
**2320.1 SUBJECT: MANAGEMENT & ADMINISTRATION OF GRANTS AND
OTHER TYPES OF FINANCIAL ASSISTANCE**

:1 OBJECTIVE:

The purpose of these policies and procedures is to develop, implement and maintain meaningful grant oversight and coordination for the City, thereby increasing grant related revenue, limiting the City's exposure to grant related legal liability, and improving the efficiency and impact of programs and services funded through grants and other types of financial assistance.

:2 AUTHORITY:

This policy amended by City Council September 6, 2017, Item A-1.

:3 DIRECTION:

The Chief Financial Officer, as an appointed official, serves at the pleasure of, and receives direction from the Mayor.

:4 FUNCTIONS:

A. Introduction

City government, as an institution, has multiple partners, including citizens, taxpayers, businesses, visitors, employees, and other governments. As a major institutional, economic, and service force in the region, it is important that the City strengthen relationships with its partners by adopting a clear and comprehensive set of policies and procedures.

Grants and other types of financial assistance received by the City of Orlando (the "City") support important programs and services the City provides to the community. These funds allow the City to extend pre-existing services, introduce new initiatives, gain technological advances, subsidize programmatic staffing, and support a variety of efforts, including homeland security, economic development, social services, public safety, recreation and infrastructure improvement and maintenance, among others.

Since grants and other types of financial assistance allow the City to leverage local public funds to extend and enhance the services it offers to the community, the impact of these funds on the community is significant, with the process of grants administration and management being a critical and important function. Furthermore, the integrity of the City is of the utmost importance, and adopting a set of policies is a key element in maintaining this integrity.

These policies and procedures are intended to foster exceptional stewardship of the public trust through a rigorous adherence to ethical and professional standards associated with grant related activity. Adherence to these policies and procedures will promote efficiency, better transparency, greater accountability, a strategic approach to funding opportunities and generally place the City in a more competitive position for securing grant funds.

If specific direction relative to grants cannot be located in this policy, please refer to the grant directives, and other applicable City Policies & Procedures.

B. Grants and Other Types of Financial Assistance covered by this Policy

A grant is a type of financial assistance (in cash or kind) bestowed by a government or other organization (called the grantor) for specified purposes to an eligible recipient (called the grantee). Grants are conditional upon certain qualifications, and are bound by some type of contractual obligation as to the use, maintenance of specified standards, or a proportional contribution (cost share or match) by the grantee or other grantor(s).

In addition to grants, there are other types of financial assistance the City receives which may not include the term “grant” but are also covered by this policy. The City considers the term grant to include, but not be limited to contracts or agreements that fall under the purview of 2 CFR 200 - Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, also known as the Uniform Guidance. This circular incorporates guidance previously found in OMB Circulars A-87, A-102, and A-133, and the Florida Single Audit Act, Rules of the Department of Financial Assistance.

Donations or charitable contributions are not covered by this policy and should follow the City’s Policies & Procedures for cash collections.

Grants and other types of financial assistance that are awarded to the City are legal contracts and should also follow applicable Policies & Procedures of the City’s Office of Legal Affairs.

The following list and definitions represent several types of grants and other types of assistance typically received by the City. However, this list is not comprehensive.

1. **Block Grants** – a broad intergovernmental transfer of funds or other assets by the U.S. Congress to state or local governments for specific activities determined largely at the recipient’s discretion. Block grants are distributed according to legal formulas defining broad functional areas such as health, income security, education, transportation, etc.
2. **Competitive (Discretionary) Grants** – an award of financial assistance in the form of money, or property in lieu of money, by the Federal Government to an eligible grantee, usually made on the basis of a competitive review process.
3. **Continuation of Any Grant Type** – a continuation grant provides additional funding and/or time, subsequent to the initial budget period.
4. **Conditional Grant** – a conditional grant involves one grantor seeking the involvement of others by making their grant conditional upon the remainder of the cost being funded from another source.
5. **Cooperative Agreement** – a type of Federal assistance; essentially, a variation of a discretionary grant, awarded by a Federal agency when it anticipates having substantial involvement with the grantee during the performance of a funded project.

