
CITY OF LONG BEACH

GRANT AND FINANCIAL AWARD POLICY

I. SCOPE

The City of Long Beach (the “City”) has received numerous grants from local, State and Federal governments.

II. PURPOSE

The purpose of the Grant and Financial Award Policy (the “Policy”) shall be as follows:

The City strives to improve the quality of life for residents and businesses by providing exceptional services and addressing the public infrastructure needs of the community. The operations of the City are funded primarily through property tax revenues and through fees for service, including water and sewer revenues. When available, grant funding may be used to offset costs to provide services and to implement public infrastructure projects by maximizing and leveraging local tax dollars. The City has received numerous grants from local, State and Federal sources. Pursuing local State and Federal grants allows the City to recapture tax dollars which have left the community and to re-invest those revenues in City.

These Grant procedures are intended to:

1. Outline departmental responsibility in identifying, applying for, accepting, administering and maintaining a Grant.
2. Ensure proper oversight of all funds appropriated to the City.
3. Foster transparency and accountability during the Grant process.
4. Minimize the City's risk of non-compliance with Grant requirements.
5. Ensure proper administration and accounting of all Grants.

III. DEFINITIONS

Grant. “Grant” means an award of financial assistance in the form of money, services or property issued by a funding source including federal, state and local governments, as well as non-profit agencies, private businesses and citizens, which the City can accept or reject.

Grant Proposal. “Grant Proposal” means the process of elaborating, writing and applying for a Grant.

Program Director. “Program Director” means the individual within a given department who will be responsible for Grant applications and Grant-related requirements within his or her department. Unless otherwise designated by the City Manager in writing, the Program Director shall be the Department Head.

IV. ROLES AND RESPONSIBILITIES

City Council. The City Council shall consider for approval all grant applications of \$20,000 or more (unbudgeted) and delegate the execution of grant agreements to the City Manager or other City official if specified in the grant.

City Clerk. The City Clerk shall maintain documents related to grants according the record retention Requirements.

City Manager. The City Manager shall:

1. Define the grant priorities and objectives of the City.
2. Authorize the use of matching grant funds.
3. Consider for approval all grant applications below \$20,000.
4. Designate a Grant Coordinator, in writing.

City Comptroller. The City Comptroller shall:

1. Evaluates the budgetary impacts of grant awards on the City's finances.
2. Be responsible for the management and accounting oversight of all grant monies.
3. Provides the Grant Coordinator with financial documentation for grant applications and reporting, as necessary.

Corporation Counsel. The Corporation Counsel of the City shall:

1. Review all legal documents which contractually bind the City to the requirements/responsibilities of the grant, the grantor, and project partners

Employees of the City. Employees of the City should consult with their respective Department Head if made aware of an applicable grant opportunity. The staff member's Department Head will consult the Grant Coordinator.

Grant Coordinator. The Grant Coordinator will be designated in writing by the City Manager and shall:

1. Direct and manage grant efforts in conjunction with the appropriate City departments and/or Department Heads.
2. Researches and pursues potential grant opportunities for the City with a variety of grantees.
3. Provides timely information on grant opportunities to applicable City officials.
4. Oversee the development of viable proposals for identified grant opportunities.
5. Assists the City Manager's office in the coordination of all City-wide grant projects, including administration and monitoring activities.
6. Develops and maintains positive communication with businesses, State and Federal agencies and other local governments pertaining to the acquisition and administration of grants.
7. If applicable, executes grant contracts with the authorization of the City Manager or City Council.
8. Assist in the preparation and development of the annual operating and capital budgets, as appropriate.

Other Departments and Program Director. Unless otherwise designated by the City Manager in writing, the Program Director shall be the Department Head.

Department Heads have the authority to apply for, implement, and administer grants for their departments, in accordance with this policy, without utilizing the services of the Grant Coordinator. Department heads will notify the Grant Coordinator and City Manager when they are applying for grant funding and provide a scanned copy of the grant application and contracts. The City Manager will provide written approval prior to the submission of the grant application. It is the responsibility of Department Heads to maintain complete and accessible grant records when not utilizing the services of the Grant Coordinator.

The Department Head may request the assistance of the Grant Coordinator to prepare grant applications.

The Department Head must send a copy of all approved and submitted Grant Proposals to the Comptroller's Office. If a Grant Proposal results in an award, a copy of the award documents must be forwarded to the Comptroller's office. Electronic copies are preferable.

