



# FINANCIAL MANAGEMENT

## GRANT FUNDING AND COMPLIANCE POLICY

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The purpose of this document is to establish uniform guidelines for oversight of the City of South Lake Tahoe in the pursuit of grant related revenue. Adherence to the following policies and procedures promote increased efficiencies, transparency, accountability to ethical standards, and a strategic approach to funding opportunities, which generally enable the City to be more competitive in securing grant funding. All City personnel utilizing or seeking Grant funding for City business purposes are responsible for knowing and following this policy.

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## 1. GENERAL STANDARDS

Grant funding allows the City to supplement local public funds to increase the efficiency and impact of programs, projects, and services provided to the community; therefore the effect of grant funding and the process that governs it is significant.

**Grants are not "free money".** A grant is a **financial award** provided by a federal, state, local government, or other organization to fund specific, beneficial, goals, objectives, and/or legislative initiatives through legal, contractual, and binding grant agreements. Because government grants are funded by tax dollars, they include stringent compliance and reporting measures to ensure the money is well-spent. Careful consideration and analysis should be given prior to applying or accepting these funds.

This policy describes the City's grant management and administration procedures and intends to do the following:

- Promote the use of best practices
- Promote sound financial management
- Promote efficiency and effectiveness in grant funded projects and programs
- Ensures the grant related activity is consistent with City's strategic priorities
- Ensures the integrity of the City's good standing among granting agencies
- Ensures accountability for financial and programmatic elements of grant administration and management

***Adoption and Implementation:*** The City Council is responsible for adopting the City's Grant Funding and Compliance Policy and for approving any significant policy revisions. The City Manager, or his/her designee, is responsible for developing administrative procedures to implement this policy. In this role, the City Manager is authorized to make minor administrative changes in the guidelines without significant policy impacts.

***Public Records Requirement:*** All documents related to Grant applications, contracts, expenditures, revenues, and grant compliances are public records and may be subject to disclosure under the California Public Records Act (Government Code §6250-6270).

***Conflicts of Interest:*** An officer or employee of the City acting or appearing to act on behalf of someone other than the City; or in carrying out duties has or appears to have a self-interest from which a personal profit or gain is realized or that is actually or potentially adverse to the best interests of the City.

Conflicts of interest and the *appearance* of a conflict of interest can damage the reputation, credibility, and trust of the City. These situations may involve ethical, legal, or other issues and City officials and employees should be diligent in the identification of potential conflicts when working in any capacity with proposed or funded grant activity involving the City.

No officer or employee of the City shall have any interest, financial or otherwise, direct or indirect, or have any arrangement that may reasonably be expected to bias the design, conduct, or reporting of a city grant funded project.

It shall be the responsibility of the Grants Project Manager for each particular grant funded project to ensure that in the use of project funds, officials or employees of the City and nongovernmental recipients or sub-recipients shall avoid any action that might result in, or create the appearance of:

- Using his or her official position for private gain
- Giving preferential treatment to any person or organization
- Losing complete independence or impartiality
- Making an official decision outside official channels
- Adversely affecting public confidence in the City and the grant funded program
- Or any other Conflict of Interest outlined per the specific grant agency

**Employees and City Officials are responsible for exercising good judgment in applying, approving, requesting, managing and administering grant funds. Accordingly, the basic standard should prevail to provide prudent stewardship of public funds, the City's resources, and granting agency compliance.**

## **2. GRANT APPLICATION**

### **2.1 GRANT PLANNING AND OPPORTUNITIES**

Each respective department within the City may research and identify grant opportunities to facilitate City Council's strategic goals, objectives, and initiatives as well as department work plans, to provide supplemental or alternative funding sources to public projects, capital expenditures, or operating programs and expenses.

