

Title Policy Regarding Grant Funding and Administration
Policy # 2009-1
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POLICY STATEMENT

It is the policy of the City of St. Charles to seek grants for funding purposes. It is the responsibility of all departments to seek and evaluate supplemental grant funding consistent with the priorities of departmental business plans and service priorities of the City. Grant funding requires internal procedures to ensure effective and efficient use of grants. Adherence to the procedures within this document is required for all grants and granting agencies.

PROCEDURE

The grant procedure for the City of St. Charles includes five (5) major processes:

1. Grant Research
2. Departmental Decision-making
3. Internal Review and Grant Submission
4. Post-award and Grant Administration
5. Grant Close-out

1. Grant Research

Departments shall aggressively research outside sources for funding opportunities through the use of multiple resources available through the City. Sources for researching grant opportunities include, but are not limited to, the following:

- Grant research software (e.g. eCivis)
- Internet Research
- Notification from state or federal legislators
- Classes and Workshops
- Discussions with other agencies or jurisdictions
- Discussions and recommendations from the City's Lobbyist
- Foundations

Staff should use these resources to research and identify potential grants that match planned projects or programs in their department. Through thorough research, departments should begin to plan for grant applications, and in collaboration with the Finance Department, begin incorporating anticipated grant funding for planned projects or programs into their budgets during the annual budget process.

2. Departmental Decision-making

When a potential grant has been identified, the department should carefully review the Notice of Funding Availability (NOFA) to determine if the grant is applicable to planned projects or programs. Other considerations while reviewing the NOFA include:

- *Eligibility* – Is the City and/or the department eligible to apply?
- *Scope* – Do the objectives/purpose/scope of the grant match a planned project/program?
- *Deadline* – Is there enough time to sufficiently complete the application, prior to the deadline?
- *Staff Availability* – Are staff resources available to administer the grant project/program?
- *Continuation of Services* – How will the program be funded if the grant expires?

After reviewing the NOFA for these considerations, and others, if the grant is applicable to a planned project or program the department should complete Appendix A, and enter and upload the appropriate information into the Grants Management Database (GMD).

3. Internal Review and Grant Submission

The Grants Management Team will be notified through the GMD that a new grant has been submitted. The Team shall review the Grant and Project Summary Form and, if applicable, within one (1) week provide input to the Staff Contact listed on the Form. This input shall not delay the submission by the applying department (“Applicant”), but should be used to provide feedback, including:

- Whether another department has applied for the same grant.
- Whether the opportunity to collaborate with other departments, or community stakeholders, exists.
- Whether a department may have information or specific knowledge that may assist the Applicant.

The Applicant shall begin collecting the information required to apply for the grant, while the internal review is being completed. The Applicant shall complete the grant application and, if applicable, address the feedback received from the Grants Management Team. If needed, members of the Grants Management Team shall be available to assist the Applicant with the application. Upon completion of the application, the document and supporting materials shall be forwarded to the Department Director for their review and signature.

The Applicant’s Department Director must sign all grant applications, attesting to his/her approval of the grant application. Department Directors or their designee will ensure that all other signatures are obtained, based upon the requirements by the Grantor, and could include signatures from the Mayor, City Council, City Administrator, and other authorized parties.

The department must carefully review the NOFA and grant application prior to submission to the Grantor, to ensure that all details of the application are followed. It is the responsibility of the Applicant to submit the grant and all required documentation to the Grantor prior to the grant deadline.

A copy of the completed and signed grant application, along with all supporting materials, shall also be submitted to the City Administrator's Office (CAO) for their reference. The CAO shall be copied on all files relating to the grant including the NOFA, Grant and Project Summary Form, application and supporting material, and any documentation that follows.

4. Post-award and Grant Administration

If the Applicant receives the grant, a grant award letter should be received. The Grantee shall inform the Finance Department and CAO of the award and send copies of the letter and all grant related documents that follow to both departments, for their reference and documentation. A grant agreement should also be received, instructing the Grantee of the requirements and process to accept the grant funds and execute the agreement.

City Council must approve grants that require matching funds greater than \$20,000, or if the grant agreement requires Council approval. Approval of the grant agreement and approval of the budget amendment, if needed, shall be brought before Council at the same time to complete the acceptance of the grant in a timely manner.

If a budget change is necessary, the Grantee shall submit a Budget Revision Request Form to the Finance Department. The Budget Revision Request Form shall contain the following information:

- Background information on the grant, such as purpose, amount of grant, and amount/source of City matching funds.
- Expense and revenue accounts to be amended as a result of the grant.

The budget amendment shall then be brought to City Council for their review and approval. If any funds are received prior to the budget amendment process, the Finance Department shall deposit the funds in the appropriate deferred revenue account.

