

**CITY OF OAKWOOD
ADMINISTRATIVE POLICIES AND PROCEDURES**

POLICY NO. 28

SUBJECT: FEDERAL AWARD AND GRANT MANAGEMENT

DATE: DECEMBER 1, 2020

REVISED: SEPTEMBER 24, 2021

RECOMMENDED BY:




CINDY STAFFORD, FINANCE DIRECTOR

CONCURRED BY:



ROBERT JACQUES, LAW DIRECTOR

APPROVED BY:



NORBERT S. KLOPSCH, CITY MANAGER

POLICY: This policy addresses the application, award and administration of grants, to include donations, partnerships, or requests for resources for the city of Oakwood.

PURPOSE: The purpose of this Federal Award and Grant Management Policy is to ensure that grants are pursued and administered in a consistent manner and in accordance with all applicable laws and rules. The policy sets standards for the acquisition and administration of grants and applies to all grants provided to or facilitated by City departments (federal, state, county, local, corporate, and private foundation). The use of grants is encouraged in all cases, except those where prospective grants generate more cost than benefit, or otherwise negatively impact the goals of City programs and services.

No City employee shall seek grants, donations, partnerships, or requests for resources on behalf of the City without proper discussion and approval by the employee's Department Head. Department Heads will discuss these pursuits with the City Manager prior to commencement to ensure consistency with the City's goals.

RESPONSIBILITIES: Department Heads shall see to it that their staff members continuously seek grants in support of projects and services that benefit the Oakwood community. Department Heads applying for and being awarded grants are responsible for understanding and complying with all grant requirements, and for keeping the Finance Director informed of the status of each grant. If a grant is federal, the Department Head shall consult with the Finance Director prior to initiating the application process to determine if a single audit is required.

GRANT IDENTIFICATION, EVALUATION AND APPLICATION: Once potential grants have been identified and prior to the submittal of a grant application to an agency or acceptance of funds from an organization, the Department Head shall give consideration as to whether the grant is consistent with the City's goals, and a funding evaluation shall be completed to determine the impact of the grant on the current and future City resources or operations. Factors to consider are:

- A. Available funding for required grant matches (i.e., the City's portion of project costs or in-kind services)
- B. Current and future year(s) budget implications (i.e., added equipment and/or annual service contracts)
- C. Capacity and experience of the Department and staff to effectively administer and implement all aspects of the grant.

All grant applications shall be reviewed by the Law Director and approved by the City Manager prior to submission.

GRANT APPROVAL, ADMINISTRATION, AND OPERATIONAL OVERSIGHT: To ensure transparent management, grants which require City resource commitments must have City Manager approval prior to acceptance of funds or upon submittal if award signifies acceptance. Any capital grants that require a rapid response to prevent grant forfeiture may be approved by the City Manager's designee.

If an approved grant requires an ongoing financial commitment from the City, it will be incorporated into future budgets to ensure expenditures can be supported when the grant expires.

All grant agreements will be submitted to and maintained by the Finance Department, as is the case with all other agreements and contracts. This applies to the purchase of materials, services, and construction with grant funds, in conjunction with any stipulated procurement requirements.

The City's Finance Department will provide grant management guidance and oversight to ensure adherence to the Grant Management Policy. All federal grant requests will be established as reimbursement from the granting agency, or direct payment to a vendor/contractor. The City should not request advance payments for federal grants. The Finance Department will serve as a central source for cross-departmental communications and for complying with federal requirements such as the single audit act and appropriate reporting of federal financial assistance.

Department Heads shall ensure compliance with all grant requirements through ongoing administrative and operational support (i.e., trained staff resources, financial and/or program reporting, subcontractor monitoring of activities and/or performance, pass-thru monitoring, audit compliance by grantor and/or by external auditors, record retention, and any additional requirements detailed in the grant award documentation such as federal circulars related to federal grants).

The Finance Department will maintain an inventory of assets purchased with grant monies. The City is accountable for them and must make them physically available for inspection during any audit. The Finance Department shall be notified immediately of any sale of assets obtained by grants. Customarily, the proceeds of the sale can only be used on the grant program that purchased them. In most cases, specific governing regulations can be found in the original grant application. The Department Head overseeing the grant shall coordinate this requirement. All transactions that involve the acquisition or disposal of grant funded fixed assets shall be immediately brought to the attention of the Finance Department.

PROVISIONS APPLICABLE TO FEDERAL GRANTS ONLY:

A. EQUIPMENT OBTAINED UTILIZING FEDERAL GRANT MONIES:

1. Equipment must be used by the City in the program or project for which it was acquired as long as required by the terms of the grant, whether or not the project or program continues to be supported by the Federal awarding agency, and the City must not encumber the property without prior approval of the Federal awarding agency unless permitted by the terms of the grant. When no longer needed for the original program or project, the equipment may be used in other activities supported by the Federal awarding agency.
2. During the time equipment is used on the project or program for which it was acquired, the City must also make equipment available for use on other projects or programs currently or previously supported by the Federal Government, provided that such use will not interfere with the work on the projects or program for which it was originally acquired. First preference for other use must be given to other programs or projects supported by the Federal awarding agency that financed the equipment and second preference must be given to programs or projects under Federal awards from other Federal awarding agencies. Use for non-Federally-funded programs or projects is also permissible. User fees should be considered if appropriate.
3. Notwithstanding the encouragement in §200.307 Program Income to earn program income, the City must not use equipment acquired with the Federal award to provide services for a fee that is less than private companies charge for equivalent services unless specifically authorized by Federal statute for as long as the Federal Government retains an interest in the equipment.
4. When acquiring replacement equipment, the City may use the equipment to be replaced as a trade-in or sell the property and use the proceeds to offset the cost of the replacement property.

B. MANAGEMENT REQUIREMENTS

Procedures for managing equipment (including replacement equipment), whether acquired in whole or in part under a Federal award, until disposition takes place will, as a minimum, meet the following requirements:

1. 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 Federal Award Identification Number), 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.
2. A physical inventory of the grant property must be taken and the results reconciled with the property records at least once every two years.
3. A 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.
4. Adequate maintenance procedures must be developed to keep the property in good condition.
5. If the City is authorized or required to sell the property, proper sales procedures must be established to ensure the highest possible return.

C. DISPOSITION

When original or replacement equipment acquired under a Federal award is no longer needed for the original project or program or for other activities currently or previously supported by a Federal awarding agency, except as otherwise provided in Federal statutes, regulations, or Federal awarding agency disposition instructions, the City must request disposition instructions from the Federal awarding agency if required by the terms and conditions of the Federal award. Disposition of the equipment will be made as follows, in accordance with Federal awarding agency disposition instructions:

1. Items of equipment with a current per unit fair market value of \$5,000 or less may be retained, sold or otherwise disposed of with no further obligation to the Federal awarding agency.
2. Except as provided in §200.312 Federally-owned and exempt property, paragraph (b), or if the Federal awarding agency fails to provide requested disposition instructions within 120 days, items of equipment with a current per-unit fair-market value in excess of \$5,000 may be retained by the City or sold. The Federal awarding agency is entitled to an amount calculated by multiplying the current market value or proceeds from sale by the Federal awarding agency's percentage of participation in the cost of the original purchase. 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.
3. The City may transfer title to the property to the Federal Government or to an eligible third party provided that, in such cases, the City must be entitled to compensation for its attributable percentage of the current fair market value of the property.
4. In cases where the City fails to take appropriate disposition actions, the Federal awarding agency may direct the City to take disposition actions.