1. **Purpose, Overview and Scope of this Policy**

   The City of St. Helena recognizes that grant funding provides significant resources to enhance the City’s ability to complete projects and offer services that would not otherwise be possible. Although grant programs themselves are being reduced and becoming more competitive, actively seeking out grant revenues that assist in achieving identified City goals and objectives should nevertheless play a key role in the City’s overall financial health strategies. The City will examine the benefits of grant funding prior to application and decline funding determined not to meet this criteria.

   The purpose of this policy is to set forth an overall framework for guiding the City of St. Helena’s application and management of grant resources.

**GOALS**

1. Set forth the importance of grant programs in accomplishing City goals and objectives.
2. Establish general concepts and framework for seeking and managing grant programs.
3. Identify roles and responsibilities in applying for and managing grant programs.
4. Establish compliance with Single Audit Act requirements and common Federal regulations.

2. **Authority**

   This policy is an implementation of the City Manager’s authority under the City of St. Helena’s Municipal Code and shall take precedence over any inconsistent provisions of prior approved Personnel or Administrative policies. To the extent any previous administrative policies or administrative direction issued by the City Manager is inconsistent with this Policy, those inconsistent policies and directions are hereby repealed and rescinded.

   This Policy is hereby approved by the City Manager.
3. **Policy**

**FRAMEWORK**

1. The City of St. Helena will pursue grant funding from Federal, State and other sources, consistent with identified City goals and objectives.

2. The City should focus its efforts on securing grants for capital improvements. The approach will allow the City to compete for projects that might otherwise be unaffordable, while maintaining financial independence should future grant sources diminish. Grants for operating purposes may be considered on a case-by-case basis after careful consideration of the benefits of the program and the ongoing impacts on the City budget if grant funding is no longer available. Grant applications for operating costs must be pre-approved by City Council prior to application submittal.

3. The City should extensively analyze grants that fund “pilot” operating programs or short-term staffing enhancements to existing programs. Taking on these programs could ultimately aggravate the City’s fiscal position should the desire for the program remain once the grant funding is no longer available.

4. The City will only seek grants when sufficient staff resources are available to effectively administer the program in compliance with grant requirements, successfully perform the grant work scope and provide necessary matching requirements (both cash and in-kind matches).

5. The Grants Manager, located in the Finance Department, will have the primary responsibility for managing City awarded grants. The Grants Manager will also support Operating Departments in the preparation of effective grant applications, and successfully managing grant programs when awarded.

**ROLES AND RESPONSIBILITIES**

1. **City Council:**
   a. The City Council will approve all grant and loan agreements and all substantive contract amendments such as a change in grant award amount or project scope. Council will delegate contract execution to the City Manager, unless a grant agreement requires otherwise.
   b. Council will also approve all agreements, Memorandum of Understandings, letters, Joint Powers Agreements and similar documents with local agencies where the City is receiving pass-through funds.

2. **City Manager:**
   a. The City Manager or designee shall execute all contract related documents unless the grant agreement requires another position. Staff Reports and Resolutions shall mention by title not an individual’s name.

3. **Grants Manager:**
a. Provide technical assistance to Operating Departments in preparing grant applications, submitting reports, maintaining records and responding to any audit or information requests from granting agencies.

b. All reports, requests for reimbursements and similar documents prepared by the Grants Manager will be approved by the Department Head where the project exists, the Finance Director, or the City Manager. When such documents and requests are prepared by Operating Department Staff, the Grants Manager will approve before submittal. All reports, requests for reimbursement and similar documents must be submitted for approval at least seven (7) days before the due date.

c. Coordinates preparation of the Single Audit Report with the Finance Director and is responsible for the distribution of single audit reports.

d. Maintains a master file of all grant award documents

e. Prepares list of State, Federal and Pass-through Grants to prepare for annual Schedule of Expenditures of Federal Awards (SEFA). Operating Departments will assist with information gathering.

f. As needed monitors and assists Operating Departments on grant-related tasks:
   i. Maintains financial and other records in accordance with grant requirements
   ii. Monitors grant expenditures and receipt of revenues:
       1. All income including Program Income resulting from a grant funded project or program shall be managed and maintained per the terms of the award letter, grant agreement, contract or other document from the granting agency.
       2. Cash on hand from a funder shall be used first before requesting additional funds unless permitted under the terms of the grant agreement.
       3. Review advances and disbursements no less than annually to determine interest earned. Disbursement of interest must be made to the granting agency unless otherwise stated in the agreement.
       4. All grant receivables will be reconciled quarterly by the Grants Manager and approved by the Finance Director.
       5. Unless otherwise prohibited by the grant agreement, cash on hand shall be invested in an interest bearing account until required for disbursement.
g. Submits required reports, including requests for funds, whether prepared by Finance or Operating Departments staff.

h. Coordinates on-site management reviews by the grantor agency during the grant term.

i. Ensures compliance with grant requirements, paying special attention to those areas where the grantor’s administrative procedures are different than the City’s.

j. Provides a quarterly report to the City Council outlining all grant activity such as applications, awards, closeouts and audit findings.

