

POLICY: Grants Management

ESTABLISHED: September 20, 2022

RESOLUTION NO.: N0. 128-22; **DATE:** September 20, 2022

I. Grant Management Policy

A. Overview

The City of Richmond continues its practice of taking advantage of granting opportunities to support operations, programs, and capital improvement projects. Major sources of grant awards are federal, state, local agencies, and private organizations. A grant's scope is determined by the policy goals of the grantor, and the grantee is obligated to provide deliverables based on the terms and conditions of the grant. Grants differ based on the funding source, scope of work, requirements, and timelines. This policy provides a general guidance to managing grants which may not be pertinent to manage all grants awarded to the City.

B. Goal

The purpose of the Grants Management Policy is to develop, implement, and maintain meaningful grant oversight and coordination for the City Council thereby increasing grant-related revenue, limiting the City Council's exposure to grant-related legal liability, and improving the efficiency and impact of programs and services funded through grants.

C. Pre-Application Evaluation

City staff will continuously identify grants in all functional areas in general but specifically in funding capital projects. City staff must review grant requirements to validate the feasibility of undertaking the responsibility of grant deliverables and the alignment of the scope with the City's and the community's mission before applying, accepting, and committing to any grant opportunity.

1. Short Term Revenues vs. Long Term Costs

Special attention must be paid to evaluate if a grant opportunity is viable to the City and that one time or short-term grant revenues are not adding to the fiscal burden of unprecedented permanent or long-term expenditures. For example, a grant funded project may require the City to hire additional staff, in this situation it is necessary to review the grant to assure that the City is clear about the requirement of additional staff, temporary or permanent. If permanent staff is required, the long-term labor cost must be evaluated and analyzed before applying for the grant. The viability consideration is not

limited to labor cost; it must be evaluated for all types of costs such as ongoing operations and maintenance.

2. Required Resources

A grant opportunity must be evaluated based on required resources versus available resources in the City before moving forward with the application process. This applies to resources such as: staff support, local funding match, or in-kind match.

- a) If a funding match is required by a grantor, the funding source must be approved by the City Manager in writing before submitting the grant application.

3. Indirect Costs

During the grant application process the City staff shall include the cost of administering the grant program when possible and wherever it is allowable by the grantor in the grant terms and conditions. For example, some grantors may have a fixed percentage for indirect costs that can be reimbursed.

4. Cost Benefits Analysis

The overall cost benefit analysis is required to confirm that the grant is in alignment with the City's general mission and strategic goals and is in the best interest of the residents of the City.

5. Public Private Partnership

In a situation where the City is working in partnership with another organization (local or public) the solicitation process must be transparent. City Council approval is required prior to submitting the grant application. If the pre-approval step is missed in such partnership, there must be an explanation provided to the City Council upon the grant acceptance (see section 4.b.).

D. Grant Cycle

1. Grant Application

Department staff is required to follow the grantors' determined application processes. Department staff seeking and administering the grant are responsible for compiling the grant application, and the Finance department shall provide certain information that is required to be submitted with the proposal.

- a) If a local funding match is required for a grant, refer to the section 3.b. of this document.
- b) The Finance department must be notified upon submission of a grant application within ten (10) business days.

2. Grant Award

Grant award is the notification that is provided to the applicant upon the acceptance of the grant application. The notification must be in writing and/or it can also be in a grant agreement format.

3. Council Approval

Each grant must be formally accepted by the City Council before moving to the execution phase. Department staff are responsible for preparing the City Council agenda item. The recommended action must include the words “accept and appropriate” in the agenda report to ensure budget appropriation for execution. Some grants may require City Council authorization before a grant application is submitted and, in that case, recommended action may include the language about the acceptance and appropriation of funds upon grant award.

4. Grant Set-Up

Department staff is responsible for submitting grant documents to the Finance department within ten (10) business days to be set up in the City’s financial system, which may require creating special account strings to fully track the related activity. Required documents are:

- a) Grant Award Letter/Agreement
- b) Approved Council Minutes, and/or Resolutions
- c) Completed Grant Information Form (see attached form)
- d) Appropriate Grant Funds

5. Grant Execution

It is the Department staff’s responsibility to deliver agreed upon deliverables, generate status reports, exercise careful examination of the costs being incurred, and file for reimbursements from grantor in a timely fashion. The Finance department assists as needed in terms of setting up account strings, budgets, and preparing monthly reports etc. Department staff shall maintain a comprehensive project file for the record and send all documents to grants@ci.richmond.ca.us for record keeping in the financial system.

6. Grant Compliance

It is the Department staff’s responsibility to meet all grant requirements and take appropriate steps to ensure grant compliance by adhering to all applicable Federal, State, and local regulations. This includes collecting all necessary documentation from the pre-award phase through closeout,

ensuring appropriate procurement steps are taken for any subawards, compliance with sam.gov debarment and suspension checks, and all other award requirements.

7. Reimbursements/Reporting

Department staff shall submit reimbursements and other periodic reports in a timely manner depending upon the grantor specified timeline. The majority of grants are on a reimbursement basis. Therefore, the City covers the expenditures from the cash reserve before the grant funds are reimbursed, which limits the City's ability to fund other operations and city services. It is crucial that the reimbursement requests are submitted to the grantor in a timely manner to alleviate undue burden from the City's cash reserves. Department staff shall forward all the filed reimbursement requests to grants@ci.richmond.ca.us at the time of submission to the grantor.

8. Close-Out

Department staff are responsible for following the specified close out procedure provided by the grantor. Grant funded project files and records are required to be maintained for five years or the retention limit the grantor has provided which may exceed five years. Final close out reports shall be sent to the Finance department within ten (10) business days.

