the project/program in compliance with grant terms and successfully perform the grant work scope. Although some grants offer administrative set-asides (see above, Indirect Costs), these funds may not be enough to fully meet the requirements of the grantor.

A. Grants Advisory Group

The City of Riverside has a Grants Advisory Group composed of an Assistant City Manager, Finance Department representatives, and the City's Grants Administrator. The group meets on an as-needed basis but no less than annually and may invite representatives from other departments to attend meetings on an ad hoc basis to address specialized situations. The City's Grants Administrator will call the annual meeting of the group. The Grants Advisory Group will also meet at the request of the City Manager.

It is the responsibility of the Grants Advisory Group to monitor overall grant activity for the City, and make programmatic changes as necessary to encourage grantsmanship Citywide. Individual grant applications will be approved based on the process below. The Grants Advisory Committee will only review an individual grant when the application poses overarching policy and/or finance issues for the City that require direction.

The Grants Advisory Group review of annual reports generated from the Grants Management Database and the municipal fiscal account systems to review and observe grant activity and determine the need for revised procedures, controls, or departmental assistance based on the data. The Grants Advisory Group will also review grants that have not been expended timely and work with the respective departments to ensure timely billings, reporting, and closeout of grants.

When time allows, the Grants Advisory Group may also meet to review a pending funding application and advise the City Manager whether and how to move forward.

In accordance with the City's Grants Advisory Group recommendations, when a City department or unit is applying for a competitive grant, the department will observe the following procedures:

1. **For Grants Less Than Fifty Thousand Dollars ($50,000):**
   a. Grant applications based on department head approval
      i. Department Head signs applications;
   b. All grants entered into Grants Management Database;

   c. As required by grant applications, secure City Council authorization for application Resolutions, etc.;

   d. Secure City Council authorization after grant award to receive funds, execute agreements, appropriations, etc.;

   e. Report all grants annually to the City Manager's Office.

2. **For Grants Between Fifty Thousand ($50,000) and One Million Dollars ($1,000,000):**

   a. Grant applications based on department head approval;

   b. Alert departmental Assistant City Manager (ACM) regarding application;

      i. City Manager (CM), or designee, signs applications above $50,000.

   c. All grants entered into Grants Management Database;

   d. As required by grant applications, secure City Council authorization before application submittal, for application Resolutions, match obligations, etc.;

   e. Charge Citywide indirect costs (grants over $50,000); and

   f. Secure City Council authorization after grant award to receive funds, execute agreements, appropriations, etc.;

   g. Report all grants annually to the City Manager's Office.

3. **For Grants Over One Million Dollars ($1,000,000):**

   a. Alert the ACM who oversees department with a concise overview of the grant and amount requested

   b. All grants above $1,000,000 require City Council approval. Submit a City Council staff report in advance that at minimum covers the following:

      i. Brief description of the grantor;

      ii. Description of the program/project being proposed;

      iii. Include a brief budget analysis including match, specific staff involved, and timelines; and

      iv. Justification of how the forthcoming grant is consistent with the City's strategic goals including Envision Riverside 2025.

   c. The ACM will:

      i. Analyze whether grant acceptance would be appropriate and that the applicant department/unit has the capacity to administer funds per the Grantor's requirements;

      ii. Assess the potential need for the City to incur personnel costs (i.e., retain employees for a specified period after the grant expires/terminates, such as public safety grants that require law enforcement personnel to remain employed for a specified period of time), and/or operating and maintenance costs for assets after the expiration of the grant; and

      iii. Assess administrative costs associated with the grant in relation to the City's ability to administer funds over the grant performance period.

   d. Upon ACM approval, the department/unit will enter relevant grant information and attachments in the Grants Management Database for compliance to ensure that departments report on their grants accurately and in a timely manner.

      i. Sufficient time for City Council approval should be budgeted into the grant application process. The City Manager may grant an application waiver of this requirement under extraordinary circumstances. Grants will go to the City Council for approval at the earliest timeframe thereafter.

      ii. City Manager signs applications and all award contracts/documents with City Council approval.

iii. Charge Citywide indirect costs.
iv. All grants will be reported to the City Manager's office on an annual basis.

B. Roles and Responsibilities

When the City is awarded a grant, it may include requirements that apply to operations, compliance, sub-recipient monitoring, and reporting. The applicant department should be cognizant of these responsibilities. There can be negative consequences for failing to meet these requirements, such as the need to provide timely and accurate periodic reports to the Grantor. Likewise, a grant may result in a program that continues, or an asset that must be maintained, well beyond the expiration of the grant. Audits are also typical for many grants and must be accounted for during the grant period and after the grant is expended. It is incumbent on the grant writing department/unit to ensure that the application in question can be successfully administered after any potential award. Making progress on a grant is the responsibility of the recipient and if vital to maintaining grantee relationships that ensure future funding.

