



**GRANT APPLICATION, ACCEPTANCE, AND
MANAGEMENT POLICY**
February 2025

Purpose

The purpose of this Grant Application, Acceptance, and Management Policy (“Policy”) is to establish uniform guidelines and procedures for City staff in the development, submission, and management of grants and receipt of restricted donated funds. This Policy will ensure that each grant program managed by or on behalf of the City: a) aligns with the City’s mission and priorities; b) is managed effectively to ensure compliance with grant terms to maintain eligibility for future funding; and c) has been properly evaluated for any fiscal or operational implications, which includes an evaluation of the sustainability of the grant-funded project or program after the grant performance period has ended.

1. Scope

This Policy applies to all elected officials, officers, and employees who approve, acquire, and/or administer grant funds on behalf of the City. The goals and objectives of the City departments should be established early in the planning process and should not change based on changes in the availability of different funding sources sought and received. If federal and state grant policies and regulations conflict with regulations and policies of the City, the federal and state policies will prevail unless they are less restrictive than City policies, in which City policy prevails.

This Policy also covers donations restricted to narrow purposes for which the City must track. General or restricted donations that align with activities and services already provided by the City are exempt, provided that such donated funds are used first for such activities and services, prior to other City resources.

2. Policy

2.1 General

- A. It is the policy of the City to adhere to the strictest level of professionalism in grant writing, grant administration, and grant implementation activities through a generally accepted set of conventions, standards, and practices outlined within this policy.
- B. The City must ensure the transparency, legality, and donative intent associated with grants and donations. Donative intent must be the primary motive for gift giving; that is, the intention to give something of value for the betterment of the City.
- C. Grants are an important resource in the City’s overall revenue structure. After a grant is awarded, the City must track, manage, and report all grant funding and expenditures to ensure the City’s good standing with grantors and preserve access to future funding.
- D. The City should not use grant funding to meet ongoing operational service delivery needs. In the City’s financial planning, the City will treat grants in the same manner as all other temporary and uncertain resources, and grants will not be used to fund ongoing, basic service needs.

1. In special circumstances where it is necessary to utilize grant funding for an “ongoing service need”, this need will be reviewed by the Finance Director and approved by the City Manager or designee.
- E. If grant funding enables a pilot program or funds a multi-year program at declining amounts in each subsequent year and the pilot program is successful, the City may identify funding for the on-going program.
 - F. The City typically does not accept any grant that will incur management and reporting costs greater than the amount of grant funds. Such costs include, but are not limited to, indirect costs, overhead, and any other items needed to administer the grant. The Finance Department can assist in identifying indirect costs and overhead associated with administering the grant.
 - G. Grant applicants may request indirect costs if the application guidelines do not require a federally approved indirect cost rate and indirect costs are allowed in the grant.

2.2 Definitions

- A. Donation: A contribution or gift of cash or other assets from other entities to be used or expended for donor-specified purposes.
- B. Federal Award: Federal financial assistance and Federal cost-reimbursement contracts that non-Federal entities receive directly from Federal awarding agencies or indirectly from pass-through entities.
- C. Funding Match: The City’s portion of project costs, staff support, or in-kind contributions required to fulfill the terms of the grant.
- D. Grant: An award of financial assistance in the form of money or property by a funding source that the City may accept or reject. Funding sources may include the federal government, state government, other local governments, non-profit agencies, private foundations, and private businesses or persons.
- E. Grant Agreement: The document from the grantor that contains the terms and conditions for the grant funds.
- F. Grant Award or Acceptance Letter: Notification received detailing the amount of the grant awarded, grant assurances and special conditions, and the guidelines that must be followed to comply with the grant requirements.
- G. Grant Award Form: the form used to communicate receipt of a grant along with the basic requirements of the grant.
- H. Grant Expenditure Tracking Form: the City form used to report quarterly grant and matching expenditures that support grant activities.

