



FINANCIAL OPERATIONS

GRANT POLICIES & PROCEDURES

GRANT POLICIES AND PROCEDURES MANUAL

2014

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Foreword

The City of Richmond Grant Policies and Procedures Manual has been developed and published for the purpose of standardizing grant and grant related activity associated with the City of Richmond. The Policies and Procedures are effective September 1, 2014, and apply to all current and future and grant activity.

Revisions to this manual will be issued as required. The policies within the manual that require changes or updates will be replaced.

All City of Richmond personnel must follow the policies and procedures included with this manual when engaging in grant related activity.

Any questions concerning this manual should be directed to the Budget Grants Office, Department of Budget and Strategic Planning at (804) 646-5048.

Upon approval, this City of Richmond Grant Policies and Procedures Manual replaces City of Richmond Grant Regulations, effective date January 1, 2012 in its entirety.

APPROVAL


Byron C. Marshall, Chief Administrative Officer

9-11-14
Date

Format

This manual is divided into an introduction and eight sections:

The **Introduction** provides the general overview of the document

Section One – Administrative discusses conflict of interest and roles and responsibilities

Section Two – Grant Planning pertains to organizational planning for grant acquisition at the Department level

Section Three – Pre-Award describes activities related to preparing and submitting an application

Section Four – Award Acceptance outlines the steps associated with accepting a grant award

Section five – Application Denial requires follow-up with a grantor after a grant application has been denied

Section Six – Post Award Management details the management of grant funded projects or programs

Section Seven – Grant Accounting delineates the basic accounting requirements for managing grant related funds

Section Eight – Appendices provides a flow chart of the grant process, example project charts, budget and financial forms, and a Glossary of Terms that provides a simple explanation of technical terms and acronyms used in the grant process

This policies and procedures manual is issued by the Chief Administrative Officer. It serves as a central resource for policies and procedures governing grant activity and is applicable to all City Departments.

The City of Richmond Grant Policies and Procedures Manual is intended to document and strengthen the practices of the City and to provide employees and other interested parties with an accessible source of information regarding the grant policies and procedures of the City of Richmond. Additionally, this manual serves as a training resource for new and current employees whose job duties involve grant writing or grant management. Each Policy contains the following elements:

- Subject
- References and/or Exhibits
- Policy Number
- Effective Date
- Policy being replaced
- Purpose

- Scope
- Organizational Units
- Policy Statement
- Procedures
- Definitions
- Policy Owner

INTRODUCTION

Grant funds received by the City of Richmond (henceforth the City) support important programs and services that the City provides to the community. These funds allow the City to extend pre-existing services, introduce new initiatives, gain technological advances, and subsidize programmatic staffing. Grant funds are dispersed throughout the City and impact a variety of efforts, including homeland security, economic development, social services, public safety, recreation, and infrastructure improvement and maintenance, among others. Because grant funding allows the City to leverage local public funds in order to extend and enhance the services it offers to the community, the impact of grant funding upon the community is significant. So too should be the process that governs it. The City considers the term *grant* to include the following funding streams:

- Competitive (Discretionary) Grants
- Block Grants or Formula Grants
- Continuation of any grant type
- Cooperative Agreements and Contracts
- Earmarks
- Reimbursement programs
- Foundation Grants
- Corporate Grants

The purpose of this policies and procedures manual is to develop, implement, and maintain meaningful grant oversight and coordination for the City thereby increasing grant related revenue, limiting the City's exposure grant related legal liability, and improving the efficiency and impact of programs and services funded through grants. The policies and procedures contained herein are intended to foster exceptional stewardship of the public trust through a rigorous adherence to ethical standards associated with grant related activity. The policies and procedures aim to do the following:

- Promote the use of best practices
- Promote sound financial management
- Ensure that grant related activity is consistent with the City's strategic priorities
- Ensure the integrity of the City's good standing among grant making entities
- Ensure the detection and mitigation of potential grant related problems before they harm the City
- Promote efficiency and effectiveness in grant funded projects and programs
- Ensure accountability for financial and programmatic elements of grant administration and management

Adherence to the following policies and procedures will promote increased efficiencies, better transparency, greater accountability to ethical standards, a strategic approach to funding opportunities, and generally place the City in a more competitive footing for securing grant funds. Significantly, these efforts will provide our City leaders with a comprehensive real-time overview of the current grant milieu, including the source, destination, and disposition of grant funds, matching funds, and pending applications. This information will lend support to City leaders in managing the City's progress into the future.

SECTION ONE

Administrative

Subject: Conflict of Interest	Number: 1.1
	Effective Date: 7/1/2006
References and/or Exhibits: Administrative Regulations Section I, A.R. Number 1.5	Replaces: 8/1/2001 G.R. No. 1.1

I. PURPOSE

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.

II. SCOPE

Conflict of interest situations may cover a broad range of matters from more to extremely serious, and may involve ethical, legal, or other issues. Such situations, if unresolved, may be the cause of damage to the City. This policy is designed to protect both the individual and the City. It is not an attempt to define all of the areas or circumstances in which there is potential for conflict of interest to arise. The onus is on the City officials or employees to be diligent in the identification of potential conflicts of interest. This policy is applicable to all officials or employees of the City working in any capacity with any proposed or funded grant involving the City.

III. ORGANIZATIONAL UNITS

Department of Budget and Strategic Planning, Department of Finance, and all City Agencies

IV. POLICY STATEMENT

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.

V. PROCEDURE

It shall be the responsibility of the Grant Project Manager for each particular grant funded project to 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:

1. Using his or her official position for private gain
2. Giving preferential treatment to any person or organization
3. Losing complete independence or impartiality
4. Making an official decision outside official channels
5. Affecting adversely public confidence in the grant funded program in particular and the City in general

Any violation of this statement for City employees is governed by Administrative Regulations Section I, A.R. Number 1.5 “Code of Ethics”.

VI. DEFINITIONS

Conflict of Interest – An officer or employee of the City acting or appearing to act on behalf of someone other than the City; or in carrying out duties has or appears to have a self interest from which a personal profit or gain is realized or that is actually or potentially adverse to the best interests of the City

Official - Any person appointed or elected to an office, position, committee, or commission of the City of Richmond, whether or not he or she receives compensation.

VII. POLICY OWNER

The Department of Budget and Strategic Planning is responsible for modifications to this Policy.

Subject: Roles and Responsibilities	Number: 1.2
	Effective Date: 1/1/2012
References and/or Exhibits:	Replaces: 7/1/2006 Number: 1.2

I. PURPOSE

The purpose of this policy is to establish the roles and associated responsibilities of the various City of Richmond Departments and Offices involved in the grant process.

II. SCOPE

The following rules shall govern responsible parties for activities surrounding the submittal, implementation, maintenance, reporting and other related duties for grant funded projects by or on behalf of the City of Richmond. The full development of a project requires the assistance and support from all affected parties. Roles are addressed herein for:

- Office of the Mayor
- Department of Budget and Strategic Planning
- Department of Finance
- The Department of Procurement Services
- Office City Attorney
- All City Agencies that apply for or receive grant funds

III. ORGANIZATIONAL UNITS

Department of Budget and Strategic Planning, Department of Finance, Department of Procurement Services, Office of the Attorney, Office of the Mayor, and All City Agencies

IV. POLICY STATEMENT

City Agencies and their staff that occupy positions of responsibility with respect to grant activity have specific roles and responsibilities that they shall perform and uphold both ethically and in the best interests of the City of Richmond.

V. PROCEDURE

1. Chief Administrative Office

The Chief Administrative Officer has sole responsibility for approving external funding for projects and programs that involve negotiation and finalizing budgets. Therefore, the Chief Administrator or his or her designee has the sole authority to authorize, through signature, the submission of grant proposals, the acceptance of grant awards, and the execution of grant contracts and grant agreements.

Grant proposals often require the name and contact information for the “Project Administrator” or a similar title representing the senior authority for the City of Richmond. In these cases the name and requested information of the Chief Administrative Officer shall be provided.

2. Department of Budget and Strategic Planning

The Department of Budget and Strategic Planning, through its Grants Division (henceforth the Budget Grants Office), serves as a clearing-house or focal point of grant activity that can generate reporting and tracking of grant submittals, awarded grants, identification of Grant Project Manager, and grant reporting requirements. The Budget Grants Office is responsible for general oversight of the City’s grant activities. Therefore all grant activity (Federal, State, Local, Non- Profit, and Private) must be routed through the Budget Grants Office in accordance with this policy and procedure manual. Additional responsibilities of the Budget Grants Office include training of internal customers, promotion of grant opportunities, technical assistance, grant writing, maintenance of informational web pages, identifying and investigating issues that may arise with respect to the management of City grants, and mediation towards collaborative grant submittals between internal/external Agencies, organizations, and individuals. Other responsibilities are indicated throughout this manual.

The Department of Budget and Strategic Planning, through its Budget Analysis Division, is responsible for creating a Recipient Department’s financial accounting code in accordance with City Council’s Adopted Ordinance. An account code set-up by Budget gives a Recipient Department authorization to obligate their approved funding.

3. Department of Finance

The Department of Finance, through its of Grants and Special Revenue Division (henceforth the Finance Grants Unit), is responsible for the oversight of grant related financial activity. In this role, the Finance Grants Unit establishes a specific account in the “Grants Special Revenue Fund” for each grant as appropriate, review of financial reports generated by recipient Agencies, establishing and maintaining a master file for each grant received by the City, identifying and investigating issues that may arise with respect to the management of City grants, and general oversight of other grant related issues. Other responsibilities are indicated throughout this manual.

Grant proposals often require the name and contact information for the “Finance Officer” or a similar title representing the City’s senior financial authority. In these cases the name and requested information of the Director of Finance shall be provided.

4. The Department of Procurement Services

The Department of Procurement Services processes purchase orders according to the grant agreement, federal laws and regulations, and City policy and regulations. All other activities related to procurement, including funds received as a grant, must follow Chapter 74 of the Richmond Municipal Code titled “Public Procurement” and the general policy and procedures maintained by Procurement Services. Grants’ project managers must keep in mind that they are ultimately responsible to adhere to the stipulations from the approved award/contract to ensure that allowable expenditures are conducted.

5. Office of the City Attorney

Grant agreements are different from many other contracts in that there is little or no negotiation involved. In the vast majority of circumstances the City will either sign the agreement or decline the award. Despite the City’s lack of bargaining power in this regard, it is nevertheless prudent to conduct a legal review of grant agreements to ensure that all of the terms of the agreement are legally enforceable. The Office of the City Attorney shall review the award notification as the initial step in the O&R process. O&R requests to accept and appropriate the grant funds shall be accompanied by a copy of the grant award notification.

6. City Agencies

City Agencies are responsible for all aspects of the grant process including planning for grant acquisition, preparation and submitting grant proposals, preparing Ordinance and Resolution requests to accept funds, developing grant implementation plans, managing grant programs, preparing and submitting reports to grantors, and properly closing out grant projects, as detailed throughout this manual. The relationships of Recipient Department staff with the Departments of Budget and Strategic Planning and Finance, with respect to grant activity, is defined and formalized throughout this manual.

Grant proposals often require the identification of a “Project Director” or a similar title representing the senior position over the Department that will perform the grant initiative. In these cases the name and requested information of the Department head shall be provided.

VI. DEFINITIONS

N/A

VII. POLICY OWNER

The Department of Budget and Strategic Planning, in consultation with the Department of Finance, the Department of Procurement Services, the Office of the City Attorney, and the Chief Administrative Office, is responsible for modifications to this Policy.

Subject: Grant Tracking Form	Number: 1.3
	Effective Date: 1/1/2012
References and/or Exhibits:	Replaces: 7/1/2006 Number: 1.3

I. PURPOSE

The purpose of this policy is to provide a single document for capturing authorization initials and signatures and an efficient and effective method to allow the City to capture pertinent information for the purpose of entering grant data into the City's Grant Management System and assessing grant applications from a fiscal impact perspective and how they align with City priorities.

II. SCOPE

This policy is applicable to City Agencies that seek grant funding.

III. ORGANIZATIONAL UNITS

Department of Budget and Strategic Planning and all City Agencies

IV. POLICY STATEMENT

A Grant Tracking Form shall accompany pre-applications, applications, award acceptance notifications, and amendment notifications that are submitted to the Grants Budget Office.

V. PROCEDURE

1. Complete a Grant Tracking form and check the appropriate box at the top of the form when submitting a pre-application, application, award notification, or modification notification to the Grants Budget Office. Electronic copies of the Grant Tracking Form in pdf and Excel formats can be found on StarNet in the forms section. A copy of the Grant Tracking Form can be found in Appendix B.

VI. DEFINITIONS

N/A

VII. POLICY OWNER

The Department of Budget and Strategic Planning is responsible for modifications to this Policy.

Subject: Letter of Support Requests from External Organizations	Number: 1.4
	Effective Date: 1/1/2012
References and/or Exhibits:	Replaces: 7/1/2006 Number: 1.4

I. PURPOSE

External organizations frequently seek support from the City for a grant application they intend to submit to a grantor. Requests for such support often are made to Department staff or directors who may be unaware of whether other City Agencies are competing for the same grant opportunity. Additionally, there may be other reasons why it would not be in the City's interests to provide support. The purpose of this policy is to establish a process and standards for providing a letter of support for a grant application to external organizations.

II. SCOPE

This policy is applicable to all City Agencies.

III. ORGANIZATIONAL UNITS

Department of Budget and Strategic Planning and all City Agencies

IV. POLICY STATEMENT

Letters of support for a grant application prepared by an external entity, and for which the City is not a collaborating partner, shall be authorized by the Budget Grants Office before it can be provided to the requesting organization.