City Department / Entity	Roles and Responsibilities
City Council	• Authorizes applications for grants in excess of $1,000,000. • Approves acceptance and appropriation of funds for all grant awards. • Adopts resolutions accepting grant funds and/or designating signature authority, if required by Grantor. • Authorizes the City Manager or designee to execute all necessary grant documents.
City Manager	• May authorize submittal of applications for large grants in extraordinary circumstances where City Council pre-approval is not possible. • Executes grant application documents for applications between $50,000 and $1,000,000, and above $1,000,000 with approval by the City Council. • Executes grant award contract documents with approval of the City Council.
City Attorney	• Reviews grant documents for approved grant awards prior to execution. • Approves legal documents as to form. • Reviews and, if necessary, prepares resolutions, if required by Grantor.
Department Director	• Evaluates grant applications to determine their benefit to the City, long and short-term financial implications, feasibility, and compatibility with existing City priorities/goals and services. • Notifies Assistant City Manager of routine and recurring applications. For new grants, obtains approval to apply from Assistant City Manager. • Approves and signs grant applications for grants less than $50,000 and for which matching funds (if required) have been budgeted. • Requests that the City Manager's office convene the Grants Advisory Group to review policies related to grants, or to advise on a specific funding application.
Finance Department	• Provides general oversight of grant financial accounting. • Provides position costing for grant applications and related Council reports involving grant-funded positions. • Calculates and provides to departments the indirect costs for grants over $50,000, if applicable.

	• Creates funding accounts and appropriates funding with City Council approval.
	• Creates a grant project number in the City's financial system, which is used to recognize/record grant revenue and expenditures; closes out the financial accounts in the financial system when the grant is closed.
	• Is responsible for proper and timely recording of grant receivables, accrued income/expenditures, and deferred income in the financial system and financial statements.
	• Coordinates charging Indirect Costs, if applicable.
	• Coordinates preparation of the Schedule of Expenditures of Federal Awards (SEFA) for the annual independent auditor review (Single Audit).
City Grants Administrator	• A position in the City Manager's Office.
	• Reviews Grantor agency websites to receive the latest grant opportunities and information.
	• Updates access to relevant electronic external online grant websites. Ensures that authority levels are established and maintained to request funds and upload reports.
	• Ascertains eligibility, deadlines, requirements for letters of support or non-City partners, or other potentially limiting factors.
	• Reviews purpose of the grant program and its consistency with identified City policies, goals, and objectives.
	• Identifies additional staffing, office space, facilities, supplies or equipment that will be required if the grant is awarded.
	• For grants that support hiring of staff, ascertains with the Human Resources Department that relevant position descriptions exist or can be prepared. Verifies accurate position costing with Finance Budget Office.
	• Determines ongoing impact of the grant program after it is completed. Identifies budget that may support program continuity.
	• As requested by CM/ACM, reviews responsibilities of other departments and potential impacts on them in preparing the grant application or performing work scope if the grant is approved. This includes ensuring that multiple departments do not apply for the same grant. Ascertains that coordinated applications are made if multiple departments are eligible for and wish to apply for a grant.
	• Works with the Grantor agency to identify special program requirements and develop strategies for preparing a successful grant application.
	• Assists to complete grant application documents.
	• Obtains and manages a Unique Entity Identifier number for the City of Riverside from the federal government's Central Contractor Registry.
	• Maintains the City of Riverside's SAM (System for Award Management) registration for federal grants.
	• Staffs the Grants Advisory Group.
Departmental Administrators	• Coordinates department access to outside grant systems and reviews employee account access and password authentication protocols no

less than annually.

- Coordinates with affected departments as necessary.
- Works with Co-applicant partners and ensures that outside agencies offer unique projects/services to enhance grant applications.
- Requests an account number for the grant from the Finance Department.
- Establishes and/or ascertains continued access to grant application and grant management portals including, but not limited to, Login.gov, Grants.gov, payment systems, and similar.
- Compiles grant application materials.
- For grants up to $1,000,000, submits grant application, subject to the following conditions:
- The City Manager's office is alerted to all grant applications; and
- No additional appropriation of unreserved, undesignated fund balance or working capital is required.
- City Manager and Finance Budget Office authorization is received for the addition of grant-funded personnel.
- Indirect cost estimate for grant applications over $50,000 is included in the application, if applicable.
- The grant application must be approved by the City Council for grants greater than $1,000,000, and:
- If matching funds need to be budgeted, Council should be asked to appropriate funds where necessary.
- If grant-funded personnel are to be added, Council approval is obtained.
- Enter grant application information into the City's Grants Management Database.

