

Financial Services Policy

SUBJECT: Grant Administration Policies

NO: Grants-1.0

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I. SCOPE

This Grants Administration Policies and Procedures Manual applies to all federal and state grants awarded to the City of Corpus Christi (City). Federal and state grants will be managed in compliance with the Code of Federal Regulations (CFR): Title 28 Part 66, Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments; Title 2 CFR, Part 225, Cost Principles for State, Local, and Indian Tribal Governments; the Office of Management and Budget (OMB) Circular A-133, Audits of State, Local Governments, and Non-Profit Organizations for grant agreements entered into prior to December 26, 2014; and the OMB Uniform Guidance for Federal Awards for grant agreements entered into after December 26, 2014.

II. PURPOSE

The purpose of these policies and procedures is to assist in providing accurate, current, and complete disclosure of funded programs and financial results of federal and state grants within the existing budgetary accounting and reporting framework of the City of Corpus Christi.

These policies provide guidelines to ensure the following:

1. Federal and state grants are properly authorized by the Mayor and City Council;
2. Grants have been properly budgeted by the initiating department with review and concurrence by the City's Office of Management and Budget.
 - a. Relevant information for any anticipated grant will be included in the City's annual budget document. Relevant information will include program title, program information, granting agency, anticipated revenues and expenditures, any city match, and the number of full-time equivalents funded through the grant.

- b. The Grantee Department is responsible for submitting budget information to the Office of Management and Budget and to the Grants Division of the Financial Services Department during the annual budget process.
3. Transactions involving federal and state grants are in accordance with the provisions of the Federal Office of Management and Budget Circulars, the OMB Uniform Guidance for Federal Awards, and other federal and state laws;
4. Grant transactions are properly identified by recording grant revenues and expenditures in the City's accounting system, including program income and match, and properly reported on the Federal Financial Reports (FFRs) to maintain accounting and reporting controls;
5. Tracking grant expenditures by approved budget account categories;
6. Preparing and timely submitting FFRs and Progress Reports;
7. Financial and programmatic requirements are monitored for compliance;
8. Official accounting records required by grant agreements are maintained to the extent possible in a centralized location;
9. Administering program income and indirect costs;
10. Grant closeout; and
11. Any other pertinent grant-related financial activities.

III. DEFINITIONS

Cash Match – Non-Federal or State cash spent for project-related costs under a grant agreement. Cash matches must be recorded in each individual grant fund as indicated by grant contract. These cash matches are typically recorded via a transfer in/out entry.

Catalog of Federal Domestic Assistance (CFDA) – Federally funded grants are assigned specific numbers for reporting purposes. These numbers are provided to the City by the grantor and are necessary for accurate reporting in the Single Audit Reports. Website is www.cfda.gov.

Certification – A statement by an employee and approved by a supervisor stating that the employee worked solely on a particular program for the period covered by the certification.

Continuation Grant – A grant the City has received in the prior fiscal year, and anticipates receiving in the current fiscal year.

Encumbrance – Unexpended commitments identified as a purchase requisition or purchase order.

Grant(s) – A contract reflecting a relationship between the Federal government, State government and the City in which one of the former entities provide the City with money in order for the City to accomplish a specified purpose. The money granted to the City is legally restricted to expenditures or uses for that specified purpose.

Grantee – City department responsible for the application, ordinance process, and day to day management of the grant's financial and programmatic needs.

Grantor – Funding agency or organization awarding money to the City for a particular purpose. Typically consists of federal or state organizations.

In-Kind – Contributions of a reasonable value of property or services in lieu of cash contributed to a grant.

Indirect Cost Activity – Activity under which the costs are incurred for a common or joint purpose benefiting more than one cost objective (purpose). These costs are not readily assigned to the cost objectives being specifically benefited.

Match – Costs incurred in the grant that are not borne from the Grantor; it is the City's contribution in time or dollars towards the grant.

IV. DELEGATION OF AUTHORITY

Administrative Authority

Responsibility for programmatic administration of grants within the City government rests with the department that applied for the grants (i.e., Grantee department), although the official recipient of the grant is the City of Corpus Christi, with grants activity coordination maintained by the Financial Services Department. All grants awarded to the City of Corpus Christi must be included in combined citywide reports under federal and state reporting guidelines. Appropriate administrative controls must be in place to ensure that costs claimed are in compliance with appropriate grant requirements.