V. PROCEDURE

1. Upon receiving a request from an external organization for a letter of support for a grant application it intends to submit to a grantor, a Department must decide whether to support the request.
2. If the Department decides not to support the request, the external organization should be notified in writing that the City will not provide a letter of support.
3. If the Department supports the request, the Department must inform the Budget Grants Office of the request and justify the Department's position regarding support, including a discussion of whether the mission and activities of the requesting organization, and the proposed project the letter would support, are consistent with City priorities, and whether the proposed project or the letter of support has the potential for future obligations by the City. The Department must also provide a draft letter of support for consideration.

4. If the Budget Grants Office concludes that a letter of support is not in conflict with another proposed City grant application or City supported application to be submitted by partner organization and that the proposal the letter of support has been requested for is constant with City priorities, the Budget Grants Office may provide approval so submit the letter of support

VI. DEFINITIONS

N/A

VII. POLICY OWNER

The Department of Budget and Strategic Planning is responsible for modifications to this Policy.

Subject: Internally Competing Applications	Number: 1.5
	Effective Date: 7/1/2006
References and/or Exhibits:	Replaces: N/A

I. PURPOSE

Grantors generally will not consider any proposal from a jurisdiction if that jurisdiction has submitted more than one proposal during the same funding round. Thus it is imperative that the potential for multiple submissions to the same grantor during the same funding round is resolved. The purpose of this policy is to identify the procedure for resolving such conflicts

II. SCOPE

This policy is applicable to City Agencies that seek grant funding.

III. ORGANIZATIONAL UNITS

Department of Budget and Strategic Planning, Department of Finance, and all City Agencies

IV. POLICY STATEMENT

The City shall not submit multiple grant applications to the same grantor during the same funding round unless explicitly allowed by the grantor. In the event that multiple Agencies intend to submit an application to the same grantor during the same funding round, and the grantor will not accept more than one application from the City, the Chief Administrative Officer shall be the final arbiter of which Department will submit the application.

V. PROCEDURE

1. Upon identifying the potential for the submission of multiple grant applications to the same grantor during the same funding cycle, the Budget Grants Office shall seek to determine whether the grantor permits multiple submissions. If the grantor allows multiple submissions the Agencies in question may continue the application process.
2. If the grantor does not allow multiple submissions, the Budget Grants Office Shall meet with the agencies in question and seek to determine whether a collaborative approach is feasible. If a collaborative approach is feasible, a joint application can then be pursued.
3. Should a collaborative approach prove infeasible, the Grants Budget Office shall convene and facilitate meeting of the Budget Analysts for the Agencies in

question. The Budget Analysts for the Agencies in question shall work together to determine a solution that is in the best interests of the City and then make a joint recommendation to the Chief Administrative Officer.

4. In the event that the Budget Analysts for the Agencies in question cannot arrive at an agreed upon solution, competing recommendations will be presented to the Chief Administrative Officer.
5. The Chief Administrative Officer shall take the recommendation(s) into consideration and make the determination of which Department shall submit the application.

VI. DEFINITIONS

N/A

VII. POLICY OWNER

The Department of Budget and Strategic Planning is responsible for modifications to this Policy.

Subject: Grants.Gov Registration	Number: 1.6
	Effective Date: 7/1/2006
References and/or Exhibits:	Replaces: N/A

I. PURPOSE

Many Federal grant programs have the requirement or option of submitting grant applications through the Grants.Gov Internet website. In order to submit Federal grant applications through Grants.Gov, the individual submitting the application must be an Authorized Organizational Representative. The purpose of this policy is to identify the procedure for registering as an Authorized Organizational Representative with grants.gov.

II. SCOPE

This policy is applicable to City Agencies that seek grant funding.

III. ORGANIZATIONAL UNITS

Department of Budget and Strategic Planning and all City Agencies

IV. POLICY STATEMENT

Federal grant applications submitted through Grants.Gov require the individual submitting the application to be an Authorized Organizational Representative. Authorization can only be granted by the City's E-Business Point of Contact who is registered with the Federal government's Central Contractor Registry. All grant applications submitted through grants.gov shall comply with the standard policies and procedures for submission of grant applications as described in Section 3 of this manual.

V. PROCEDURE

In to submit a grant application on behalf of the City through grants.gov the individual submitting the grant must be an Authorized Organizational Representative (AOR).. The AOR registration process has two steps that must be taken in order as follow:

- a) Registration with Grants.Gov
- b) Authorization as an AOR by the City's E-Business Point of Contact

Note: It is important to register as an AOR well in advance of the grant submission due date to avoid last minute problems that could cause the deadline to be missed.

1. In order to be registered as an AOR of the City go to www.grants.gov and Select Get Registered in the Quick Links on the blue boxed left navigation of any Grants.gov page. This will take you to the Get Registered screen
2. Under the Get Registered heading, select Organization Registration in the left navigation
3. Under Organization Registration, select STEP 3: Username & Password.
4. Once you are on STEP 3: Username & Password screen, select the link “Create Username and Password” in the gray bar on the screen
5. At the bottom of the screen you will need to enter your organization’s DUNS Number and select the Register button
6. After entering your organization’s DUNS Number, you will be taken to the online form
7. Complete the form. When entering an email address, please keep in mind that all correspondence with Grants.gov will be sent to that email address. For the Secret Question/Answer fields, enter a question only you would be able to answer and will be able to remember in the future. The password you choose must contain at least eight (8) characters including: at least one 16 of 32 (1) uppercase letter (A-Z); at least one (1) lowercase letter (a-z); and at least one (1) number (0-9). When you have completed the form select the Continue button
8. Once you have selected the Continue button a confirmation screen will appear, if you have changes you would like to make choose the Edit button and the form will return to a screen where you can make changes. If you have no changes select the Submit button
9. You will see a message at the top of the screen that will read “You are successfully registered.” To continue to the Applicant login page select the Continue button on the bottom right. If you don’t receive the successful message, another message will appear stating what issue needs to be addressed with the form. Simply correct the error and select Submit until you receive the successful message
10. After you have created an account with Grants.gov, the City’s E-Business Point of Contact (E-Biz POC) will receive an email notification stating that you have registered; you will also receive a copy of this email. The E-Business Point of Contact will need to log in to the E-Biz POC section of Grants.gov and assign the “Authorized Applicant” role to you. You will be able to log in to see if you have received your authorized status. You can check your AOR status by visiting the Applicant Center, simply log in using the link on the left navigation or in the right quick links throughout the website. In the Applicant Center you can track your AOR status, manage your profile and in the future check your application status
11. After you have created an account with Grants.gov, an e-mail will be sent to the City’s E-Business Point of Contact in the Budget Grants Office stating that you have registered; you will also receive a copy of this email.. The E-Business Point of Contact for the City is the Grant Coordinator

12. The E-Business Point of Contact will authorize the request on a case-by-case basis.
13. All grant applications submitted through grants.gov must comply with the standard policies and procedures for submission of grant applications as described in Section 3 of this manual.
14. Once authorized, the AOR has the authority to electronically sign grant applications and the required certifications and/or assurances that are necessary to fulfill the requirements of the application process. **Any grant submitted by an AOR through Grants.Gov must have the written approval of the City's Chief Administrative Officer or his or her designee.**

VI. DEFINITIONS

Authorized Organizational Representative (AOR) - An AOR is authorized to submit grants through Grants.Gov on behalf of the City. AORs have the authority to electronically sign grant applications and the required certifications and/or assurances that are necessary to fulfill the requirements of the application process. Any grant submitted by an AOR through Grants.Gov must have the written approval of the City's Chief Administrative Officer or his or her designee.

VII. POLICY OWNER

The Department of Budget and Strategic Planning is responsible for modifications to this Policy.

Subject: Accountability	Number: 1.7
	Effective Date: 9/11/14
References and/or Exhibits:	Replaces: N/A

I. PURPOSE

The purpose of this policy is to ensure that all grant activity is conducted in compliance with City of Richmond grant policies and procedures and in accordance with funder terms and conditions and to hold departments and agencies accountable for non-compliance with them.

II. SCOPE

This policy is applicable to all City of Richmond Agencies that apply for grants and/or receive grant funds.

III. ORGANIZATIONAL UNITS

The Department of Finance, Department of Budget and Strategic Planning, and all City Agencies

IV. POLICY STATEMENT

All grant-related activity shall be undertaken in accordance with the City's grant policies and procedures as issued by the Department of Budget and Strategic Planning and shall comply with the terms and conditions set forth in the grant agreement with the funder. Failure to comply with City grant policies and procedures and funder terms and conditions may result in disciplinary action.

V. PROCEDURE

Upon identifying a violation of the City's grant policies and procedures or a funder's terms and conditions, the following escalating steps will be taken; for each step taken that does not result in a correction of the violation, the next step in the process will be taken:

1. The individual responsible for the violation will be contacted directly by the Grant Coordinator in the Department of Budget and Strategic Planning and/or the Grants Manager in the Department of Finance to discuss the problem and seek a solution. If no correction is made, proceed to step 2
2. The individual's supervisor will be contacted by the City Controller to discuss the problem and seek a solution. If no correction is made, proceed to step 3

3. The department or agency director will be formally contacted by the DCAO for Finance and Administration via memorandum with a copy to the CAO identifying the problem and prescribing a solution. If no correction is made, proceed to step 4
4. The department or agency director and appropriate DCAO will be contacted directly by the CAO.

VI. DEFINITIONS

None

VII. POLICY OWNER

The Department of Budget and Strategic Planning is responsible for modifications to this Policy.

SECTION TWO

Grant Planning

Subject: Strategic Grant Seeking Plan	Number: 2.1
	Effective Date: 7/1/2006
References and/or Exhibits:	Replaces: 8/1/2001 G.R. No. 1.4

I. PURPOSE

In order to coordinate the City's grant activities effectively the Budget Grants Office must have knowledge of prioritized needs for the various Departments that potentially can be met through grants. This knowledge will allow the Budget Grants Office to coordinate common needs among Agencies, plan for submission of proposals to regular cyclical grant opportunities, and be pre-positioned to assist the Agencies in the submission of proposals to those opportunities when they arise. Finally, such knowledge would allow the Budget Grants Office to identify the potential for parallel or redundant submissions, as well as areas for potential collaboration among Agencies. The purpose of this policy is to promote a strategic approach to grant seeking and to enhance the City's ability to coordinate grant activity on a Citywide scale.

II. SCOPE

This policy is intended to provide an annual overview of Department-level needs that have the potential for being met through grant funding, and is applicable to City Agencies that seek grant funding.

III. ORGANIZATIONAL UNITS

Department of Budget and Strategic Planning and all City Agencies

IV. POLICY STATEMENT

Each City Department that seeks grant funding shall undergo an annual strategic planning process for grant acquisition coordinated through the appropriate Deputy Chief Administrative Officer or other CAO designee and produce a prioritized list of Department needs that can potentially be met through grant funding. Budgets and narrative statements should then be developed for each of the needs, as should goals and objectives that, once achieved, will address the identified need.

V. PROCEDURE

1. The Deputy Chief Administrative Officer (DCAO) for each portfolio of agencies, or other CAO designee, shall determine how strategic planning is to be conducted by subordinate Agencies. Ideally, coordination of grant planning through the DCAOs will mitigate the potential for internally competing applications by disseminating DCAO priorities across portfolio agencies.
2. The Annual Strategic Grant Seeking Plan should be based on a Department needs assessment, which identifies needs that can potentially be met through grant funding.
3. The identified needs should be prioritized and a timeframe assigned to them, indicating whether they are short-term or long-range priorities.
4. Annually or periodically recurring grant opportunities can then be matched to the prioritized list of needs and a schedule for producing grant applications should be developed.
5. Goals and measurable objectives should be identified that, once met, will address each identified need.
6. Narratives should be developed to describe how the goals and objectives for each need will be achieved, including a description of activities, personnel, equipment, facility, and other resources that will be required.
7. Budgets should be developed to determining the funds required to meet each need, the City funds available, and the existing funding gap that potentially could be met through grant funds.
8. Match identified needs and their solutions with grant opportunities that arise on a regular basis and be pre-positioned to submit an application once the Notice of Funding Availability is published.

VI. DEFINITIONS

Goal - The term “goal” is frequently (incorrectly) used interchangeably with “objective,” but these terms are not synonyms. While a goal is more focused than a broad mission/purpose statement in its description of desired ends or outcomes to be achieved, it is usually not measurable as objectives must be.

Objective - Statements of precise measurable outcomes that will be achieved within a specific time frame during the project period. They are statements of an end result sought which contain the criteria for measuring the results, the specific target population, and the time frame for achieving the objectives.

VII. POLICY OWNER

The Department of Budget and Strategic Planning is responsible for modifications to this Policy.

SECTION THREE

Pre-Award

Subject: Pre-Application	Number: 3.1
	Effective Date: 7/1/2006
References and/or Exhibits:	Replaces: N/A

I. PURPOSE

The purpose of this policy is to encourage the pursuit of grant opportunities that support the City's strategic priorities, while assuring that possible costs to the City are identified and weighed as early as possible.

II. SCOPE

This policy is applicable to City Agencies that seek grant funding.

III. ORGANIZATIONAL UNITS

Department of Budget and Strategic Planning and all City Agencies

IV. POLICY STATEMENT

All grant applications shall be preceded with a completed Pre-Application Grant Tracking Form to be submitted to the Budget Grants Office.