Award

- Prepares a City Council agenda report accepting grant award, budget amendment request, and any other required City forms or documents; coordinates execution of grant documents by the City Manager or his/her designee; and returns executed documents to Grantor agency.
- Notifies affected departments of grant award.
- Communicates with Public Information Officer and/or City Clerk regarding grants with public notice requirements.
- Communicates with project partners, support groups, and entities that supplied letters of support.
- Initiates preparation of site signage or other required public recognition or acknowledgement.
- Informs staff responsible for recruitment, if grant supports one or more staff hires.
- Updates Grants Management Database with required information. (Note: If grant is NOT awarded, this must also be noted in the Grants Management Database.)
- Maintains a progress report calendar and ensures that progress reports are submitted to Grantor by due dates.

	• Completes and submits required reports, including requests for funds.
	• Tracks the receipt and deposit of grant revenues; assures deposits are recorded to the appropriate project and revenue account.
	• Prepares timely reimbursement claims for all reimbursement grants as specified in the Grant Award. If the grant does not specify due dates for reimbursements, eligible costs should be claimed on no less than a quarterly basis.
	• Monitors grant expenditures and receipt of revenues from the OneSolution finance system at least once per fiscal quarter (no later than twenty (20) days after the end of the fiscal quarter).
	• Coordinates any on-site management reviews by the Grantor agency during the grant term.
	• Ensures compliance with grant requirements, paying special attention to those areas where the Grantor's administrative procedures are different from the City's.
	• Contracts with sub-recipients as needed and monitors their workflow.
	• On behalf of the department, ensures that the grant scope of work is performed.
	• Reconciles proposed reimbursement requests with the appropriate General Ledger information and ensures indirect costs have been recorded prior to submitting reimbursement requests, if applicable.
	• Identifies total program costs, including portion funded through grant revenues and any required City contribution. Identifies budget that will support match requirements. Coordinates with Finance Budget Office on position costing if positions are to be funded by the grant. Identifies non-City or unsecured match sources, including reasonable expectations and timeline for securing. Factors in cost escalation for multi-year grants.
	• Identifies compliance and Single Audit requirements, paying special attention to those areas where the Grantor's administrative procedures are different from the City's.
	• Monitors grant-funded positions, immediately informs the Finance Budget Office when grant funding for related positions ends and takes action to terminate the position or locate alternate funding for the position when grant funding ends, in collaboration with the Finance Budget Office.
	• Ensures that fully funded grant positions are directly charged to the grant by default (ensures proper Human Resources setup), rather than through timecard entries.
	• Monitors grant-funded positions, informs Finance Budget Office of end of related grant funding.
	Closeout
	• Completes the grant scope of work.
	• Notifies affected departments that the project is completed and schedules a close-out meeting, if necessary, to resolve final procedural issues.
	• Notifies Finance/Accounting at fiscal year-end of any amounts billed to

	Grantor and not received (BNR), and/or any costs incurred but not yet billed by vendor (RNB) for preparation of year-end accrual.
	• Ensures final receipt of grant revenues.
	• Prepares and submits any required grant close-out documents within 90 days of the end of the grant period or as specified in the terms of the grant.
	• Reviews grant file for completeness.
	• Updates the Grants Management Database to include a copy of the correspondence from Grantor that concurs that all legal obligations of the award have been fulfilled and indicates that the amount disbursed by the Grantor equals the City's records of the amount received.
	• Informs the Finance Department of the grant closure so that grant accounts may be closed out.
	• Retains all necessary program and financial records for the period of time required by the City's Retention Policy (or longer if required by the Grantor agency).
	• Notifies the City Grants Administrator of any audits requested by outside agencies and coordinates the grant audit.
	• Notifies the City Grants Administrator of any issues with meeting the terms of a grant including spending in a timely fashion.
	• Provides the City Grants Administrator with copies of final audit reports.
Departmental Managers – Entitlement Grants	• Complete all long-range and annual planning required for funding. • Oversee annual federal/state appropriation contracts and related approvals. • Administer all subrecipient contracts funded via entitlement funding. • Participate in financial and program audits as necessary. • Review projects without timely expenditures and work to ensure timely billings, reporting, and closeout. • Provides the City Grants Administrator with copies of final audit reports.
Grants Advisory Group	• Monitors overall grant activity for the City, and make programmatic changes as necessary to encourage grantsmanship. • Reviews grants that have not been expended timely and work with the respective departments to ensure timely billings, reporting, and closeout. • Meet to review a pending funding application and advise the City Manager whether and how to move forward.

C.   Indirect Cost Rate

Costs may be incurred by an organization that are not readily identifiable with a particular project or program but are nevertheless necessary to the operation of the organization and the performance of its programs. Where allowable under grant guidelines, the City will charge Indirect Costs on all grant awards above $50,000, calculated by the Finance Department on an annual basis, in accordance with OMB standards. This rate is charged in addition to any direct grant costs.

