

**CITY OF RICHARDSON
INTERDEPARTMENTAL POLICY & PROCEDURE**

GRANT MANAGEMENT

POLICY

It is the policy of the City of Richardson to follow all applicable federal, state, and local regulations related to applications for grant funding. The City of Richardson has established the following procedures for applying for and administering federal and state grants. An appendix is attached to this Policy and Procedure that includes website addresses for obtaining Federal grant information, a glossary of grant terms, and a sample Quarterly Grant Report provided by Accounting.

PROCEDURE

1. Grant Application

- A. The originating department shall study all grant requirements prior to application to ensure the City can meet those requirements, prepare all documents required in the application, and meet all application deadlines. All pass through grant proposals, regardless of the application format, shall follow the grant application procedures described within this policy.
- B. The originating department shall appoint a Grant Project Manager who will be responsible for grant management, reporting, and final closeout once the grant has expired.
- C. The City of Richardson has an established account in the Federal System for Award Management (SAM). If a grant application requires a DUNS number or Central Contractor Registration (CCR), please contact the Accounting Office. See Glossary for the explanation of DUNS and CCR.
- D. After completing the grant application, the Grant Project Manager shall submit the application to the following departments as needed:
 - a. Human Resources - for review of the application if employees' salaries are to be funded with grant proceeds;
 - b. Budget Office - for review of the application for indirect cost rate, if any; matching fund requests; in-kind contributions; or any other budget related issues;
 - c. Engineering Capital Projects - for review of all infrastructure and capital project related grant applications;
 - d. City Manager's Office - for final approval of all grant applications and matching fund requests
- E. The Grant Project Manager shall submit the completed grant application to the granting agency.
- F. A copy of the City Manager/City Council approved application is to be sent to Accounting for audit, tracking, and billing purposes.

2. Grant Award Acceptance

- A. When the grant is awarded, a copy of the award letter shall be forwarded to Accounting and Budget Office from the Grant Project Manager in order to establish funding and appropriations in the City's accounting/budget system. The Grant Project Manager shall request a meeting with Accounting and/or other related departments, if necessary, to discuss grant related issues. If the awarded COR department hires an outside consultant to manage a project, a designated COR manager is responsible for ensuring that the consultant abides by the COR Grants Policy and Procedures.
- B. The Grant Project Manager's responsibilities for managing the grant may include, but are not limited to, the following areas:
 - a. Term of the grant
 - b. Debarment Certification Requirements
 - c. Davis-Bacon and Related Acts
 - d. Employment Eligibility Verification requirements
 - e. Program Income
 - f. Supply and Equipment Inventory and accountability
 - g. Affirmative steps for minority participation in grant-funded procurements
 - h. Related Federal or State regulations
 - i. Grant travel reimbursement policy
 - j. Allowable and unallowable costs
 - k. Performance and progress measurement
 - l. Reporting requirements
 - m. Record retention requirements
 - n. Final Closeout
 - o. Provide supporting documents for program audit and/or single audit.
- C. If applicable, the Grant Project Manager shall prepare documents for the City Council's authorization of the grant acceptance, matching fund request, and award of the grant contract.

3. Grant Management and Reporting

- A. All City departments who receive federal or state grant funds shall conduct grant management duties in compliance with the rules and guidelines set forth by this policy and procedure, OMB Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, State of Texas Single Audit Circular for state funding, and any applicable provisions of the grant contract with the grantor.
- B. The Grant Project Manager is responsible for maintaining accurate records to provide information to the grantor agency, City management, and auditors. Such records may include, but are not limited to the following:

- a. Grant application
 - b. Grant agreement and sub-recipient agreement
 - c. Grant budget
 - d. CFDA number for Federal grants, grant number and contract number for State grants
 - e. Granting agency contact information
 - f. Internal/external reports
 - g. Debarment Certification
 - h. Payroll certification documents
 - i. Supply/equipment inventory records and tagging grant equipment
 - j. All correspondence related to the grant process
- C. The Grant Project Manager shall notify Purchasing regarding all grant funded procurements.
- D. The Grant Project Manager shall follow the Debarment Certification requirements as per the grant contract. If not specified, at least one of the following Debarment Certification requirements shall be followed prior to administering the contract as per the OMB:
- a. Check SAM exclusions and print a confirmation; or
 - b. Collect a Certificate of Debarment (www.cor.gov/index.aspx?page=25); or
 - c. Add a clause or condition to the covered transaction with that person or vendor.
- E. The Grant Project Manager shall obtain and retain a copy of the USCIS Form I-9 for employment eligibility verification (provided by Human Resources) for all grant funded City positions.
- F. The Grant Project Manager shall review the grant agreement and determine if additional eligibility verification records are necessary to ensure full compliance.
- G. Accounting shall establish the appropriate accounts for recording financial transactions in the accounting system.
- H. The Grant Project Manager shall collect, review and maintain in the grant files the payroll certification records provided by the contractor(s), if applicable, to ensure compliance with the Davis-Bacon and Related Acts.
- I. The Grant Project Manager shall review and attest to the program status and the grant information provided in the Quarterly Grant Report prepared by Accounting. Any discrepancies in the report shall be reported to and resolved with Accounting.
- J. In order to assure subrecipient compliance with laws, regulations, and the provisions of the grant, the Grant Project Manager should read and be familiar with the grant agreement. It is the responsibility of the Grant Project Manager to ensure the grant funds are used for authorized purposes and that the subrecipient is in compliance with all programmatic conditions of the grant agreement. The Grant Project Manager will work with Accounting to coordinate assurance of compliance.

