

RESOLUTION NO. 2009-202

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ELK GROVE
ADOPTING A GRANT MANAGEMENT POLICY**

WHEREAS, it is fiscally responsible to adopt policies to guide long-term planning of resources; and

WHEREAS, the City Council sets the City's fiscal priorities annually in the form of an adopted budget; and

WHEREAS, the City Council recognizes that many grant funding opportunities come with hidden costs not always disclosed in the grant advertisement; and

WHEREAS, the City Council desires to maintain its control over the City's fiscal priorities by formalizing the grant request, award, and administration process and requiring full disclosure of anticipated grant costs and benefits.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Elk Grove hereby adopts the Grant Management Policy, attached hereto as Exhibit A and incorporated herein by this reference.

PASSED AND ADOPTED by the City Council of the City of Elk Grove this 14th day of October 2009.



**PATRICK HUME, MAYOR of the
CITY OF ELK GROVE**

ATTEST:



SUSAN J. BLACKSTON, CITY CLERK

APPROVED AS TO FORM:



SUSAN COCHRAN, CITY ATTORNEY



City of Elk Grove Grant Management Policy

Date: 10-14-2009	Department: Finance	Authority: Resolution 2009-202
Revised:	Division: Accounting	

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Summary of the Grant Management Policy

- 1.0 **SCOPE:** To establish policies for seeking and managing grant programs.
- 1.1 **PURPOSE:** This Policy is intended to establish roles and responsibilities, criteria for evaluating the benefits and costs of grants, the City's policy in complying with Single Audit Act requirements and policies for seeking and managing grant programs.
- 1.2 **POLICY:** The policy sets forth an overall framework for guiding the City's pursuit, use and management of grant resources.
- 1.3 **DEFINITIONS:** When appearing in this policy, the following terms shall have the corresponding definitions.
 - 1.3.1 **"Act"** shall mean the 1984 Single Audit Act relating to agencies spending in excess of \$300,000 in federal assistance in a given fiscal year.
 - 1.3.2 **"Affected Departments"** shall mean any department which will be required to perform any part of the grant application or work scope upon successful award of a grant.
 - 1.3.3 **"Application"** shall mean any grant application.
 - 1.3.4 **"Award"** shall mean any successful award of grant funding achieved by the City.
 - 1.3.5 **"Capital Outlay"** shall mean any purchase of a signal item, multiple like items, or a construction project of greater than \$50,000.
 - 1.3.6 **"Council Approved Goals"** shall mean the City Council Goals for Fiscal Years 2009-10 and 2010-11, as adopted by Resolution 2009-65 on March 25, 2009 or any City Council adopted update thereto.
 - 1.3.7 **"Entitlement Grant"** is a noncompetitive grant disbursed automatically on basis of legally defined formula to all qualifying agencies.
 - 1.3.8 **"GMP"** shall mean any department's grant management program detailing the department's roles, responsibilities and procedures for administering grant applications, awards and programs.
 - 1.3.9 **"Grant Funded Position"** shall mean any position(s) in addition to then current City staffing levels required for proper execution of a Grant Program.
 - 1.3.10 **"Managers"** shall mean any department which successfully sought and has been awarded grant funding and is managing the grant program.
 - 1.3.11 **"Pilot"** shall mean any experimental, test, on-going or one-time operating program or short term staffing enhancement. This may include any expansion of service that requires the City to add staff, hire additional contractors or enter into a new contract for services, add or enhance the

duties of existing staff or contractors for any period of time. This does not include any costs incurred in preparing plans for a Capital Outlay project.

1.3.12 “**Program**” shall mean any grant project, program, or other identified use of grant funds that must be administered by the City after successful grant award.

1.3.13 “**Public Work**” shall mean any project \$5,000 and greater also meeting the criteria of the definition of “Public Project” contained in Public Contract Code section 20161 as may be amended from time to time.

1.3.14 “**Seekers**” shall mean any department choosing to pursue grant funding.

General Concepts and Framework

2.0 PROCEDURES: When seeking and managing grants City Staff will adhere at a minimum to the following general concepts.

2.0.1 Pursuing Grant Funding

The City will aggressively pursue grant funding if the purpose of the grant is consistent with Council Approved Goals and the cost of the Application process and grant administration is justified by the potential funding benefit. The City will only seek grants when sufficient staff resources are available to adhere to all grant requirements, successfully perform the grant work scope and effectively administer the program in compliance with this policy. Operating departments have the primary responsibility for seeking grant opportunities, and preparing effective Applications.