4. Operating Departments:

a. Support Grants Manager with subject matter technical assistance in preparing grant applications, submitting reports, maintaining records and responding to any audit or information requests from granting agencies.

b. When grant applications are written by Operating Department Staff, they must be approved by the City Manager prior to submittal.

c. Monitors and assists Grant Manager, as needed, on grant-related tasks:
   i. Completes “Grant Information Form” for all grant awards
   ii. Maintains financial and other records in accordance with grant requirements
   iii. Monitors grant expenditures and receipt of revenues
      1. All income including Program Income resulting from a grant funded project or program shall be managed and maintained per the terms of the award letter, grant agreement, contract or other document from the granting agency.
      2. Cash on hand from a funder shall be used first before requesting additional funds unless permitted under the terms of the grant agreement.
      3. Unless otherwise prohibited by the grant agreement, cash on hand shall be invested in an interest bearing account until required for disbursement.
   iv. Prepares required reports, including requests for funds, which are approved by the Grants Manager. All reports, requests for reimbursement and similar documents must be submitted for approval at least seven (7) days before the due date.
   v. Ensures compliance with grant requirements, paying special attention to those areas where the grantor’s administrative procedures are different than the City’s.
vi. Information gathering for annual Schedule of Expenditures of Federal Awards (SEFA).

GRANTS PROCESS

1. **Grant Evaluation**: Staff will evaluate benefits and costs of specific grant programs on a case-by-case basis based on the following:
   a. Purpose of the grant program and its compatibility with identified City goals and objectives such as: (1) Council directed goals, (2) approved Capital Improvement Plan or similar plan such as a bicycle or pedestrian master plan, (3) a State or Federal mandate, or (4) items listed in an approved Budget or similar document.
   b. Additional staffing, office space, facilities, supplies or equipment that will be required if the grant is awarded.
   c. Ongoing impacts of the grant program after it is completed.
   d. Responsibilities of other departments and impacts on them in preparing the grant application or performing work scope if the grant is approved.
   e. Total program or project costs, including portion funded through grant revenues and any required City contribution, both through a cash or in-kind match.
   f. Source of funding for any required City share. All match commitments over $5,000 must be pre-approved *in writing* by the Grants Manager or the Finance Director prior to application submittal.
   g. Compliance and audit requirements, paying special attention to those areas where the grantor’s administrative procedures are different than the City’s.

2. **Letters of Support**
   a. All Council issued letters of support for a City-submitted grant must be approved by a majority of the City Council.
   b. All Council issued letters of support for an outside agency must be approved by a majority of the City Council or City Manager. Any commitment of match funds, either cash or in-kind, must be explicitly stated in the letter with anticipated Fiscal Year(s) of the appropriations.

3. **Grant Application**:
   a. Grants Manager or Operating Department staff work with grantor agency in identifying special program requirements and developing strategies for preparing a successful grant application.
   b. Staff completes grant application documents, which are signed by the City Manager unless the grant requirements stipulate otherwise. A copy of the grant application is placed in the Master File located in the Finance Department.
   c. Grant writer coordinates with affected departments as necessary
   d. Grant applications only need City Council approval prior to submittal when:
i. It is required by the application instructions;
ii. The application adds new regular staffing;
iii. It creates a new ongoing operational expense such as salaries after the grant period is over;
iv. It creates a new operational program that is likely to want to be continued after the grant is complete;
v. The matching funds will be requested from General Fund Assigned or Unassigned Reserves;
vi. At the conclusion of the grant, there is an ongoing commitment or obligation to continue the program; or
vii. The purpose of the grant is outside the City’s current plans, policies and goals.

4. Grant Administration
   a. For all grants, staff prepares a City Council Staff Report and Resolution accepting the grant award. Unless otherwise indicated in the grant guidelines, the City Manager is the authorized representative and signer. The Staff Report must include the agreement for execution and as necessary, a budget request form.
   b. For all grants, staff prepares a “Grant Information Form” and submits to Grants Manager for the Master File.
   c. Following City Council acceptance of the grant award, the Grants Manager will coordinate the execution of grant documents by the City Manager and return the executed documents to the grantor agency.
   d. In all cases for grant and loan administration, there will be a secondary approval on all documents, requests, reports, close outs, etc. submitted to a grantor agency in accordance with grant best practices.
   e. All items created by Operating Department Staff will be approved by the Grants Manager. Documents prepared by the Grants Manager will be approved by the Department Head or Supervisor in charge of the project management.
   f. Operating Department Staff or the Grants Manager maintains financial and other records on accordance with grant requirements. Some of this information may be duplicates to the Master File maintained by the Finance Department.
   g. Operating Department Staff will coordinate with Grants Manager on account coding and financial documentation.
   h. Operating Department Staff or the Grants Manager completes and submits the required reports, including requests for funds. Operating Department staff must submit any document to the Grants Manager at least seven (7) days prior to the submittal for approval. The Grants Manager must submit any document to the Department Head at least seven (7) days prior to submittal for approval.
i. Project and Grant staff monitors grant expenditures and receipt of revenues and ensures all costs are charged to the grant.

j. Grants Manager coordinates on-site management reviews and/or audits by the grantor agency during the grant term.

k. Project and Grant staff ensures compliance with grant requirements, paying special attention to those areas where the grantor’s administrative procedures are different than the City’s.

l. Operating Department staff performs the grant work scope.

m. Grant Manager will review grant status quarterly with Finance Director.

n. Each grant will be assigned a grant project number by the Grants Manager which must be included on all internal correspondence.

