
Subject: Grant Policy
Policy No.: 200 - 0013
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BACKGROUND: Grants are an attractive form of funding for governments and frequently come with special requirements that the recipient must follow. Such requirements can apply to the general operations of the grant, specific compliance rules, monitoring of other parties that may receive resources from the grants, specific time frame, and specialized reporting requirements. There are typically negative consequences for failing to meet grant requirements and in addition, grants may, either as a condition of the grant itself or politically, commit a government to financially maintaining a program or asset after the expiration of the grant. An effective grants policy provides guidance as it relates to associated processes and procedures in order to maximize the benefits and minimize the risks.

DIVISION 1. GENERALLY

DEFINITIONS: For the purpose of this policy the following terms, phrases, and words shall have the meaning given herein unless the context in which they are used clearly requires a different meaning.

Sec. 1-100. Definitions.

Administration means primarily the responsibility of City departments including but not limited to collective activities from proposal inception to project completion of a sponsored program.

Application means a written initial, modification, or renewal request for funds, goods or services submitted by the City to other local governments, state or federal governments, nonprofit agencies, philanthropic organizations or private sector entities, which clearly describes city obligations in return for funds. If security concerns prevent public disclosure of such information, the ordinance must identify the document(s) that establishes such obligations and the location in which it is maintained.

Award means an approved application for funds, goods, services or other assistance subject to terms agreed upon in an executed grant, donation or contribution agreement, cooperative agreement or other legally binding contract.

Catalog of Federal Domestic Assistance (CFDA) means a listing of all federal assistance programs by agency and number.

City means the City of Woodstock, Georgia.

Closing means a process initiated by a recipient prior to the end of the validity period.

Closeout means the formal conclusion of all spending, reporting and any changes or exceptions. A requirement of most sponsors, this process documents that all program activities are complete according to the terms of the award and any applicable federal, state or local regulations.

Code of Federal Regulations (CFR) means a codification of the rules governing federal assistance programs published in the Federal Register.

Cognizant Agency means the single federal agency, designated by the OMB, with whom state and local governments negotiate central service plans, indirect cost proposals and resolve audit findings that affect more than one federal funding source.

Contract means an agreement for procurement of funds, goods or services or other assistance with specific obligations according to the terms of an award and applicable federal, state and local regulations.

Cost Allocation Plan means a plan that determines the cost of indirect services provide by central service departments (e.g., Finance, Administration, etc.) and what administration costs each program should bear according to the indirect cost rate. This rate is set by the cognizant agency or the terms of the agreement.

Loan means, for the purpose of this document, a Federal loan or loan guarantee received or administered by a non-Federal entity. Also referred to as debt loan proceeds or grant. This funding type is subject to the Uniform Guidance and Single Audit requirements.

Direct Cost means a cost that can be directly associated to a specific project or activity.

Employee means an individual drawing a salary or wages from the city, whether elected or not.

External Funds means any other local governments, state or federal governments, nonprofit agencies, philanthropic organizations or private sector entity monies external to City government, usually in the form of a grant, donation and/or contribution.

Grant means an award to carry out a valid purpose under terms established by the grantor depending on the type of award and applicable federal, state and local regulations.

Grantee means the organization receiving financial assistance directly from an awarding agency to carry out a project or program. Also referred to as recipient or subrecipient.

Grantor means the entity providing financial assistance in the form of an award. Also referred to as the sponsor or awarding agency.

Grant Agreement means a legal instrument of financial assistance between a Federal awarding agency or pass-through entity and a non-Federal entity that, consistent with 31 U.S.C. 6302, 6304:

- (a) Is used to enter into a relationship the principal purpose of which is to transfer anything of value from the Federal awarding agency or pass-through entity to the non-Federal entity to carry out a public purpose authorized by a law of the United States (see 31 U.S.C. 6101(3)); and not to acquire property or services for the Federal awarding agency or pass-through entity's direct benefit or use;
- (b) Is distinguished from a cooperative agreement in that it does not provide for substantial involvement between the Federal awarding agency or pass-through entity and the non-Federal entity in carrying out the activity contemplated by the Federal award.
- (c) Does not include an agreement that provides only:
 - (1) Direct United States Government cash assistance to an individual;
 - (2) A subsidy;
 - (3) A loan;
 - (4) A loan guarantee; or
 - (5) Insurance.