V. PROCEDURE

1. The Department preparing a grant application to be submitted by the City must prepare and submit a Pre-Application Grant Tracking Form (Appendix B) to the Budget Grants Office as early in the process as possible. In practical terms, this can be done well before the application period begins; as soon as the program is developed and the funding opportunity is identified.
2. The Budget Grants Office and the Department's assigned budget analyst in the Department of Budget and Strategic Planning will conduct a pre-application assessment. Any potential issues or problems identified will be brought to the attention of the preparer immediately. During the pre-application assessment, the following Financial and Programmatic factors will be evaluated by Budget Grants Office and Budget staff:

Financial

- Total anticipated project cost
- Match requirements and sources
- Staffing requirements (including salary and benefits increases for multi-year grants)
- Documentation of a clear continuation plan

It is required that Agencies develop continuation plans (plans for sustaining grant funded programs should funding be reduced or terminated) prior to applying for grants, which reflect the potential for loss of funding and the subsequent loss of grant funded positions or program components. Agencies must plan responsibly for either termination or reduction of the program or seek to secure alternative sources of funding. The requirement that Agencies have a continuation plan reflects the understanding that most grants are temporary.

Programmatic

- Alignment with City leadership's strategic priorities
- Alignment with the Department's strategic grant seeking plan
- Provision or expansion of services to address critical needs
- Department's capacity to administer the financial and administrative aspects of the grant

VI. DEFINITIONS

None

VII. POLICY OWNER

The Department of Budget and Strategic Planning is responsible for modifications to this Policy.

Subject: Application	Number: 3.2
	Effective Date: 7/1/2006
References and/or Exhibits:	Replaces: 8/1/2001 G.R. No. 1.6 A & B

I. PURPOSE

The purpose of this policy is to ensure that each grant application submitted by or on behalf of the City is aligned with an established City priority, meets the City's expectations of document quality, has matching funds available if required by the grantor, and that the means for continuation of the project or program after the grant period ends has been given realistic consideration.

II. SCOPE

This policy is applicable to City Agencies that seek grant funding through submission of a grant application or proposal.

III. ORGANIZATIONAL UNITS

Department of Budget and Strategic Planning and all City Agencies

IV. POLICY STATEMENT

Final grant applications shall be submitted to the Budget Grants Office, accompanied by a completed Grant Application Tracking Form. The completed grant Application Tracking Form shall be signed by the Department Head or designee and initialed by the Grant Coordinator or designee and the Department's Budget Analyst prior to submission for Authorizing Signature.

V. PROCEDURE

1. Final grant applications must be submitted, accompanied by a completed Grant Application Tracking Form (Appendix A) signed by the Department head, for review by Budget Grants Office staff five business days prior to the day the application will be sent via U.S. mail, a courier service, electronically submitted, or hand delivered.
2. The applications must be clearly labeled at each location that requires a signature with "sign here" adhere label. In the case of electronically submitted grant applications, a hardcopy of the electronic application must be submitted in the same manor as hardcopy grant applications and written authorization from the authorizing authority be obtained in lieu of a signed signature page.

3. Budget Grants Office staff will review final proposals to ensure that they reflect the pre-application assessment and meet the City's expectations of document quality.
4. The Department's budget analyst will review the proposal to ensure that any match required of the City is available.
5. The signed application will then be returned to the Department by the Budget Grants Office for submission.
6. All Grant Application Tracking Forms must be signed by the Department head and initialed by the grant coordinator and budget analyst prior to submission to the Chief Administrator's Office for Authorizing Signature

VI. DEFINITIONS

None

VII. POLICY OWNER

The Department of Budget and Strategic Planning is responsible for modifications to this Policy.

Subject: Approval to Submit Application	Number: 3.3
	Effective Date: 7/1/2006
References and/or Exhibits:	Replaces: 8/1/2001 G.R. No. 1.6 C

I. PURPOSE

The Chief Administrative Officer has the sole authority to authorize the submission of applications for funding on behalf of the City. As such, it is critical that he or she is fully informed about the nature and purpose of that which he or she is being asked to authorize. The purpose of this policy is to (1) provide the Chief Administrative Officer with the information and assurance that he or she will need to make an informed decision; and (2) ensure that each grant application submitted by or on behalf of the City is formally authorized by the Chief Administrative Officer prior to submission.

II. SCOPE

This policy is applicable to City Agencies that have prepared a grant proposal and are seeking official authorization to submit it to the funder.

III. ORGANIZATIONAL UNITS

Department of Budget and Strategic Planning, Chief Administrator's Office, and all City Agencies

IV. POLICY STATEMENT

The Chief Administrative Officer or his/her designee shall have the sole authority to approve proposals to be submitted to funding sources. There are no exceptions to this requirement.

V. PROCEDURE

All grant proposals and applications submitted by or on behalf of the City, whether submitted to the granting entity electronically or as hardcopy, require authorization by signature of the Chief Administrative Officer or his or her designee prior to submission.

1. Grant applications must be submitted to the Chief Administrator's office by Budget Grants Office staff five business days prior to the date of submission. If it is received in the Chief Administrator's office less than five business days prior to the date of submission, it may not be reviewed by the CAO in time to meet time submission date requirement.

2. Budget Grants Office staff will prepare a memorandum with a synopsis of the application and initial the Grant Application Tracking Form, both of which will be forwarded along with the application to the Chief Administrative Officer for signature.
3. Once the authorizing signature has been obtained, Budget Grants Office staff will make a file copy of the application and authorization, and then inform the submitting Department that the application has been authorized and is ready for submission.

VI. DEFINITIONS

None

VII. POLICY OWNER

The Department of Budget and Strategic Planning in conjunction with the Chief Administrator's Office is responsible for modifications to this Policy.

SECTION FOUR

Award Acceptance

Subject: Award Notification	Number: 4.1
	Effective Date: 7/1/2006
References and/or Exhibits:	Replaces: 8/1/2001 G.R. No. 2.1 A

I. PURPOSE

The purpose of this policy is to ensure that all relevant Agencies are made aware of award notices in a timely fashion.

II. SCOPE

This policy is applicable to all City of Richmond Agencies that receive grant awards.

III. ORGANIZATIONAL UNITS

Department of Budget and Strategic Planning and all City Agencies

IV. POLICY STATEMENT

Chief Administrator's Office, Budget Grants Office, and recipient Department shall be provided with copies of each award notice received by the City within two days of their receipt.

V. PROCEDURE

1. All award notices received by Chief Administrator's Office shall be date stamped, duplicated, and the original forward to the recipient Department with a copy to the Budget Grants Office within two days of receipt.
2. Upon receipt of an original award letter, the Budget Grants Office shall date stamp, make a duplicate copy, and make the original available to the recipient Department, with a copy to the Chief Administrative Officer.
3. All Agencies that receive an original award letter shall date stamp, duplicate, and forward duplicates to the Budget Grants Office and the Chief Administrative Officer within two days of receipt.

VI. DEFINITIONS

None

VII. POLICY OWNER

The Department of Budget and Strategic Planning is responsible for modifications to this Policy.

Subject: Award Review	Number: 4.2
	Effective Date: 7/1/2006
References and/or Exhibits:	Replaces: 8/1/2001 G.R. No. 2.1 B

I. PURPOSE

The purpose of this policy is to standardize the procedure for, and document the acceptance or decline of, grant awards made to the City.

II. SCOPE

This policy is applicable to all City of Richmond Agencies that receive grant awards.

III. ORGANIZATIONAL UNITS

Department of Budget and Strategic Planning and all City Agencies

IV. POLICY STATEMENT

A completed Award Acceptance Grant Tracking Form shall be submitted to the Budget Grants Office, accompanied by copies of the award notification, the grant agreement or contract, and any memoranda of understanding. Any negotiated changes shall be clearly articulated and attached to the Award Acceptance Grant Tracking Form.

V. PROCEDURE

1. Once the award letter has been delivered to the recipient Department, it is responsible for reviewing the document to assure that all conditions required by the Grantor can be fulfilled.
2. If the review is positive, the recipient Department must submit an Award Acceptance Grant Tracking Form to the Budget Grants Office, accompanied by copies of the grant agreement or contract and any memoranda of understanding.
3. In the event that funds awarded by the granting entity are reduced from those requested in the original grant application, the recipient Department must ensure that the goals, objectives, and evaluative components can still be accomplished.
4. If the review has been negotiated to the recipient Department's satisfaction, the Agency must request that the grantor provide the changes in writing. When the changes have been received in writing from the grantor, the recipient Department must submit an Award Acceptance Grant Tracking Form to the Budget Grants

Office, accompanied by copies of the grant agreement or contract, any memoranda of understanding, and written changes from the grantor.

5. If the review is negative, then the recipient Department must prepare a letter from the Chief Administrative Officer to the granting entity declining the award and carbon copy the letter to the Budget Grants Office. The letter should express the City's regret in declining the award and clearly articulate the specific reason(s) the award is being declined.

VI. DEFINITIONS

None

VII. POLICY OWNER

The Department of Budget and Strategic Planning in conjunction with the Chief Administrator's Office is responsible for modifications to this Policy.

Subject: Request for Ordinance or Resolution (O&R)	Number: 4.3
	Effective Date: 7/1/2006
References and/or Exhibits: Administrative Regulations Section III 3.2	Replaces: 8/1/2001 G.R. No. 2.2 A & B

I. PURPOSE

The purpose of this policy is to document standard procedures by which grants awarded to the City of Richmond are formally accepted by the City.

II. SCOPE

This policy is applicable to all City of Richmond Agencies that receive grant awards that they choose to accept.

III. ORGANIZATIONAL UNITS

Department of Budget and Strategic Planning and all City Agencies

IV. POLICY STATEMENT

The Department receiving the grant award shall prepare an O&R request and submit it to the City Council for consideration in the manner identified in the City's O&R Guidelines. The O&R process shall be completed before any funds from the granting entity are expended by the City.

V. PROCEDURE

1. The Department receiving the grant award must prepare the O&R request within 30-days of receiving an award notification. Budget related questions regarding preparation of the O&R request should be directed to the recipient Department's Budget Analyst in the Department of Budget and Strategic Planning.

Note: The O&R request must request authorization for the Chief Administrative Officer to accept a grant that has been awarded to the City of Richmond, Virginia for the given dollar amount and on behalf of the respective Department, and must include the amount and source(s) of match requirements. Additionally, the Fund (Special Fund, General Fund, or CIP) into which grant and any associated matching dollars are to be appropriated, and the amount by which that Fund will increase, must be clearly stated.

2. Once the O&R request has been prepared, the recipient Department must submit one paper clipped hard copy of the original O&R request signed by the Department Director to the Director of Budget and Strategic Planning. The

Director of Budget and Strategic Planning will obtain the signature of the Chief Financial Officer and submit the O&R request to the Assistant to The Chief Financial Officer. (The City's O&R Guidelines be accessed via starNET.)

3. The O&R request must be accompanied by a copy of the award letter and grant agreement.
4. Once the City Council has acted on the O&R, the recipient Department must notify the Budget Grants Office of the Council's action and the associated O&R number.

VI. DEFINITIONS

O&R (Ordinance or Resolution) - A formal legislative enactment by the City Council that has the full force and effect of law within the boundaries of the City.

VII. POLICY OWNER

The Department of Budget and Strategic Planning is responsible for modifications to this Policy.

Subject: Attorney Review	Number: 4.4
	Effective Date: 7/1/2006
References and/or Exhibits:	Replaces: N/A

I. PURPOSE

Grant agreements are legal contracts and, therefore, it is prudent to conduct a legal review of them. The purpose of this policy is to ensure that all of the terms and conditions of grant agreements to which the City is a party are legally enforceable.

II. SCOPE

This policy is applicable to the Office of the City Attorney, with respect to the acceptance of grant awards that are part of an O&R request, and all City of Richmond Agencies that have submitted an O&R request to accept grant funds.

III. ORGANIZATIONAL UNITS

Department of Budget and Strategic Planning, the Office of the City Attorney, and all City Agencies

IV. POLICY STATEMENT

The Office of the City Attorney shall conduct a legal review of grant agreements to assess whether the terms and conditions of the agreement are legally enforceable prior to forwarding an O&R request to City Council for action.

V. PROCEDURE

1. The Office of the City Attorney shall conduct a legal review of the grant agreement
2. If the legal review identifies any potential legal issues stemming from the terms and conditions of the agreement, the submitting Agency must contact the granting entity and seek to resolve the potential legal issue. If a resolution cannot be reached, the submitting Department must prepare a letter from the Chief Administrative Officer to the granting entity to decline the award and carbon copy the letter to the Budget Grants Office.
3. If the legal review identifies no potential legal issues stemming from the terms and conditions of the agreement, the Office of the City Attorney may submit the O&R to City Council for consideration.

VI. DEFINITIONS

Terms and Conditions - Requirements imposed on a grant recipient by a Grantor.

VII. POLICY OWNER

The Department of Budget and Strategic Planning in conjunction with the Office of the City Attorney is responsible for modifications to this Policy.

Subject: Approval to Accept Award	Number: 4.5
	Effective Date: 7/1/2006
References and/or Exhibits:	Replaces: 8/1/2001 G.R. No. 2.2 C

I. PURPOSE

The City carries a significant legal and ethical responsibility when accepting grant funding. It is the City's responsibility to carry out the project and/or activities associated with a grant to their full extent, 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. The purpose of this policy is to ensure that acceptance of each award granted to the City is formally authorized by the Chief Administrative Officer.

II. SCOPE

This policy is applicable to all City of Richmond Agencies that have received a grant award.