E. Record Keeping

Department staff must maintain all documents (purchasing, bidding, and communications with the grantor) even after the grant completion. Department staff shall also forward all documents to the Finance department (grants@ci.richmond.ca.us) for saving and retention in the financial system (currently Project Master in Tyler MUNIS) to ensure city-wide availability as needed. This is primarily for audit purposes.

F. Audits

Appropriate audit facilitator is determined depending on the nature of the audit including the Annual Single Audit. The Finance department facilitates all financial audits and may reach out to Department staff for assistance if warranted.

G. Roles and Responsibilities

1. City Council
 - a) Provides policy guidance to City staff to seek grants in certain categories and authorizes staff to apply for grants, and upon grant award, accepts and appropriates funds.
2. City Manager's Office
 - a) Executes grant agreements and directs/assigns staff to seek and execute grants.
3. Finance Department
 - a) Provides guidance to Department staff about tracking costs appropriately.
 - b) Sets up account strings in the financial system.
 - c) Assists in day-to-day financial operations.

 - d) Generates periodic reports stating sources and uses of the grant funds.
 - e) Maintains project master in the financial system.
 - f) Maintains the City's general information regarding tax ID and tax-exempt status letter.
 - g) Maintains the City's accounts with federal grant portals such as www.grant.gov, www.sam.gov, etc.
 - h) Maintains the City's CAGE code and Unique Identifier Number, formerly known as DUNS number.
 - i) Generates Schedule of Expenditures of Federal Awards (SEFA) annually after fiscal close.
 - j) Facilitates financial audits.
 - k) Provides training on grants management and financial systems to improve the grants program.

4. Department Staff

- a) Applies for the grant.
- b) Takes awarded grant to the City Council for approval (Council action must read “Accept and appropriate funds...”).
- c) Prepares budget amendments based on the City Council approval.
- d) Executes the grant.
- e) Delivers the grant deliverables under the terms and conditions.
- f) Monitors costs and makes sure the costs are allowable and within the grant award.
- g) Communicates and reports to the grantor/s regarding status, periodic, and close out reports, and any other communication regarding modifications to the scope or changes in timeline.
- h) Follows the procurement and other City policies in the process of issuing contracts. This includes ensuring all contract provisions outlined on pages 24-25 of City of Richmond’s Purchasing Policy (AP 522) are followed and passed down as applicable to all subrecipients and contractors. Note that suspension and debarment check is required and the department must “Verify that a vendor is not debarred, suspended or otherwise excluded from or ineligible for participation in Federal assistance programs or activities. Confirm and document that vendors are not on the federal government’s Excluded Party list found at www.sam.gov.” This verification must occur prior to the execution of subawards. **For more information, please refer to the Finance Department’s Sam.gov Debarment Check Guidelines document.**
- i) Maintains complete project file during and after beyond project completion.
- j) Assists finance/audit coordinator as needed during audit/s.

Grant Information Form

Project Title <input style="width: 90%;" type="text"/>	City Project Code <input style="width: 90%;" type="text"/>
Scope of Work <input style="width: 100%; height: 30px;" type="text"/>	
Award Amount <input style="width: 150px;" type="text"/>	City Match Select One <input style="width: 100px;" type="text"/>
Grant Basis Select One <input style="width: 150px;" type="text"/>	If Yes, Match Amount <input style="width: 100px;" type="text"/>
Grantor Agency Information	
Agency Type Select One <input style="width: 100px;" type="text"/>	CFDA # (Fed) <input style="width: 100px;" type="text"/>
Funding Through Select One <input style="width: 100px;" type="text"/>	Agency Grant # <input style="width: 100px;" type="text"/>
Agency <input style="width: 200px;" type="text"/>	Pass-through Agency <input style="width: 150px;" type="text"/>
	Sub Agency <input style="width: 150px;" type="text"/>
Agency Program <input style="width: 100%;" type="text"/>	
Grant Period	
Reporting Frequency Select One <input style="width: 100px;" type="text"/>	Award Date <input style="width: 100px;" type="text"/>
Final Report <input style="width: 100px;" type="text"/>	Start Date <input style="width: 100px;" type="text"/>
	End Date <input style="width: 100px;" type="text"/>
	Report 1 <input style="width: 100px;" type="text"/>
	Report 2 <input style="width: 100px;" type="text"/>
	Report 3 <input style="width: 100px;" type="text"/>
Agency Contact	City Contact (Project Manager)
Name <input style="width: 90%;" type="text"/>	Name <input style="width: 90%;" type="text"/>
Title <input style="width: 90%;" type="text"/>	Department <input style="width: 90%;" type="text"/>
Phone <input style="width: 90%;" type="text"/>	Phone <input style="width: 90%;" type="text"/>
Email <input style="width: 90%;" type="text"/>	Email <input style="width: 90%;" type="text"/>
Grant Budget	Match Source (If Required)
Fund <input style="width: 100px;" type="text"/>	Fund <input style="width: 100px;" type="text"/>
Org <input style="width: 100px;" type="text"/>	Org <input style="width: 100px;" type="text"/>
Object Code <input style="width: 100px;" type="text"/>	Fixed Asset Select One <input style="width: 100px;" type="text"/>
Budget Amount	If Yes, Description of Fixed Asset
(Revenue) <input style="width: 100px;" type="text"/>	<input style="width: 100%; height: 100px;" type="text"/>
Expenditure <input style="width: 100px;" type="text"/>	
Net <input style="width: 100px;" type="text"/>	
\$ 0	
Other Notes	
<input style="width: 100%; height: 100%;" type="text"/>	
Required Documents: 1-Completed Grant Information Form, 2-Grant Award Letter/Agreement, 3-Approved City Council Minutes	