V. GRANT OVERSIGHT COMMITTEE

At the option of the City Manager, and with the approval of the City Council, the City may elect to establish a Grant Oversight Committee (the "Committee"). If established, the Committee will analyze grants before they are accepted, renewed, or continued to provide guidance whether acceptance, renewal, or continuation is appropriate and matches City objectives. Upon

establishment, the Committee shall meet, at a minimum, once a month and include the following representatives:

1. City Manager
2. City Comptroller (or his/her designee)
3. Corporation Counsel (or his/her designee)
4. Grant Coordinator
5. Program Director (if applicable)
6. At least 1 (one) Department Head (selection can be done on a rotating basis and is determined by the City Manager)

In addition to the permanent representatives of the Committee, there will be flexibility to appoint subject matter experts on an ad hoc basis to help address specialized situations. For example, there may be a need to deliberate human resources or legal issues. Depending on the need for these ad hoc members they may only need to be included for a short period of time.

VI. GRANT ADMINISTRATION AND THE LIFE-CYCLE OF A GRANT

The City does not have a centralized Grants department. Accordingly, each City department, through its designated Program Director, is responsible for preparing and maintaining their Grant documents, and must abide by any applicable requirements for a given Grant and of this policy. If a Grant is Federal, the Program Director should immediately notify the Grants Coordinator for inclusion in the City's Single Audit.

Generally, there are four phases in the life cycle of a Grant: the pre-award phase, the award phase, the administration/implementation of the award phase, and the post-award phase. The pre-award phase begins with the search for Grant opportunities. Once an opportunity is identified, a Grant proposal must be prepared and submitted to the Grantor for consideration. A successful Grant proposal will result in the receipt of a Grant Award Notification. Once a Grant award is received, the Grant administration process begins. The post-award phase closes the Grant at the end of the award period.

1. Pre-award Phase Procedures: Applying for a Grant

a. Grant Identification and Planning

Program Directors are responsible for identifying, planning for, and evaluating Grant opportunities for their department. Program Directors must conduct a preliminary evaluation of the City's projected obligations and any other related issues (e.g., financial, legal, policy, and administrative/operational) to determine whether a particular Grant opportunity is viable for the City. Program Directors

must also coordinate and collaborate with the appropriate City departments or committees (e.g., Comptroller's Office, Corporation Counsel's Office, City Manager's Office, department heads) in this evaluation process to determine whether a particular Grant opportunity is viable and whether a Grant Proposal will be submitted for that Grant opportunity.

As a general rule at this phase, Program Directors are expected to familiarize themselves with the various considerations and obligations incident to a particular Grant opportunity so that he or she may effectively communicate those considerations to appropriate City departments. Below are further guidelines to assist Program Directors in this preliminary phase.

Some helpful considerations during the identification/planning process include:

- What is the purpose/need of the Grant and how will it benefit the department/City? Be mindful that Grants are funding sources meant to help solve problems, not to finance the chasing of ideas.
- What are the goals and activities involved and how much will it cost both directly and indirectly?
- What are all possible sources of funding?
- When is funding needed?
- Is this an independent endeavor unique to the department or is a collaborative effort between departments?
- Is the City required to provide matching funds and are such funds available?

b. Approvals and/or Review Required Prior to Submission of Grant Proposal

City Manager Approval. All Grant Proposals must be approved in writing by the City Manager prior to submission, regardless of whether the Grant requires City Council approval. All grants below \$20,000 will require the approval of the City Manager prior to acceptance.

Grants Requiring City Council Approval. All grants in excess of \$20,000 will require the approval of the City Council prior to acceptance. If a Grant Proposal requires legislative approval by the City Council or requires application by "an individual authorized by the legislative body", then Council approval is required prior to submission. Program Directors who are uncertain of whether a Grant Proposal requires City Council approval should consult with Corporation Counsel's Office for clarification. If City Council approval is required, Program Directors must first obtain the City Manager's written approval to have the Grant Proposal placed on the City Council agenda for a vote. In addition to the City Manager's approval, Program Directors must provide the Corporation Counsel's Office with the information required to prepare the proper City Council resolution. This information must be provided at least two weeks prior to the desired Council meeting and Program Directors must coordinate with the Corporation Counsel's Office to ascertain what information is required. Program Directors are expected to have completed their preliminary evaluation of the Grant opportunity at this

point, and may be required to answer questions at the relevant public meeting. If the City Council approves that Grant opportunity, then Program Directors may complete and submit the Grant Proposal in accordance with City Council's approval. If not, then the City shall not apply for that particular Grant. Reconsideration and resubmission to the City Council is on a case by case basis and is within the sole discretion of the City Manager.