III. ORGANIZATIONAL UNITS

Department of Budget and Strategic Planning and all City Agencies

IV. POLICY STATEMENT

All contractual material shall be signed by the Chief Administrative Officer or his or her designee before the acceptance of the award is officially sanctioned by the City.

V. PROCEDURE

The Chief Administrative Officer will sign the grant agreement or contract only after:

1. The award letter, which is a contractual agreement, has been reviewed and endorsed by Department receiving the grant and a memo to that effect has been submitted to the Chief Administrative Officer
2. An O&R request has been submitted to and approved by the City Council
3. The Chief Administrative Officer approves the intent of the grant and contractual conditions
4. The adopted ordinance (approved by City Council) states that, "the Chief Administrative Officer is authorized to accept a grant to the City of Richmond,

Virginia for [the given dollar amount] and on behalf of the [respective Department].”

5. The grant agreement or contract have been submitted to and reviewed by the Budget Grants Office and forwarded to the Chief Administrative Officer

VI. DEFINITIONS

None

VII. POLICY OWNER

The Department of Budget and Strategic Planning in conjunction with the Chief Administrator’s Office is responsible for modifications to this Policy.

SECTION FIVE

Application Denial

Subject: Application Denial and Funder Follow-Up	Number: 5.1
	Effective Date: 1/1/2012
References and/or Exhibits:	Replaces: N/A

I. PURPOSE

When a grant application has been denied by a funder, it is important to the greatest extent possible to understand the reason for that denial. A better understanding of why an application was not chosen by the funder can provide insight into how best to prepare a future application to the same funder and can help inform how to improve application competitiveness in general. The purpose of this policy is to ensure that action is taken to understand why a grant application has been denied.

II. SCOPE

This policy is applicable to all City of Richmond Agencies that have had a grant application denied by the funder.

III. ORGANIZATIONAL UNITS

Department of Budget and Strategic Planning and all City Agencies

IV. POLICY STATEMENT

Any City Department that has had a grant application denied shall contact the grantor and request copies of the application scoring sheets and any reviewers' comments and notes about the application, or if the grantor unwilling to provide them, an explanation of the application's deficiencies or weaknesses and the reason for denial.

V. PROCEDURE

1. After notification denying a grant application has been received by the submitting City Department, Department staff should contact the grantor and request copies of the application scoring sheets and any reviewers' comments or notes and the reason for denial.
2. Should the grantor decline to provide the application scoring sheets and any reviewers' comments or notes, Department staff should then ask for a written

explanation (letter or email) of the deficiencies or weaknesses and the reason for denial.

3. Should the grantor decline to provide a written explanation, Department staff should request a verbal explanation of the deficiencies or weaknesses of the application and the reason for denial. Notes should be taken and retained to help inform any future grant applications to the same funder.
4. Should the grantor decline to provide any explanation of the deficiencies or weaknesses of the application and the reason for denial, Department staff should prepare a memorandum describing the efforts to obtain information about why the application was denied.

VI. DEFINITIONS

None

VII. POLICY OWNER

The Department of Budget and Strategic Planning is responsible for modifications to this Policy.

SECTION SIX

Post Award Grant Management

INTRODUCTION

Once grant funding has been awarded, the work of project implementation begins. The Department receiving the award must focus on the implementation, monitoring, and evaluation of the grant funded program. Those charged with managing the program must work to ensure that they maintain high standards, achieve their stated goals and objectives, meet agreed upon deadlines, stay within budget, expend funds as required, comply with the granting entity's terms and conditions, maintain appropriate records, meet financial and programmatic reporting requirements, and communicate results. Oversight of this process is critical to ensure that the interests and responsibilities of the City are met. Grants Management entails the establishment of standard operating procedures and clear, regular communication by the recipient Department with the Departments of Budget and Finance about the status of the grant funded project and required communication the granting entity.

Subject: Grant Implementation Plan	Number: 6.1
	Effective Date: 1/1/2012
References and/or Exhibits:	Replaces: 7/1/2006 Number: 5.1

I. PURPOSE

To facilitate the successful completion of a grant funded project. The Grant Implementation Plan will serve as a guide for the recipient Department and as an oversight tool for the Budget Grants Office and the Finance Grants Unit.

II. SCOPE

This policy is applicable to all City of Richmond Agencies that have been awarded grant funds.

III. ORGANIZATIONAL UNITS

Department of Budget and Strategic Planning and the Department of Finance and all City Agencies

IV. POLICY STATEMENT

All City Agencies that receive grant funding shall develop a Grant Implementation Plan that identifies the goals and objectives to be achieved, the project timeline, milestone events, an anticipated expenditure schedule, roles and responsibilities, and takes into account grantor terms and conditions. Agencies with work plans that provide the same information for a specific grant can use it as an implementation plan.

V. PROCEDURE

1. Upon notification of a grant award, the recipient Department shall convene an implementation planning process to include Department grant management and accounting staff, key project staff, and any other key individuals. If there already exists a work plan with sufficient detail about the specific grant to include the required information in number two below, it can take the place of an implementation plan.
2. The Grant Implementation Plan shall have the following elements:
 - i. Project overview
 - ii. Project goals and objectives

- iii. Identification of activities and dates (see Appendix C for a sample activity and responsibility matrix)
 - iv. Identification of roles and associated responsibilities
 - v. Anticipated expenditure schedule
 - vi. Evaluation matrix that identifies the measurable objectives, the metrics used to measure them, the anticipated completion date, and fields to enter the actual completion date and outcome measure (see example in Appendix D)
3. The recipient Department shall forward copies of the Grant Implementation Plan to the Budget Grants Office and Finance Grants Unit upon its completion.

VI. DEFINITIONS

None

VII. POLICY OWNER

The Department of Budget and Strategic Planning in conjunction with the Department of Finance is responsible for modifications to this Policy.

Subject: File Management	Number: 6.2
	Effective Date: 1/1/2012
References and/or Exhibits:	Replaces: 7/1/2006 Number: 6.2

I. PURPOSE

To establish standardized file management practices. It is important that file management is consistent for all grants across all agencies. Standardized file management protocols allow for a smooth transition during changes in personnel, instill confidence in granting entities during site visits, expedite reviews by Budget Grants Office and Finance Department staff, and ease the audit process.

II. SCOPE

This policy is applicable to all City of Richmond Agencies that have been awarded grant funds.

III. ORGANIZATIONAL UNITS

Department of Budget and Strategic Planning, the Department of Finance, and all City Agencies

IV. POLICY STATEMENT

All City Agencies shall maintain a file format for grant related documents to include separate sections for document associated with submittal, research, award, finance, and reports, with clear separation between fiscal years unless otherwise directed by the grantor. The grantor's preferred file structure shall always take precedence.

V. PROCEDURE

1. File Structure

All Department and master files associated with a grant award must include the following five elements with clear separations between different fiscal years, unless otherwise directed by the grantor:

- i. Submittal (e.g., application guidance and a copy of the application)
- ii. Research (e.g., statistical and other information used in preparation of and support of the grant)
- iii. Award (e.g., award notification, O&R, grant agreement, terms and conditions, and anything else relating to the award)
- iv. Finance (e.g., account set up, purchase orders, invoices)

v. Reports (e.g., reports to granting entity and evaluation components)

2. File Retention

Grant files are required to be retained a minimum of three years after the official closeout of the grant by the grantor and after completion of City closeout requirements. Grantors may require retention periods in excess of three years. When this occurs, the retention minimum retention period shall be extended to meet grantor requirements. If any litigation, claim, negotiation, audit, or other action involving grant records has been started before the expiration of the three-year period or a longer grantor required 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 or longer grantor required period, whichever is later. For further information please refer to the City's Administrative Regulations and the General Schedule No. 02 ("Fiscal Records") of the Library of Virginia's Records Retention and Disposition Schedules, Series 010164 ("Grant Files"). See http://www.lva.virginia.gov/agencies/records/sched_local/GS-02.pdf.

3. Coverage

The retention requirements extends to books of original entry, source documents supporting accounting transactions, the general ledger, subsidiary ledgers, personnel and payroll records, cancelled checks, and related documents and records. 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 for all individuals reimbursed under the award.

4. File Maintenance

Recipient Agencies are also obligated to protect records adequately against loss, theft, fire or other damage.

5. Access to Records

The granting entity, Federal Agencies, the Comptroller General of the United States, or any of their authorized representatives, City of Richmond Chief Administrator's Office, Department Heads, Finance Grants Unit, City Attorney, City Auditor, Budget Grants Office and/or any other legally authorized party shall have the right of access to any pertinent records in order to make audits, examinations, excerpts, and transcripts.

VI. DEFINITIONS

None

VII. POLICY OWNER

The Department of Budget and Strategic Planning in conjunction with the Department of Finance is responsible for modifications to this Policy.

Subject: Special Revenue Fund	Number: 6.3
	Effective Date: 1/1/2012
References and/or Exhibits:	Replaces: 7/1/2006 Number: 5.3

I. PURPOSE

To outline the accounting requirements for receiving and expending grant funds.

II. SCOPE

This policy is applicable to all City of Richmond Agencies that have been awarded grant funds.

III. ORGANIZATIONAL UNITS

Department of Finance and all City Agencies

IV. POLICY STATEMENT

All revenue accepted by the City of Richmond in the form of a grant shall be established as a Special Revenue Fund, with the exception of awards to fund capital projects adopted by the Capital Improvement Plan, or unless otherwise directed by the Director of Finance.

V. PROCEDURE

1. Upon formal acceptance of a grant award through the O&R process and execution of a grant agreement or contract by the CAO, the recipient Department must complete a New Fund/Organization Request Form and submit it to the Finance Grants Unit and dictate whether or not the account is to be interest bearing (a copy of the New Fund/Organization Request Form can be found in Appendix F). The New Fund/Organization Request Form must include the following information:
 - i. Grant Name (The name may be the title given to the grant program, and/or it may be assigned by the grantee. Please include both if applicable)
 - ii. Grant Number (The number may be a Federal, State, or local agency's identification used as their internal tracking. Some organizations, especially nongovernmental rely on the "Grant Name" to serve this purpose.)
 - iii. Grantor Name (indicate if funds are Federal, State, or local and the granting entity's name)
 - iv. Grant Period (indicate the beginning and ending project period)
 - vi. Grant Fiscal Year (the City of Richmond Fiscal year is July 1 to June 30).
 - vii. Copy of approved budget from the grantor

2. The Finance Grants Unit will review the grant award or contract documents provided by the recipient Department to establish interest bearing accounts, if applicable, a fund number, new org numbers, if needed, with expense and revenue object codes and funding sources.
 - i. The Grant Accountant
 - Reviews the New Fund/Org Form submitted by the Department for accuracy and verifies all supporting documentation is attached. Required documentation are:
 - Copy of application
 - Copy of award letter and award terms and condition or agreement
 - Draft of ordinance to accept and appropriate funds
 - Submits New Org Request Form to the Grant Manager to establish a new fund number.
 - Creates a folder for supporting documentation as well as sets up an analysis spreadsheet on the network.
 - i. The Grant Manager
 - Creates a unique fund number to identify each individual grant award.
 - Agency is determined by the City Department responsible for the programmatic and financial requirements.
 - Create a unique Organization Code for each fund.
 - Upon establishing a new fund number with organization and activity codes the Grant Manager will notify the Grant Accountant who will then send the accounting string to the Department and request the Expense Budget form (EB) and Revenue Budget form (RB) to set up a budget.
 - Upon receipt of the EB and RB's the Grant Accountant should review for consistency with the application submitted to the grantor or grant agreement received from the grantor. Any inconsistencies or errors should be resolved with the Department.
 - Upon reviewing and approving the EB and RB, Finance will submit the forms, a copy of the award letter and a copy of the approved ordinance to Budget for final approval in Advantage.

Note: The Department of Budget and Strategic Planning has defined the structure of the Appropriation Unit.

3. Once the Special Fund Account has been established, Expenditure Budget (EB) forms and Revenue Budget (RB) forms must be prepared and forwarded to the Finance Grant Unit. (See Appendix E for a sample EB/RB form.)

Note: In some cases a Department may need to create a new object code or "appropriation unit" for the amount added by the EB. Each Department financial data entry staff member should be able to advise if this is relevant, otherwise the Department should contact the Budget Department Budget Analyst assigned to it. This activity limits the cumulative expenditures in a grouping of object codes that allow Agencies to control the amount of money expended in certain types of

expenditures (e.g., personnel, supplies, equipment). It is necessary to call the Department of Budget and Strategic Planning to obtain an appropriation unit number before data entry is performed.

4. The Finance Grants Unit reviews the information to ensure funds have been successfully approved and then forwards the EB to the Department of Budget and Strategic Planning for system approval. The recipient Department's Budget Analyst in the Department of Budget and Strategic Planning may advise the Department of additions or changes prior to approval.
5. The Finance Department "certifies" that revenues have been received or in the case of reimbursement grants that an award has been made, and thus can be appropriated by subsequent EBs, which will need Budget Approval.

VI. DEFINITIONS

Capital Improvement Plan (CIP) - A financial plan or budget that outlines spending for capital projects such as buildings, parks, streets, etc., and their financing sources.

EB (Expenditure Budget) Forms - An EB is the method of modifying the expense budget in the City of Richmond accounting system.

Object Codes - A budgetary account representing a specific object of expenditure.

Org (Organization) Numbers - Departments are typically divided into organizations based on the types or geographic location of services offered by it. Each organization has an identifying number associated with it used for accounting purposes.

RB (Revenue Budget) Form - An RB is the method of modifying the revenue budget in the City of Richmond accounting system.