5. Grant Closeout & Audit:

a. Operating Department staff completes the grant work scope.

b. Operating Department staff notifies the affected departments that the project is completed and schedules a “closeout” meeting if necessary to resolve any final procedural issues.

c. Operating Department works with Grants Manager to “Zero out” budget accounts for grant revenues and expenditures, complete a budget adjustment form and justification as necessary.

d. Grants Manager ensures final receipt of any required grant closeout documents.

e. Grants Manager reviews Master File for completeness which retains all necessary program and financial records for the period of time required by the City’s Records Retention Policy or the grantor agency, whichever is longer.

f. Grants Manager coordinates any on-site management reviews or audits after the grant is completed. All audit findings are included in the Grant Manager’s Quarterly Report to City Council. Operating Department Staff will notify the Grants Manager of an expected audit no later than five (5) calendar days following the receipt of such information from the granting entity. The Grants Manager or designee from the Finance Department will participate in the audit.

g. Grants Manager resolves any audit findings.

h. Grants Manager ensures files are compliant for City’s Annual Audit or for the Federal Single Audit Act.

6. Fixed Assets Funded by Federal Grants:

This section will be updated when the City’s Fixed Asset Policy is established.

SINGLE AUDIT & GENERAL FEDERAL RULES
The City is subject to the financial and compliance requirements of the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. This guidance supersedes and streamlines requirements from OMB Circulars A-89, A-102, and A-133 and the guidance in the A-50 on Single Audit Act follow-up. The Single Audit establishes uniform requirements for audits of Federal grants and assures that Federal departments and agencies rely upon and use audit work performed during a single audit rather than performing the work themselves. Under this Act, Federal grants are audited in a single audit program that is incorporated into the City's annual audit and financial report preparation process. The single audit when federal grant expenditures meet a certain threshold, currently $750,000 annually. During the audit, tests are made to determine the adequacy of the internal control structure and that the City has complied with applicable laws and regulations.

THIS POLICY SPECIFICALLY REPEALS AND REPLACES PRIOR CITY POLICIES AND ADMINISTRATIVE MEMORANDA RELATED TO GRANT APPLICATIONS AND GRANT MANAGEMENT.

4. **Attachments**

Grant Information Form

5. **Definitions**

In this policy “grant” refers to grants, cooperative awards, other agreements for assistance such as loans and all similar alternative funding sources. Grants can be from a Federal, State or local agency, Not-for-Profit Agencies or private individuals.
City of Saint Helena Grant Information Form

Grant Title: _____________________________________________________________
Grant Award Number (Contract Number): ________________________________
City Grant Number: ________________________________

Amount of Grant Award: ________________________________
Description of grant & scope: ____________________________________________
_________________________________________________________________
_________________________________________________________________

Will this grant require City match? ☐ Yes  ☐ No
If yes, define the match and amount: _____________________________________
_________________________________________________________________
_________________________________________________________________

Name of Granting Agency: ____________________________________________
Type of Agency: ☐ Federal  ☐ State  ☐ Other  __________________________
If Federal pass-through, name the Federal Agency: ________________________
Catalog of Federal Domestic Assistance Number (CDFA): ___________________
Pass-through entity number: ________________________________
Name of Agency Contact & Position Title: ________________________________
Telephone & Email: _________________________________________________
_________________________________________________________________

Responsible City Department: __________________________________________
Department Contact name & position title: ________________________________
Telephone number & email: ____________________________________________
_________________________________________________________________

City Council Resolution Number: ________________________  Date Approved: ________
Award Period: Start Date ______________  End Date ______________
Basis of grant cash draws: ☐ Advance  ☐ Reimbursement
If advance, what is this grant's policy of drawing the advance? ________________
_________________________________________________________________

Will this grant purchase fixed asset? ☐ Yes  ☐ No
If yes, provide brief description of fixed asset: ______________________________
_________________________________________________________________
_________________________________________________________________

P-FI-0007
### Grant Budget

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<td>Grand Total</td>
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<td>$________</td>
<td>$________</td>
</tr>
</tbody>
</table>

Is a budget amendment required?  □ Yes (Attach Form)  □ No

Comments (please note significant or unusual compliance requirements): ______________________________________

__________________________________________________________

Prepared by: _____________________________  Date __________________________

Please scan and send the following to Grants Manager:

☐ Grant Application  ☐ City Council Resolution
☐ Award Letter  ☐ Staff Report
☐ Grant Agreement  ☐ Budget Amendment (if applicable)