RESOLUTION NO. 120-20

RESOLUTION OF THE COUNCIL OF THE CITY OF RICHMOND, CALIFORNIA, ADOPTING THE GRANT MANAGEMENT POLICY

WHEREAS, the City of Richmond has determined that an appropriate grant management is a policy decision; and

WHEREAS, the Governmental Finance Officers Association recommends government organizations develop a formal grants policy; and

WHEREAS, the Grant Management Policy outlines guidelines for grant application, execution and closeout; and

WHEREAS, the adoption of the Grant Management Policy is consistent with "best practices" and the City Council's fiduciary oversight of fiscal policies.

NOW, THEREFORE, BE IT RESOLVED, that the City Council hereby adopts the Grant Management Policy for the City of Richmond that is attached hereto as Exhibit A.

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I certify that the foregoing resolution was passed and adopted by the Council of the City of Richmond at a regular meeting thereof held November 10, 2020, by the following vote:

AYES:	Councilmembers Choi, Johnson, Martinez, Myrick, Vice Mayor Bates, and Mayor Butt.
NOES:	None.
ABSTENTIONS:	None.
ABSENT:	Councilmember Willis.

_____PAMELA CHRISTIAN_____
CLERK OF THE CITY OF RICHMOND
(SEAL)

Approved:

THOMAS K. BUTT
Mayor

Approved as to form:

TERESA STRICKER
City Attorney

State of California	}	
County of Contra Costa		: ss.
City of Richmond	}	

I certify that the foregoing is a true copy of **Resolution No. 120-20**, finally passed and adopted by the City Council of the City of Richmond at a regular meeting held on November 11, 2020.

Pamela Christian, Clerk of the City of Richmond

Grant Management Policy of the City of Richmond
Established by the Finance Department

Fiscal Year 2020-21

1. **Overview**
   The City of Richmond continues its practice of taking advantage of granting opportunities to support operations, programs, and capital improvement projects. Major sources of grant awards are federal, state, and local agencies, and private organizations. A grant's scope is determined by the policy goals of the grantor, and the grantee is obligated to deliver services through successful execution of the provisions. Each grant has unique features based on the funding source and scope of work. City staff members at any given time are managing grants from different sources with a range of scopes including but not limited to capital improvement and operational.

2. **Goal**
   Establish a framework and general guidelines for seeking and managing grants.

3. **Pre-Application Evaluation**
   City staff will continuously look for grants in all functional areas in general but specifically in funding capital projects. City staff must review grants to validate the feasibility of undertaking the responsibility of grant deliverables and the alignment of the scope with the City's and the community's mission before applying/accepting or committing to any grant.

   a. **Short term revenues vs. long term costs**
      Special attention must be paid to evaluate that one time or short term grant revenues are not adding unprecedented permanent or long term expenditures. For example, a grant funded project may require the city to hire additional staff, in this situation it is necessary to review the grant to make certain that the city is clear about the status of additional staff, temporary or permanent. If permanent staff is required, the long term labor cost must be evaluated and analyzed before applying for the grant. Feasibility is not limited to labor cost; it must be evaluated for all types of costs.

   b. **Required resources**
      A grant opportunity must be evaluated based on required resources versus available resources in the city before moving forward with the application process. It applies to resources such as: staff support, local funding match, or in-kind match.
      i.   If funding match is required by the grantor, the funding source must be discussed with the department head and finance department prior to submitting grant application.

c. Indirect costs

The grant budget should include the cost of administering the grant program whenever possible and wherever it is not clearly disallowed by the grantor in the grant terms and conditions.

d. Cost benefits analysis

The overall cost benefit analysis is required to confirm that the grant is in sync with the City's general mission and strategic goals, and is in the best interest of the citizens of Richmond.

4. **Grant Cycle**
   a. **Grant application**

   City staff is required to follow the grantors' determined application processes. The grant executor, the City staff member seeking and monitoring the grant, is responsible for compiling the grant application and the Finance department provides certain information that is required to go along with the proposal.

       i.   If a local funding match is required, it must be discussed with the department head and the Finance department before submitting the application.

       ii.   The Finance department must be notified upon submission of a grant application.

   a. **Grant award**

   Grant award refers to the stage when an applicant is chosen and receives a formal communication regarding the award to the city; the grant award states the amount and general purpose of the grant. A more sophisticated form of grant confirmation is a grant agreement which documents all of the terms, conditions, deliverables, and timeline for the granted funds.

   b. **City Council approval**

   Each grant must be formally accepted by the City Council before moving to the execution phase. The grant executor is responsible for preparing the council agenda item. Recommended action must include the words "accept and appropriate" in the agenda report to ensure budget appropriation for execution. Some grants may require council authorization before a grant application is submitted and, in that case, recommended action can include the language about the acceptance and appropriation of funds upon grant award.