6. **Earmark** – refers to a provision in legislation requiring that a portion of a certain source of revenue be designated for specific projects, usually at the request of a legislator. Typically, the City submits requests for projects to state and federal legislators who seek to obtain funds for those requests, usually to be spent in the district the legislator represents. Earmarking bypasses the normal procedure by which revenues are pooled in a general fund and then allocated among various government spending programs as opposed to a specific project.
7. **Formula Grants** – a grant that a Federal agency is directed by Congress to make to grantees, for which the amount is established by a formula based on criteria written into the legislation and program regulations. This funding is directly awarded and administered in the Federal agency’s program offices.
8. **Joint Participation Agreement (JPA)** – A JPA is an agreement between an agency, such as the City, and a Federal or State agency that establishes a joint participation project. A JPA defines the scope, budget, funding source, responsibilities and any legal provision necessary for the project.
9. **Local Agency Program (LAP) Agreement** – Funding provided by the Florida Department of Transportation (FDOT) when it contracts with local agencies for reimbursement to the local agencies. The local agencies use Federal funds administered by the Federal Highway Administration (FHWA) to develop, design, acquire right-of-way, and construct transportation facilities, and to reimburse these governmental agencies for services provided to the traveling public.
10. **Loans** – a written agreement between the Federal or State Government and the City that outlines terms and conditions associated with a financing transaction. The agreement may indicate the obligations of each party, reporting requirements, possible sanctions for lack of borrower performance, and any restrictions placed on the borrower. Loans other than Federal or State are not covered by this policy.
11. **Loan Guarantee** – a program bound by a Federal or State Government statute to pay part or all of a loan’s principal and interest to a lender or the holder of a security in the event of borrower default. Loan Guarantees other than Federal or State are not covered by this policy.
12. **Pass-Thru of Any Grant Type** – a grant originating from one grantor, but passed through another grantor or funding source.
13. **Reimbursement Programs** – a type of funding program under which the grantee is reimbursed for qualifying expenditures already incurred, as specified in the terms of the grant agreement.
14. **Transportation Regional Incentive Program (TRIP) Agreement** – state or municipal funds available throughout Florida to provide incentives for local governments and the private sector to help pay for critically needed projects that benefit regional travel and commerce.
15. **County Grants** – a grant made by a County Government.

16. **State Grants** – a grant made by the State Government, which have a corresponding Catalog of State Financial Assistance (CSFA) number. Consult the online catalog for covered classes of financial assistance.
17. **Federal Grants** – a grant made by the Federal Government, which have a corresponding Catalog of Federal Domestic Assistance (CFDA) number. Consult the online catalog for types of financial and non-financial assistance.
18. **Foundation Grants** – a grant made by a philanthropic foundation.
19. **Corporate Grants** – a grant made by a corporate foundation.
20. **Workshare Agreement** – proceeds received and expended under an Equitable Share Agreement. Please also reference the *Orlando Police Department Policy and Procedure, Law Enforcement/Federal Asset Sharing Trust Funds*.

C. Grants Management System

The Grants Management System is integrated within the City’s financial system and is used to assist in the tracking and management of grants applied for and awarded to the City, improve coordination, enhance oversight and provide reporting of the City’s grants. It is managed by the Chief Financial Officer, or their designee.

D. Grant Roles and Responsibilities

This policy establishes the roles and associated responsibilities of the various City departments, divisions and offices, henceforth referred to as “departments” involved in the grant process. City departments and their staff that occupy positions of responsibility with respect to grant activity have specific roles and duties that they shall perform and uphold both ethically and in the best interests of the City.

1. **Office of Business and Financial Services (OBFS)**

- a) **Chief Financial Officer (CFO)** – The CFO, or designee, has authority to approve and sign grant applications and the *Grants & Financial Assistance Approval Form* for the Office of Business and Financial Services (OBFS) and other departments, divisions or offices that report to the CFO at the time of application submission. The CFO also approves the *Grant & Financial Assistance Approval Form* for all grant applications.
- b) **Controller** – The Controller, or designee, in conjunction with the **OBFS Grants Unit**, is responsible for the oversight of grant related financial activity. In this role, the OBFS Grants Unit reviews financial reports generated by recipient departments, works with the City Attorney to identify and investigate issues that may arise with respect to the management of City grants, and provides general oversight of other grant related issues, including the proper budgeting and accounting for grants and other responsibilities indicated throughout this policy.
- c) **Assistant Controller** – The Assistant Controller, or designee, is responsible for coordinating the recording of grant applications and awards in the Grants Management System, and creating grant numbers which are used to recognize grant revenue and expenditures in the

