



## I. PURPOSE

The purpose of the grant procedures outlined in this document is:

- To ensure proper oversight of all funds appropriated to the Town.
- To minimize the Town's risk of non-compliance with grant requirements.
- To ensure proper administration and accounting of all grants.

## II. SCOPE

This policy is applicable to all Town departments preparing and submitting grant applications to agencies outside the Town government for funds, materials, or equipment to be received and administered by the Town. No grant will be accepted that will incur management reporting costs greater than the grant amount. Such costs include, but are not limited to, indirect costs, overhead and any other items needed to administer the grant.

## III. POLICY

### A. Grant Application Procedures

- i. The department desiring to submit a grant application soliciting funds will prepare the request as outlined by the grantor's requirements. The department seeking the grant should review all financial aspects of the grant application to ensure any required funds are available. The department director or their designee should sign the grant application as approval that:
  - Any required funds are available;
  - They are supportive of the fiscal impacts to their department; and
  - The goals and objectives of the grant are in line with that of the department as well as with the overall strategic direction of the Town as a whole.
- ii. The department applying for the grant should make every effort to project all initial and ongoing costs associated with the grant program including but not limited to: staff support, needed assistance for computer systems, office space, utilities, systems furniture, vehicles, office equipment, office supplies, computer software and hardware, and/or telephone charges.
- iii. Upon the department completing its financial assessment, they shall prepare and submit a Grant Processing Request Form to the Finance

Department with the original grant application, along with any required assurances and conditions prior to submitting the application to the grantor agency for approval. The purpose of this application notification to Finance is to allow Finance to maintain a comprehensive list of pending grant applications as well as active grants, to provide assistance as appropriate to departments in the preparation and administration of grants, and to ensure availability of matching funds, where applicable. The Finance department will obtain the Town Manager's approval and notify the department that the application has been approved.

- iv. If the grant is incorporated into the Adopted Budget during the annual budget process, then no additional Town Council approval is required for the application and acceptance of the grant.
- v. All grant award acceptances must have the proper approvals as follows:

Type of Grant	Finance Approval	Town Manager Approval	Town Council Approval
Grants less than \$50,000 requiring no local match	Required	Required	Not Required
All other grants	Required	Required	Required

- vi. In the event that a grant application is denied by the grantor, a copy of the letter of denial shall be forwarded to the Finance Department for their records.

**B. Grant Acceptance Procedures**

Whenever possible, all requests for acceptance of grants of a recurring nature should be submitted to the Finance Department through the normal budget process that must be approved by the Town Council.

- i. All grant award letters, acceptance agreements, memorandums, of understanding and other binding documents related to the execution of the grant should be signed and executed by the Town Manager.
- ii. The grant award letter/acceptance agreement (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) will be forwarded to the Finance Department for review.

- iii. In order for expenditures to be processed against a grant, a budget appropriation must be established in accordance with the above table. The department requesting a grant will prepare Town Council agenda item requesting appropriation of grant funds, unless the grant has already been approved by the Council as part of the adopted annual budget process or Town Manager is delegated the authority to approve.
- iv. Upon Town Council or Town Manager approving a grant, the Finance Department will assign an account code to the grant and the applicable department will be notified of the account code. For reimbursable grants, all reimbursement requests should be copied and forwarded to Finance, noting the applicable account code for the receipting of the funds.
- v. Departments are responsible for ensuring that all funds are expended or encumbered prior to the end of the grant period in order for funds to be used adequately and not lost in future award periods.

### C. Grant Monitoring and Reporting

#### i. Monitoring of Grants

- Departments are responsible for continuous monitoring of the financial status of grants. The Finance Department will provide departments with financial reports for such monitoring as needed.
- Line-item budget amendments must be approved prior to grant expenditures being made in order to avoid lost grant funds when/if amendments are denied.
- Departments must also monitor grants for compliance with all applicable federal, state, and local regulations and ensure that grant expenditures are in compliance with grant procurement policies and procedures.

ii. Grant Reporting

- The requesting department is responsible for providing financial reports to grantors.
- Departments handling grant reporting are responsible for complying by the due dates with all reporting requirements of the grant including financial reporting and reimbursement requests. All reimbursement requests should be copied and forwarded to Finance for review and monitoring of timeliness of revenue reimbursements.
- Timely requests for reimbursements are crucial to maximize the financial benefits of the grants to the Town. Grant reimbursements should be completed timely and in accordance with the requirements of the specific grant.

D. Indirect Costs

Grant applicants may request indirect costs if the application guidelines do not require a federally approved indirect cost rate and indirect cost are allowed in the grant. Departments should contact the Finance Department for assistance with identifying and calculating indirect costs for inclusion in grant applications. These funds may be used by the Finance Department to offset costs in overseeing the grant including staff time, external auditor expenditures, etc.

E. Personnel

- i. Any new personnel positions to be created as a result of grant funding must be approved by the Town Council and properly classified by Human Capital.
- ii. Departments are to promptly notify Payroll of coding changes needed for persons being charged to grants. (Coding changes are noted on personnel action request forms).

F. Grant-Related Procurement and Policy Issues

- i. Procurement must be notified that federal funds are involved for all purchases with federally funded grants, regardless of dollar amount.
- ii. The Finance Department also needs to be notified so that assets acquired using Federal funds can be properly identified. Equipment items purchased with Federal funds that cost \$5,000 or more are to be tagged when purchased so that proper disposal procedures can be followed when items are sold or sent to surplus.
- iii. Grantees should follow the Town's and/or grantor's policies and procedures for all practices including procurement for the selection of contractors and vendors. If grant applications have special conditions, a copy of such must be given to Procurement and Finance for assistance in compliance monitoring. If grant

guidelines require grantees to abide by different procurement procedures other than those adopted by the Town, the grantee should resolve the situation with Procurement prior to submitting the application. As a rule, the federal and state regulations prevail unless less restrictive than Town policies-where Town policy prevails.

G. Classification of Grant Revenue

All federal, state and local grant revenue should be receipted as revenue as opposed to as expenditure refunds in order to be in compliance with approved grant policies.

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