

ADMINISTRATIVE POLICY FOR THE ADMINISTRATION OF GRANTS

Subject: Grant Policies
Effective Date: October 1, 2007

Memo Number: Grants 001
Revision Date:

I. PURPOSE/INTENT

The purpose of this policy is to establish guidelines for the identification, application, administration and reporting of grants from various external sources.

II. DEFINITIONS

For the purpose of this administrative policy, the following definitions and descriptions apply to the words shown in quotation marks:

- **"Accounting System"** – the City's financial and accounting software package used for entering, receiving and monitoring departmental accounts; procurement of goods, services and assets and recording of fixed assets.
- **"Administrative Policy"** – this permanent policy as authorized by the City Manager. The policy may be revised from time to time and shall apply to all departments of the City.
- **"Agenda Routing Form"** – A coversheet along with a resolution or ordinance and supporting grant documentation, completed by each department for City Manager submittal that provides specific instructions on the City council meeting and on which departments need to indicate review and approval of the agenda item, which includes an indicator that the item is grant related.
- **"City Manager"** – The chief administrative officer of the City, with the authority to execute contracts or agreements for the City.
- **"Federal Grants Fund"** – The fund established specifically for Federal grant money awarded to the City to segregate all federal revenues and expenditures related to grants.
- **"Financial Services"** – the accounting division of the Financial Services Department.
- **"Fiscal Year"** – the period of 12 months to which the annual budget applies. The City's fiscal year begins October 1 and ends September 30.
- **"Fixed Asset Tag"** – A metal strip or other permanent fastened item containing a number that is used to identify the underlying asset and which indicates that asset is owned by the City of Boca Raton and is recorded in the City's fixed asset system by Financial Services.
- **"Grant"** – funds, equipment or services obtained through a grant application process, which may be applied for by the City of Boca Raton or jointly with another municipal or governmental agency. These grant funds or services shall include, but are not limited to: the acquisition of real property, equipment, materials or services; construction,

ADMINISTRATIVE POLICY FOR THE ADMINISTRATION OF GRANTS

Subject: Grant Policies
Effective Date: October 1, 2007

Memo Number: Grants 001
Revision Date:

development or renovation of City facilities; construction or renovation of public infrastructure; funds to operate public programs or services, and funds to pay administrative costs for the provision of public programs, projects or services. Includes direct awards or those that require matching funds.

- **"Grant Agreement"** - a written contractual agreement, originated by the Grantor upon grant application approval, which contains all required conditions, specifications and regulations applicable to the receipt of funds from a specified grant.
- **"Grant Application"** - the document submitted to the Grantor requesting funds. The document's format is specified by the Grantor and contains a narrative and financial description of the program, project or service for which funds are being requested.
- **"Grant Compliance Report"** - the form utilized by the Grants Administrator and the Project Manager to monitor the compliance, funding, reporting and completion of all grants.
- **"Grantee"** - the City of Boca Raton or consortium of agencies, if a joint grant.
- **"Grantor"** - the agency from whom the grant is received.
- **"Grant Profile"** – the form to be completed by the Project Manager after a grant has been awarded.
- **"Grants Administrator/Office of Management and Budget (OMB)"** – the City employee responsible for providing technical assistance to the grant process from identification to completion.
- **"Grant Reimbursement Request"** – The form utilized by the Project Manager to submit to the Grants Administrator and Financial Services that identifies the grant information needed to process an MR.
- **"Miscellaneous Receivables (MR)"** – The MR system records transactions and also establishes a receivable for the grant amount. When the money is received, the MR system reduces the outstanding MR receivable/balance. Financial Services generates these entries.
- **"Procurement Code"** – the City of Boca Raton has adopted a Procurement Code. This is the Ordinance that applies to contracts for the procurement of goods and supplies, services and construction entered into by the City.
- **"Project Code"** – text and/or number established to track revenues and expenditures pertinent to a specific grant, established by the Grants Administrator upon request from the Project Manager prior to the spending of any funds.