- department or division's budget, maintaining this policy, reviewing requests for letters of support ensuring that multiple competing grant application for the City are not submitted to grantors, ensuring that departments track and report departmental grant activity in the Grants Management System, reviewing all *Grants & Financial Assistance Approval Forms*, reviewing all grant agreements and other responsibilities indicated throughout this policy.
- d) **Budget Division Manager** – The Budget Division Manager, or designee, is responsible for verifying the financial considerations noted on the *Grants & Financial Assistance Approval Forms*.
 - e) **Procurement** – Procurement issues purchase orders and other contracts for goods and services in accordance with the grant requirements supplied by the using department.
 - f) **Asset Management** – Asset Management ensures requirements for the acquisition, supervision, control, transfer and disposal of tangible personal property acquired through grants are met, and that all City property and equipment with a useful life of more than one year and a per-unit acquisition cost which equals or exceeds the lesser of the capitalization level established by the City for financial statement purposes, or \$5,000 are tagged and included in the Asset Management inventory.
2. **Grants Oversight Committee (GOC)** – The Grants Oversight Committee is a committee comprised of liaisons from each department, designated divisions and offices. The GOC is the mechanism for communication between the Assistant Controller and City departments about grants management and administration.
 3. **City Departments, Divisions and Offices** – City departments, divisions and offices (“departments”) that apply for and utilize grant funds are responsible for all aspects of applying for and managing grants including planning for grant acquisition, preparation and submission of grant proposals, grant writing, preparing City Council Agenda items to apply for grants when applicable and to accept grant awards, preparing budget revision requests to accept grant funds, grant orientation and review, managing grant programs and projects, preparing and submitting reports to grantors, and properly closing out grant projects as detailed in this policy and the grant agreement or award letter that delineates the terms and conditions of the grant. The following roles further define grant related responsibilities within Departments, Divisions and Offices:
 - a) **Department Director** – The Department Director, or designee, approves the *Grants & Financial Assistance Approval Form*, which signifies that he/she approves pursuit of the grant by the Grant Coordinator or Grant Manager noted on the *Grants & Financial Assistance Approval Form*, and that department staff have carefully reviewed the grantor guidelines and have adequately disclosed information on the form in accordance with *Directive ACL-D-2320.1* issued by the CFO.

- b) **Grant Manager** – The employee responsible for managing the program or project funded by the grant as named on the *Grants & Financial Assistance Approval Form* and in the grant application or award.
 - c) **Grant Coordinator** – The employee responsible for coordinating a grant application for submission and soliciting services from a City contracted grant writer, when needed, as named on the *Grants & Financial Assistance Approval Form*.
 - d) **Grant Analyst** – The employee responsible for recording grant information into the Grant Management System and assisting the Grant Coordinator in researching funding opportunities, and the Grant Manager and Fiscal Manager with program and financial oversight.
 - e) **Fiscal Manager** – The Department’s Fiscal Manager, or equivalent, is responsible for participating in grant orientation and review, monitoring expenditures and ensuring they are properly posted to the general ledger, preparing and/or reviewing and approving financial reports as outlined in *Section L.4*, which include quarterly reports submitted to the grantor, expenditure reports and other reports as requested.
 - f) **Grants Oversight Committee Liaison (GOC Liaison)** – The GOC Liaison is a key component in the success of the City’s grants management and administration goals. To facilitate communication, each Department Director shall select an individual, called the GOC Liaison, to represent the department on the Grants Oversight Committee, and to be the department’s point of contact with the Assistant Controller. The Department Director may designate more than one GOC Liaison. The GOC Liaison shall:
 - (1) Communicate grant related information from the Assistant Controller, GOC meetings and received communications to all staff with grant responsibilities in their department.
 - (2) Serves as the conduit for grant related ideas and information from the department back to the Assistant Controller and GOC.
 - (3) Have the authority to communicate with department staff, and obtain necessary approvals and signatures as required by this policy.
 - (4) Ensure the applicable grants management and administration policies are followed within the department.
 - (5) Ensure their department’s grant activity is entered into the Grants Management System as outlined in this policy.
 - (6) Participate in GOC meetings and subcommittee meetings to accomplish committee goals and objectives as needed.
 - (7) Share ideas and expertise in grant related meetings and training events as requested.
4. **City Attorney’s Office** – Prior to application submission, the City Attorney’s Office shall conduct a legal review of grant applications when required, and

subsequent agreements or contracts shall be reviewed by the City Attorney's Office prior to City Council consideration. The City Attorney or designee has authority to approve and sign grant applications and the *Grants & Financial Assistance Approval Form* for the City Attorney's Office and other departments, divisions or offices that report to the City Attorney at the time of application submission.

