

GRANT ADMINISTRATION

PURPOSE

To establish guidelines for the application, acceptance, administration, and financial reporting of grants including, but not limited to federal, state, local, and restricted donations (also considered grants for the purpose of this policy).

POLICY

A. Grant Application and Responsibility

Individual departments are encouraged to investigate sources of funding relevant to their respective departmental activities.

The individual Department applying for a grant or receiving a restricted donation will generally be considered the Program Administrator of the grant. The Financial Planning Division in the Finance Department may assist in the financial administration and reporting of the grant, but the Program Administrator is ultimately responsible for meeting all terms and conditions of the grant, ensuring that only allowable costs are charged to the grant program and is responsible for adhering to City budgeting and fiscal procedures. Individual Departments and Program Administrators are not authorized to execute grant contracts. Grant contracts shall be reviewed by the City Attorney's office and executed by the City Manager and/or the Mayor on behalf of the City Council.

B. Grant Acceptance & Appropriation by City Council

Even though the funding source for an activity may be provided by a grantor/donor, only City Council can appropriate funds for official City activities except as authorized by Council Policy F-3 (Budget Adoption and Administration). Therefore, prior to the acceptance of a grant, the City Manager or City Council, as provided for in Council Policy F-3, will:

1. Approve the terms and conditions of the proposed grant including the specific City obligations that may be created by the grant contract in terms of required City matching expenditures or staff activities, even if the expenditures were previously appropriated through the budget adoption process.

2. Approve budget appropriations for the grant expenditures and City matching expenditures unless previously appropriated through the budget adoption process.
3. Approve and execute the Grant Contract(s).

City Council review and approval of items 1 and 3 are not required if the grant is under \$30,000, however, Council expenditure appropriation is required for all new appropriations in excess of \$10,000 or as otherwise specified by Council Policy F-3. If the grant or gift terms require that the City spend money and seek reimbursement from the grant or gift, the City will need to appropriate the expenditure and then seek reimbursement or draw-downs in accordance with the terms of the grant or gift.

Any budget amendments requested by the Program Administrator or operating Department will be reviewed by the Financial Planning Division of the Finance Department and submitted as a staff report to the Council for its review and approval. The Financial Planning Division of the Finance Department along with the Program Administrator will determine the proper amount of the appropriation request during the current and future fiscal year(s).

C. Timely Reimbursement

The Program Administrator is responsible and should pursue and/or request grant reimbursements or draw-downs on a timely basis. If requested, the Financial Planning Division of the Finance Department will assist with grant reimbursements or draw-downs. All checks will be made payable to the City of Newport Beach.

Grant checks must be forwarded to the Revenue Division of the Finance Department for immediate deposit and include supporting documentation.

The Program Administrator will keep the Financial Planning Division of the Finance Department apprised of the annual estimated grant revenues and expenditures and a tentative schedule of cash-flows for the grant program. Whenever practicable, the Program Administrator shall seek to receive the grant or gift funds prior to the expenditure of any sums by the City.

D. Financial and Grant Reporting

Grant reporting requirements vary widely by grant and sometimes include monthly, quarterly, and or annual reporting. Subsequent to the approval of a grant application, and during the project period, any required reports will be the responsibility of the Program Administrator, or if requested by the Program Administrator, the Financial Planning Division of the Finance Department. Program Administrators submitting their own reports will forward a copy of each report to the Financial Planning Division of the Finance Department.

E. Grants Containing Direct Federal Assistance and/or Federal "Pass-Through" Funds

Program Administrators acknowledge that Federal Funds or Federal Funds that "pass-through" state and local programs are required to be reported on the City's Schedule of Expenditures of Federal Awards and included in the City's annual Single Audit (compliance audit of all Federal Funds). Program Administrators will identify and keep the Financial Planning Division of the Finance Department apprised of those grant programs that contain direct Federal Funding or Federal pass-through funds identifying the Catalog of Federal Domestic Assistance (CFDA) number when at all possible.

F. Record Keeping & Retention Requirements

For the purpose of Grantor inquiries and grant specific compliance audits, Program Administrators are responsible for maintaining adequate records as evidence that program activities and expenditures met the terms and conditions of the grant and that all grant reporting requirements were met timely. Record retention requirements vary by grant, but it is recommended that original grant records should be maintained in a manner and duration consistent with the City's Records Retention Policy, unless otherwise specified by the grant contract.

G. Documents to be forwarded to the Finance Department:

Information received from a granting or donor agency or private party or entity that is pertinent to the terms, conditions, approval, extension, denial, revocation, and administration of a grant will be forwarded to the Financial Planning Division of the Finance Department including but not limited to:

Grant Award Notification
Expenditure Authorization Date (if applicable)
Grant Contracts
Grant Extension Letters
Grant Termination Letter
Program and or Financial Reports
Notices of Questioned Costs or instances of non-compliance
Any Document setting or modifying terms and conditions of the grant

Adopted - September 13, 2005
Amended - September 27, 2011
Amended - February 12, 2019