Special Revenue Fund - Fund(s) used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

VII. POLICY OWNER

The Department of Budget and Strategic Planning is responsible for modifications to this Policy.

Subject: Budget Modifications	Number: 6.4
	Effective Date: 1/1/2012
References and/or Exhibits:	Replaces: 7/1/2006 Number: 5.4

I. PURPOSE

To identify the process of modifying a budget associated with a grant funded project.

II. SCOPE

This policy is applicable to all City of Richmond Agencies that have been awarded grant funds.

III. ORGANIZATIONAL UNITS

Department of Budget and Strategic Planning, Department of Finance, and all City Agencies

IV. POLICY STATEMENT

Modifications to the budget associated with a grant funded project in such a way that will alter the grant amount or move funds from one budget line item to another, shall require prior approval of the Department of Budget and Strategic Planning and approval from the grantor or as per the grantor's terms and conditions.

V. PROCEDURE

If a need arises to modify the budget associated with the grant funded project, the Grant Project Manager must:

Request approval for the modification from the Department's Budget Analyst in the Department of Budget and Strategic Planning.

If approval is granted by the Budget Analyst, request a budget modification from the grantor. If the grantor provides verbal approval, the recipient Department must follow-up with written verification and submit hard copies of the approval to the Budget Grants Office and Finance Grants Unit.

If approval is provided in writing from the grantor, an Expense/Revenue Budget Appropriation Form must be submitted with proper documentation and support (especially payroll expenses).

VI. DEFINITIONS

None

VII. POLICY OWNER

The Department of Budget and Strategic Planning in conjunction with the Department of Finance is responsible for modifications to this Policy.

Subject: Receipt of Grant Funds	Number: 6.5
	Effective Date: 1/1/2012
References and/or Exhibits:	Replaces: 7/1/2006 Number: 5.45

I. PURPOSE

The purpose of this policy is to identify the avenues through which grant funds can be accepted.

II. SCOPE

This policy is applicable to all City of Richmond Agencies that are awarded grant funds.

III. ORGANIZATIONAL UNITS

Department of Budget and Strategic Planning, Department of Finance, and all City Agencies

IV. POLICY STATEMENT

No funds shall be dispersed until an O&R has been approved by the City Council, the Finance Grants Unit has established a Special Revenue Fund account or an account has been established in the CIP or General Fund, and the required documentation has been completed.

V. PROCEDURE

Monies received are conveyed to the City of Richmond in different ways. In order to prepare and plan for the successful management, identification of the “type of money transfer” must be made. The three types of money transfers are (1) Electronic Transfers (EDI’s), (2) Reimbursement, and (3) Lump Sum. All grant award money transfers are coded as revenue (account type 31). In all cases, requests for reimbursement to the granting entity must be authorized in advance by the Accounting Manager of Grants and Special Revenue Funds.

1. Types of money transfers, Electronic Transfers (EDI’s), Reimbursement, and Lump Sum transfers, must be identified and coded as revenue (account type 31).
2. A Cash Deposit Form must be completed by the recipient Department for Electronic Transfers (EDI’s).

3. Reimbursements to the expense budget (account type 22) shall be at actual cost or at a rate specified in the grant. When there are conflicts between reimbursement rates of the grantor and the City, the lower of the two rates must prevail.

VI. DEFINITIONS

None

VII. POLICY OWNER

The Department of Budget and Strategic Planning in conjunction with the Department of Finance is responsible for modifications to this Policy.

Subject: Supplanting	Number: 6.6
	Effective Date: 1/1/2012
References and/or Exhibits:	Replaces: 7/1/2006 Number: 5.6

I. PURPOSE

The purpose of this policy is to protect the City from the revocation of grant funds and exposure to legal liability associated with improper use of grant funds.

II. SCOPE

This policy is applicable to all City of Richmond Agencies that receive grant funds.

III. ORGANIZATIONAL UNITS

Department of Budget and Strategic Planning, Department of Finance, and all City Agencies

IV. POLICY STATEMENT

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

Grant funds can only be used to supplement (augment) current funding, not to supplant (replace) it. It is illegal to use grant funding to cover an existing expense so that current funds can be diverted to another

Violations 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.

V. PROCEDURE

N/A

VI. DEFINITIONS

Supplanting - To deliberately reduce budgeted funds because of the existence of grant funds. For example, when City funds are appropriated for a stated purpose and grant funds are awarded for that same purpose, the City replaces its budgeted funds with the grant funds and shift the budgeted funds to a different purpose.

VII. POLICY OWNER

The Department of Budget and Strategic Planning in conjunction with the Department of Finance is responsible for modifications to this Policy.

Subject: Procurement	Number: 6.7
	Effective Date: 1/1/2012
References and/or Exhibits: Chapter 22.1 of the Code of the City of Richmond (1993), as amended	Replaces: 7/1/2006 Number: 5.7

I. PURPOSE

The purpose of this policy is to clarify that all procurement activity associated with grant funds must be consistent with the City's established procurement policy.

II. SCOPE

This policy is applicable to all City of Richmond Agencies that purchase goods or services with grant funds.

III. ORGANIZATIONAL UNITS

Department of Budget and Strategic Planning, Department of Procurement Services, and all City Agencies

IV. POLICY STATEMENT

All procurement activity associated with grant funded projects shall follow the procedures outlined in the City's Procurement Policies and Procedures Manual. No Exceptions.

V. PROCEDURE

1. The City has an established procurement process governed by a procurement policy, which is available from the Department of Procurement Services and is available on starNET. All procurement activity must legally follow the procedures outlined in the City's Procurement Policies and Procedures Manual.
2. The recipient Department must coordinate all procurement activity with the Department of Procurement Services. Clear communication with the Department of Procurement Services early in the implementation process of grant funded projects is a key element of their success.
3. When requesting services through the Department of Procurement Services, a copy of the grant agreement or contract must be provided to the Department of Procurement Services to ensure that the Department of Procurement Services understands what the grantor requires of the procurement process.

VI. DEFINITIONS

Procurement - The combined functions of purchasing, inventory control, traffic and transportation, receiving, inspection, storage, payment, salvage, and disposal.

VII. POLICY OWNER

The Department of Budget and Strategic Planning in conjunction with the Department of Procurement Services is responsible for modifications to this Policy.

Subject: Program Income	Number: 6.8
	Effective Date: 1/1/2012
References and/or Exhibits: Office of Management and Budget Circular A-110	Replaces: 7/1/2006 Number: 5.8

I. PURPOSE

The purpose of this policy is to identify the treatment of program income associated with grant funded activity.

II. SCOPE

This policy is applicable to all City of Richmond Agencies that receive program income through grant funded projects.

III. ORGANIZATIONAL UNITS

Department of Budget and Strategic Planning, Department of Finance, and all City Agencies

IV. POLICY STATEMENT

All program income resulting from a grant funded project or program shall be managed and maintained as established in the award letter, grant agreement, contract, special conditions, or other document generated by the granting entity.

V. PROCEDURE

1. If an Department anticipates receiving program income it must be budgeted appropriately.
2. For federal and state-funded grants, program income, if allowed, could result in an equivalent reduction in reimbursement from the grantor. Many corporate and foundation-funded grants encourage the generation of program income and do not reduce their reimbursements.
3. In any case, an account for the receipt of program income must be established with approvals and control procedures prior to soliciting program income.

VI. DEFINITIONS

Program Income - Gross income earned by the recipient that is directly generated by a supported activity or earned as a result of the award. Program income includes, but is not limited to, income from fees for services performed, the use or rental of real

or personal property acquired under federally-funded projects, the sale of commodities or items fabricated under an award, license fees and royalties on patents and copyrights, and interest on loans made with award funds. Interest earned on advances of Federal funds is not program income. Except as otherwise provided in Federal awarding agency regulations or the terms and conditions of the award, program income does not include the receipt of principal on loans, rebates, credits, discounts, etc., or interest earned on any of them. (Source: Office of Management and Budget Circular A-110)

VII. POLICY OWNER

The Department of Budget and Strategic Planning in conjunction with the Department of Finance is responsible for modifications to this Policy.

Subject: Reporting	Number: 6.9
	Effective Date: 1/1/2012
References and/or Exhibits:	Replaces: 7/1/2006 Number: 5.9

I. PURPOSE

The purpose of this policy is to convey the expected course for the reporting of grant activity to the Department of Finance, the Department of Budget and Strategic Planning, and grantors.

II. SCOPE

This policy is applicable to all City of Richmond Agencies who receive grant funds.

III. ORGANIZATIONAL UNITS

Department of Budget and Strategic Planning, Department of Finance, and all City Agencies

IV. POLICY STATEMENT

Recipient Agencies shall prepare accurate reports as required by the grantor. Copies of all financial status and final reports prepared for submission to the grantor shall be provided, along with the associated Fund/Agency/Organization number, to the Finance Grants Unit at the time of submission to the grantor. Copies of all progress and other programmatic reports prepared for submission to the grantor shall be provided, along with the associated Fund/Agency/Organization number, to the Budget Grants Office at the time of submission to the grantor.

V. PROCEDURE

Grants awarded to the City require that progress and financial reports are submitted to the grantor. Accurate and timely reporting are critical to maintaining a good relationship with the grantor and late or inaccurate reports may negatively impact future funding.

1. Recipient Agencies must prepare accurate financial reports as required by the grantor. Copies of all financial status and final reports prepared for submission to the grantor shall be provided, along with the associated Fund/Agency/Organization number, to the Finance Grants Unit at the time of submission to the grantor.

2. Recipient Agencies must prepare accurate progress or other programmatic reports as required by the grantor. Copies of all progress and other programmatic reports prepared for submission to the grantor shall be provided, along with the associated Fund/Agency/Organization number, to the Budget Grants Office at the time of submission to the grantor.
3. The Finance Grants Unit will review the financial reports for content and quality and address any issues with the recipient Department. Upon satisfaction with the report, the Finance Grants Unit will place a copy of the report in the master file. The recipient Department must provide support or reconciliation to the general ledger.
4. The Budget Grants Office will review any programmatic reports for content and quality and address any issues with the recipient Department. Upon satisfaction with the report, the Budget Grants Office will send a copy to the Finance Grants Unit, which will place a copy of the report in the master file.

VI. DEFINITIONS

Financial Status Reports - A recipient report that contains information on total outlays (grantor and recipient shares) and unobligated recipient balances for the reporting period. Financial status reports are used by the grantor to monitor the financial progress of the grant and show the status of grant and matching funds.

Progress or Performance Report - A recipient report that contains information on the comparison of actual accomplishments to objectives established for the reporting period. In addition, where the output of the project can be quantified, a computation of the cost per unit of output may be required.

VII. POLICY OWNER

The Department of Budget and Strategic Planning in conjunction with the Department of Finance is responsible for modifications to this Policy.

Subject: Special Revenue Fund Closeout	Number: 6.10
	Effective Date: 1/1/2012
References and/or Exhibits:	Replaces: 7/1/2006 Number: 5.10

I. PURPOSE

The purpose of this policy is to convey the expected course of action for ending a grant agreement or contract.

II. SCOPE

This policy is applicable to all City of Richmond Agencies who receive grant funds.

III. ORGANIZATIONAL UNITS

Department of Budget and Strategic Planning, Department of Finance, and all City Agencies

IV. POLICY STATEMENT

Upon completion of the grant period of each grant the recipient Department shall alert the Finance Grants Unit as to the status. If a Special Revenue Fund account is associated with the grant funded project the Special Revenue Fund account must be closed and a memorandum of the closure must be entered into the master file.

V. PROCEDURE

1. Upon completion of the grant period of each grant with an associated Special Revenue Fund account, the recipient Department must prepare a memorandum that identifies the name of the grant and the Special Revenue Fund account number. The memorandum must indicate that the grant is being closed and describe the final disposition of the funds and required activities (see Appendix G for a copy of the closeout checklist).
2. Upon review of the memorandum and satisfaction of any discrepancies, the Finance Grants Unit will update the accounting system, notify the Budget Grants Office, and place the memorandum in the master file.

VI. DEFINITIONS

None

VII. POLICY OWNER

The Department of Budget and Strategic Planning in conjunction with the Department of Finance is responsible for modifications to this Policy.

Subject: Grant Oversight	Number: 6.11
	Effective Date: 1/1/2012
References and/or Exhibits:	Replaces: 7/1/2006 Number: 5.11

I. PURPOSE

The purpose of this policy is to help ensure that all grant funded programs are managed according to the City's Grant Policies and Procedures Manual, to protect current and future grant funding, and to reduce the City's exposure legal liability with respect to mismanagement of grant funded projects.

II. SCOPE

This policy is applicable to all City of Richmond Agencies that receive grant funds.

III. ORGANIZATIONAL UNITS

Department of Budget and Strategic Planning, the Department of Finance, and all City Agencies

IV. POLICY STATEMENT

During the grant period of any grant received by the City, the Budget Grants Office or the Finance Grants Unit may review the files associated with the grant and the project or program it funds.

V. PROCEDURE

1. The Budget Grants Office or the Finance Grants Unit may review the files, activities, equipment, and facilities, and interview relevant personnel and contracted entities of any City of Richmond project or program that is funded with grants awarded to the City.

VI. DEFINITIONS

Oversight - Watchful care or management of a process

VII. POLICY OWNER

The Department of Budget and Strategic Planning in conjunction with the Department of Finance is responsible for modifications to this Policy.