- I. Single Audit: An organization-wide audit of an entity that expends \$1,000,000 or more of Federal assistance (Federal grants) received for its operations. Performed annually, the single audit's objective is to provide assurance of the appropriate management and use of such funds by recipients such as states, cities, universities, and non-profit organizations.
- J. Supplanting: Occurs when a state or unit of local government reduces state or local funds for an activity, specifically because federal funds are available (or expected to be available) to fund that same activity.
- K. OMB Uniform Guidance: Federal government regulations over single audits that cover the financial and compliance requirements on federal grants and contracts received by the City as prescribed by Federal Title 2 Code of Federal Regulation part 200 (2 CFR 200).
- L. Non-Federal Entity: A State, local government, or other granting agency.
- M. Pass-Through Entity: A Non-Federal entity that provides a Federal award to a subrecipient to carry out a Federal Program.
- N. Subrecipient: A Non-Federal entity that expends Federal awards received from a pass-through entity to carry out a federal program.

2.3 Responsibilities

- A. City Council: City Council is responsible for:
 - 1. Approving grant agreements when the grantor requires approval by the governing body, including accepting the terms and conditions of the grant; and
 - 2. Approving any intergovernmental agreements, contracts, or resolutions necessary to submit an application or accept receipt of a grant, if required by the grant program.
- B. City Manager
The City Manager is responsible for signing grant applications and accepting grant awards on behalf of the City, as delegated by the City Council, or for grant programs that do not require approval by the governing body. The City Manager may delegate this authority as per policy.
- C. Finance Department: The Finance Department is responsible for:
 - 1. Serving as a departmental resource to support internal preparation for the grant application process;
 - 2. Coordinating grant administration within and across the departments of the City;
 - 3. Affirming whether any required fund match is available in the adopted budget;

4. Creating any necessary account or project codes before the project is initiated;
5. Working with departments to gather grant award documentation and monitor grant activities;
6. Arranging for annual independent organization-wide audits in accordance with grantor requirements and/or Federal regulations
7. Assist with identifying and calculating indirect costs for inclusion in grant applications.

D. Department Director: Department Directors are responsible for:

1. Overseeing the grant activities within their departments, including research, application, administration, management, and reporting;
2. Designating a specific staff member who will be responsible for monitoring grants on behalf of the department and who will be the point of contact for other City staff;
3. Approving the development and submission of grant applications;
4. Approving the Grant Award Form and routing to Finance, Legal and City Manager for final approval.
5. Confirming any matching requirements recommended by staff and ensuring any matching funds are available within current appropriations and/or future budget plans;
6. Identifying, understanding, and supporting the fiscal, operational and resource impacts to their department;
7. Ensuring their staff properly draft agenda items to authorize or accept grant awards for City Council consideration.

E. Department Staff: Department staff members identified by the Department Director are responsible for:

1. Reviewing and ensuring the proposed project aligns with the grant eligibility rules as well as City objectives and priorities.
2. Review of the Notice of Funding Opportunity for critical details on objectives, submission guidelines, and pre-application activities such as webinars or information sessions.

3. Identifying and understanding required compliance and reporting requirements of the grant and assessing operational capacity to carry out grant activities.
4. Completing a Grant Award Form upon notification of award and submit the form to Department Director for approval.
5. Identifying appropriate account coding for properly recording grant expenditures;
6. Requesting a project code(s) to track grant expenditures and revenues before the project is initiated;
7. Identifying fiscal periods and/or fiscal years in which grant expenditures will occur;
8. Arranging for accurate appropriation of any cash match that is required;
9. Understanding the grant agreement and requirements, coordinating with the City Attorney's Office as necessary and appropriate to ensure City and Department are able to meet all grant terms and conditions;
10. Plan for and coordinate to obtain City Council approval when appropriate and necessary;
11. Providing continuous administrative and management direction for project operations;
12. Providing, directly or by contract, adequate technical inspection and supervision of qualified professionals of all work in progress;
13. Assuring conformity to grant agreements, applicable statutes, codes, ordinances, and safety standards;
14. Maintaining the project work schedule agreed to by the grantor and the grantee while constantly monitoring grant activities to ensure that schedules are met, and other performance goals are being achieved;
15. Keeping expenditures within the latest approved project budget;
16. Assuring compliance with grantor requirements on the part of agencies, consultants, contractors, and subcontractors working under approved third-party contracts or intergovernmental agreements;
17. Requesting and withdrawing funds only in amounts and at times as needed to make payments that are immediately due and payable or as scheduled in a grant agreement;

18. Accounting for project property and maintaining property inventory records that contain all the required elements; and
19. Providing reports as needed to each discrete granting agency and the Finance Department
20. Observe and comply with all purchasing requirements per the terms of the grant; the applicable federal laws and regulations governing grants and agreements with local entities; and the City's purchasing policies and procedures.
21. Ensuring all applicable documents and records are retained in compliance with the terms of the grant agreement and state records retention requirements.
22. Contacting Finance Department for assistance with identifying and calculating indirect costs for inclusion in grant applications.