5. **Chief Administrative Officer (CAO)** – The CAO, or designee, has authority to approve and sign grant applications and the *Grants & Financial Assistance Approval Form* for City operating and other departments, divisions or offices that report to the CAO at the time of application submission. In addition, the CAO or designee, in consultation with the CFO, shall be the final arbiter of which department shall submit the application when internal competition for a grant application cannot otherwise be resolved, to obtain approval to submit multiple applications to a grantor, or to determine whether a request for a letter of support should be provided in support of an external organization that may compete with City's grant application to the same grantor.
6. **Chief of Staff** – The Chief of Staff, or designee, has authority to approve and sign grant applications and the *Grants & Financial Assistance Approval Form* for the Executive Offices and other departments, divisions or offices that report to the Chief of Staff at the time of application submission.
7. **Mayor** – The Mayor', or designee, signs grant agreements which have been approved by City Council and delivered for signature by the City Clerk.

E. Conflict of Interest

Grant audit findings, due to conflicts of interest, can damage the reputation and credibility of the City. Further, the appearance of a conflict of interest can be just as damaging to the City's reputation and credibility as an actual conflict. The purpose of this policy is to avoid the appearance, as well as the actuality, of any conflict of interest or breach of trust by an official or employee of the City.

1. No officer or employee of the City shall have any interest, financial or otherwise, direct or indirect, or have any arrangement concerning prospective employment that will, or may be reasonably expected to, bias the design, conduct, or reporting, of a grant-funded project on which he or she is working.
2. Any officer or employee shall ensure that in the use of project funds, officials or employees of the City and nongovernmental recipients or sub recipients shall avoid any action that might result in, or create the appearance of:
 - a) Using his or her official position for private gain,
 - b) Giving preferential treatment to any person or organization,
 - c) Losing complete independence or impartiality,
 - d) Making an official decision outside official channels, or
 - e) Affecting adversely public confidence in the grant-funded program in particular, and the City in general.

3. In addition to any other ethics rules or standards of conduct established by the City, no employee, officer or agent of the City, shall participate in the selection, or in the awarding, or administration, of a contract supported by federal funds if a conflict of interest, real or apparent, would be involved. Such a conflict would arise when:
 - a) The employee, officer or agent;
 - b) Any member of his or her immediate family;
 - c) His or her partner; or
 - d) An organization which employs, or is about to employ, any of the above, has a financial or other interest in or a tangible personal benefit from a firm considered for a contract or award. Subject to the monetary amounts set forth in the City's Ethics Policy, the City's officers, employees or agents (and the City's subgrantees' officers, employers or agents) will neither solicit nor accept gratuities, favors or anything of monetary value from contractors or parties to subcontracts, potential contractors, or parties to subagreements.
4. Organizational Conflicts of Interests in Federally Funded Procurements: An organizational conflict of interest exists where there is a relationship between a bidder or other potential contractor and the City, which is equivalent to that of a parent company, affiliate, or subsidiary organization. In such cases, the entity having an organizational conflict of interest with the City should not be awarded a contract by the City without guidance and/or approval from the federal awarding agency. At a minimum, for quotes and formal solicitations, the entity having an organizational conflict of interest should not have participated in the preparation of the City's specifications for the quote or solicitation and should meet all material requirements applicable to other eligible respondents.

Any violation of these provisions are governed by the City's Ethics Policy.

F. Letter of Support Requests from External Organizations

External organizations frequently seek support from the City for grant applications they intend to submit to a grantor. Letters of support for a grant application prepared by an external entity, and for which the City is not a collaborating partner, shall be coordinated by the Department Director and provided to the Assistant Controller before being provided to the requesting organization. The Assistant Controller should determine whether the City is not in competition, or is likely to be in competition, for the same grant opportunity and will notify the requesting Department Director. The Department's Authorized Signatory as defined in *Section G, Authorized Signature Authority*, shall determine whether it is in the City's best interest to provide a letter of support. Letters of support should be signed by the Department's Authorized Signatory as defined in Section G.

G. Authorized Signature Authority

The purpose of this policy is to identify who may approve and provide authorized written or electronic signatures on letter requests, grant applications, letters of support, and subsequent grant agreements, in conjunction with *Directive, ACL-D-2320.1* issued by the CFO. Obtaining approval signatures shall be done well in advance of grantor due dates to avoid last minute delays or problems that could cause grantor deadlines to be missed.

