

Financial Policy #15: Grant Management

Effective Date: January 11, 2024, Resolution No. 635

Replaces and Cancels: New

References: 2 CFR 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards; RCW 35A.11.040 Intergovernmental Cooperation and Action; Financial Policy #07: Budget

PURPOSE

The purpose of this policy is to ensure sound, strategic, and effective grant application, management, and reporting for the benefit of the City of Ridgefield and its residents. To accomplish that goal, this policy will:

- A. Define practices for approval, application, and reporting for grants sought and obtained by the City.
- B. Encourage City personnel to pursue federal, state, and other grants-in-aid that support the Council's Strategic Goals and ensure that such grants are administered in accordance with all applicable laws and regulations, contractual obligations, and City policies.
- C. Ensure grant application and management processes are efficient and well-organized by providing clarity regarding operations, key stakeholders and decisionmakers, responsibilities, and outcomes.
- D. Establish grant procedures that will support successful compliance with this policy.

GENERAL GRANT POLICY

The City will actively seek grants that support the City Council's Strategic Goals, departmental budgets, City programs, public service delivery and capital facility plans. To ensure fiscal health and project viability, each prospective grant will be assessed by the Grant Committee.

DEFINITIONS

Donation: a gift of funds, services, and/or goods with few or no restrictions.

Grant: a fund awarded for a specific project or purpose, generally with strict guidelines and conditions for its use. Grants typically require an application and implementation process in line with grantor, federal, state, and City protocols.

Grantee: the entity to which a grant is made.

Grantor: a governmental unit, foundation, or other entity that awards grants.

Loan, federal or state: a fund awarded for a specific project or purpose that requires repayment; refer to City of Ridgefield Financial Policy #10: Debt Management.

ROLES AND RESPONSIBILITIES

The following shall govern responsible parties for activities surrounding the submittal, implementation, maintenance, reporting, and other related duties for grant funded projects by or on behalf of the City. The full development of a project or programs requires the assistance and support from all affected parties.

City Council

- 1. Approves grant management policies.
- 2. Approves all grant applications and grants over \$100,000 that require City resources or obligations (such as matching funds) that have not been budgeted.
- 3. Delegates receipt and contract execution to the City Manager or designee.
- 4. Approves the annual strategic plan for grant acquisition to meet City Council goals.

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City Manager

1. Approves grant applications and grants up to \$100,000.
2. Executes grant agreements.
3. Designates staff roles and responsibility for grant management.

Finance Director

1. Reviews financial reports generated by recipient department and provides general oversight of other financial grant-related issues.
2. Designated signatory for local, state and federal grant reimbursements.
3. Develops, recommends, and maintains grant management policies and procedures.
4. Maintains the City's accounts with federal and state grant portals such as www.grant.gov, www.sam.gov, etc., and the City's Unique Identifier Number; designates which City personnel have access to grant submission and reporting portals as appropriate.
5. Designated liaison with the Washington State Auditor's Office (SAO) for grant-related audits or Grantor Agency Auditors completing a grant program audit.

Grant Writer

1. Facilitates grant planning in alignment with the City Council's overall Strategic Goals, provides grant training and technical assistance for City personnel, assists departments with tracking and reporting departmental grant activity, ensures the promotion of grant opportunities, researches potential grants, and identifies and investigates issues that may arise with respect to the management of grants.
2. Prepares and submits grant applications.
3. Creates and maintains a calendar of dates for grant applications and grant reporting.
4. Monitors documentation for compliance with grant requirements.

Grant Steering Committee

The Grant Committee is chaired by the Finance Director and includes the Grant Writer and representatives from an array of City departments to ensure equity, including Public Works, Public Safety, Community Development, Finance, and City Administration.

1. Annually informs the strategic planning and objectives for grant programs that will support the City's budget and advance the City Council's priorities as identified in the budget and capital facilities plans.
2. Presents the annual strategic plan to the City Council.
3. Under the direction of the chair, forms a subcommittee appropriate to each grant to evaluate the benefits and costs of specific grant programs on a case-by-case basis. The subcommittee will score prospective grants on the Grant Decision Matrix (Exhibit A). The grant writer will not score potential grants and will instead organize and present information to the committee, answer their questions, and tabulate scoring outcomes.
4. Makes recommendations on whether to pursue grant projects to the City Manager and City Council.