2.4 Procedures. General Guidelines

- A. City staff will pursue grant funding from federal, state, and local sources; private foundations; and other sources consistent with the City's mission, priorities, and goals.
- B. City staff will only seek grants when grants align with current Council and organizational priorities and when sufficient staff resources are available to effectively administer the project or program in compliance with grant requirements and successfully perform the grant-funded scope of work.
- C. Prior to applying for a grant, an analysis will be undertaken within the department to: a) determine match requirements; b) determine out-year fiscal impacts and workload impacts, including any on-going obligations of the City, and c) estimate the administrative burden on staff to properly implement and manage the grant. The results of these analyses will be used to determine the merits of proceeding with a grant application.
- D. Fiscal sustainability will be a consideration in seeking grants. Programs or projects which "pilot" a new initiative shall be pursued only after careful analysis to determine future fiscal impacts. Launching new programs that require ongoing operating funds or commitments of staffing could compromise the City's capacity or fiscal ability to maintain the programs once the grant funding expires.
- E. Each department is responsible for researching, applying for, and managing its own grants. Each department head will assign select staff with the responsibility to develop, track, report, and manage that department's grants activities.
- F. It is not the City's policy to require departments to obtain pre-approval from the City Council to submit a grant application. However, several grant programs require Council

action to submit a grant, which may require the Council to pass a resolution or authorize an agreement. Departmental grant writers must closely read the grant program guidelines to determine if such action is necessary, and if so, to take the necessary steps to obtain City Council approval.

- G. Before any expenditures are incurred that are based on a grant, donation, or contribution, department grant staff will coordinate with the Finance Department so that appropriate accounting codes are in place before the program or project is initiated. If additional appropriation is required to spend grants, donations, or other contributions, the department's grant staff will coordinate with the Finance Department in drafting materials and scheduling the item for City Council approval.
- H. For any grants which involve federal funds, Department Staff will provide additional necessary documentation to the Finance Department to assist in the compilation of the Schedule of Expenditures of Federal Awards for the City's annual Single Audit Report.
- I. Departments will report grant activities to the Finance Department through an electronic repository established/maintained by the Finance Department.
- J. The pursuit of grants is for programs, services, and purposes consistent with the City's mission and City Council priorities. The City does not solicit or accept:
 - 1. Grants which obligate the City to break the law or other City policies;
 - 2. Grants which limit, beyond a general description of the program area, the work of staff members;
 - 3. Grants which inhibit the City from seeking gifts from other donors, additional grants, or other contributions;
 - 4. Grants that expose the City to excessive liability
- K. Departmental staff must create a file with the completed grant application and any supporting documents.
- L. Upon notification that a grant has been awarded, the departmental staff must complete a Grant Award Form and submit the form to the Finance Department, Legal Department and the City Manager.
- M. Upon notification that a grant has been awarded, the staff person handling the grant should place the award on the next available City Council agenda for acceptance if necessary. In addition to the agenda item, the item must include as attachments the award letter, the grant agreement/awarding document, and any other relevant documentation received from the grantor. The departmental staff is responsible for distributing the executed grant agreements to the necessary City departments and

agencies, including the grantor. The departmental staff will retain one executed original for the file.

- N. A designated staff person in each department will maintain a departmental Grant Expenditure Tracking Form which documents the grants activity within that department, including grants that have been applied for and are pending; grants which are active; and grants which have closed during the previous fiscal year. Staff managing grant-funded programs will maintain communication with the designated grant staff person on a quarterly basis at a minimum to provide updates regarding the status of the project and the financial implications.
- O. The departmental staff overseeing the grant must observe and comply with all requirements in the grant agreement, which include reporting and tracking requirements, and all City requirements, as provided here.