Grant Manager/Administrator means a designated representative, internal or external, with primary responsibility for the application, implementation, compliance and completion of a grant.

Grant Team means a team consisting of the grant manager/administrator, project manager/administrator, respective department director and any other representative as deemed appropriate.

Indirect Cost means a cost associated with the administrative and general functions that support direct services of a grant or fund. Indirect costs include such things as cost of facilities, utilities, insurance, accounting and payroll, information technology, infrastructure, etc.

Management means the general oversight of grants, donations and/or contributions resulting in the policies, procedures and operations supporting the receipt, award and monitoring of grants, donations and/or contributions.

Match means a contribution based on overall costs of a project or activity provided by the grantee or by third parties from sources other than the grant funds.

Office of Management & Budget (OMB) means the Executive Office of the President of the United States responsible for issuing circulars to establish uniform standards for administrative and financial regulations for government granting agencies.

Pass-through Entity means a non-Federal entity that provides a subaward to a subrecipient to carry out part of a Federal program.

Pre-Award Spending means authorization from the awarding agency to allow for certain expenditures of funds prior to the start of the grant validity period for a specific purpose as stated in the grant agreement. Pre-award spending must be approved by the Grant team as per business processes.

Post-Award means the active grant validity period whereby grant activities and expenditures can proceed according to the conditions of the grant agreement, the OMB Circulars, federal and state law and local policies and procedures.

Project Manager/Administrator means a designated representative responsible for overseeing the project from inception to completion.

Schedule of Expenditure of Federal Awards (SEFA) means a supplemental schedule to the financial statements that an organization is required to produce when it is subject to the single audit requirement.

Single Audit means a financial, internal control and compliance audit established in OMB Uniform Guidance for entities that collectively expend \$750,000 or more in a year in federal awards.

Subaward means a formula or competitive allocation by an award recipient to an eligible subrecipient or by a subrecipient to a lower tier subrecipient for funds, goods, services or other assistance subject to award terms. Also called a subgrant.

Subrecipient means an agency, organization or individual that receives a subaward as a contract from the primary grantee for the purposes of helping the primary grantee in carrying out its mission or program. Generally, recipients are responsible for monitoring compliance of subrecipients with terms of the award, and applicable federal, state and local regulations.

Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards means the authoritative set of rules and requirements for Federal awards as established by the federal Office of Management and Budget (OMB). Commonly called “Uniform Guidance.”

Validity Period means the lifespan of a grant. At the conclusion of the validity period, the grant must be either closed, extended or renewed. Also known as the program period.

Vendor means a supplier of goods and/or services that are commonly available to both government and non-government entities that is not subject to the same, federal, state and/or local regulations as an award recipient or subrecipient.

Sec. 1-101. Purpose.

To provide guidance and direction to City officials and employees, to establish standard policies for recurring matters, to establish strong internal controls, to provide for accountability, and to provide direction in the application, acceptance and administration of funds awarded through grants, loans, donations and/or contributions to the City of Woodstock, Georgia from:

- (1) Other local governments;
- (2) The state or federal government;
- (3) Nonprofit agencies;
- (4) Philanthropic organizations; and
- (5) The private sector.

Sec 1-102. Objective.

To provide written guidelines to ensure consistency in grant, donation and/or contribution acquisition and management processes. To encourage departments to responsibly pursue external funding that can be reasonably managed while servicing the needs of the City. To ensure grant, donation and/or contribution audits are being conducted in an appropriate manner. To ensure processes are followed. To coordinate, where possible, grant, donation and/or contribution acquisition among City departments.

Sec. 1-103. Rationale.

To strategically maximize grant, donation and/or contribution revenue to the City, to enhance the efficiency of processes, to improve financial monitoring and reporting associated with grant, donation and/or contribution funded programs and to ensure that all deliverables and performance obligations required are satisfied per the respective obligations.

Sec. 1-104. Authority and Duties.

(a) *Grant Team.* Except as otherwise provided herein, the grant manager/administrator, project manager/administrator, respective department director and any other representative as deemed appropriate shall serve as the principal grant team and shall be responsible for the application,

implementation, compliance and completion of a grant, donation and/or contribution in accordance with this article.