D.   Single Audit Act Requirements

The City is subject to the financial and compliance requirements of the Single Audit Act, which is applicable to all local and state governments expending more than $750,000 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;
3. Promote efficient and effective use of audit resources; and
4. 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 part of a comprehensive Single Audit program that is incorporated into the City's annual independent audit and financial report preparation process coordinated by the City's Finance Department. During the audit, tests are made by independent auditors 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. A final report is presented to the City Council annually.

The City Controller or designee shall prepare the annual Schedule of Expenditures of Federal Awards (SEFA) based on information provided by the City departments receiving grants. Grants and external awards required to be included on the SEFA are listed in the Catalog of Federal Domestic Assistance (CFDA) which can be accessed via the Internet.

E.   Grants Management Database

The Grants Management Database is a tool to assist in the management of grants awarded to the City, and to improve communication and coordination between grant administrators and the Finance Department and City Manager's Office to enhance oversight and provide a status of the current Citywide grants. The Database is managed by the Finance Department and Grants Administrator to track activity and expenditures and for the purposes of audits and reporting to the City Council.

Each department is responsible for inputting information and uploading required documents from the application (pre-award) phase through closeout and is ultimately responsible for ensuring the grant record is current, correct, and complete.

The Grants Management Database can be found on the City Intranet under the "Project Sites" heading, then by clicking on "Grants Management." The Innovation and Technology (IT) Department can grant access to the Database.

The following must be entered into the Database:

1) Grant Name	12) Matching Funds Amount (if applicable)
2) Grant Agency (Grantor)	13) Revenue received to date (must reconcile with City financial system)
3) Grant Award Amount	14) Expenditures to date (must reconcile with City financial system)
4) Grant Status	15) Financial system project number and GL Key
5) Start Date	16) Overhead type
6) End Date	17) Copy of the Grant Application

7) Name of Grant Administrator/Owner	18) Copy of City Council agenda report
8) Name of Grant Manager	19) City Council minutes and Resolutions if required
9) Grant Purpose	20) Copy of Notice of Grant Award (NOA)
10) CFDA # or CSFA # (if applicable)	21) Copy of signed Grant Agreement
11) Grant Funding Source Breakdown	22) Additional comments as needed

F.   Use of a Professional Grant Writer

For larger grants, a department may elect to utilize the purchasing process to bid for an outside grant writer. The department should carefully consider the need and cost for grant writers as outside consultant services, and budget time and funding for procurement.   To assist in capacity building, the City may approve a pool of outside grant writers to assist departments, but this is not guaranteed.   The use of a Citywide pool of outside grant writers is at the discretion of the City Manager's Office. Generally, the City Manager's Office will look at the following criteria for utilizing an outside grant writer from a Citywide pool:

- Use of an outside grant writer should not to exceed 5% of the potential grant award for a maximum annual amount of $100,000 to minimize the rapid depletion of funds for a minimal number of grants, and not spend an undue amount in relation to the grant award.

- City procurement policies apply. Contacts for grant writing services above $50,000 outside of an approved City pool require official bidding and City Council approval, and time and resources should be budgeted accordingly.

Use of outside grant writers should be sparing and only in circumstances where departmental staffing and/or expertise are not enough to complete compelling grant funding applications.

G.   Use of Outside Secure Grant Submission Systems and Two factor Authentication

City departments may be required to utilize secure grant submission and reporting systems not controlled by the City of Riverside.   Several departments may also utilize the same online grant system.

The City maintains a master file accessible to Citywide grants management on the S-Drive which memorializes grant access responsibilities across departments, including staff assignments for access and/or two factor authentication. This file is accessible to City administrators only.   It is the responsibility of the departmental finance manager to review staff access and passwords in order to keep the S-Drive file updated. This review should occur no less than annually.

The City has implemented a shared email address grantsTFA@riversideca.gov for two-factor authentication, which will also automatically forward to selected City cell phone numbers. Departmental finance managers will be given the email password to the account.   It is the responsibility of the departmental finance manager to ensure that individual staff access and cell numbers are kept current.

It is the responsibility of the department finance manager to review departmental access to secure outside grant systems and make any changes necessary to ensure secure and proper use of those systems. This review should occur no less than annually.

Generally, the City Manager should be given default authority to reassign system access should an employee leave the City.   Departmental management should functionally oversee online grant website access, and ensure that staff assignments for uploading, report management, and financial draws remain

current. All departments should have staff assignments in place that ensure grant systems can be assessed each work day as needed and that coverage for staff flex days, vacations, etc., are considered.

H. **Letters of Support**.

The City of Riverside is often asked to write letters of support for organizations applying for grants. Whenever this occurs, the individual shall notify the City Grants Administrator upon request, consult with and provide a copy of the letter of support.

Distribution: Regular