Once grant opportunities are identified, employees are responsible for obtaining approval from their Department Head to pursue review of such funding. Gathering information beforehand will help ensure success in meeting a tight deadline. Coordination with the Finance Department, specifically the Principal Management Analyst responsible for Grants Management and serving as Grants Manager is encouraged to facilitate the process. Following are necessary components in pursuit of a competitive grant application:

1. A list of approved projects/programs meeting the needs of the Department as well as City Council priorities (ex. CIP, Master Plans, EIP, Community Plans etc.)
2. Project/program descriptions, goals and objectives
3. Project timelines, estimated costs, project budgets
4. Matching fund contribution and fiscal impacts

## 2.2 DETERMINING ELIGIBILITY

To determine eligibility for grant funding;

1. Review grant guidelines, specifications, and requirements
2. Coordinate with key personnel for staff and Departmental impacts as well as Finance to access fiscal impact
3. Applications should be evaluated for administrative burden, compliance cost, city match requirements, long term costs, and operation and maintenance costs
4. In the event the cost to the City exceeds the amount received from the grant, the Department should seek approval from Finance as well as the City Manager to pursue the grant further
5. Department Head shall assign a Project Manager to manage the grant project, program, and department grant compliances
6. If an outside consultant is hired to assist with grant writing or project management; the Director will assign a staff member responsible for overseeing the consultant contract and ensuring grant compliance

## 2.3 CITY COUNCIL APPROVAL TO APPLY

City Council approval to **submit an application** is required for **ALL** Grant Applications. A detailed staff report and a resolution (if required) should be brought forth to City Council for Council approval/adoption. The staff report should include the following information:

1. Project and grant details
2. Budget summary
3. Administration requirements and funding source
4. Match requirements
5. Compliance requirements
6. Grantee responsibilities
7. Maintenance and operations requirements
8. Long-term costs including staffing needs after the expiration of the grant

**Background:** should summarize and detail the need for the project or program and which priorities will be met. Provide grant agency information.

**Issue and Discussion:** should summarize the proposed project or program, including all departmental impacts, goals and objectives and benefits or impacts to the City.

**Financial Implications:** should detail all fiscal impacts, long-term costs, matching contributions, operation and maintenance costs, budget availability or budget constraints.

In the event the application deadline does not allow the necessary lead time for City Council approval; and prior Council approval is not a requirement of the application; the Department Director should ensure the approval of the City Manager *prior* to submitting the application, and will bring the item before council to the next appropriate meeting.

## 2.4 SUBMITTING GRANT APPLICATION

Following City Council approval, a completed grant proposal may be submitted by the department overseeing the project or program. The Project Manager and/or Grants Manager will follow the grant guidelines, and requirements to review and submit a complete and competitive grant proposal.

**Budget Summary:** When determining the budget for the grant application all of the project expenses must be included in the application. This includes:

1. Total cost of the project
2. Project management and oversight, staff time, administration
3. Expenses that arise as a result of your project
4. City share of costs where applicable
5. Operation and maintenance, long-term or ongoing costs

## 3. GRANT ACCEPTANCE

### 3.1 APPROVAL PROCESS

Upon Grant approval the Department will receive a grant award letter from the funding agency detailing the measures necessary to accept the award. The city should also receive a finalized grant contract which will become a binding agreement. The grant contract and **all compliance measures** should be reviewed by the Grants Manager, Project Manager, and the Department Director. Grant Manager reviews the grant contract to ensure ability to maintain compliance, and the Director will ensure the department's capability to comply with the contract and will make the appropriate recommendation to City Manager and City Council.

### 3.2 CITY COUNCIL APPROVAL TO ACCEPT AWARD

The final step in the approval process is taking the awarded grant contract and funding acceptance, to the City Council for approval. **Staff report** should include:

1. Details of the grant contract, project/program and all compliance required
2. Must specify acceptance of the grant award, as well as the details necessary to load the grant funding into the City's Budget
3. Anticipated revenues, along with balanced associated expenditures with account numbers must be outlined in detail in the staff report and resolution. (Expenditures cannot exceed revenues)
4. All pertinent documentation should be attached, including the grant contract
5. Provide a copy of the signed Council Resolution to the Grant Manager to ensure the funds are appropriated into the budget and begin tracking procedures

### 3.3 EXECUTION OF AWARD

The Grant Contract is fully executed and the funds can be spent when the following steps are complete:

1. Granting Agency signs the grant contract and specifies the dates of the “term of the agreement”
2. Grant Contract has been approved through City Council
3. City’s Authorized Signatory signs the grant contract
4. Grant revenues and expenses have been loaded into the appropriate account within the City’s Budget

***Grant funding cannot be spent prior to approvals and a grant award notification is received from the Granting Agency.*** The Granting Agency typically sends the Department the original, signed, and fully executed, Grant Agreement. The Department will forward the original copy to the City Clerk as well as a copy to the Grant Manager. A copy needs to be kept within the department in a centralized file for future reference.

***Authorized Signatory Responsibility:*** All Grant applications require an Authorized Signatory on behalf of the City. The Authorized Signatory is usually the Mayor, City Manager, or the Department Director. The signature legally binds the City to all terms and conditions within the grant agreement regardless of whether; the city is the main beneficiary of the funding; the city has applied on behalf of another agency for pass through funding; or the city has hired an outside agency to oversee and manage the project.

## **4. GRANT MANAGEMENT AND COMPLIANCE**

### **4.1 ROLES AND RESPONSIBILITY**

The following shall describe 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 of South Lake Tahoe. The full development of a project or program requires the assistance and support from all affected departments.

#### **Financial Services Department**

The ***Principal Management Analyst*** in Finance will serve as the ***Grants Manager*** and is the primary person responsible for providing city-wide coordination and monitoring of grants. This individual is responsible for ensuring the City’s grants management and compliance program is current and effectively fulfills the compliance requirements of the City’s policies and external granting agencies and is available for assistance and guidance for a successful proposal.

#### **The Grants Manager is responsible for:**

1. Researching grant opportunities and notifying departments of such opportunities
2. Acting as a liaison between departments and funding agency personnel
3. Assisting staff, adhering to grant guidelines, policies, and deadlines

4. Assisting departments with City Council agenda items regarding applying for grants, accepting awards, and appropriating the grant budgets and/or reviewing agenda items related to grants prior to submission
5. Receiving a copy of the grant award and maintaining a grant file; tracking grant activity at all stages of the grant cycle. Maintain master files of “open” and “closed” grants in accordance with retention requirements
6. Developing and conducting grants administration training and assistance to staff pertaining to grant management and compliance
7. Ensuring the departments track and report programmatic and financial grant activity in a timely manner in accordance with grant agreement, providing the proper account codes as budgeted
8. Coordinating with Department Head, Project Manager and Finance personnel to gather all information required to meet grant funding requirements; including contracts, professional agreements and proper invoicing from vendors
9. Preparing and submitting grant reimbursement requests, financial reports, and final financial reconciliation and closing reports
10. Monitoring and tracking cash flow and accounts receivable
11. Preparing Schedule of Expenditures of Federal Award for the Single-Audit requirement
12. Acts as a liaison between auditors, granting agency, and department personnel

### **City Departments**

The ***Department Director*** is responsible for programmatic and fiscal responsibilities for the designated department. This individual ensures adequate staff and infrastructure are provided for the appropriate performance of grant award management and provides oversight of staff identified as key personnel on grant awards.

#### **Department Director is responsible for:**

1. Ensuring adequate management of programmatic and fiscal aspects of the grant awards
2. Assigning staff to adequately manage the grant awards
3. Managing general departmental-level support activities related to grants management
4. Approving submittals and proposed programmatic and fiscal changes to the grant
5. Reviewing budget amendment requests if they affect commitments by the department
6. Ensuring cost sharing dollars are available and the budget is adequate relative to the project scope and its justification is appropriate

The Department ***Project Manager*** is the primary person responsible for the programmatic activities on a project/grant. Although some tasks may be delegated, the Project Manager is the chief accountable person and bears responsibility for the overall administrative and fiscal conduct of the grant award for meeting the terms and conditions of the award and for representing the project to the granting agency.

#### **The Project Manager is responsible for:**

1. Preparing the grant proposal, with an emphasis on the technical details, scope of work and budgetary components; coordinate with Grants Manager for fiscal impact and assistance.

