City of Riverside
Administrative Manual

City of Arts & Innovation

Effective Date: 07/2003	*Approved:*
Latest Revision Date: 01/2018	
Next Review Date: 07/2018	
Policy Owner(s): Office of Organizational Performance & Accountability	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 the grant application submitted by or on behalf of the City reflects the City's strategic goals and operational objectives and meets the City's expectations of document 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. Confirmation of the resources to continue a project or program after the grant period ends;

4. Accepting, expending and financial accounting for grants;

5. Providing proper reporting on grants, per the City and grantor requirements; and

6. Closing out grants and associated projects.

DEFINITIONS

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 individual or organization to whom a grant is made.

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

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

DUNS Number – A unique nine-digit identification number issued by Dun & Bradstreet (D&B) that is

required to apply for US Federal contracts or grants.

Grants.gov – A website for grant programs offered by Federal grant making agencies that allows organizations to electronically find and apply for federal grants.

Grants Management Database – The City's internal database used to document grants awarded to the City. It is managed by the Office of Organizational Performance and Accountability.

Grants Management Website – The City's website that provides information on the grants that the City applies for and is awarded. The website is managed by the Office of Organizational Performance and Accountability.

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.
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-through 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.
Federal Grants	A grant made by the Federal Government.
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 on the City if grant funding is no longer available.

The City should only seek grants when sufficient staff resources are available to effectively administer the project/program in compliance with grant terms and successfully perform the grant work scope.

A. Grants Advisory Group

The Government Finance Officers Association (GFOA) recommends the establishment of a grant oversight committee. The City of Riverside Grants Advisory Group is composed of an Assistant City Manager, and representatives from the Finance Department and the Office of Organizational Performance and Accountability, respectively. The group will meet on an as-needed basis, and may invite representatives from other departments to attend meetings on an ad hoc basis to address specialized situations.

In accordance with GFOA's recommendations, the City's Grants Advisory Group, upon notification from a department of the intent to apply for a grant, will:

1. Evaluate the department's justification of how the forthcoming grant is consistent with the City's strategic goals;
2. Analyze all applicable grant requirements to determine whether grant acceptance would be appropriate;
3. 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
4. Works with the Office of Organizational Performance and Accountability to confirm the status of grants in the Grant Management Database for compliance and ensures that departments report on their grants accurately and timely.

In addition to the above, the Advisory Group evaluates various opportunities for potential grants and, through the Office of Organizational Performance and Accountability, ensures that information is communicated to departments via the Grants Management Database.

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. 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.

City Department / Entity	Roles and Responsibilities
City Council	• Approves grant applications for grants greater than $50,000, grants of any amount that require unbudgeted matching funds, and grants that otherwise require City Council approval by the grantor. • Approves appropriation of funds for all grant awards. • Adopts resolution 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	• Approves and signs grant applications for grants greater than $25,000 but less than $50,000 and for which matching funds (if any) are up to $50,000 and have been budgeted.

City Department / Entity	Roles and Responsibilities
	• Executes related grant documents for grant awards approved by the City Council.
City Attorney	• Reviews grant documents for approved grant awards prior to execution.
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. • Approves and signs grant applications for grants up to $25,000 and for which matching funds (if any) are up to $25,000 and have been budgeted.
Finance Department	• Provides general oversight of grant financial accounting. • Obtains and manages a DUNS number for the City of Riverside from the federal government's Central Contractor Registry. • Creates a grant project number in the City's financial system, which is used to recognize/record grant revenue and expenditures. • Responsible for proper and timely recording of grant receivables, accrued income/expenditures and deferred income in the financial system and financial statements. • Coordinates preparation of the Schedule of Expenditures of Federal Awards (SEFA) for the annual independent auditor review (Single Audit).
Office of Organizational Performance & Accountability	• Provides general oversight of the City's grant activities, including monitoring the Grants Management Database and Website, grant administration training, periodic performance audits, and fiscal quarterly reports.
Department Grant Administrator	Pre-Application • Reviews grants.gov or other grantor agency websites to receive the latest grant opportunities and information. • 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. • Determines on-going impact of the grant program after it is completed. • Reviews responsibilities of other departments and potential impacts on them in preparing the grant application or performing work scope if the grant is approved. • Identifies total program costs, including portion funded through grant revenues and any required City