SECTION SEVEN

Grant Accounting

All members of City staff associated with the financial management of grant funded project are responsible for knowing the applicable accounting regulations, principles, standards and policies. These include, but are not limited to, the following:

- **(OMB) Circular A-87 Cost Principles for State, Local and Tribal Government**
This Circular establishes principles for determining the allowable costs incurred by State, local, and federally recognized Indian tribal governments (governmental units) under grants, cost reimbursement contracts, and other agreements with the Federal Government (collectively referred to in this Circular as "Federal awards"). The principles are for the purpose of cost determination and are not intended to identify the circumstances or dictate the extent of Federal or governmental unit participation in the financing of a particular program or project. The principles are designed to provide that Federal awards bear their fair share of cost recognized under these principles except where restricted or prohibited by law. See **Circular A-87** Cost Principles for State, Local and Tribal Government.
- **OMB Circular A-102 Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Government**
This Circular establishes consistency and uniformity among Federal agencies in the management of grants and cooperative agreements with State, local, and federally-recognized Indian tribal governments. For additional guidelines see **Circular A-102** Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Government.
- **OMB Circular A-133 Audits of States, Local Governments and Non-Profit Organizations**
This Circular is issued pursuant to the Single Audit Act of 1984, P.L. 98-502, and the Single Audit Act Amendments of 1996, P.L. 104-156. It sets forth standards for obtaining consistency and uniformity among Federal agencies for the audit of states, local governments, and non-profit organizations expending Federal awards. For additional guidelines see **OMB Circular A-133** on Audits of States, Local Governments, and Non-Profit Organizations.

Subject: Expenditures	Number: 7.1
	Effective Date:
References and/or Exhibits:	Replaces: 1/1/2012 Number: 7.1

I. PURPOSE

The purpose of this policy is to ensure that all grant expenditures are consistent with City policies, are for eligible items, and adhere to the grant terms and conditions *and* Federal laws and regulations.

II. SCOPE

This policy is applicable to all City of Richmond Agencies that receive grant funds.

III. ORGANIZATIONAL UNITS

The Department of Finance and all City Agencies

IV. POLICY STATEMENT

All purchases of goods and services made using grant or leverage funds shall be made in accordance with the City's procurement policies as issued by the Department of Procurement Services. Additionally, the determination of what constitutes an eligible expense of grant or leverage funds shall be the responsibility of the recipient Department grant manager in consultation with the recipient Department grant accountant and shall be based upon the grant agreement, associated terms and conditions, and cited regulations. Qualifying expenditures/expenses shall be reported when incurred. All contractual obligations (including encumbrances) shall be recorded using the full assigned account code.

V. PROCEDURE

1. For the purchase of goods or services involving grant or leveraged funds, please see Policy Number 6.7 of this manual. All procurement activity associated with grant-funded projects shall follow the procedures outlined in the City's Procurement Policies and Procedures Manual unless otherwise specified by the funder.
2. For all proposed expenditures to be submitted subsequently for reimbursement with Federal funds, the recipient Department grant accountant shall ensure that all costs are reasonable, allocable, and allowable. If you have any questions as to the reasonableness, allocability, and allowability of costs, refer to OMB Circular A-87 (at the following URL:

http://www.whitehouse.gov/omb/circulars_a087_2004#c), or contact your funder Project Officer prior to incurring those costs. This applies to proposed expenditures that are intended to be reimbursed through any federal reimbursement system or method (ASAP or EFT for example).

3. When contemplating the expenditure of grant or leverage funds not covered by the City's procurement code, the recipient Department grant manager must, in consultation with the recipient Department grant accountant, determine if the proposed expense is eligible as defined by the grant agreement, its terms and conditions, or any documents referenced by it such as an OMB Circular or CFR.

VI. DEFINITIONS

Allowability, Allocability, and Reasonableness of costs address directly the legitimacy of a cost charged against a specific award involving Federal funds. Determination of allowability, allocability, and reasonableness of a given expense is based on specific guidelines of the funder and according to federal cost principles.

Allowability

To be allowable under Federal awards, costs must meet the following general allowability criteria as identified in OMB Circular A-87:

- Be necessary and reasonable for proper and efficient performance and administration of Federal awards.
- Be allocable to Federal awards under the provisions of OMB Circular A-87.
- Be authorized or not prohibited under State or local laws or regulations.
- Conform to any limitations or exclusions set forth in the principles articulated in Circular A-87, Federal laws, terms and conditions of the Federal award, or other governing regulations as to types or amounts of cost items.
- Be consistent with policies, regulations, and procedures that apply uniformly to both Federal awards and other activities of the governmental unit.
- Be accorded consistent treatment. A cost may not be assigned to a Federal award as a direct cost if any other cost incurred for the same purpose in like circumstances has been allocated to the Federal award as an indirect cost.
- Except as otherwise provided for in OMB Circular A-87, be determined in accordance with generally accepted accounting principles.
- Not be included as a cost or used to meet cost sharing or matching requirements of any other Federal award in either the current or a prior period, except as specifically provided by Federal law or regulation.
- Be the net of all applicable credits.
- Be adequately documented.

Allocability

Once allowability criteria have been met, the cost must be evaluated against the criterion of allocability. OMB Circular A-87 states the following:

- A cost is allocable to a particular cost objective if the goods or services involved are chargeable or assignable to such cost objective in accordance with relative benefits received.
- All activities which benefit from the governmental unit's indirect cost, including unallowable activities and services donated to the governmental unit by third parties, will receive an appropriate allocation of indirect costs.
- Any cost allocable to a particular Federal award or cost objective under the principles provided for in OMB Circular A-87 may not be charged to other Federal awards to overcome fund deficiencies, to avoid restrictions imposed by law or terms of the Federal awards, or for other reasons.
- Where an accumulation of indirect costs will ultimately result in charges to a Federal award, a cost allocation plan will be required.

Reasonableness

The cost must be able to withstand public scrutiny, i.e., objective individuals not affiliated with the City would agree that a cost is appropriate for the award. In determining reasonableness of a given cost, OMB Circular A-87 states that consideration shall be given to:

- Whether the cost is of a type generally recognized as ordinary and necessary for the operation of the governmental unit or the performance of the Federal award.
- The restraints or requirements imposed by such factors as: sound business practices; arms length bargaining; Federal, State and other laws and regulations; and, terms and conditions of the Federal award.
- Market prices for comparable goods or services.
- Whether the individuals concerned acted with prudence in the circumstances considering their responsibilities to the governmental unit, its employees, the public at large, and the Federal Government.
- Significant deviations from the established practices of the governmental unit which may unjustifiably increase the Federal award's cost.

VII. POLICY OWNER

The Department of Finance is responsible for modifications to this Policy.

Subject: Revenues	Number: 7.2
	Effective Date: 1/1/2012
References and/or Exhibits:	Replaces: N/A

I. PURPOSE

The purpose of this policy is to guide the administration of City grant revenue to promote sound financial management.

II. SCOPE

This policy is applicable to all City of Richmond Agencies that receive grant funds.

III. ORGANIZATIONAL UNITS

The Department of Finance and all City Agencies

IV. POLICY STATEMENT

Grant revenues should be requested from the grantor at least on a monthly basis (unless otherwise specified by the grantor) and recorded in the financial system as they become measurable and available. Revenues from entitlements and shared revenues should be recognized in the fiscal year in which all eligibility requirements have been satisfied. Revenues should be posted to the assigned fund number and organization code and should be posted to the appropriate budget item.

V. PROCEDURE

1. Expenditures are charged to the assigned special revenue accounting string (fund, agency, organization code).
2. On a monthly basis, the agency should evaluate the expenditures that have posted to the accounting string and request reimbursement from the grantor, for those expenditures allowable as per the grant/award agreement that have incurred since the previous request for reimbursement.
3. Once the reimbursement has been received, the agency should post the revenue to the assigned accounting string using the city's pay-in process.

VI. DEFINITIONS

N/A

VII. POLICY OWNER

The Department of Finance is responsible for modifications to this Policy.

Subject: Drawdown of Funds	Number: 7.3
	Effective Date: 1/1/2012
References and/or Exhibits:	Replaces: N/A

I. PURPOSE

The purpose of this policy is to prevent a delay in requests for drawdown of funds that may negatively impact the City's cash flow.

II. SCOPE

This policy is applicable to all City of Richmond Agencies that receive grant funds.

III. ORGANIZATIONAL UNITS

The Department of Finance and all City Agencies

IV. POLICY STATEMENT

Drawdown requests to reimburse expenditures shall be made as frequently as permitted under the grant agreement, but no less frequently than monthly, or at intervals specified by the funder, and in accordance with the grant agreement terms and conditions.

V. PROCEDURE

1. Procedures for submitting drawdown requests vary from funder to funder, but in each case are delineated in the grant agreement or an associated document. In all cases, the funder's procedures must be followed.

VI. DEFINITIONS

Drawdown of Funds - A process whereby a grantee requests and receives funds from the funding agency.

VII. POLICY OWNER

The Department of Finance is responsible for modifications to this Policy.

Subject: Advances from Funding Agencies	Number: 7.4
	Effective Date: 1/1/2012
References and/or Exhibits:	Replaces: N/A

I. PURPOSE

The purpose of this policy is to establish requirements for revenue received in advance from government entities for grant-related activities.

II. SCOPE

This policy is applicable to all City of Richmond Agencies that receive grant funds.

III. ORGANIZATIONAL UNITS

The Department of Finance and all City Agencies

IV. POLICY STATEMENT

Advances shall be recorded as a liability. Advance requests from funders shall be limited to the minimum amount needed, and shall be requested only to meet actual, immediate cash needs, unless otherwise required by the funder.

V. PROCEDURE

1. Care must be exercised to ensure that funds are not drawn unnecessarily in advance of actual expenditures in order to prevent the City becoming obligated to pay the funder interest on advanced funds. (Note: if the funder permits advances and allows the City to retain any interest accrued as a result, an advance may be desirable.)
2. Any advance provided to the City by a funder shall be initially recorded as a liability and should be subsequently reduced when expenses are actually incurred. The balance sheet account number for advances is 2270 – Advances – Gov't Entities.
3. After posting the advance, the recipient Department is responsible for notifying the Department of Finance Grant Accountant with the below information for interest to be calculated on the fund:
 - The accounting string and balance sheet account with the advance funds
 - Award letter, grant agreement, or contract from the grantors that specifies the requirements regarding advances, administration funds or interest earned

- Documentation for the grants that restricts or has stipulation on the earned interest
4. Interest accrued as a result of advances from federal entities is an intra-governmental liability and should be accounted for separately. The balance sheet account number for Accrued Interest Payable – Gov’t Entities is 2130. This account should be used to post interest recorded monthly or quarterly for advances from government entities on funds that the City has not expended.
 5. Upon completion of the grant period if there are any unexpended funds, the City is obligated to return the funds to the grantor, unless otherwise stated in the award letter, grant agreement, or contract. The recipient Department must complete a Non-Encumber Invoice form and submit it the Department of Finance Grant Accountant for review and processing by Account Payable.

VI. DEFINITIONS

Advances - Advances are prepayments of cash outlays made by a funder to its grantee to cover part or all the recipient’s anticipated expenses.

VII. POLICY OWNER

The Department of Finance is responsible for modifications to this Policy.

Subject: Journal Vouchers	Number: 7.5
	Effective Date: 1/1/2012
References and/or Exhibits:	Replaces: N/A

VIII. PURPOSE

The purpose of this policy is to establish the requirement that grant related transactions recorded on Journal Vouchers be reviewed and approved by authorized personnel.

IX. SCOPE

This policy is applicable to all City of Richmond Agencies that receive grant funds.

X. ORGANIZATIONAL UNITS

The Department of Finance and all City Agencies

XI. POLICY STATEMENT

A review of all transactions requiring a journal voucher for posting to the general ledger shall all be conducted by the Department of Finance as a basis for approval or non-approval

XII. PROCEDURE

1. It is the responsibility of the recipient Department staff preparing the Journal Voucher to insure that the transaction being recorded is:
 - Legal
 - Budgeted
 - Adequately supported by auditable documentation
2. All transactions that require a journal voucher for posting to the general ledger shall be reviewed by the Department of Finance Grant Accountant as well as approved by the Department of Finance Grant Accounting Manager. In absence of the Department of Finance Grant Accounting Manager, the journal voucher should be reviewed by any individual on the JV approved list.
3. If the review is positive, the transaction will be approved.
4. If the review identifies problems, the transaction will not be approved and the recipient Department grant staff will be notified of the problem.

XIII. DEFINITIONS

Journal Voucher (JV) - An accounting entry for the recording of certain transactions, corrections or information. The journal voucher usually contains an entry or entries, explanations, references to documentary evidence supporting the entry or entries, and the signature or initials of one or more properly authorized officials.

XIV. POLICY OWNER

The Department of Finance is responsible for modifications to this Policy.

Subject: Monthly Requirements	Number: 7.6
	Effective Date: 1/1/2012
References and/or Exhibits:	Replaces: N/A

I. PURPOSE

The purpose of this policy is to ensure that all expenditure, revenue, and encumbrances are properly recorded and supported by documentation.

II. SCOPE

This policy is applicable to all City of Richmond Agencies that receive grant funds.

III. ORGANIZATIONAL UNITS

The Department of Finance and all City Agencies

IV. POLICY STATEMENT

Reconciliations shall be performed monthly to ensure that all expenditure, revenue, and encumbrances are properly recorded and supported by *Fin-A613 Summary Trail Balance by Accounting Distribution – Within Fund* or other documentation.