2. Forwarding all grant agreements and documentation to the Grants Manager for review prior to execution by the proper City officials; prepare City Council agenda items, staff reports, resolution (if required), and requesting that budget be established and approved prior to expenditures being made
3. Modify and monitor the project budget, scope of work, and ensuring the appropriate charging of expenditures to the project in compliance with grant award
4. Appropriately managing the programmatic aspects of the project, monitoring expenditures to ensure grant funds are spent in accordance with the approved budget
5. Approving all grant expenditures and payment request, utilizing appropriate account numbers and ensuring budget. Submit to Department Director for approval
6. Working with the Grants Manager to ensure the completeness, accuracy, and timeliness of programmatic and financial reports submitted to the granting agency
7. Prepares project reporting, progress reports, final reports, monitoring reports
8. Ensures Finance Department receives copies of pertinent information, documentation, reports or correspondence with the granting agency
9. Ensuring contractors, subcontractors, consultants have complied with the appropriate work in a timely manner and in accordance with technical, financial, and other requirements of the award, as well as reviewing their invoices for accuracy and grant compliance
10. Adhering to the terms of the grant agreement and policies and notifying the Grants Manager if changes are needed
11. Follows State, Federal and City procurement and contract policies in the utilization of grant funding
12. Complying with Single Audit Act requirements; providing documentation for audit requests; and adhering to audit recommendations

## 4.2 GRANT PROCUREMENT

The purchase of goods, materials, supplies, equipment, services, and non-public contracts must follow the City Procurement Policies and Procedures as well as the City's Purchasing Ordinance (SLTCC § 3.45) adopted by City Council. Public Contracts and Public Projects must adhere to Public Contracts and the Uniform Public Construction Cost Accounting Act as adopted by City Council (SLTCC § 3.45 Article II).

**Federal Awards, Cooperative Agreements, or State Awards utilizing Federal Funds** must also follow the General Procurement Standards in the Code of Federal Regulations (CFR); Title 2: Grants and Agreements section §200.318 through §200.326. These guidelines can be found at [https://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title02/2cfr200\\_main\\_02.tpl](https://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title02/2cfr200_main_02.tpl); or contact Grants Manager for additional information (ext. 7410).

**Grant Awards and Cooperative Agreements utilizing funds through Caltrans** must follow the Local Assistance Procedures Manual (LAPM, particularly Chapters 5 and 16. These guidelines can be found at <https://dot.ca.gov/programs/local-assistance/guidelines-and-procedures/local-assistance-procedures-manual-lapm> or contact Grants Manager for additional information.

**Suspension and Debarment:** ALL Federal Awards used to procure vendors providing services to the city in excess of **\$25,000.00** must maintain evidence of vendor **“Suspension and**

**Debarment**” verification through the “Systems for Awards Management (SAM). Print or save a copy of verification and submit it to Finance or contact Grant Manager to obtain a copy. This requirement must also be included in your Contract, Professional Services Agreement, or PO. (Refer to Purchasing Policy for boiler plate “Suspension and Debarment” language).

### **4.3 COMPLIANCE STANDARDS**

The City “shall at all time exercise responsibility over the implementation of the project” and is held liable for all provisions set forth in the agreement, as quoted from a current grant contract. Therefore, it is imperative that all departments involved, as well as the Authorized Signatory, fully understand the conditions of the grant agreement and follow the compliance measures put into place. This will further ensure the integrity of the City’s commitment to the Grantor, help maintain audit compliance, and avoid grant fraud speculation.

**Non-compliance;** non-compliance findings can result in loss of final retention reimbursement, terminating the grant agreement, repayment of funds, suspension or debarment from receiving future grants, and/or implementation of grant special conditions.

Evidence that an organization has grossly *misused funds* or committed *fraudulent activity*, can result in civil actions against the City and/or City Officials and Personnel to include:

1. Recovery of funds up to triple damages
2. Criminal remedies including arrest
3. Prison sentences
4. Seizure of assets
5. Monetary fines.