1. There are five authorized signers: Chief Administrative Officer, Chief Financial Officer, Chief of Staff, City Attorney, and the Mayor.
2. Authority over a specific grant project or program, grant application or grant agreement may be delegated to the Department Director through the approval of the *Grants & Financial Assistance Approval Form* in the Grants Management System to address circumstances that warrant delegation or provide efficiency.
3. If a grantor requests a signature other than what is defined above, a copy of this policy may be provided to grantors as documentation authorizing that person to sign.

H. D-U-N-S Number

Dun & Bradstreet (D&B) issues a D-U-N-S Number, a unique nine-digit identification number, which is required to apply for U.S. Federal government contracts or grants.

1. The Office of Business and Financial Services has the **sole responsibility** of managing and renewing the City of Orlando's registration with the U.S. Government's System for Award Management (SAM).
2. The City of Orlando's D-U-N-S Number can be obtained by contacting your department or division's GOC Liaison, Fiscal Manager or Assistant Controller, or searching SAM.gov.

I. Grants & Financial Assistance Approval Form Roles

Department Director(s) – the Department Director must approve pursuit of the grant opportunity and all programmatic, legal, fiscal and procurement considerations recorded on the *Grants & Financial Assistance Approval Form*. Approval of the Department Director(s) signifies that he/she approves pursuit of the grant, departmental resources will be committed to manage the grant project as indicated, grantor guidelines have been carefully reviewed, and the Department has adequately disclosed information on the form in accordance with *Directive, ACL-D-2320.1* issued by the CFO. Also, the approval signifies that the Grant Coordinator or Grant Manager is designated authority to submit electronic grant applications on behalf of the Department.

Budget Division Manager – the Budget Division Manager must verify the financial considerations noted on the *Grants & Financial Assistance Approval Form*. Approval of the Budget Division Manager, or designee, signifies that he/she has verified the financial considerations noted on the *Grants & Financial Assistance Approval Form*.

Department's Assigned City Attorney – the Department's Assigned City Attorney shall review the legal considerations noted on the *Grants & Financial Assistance Approval Form* and the grant application for conditions, certifications and assurances that become binding, or are likely to become binding if the grantor funds the application and determine if City Council approval is required. Also, the Assigned City Attorney will assess whether the terms and conditions of the application are legally enforceable to ensure the City's interests are protected prior to the department's submission of an application, when required, for grant funds. However, it is the Department's responsibility to fully understand, and comply with the terms and conditions of applications and awards.

Department's Authorized Signatory – the Department's Authorized Signatory (as defined in *Section G*) must approve pursuit of the grant opportunity and all programmatic, legal, fiscal and procurement considerations recorded on the *Grants & Financial Assistance Approval Form*. The Department's Authorized Signatory's approval signifies the project is feasible from an operations perspective, and is in alignment with the City's operational priorities. Also, the approval signifies that the Department Director is designated authority to submit electronic grant applications on behalf of the Department, as well as, provide authorized written signatures on grant applications.

Assistant Controller – the Assistant Controller confirms the grant is recorded in the Grants Management System accurately by the Grant Analyst by reviewing the grantor guidelines and grant applications, and ensuring the considerations and the Department's responses on the *Grants & Financial Assistance Approval Form* have been adequately disclosed and addressed.

Chief Financial Officer – the CFO, or designee, must approve pursuit of the grant opportunity and all programmatic, legal and fiscal considerations recorded on the *Grants & Financial Assistance Approval Form*. The CFO's approval signifies the project is feasible from a financial perspective, and is in alignment with the City's financial priorities.

J. Applications that require City Council Approval

A Grant application will need City Council approval when:

1. Funding has been earmarked or set aside through a similar process such as a local or regional task force, board or committee recommendation, where the application process is generally a formality used to enter into a grant agreement that will ultimately bind the City upon grantor acceptance;
2. Conditions, certifications and assurances contained in the grant application become binding, or are likely to become binding if the grantor funds the application;
3. The Mayor's signature is required on the grant application.
4. City Council approval is required by the grantor, City Code, or City Policies & Procedures at the time of submission; or
5. As recommended by the Assistant Controller, and approved by the Department's Authorized Signatory.