c.   Grant set up

The grant executor is responsible for submitting grant documents to the Finance department for it to be set up in the City's financial system, which may require creating special account strings to fully track the related activity. Required documents are:

  i. Grant Award Letter/Agreement,
  ii. Approved Council Minutes, and
  iii. Completed Grant Information Form (see attached form)

d.   Grant execution

Grant execution is the responsibility of the operating department/grant executor who applied for the grant. It is the grant executor's responsibility to deliver agreed upon deliverables, generate status reports, and exercise careful examination of the costs being incurred, and file for reimbursements from grantor in a timely fashion. The Finance department provides assistance as needed in terms of setting up purchase orders, preparing monthly reports etc. The grant executor must maintain a comprehensive project file for the record and also send all documents to the Finance department/grants manager for central record keeping in the financial system.

e.   Reimbursements/Reporting

The grant executor must submit reimbursements and other periodic reports in a timely manner depending upon the grantor specified timeline.

f.   Close out

The grant executor is responsible for following the specified close out procedure provided by the grantor. Grant funded project files and records are expected to be maintained for five years or whatever retention limit the grantor has provided that is longer than five years.

5. **Record Keeping**

   The grant executor must maintain all documents (i.e. purchasing, bidding, and communications with the grantor) even after the grant completion. The grant executor must also forward all of the documents to the grant manager in the Finance department for filing in the financial system repository (currently Project Master in Tyler MUNIS) to ensure citywide availability as needed, especially for audit purposes.

6. **Audits**

   The appropriate audit facilitator is determined depending on the nature of the audit including the annual Single Audit. The Finance department facilitates all financial audits and may reach out to the operating department/grant executor for assistance if warranted.

7. Roles and Responsibilities

    a.   City Council

        i.   Provides policy guidance to staff for seeking grants in certain categories and authorizes staff to apply for grants, and upon grant award, accepts and appropriates funds.

    b.   City Manager's office

        i.   Executes grant agreements and directs/assigns staff to seek and execute grants.

    c.   Finance department:

        i.   Provides guidance to operating departments and grant executors about tracking costs appropriately
        ii.   Sets up account strings in the financial system
        iii.   Assists in day-to-day financial operations
        iv.   Generates periodic reports stating sources and uses of the grant funds
        v.   Maintains project master in financial system
        vi.   Maintains the City's general information regarding tax ID and tax exempt status letter
        vii.   Maintains the City's accounts with federal grant portals such as www.grant.gov, www.sam.gov, etc.
        viii.   Maintains the City's CAGE code and DUNS number
        ix.   Generates Schedule of Expenditures of Federal Awards (SEFA) annually after fiscal close.
        x.   Facilitates financial audits and files annual single audit with State Controller's office
        xi.   Provides training for staff and grant executors in grants management and about financial systems to improve the grants program

    d.   Grant executor/Operating department

        i.   Applies for the grant
        ii.   Takes awarded grant to the City Council for approval (Council action must read "Accept and appropriate funds…")
        iii.   Executes the grant
        iv.   Delivers the agreed upon goals under terms and conditions with grantor
        v.   Monitors costs and makes sure the costs are allowable and within the grant award

vi.   Communicates and reports to the grantor/s regarding status, periodic, and close out reports, and any other communication regarding modifications to the scope or changes in time line

vii.   Follows the procurement and other City policies in the process of issuing contracts

viii.   Maintains complete project file during and after beyond project completion

ix.   Assists finance/audit coordinator as needed during audit/s

Grant Information Form

Project Title		City Project Code	
		(Assigned by Finance)	

Scope of Work

Award Amount		City Match	Select One	If Yes, Match Amount	
Grant Basis	Select One				

Grantor Agency Information

Agency Type	Select One	CFDA # (Fed)		Agency Grant #	
Funding Through	Select One	Pass-through Agency			
Agency		Sub Agency			
Agency Program					

Grant Period

Reporting Frequency	Select One	Award Date		Start Date		End Date	
Final Report		Report 1		Report 2		Report 3	

Agency Contact		City Contact (Project Manager)	
Name		Name	
Title		Department	
Phone		Phone	
Email		Email	

Grant Budget		Match Source (If Required)	
Fund	Org	Fund	Org

Object Code	Budget Amount	Fixed Asset	Select One
	(Revenue)	If Yes, Description of Fixed Asset	
	Expenditure		
	Expenditure		
	Expenditure		
	Expenditure		
Net	$ 0		

Other Notes

Required Documents: 1-Completed Grant Information Form, 2-Grant Award Letter/Agreement, 3-Approved City Council Minutes