**Falsification of Documentation-** Submitting fraudulent receipts, falsifying an application, or report will result in disciplinary action and may lead to termination of employment and/or criminal action.

***The City of South Lake Tahoe reserves the right to deny request of reimbursement for expenses that are considered lavish, extravagant, or are unsupported by required documentation. Unusual expenses incurred due to special circumstances must be approved by the City Manager and the granting agency, if those expenses do not violate Federal or State requirements.***

## **5. GRANT ACCOUNTING**

After award acceptance, the Grant Manager will maintain documentation begin proper tracking and monitoring of the new grant. The Project Manager will monitor and manage the consultant and/or contractor contracts, and track the project budget.

1. Before initiating a contract, purchase order, agreement with a service provider, professional services agreement, or other expense; review the Grant Agreement for **terms and conditions**
2. Compliance must be maintained with City policy, the Grant Award, and State and/or Federal Policies. Follow the most stringent procedures to ensure all compliances are being met
3. Before entering into agreements with vendors or contractors, verify that the provider or business has a **valid City Business License**
4. Staff and/or contractors, consultants or service providers utilizing grant funding must disclose all relevant **conflict of interest** or criminal violations in writing to the appropriate granting agency and follow the guidelines as outlined in the City Council adopted resolution #2016-69
5. Grant expenditures must be expensed as detailed in the grant application, grant contract and as approved in the City Annual Budget
6. Consultant/contractor/vendor invoices must be thoroughly reviewed by Project manager for compliance with City and Grant Procurement, Federal compliances and Public Contract Code prior to authorization for payment
7. If conditions of the Grant Contract are not met; the **Grantor is under no obligation to disburse funds or reimbursement.**
8. ALL **Federal Awards**, Cooperative Agreements, or State Awards utilizing Federal Funds must follow the Office of Management and Budget (OMB) Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 CFR Chapter 1, Chapter 2, Part 200). These guidelines can be found at [https://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title02/2cfr200\\_main\\_02.tpl](https://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title02/2cfr200_main_02.tpl).

## 5.1 MONITORING THE BUDGET

Funds must be spent in the manner approved by the Granting Agency and City Council. The **Project Manager** is responsible for:

1. Monitoring the project budget and city staff time budget
2. Monitoring sub-contractors, sub-recipients, service providers
3. Monitoring budgets for contractors, consultants, and professional service agreements
4. Reviewing invoices for payment; specifying appropriate account numbers.
5. Timely submittal of invoices for payment ensuring adequate cash management

The **Grants Manager** is responsible for:

1. Monitoring expenses after payment to ensure compliance between the grant budget and the City's budget.
2. Preparing and submitting grant payment requests, managing receivables, and cash flow
3. Preparing and/or reviewing Staff time, administration, and activity delivery
4. Tracking expenses and revenues in accordance with Grant Contract.
5. Providing direct communication with granting agencies and city departments.

Adjustment between budgeted line items to the approved grant budget; must be approved by the Granting Agency in the manner stated in the Grant Agreement. Concurrently, the Department Director should request a budget adjustment via e-mail to the Finance Department.

Adding additional budget to an approved grant or reducing budget or scope via a Grant Amendment must follow procedures and request council approval accepting the additional funding and loading the budget or reducing the budget and accept reducing the scope of the project.

## 5.2 CASH MANAGMENT

To minimize time lapsing between outlay of city funds and receipt of grant funds, timely review, approval, and submittal of vendor invoices and grant reimbursement requests is imperative.

1. Invoices and receipts must be paid and a check cut to the vendor prior to requesting reimbursement; therefore timely submittal of invoices is required
2. All work performed and items purchased within a fiscal year; must be **paid within the fiscal year the work was performed** (This is an audit requirement)
3. Provide a brief explanation/justification on the delay of pay requests for invoices submitted for payment 45 days or more beyond the date of the invoice; this will help provide information to auditor, or Grantor
4. When submitting invoices (over \$250,000) for payment, notify Accounts Payable and Grants Manager to manage bank balance cash flow and expedite grant reimbursement

## 5.3 REIMBURSEMENT REQUESTS

Most grant reimbursements must be submitted in arrears. The city must first expend the funds; pay the invoice and request reimbursement after payment has been finalized. Grant reimbursements will be requested in the manner set forth in the grant agreement and as frequent as permitted when expenditures dictate.