All Accounting, Monitoring, and Financial Reporting Authority

The City's Financial Services Department is responsible for all official financial records of the City; and in that capacity, the Financial Services Department is responsible for maintaining adequate records to ensure compliance with federal and state accounting and reporting requirements.

The grantee departments are responsible for programmatic monitoring of all grant activities and assuring compliance with federal and state regulations. Grantee departments are solely responsible for resolution of deficits.

V. GRANT APPLICATION / OFFER PROCEDURES

This section includes all functions associated with obtaining a grant when a pre-application or an application of any format is required. Most of these activities are the responsibility of the originating department and includes:

Procedures:

1. The appropriate City department's Program Manager will inform the Financial Services Department of any new grant application being submitted. Financial Services Department must be notified within 10 days of submission.
2. The Director appoints a Program Manager to assume the responsibilities of developing the application, managing, administering and monitoring any subgrantee.
3. The appropriate City department will prepare the initial draft of the grant application and will include, at a minimum, the following:
 - a. The federal or state agency from which the funds would originate;
 - b. The program name and the Catalog of Federal Domestic Assistance (CFDA) or State Financial Assistance reference number and;
 - c. Any requirements relating to the grant that would require additional scrutiny by the Financial Services Department and other City departments, such as matching requirement (possible source of matching funds), proposed service area, purpose, special reporting requirements, and any other special consideration that has to be met to obtain the grant.
4. The director of the initiating department, who will contribute programmatic information, will review the draft before submitting to the Financial Services Department.

5. The draft will be reviewed by the City Attorney's Office for legal compliance which will assist the initiating department in creating an agenda item for City Council approval.
6. Other appropriate personnel as deemed necessary by the Program Manager will also review the draft.
7. The initiating department will modify the draft, if necessary, from information gained by the Financial Services Department, City Attorney's Office, and other appropriate City departments.
8. The initiating department will prepare and include in Legistar an agenda memorandum and all supporting documentation for the grant to include but not limited to:
 - a. Agenda Request;
 - b. Grant application;
 - c. Certificate of Funds;
 - d. Any supporting documentation relative to the grant application.

VI. GRANT AWARD PROCEDURES

This grant award section includes the initial procedures required when a grant is awarded.

Grantee Procedures:

1. Directors and Assistant Directors of Grantee departments are responsible for the programmatic and fiscal activities relating to their respective grants.
2. Grantee will provide the original fully executed grant award document to the City Secretary, a copy to the Financial Services Department, and the Grantee will maintain a copy for their files.
3. Within 30 days of the grant start date, the Grantee will complete the Annual Certification for Salaries and Wages Charged to Grants Form (see Attachment A). The Grantee will keep the original Attachment A and forward a copy to the Grant Accountant.
4. Grantee will prepare City Council agenda to accept and appropriate grant and to amend grant if such action becomes necessary.

5. Grantee will provide full and accurate information upon initial creation of Grant, by completing Grant Creation Form (see Attachment B).
6. Complete Grant Budget Template to keep in grant file and provide a copy to Grant Accountant (see Attachment D).
7. Administer program income and indirect costs.
8. Budget changes requiring Grantor approval must be completed by Grantee.
9. Grantee must develop their own financial and programmatic procedures.
10. Follow the procedures that are required by the Grantor.
11. Perform grant closeout.

Finance Procedures:

1. Create grant and enter grant budget based on the information that is provided by the Grantee.
2. Record grant revenues and expenditures in the City's accounting system, including program income and local match, and properly report them on the FFRs.
3. Track grant expenditures by approved budget categories.
4. Prepare and timely submit FFRs; when needed, request grant reimbursement.
5. Reconcile FFRs with the accounting records at least on a quarterly basis.
6. Perform grant closeout.
7. Conduct any other pertinent grant related financial activities.

VII. GRANT REPORTING PROCEDURES

The grant reporting section relates to the functions dealing with the monthly, quarterly and/or yearly reporting requirements.