Grants Which Do Not Require City Council Approval. If legislative approval is not required for a particular Grant opportunity, then the Program Director may submit a Grant Proposal, but only with the City Manager's written approval.

Grants Which Require a MOU or Subcontract. If a memorandum of understanding or a subcontract is required to be submitted with the grant proposal, Program Directors must forward those documents to the Office of Corporation Counsel for review at least two weeks prior to the Grant application deadline.

Forwarding Approved Grant Proposals. Program Directors must send a copy of all approved and submitted Grant Proposals to the Comptroller's Office. If a Grant Proposal results in an award, a copy of the award documents must be forwarded to the Comptroller's office. Electronic copies are preferable.

c. *Matching Funds*

Grants which require the City to match award funding with its own money may have substantial economic policy implications. To promptly and properly address any such policy implications, Program Directors must coordinate with the Comptroller's and City Manager's Offices on Grants which require the City to match award funding in the pre-award phase prior to submitting such a Grant Proposal.

d. *Grant Budgets*

Grants often require the submission of an expenditure budget. Program Directors must review this portion of the Grant application prior to submission and obtain from the Comptroller's Office personnel projections or any other projections required in preparing an expenditure budget for that Grant Proposal.

e. *Legal Requirements*

If Program Directors require clarification on the legal requirements for a particular Grant opportunity, they may consult with the Corporation Counsel's Office.

2. Award Phase Procedures: Notifying the Administration and Establishing a Grant Budget

a. Notification and Acceptance of an Award

Program Directors must forward notifications of successful Grant Proposals to the Grants Coordinator, City Manager, Comptroller, City Clerk and Corporation Counsel as soon as practicable.

b. Establishing a Grant Budget

Grant activity may not begin without first establishing an approved budget line for Grant activity because such approval represents acceptance of the Grant awards, as well as the conditions for receiving that award. For new, recently awarded Grants, Program Directors must coordinate with the Comptroller, City Manager and Corporation Counsel in order to establish a Grant budget line by City Council approval. Thereafter, if a Grant award is to extend beyond the fiscal year, Program Directors must continue to coordinate with the City Manager and Comptroller to ensure that the existing Grant budget line is accounted for in the City's annual operating budget.

c. Establishment of Accounts

The Program Director shall provide the Comptroller's Office with the information needed to establish revenue and expense accounts for the Grant project. This information will include a copy of a summary of the Grant project, a copy of the full Grant project budget, and any other information requested by the Comptroller's Office.

d. Purchasing Guidelines:

Government purchasing and procurement guidelines apply to the expenditure of Grant funds. The use of Grant funds does not exempt any purchase from normal purchasing requirements. As such, all usual paperwork and bidding requirements apply to the expenditure of Grant funds, as do the usual staff approvals. Program Directors should contact the Comptroller's Office, as well as the Purchasing Agent, for further assistance if they have any questions.

3. Administration/Implementation Phase Procedures: Financial and Budgetary Compliance

a. Monitoring Grant Funds

Program Directors must internally monitor and document Grant revenues, expenditures and budgetary compliance by preparing an Excel spreadsheet which

includes all information relevant to each Grant. They must forward that spreadsheet to the Comptroller's Office for inclusion in the City's system of records for auditing, reporting and Grant compliance purposes. Only the City's system of records shall be used for auditing and reporting purposes.

Collaboration between Program Directors and the Comptroller's office is paramount to the successful administration and implementation of a Grant. As a further measure to ensure accurate auditing, reporting and compliance on the City's behalf, Program Directors should meet with the Comptroller's Officer on a quarterly basis to update, review and reconcile their information on a given Grant with the Comptroller's Office.

b. Fiscal Years

There may be instances where the fiscal year for a Granting agency does not coincide with the City's fiscal year, which runs from July 1st through June 30th of a given calendar year. In such cases, adjustments to the City's internal budget accounts, interim financial reports and special handling during the fiscal year's end closing may require adjustment. To that end, Program Directors must oversee Grant budgets within his or her department and immediately bring any discrepancies requiring adjustment to the attention of the Comptroller's Office at the time Grant accounts are established.

c. Grant Budgets

Accounting structures for Grants will include the budget that was prepared at the time the Grant application was submitted. Specific Grant terms will dictate whether budget transfers between budgeted line items are permitted. Program Directors are prohibited from exceeding the total budget authority provided by the Grant.