City Department / Entity	Roles and Responsibilities
	contribution.
	• Identifies source of funding for any required City share.
	• Identifies compliance and Single Audit requirements, paying special attention to those areas where the Grantor's administrative procedures are different than the City's.
	• Notifies the Grants Advisory Group of impending grant application.
	Application
	• Works with the Grantor agency in identifying special program requirements and developing strategies for preparing a successful grant application.
	• Completes grant application documents.
	• Coordinates with affected departments as necessary.
	• Submit the grant application, subject to the following conditions:
	o The grant application must be approved by the City Council if the grant is greater than $50,000 or if any <u>unbudgeted matching funds</u> are required;
	o The grant application must be approved by the City Manager for grants greater than $25,000 but less than $50,000 and if matching funds are up to $50,000 and have been budgeted; and
	o No additional appropriation of unreserved, undesignated fund balance or working capital is required.
	• Enter grant application information into the City's Grants Management Database.
	Award
	• Prepare a City Council agenda report accepting grant award, budget amendment request and any other required City forms or documents; coordinate execution of grant documents by the City Manager or his/her designee; and, return executed documents to Grantor agency.
	• Notify affected departments of grant award.
	• Update Grants Management Database with required information. (Note: If grant is NOT awarded, you must also note this in the Grants Management Database.)
	• Maintain a progress report calendar and ensure that progress reports are submitted to Grantor by due dates.
	• Complete and submit required reports, including requests for funds.

City Department / Entity	Roles and Responsibilities
	• Receive and deposit grant revenues; assure deposits are recorded to the appropriate project and revenue account.
	• Prepare 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 a monthly basis unless less than $10,000.
	• Monitor grant expenditures and receipt of revenues and update the Grants Management Database at least once per fiscal quarter (no later than 10 days after the end of the fiscal quarter).
	• Coordinate any on-site management reviews by the Grantor agency during the grant term.
	• Ensure compliance with grant requirements, paying special attention to those areas where the Grantor's administrative procedures are different than the City's.
	• Perform the grant work scope.
	• Reconcile proposed reimbursement requests with the appropriate General Ledger information prior to submitting reimbursement requests.
	Closeout
	• Complete the grant work scope.
	• Notify affected departments that the project is completed and schedule a "close-out" meeting if necessary to resolve any final procedural issues.
	• Notify 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 a year-end accrual.
	• Ensure final receipt of grant revenues.
	• Prepare and submit 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.
	• Review grant file for completeness.
	• Update the Grants Management Database to include a copy of the correspondence from Grantor concurring all legal obligations of the award have been fulfilled and indicating the amount disbursed by the Grantor is equal to the City's records of the amount received.
	• Retain 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).

C.   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 included under an inclusive 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 the 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 and State Financial Assistance (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) or the Catalog of State Financial Assistance (CSFA), both of which can be accessed via the Internet.

D.   Grant Management Database

The Grants Management Database is a tool to assist in the management of grants awarded to the City, improve communication and coordination between grant administrators and the Office of Organizational Performance and Accountability, enhance oversight and provide a status of the current Citywide grants. The database is managed by the Office of Organizational Performance and Accountability.

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

The following must be entered into the database:

1) Name of Grant	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) Copy of Notice of Grant Award (NOA)

9) Grant Purpose	20) Copy of signed Grant Agreement
10) CFDA # or CSFA # (if applicable)	21) Additional comments as needed
11) Grant Funding Source Breakdown	

Distribution: Regular