Grantee Department:

1. Monitor their grants not less frequently than monthly to ensure charges are valid and deficits are not incurred.
2. Ensure that any external reports due to Grantors are submitted timely and accurately.
3. Notify Finance – Grant Accountant immediately upon receipt of notification when Grantor requests a monitoring or financial audit on their grant.
4. Responsible for authorizing purchases and putting together all monthly/quarterly State and Federal progress reports, or other reports as may be required.
5. Ensure any communication from the Grantor is handled quickly and accurately by the Program Manager, particularly in cases where failure to respond will result in vendor hold.
6. Provide accurate accounting information on the Journal Entry Request Memo to Grant Accountant for any journal entries, for posting by Finance (see Attachment C).
7. Communicate with Finance in a timely fashion to ensure that journal entries are posted in the correct accounting period.
8. Ensure all matching requirements are wholly recorded.
9. Provide authorization, documentation, special conditions or language as required to the Purchasing Division of the Financial Services Department for purchases needed to carry out the requirements of the grant.
10. Responsible for reviewing costs claimed to ensure accurate posting to the general ledger and for compliance with the provisions of the grant.
11. Grantee departments that prepare and submit their own FFRs/Request for Reimbursements must provide a copy to the Grant Accountant.

Grantee Department Close-Out Procedures:

1. Completes the grant work scope.
2. Prepare and submit any required grant close-out documents.
3. Review grant file for completeness.

Finance Department

1. Prepare all requests/reports for reimbursement from the funding agency and assure that the requests/reports are accurate, complete and include required supporting documentation. Supporting documentation includes a City Accounting System generated expenditure transaction printout that agrees with the cost being claimed.
2. The reimbursement requests will be signed and submitted by the Grant Accountant or Financial Officer/Director of Financial Services. If a signature resolution is required by a granting agency, then the individual so designated will coordinate his/her signature requirements with the Grant Accountant.
3. Grant deficits are not acceptable and must be addressed immediately. Deficits that remain in a grant will be moved to the grantee's operating department budget.
4. Prepare requests for advances only if required by the granting agency and will maintain record keeping assuring that advanced funds are expended within the required time frame.
5. Establish an account receivable in the general ledger accounts.
6. Grant funds will be received and recorded by the Financial Services Department.
7. Maintain the Schedule of Expenditures of Federal Awards and State Financial Assistance and will provide a copy to the external auditors by the predetermined date of each year. The Grant Accountant will be the liaison between the external auditors and the departments.
8. The Grant Accountant is responsible for ensuring that the copies or notifications of the Comprehensive Annual Financial Report (CAFR) are distributed or available to the appropriate granting agencies in accordance with their required due dates.

Finance Grant Close-Out Procedures

1. Grant Accountant will submit final report in accordance with the grant requirements.

2. Grant Accountant will notify affected departments that the project is completed and schedules a "close-out" meeting if necessary to resolve any final procedural issues.
3. Grant Accountant ensures final receipt of grant revenues.
4. Grant Accountant will prepare and submit any required grant close-out documents.
5. Grant Accountant will inactivate grant in accounting software.
6. Grant Accountant will review grant file for completeness.

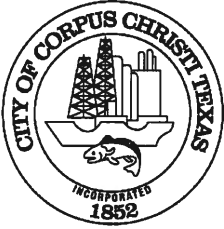
VIII. ADDENDUM

Audit Findings and Corrective Actions

As stated in Section VI.10 of the City of Corpus Christi Finance Department Grants Policy and Procedures, the Grantee will "follow the procedures that are required by the grantor." Periodically, grants are subjected to Grantor monitoring and review. In some cases, reviews result in audit findings requiring corrective actions on the part of the Grantee. In such instances, the Grantee will evaluate and perform the corrective actions necessary to bring any grant into compliance with valid findings. These measures will be performed in a timely manner, especially when failure to do so may result in Grantor/vendor hold.

QUESTIONS ON THIS POLICY

Questions on this Policy may be referred to the Director of Financial Services.