(1) *Duties.* In accordance with this article and subject to the supervision of the Chief Financial Officer and City Manager or designee, the grant team shall:

- i. Obtain approval to apply for grants, identify and satisfy any requirements, prepare and submit grant applications with required documentation by the deadline.
- ii. Submit copies of the application, supporting documentation and any other related documents to the Chief Financial Officer or designee.
- iii. Monitor grant program activity, including activities of subrecipients, for compliance with the grant agreement and any applicable state, federal and local requirements.
- iv. Manage the operation of their state and federal grant programs to ensure compliance with the grant agreement.
- v. Provide all necessary grant related documents and proactively communicate with the Chief Financial Officer and City Manager or designee.
- vi. Retain all records relating to the grant program in accordance with the State of Georgia Records Retention Schedule for Paper and Electronic Records. (O.C.G.A. § 50-18-92(a)) in a shared file location.

(b) *Chief Financial Officer or Designee.* Except as otherwise provided herein, the Chief Financial Officer or designee shall serve as the principal financial manager as it relates to grants, donations and/or contributions and shall be responsible for overseeing compliance with federal, state and local regulations as they relate to finance in accordance with this article.

(1) *Duties.* In accordance with this article and subject to the supervision of the City Manager, the Chief Financial Officer or designee shall:

- i. Establish policies and procedures for administering all grants, donations and/or contributions.
- ii. Prepare the Schedule of Expenditures of Federal and State Awards (SEFA), for audit reporting purposes and the reconciliation to the Comprehensive Annual Financial Report (CAFR) for the fiscal year end. Single Audit Report shall be issued in tandem with the Comprehensive Annual Financial Report (CAFR) as applicable.

- iii. Coordinate Single Audit, in accordance with the Uniform Guidance 2 C.F.R. Part 200, when required.
- iv. Receive and/or have access to all grant related documents including but not limited to intent to apply for grant funds, application, award, etc.
- v. Enforce programmatic and policy priorities in accordance with this article.
- vi. Review and approve all subsequent procurement, contractual and administrative actions or delegates such approval authority to the appropriate personnel in compliance with the City Purchasing Policy.
- vii. Certifies availability of matching funds during the annual budget process and as seen fit throughout the fiscal year.

DIVISION 2. PRE-GRANT AWARD PROCEDURE.

GRANT APPLICATION AND AWARD PROCEDURES: Grant programs that a department wishes to operate shall be evaluated by the grant team to determine its benefit to the City and feasibility and compatibility with existing City services and goals. The grant team should furthermore collaborate with the Chief Financial Officer or designee to determine the long and short-term financial implications. The review should include, but is not limited to, evaluations of the amount of funds and resources available, regulations, sustainability, assurances, compliance, certifications, eligible activities, reporting and matching requirements.

Sec. 2-100. Grant Application Requests.

- a) The grant team is responsible for the submission of all grant application requests. Departments who wish to submit grant applications must work in conjunction with the Chief Financial Officer and City Manager or designee prior to submitting applications.
- b) Once a grant opportunity has been identified, the requesting department must notify the Chief Financial Officer or designee by submitting a grant application request.
- c) The requesting grant team shall be responsible for submitting application requests in a timely manner for the proposed grant application.
- d) The Chief Financial Officer or designee, in cooperation with the grant team, shall complete an analysis of financial requirements to ensure the City can meet the grant program's financial requirements and fulfill the applicable obligations required by the grant.

- e) All grant revenues and expenditures, including matching requirements, must be appropriated, either in the current budget or included for appropriation in the subsequent budget.
- f) Upon review and approval of the grant application request, the Chief Financial Officer or designee shall forward the request to the City Manager for review and/or approval.

Sec. 2-101. Grant Application Approval.

- a) The City Manager shall approve all grant applications prior to submission after review and/or approval by the Chief Financial Officer or designee.
- b) The City Manager shall determine if the grant application should be brought before Mayor and Council prior to grant application submittal for their information and/or approval.
- c) Upon approval, the grant team may apply for the grant as approved.

Sec. 2-102. Grant Award.

- a) Upon notification of grant award, the grant team shall notify the Chief Financial Officer or designee and the City Manager.
- b) The grant team shall be responsible for requesting City Council to approve the acceptance of the grant award. Award notification and related documents shall be provided to City Council for approval request.
- c) City Council shall have the sole authority to accept all grant awards.
- d) All grant related documents shall be maintained in a designated shared file location.