V. PROCEDURE

1. Recipient Department grant staff shall conduct a reconciliation at least on a monthly basis that should include a general review of revenue and expenditure accounts as well as ending fund balance for the fund source, which should agree to the *Fin-A613 Summary Trail Balance by Accounting Distribution – Within Fund*.
2. Recipient Department staff shall take appropriate action to correct errors discovered during the reconciliations and fund balance analysis as described below:
 - Deficit Fund Balance – Generally, no deficit fund balances should be reflected for any type of grant or other financial assistance. If the fund balance analysis results in a deficit fund balance, determine whether there are deferred revenues and/or advances recorded which should have been recognized as current period revenue. If deferred revenues and/or advances are available, reverse sufficient funds to the appropriate revenue account (debit deferred revenue and credit revenue) in an amount sufficient to bring the deficit fund balance to zero. If there are no deferred revenues or advances available,

determine why recorded expenditures exceed recorded revenues. Next determine if reimbursement has been requested from the grantor. If reimbursement has not been requested, the recipient Department must do so and provide the Finance Grant Accountant with a copy of the reimbursement request. The Finance Grant Accountant will then determine if requirements have been met, then accrue sufficient amount to accounts receivable and revenue to bring the deficit fund balance to zero. Finally if the above two options were examined and there remains a deficit balance, then a review of the budget to expenditure must be done to determine if the recipient Department overspent the grant. If so, reimbursement will then be covered by the general funds.

- Positive Fund Balance – By definition, there should be no fund balance on hand for expenditures driven or reimbursement based grants, which make up the majority of grants received by the City. If the fund balance analysis results in a positive fund balance, determine whether it is appropriate for this grant to retain a fund balance at the period-end. If it is not appropriate for a fund balance to exist and the recorded fund balance is offset only by cash, sufficient revenues should be reduced and reclassified to deferred revenue to bring the fund balance to zero (debit revenue and credit deferred revenue). If the fund balance is offset by cash and accounts receivable, revenue and accounts receivable should be eliminated to bring the fund balance to zero (if revenue is accrued monthly, then the account receivable account should be reconciled monthly).

VI. DEFINITIONS

Reconciliation - A process that compares two sets of records (usually the balances of two accounts) to make sure they are in agreement. Reconciliation is used to ensure that the money leaving an account matches the actual money expended; this is done by making sure the balances match at the end of a particular accounting period.

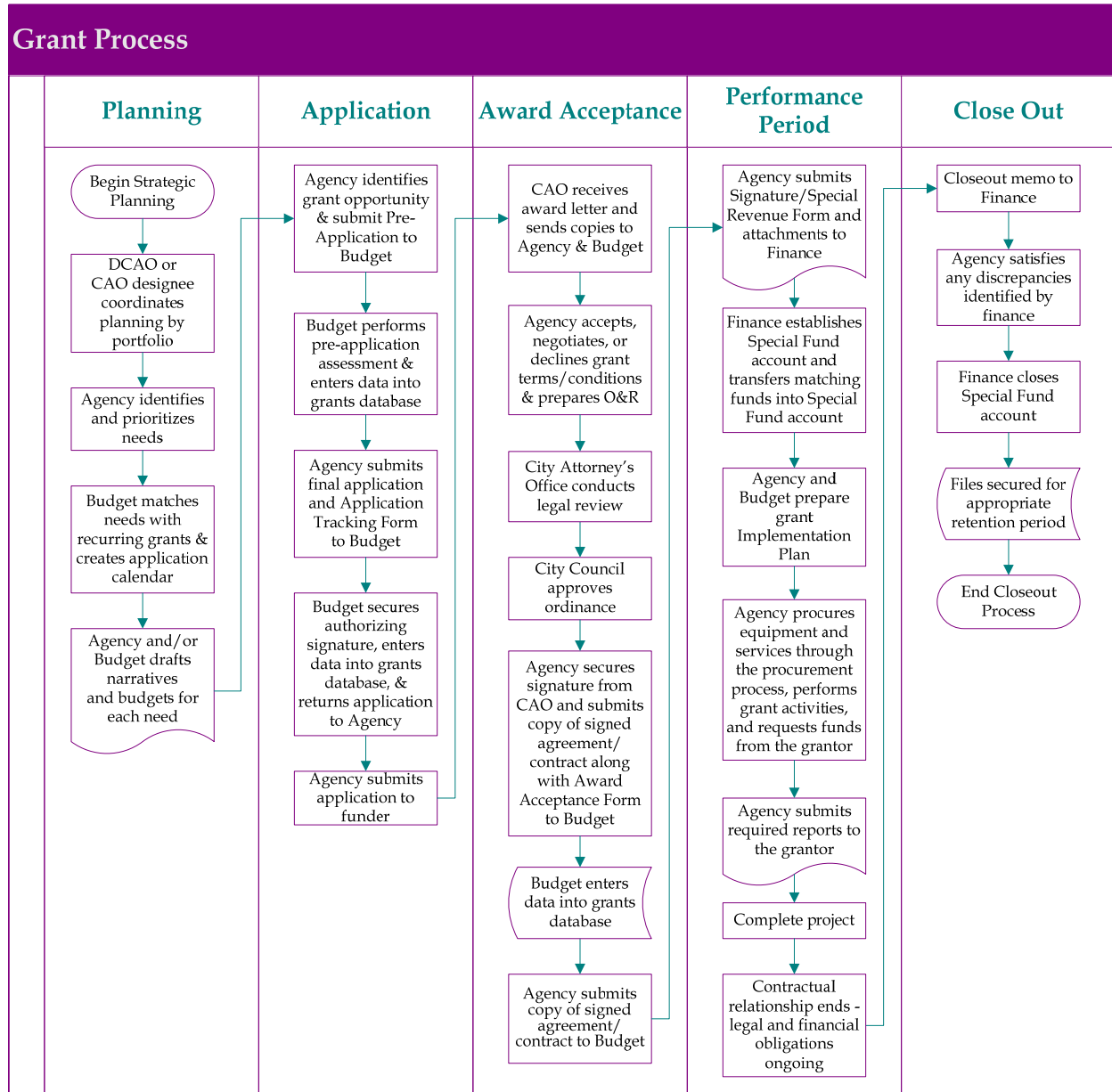
VII. POLICY OWNER

The Department of Finance is responsible for modifications to this Policy.

SECTION EIGHT

Appendices

Appendix A: Grant Process Flow Chart




Appendix B: Grant Tracking Form

Instructions for Completing the Grant Tracking Form

Complete the Grant Tracking Form on the following page according to the directions below, attach the appropriate documentation, and submit it to the Budget Grants Office located in the Department of Budget & Strategic Planning.

Item	Entry:	Item	Entry:
Form type	Select whether the form is a: <ul style="list-style-type: none"> • Pre-Application Grant Tracking Form • Application Grant Tracking Form • Award Acceptance Grant Tracking Form • Amendment Grant Tracking Form NOTE: If this is an Amendment Grant Tracking Form, the only remaining portion of the form that needs to be filled-in is the "Description of Project or Amendment" section.	Funding type	Use the pull-down menu to identify the funding type.
Agency	Enter the City of Richmond Department or office submitting the form.	Grant type	Use the pull-down menu to identify the grant type.
Contact person	Enter the name of the City of Richmond Agency person completing this form.	New or continuation	Use the pull-down menu to identify the grant new or continuation status.
Role	Use the pull-down menu to identify the role of the contact person.	CFDA Number	Enter the CFDA (Catalogue of Federal Domestic Assistance) Number if the source is Federal.
Phone	Enter the work phone number of the contact person.	Electronic or hardcopy	Use the pull-down menu to indicate whether the grant will be/was submitted electronically or as hardcopy.
E-mail	Enter the work e-mail address of the contact person.	Description of Project or Amendment	If this is a Pre-Application, Application, or Award Grant Tracking Form, provide a brief description of the project. If this is an Amendment Grant Tracking Form, provide a detailed description of the amendment or modification (attach additional pages if necessary).
Grant name	Enter the grant name identified by the grantor.		
Grantor	Enter the name of the granting entity. If the grantor is a federal or state grantor, enter the federal or state agency name.	Continuation Plan	Enter Continuation Plan if this is an Application Grant Tracking Form. Otherwise leave blank.
Database tracking number	Enter the database tracking number assigned by the City's Grants Management Database. If a database tracking number has not been assigned yet, leave the field blank.	How is the match amount determined	Identify the amount of match if it is a fixed amount determined by the grantor or enter a percentage if it is a percentage of the total project costs. If it is neither, select "Other" and explain how it is determined in the space provided.
Total project cost	This field will automatically be populated when you complete the award and match amounts. Do not enter anything into this field.	Match budgeted/not budgeted & source	For the City fiscal year in which the grant will begin, enter the amount of the required cash match that is already budgeted and available in your Agency's budget and the amount that is not in your Agency's budget. Identify the source(s) of the cash match in the space provided – Fund/Agency/Org for the amount budgeted and the source for the amount not budgeted.
Total award amount	Enter the amount of funds that are either requested of the grantor if this is a pre-Application or Application Grant Tracking Form or the amount awarded by the grantor if this is an Award Acceptance Grant Tracking Form.	Projected budget all years	If the grant will span multiple City fiscal years, identify the City fiscal years in the left column and enter the projected amount from each source (Federal, State, other, and cash and in-kind match) for each fiscal year.
Total cash match	Enter the amount of proposed cash match if this is a pre-Application or Application Grant Tracking Form or the amount of required cash match if this is an Award Acceptance Grant Tracking Form.	Authorization	This applies only to grant Applications. <u>All Application Grant Tracking Forms must include the signature of the Agency Head</u> of the requesting agency before it will be forwarded to the CAO for authorization.
Total in-kind match	Enter the amount of proposed in-kind match if this is a pre-Application or Application Grant Tracking Form or the amount of required in-kind match if this is an Award Acceptance Grant Tracking Form.		
Application date	Enter the date the application is due or the date the application was submitted.		The CAO will authorize submission of the application only after it has been reviewed and the associated Application Grant Tracking Form has been initiated by the Grant Coordinator and the Budget Analyst for the requesting Agency.
Grant period from & to	Enter the date that the grant period begins (grant period from) and the date it ends (grant period to). Use the d/m/yy format.		

 Grant Tracking Form	<input type="checkbox"/> Pre-Application	<input type="checkbox"/> Application	<input type="checkbox"/> Amendment
	<input type="checkbox"/> Award Acceptance: Agency Head initials certifying agreement to comply with all terms and conditions _____		Procurement Office initials _____

Grant/Contract Tracking

GMS tracking number: _____	Procurement/grants contract number _____
----------------------------	--

Agency and Contact Information

Agency name: _____	Contact name: _____
Contact phone: _____	Contact e-mail: _____

Grant Information

Grant name: _____	
Grantor name: _____	Date authorization needed: _____
Pass-through grantor name: _____	CFDA number: _____
Application due date: _____	Grant period start date: _____ Grant period end date: _____
Type of grant: _____	New or other: _____ Electronic or hardcopy submission: _____

Grant and Matching Funds

Amount of request/award: _____	Cash match amount: _____
Value of in-kind match: _____	Total project cost: \$ 0.00

Source of Matching Funds

How was the cash match amount determined: _____	
Proposed source(s) of cash match: _____	
If the City is the proposed source, how much is budgeted this fiscal year: _____	Not budgeted: _____

Brief Description of Project or Amendment
Continuation Plan
Budget Summary

Fiscal Year	Federal	State	Other	Cash match	In-Kind match	Total each year
FY						\$ 0.00
FY						\$ 0.00
FY						\$ 0.00
FY						\$ 0.00
FY						\$ 0.00
TOTAL	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00

Approvals

Grant Coordination Comments: _____ <div style="text-align: right;">Initials _____</div>	Budget Analyst Comment: _____ <div style="text-align: right;">Initials _____</div>	Authorization for document submittal/approval
		Agency Head Signature _____ Date _____
		CAO Signature _____ Date _____

Appendix C: Activity and Responsibility Matrix


Specific Tasks (in Chronological Order)	Time Required	Target Dates		Resources Needed	Person/ Position Responsible	Monitoring		Evaluation	
		Begin	End			Reporting Requirement	Due Date	Completion Date	Quality of Outcome

Appendix D: Sample Evaluation Matrix

Evaluation Matrix


Objectives	Metric used to Measure Objective	Anticipated Completion Date	Actual Completion Date	Outcome Measure
Objective 1				
Objective 2				
Objective 3				

Appendix E: EB / RB Form

 CITY OF RICHMOND EXPENSE/REVENUE BUDGET APPROPRIATION FORM					Doc Type	Agency	Doc ID Number
Ordinance Number				Fund Name			
Trans Date				Acct Period		Budget FY	
Fund				Agency			
Line Action	Orgn	Actv	Appr Unit	Object/ Rev Source	Current Appropriation	Inc/Dec Amount	New Appropriation
01							-
02							-
03							-
04							-
05							-
06							-
07							-
08							-
09							-
10							-
11							-
12							-
				TOTALS	-	-	-
Prepared By:			Telephone Number		Department Approval:		Date
Finance Approval (Special Funds):			Date		Budget Approval:		Date

Date Revised: 7/27/01

Page ____ of ____

 CITY OF RICHMOND EXPENSE/REVENUE BUDGET APPROPRIATION FORM					Doc Type	Agency	Doc ID Number
					-	-	0

Ordinance Number	<input type="text" value="0"/>	Fund Name	<input type="text" value="0"/>
Fund	<input type="text" value="0"/>	Agency	<input type="text" value="0"/>

Line Action	Orgn	Actv	Appr Unit	Object/ Rev Source	Current Appropriation	Inc/Dec Amount	New Appropriation
13							-
14							-
15							-
16							-
17							-
18							-
19							-
20							-
21							-
22							-
23							-
24							-
24							-
26							-
				TOTALS	-	-	-

Appendix F: New Fund/Organization Request Form

**New Fund / Organization Request Form**

All of the information requested below must be provided before Special Fund account will be established. Please submit the completed form and attachments to the Department of Finance.