- Grants Manager will be responsible for preparing the reimbursement request, or reviewing the request before submitting to the Granting Agency.
- Invoices must be paid in a timely manner and distributed in the General Ledger prior to reimbursement requests.
- Once the billing is complete, it will submitted to the Authorized Signatory for review and approval.
- This review enables an examination of expenditures, proper account numbers, staff time accuracy, and project deliverables.
- After the billing is signed, the Grants Manager will submit as required in the Grant Agreement.
- The revenue is entered into accounts receivable and tracked by the Grants Manager to ensure receipt.

## 5.4 STAFF TIME/ ADMINISTRATION

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 at current actual hourly rates and remain in effect until such changes are submitted through a "change of status" to Human Resources, or a change to the employee "MOU" within the city.

- Grant timesheets (provided by Finance, Grant Manager) must be used when charging staff time to a grant
- The Grant timesheet must represent the actual hours worked in a pay period and account for the grant hours within that pay period
- Department Head and employee must approve the grant timesheets at the end of the pay period and submit the timesheets to the Grant Manager
- Grant Manager will calculate the staff time directly from the pay period payroll documentation
- Compensation for personnel services on federal grants must be based on payroll documented through standard City policy and procedures. The consequences of noncompliance with employee time and effort certification may be the disallowance of such charges to the grant
- Federal grants require accounting for 100% of one's time even if all of one's time is not allocated to the grant project (2 CFR 200.430)
- Wages of employees used in meeting cost sharing or matching requirements of federal awards must be supported in the same manner as those claimed as allowable costs under federal awards

## 5.5 INTERNAL CONTROLS

### Expenditures

When an invoice is received for a grant funded project, the workflow for payment shall be as follows:

1. Reviewed by Project Manager and back-up documentation verified
2. Approved by Department Head or Authorized Signatory per Procurement Policy
3. Submitted to Accounts Payable for entry and procurement documentation verified
4. Vendor checks are printed by Revenue Accountant, posting payment to the General Ledger (GL)
5. GL detail is reviewed by Grants Manager for grant reimbursement preparation
6. Grant Manager prepares reimbursement request according to grant budget and agreement terms, as well as information provided from Project Manager below.

To assure the invoice gets paid from the proper grant and project; the Project Manager shall:

1. Determine available budget within vendor contract as well as city financial system

2. Specify the grant name, agency, and grant number on the pay request or invoice
3. Specify whether the invoice is 100% reimbursable or what portion is reimbursable through which revenue sources assigned to project
4. Specify the amount and revenue source when splitting an invoice between multiple grants or revenue sources
5. Be specific when paying an invoice between multiple account numbers
6. Make a notation of the account number, name and grant number on the receipt of an expense being paid with a City Cal Card or petty cash

### **Equipment and other Capital Expenditures**

Equipment (Capital Expenditures) purchased with Federal funds must follow Code of Federal Regulations CFR §200.313 and §200.439. These guidelines can be found at the link below: [https://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title02/2cfr200\\_main\\_02.tpl](https://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title02/2cfr200_main_02.tpl).

1. Capital expenditures for special purpose equipment are allowable as direct costs, provided items with a unit cost of **\$5,000** or more have the prior written approval of the Federal awarding agency or pass-through entity.
2. Equipment must be used in the program or project for which it was acquired as long as needed, whether or not the project or program continues to be supported by the Federal award.
3. Procedures for managing equipment (including replacement equipment), whether acquired in whole or in part under a Federal award, until disposition takes place will, at a minimum, meet the following requirements:
  - Property records must be maintained that include a description of the property, a serial number or other identification number, **the source of funding for the property** (including the FAIN), who holds title, the acquisition date, and cost of the property, percentage of Federal participation in the project costs for the Federal award under which the property was acquired, the location, use and condition of the property, and any ultimate disposition data including the date of disposal and sale price of the property.
  - A physical inventory of the property must be taken, and the results reconciled with the property records at least once every two years.
  - Control system must be developed to ensure adequate safeguards to prevent loss, damage, or theft of the property. Any loss, damage, or theft must be investigated.
  - Adequate maintenance procedures must be developed to keep the property in good condition.
  - If the City is authorized or required to sell the property, proper sales procedures must be established to ensure the highest possible return. See *CFR §200.313 (e) Disposition*, for guidelines.