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Finance Department

1. For grants over \$100,000, prepares a Council agenda report, coordinates execution of grant documents, and returns executed documents to the grantor agency.
2. For grants under \$100,000, with authorization from the City Manager, executes and returns grant documents to grantor agency.
3. Maintains financial and other records in accordance with grant requirements.
4. Creates a grant fund and/or project number, which is used to recognize grant revenue and expenditures in the department or division's budget.
5. Ensures that grant-related funds are only obligated and expended when there is budgetary authority to do so. Monitors grant expenditures and receipt of revenues.
6. Ensures contractors, subcontractors, and/or consultants have complied with the appropriate work in a timely manner and in accordance with technical, financial, and other requirements of the award. Reviews any subsequent invoices for accuracy and grant compliance.
7. Completes and submits required reports, including requests for funds.
8. Coordinates any required on-site management reviews.
9. Ensures compliance with grant requirements, paying special attention to those areas where the grantor's administrative procedures are different than the City's.
10. Reconciles proposed reimbursement requests with the appropriate General Ledger (GL) information prior to submitting reimbursement requests. Ensures final receipt of grant revenues.
11. Performs grant closeout and reviews grant file for completeness.
12. Retains all necessary program and financial records for the period required by grantor agency.
13. Ensures audit requirements and resolves any audit findings.

Operating Department (Department responsible for the grant related project)

1. Develops systems for maintaining ongoing information regarding grant availability within their functional areas of responsibility.
2. If an outside consultant is hired to assist with grant writing or project management, is responsible for overseeing the consultant work and ensuring grant compliance.
3. Performs the grant work scope.
4. Performs evaluations of the effectiveness and outcome(s) of the grant work scope and provides any technical information needed for grant reporting and compliance to the Finance Department.
5. Prepares required project status reports for granting agencies.

LETTER OF SUPPORT REQUESTS FROM EXTERNAL ORGANIZATIONS

External organizations sometimes seek support from the City for grant applications they intend to submit to a grantor. While the City seeks to support community, county, and state collaborations, there may be reasons why it would not be in the City's interest to provide a letter of support. Letters of support for a grant application prepared by an external entity shall be considered by the relevant Department Director

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in consultation with the Grant Writer, Finance Director, and the City Manager before submission to the requesting organization.

1. Upon receiving a request from an external organization for a letter of support for a grant application it intends to submit to a grantor, the Department Director is responsible for consulting with the Finance Director and the City Manager to determine the City's response, documenting the information and reasoning behind the decision, and for ensuring that no potential liabilities to the City will be incurred as a result of their action. The Grant Decision Matrix should be referenced to inform this decision.
2. If approved, the Department Director may supply the appropriate letter of support and should provide a copy of the letter to the Grant Writer for the purposes of documentation.

INTERNALLY COMPETING APPLICATIONS

Often grantors will not consider any proposal from a potential grantee if that entity has submitted more than one proposal during the same funding round. Even if the grantor allows competing applications, it may not be in the best interest of the City to compete against itself. If competing grant applications are proposed, the Grant Committee should score the proposed projects on the Grant Decision Matrix to determine which one is the most advantageous to pursue and make its subsequent recommendation to the City Manager.

AUTHORIZED SIGNATORIES

All grants require an authorized signatory on behalf of the City. When no authorized signatory is specified by the grantor, the City Manager or their designee will serve this role. The signature legally binds the City to all terms and conditions within the grant agreement. The Finance Director can act as the signatory on grant reimbursement, reporting, and compliance documentation.

DEPARTMENTAL GRANT-SEEKING PLAN

Departments should work closely with the Grant Writer to identify projects that could be supported by grant aid as well as grants that could be used to further City priorities. The key considerations in departments' grant-seeking plans are to ensure that each grant application submitted by or on behalf of the City supports the City Council's Strategic Goals, has matching funds available if required by the grantor, and that plans for continuation of the project after the grant period ends have been given consideration.

PRE-APPLICATION ASSESSMENT AND REVIEW

The purpose of this process is to ensure that possible costs to the City are identified and considered as early as possible. The department considering an application for a grant is responsible for pre-application assessment, in which potential grants shall be evaluated in consultation with the Grant Committee. Pre-application assessment shall be done well in advance of grant submission deadlines to avoid problems that could cause the grant deadline to be missed. Departments should consider the following:

1. Total anticipated cost and match requirements and sources.

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2. Staffing requirements (including salary and benefits for multi-year grants).
3. A clear continuation plan and consideration of potential long-term obligations on the part of the City. For projects or programs that will continue after the grant funding, it is required that departments develop continuation plans prior to applying for grants. Grants that require permanent commitments on the part of the City should be avoided.
4. Alignment with the City Council's Strategic Goals and/or the department's business plan.
5. Provision or expansion of services to address critical needs.

APPLICATION SUBMISSION

1. The project manager seeking the grant is responsible for ensuring that the pre-application assessment factors noted above have been completed prior to submission.
2. The department should make themselves available to the Grant Writer to provide timely, relevant technical information and contact information for potential collaborators.
3. The Grant Writer is responsible for submitting the application by the grant due date.
4. Should the application require a presentation, the project manager will be primarily responsible for preparing and delivering this portion of the application.