2.0.2 Types of Grants

Aside from Entitlement Grants, the City should focus its efforts on securing grants for Capital Outlay or Public Works. This approach will allow the City to compete for projects it might not otherwise be able to afford while maintaining financial independence should future grant sources not exist. Grants that fund pilots will be evaluated on a case-by-case basis using two main criteria:

- 1.) Consideration of the program's benefits and their consistency with Council Approved Goals.
- 2.) The City's ongoing ability to fund the program if grant funding is no longer available;

Grants that fund Pilots will not be sought absent approval from the City Council that the program is compatible with the City's previously determined goals and objectives. Taking on these programs has the potential to negatively impact the City's fiscal position should the desire for the program remain once the grant funding is no longer available. If such a grant is awarded, a funding source for continuing the program, or a plan to close the program once grant funding is no longer available, must be identified during the Application process.

2.0.3 Grant Management

All operating departments should develop a simple system that tracks grant funding availability in their functional areas. Using this system, all capital improvement plan budget requests will evaluate and document the ability of grants to assist in funding the project.

Operating departments will submit a GMP to the City's Finance Director for review and approval prior to submitting any application for or receiving any grant funds. The GMP will identify the department's control procedures for administering all grants and ensuring adherence to the terms and conditions of each specific grant. It is ultimately the responsibility of the operating department to ensure compliance with the

specific terms of each grant.

2.0.4 Indirect Costs

Indirect costs of administering Programs will be recovered to the maximum extent feasible.

Roles and Responsibilities

3.0 PROCEDURES: Seekers and Managers are largely responsible for managing the grant process from application to close-out. The City Manager, or the City Council's designee, will approve large Applications and the Finance Department will manage the audit process and provide technical assistance. A detailed description of roles and responsibilities are as follows.

3.0.1 City Council

The City Council will approve this Grant Management Policy and any future updates. Council will approve all Awards of \$50,000 and greater, all Public Work related grants and delegate receipt and contract execution to the City Manager if delegation is allowed by the grantor agency. Council will approve all Applications that fund Pilots regardless of the requested grant amount. In addition, Council is responsible for appropriating all funds awarded the City and for setting the overarching goals for the City under which grant funding will be sought. Because any grant requiring City Council approval must be processed pursuant to the agenda processing requirements, Seekers and Managers need to allocate sufficient time to meet the deadlines of the procedure.

3.0.2 City Manager

The City Manager will approve all Applications of \$50,000 and greater, all Public Work related applications and all Awards of less than \$50,000 by executing the attached grant summary form. The City Manager will also receive and execute grant contracts as delegated by the City Council if allowed by the grantor agency.

3.0.3 Finance Department

The City's Finance Director will recommend and maintain grant management policies. The Finance Department will coordinate preparation and distribution of single audit reports and provide technical assistance to operating departments in preparing Applications, submitting reports and maintaining records, on an as needed basis. Finance will also maintain a city-wide grants database including information provided by each department on the grant summary form.

3.0.4 Information Technology

The City's IT Department will create and maintain an online routing and approval process for all forms required by this policy.

3.0.5 Seekers and Managers

Seekers and Managers will develop systems for maintaining ongoing information regarding grant availability within their function areas of responsibility. Seekers and Managers will be responsible for evaluating the costs and benefits of their own specific Programs on a case-by-case basis on the following criteria:

- Purpose of the Program and its consistency with previously identified City goals and objectives.
- Additional staffing, office space, facilities, supplies or equipment that will be required if the grant is awarded.
- Ongoing impact of the Program after it is completed or funding ceases. If

the grant creates an operating program, this section will identify a funding source for continuance of the program or a plan for closing the program.

- Responsibilities of Affected Departments and impacts on them in preparing the Application or performing the work scope if the grant is approved.
- Amount of indirect costs to be recovered from the grant.
- Total program costs, including portion funded through grant revenues and any required City contribution.
- Source of funding for any required City share.
- Compliance and audit requirements, paying special attention to those areas where the grantor's administrative procedures are different than the City's.

In preparing Applications, Seekers will work with the grantor agency in identifying special Program requirements and developing strategies for preparing a successful Application. Seekers will complete their own specific Application documents and coordinate with all Affected Departments as necessary.

For all grants \$50,000 or greater or Public Works grants, Seekers will prepare a grant report for the City Manager requesting authorization prior to seeking grant funding. This report will include the grant summary form (see attachment 1), budget amendment request, any other required City forms or documents and a description of the Program's conformance with this policy, including the results of the cost/benefit analysis for all Affected Departments.

For all grants less than \$50,000 or Public Works grants less than \$5,000, Seekers will prepare and submit the Application subject to the following conditions:

- It will not add regular staffing.
- Any matching funds or in-kind contributions are already available within existing resources, and no additional appropriation outside of the requested grant funds is necessary.
- At the conclusion of the grant, there will be no ongoing commitments or obligations to continue the program.
- The purpose of the Program is clearly consistent with the current City plans, policies and goals.