K. Managing Awards

Grant funds shall not be disbursed or expended until a council agenda item has been approved by City Council, the award document is signed by both the grantor and the City's authorized signatory, a grant has been established in the Grant Management System in the appropriate fund, and a budget revision request has been scheduled on the next available Budget Review Committee meeting.

Grant agreements are legal contracts and are subject to all applicable City Policies & Procedures and City Code, including City Council Approval for all contracts and agreements (see City's Policy & Procedure 161.3).

Departments carry a significant legal and ethical responsibility when accepting and managing grant funding and are responsible for thoroughly reviewing and ensuring it can comply with the terms and conditions of a grant agreement and other award documents before accepting an award. It is the Department's responsibility, through the Grant Manager, to carry out the project and/or activities associated with a grant to accomplish its objectives, while adhering to all of the terms and conditions prescribed by the grantor. Failure to do so increases the City's exposure to legal liability and compromises current and future grant funding.

Violations for the mismanagement of grant funds can result in a range of penalties, including suspension of future funds from the grantor, return of all funds associated with the award, including those already expended, and civil and/or criminal penalties.

Grant requirements should be read and interpreted in conjunction with all other grant administration requirements. When there is more than one consistent grant requirement, the more specific requirement should govern. When grant requirements are inconsistent, the following Order of Precedence should be followed unless there is no built in waiver of precedence, deference to other requirements or specified terms and conditions of the award.

1. Order of Precedence

The order of precedence for grants and other types of financial assistance is as follows: 1) Federal Statutes 2) Government Directives (such as Presidential Executive Orders and 2 CFR 200) 3) Administrative Regulations 4) Program Regulations 5) Award Terms & Conditions 6) City Policies & Procedures.

2. Allowable Costs

Grant Managers are ultimately responsible for adherence to the stipulations outlined in the approved grant agreement, and ensuring that allowable expenditures are incurred. This means that they are allowable, allocable, necessary and reasonable and provide a direct benefit to a grant-funded project.

3. Revenue

a) All departments receiving grant funds and income resulting from grant-funded projects should follow the City's Policies & Procedures for cash collections and be managed and maintained as established in the award letter, grant agreement, contract, special conditions, or other document generated by the federal government, state government or granting entity.

- b) Grants and external awards must be reported to the Controller, or designee, for the purpose of inclusion on the annual *Schedule of Expenditures of Federal Awards and State Financial Assistance* (SEFA) as outlined in *Section L.2, Accounting and Reporting of Grants*. Grants and other types of financial assistance required to be included on the SEFA are listed in the Catalog of Federal Domestic Assistance (CFDA) or the Catalog of State Financial Assistance (CSFA), both of which can be accessed via the internet.

4. Budget

- a) Modifications to the budget associated with a grant-funded project in such a way that alters the grant amount or moves funds from one budget line item to another must adhere to City Policies & Procedures for budget modifications and grantor requirements.
- b) All grant and any related matching fund revenues and expenditures shall be recorded in the appropriate grant and the accompanying matching grant in the Grant Management System. Any revenues or expenditures that occur in another cost center that are used as a match shall have a journal entry (JE) made to record the revenues or expenditures in the appropriate matching grant with a detailed explanation, including original general ledger date and other relevant information. Revenues received shall not be deposited into an expenditure account unless an item purchase was returned.

5. Supplanting

Grant funds awarded to the City may not be used to supplant an existing expense so that current funds can be diverted to another use, unless such use of grant funds is explicitly identified as allowable in writing by the granting entity.

6. Procurement

- a) All procurement activity associated with grant-funded projects shall follow *Directive, PUR-D-1301 Federal and State Grant Procurement*; and other applicable City, State, and Federal procurement guidelines.
- b) Moreover, any department that applies for and utilizes grant funds is also responsible for supplying the Procurement Division with any and all additional grant requirements with respect to the purchase of those grant-funded goods and services when completing a purchasing requisition. These requirements shall include not only the detailed descriptions, specifications, terms, and conditions of the goods and services, but also all other grant mandates and compliance issues needed in the procurement process.
- c) Prior to the procurement of any contract, which will be paid, in part or in whole with State or Federal funds, the City Department requesting the procurement will provide for a review of the proposed procurement to avoid purchase of unnecessary or duplicative items. Consideration will be given to consolidating or breaking out procurements to obtain a more

economical purchase. Where appropriate, an analysis will be made of lease versus purchase alternatives, and any other appropriate analysis to determine the most economical approach.