K. No federally appropriated funding may be used, either directly or indirectly, to support the enactment, repeal, modification or adoption of any law, regulation, or policy, at any level of government. This prohibition retroactively applies to all lobbying activity regardless of the original parameters set forth in grant guidance.

4. Grant Accounting

- A. The Grant Project Manager shall work with Purchasing and Accounting to ensure purchases are processed within the grant period, invoices are paid timely, and grant funding or reimbursement is requested according to the grant agreement.
- B. The Grant Project Manager shall ensure that all grant expenditures are in accordance with the grant award.
- C. The Grant Project Manager, with assistance from Accounting, shall prepare all grant related performance and financial reports required by the grantor agency.
- D. Accounting shall prepare a monthly reconciliation of Federal and State expenditures. In addition, Accounting will prepare a Quarterly Grant Report. The Quarterly Grant Report will be sent to the Grant Project Manager and department Director for review and signature. The Grant Project Manager will return the signed Quarterly Grant Report to Accounting.

5. Final Closeout

- A. The Grant Project Manager shall confirm with all involved responsible parties that all requirements of the grant have been met and all required reports have been filed with the granting agency.
- B. The Grant Project Manager shall work with Accounting to ensure all financial transactions are recorded, reimbursements have been requested and received from the granting agency and any refunds due to the granting agency have been processed.
- C. Financial records, supporting documents, statistical records, and other records pertinent to the grant shall be retained for a period of three years from the date of submission of the final expenditure report or, for awards that are renewed quarterly or annually, from the date of the submission of the quarterly or annual financial report, or as specified by the Federal/State awarding agency. The only two exceptions are:
 - a. Records for real property and equipment acquired with Federal funds shall be retained for three years after final disposition;
 - b. If any litigation, claim, or audit is started before the expiration of the three-year period, the records shall be retained until all litigation, claims or audit findings have been resolved and final action taken.
- D. The Grant Project Manager shall review the Code of Federal Regulation (CFR) Title 2 Parts 200.313-200.314 for detailed Federal equipment and supply rules and regulations.

6. Disposition of Equipment purchased with Grant

When original or replacement equipment acquired under a grant is no longer needed for the original project or program or for other activities currently or previously supported by a federal or state agency, disposition of the equipment will be made as follows:

- a. Items of equipment with a current per unit fair market value of less than \$5,000 may be retained, sold, or disposed of with no further obligation to the awarding agency after formal approval from the awarding agency. Methods used to determine per unit fair market value must be documented, kept on file and made available to the awarding agency upon request.
- b. Items of equipment with a current per unit fair market value of \$5,000 or more may be retained or sold, and the awarding agency shall have a right to a portion of the proceeds from the sale. If the equipment is sold, the Federal awarding agency may permit the non-Federal entity to deduct and retain from the Federal share \$500 or ten percent of the proceeds, whichever is less, for its selling and handling expenses. Methods used to determine per unit fair market value must be documented, kept on file and made available to the awarding agency upon request.
- c. Accounting shall be notified regarding the disposition of grant related equipment so the master file can be updated.

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Signed by Dan Johnson on 05/29/2015

Dan Johnson
City Manager

Date: 5/29/2015

APPENDIX

Federal and State Grant Website Information. Note: The following websites are current as of 5/26/2015 but are subject to change. If you have any questions, please contact Accounting.