Once Council has approved the grant agreement, or if Council approval is not required, the signature process for grant agreements will follow the same guidelines as for executing contracts. The exception to the prescribed signatory process is that since the City is acting as a recipient, the City will not be able to dictate signature requirements for the grantor.

Once the grant agreement is approved and signed the Grantee is responsible for administration of the grant in accordance with the requirements of the agreement, including any reporting or documentation that is required. The Grantee shall continue to copy the Finance Department and CAO with all reports and documentation relating to the grant.

Budget compliance is the responsibility of the Grantee. If a budget adjustment is needed it should be submitted by the Grantee, in coordination with the Finance Department. Expenditures shall be approved at the departmental level and the Grantee is responsible for determining if the expenditure is an eligible expense under the grant agreement.

At a minimum, the Grantee shall examine its grant accounts on a monthly basis. This examination shall consist of the following:

- A review of financial activities within the specific budgetary accounts of the grant. This examination will involve a review of expenditure documentation such as invoices, procurement card receipts, etc., to ensure these amounts match expenditure activities within the appropriate accounts.
- If applicable, a review of program income earned, to determine that it has been recorded and expended per grant regulatory requirements.

If the project is completed prior to the agreement deadline, the Grantee may move to closing the grant. Otherwise, as the expiration date of the grant approaches, the department should consider the following:

- Have the project goals been attained and/or the grant requirements been met?
- Is the project ready for final inspection and audit, if appropriate?
- Have all of the grant funds been spent?

If the answer to any of these questions is “no,” then the department may need to request an extension/amendment from the Grantor. The Finance Department may be used as a resource in determining if an extension/amendment is needed, and shall be consultant if the situation arises.

5. Grant Close-out

Grant close-out will involve coordination between the Grantee and the Finance Department to follow the process for completing the financial reporting as required by the grant agreement. At times, the Grantor will send a “Close-out Package” specifying the reporting requirements. The grant agreement may also include additional close-out requirements and shall be reviewed. All requirements shall be followed in order to close-out the grant.

In order to close a grant, except an entitlement grant, the following conditions shall be met:

- All reimbursements have been received.
- Unused grant funds are returned to the granting agency. Unused match funds are returned to the appropriate account.
- The final report is filed with the granting agency.
- All expenses must equal revenue at prior year-end.

Once the established conditions have been met, the Grantee shall notify the Finance Department to close the grant.

PASS-THROUGH GRANTS – COORDINATION AND REVIEW

A sub-grantee requesting the City’s assistance shall contact the City at least forty-five (45) days prior to the grant deadline. The NOFA and application, with any supporting materials, must be sent to the City at least thirty (30) days prior to the grant deadline.

Appropriate staff/oversight department(s) shall review the NOFA and grant application. If appropriate, the application will also be sent for review by legal counsel. The application shall be reviewed from both a financial management and a policy/program standpoint. Use of the Grant and Project Summary Form is encouraged during this review process. A pre-planning meeting

may be scheduled with the sub-grantee and representatives from the appropriate department(s) that will have oversight responsibilities, if the grant application is approved.

The oversight department(s) shall make a recommendation to the CAO to either accept or reject the pass-through grant agency designation and the pass-through grant. The CAO will inform the sub-grantee in writing as to the final decision regarding the acceptance or rejection of the pass-through grant. If the pass-through grant is accepted, the sub-grantee shall be required to follow the procedures within this Policy, and specifically the Post-award and Grant Administration and Grant Close-out procedures.

GRANT REVIEW

Annually, the Finance Department will compile a list of all grants received by the City in the previous fiscal year, including expenditures and reimbursements received. This information shall be sent to the City Administrator's Office for their reference.

DEFINITIONS

501(c)(3)

A term used to describe various charitable, non-profit, religious, and educational organizations that are exempt from federal income tax. The term refers to the section of the Internal Revenue Service Code that grants the exemption.

Applicant

The department applying for grant funding for a project or program. If a grant is received, the Applicant becomes the Grantee.

eCivis

On-line subscription service provided to all employees who register. This service provides training in using the on-line system, daily updates on available grants, a user-friendly comprehensive database on grants for searches, sample grant write-ups, links to grant agencies, individual assistance in finding a grant, benchmarking reports, and other assistance as needed.

Entitlement Grant

An annual grant provided on a formula basis to entitled cities and counties (i.e. Community Development Block Grant).

Federal Employer Identification Number (FEIN)

Also known as Employer Identification Number (EIN), is the corporate equivalent to a Social Security Number and is used for reporting federal tax information.