For grants that will fund Pilots, Seekers will prepare a staff report for the City Council requesting authorization prior to seeking grant funding. This report will include the Council grant summary form, budget amendment request, any other required City forms or documents, a description of the Program's conformance with this policy, including the results of the cost/benefit analysis for all Affected Departments and a proposed alternative funding source for continuing the program should Council chose to do so in the event the grant funding is eliminated. All positions created by the Pilot will be identified in the notes section of the grant summary form and all will be classified as being a Grant Funded Position.

Administering the Program is the responsibility of Managers. For all grants \$50,000 and greater or Public Works grants, Managers will prepare a grant

report for the City Manager (or a staff report for City Council if required by the grantor agency) accepting the Award, including grant summary form (see attached), budget amendment request and any other required City forms or documents, and coordinate the execution of grant documents to grantor agency. For grants less than \$50,000 or Public Works grants less than \$5,000, Managers will execute and return grant documents to the grantor agency. Upon execution of documents accepting the grant, Affected Departments shall be notified of the Award.

For grants of any size, Managers will prepare a staff report for City Council appropriating the grant funds after successful Award.

Ongoing administration is the responsibility of the Managers. These responsibilities, include, but are not limited to, the following:

- Maintaining financial and other records in accordance with grant requirements.
- Completing and submitting required reports, including requests for funds.
- Monitoring grant expenditures and receipt of revenues.
- Coordinating on-site management reviews by the grantor agency during the grant term.
- Ensuring compliance with grant requirements, paying special attention to those areas where the grantor's administrative procedures are different from the City's.
- Performing the grant work scope.

Managers will be responsible for completing the grant closeout as follows:

- Completing the grant work scope.
- Notifying all Affected Departments (at a minimum the Finance Department) that the project is completed and schedule a close-out meeting if necessary to resolve any final procedural issues.
- Ensuring final receipt of grant revenues.
- Preparing and submitting any required grant close-out documents.
- Reviewing grant file for completeness.
- Retaining all necessary program and financial records for the period of time required by the grantor agency.
- Coordinating any on-site management reviews or audits after the grant is completed.
- Resolving any audit findings.
- Ensuring that the City's policy regarding requirements of the Act is implemented as discussed below.

3.0.6 Affected Departments

Affected departments will provide assistance to the Managers as identified during the Application and Award processes.

Single Audit Act Requirements

4.0 PROCEDURES: The City will comply with the requirements of the Act as follows.

4.0.1 Single Audit Act

For federal grants included in the scope of the City's single audit approach, it is the City's policy that all financial and compliance issues have been met through the single audit, and follow-up audits to determine these issues are not necessary unless specifically related to findings or recommendations included in the single audit report. The purpose of the Act is to establish uniform audit requirements, promote efficient use of audit resources, and assure that federal agencies rely upon audit work already completed; its purpose is not to audit local agencies twice. Accordingly, the City will strongly resist any efforts by federal agencies to duplicate audit work already performed in complying with the Act requirements. As such, whenever federal grantor agencies request final audits, the managing department should notify the Department of Finance in order to ensure a consistent response to these types of requests.

**City of Elk Grove
GRANT PROGRAM SUMMARY**

GENERAL INFORMATION

Grant Title		Grant No.	
General Description of Grant Workscope			
Granting Agency		Agency Contact	Phone No.
Operating Department		Department Contact	Extension No.
Council Approval Date	Application Date	Award Date	Est'd Completion Date

GRANT COST AND REVENUE SUMMARY

Program Cost Summary	Total	Grant Portion
Staffing		
Contract Services		
Supplies & Other Operating Expenditures		
Capital Outlay		
Indirect Costs @ _____ % of Direct Costs		
TOTAL GRANT COSTS AND REVENUES	\$ -	\$ -
How Was Grant Portion Determined?		
Is a Budget Amendment Request Required? Yes () No () <i>If yes, it should be attached</i>		

OTHER COMMENTS (note how grant aligns with current City goals, any significant or unusual compliance requirements, including proposed funding source when grant funds are exhausted)

Prepared By	Date
Approve By City Manager	Date

**CERTIFICATION
ELK GROVE CITY COUNCIL RESOLUTION NO. 2009-202**

STATE OF CALIFORNIA)
COUNTY OF SACRAMENTO) ss
CITY OF ELK GROVE)

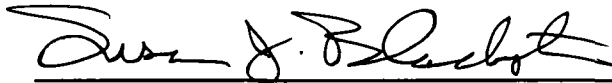
I, Susan J. Blackston, City Clerk of the City of Elk Grove, California, do hereby certify that the foregoing resolution was duly introduced, approved, and adopted by the City Council of the City of Elk Grove at a regular meeting of said Council held on October 14, 2009 by the following vote:

AYES : **COUNCILMEMBERS:** *Hume, Scherman, Davis, Detrick*

NOES: **COUNCILMEMBERS:** *None*

ABSTAIN : **COUNCILMEMBERS:** *None*

ABSENT: **COUNCILMEMBERS:** *Cooper*



**Susan J. Blackston, City Clerk
City of Elk Grove, California**