Program Directors must notify the Comptroller's Office and confirm the amounts of Grant funds which need to be carried over into next year's fiscal budget due to those funds not being completely exhausted at the end of the current fiscal year ("Carry-forwards"). This notification and confirmation can be done during the City's normal annual budgeting process. Carry-forwards of Grant funds will be limited to allowable amounts/percentages based on the Grant award agreement and/or the applicable compliance supplement. For example, the current Uniform Guidance Compliance Supplement provides a government-wide framework for Grants management and is an authoritative set of rules and requirements for Federal awards which synthesizes and supersedes guidance from earlier Office of Management and Budget circulars.

d. Capital Assets:

The City is responsible for maintaining an inventory of assets purchased with Grant monies, must account for those assets, and must make them physically available for

inspection during any audit. To that end, Program Directors must immediately notify the Comptroller of any intention to sell assets purchased with Grant monies. Additionally, Program Directors must also notify the Comptroller if any such assets are substantially damaged or stolen.

With limited exceptions, proceeds from the sale of assets purchased with Grant funds can only be used for the Grant program applicable to that asset. Program Directors should review the original Grant documents for specific governing regulations regarding proceeds from the sale of an asset purchased with Grant funding. Program Directors overseeing a particular Grant will coordinate this requirement. All transactions that involve the acquisition or disposal of Grant funded fixed assets must be immediately brought to the attention of the Comptroller.

4. Post-Award Phase Procedures: Closing Out and Record Keeping

a. Audit Workpapers

The City's external auditors will audit all Grants at the end of each fiscal year. Within thirty calendar (30) days following the fiscal year's end, Program Directors shall provide to the Grants Coordinator information to prepare the required audit documentation for the Grants they have obtained. Program Directors who need clarification on what they should provide to the Grants Coordinator should inquire with the Grants Coordinator well in advance of the end of the fiscal year's end.

b. Record Keeping Requirements

Grant record keeping requirements may vary substantially from one Granting agency to another. Consequently, a clear understanding of these Grant requirements at the beginning of the Grant process is vital. Program Directors must maintain copies of all Grant draw requests, as well as approved Grant agreements (including budgets), and provide copies to the Comptroller's Office, preferably in electronic format.

VII. RESOURCES, COMPLIANCE AND CITY POLICIES - GENERAL

Funding projects through Grants require the observation and navigation of both City and the awarding agency's policies and guidelines. As a result, the question of which policy to follow in the event of a conflict may arise. In instances where the contract or award governing the parties' relationship specifies which policies and procedures take precedence in the event of a conflict, then the contract or award should be followed. If the contract or award is silent, then the general rule is to follow the more stringent requirements. However, remember that in the event of any inconsistency or conflict, applicable law shall supersede City policies, procedures, and/or guidelines.

Grants must be administered in accordance with applicable federal and state laws, regulations and directives, as well as the Grant's own requirements. Program Directors are always encouraged to contact the Grants Coordinator and Corporation Counsel to discuss specific situations as they arise.

City Policies and Applicable State/Federal Law. The following, which have been approved by appropriate legislative action, are incorporated by reference into this policy, and are/may be applicable to certain Grants (Program Directors and others involved in the Grant process should familiarize themselves with these):

1. *City of Long Beach Procurement Policy & Procedures* (as amended from time to time).
2. *The Charter and the Code of Ordinances of the City of Long Beach.*
3. *Article 18 of New York's General Municipal Law:* Deals with conflicts of interests for municipal officers and employees.
4. *Any applicable federal, state or local law, rule or regulation which preempts or supersedes this policy or occupies the field:* Remember to consult with the Comptroller and/or Corporation Counsel for specific situations that may arise.
5. *Uniform Guidance Compliance Supplement* (as amended from time to time). The Office of Management and Budget Uniform Guidance Compliance Supplement provides the uniform administrative requirements, cost principles, and audit requirements for Federal awards to non-Federal entities. This guidance applies to any Federal Grants awarded to the City. This guidance document can be found at:

https://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title02/2cfr200_main_02.tpl
(last visited on February 21, 2020).

VIII. ANNUAL REVIEW & AMENDMENTS

On an annual basis, or as deemed necessary, the City Council shall review the Grant and Financial Award Policy and shall approve policy revisions, if any, by formal resolution.

ADOPTED: NOVEMBER 17, 2020