- a. <http://www.ecfr.gov/cgi-bin/ECFR?page=browse>
OMB Guidance for Grants and Agreements & Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards
 - i. Code of Federal Regulation (CFR) Title 2 Part 1-199

ii. Code of Federal Regulation (CFR) Title 2 Part 200-200.521

- b. www.CFDA.gov
This website provides a full listing of all Federal programs available to State and local governments.
- c. www.grants.gov
This is the source to FIND and APPLY for Federal government grants. The U.S. Department of Health and Human Services is the managing partner for Grants.gov.
- d. <https://www.tsl.texas.gov/ld/funding/OnlineGrantHandbook/index.html>
Texas State Uniform Grant Management Standards
- e. <http://www.sam.gov/>
System for Awards Management online can be used to look up the City of Richardson's DUNS number or Central Contractor Registration (CCR). The System for Awards Management can also be used to check vendor exclusions (Federal debarment status).

B. Glossary

Allowable Costs are expenditures under a grant project that are specifically permitted (or not specifically prohibited), by law, regulation, or guidance from the Office of Management and Budget (OMB), federal accounting standards, or other authoritative sources.

Catalog of Federal Domestic Assistance (CFDA) is a publication, and database, that lists the grants and assistance programs of all federal agencies and gives information about a program's authorization, fiscal details, guidelines, eligibility requirements, program contacts, application and award process. The program's CFDA number is required on federal grant application forms.

Central Contractor Registry (CCR) is the primary registrant database for the U.S. Federal Government. CCR collects, validates, stores and disseminates data in support of agency acquisition missions. Prospective vendors must be registered in the Federal System for Award Management (SAM) for a CCR number prior to the award of a government contract. In order to register in CCR, a firm must have a Data Universal Numbering System (DUNS) number.

Closeout means the process by which the Federal awarding agency or pass-through entity determines that all applicable administrative actions and all required work of the Federal award have been completed.

Davis-Bacon Act is a United States federal law which established the requirement for paying prevailing wages on public works projects. All federally assisted construction contracts over \$2,000 must include provisions for paying workers on-site no less than the locally prevailing wages and benefits paid on similar projects.

Debarment Certification certifies a company and/or its principals are not debarred, suspended, declared ineligible, or voluntarily excluded from participation in federal or state grant funded projects. At least one of the following Debarment Certification requirements shall be followed prior to administering the contract as per the OMB: 1.) Check SAM exclusions and print a confirmation; or 2.) Collect a Certificate of Debarment (www.cor.gov/index.aspx?page=25); or 3.) Add a clause or condition to the covered transaction with that person or vendor.

Data Universal Numbering System (DUNS) number means the nine-digit number established and assigned by Dun and Bradstreet, Inc. (D&B) to uniquely identify entities. A non-Federal entity is required to have a DUNS number in order to apply for, receive, and report on a Federal award.

Electronic Employee Verification is an internet based system operated by the Department of Homeland Security and Social Security Administration that allows employers to verify employment eligibility of prospective employees and verifies the validity of their Social Security number. Human Resources manages this process and each department is responsible for maintaining the verification documents with their grant materials.

Financial Status Report is a report of the project's financial status that a grantee has generated during a specific performance period for a grant.

Grant is financial assistance from Federal or State agencies which provides money, property, or both to an eligible entity to carry out an approved project or activity.

Grant Budget is the financial revenue and expenditure plan for the grant-supported project or activity. The budget consists of grant funds awarded plus the matching funds provided by grantee, if required by the funding agency.

In-Kind is a contribution of equipment, supplies or other tangible resources, as distinguished from a monetary grant. Some organizations may also donate the use of space or staff time as an in-kind contribution.

Indirect Costs (Facilities and Administrative) are costs incurred for a common or joint purpose benefiting more than one cost objective, and not readily assignable to the cost objectives specifically benefitted, without effort disproportionate to the results achieved.

Matching Funds are funds, other than federal/state funds, required by a grant program to pay the percentage of project costs not covered by the grant. It is the portion of program costs contributed by a grant applicant.

Office of Management and Budget (OMB) Circulars are administrative policy documents issued by OMB that give instruction to agencies on a variety of topics, including the administration of grants and cooperative agreements.

Performance Report is a report of the specific activities a grantee has performed during the budget or performance period.

Quarterly Grant Report is a City of Richardson quarterly report prepared by Accounting, which provides financial information to the Grant Project Manager and Department Director. An example Quarterly Grant Report is located on www.cor.gov.

Single Audit is the required annual audit for non-Federal entities that expend \$750,000 or more in a year in Federal/State grant awards. The audit shall be conducted in accordance with OMB Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.

Subrecipient means a non-Federal entity that receives a subaward from a pass-through entity to carry out part of a Federal program; but does not include an individual that is a beneficiary of such program. A subrecipient may also be a recipient of other Federal awards directly from a Federal awarding agency.

Terms and Conditions are all legal requirements imposed on a grant by the funding agency, whether based on statute, regulation, policy, or other document referenced in the grant award, or specified by the grant award document itself.