ADMINISTRATIVE POLICY FOR THE ADMINISTRATION OF GRANTS

Subject: Grant Policies
Effective Date: October 1, 2007

Memo Number: Grants 001
Revision Date:

-
- **"Project Manager"** - the City employee designated by the appropriate Department Director, with primary responsibility for the application, implementation, compliance and completion of a grant.
 - **"Purchasing Manager"** – the City employee designated to make the purchasing decisions on behalf of the City. Primary responsibilities include the procurement of supplies, services and construction in compliance with the *City of Boca Raton Procurement Code*, as well as, the management and disposal of fixed assets.
 - **"Resolution/Ordinance"** – the mechanism by which the City Council authorizes the application and acceptance of a grant.
 - **"Schedule of Expenditures of Federal Awards and State Financial Assistance (SEFA)"** – Required by OMB Circular A–133 and Chapter 10.550, Rules of the Auditor General. A schedule of expenditures of State financial assistance prepared in accordance with Chapter 69I–5, Rules of the Florida Department of Financial Services, Florida Administrative Code. This schedule shall be included on the schedule of expenditures of federal awards where applicable.
 - **"Single Audit Report"** – The report prepared by the Grants Administrator and audited by the City's external auditors documenting the results of its organization-wide examination conducted under the Single Audit Act of 1984, subsequent amendments and the Rules of the Auditor General relating to agencies receiving federal or state grant funds.
 - **"State Grants Fund"** – The fund established specifically for State grant money awarded to the City to segregate all state revenues and expenditures related to grants.

III. POLICY/PROCEDURES

POLICY

The City, through each department, shall actively pursue grant resource opportunities, maintain an active and diverse grant portfolio, utilize grant funds to supplement and enhance the long-term goals and objectives of the City. Grant application, approval and administration shall be coordinated with and through the Grants Administrator and the Office of Management and Budget (OMB).

PROCEDURES

A. Grant Research, Identification, and Development

1. The Project Manager shall actively research/review and request information regarding

ADMINISTRATIVE POLICY FOR THE ADMINISTRATION OF GRANTS

Subject: Grant Policies
Effective Date: October 1, 2007

Memo Number: Grants 001
Revision Date:

grant opportunities. Responsibilities include, but are not limited to: the initial notification and coordination with other departments who may participate in some phase of the Grant Application; coordination with the Grants Administrator; preparation of the Agenda Routing Form, Resolution and memorandum to the City Manager presenting the Grant Application's background, discussion, analysis and recommendation to City Council; submission of the application documents to the Grantor; preparation of the Grant Profile; project implementation; preparation of the required reports per the Grant Agreement and these policies; monitoring expenditures and using an assigned Project Code on the Accounting System; preparation of billing and reimbursement requests through Financial Services; monthly/quarterly reporting on Status reports; preparation of the Final Close-Out Report, and; requesting the close of the assigned Project Code via the Grants Administrator.

2. The Grants Administrator shall monitor documentation for compliance with grant requirements and serve as the Project Manager for specified interdepartmental grants. Responsibilities may include, but are not limited to, the following: identifying, requesting and forwarding grant information to the appropriate departments; providing technical assistance to departments regarding the Grant Application and the administrative process; receiving all original Grants Agreements and facilitating the execution of the documents; establishing Project Codes within the Accounting System, and; maintaining the documentation record for compliance with grant and audit requirements.
3. The Grants Administrator shall authorize the pursuit of all Grant Applications based upon the following considerations: likelihood of award; consistency with City objectives and priorities; City cash match or in-kind requirements, if any; and the ability of the City to both prepare an application, implement a program and meet compliance requirements should funding be received.
4. The Project Manager is responsible for meeting with the Purchasing Manager, if necessary, during the Grant Application process, to ensure that related grant purchases follow the City's Procurement Code and that any grant requirements are addressed and incorporated in the purchasing bid, Request for Proposal and/or contract.
5. The Project Manager is responsible for ensuring that the cash match and in-kind services are clearly identified and applied during the application process to enable proper documentation throughout the grant implementation and closeout process, including identification in the City's adopted budget.
6. If grant revenues and expenditures monies have not previously been identified in the annual budget, a budget amendment request shall be submitted by the Project Manager to OMB. All budget amendments shall be submitted in a timely manner in order to keep the budget current with respect to the financial status of the grant.
7. The Project Manager shall prepare and provide the Resolution and Agenda Routing form and appropriate documentation /copies for the City Council agenda in accordance with the agenda calendar.