## Revenues

When a Reimbursement Request is submitted it is:

1. Prepared by Grants Manager after verifying account numbers, budgets, proper grant documentation, matching documentation and back up
2. Approved and signed by Authorized Signatory per grant Agreement
3. Submitted and entered into Accounts receivable by Grants Manager
4. Funds are received and deposited by Revenue Supervisor
5. Deposit is reviewed and reconciled into the GL System by Revenue Accountant

## 6. POST AWARD

### 6.1 CLOSEOUT

After completion of all required performance period activities, the Administering Department and Finance shall perform grant closeout tasks in accordance with Federal CFR §200.343, or corresponding State regulations, and/or contractual requirements.

1. The Project Manager is responsible for final performance reports and programmatic reporting required by the terms and conditions of the award and shall provide copies to the Grants Manager in Finance
2. The Grants Manager is responsible for final financial reports and final reimbursement as required by the terms and conditions of the award
3. The Project Manager and Grant Manager are responsible for collecting and maintaining all appropriate back up documentation for performance, financial, and final reports
4. The Administering Department and Finance shall ensure that all financial activities are recorded, that revenues balance to expenditures, and that revenues and expenditures balance to budget figures
5. The Administering Department and Finance are responsible for ensuring their **records retention** follows the compliance in the grant award or at a minimum is held 5 years after final close date of award.

### 6.2 AUDIT

All Granting Agencies reserve the right to call for a program audit or a financial audit at any time between execution of the agreement and the completion or termination of the project.

All non-Federal entities that expend \$750,000 or more of Federal awards in a year are required to obtain an annual audit in accordance with the Single Audit Act Amendments of 1996, OMB Circular A-133, the OMB Circular Compliance Supplement and Government Auditing Standards. A single audit is intended to provide a cost-effective audit for non-Federal entities in that one audit is conducted in lieu of multiple audits of individual programs. The City exceeds the \$750,000 threshold and is subject to this required Audit annually.

**Federal Single Audit Act** and annual reporting requirements are contained in 2 CFR Part 200 Subpart F (200.5 Compliance and Audit Requirements.) It is important that all grant activity and any changes to the grant are well documented to facilitate any audit. Audit findings made during the audit are provided to the grantor, which could prompt an audit by the grantor.

The following activities are the fourteen types of compliance requirements considered in every audit conducted under 2 CFR Part 200 Subpart F, and many are described throughout this policy:

1. Activities: Allowed or Unallowable
2. Allowable Costs/Cost Principles
3. Cash Management
4. Compliance with Terms & Conditions (e.g. Davis-Bacon Act)
5. Eligibility
6. Equipment and Real Property Management
7. Matching, Level of Effort, Earmarking
8. Period of Availability of Federal Funds
9. Procurement, Suspension and Debarment
10. Program Income
11. Real Property Acquisition and Relocation Assistance
12. Reporting
13. Subrecipient Monitoring
14. Special Tests and Provisions

The Administering Department and Finance are responsible for ensuring their records are maintained in accordance with applicable City policy, State law, and Federal regulations and maintain compliance with Federal Code 2 CFR Part 200.

- Project Manager is responsible to provide all programmatic and procurement documentation requested by a Granting Agency or Auditor
- Grant Manager is responsible to provide all fiscal documentation requested by a Granting Agency or Auditor

***Complete and proper documentation is instrumental to a smooth and successful audit; which reflects positively on the City, and in turn increases the chance for future successful grant applications.***