Annual Certification for Salaries and Wages Charged to Grants

Grant Title: _____

Grant Number: _____

Funding Source: _____

Work Location: _____

Supervisor: _____

Per the OMB Uniform Guidance for Federal Awards and the OMB Circular A-87, *Cost Principles for State, Local and Indian Tribal Governments*, if an employee is expected to work solely on a single Federal/State award or cost objective, such work must be supported with a periodic certification that indicates the employees worked solely on that program or cost objective for the period covered by the certification.

I understand that the position(s) filled by the following employee(s) are supported entirely by funds from the award listed above. I certify that _____ percent of the job duties of the employee(s) were related to activities in compliance with this grant award during the period from _____ thru _____. The information recorded on this form is true and correct to the best of my knowledge.

<u>Employee Name(s):</u>	<u>Position Title(s):</u>	<u>FTE:</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

Employee(s) Supervisor Signature*

Date

*Must be signed by a supervisory official having firsthand knowledge of the work performed by employee(s).



MEMORANDUM Grants Department

DATE:

TO:

FROM:

SUBJECT:

Please re-class the transactions as listed below to post the expense to the correct accounts:

Debit

-

(Account to Move Expense To)

Credit

-

(Account to Move Expense From)

Debit

-

(Account to Move Expense To)

Credit

-

(Account to Move Expense From)

**City of Corpus Christi
Grant Budget Template**

Funding Agency	
Grant Name	
Grant Period	
Activity Number	
Grant Contract #	
Fund #	
CFDA #	
Ordinance #	

ESTIMATED REVENUES	GL #	BUDGET	ADD/DEDUCT	REVISED BUDGET
Federal/State Grant	xxxxxx	0	0	0
General Fund Cash Match	xxxxxx	0	0	0
In-Kind Contributions	xxxxxx	0	0	0
Total Estimated Revenues		\$ -	\$ -	\$ -

APPROPRIATIONS				
510100	Salaries and Wages	0	0	0
511000	Retirement	0	0	0
513000	Group Insurance Benefits	0	0	0
520020	Clinical Supplies	0	0	0
520035	Janitorial Supplies	0	0	0
520040	Clothing	0	0	0
520050	Fuel and Lubricants	0	0	0
520060	Books and Periodicals	0	0	0
520070	Food and Food Supplies	0	0	0
520075	Meeting and Workshop Supplies	0	0	0
520080	Paper Goods	0	0	0
520090	Minor Tools and Equipment	0	0	0
520110	Minor Office Equipment	0	0	0
520120	Office Supplies	0	0	0
520130	Maintenance and Repairs	0	0	0
530000	Professional Supplies	0	0	0
530070	Temporary Services	0	0	0
530080	Light Heat and Power	0	0	0
530100	Vehicle Repairs	0	0	0
530130	Senior Meal Reimbursement	0	0	0
530131	Senior Stipends	0	0	0
530132	Senior Mileage Reimbursement	0	0	0
530133	Senior Volunteer Recognition	0	0	0
530140	Postage and Express Charges	0	0	0
530160	Rentals	0	0	0
530180	Non-Capital Lease Payments	0	0	0
530200	Telephone Service	0	0	0
530210	Building and Maintenance Service	0	0	0
530230	Equipment Maintenance	0	0	0
530250	Memberships, Licences and Dues	0	0	0
530255	Regulatory and Permit Fees	0	0	0
530350	Training	0	0	0
530490	Armored Car Service	0	0	0
530500	Printing Advertising and PR	0	0	0
537010	Automobile Liability Insurance	0	0	0
547010	Travel	0	0	0
548120	Self Insurance Allocation	0	0	0
550010	Buildings	0	0	0
550020	Vehicles and Machinery	0	0	0
550030	Improvements Other Than Building	0	0	0
570005	Loan Rehab Cost-Construction	0	0	0
570006	Loan Related Costs	0	0	0
570014	Demo Grant Related Costs	0	0	0
570015	Relocation Grant	0	0	0
570031	Insurance Claimes	0	0	0
570034	HOME Admin Expense	0	0	0
570039	CHDO Related Expense	0	0	0
570040	Other Entity Grants	0	0	0
Total Appropriations		\$ -	\$ -	\$ -