ADMINISTRATIVE POLICY FOR THE ADMINISTRATION OF GRANTS

Subject: Grant Policies
Effective Date: October 1, 2007

Memo Number: Grants 001
Revision Date:

8. Should the Grant Application due date preclude staff's ability to obtain City Council approval prior to submittal of the application, the City Manager may authorize the filing of the application with the agenda item presented on the next available City Council agenda.
9. Upon approval by the City Council, the Project Manager shall submit the grant application package to the Grantor, providing a complete copy to the Grants Administrator.

B. Grant Award, Acceptance, and Execution

1. The Grants Administrator shall in a timely manner receive grant award notification, either directly or via the Project Manager.
2. The Project Manager shall forward all Grant Agreements to the Grants Administrator for review prior to execution by the proper City officials.
3. Once executed by the proper City officials, the Project Manager will forward the executed document to the Grantor.
4. If approval of the Grant Agreement has not been previously authorized by the City Council, the Project Manager shall prepare the Resolution and Agenda Routing Form requesting City Council authorization for the City Manager to execute the Grant Agreement and related documents. Upon approval, procedures as stipulated above in Item 2 shall be followed.
5. The fully executed original Grant Agreement (executed by the City and the Grantor) shall be received by the appropriate Department and two copies forwarded to the Grants Administrator. One copy will be retained with the grant file in OMB and one copy will be filed in the City Clerk's Office with the original Resolution or Ordinance. If applicable the Grants Administrator will also forward a copy of the Grant Agreement to the Purchasing Division to assist in all procurement decisions to comply with the grant requirement.

C. Grant Administration/Implementation

1. Upon receipt of the fully executed Grant Agreement, the Project Manager will coordinate an account number with the Grants Administrator. A Project Code will be assigned if one does not exist specific to the grant. No monies shall be encumbered or spent until approved by OMB.
2. The Project Manager will establish a departmental grant file and initiate a record using the "Grant Profile" and forward a copy to the Grants Administrator. The Project Manager shall complete as appropriate the "Grant Compliance Report". If applicable the Project Manager may submit copies of the compliance report required by the Grant instead of the Grant Compliance Report.
3. It is imperative that the Project Manager has a thorough understanding of all compliance requirements stated in the Grant Agreement, including any audit requirements. If there

ADMINISTRATIVE POLICY FOR THE ADMINISTRATION OF GRANTS

Subject: Grant Policies
Effective Date: October 1, 2007

Memo Number: Grants 001
Revision Date:

are questions on any of the requirements, it will be the Project Manager's responsibility to obtain an explanation or training on that requirement. Information regarding the grant requirements may be obtained from the Grantor itself, Financial Services or the Grants Administrator. Questions should be directed to the Grants Administrator.

4. The Project Manager is responsible for the expenditure of grant funds in accordance with the City's established policies. All invoices, billing requests, Fixed Asset Tags, etc. shall require the correct Project Code and account number. The Project Manager is responsible for obtaining the required authorization for all costs related to the applicable grant.
5. If the Project Manager is procuring an item in compliance with the Grant Agreement, approval from the Purchasing Manager is required. All requisitions are to be sent to the Purchasing Division and should follow standard City procurement procedures.
6. OMB shall reject all grant requisitions that are incomplete, do not contain a Project Code or contain incorrect information.
7. Grant receipts and expenditures must be maintained in accordance with federal, state and local guidelines/laws applicable to the agreement (federal statute, state statute, local laws/ordinances, federal, state guidelines) and generally accepted accounting principles for local governments.
8. In addition to the requisitions and resultant purchase orders, the expenditure of City cash and in-kind matching funds shall be reported by the Project Manager on a quarterly basis on the applicable "Grant Compliance Report". If applicable the Project Manager may submit copies of the compliance report required by the Grant instead of the Grant Compliance Report.
9. A "Grant Reimbursement Request" shall be prepared by the Project Manager in accordance with the Grant Agreement or on a timely basis following the expenditure of funds and submitted to the Grants Administrator and Financial Services for verification of financial information prior to submission to the Grantor. The Project Manager shall forward a copy of all supporting documentation to the Grants Administrator for placement in the grant file.
10. Grant reimbursements shall be received by Financial Services and processed in Miscellaneous Receivables. A Project Code must be used for all grant activity including issuance of requisitions, expenditures of funds and receipt of grant reimbursements. NOTE: When an invoice is billed in MR, the system debits receivables and credits the corresponding revenue. When the payment is received, it clears the receivable and debits cash.