AWARD NOTIFICATION AND ACCEPTANCE

Grant agreements are legal contracts. It is the City's responsibility to carry out the project and/or activities associated with a grant to accomplish its objectives, while adhering to all the terms and conditions prescribed by the grantor. Failure to do so increases the City's exposure to legal liability and compromises current and future grant funding. Therefore, the City carries a significant legal and ethical responsibility when accepting grant funding.

1. **Award Notification:** Departments that receive a grant award shall forward a copy of the award notification, the grant agreement or contract, and any memoranda of understanding to the Grant Writer, Finance Director, and City Manager within two business days of receipt.
2. **Approval to Accept Award Procedure:** If approval of the Grant has not been previously authorized as part of the annual budget, the Finance Department shall seek authorization from the City Manager for grants up to \$100,000. For previously unauthorized grants over \$100,000, the Finance Department shall prepare the Motion to accept the award and Council Agenda Staff Report requesting City Council authorization for the City Manager to execute the Grant Agreement. Once executed by the proper City officials, the Finance Department will forward the executed document to the Grantor. The returned fully executed Grant Agreement shall be received by the appropriate department and the Finance Department.

USE AND RECEIPT OF GRANT FUNDS

Grant funds must be properly used and received by the City of Ridgefield. Violations can result in a range of penalties, including suspension of future funds from the grantor; return of all funds associated with the award, including those already expended; and civil and/or criminal penalties.

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1. All Departments receiving grant funds shall adhere to state and federal requirements and City Financial Policies and Procedures.
2. No grant funds shall be disbursed until a project has been established in an appropriate fund by Finance; any sub-grant awards, consultant agreements, and/or contracts are approved by the City Manager, Finance Director, or designee; and required documentation is complete.
3. If grant revenues have not been identified in the annual budget, a budget amendment request shall be submitted by the Department Manager to the Finance Director in a timely manner.
4. Modifications to the budget associated with a grant funded project in such a way that alters the grant amount or moves funds from one budget line item to another must adhere to City policy and procedures for budget modifications for grantor requirements and be approved by the City Manager, Finance Director, or their designee per budget policies.
5. All revenue resulting from a grant-funded project or program shall adhere to City policies and procedures and be managed and maintained as established in the award letter, grant agreement, contract, special conditions, or other document(s) generated by the granting agency.
6. All procurement and contract activity associated with grant-funded projects shall follow City procedures and be compliant with state and federal statutes.
7. All property acquired through grant funds shall follow City policies and procedures and any grant requirements.
8. All grant and any related matching fund revenues and expenditures shall be recorded in the grant project. Any revenues or expenditures that occur in another program or project that are applicable to the grant or that are used as a match shall have an entry made to put the revenues or expenditures in the appropriate grant project with a detailed explanation, including original GL date and batch information.
9. Grant project managers are ultimately responsible for adherence to the stipulations outlined in the approved grant award/contract to ensure that allowable expenditures are incurred. Grant project managers should consult with the Grant Writer, Finance Director, and/or granting agency should any questions arise to ensure proper compliance.

STAFF TIME/ADMINISTRATION

Department Directors should follow grant guidelines in determining eligibility of charging staff time to the grant or using staff time as the City's match or cost share. Employee rates provided should be directly from employee payroll as defined by the granting agency.

GRANT REPORTING

Grants awarded to the City may require that progress, programmatic, and financial reports be submitted to the grantor. Accurate and timely reporting is critical to maintaining a good relationship with the grantor. Late or inaccurate reports may negatively impact current or future funding. Recipient departments must provide the Finance Department with timely progress, programmatic, technical, or financial information. The Finance Department will create and submit reports.

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GRANT FILE MANAGEMNT, ACCESS, AND RETENTION

All documents related to grants are public records and may be subject to disclosure under the Washington Public Records Act (42.56 RCW).

1. **File Management Procedure:** All files associated with a grant award must be maintained in a file structure that includes the following four sections with clear separations between different fiscal years, unless otherwise directed by the grantor: submittal, award, finance, and reports.
2. **File Retention Procedure:** The City maintains records following the closure of its most recent audit report. If any litigation, claim, negotiation, audit, or other action involving grant records has been started before the expiration of this period, the records must be retained until completion of the action and resolution of all issues which arise from it, or until the end of the retention period, whichever is later.

GRANT CLOSEOUT

1. Upon confirming project completion with the recipient department, the Finance Director or their designee will update the accounting system and confirm grant closeout.
2. The closeout process should follow the City's closeout procedures.
3. The grant closeout memo shall be placed in the grant's master file.
4. The City follows all federal and state statutes for audits.