7. Asset Management

Asset Management ensures requirements for the acquisition, supervision, control, transfer and disposal of tangible personal property are met. All property and equipment (including information technology systems) having a useful life of more than one year and a per-unit acquisition cost which equals or exceeds \$5,000 acquired or received through grant funds are tagged and included in the Asset Management inventory. Refer to the definition of property and equipment acquired through grants at 2 CFR 200 (Uniform Guidance).

8. Terminating an Award

In the event a grant agreement needs to be terminated after an award has been made to the City, but before the period of performance ends, the Department Director from the recipient department must prepare a letter to the granting entity declining the award. A draft of the letter must be provided to the Assistant Controller, who shall route it to the Chief Financial Officer and the Department's Authorized Signatory as defined in *Section G, Authorized Signature Authority*, for approval before the letter and funding is returned to the granting entity. The letter should clearly articulate the specific reason(s) the award is being returned. If a budget has been established in the City's financial system, the Department shall also initiate grant closeout and receive approval to closeout with the City and the grantor in accordance with *Directive, ACL-D-2320.1* issued by the CFO.

9. Return of Grant Funds

The Controller, or designee, must be notified in the event that grant funds need to be returned to the grantor for any reason. The Department Director from the recipient department must also prepare a letter to the granting entity and provide a draft of the letter to the Assistant Controller, who shall route it to the Chief Financial Officer and the Department's Authorized Signatory as defined in *Section G, Authorized Signature Authority*, for approval before the letter and funding is returned to the granting entity. The letter should express the City's regret in returning the funding and clearly articulate the specific reason(s) funding is being returned.

10. Site Visits and Audits

In the event that a grantor, auditor or inspector requests a site visit and/or audit, the Grant Manager must notify their department's GOC Liaison and the Assistant Controller with the date and time of the site visit. The Assistant Controller will determine whether attendance by Office of Business and Financial Services' Grants Unit is necessary on a case by case basis.

L. Grant Oversight and Monitoring

The purpose of this policy is to ensure that all grant-funded initiatives are managed according to the terms set forth in applicable laws and regulations, the grant agreement and all other applicable City policies and procedures.

The grant oversight and monitoring process has four components: (1) Grant Orientation and Review; (2) Accounting and Reporting of Grants; (3) Expenditure Monitoring; and (4) Submitting Grant Reports to Grantor.

1. Grant Orientation and Review

The purpose of this policy is to ensure the Grant Manager, Grants Oversight Committee Liaison, the Department's Fiscal Manager, and Grant Analyst is familiar with the terms of the award, timelines and grantor due dates at the inception of the grant period of performance.

The Grant Manager shall review the project plan, timeline, key deliverables, allowable expenses, compliance requirements and due dates outlined in the terms of the grant agreement with the Department's Grants Oversight Committee Liaison, Fiscal Manager, and Grant Analyst at the inception of the grant period of performance.

2. Accounting and Reporting of Grants

All grants received by the City, either directly, with the City as a recipient, or indirectly with the City as a sub-recipient, must be reported to the Controller, or designee, in the Office of Business and Financial Services. Notification shall be provided when the grant is awarded, modified, amended, extended, cancelled or terminated. In addition, all City property and equipment with a useful life of at least one year and per-unit acquisition cost, which equals or exceeds \$5,000 and acquired or received through grants shall be tagged and included in the Asset Management inventory.

In order to ensure all grants received by the City are reported on the annual *Schedule of Expenditures of Federal Awards and State Financial Assistance* (SEFA), the Controller, or designee, shall be copied on all agenda items involving grants that are presented during the year to City Council for action.

The Controller, or designee, shall prepare the *Schedule of Expenditures of Federal Awards and State Financial Assistance* based on information provided by the City departments receiving grants. Grants and external awards required to be included on the SEFA are listed in the Catalog of Federal Domestic Assistance (CFDA) or the Catalog of State Financial Assistance (CSFA), both of which can be accessed via the internet.

3. Expenditure Monitoring

Requests for advances, reimbursements and revenue draws shall be submitted according to the terms outlined in the grant agreement, and shall be monitored and reconciled quarterly. The Controller or designee shall monitor the department's grant activities to minimize errors and discrepancies.

At a minimum, the Department's Fiscal Manager or equivalent and Grant Manager shall reconcile grant revenues and expenditures with the financial

accounting system on a quarterly basis to confirm that charges are allowable and are accurately posted to the general ledger.