Foundation Grant

A foundation is an entity that is established as a nonprofit corporation or a charitable trust, with a principal purpose of making grants to unrelated organizations, institutions or individuals for scientific, educational, cultural, religious, or other charitable purposes. Each foundation

determines the parameters and requirements regarding the implementation and evaluation of the funded project.

Stakeholders

The organizations, aside from the City, that may need to be involved for a successful grant (i.e. Park District, School District, local non-for-profit organizations).

Grant

A financial commitment made by a governmental unit, a foundation or corporation, with an application requirement.

Grant and Project Summary Form (Appendix A)

A form used to outline the basic grant information collected from the NOFA and information on the project/program that will be funded, if the grant is awarded. Should be used by departments as an executive summary of matching potential grants and planned programs/projects.

Grantee

The organization that receives a grant; in this policy it would be the City of St. Charles, or a department within the City.

Grantor

An organization or person that has a grant available, usually based on the release of a NOFA or solicitation of grant applications.

Grants Management Database (GMD)

A web-based application for storing and tracking grant and project information, for use by the Grants Management Team.

Grants Management Team

A team of employees that review and coordinate the City's grant process with the intent of avoiding duplication, fostering collaboration and providing resources to assist in the application process. The team also reviews and updates this policy, as needed.

In-Kind Services or Services-In-Kind

Non-cash contributions (e.g. volunteer labor, goods, and/or services) that can be used as matching funds for some grants.

Matching Funds

Monies or services-in-kind required to be provided by the grantee to obtain the grant funding. Often grantors will not support the entire cost of a project and require that the applicant provide a certain share of the project cost from other sources.

Notice of Funding Availability (NOFA)

Issued by organizations to solicit applications for grant opportunities. Includes important information on program priorities, eligibility, general requirements, funding levels, and contact information for the grant.

OMB Circular A-87

Establishes principles and standards for determining costs for Federal awards carried out through grants, cost reimbursement contracts, and other agreements with State and local governments and federally recognized Indian tribal governments.

Pass-Through Grant

A grant that the City receives on behalf of a non-profit, governmental agency, or other organization, due to the grant requirements established in the NOFA. The City then distributes the grant funds to the sub-grantee, for their use relating to the Grantor's objectives.

Sub-grantee

A non-profit, governmental agency or other organization that applied and/or received grant funding from the City, as a result of a pass-through grant.

APPENDIX A GRANT AND PROJECT SUMMARY FORM



INFORMATION CAN TYPICALLY BE LOCATED IN THE NOFA
PLEASE NOTE IF INFORMATION COULD NOT BE LOCATED

Department: _____ Staff Contact: _____ Date: _____
 E-mail: _____ Phone: _____

GRANT SUMMARY
Grant Title (Include FY): _____
Grantor: _____
Type of Grant (State, Federal, Foundation): _____
Application Due Date: _____ CDFA (if Federal): _____
Summary of Grant Description: _____ _____ _____ _____ _____
If applicable, please list amounts, dates and projects previously received from this Grantor/Grant: _____ _____ _____
Funds Available: _____
Match Required? <input type="checkbox"/> Yes <input type="checkbox"/> No Match Amount (% or \$): _____
Is the match amount greater than \$20,000 or are there any other provisions of the grant that (may) require City Council approval prior to award? <input type="checkbox"/> Yes <input type="checkbox"/> No
Type of match eligible: <input type="checkbox"/> Cash <input type="checkbox"/> In-kind <input type="checkbox"/> Equipment <input type="checkbox"/> Land <input type="checkbox"/> Other: _____
Grant funds <u>may</u> be used for: <input type="checkbox"/> Capital (land, building, vehicles, etc.) <input type="checkbox"/> Supplies <input type="checkbox"/> Printing <input type="checkbox"/> Program Expenses <input type="checkbox"/> Personnel (current or additional) <input type="checkbox"/> Contracted Services <input type="checkbox"/> Other: _____
Anticipated Award Notification Date: _____
Anticipated Grant Term: _____ to _____

PROJECT/PROGRAM SUMMARY

Type: Project Program

Title: _____

Description: _____

Is this included in? Budget Business Plan City Strategic Plan

Other: _____

Amount Budgeted: _____

Amount to be Requested: _____ Match Amount: _____

If grant is reimbursement, how will the project be funded initially? _____

Provide the budget code for match (if applicable): _____

Provide the budget code for initial funding (if applicable): _____

Grant funds may be used for: Capital (land, building, vehicles, etc.) Supplies Printing

Program Expenses Personnel (current or additional) Contracted Services

Other: _____

For programs, how will it be funded after the grant expires? _____

If only a portion of amount requested is received, how will the project/program be funded?

Once this form is completed, enter the relevant information and upload this file into the Grant Database. An email will be sent to the Grants Management Team for their review and, if applicable, comments will be sent to the Staff Contact.