D. Grant Monitoring/Reporting

1. The Project Manager shall prepare all reports of a statistical, programmatic or fiscal nature, with technical assistance available from the Grants Administrator and Financial

ADMINISTRATIVE POLICY FOR THE ADMINISTRATION OF GRANTS

Subject: Grant Policies
Effective Date: October 1, 2007

Memo Number: Grants 001
Revision Date:

Services, according to the reporting frequency (e.g. monthly, quarterly) as required in the Grant Agreement. The Grants Administrator prior to submittal to the grantor agency shall review all report information.

2. The Project Manager shall prepare departmental requests for changes in the scope, budget, or schedule of the Grant Agreement. Copies of extension requests and approvals must be provided to the Grants Administrator. The Project Manager must update the "Grant Profile" and forward the changes to the Grants Administrator within 30 days of approval of any of the following: a change in the grant award amount; a change to other information required to maintain the schedules of federal and state assistance or; the close out of a grant extension. All other changes of a non-financial nature should be made on a timely basis.
3. When the Grant Agreement or Grantor requires public review and/or City Council approval for revisions, the Project Manager will prepare the agenda item and the Agenda Routing Form, with appropriate documentation.
4. A "Final Close-Out Report" shall be prepared by the Project Manager and submitted to the Grants Administrator. This report will be prepared after the Grants Administrator and the Project Manager have both determined that all performance has been satisfactorily completed and all grant related conditions and specifications have been met. Included in the evaluation should be a recommendation on the continuation or discontinuation of the specific grant opportunity, and/or other grant options available to achieve similar City objectives and priorities, when appropriate. If applicable the Project Manager may submit copies of the close out documents required by the Grant instead of the Final Close-Out Report.
5. Grant program and financial records shall be maintained for a minimum of three years (or longer as may be mandated in the Grant Agreement) from the date of "close out" as designated by the Grantor entity.

IV. ANNUAL AUDIT

Federal and state grants are subject to annual audits by the City's external auditors and must comply with certain standards.

A. Reconciliation

1. After the end of the fiscal year, the Grants Administrator will prepare the Schedule of Expenditures of Federal Awards and State Financial Assistance (SEFA). This schedule is considered preliminary until the City's financial audit is complete.
2. The Project Manager will have a specified time from the date they receive the preliminary SEFA to submit final numbers back to the Grants Administrator. The Project Manager will be required to approve the final worksheet.

ADMINISTRATIVE POLICY FOR THE ADMINISTRATION OF GRANTS

Subject: Grant Policies
Effective Date: October 1, 2007

Memo Number: Grants 001
Revision Date:

3. Project Managers are required to coordinate with the Grants Administrator prior to providing information to or meeting with external auditors.
4. The Grants Administrator shall provide the SEFA to the OMB Director for review. After review and approval by the OMB Director, the SEFA will be forwarded to the Deputy Financial Services Director for an additional review. Financial Services will be responsible for providing the final SEFA to the City's external auditors.
5. The Grants Administrator will coordinate any requests for additional information for the external auditors.
6. The Grants Administrator shall attend all meetings between project managers and the external auditors.

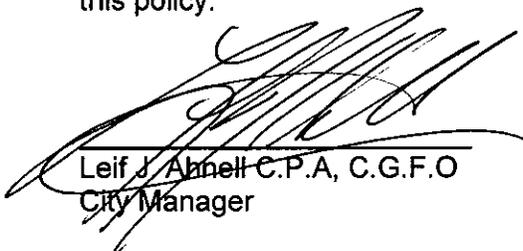
B. Other Audit Requirements

1. The Grants Administrator will be responsible for the coordination and distribution of the audit report to each granting agency.
2. Each Project Manager shall receive a copy of the audit report and a copy of the SEFA when it becomes available.

If there are any findings related to the grant reported by the external auditors in the Single Audit Report, the Project Manager handling the grant will be required to assist the Grants Administrator in preparing a written response. In addition, the Project Manager will be responsible for taking the appropriate steps to ensure that the situation is corrected and will not recur in future years. If there are recurring deficiencies related to the same Grant or Grants within the same Department, the Project Manager may be subject to disciplinary action in accordance with the City's personnel rules and regulations.

V. ADDITIONAL INFORMATION, REQUIREMENTS AND RESPONSIBILITIES

It is the responsibility of the Financial Services Department to maintain, update or revise this policy.



Leif J. Ahnell C.P.A., C.G.F.O
City Manager