All costs must be allowable to be charged against a grant. This means that they are allowable, allocable, necessary and reasonable and provide a direct benefit to a grant-funded project. Unallowable charges are generally noted in the grantor's guidance.

4. Submitting Reports to the Grantor

Grants awarded to the City may require that progress, programmatic, financial and other reports be submitted to the grantor. Accurate and timely reporting is critical to compliance and maintaining a good relationship with the grantor. Late or inaccurate reports may negatively impact current or future funding.

- a) All reporting required by the grantor is the sole responsibility of the Grant Manager and the department receiving the grant. Grant Managers must prepare timely and accurate progress, programmatic, financial, or other reports as required by grantor. The numbers in the reports must tie to the general ledger and have sufficient documentation that reconciles with the revenues and expenditures posted in the general ledger.
- b) If the report preparer is not the department's Fiscal Manager or equivalent, the preparer shall submit all financial reports to the Fiscal Manager for review and verification before submitting them to the grantor. If the preparer is the department's Fiscal Manager or equivalent, all financial reports shall be submitted to the Grant Analyst before submitting them to the grantor.
- c) The Grant Manager's supervisor shall review any programmatic reports for content and quality and address any issues with the Grant Manager before they are submitted to the grantor.
- d) Copies of all reports prepared for submission to the grantor shall be kept by the department to ensure compliance. These reports need to be available as required.
- e) The Controller, or designee, shall monitor the financial reports for content and quality and address any issues with the recipient department.

M. File Management, Access and Retention

The Controller, or designee, may review the files, activities, equipment and facilities, as well as interview relevant personnel and contracted entities, of any City of Orlando project that is funded with grants awarded to the City.

1. File Management

The department that receives the grant is the keeper of the required grant documentation. All department files associated with a grant must include:

- a) **Submittal** (e.g., application guidelines and a copy of the submitted application).

- b) **Research** (e.g., statistical and other information used in preparation of and support of the grant).
- c) **Award** (e.g., award letter, council agenda item, fully executed grant agreement, grant amendments, modifications, extensions, cancellations and terminations, evidence grantor considers award closed, and anything else related to the award).
- d) **Finance** (e.g., comparison of budget to actual, purchase orders, vendor contracts, invoices, payroll records, journal entry support, evidence of proper procurement, bids, quotes, etc.).
- e) **Reports** (e.g., reports to granting entity and evaluation components, expenditure reports, and other reports as requested or needed).

2. File Retention

The department that receives the grant must maintain grant records for at least three years from the date of submission of the final expenditure report or, for Federal awards that are renewed quarterly or annually, from the date of the submission of the quarterly or annual financial report, respectively, as reported to the Federal awarding agency or pass-through entity in the case of a subrecipient.

- a) If any litigation, claim, negotiation, audit, or other action involving grant records has been started before expiration of the three-year period, the records must be retained until completion of the action and resolution of all issues which arise from it, or until the end of the regular three-year period, whichever is later.
- b) Grantors may require retention periods in excess of the City's policy of three years. Departments must ensure they comply with retention requirements specified by each grantor when they exceed the City's retention policy.
- c) Retention requirements extend to books of original entry, source documents supporting accounting transactions, the general ledger, subsidiary ledgers, personnel and payroll records, invoices and related documents and records that justify expenditures.
- d) Source documents include copies of all awards, applications, and required recipient financial and narrative reports. Personnel and payroll records shall include the time and attendance reports, work activity reports or equivalent documentation for all individuals reimbursed under the award.
- e) Recipient departments are also obligated to protect records adequately against loss, theft, fire or other damage in accordance with statutory provisions of Chapters 119, Public Records Law and 257, Public Libraries and State Archives, of the Florida Statutes, as outlined in the most current General Records Schedule.
- f) Except for the provisions above, records must be destroyed in accordance with Chapters 119, Public Records Law and 257, Public Libraries and

State Archives, of the Florida Statutes. Proof of document destruction is retained by the City Clerk.

:5 FORMS:

Grants & Financial Assistance Approval Form, Grant Closeout Form.

:6 COMMITTEE RESPONSIBILITIES:

The Grants Oversight Committee, under the direction of the Assistant Controller, is responsible for reviewing these policies on an annual basis and updating when necessary.

:7 REFERENCE:

Policy adopted by City Council October 15, 2007, Item A11, modified on May 9, 2011, Item 7-1; amended September 6, 2017, Item A-1.

:8 EFFECTIVE DATE:

This policy is effective October 1, 2017.