DIVISION 3. POST-GRANT AWARD PROCEDURE.

GRANT ADMINISTRATION PROCEDURES: The grant team is responsible for adhering to the grant program requirements and the Chief Financial Officer or designee is responsible for tracking all applicable revenues and expenditures for reporting purposes. The Chief Financial Officer or designee shall be responsible for coordinating and ensuring the financial reporting and accountability requirements of each grant the City accepts. The Chief Financial Officer or designee shall be responsible for accounting for grant transactions according to the accounting, auditing, and financial reporting policy and in compliance with Generally Accepted Accounting Principles (GAAP).

Sec. 3-100. Grant Administration.

- a) The grant team shall be responsible for coordinating and maintaining all records in a designated shared file location for each grant award including but not limited to:
 - (1) Copy of grant application.
 - (2) Notification of grant award.
 - (3) Copy of signed agreements/contracts.
 - (4) Copy of Council minutes.
 - (5) Financial reporting and accounting requirements.
 - (6) Financial tracking form(s).
 - (7) Schedule for funding needs.
 - (8) Expenditure invoices and checks
 - (9) Reimbursement requests
 - (10) Any additional documentation as required by the grant.

- b) The grant team shall be responsible for disseminating any and all grant related documents and/or correspondence to the Chief Financial Officer or designee and any other representatives as deemed necessary in a timely manner. Dissemination may be done electronically including but not limited to email, shared electronic files, etc.

- c) The grant team shall be responsible for maintaining all grant related files including shared electronic files.

- d) The grant team shall be responsible for adhering to the grant agreement, City policies, and other relevant federal, state and local rules and regulations. Any and all procurement activities involving the expenditure of federal funds must be conducted in compliance with the Procurement Standards codified in 2 C.F.R. § 200.317 through § 200-326 unless otherwise directed in writing by the federal agency or state pass-through agency that awarded the funds. The City will follow all applicable local, state, and federal procurement requirements when expending federal funds. Should the City have more stringent requirements, the most restrictive requirement shall apply so long as it is consistent with state and federal law.

- e) If the grant team includes a third-party administrator, the contract between the City and the third-party administrator shall clearly identify and define the roles each has related to the grant including but not limited to Davis Bacon Act requirements, as applicable.

DIVISION 4. GRANT ACCOUNTABILITY AND AUDITING.

COMPLIANCE WITH LOCAL, STATE AND FEDERAL AUDITING REGULATIONS:

The Chief Financial Officer or designee shall comply with all local, state and federal requirements with respect to the financial auditing of information as they pertain to the acceptance of grant funds. This includes the Single Audit Act with any future revisions or additions that may be applicable to City grant projects. If the Single Audit Act provisions are applicable and anticipated, then the audit fees should to be budgeted appropriately.

Sec. 4-100. Financial Auditing.

- a) The Chief Financial Officer or designee shall be responsible for ensuring that an annual audit of federal and state grant funds disbursed by subrecipients is conducted each fiscal year in compliance with applicable provisions of the Single Audit Act, Uniform Guidance and other relevant federal, state and local rules and regulations.
- b) Chief Financial Officer or designee shall be responsible for the monitoring and tracking of audit activities.
- c) The Chief Financial Officer or designee shall be responsible for monitoring requirements including but not limited to:
 - a. Grant funds are used for approved purposes only.
 - b. Grant teams are appropriately accounting for all transactions.
 - c. Grant teams are appropriately maintaining grant files.
- d) The Chief Financial Officer or designee shall have the primary responsibility for ensuring an Independent Certified Public Accounting Firm performs the annual city-wide audits in compliance with federal, state and local rules and regulations.

Sec. 4-200. Other Auditing.

- a) The responsible City department and grant team shall be responsible for ensuring that grants maintain compliance with provisions Uniform Guidance and other relevant federal, state and local rules and regulations and laws.
- b) The responsible City department and grant team shall be responsible for the monitoring, tracking and processing of grant activities including but not limited to:
 - a. Grant funds are used for approved purposes only.
 - b. Grant teams are appropriately processing all transactions.

- c. Grant teams are appropriately maintaining grant files.
- c) The responsible City department and grant team shall have the primary responsibility for any audits (non-financial) conducted including but not limited to those by Grantors.

Sec. 4-300 – 4-400 – Reserved.