Request

- 1 Is this request associated with the American Reinvestment and Recovery Act of 2009 NO ☐ YES ☐
- 2 This request is for a New Fund Number NO ☐ YES ☐
- 3 This request is for a New Organization Number NO ☐ YES ☐ for existing Fund Number
- 4 Will this account earn interest (if yes, support must be provided) NO ☐ YES ☐

Department Information

- 5 Department/Agency Date of request
- 6 Name of Preparer Phone

Grant/Special Fund Activity Information

- 7 Grant name or Special Fund activity
- 8 Grant, contract, or identification number City tracking number
- 9 Award amount \$ Cash match amount \$0.00
- 10 Source of original funding CFDA number if Federal
- 11 Name of original funder
- 12 Name of Pass-Through funder (if applicable)

Time Frame and Reporting

- 13 Grant/funding period start Grant/funding period end
- 14 Frequency of required financial reporting to funder (monthly, quarterly, annually)

Budget Detail Projected by City Fiscal Year

15 City Fiscal Year	Federal	State	Other	Cash match	Total each year
FY 2010	\$0.00				\$ 0.00
FY					\$ 0.00
FY					\$ 0.00
FY					\$ 0.00
FY					\$ 0.00
TOTAL	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00

Required Supporting Documentation

Required Document	Is Document Attached	
16 Copy of grant application	YES <input type="checkbox"/>	NO <input type="checkbox"/>
17 Copy of executed award letter with special conditions and approved budget	YES <input type="checkbox"/>	NO <input type="checkbox"/>
18 Copy of adopted Ordinance to accept and appropriate funds	YES <input type="checkbox"/>	NO <input type="checkbox"/>

NOTE: Please provide a detailed written explanation for any required documentation that is not attached

Department of Finance Authorization

- 19 The New Fund/Org Number Authorized by the Department of Finance
- Name (print) Authorizing Signature Date

Appendix G: Closeout Checklist

**Closeout Checklist for Grants**

All of the information requested below must be provided before the Special Fund account can be deactivated. Please submit the completed form and attachments to the Department of Finance.

Grant/Special Fund Activity Information

Department/Agency		
Name of person completing the form		Phone
Grant name or Special Fund activity		
Grant, contract, or identification number		Fund/Agency/Org number
Award amount	Cash match amount	CFDA number if Federal
Name of original funder		
Name of Pass-Through funder (if applicable)		
Grant start date	Grant period end date	Budget period end date
Funding type	Grant type	New or Other

Accounting/Reconciliation

Confirm that all expenditures and revenues been posted to this account?	YES	<input type="checkbox"/>	NO	<input type="checkbox"/>
Have all outstanding encumbrances been cleared?	YES	<input type="checkbox"/>	NO	<input type="checkbox"/>
Verify that valid expenditures and revenues are posted to this account?	YES	<input type="checkbox"/>	NO	<input type="checkbox"/>
Verify that all revenue has been received from the grantor?	YES	<input type="checkbox"/>	NO	<input type="checkbox"/>
Are the fund balances zero?	YES	<input type="checkbox"/>	NO	<input type="checkbox"/>
Are cash balances zero?	YES	<input type="checkbox"/>	NO	<input type="checkbox"/>
Are accounts receivable and payable balances zero?	YES	<input type="checkbox"/>	NO	<input type="checkbox"/>
Are encumbrances balances zero?	YES	<input type="checkbox"/>	NO	<input type="checkbox"/>
Did the Fund generate program income from fees?	YES	<input type="checkbox"/>	NO	<input type="checkbox"/>

Reimbursement to Grantor

Does the Fund have to reimburse cash to the Grantor?	YES	<input type="checkbox"/>	NO	<input type="checkbox"/>	Amount if yes	
Has a not-encumbered invoice been prepared for reimbursement of these funds?	YES	<input type="checkbox"/>	NO	<input type="checkbox"/>		

Disposition of Federal Property

If the grantor is federal, is there equipment to dispose?	YES	<input type="checkbox"/>	NO	<input type="checkbox"/>
If the grantor is federal, is there real estate property to dispose?	YES	<input type="checkbox"/>	NO	<input type="checkbox"/>
If either of the above is yes, was the federal agency contacted for disposal instructions?	YES	<input type="checkbox"/>	NO	<input type="checkbox"/>

Reporting

If the grantor is federal, were any of the following submitted to the funding agency?	SF-269	<input type="checkbox"/>	SF-269a	<input type="checkbox"/>
SF-270 (Request for Advance or Reimbursement)	<input type="checkbox"/>	SF-272 (Report of Federal Cash Transactions)	<input type="checkbox"/>	

Required Documentation

Please attach the following: Copy of Final Report	<input type="checkbox"/>	Copy of closeout letter/notification from grantor	<input type="checkbox"/>
---	--------------------------	---	--------------------------

Agency Certification

I certify that the above information is correct	Printed Name	Signature	Date
---	--------------	-----------	------

Department of Finance Authorization

Is reconciliation complete?	YES	<input type="checkbox"/>	NO	<input type="checkbox"/>	Procurement Officer Initials	
Was a request to deactivate the Org code sent to General Accounting?	YES	<input type="checkbox"/>	NO	<input type="checkbox"/>		
Is the Org Code deactivated?	YES	<input type="checkbox"/>	NO	<input type="checkbox"/>		
Is the account authorized for closure by the Department of Finance?	YES	<input type="checkbox"/>	NO	<input type="checkbox"/>		
Name (print)	Authorizing Signature			Date		

February 27, 2008

Appendix H: Glossary of Grant Terms

501(c)(3)

The section of the Internal Revenue tax code that defines the nonprofit, charitable (as broadly defined), tax-exempt organizations. Contributions made to these organizations are tax-exempt for the donors. To convey that status, they often represent themselves as 501(c)(3) organizations, rather than merely nonprofit organizations.

A

Abstract

Summarizes the purpose, importance and scope of the proposed project.

Accessibility

The extent to which programs or services can be reached or obtained by those who want or need them.

Activity

The functional elements of a program.

Administrative Costs

All direct and indirect costs associated with the management of grant programs. Often capped by the grantor at a certain percentage of the grant.

Advances

Advances are prepayments are cash outlays made by a funder to its grantees or others to cover part or all the recipients' anticipated expenses.

Application

A request for financial support of a project or activity submitted to a funder.

Applicant

A party requesting a grant.

Application Number

When an application has been successfully submitted to a funder and the funder assigns a unique number to that application. Applicants should keep a record of the application number and reference it when communicating with the funder.

Application Package

A package that contains the application notice for one or more discretionary grant or cooperative agreement programs and all the information and forms needed to apply for those programs.

Assessment

The process of collecting and analyzing information to make judgments.

Assurances

A listing of a variety of requirements, found in different federal laws, regulations, and executive orders, that applicants agree to by signature in an application.

Audit

An examination of grant records and financial accounts for accuracy and legal compliance which may lead to recommendations for corrective action.

Authorized Official

The individual, named by the applicant organization, who is authorized to act for the applicant and to assume the obligations imposed by the laws, regulations, requirements, and conditions that apply to grant applications or grant awards.

Award

An award is a funder's agreement to contribute funding to a specific project. When a funder approves an award, a formal notice is sent to the recipient. This notice is usually in the form of a grant or a contract.

Award Notification

An official document signed by the funder stating the amount and the terms and conditions of an award.

Award Number

The identifying number for a discretionary grant or cooperative agreement award issued by the funder.

B**Bidder's Conference**

A meeting to discuss with potential bidders, technical, operational and performance specifications, and/or the full extent of financial security and contractual obligations related to a grant solicitation.

Block Grant

A broad intergovernmental transfer of funds or other assets by the U.S. Congress to state or local governments for specific activities such as secondary education or health services but with few strings attached. Block grants are distributed according to legal formulas defining broad functional areas such as health, income security, education, or transportation. They are used for a variety of activities, largely at the recipient's discretion. For example, the community development block grant program, administered by the federal Department of Housing and Urban Development, funds community and economic development programs in cities, in counties, on Indian reservations, and in U.S. territories. A block grant's relative lack of restrictions allows recipient jurisdictions to spend the money to supplement other resources as they see fit

Boilerplate

A form or section of a document that is used so often as to become standard and reused.

Budget

The financial expenditure plan for the grant-supported project or activity. The budget consists of funder (grant) funds and, if required by the funder, grantee participation in the form of matching or cost sharing.

Budget Period

An interval of time into which a project period is divided for budgetary purposes, usually twelve months.

C**Capital Expenditure**

The cost of an asset (land, building, equipment), including the cost to put it in place. A capital expenditure for equipment includes the net invoice price and the cost of any modifications, attachments, accessories, or auxiliary apparatus to make it usable for the purpose for which it was acquired. Other charges, such as taxes, in-transit insurance, freight, and installation, may be included in capital expenditure costs in accordance with the recipient's regular accounting practices consistently applied regardless of the source of funds.

Capital Support

Funds provided for endowment purposes, buildings, construction or equipment.

Carry-Forward

A pool of unexpended funds which is moved to the next funding period

Catalog of Federal Domestic Assistance (CFDA)

A publication, and database, that lists the grants and assistance programs of all federal agencies and gives information about a program's authorization, fiscal details, guidelines, eligibility requirements, program contacts, application and award process. The program's CFDA number is required on grant application forms.

Certification

A statement, signed by an applicant or grantee as a prerequisite for receiving funds, that it (1) meets or will adhere to certain conditions and/or (2) will undertake or not undertake certain actions.

Challenge Grant

A grant offered with the stipulation that the recipient will raise additional funds from another source or sources. Also called a "matching grant."

Charitable Choice

A requirement, placed in recent legislation, that state governments contracting with private sector organizations cannot discriminate against a faith-based social services provider because the provider is religious.

Code of Federal Regulations (CFR)

A compilation of all final regulations issued by federal agencies, published annually and divided by numbered “Titles.”

Cognizant Agency

The Federal agency which, on behalf of all Federal agencies, is responsible for implementing the requirements of the Single Audit Act which include: reviewing, negotiating, and approving cost allocation plans, indirect cost rate and similar rates; receiving and approving non-federal audit reports; conducting federal audits as necessary; and resolving cross-cutting audit findings.

Community Foundation

A 501(c)(3) organization, usually considered a public charity, that makes grants for specific purposes in a specific community or region.

Funds are derived from many donors and held in an endowment that is independently administered.

Competitive Review Process

The process used by a funder to select applications for funding, in which subject-area experts score applications and only applications with the highest scores are considered for funding.

Concept Paper

Preferred by foundations as a first submission, a concept paper contains key elements of a project, including information about the applicant, the target population, the need, objectives, total budget, other contributors and what makes it remarkable. Concept papers should not exceed three pages, including the cover letter.

Consortium Agreement

A formalized agreement whereby a project is carried out by the grantee and one or more other organizations that are separate legal entities.

Consultant

An individual who provides professional advice or services for a fee, but normally not as an employee of the engaging party. In unusual situations, an individual may be both a consultant and an employee of the same party, receiving compensation for some services as a consultant and for other work as a salaried employee. Consultants also include firms that provide professional advice or services.

Contact Person

The representative of the funder for the grant program, and may also serve as the program administrator or grant officer.

Continuation Grant

A continuation grant provides additional funding for budget periods subsequent to the initial budget period.

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.

Cost-Benefit Analysis

A quantitative procedure that assesses the desirability of a project by totaling and comparing the equivalent money value of the benefits and costs of a given project. The outcome of the analysis is a cost-benefit ratio, which demonstrates whether the net value of benefits exceeds the net value of costs.

Cost-Effectiveness

A systematic quantitative method for comparing the costs of alternative means to achieve the same benefits of a given objective. Cost-effectiveness is generally determined by performing a cost-benefit analysis.

Corporate Foundation

A private foundation whose assets are derived primarily from the contributions of a for-profit business. While a company-sponsored foundation may maintain close ties with the parent company, it is an independent foundation with its own endowment and its own board.

Corporate Giving Program

A grant-making program established and administered by a profit-making company. Corporate giving is planned as part of the company's budgeting process and usually is funded with pre-tax income.

D**Deadline Date**

The receipt date by the funder for an application to be considered for funding.

Deliverables

Those products that are produced by a grant project. They may be quantified achievement or singular outcomes.

Direct Costs

Specific and identifiable costs of project operation.

Discretionary Grant

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.

Demonstration Grant

A grant made to fund an innovative project with the intention of duplicating the project elsewhere.

Drawdown of Funds

A process whereby a grantee requests and receives funds from a funder.

DUNS Number

A Data Universal Numbering System (DUNS) number, a unique identifier available to organizations by registering with Dun and Bradstreet.

E**Earmark**

Requirement by Congress that a Federal agency set aside funds within an appropriation for a stated recipient or purpose

Employer Identification Number

The Employer Identification Number (EIN) is a 9-digit number assigned by the Internal Revenue Service.

Encumbrance

An obligation in the form of purchase orders, contracts, or salary commitments which are chargeable to an award and for which a part of the awarded amount is reserved. They cease to be encumbrances when paid.

Endowment

Financial support kept permanently by an institution and invested to provide income to support programs or operations.

Evaluation

The process of collecting and analyzing data on various aspects of a program, usually for the purpose of program planning and goal setting, improving processes and outcomes, securing and allocating resources. Includes formative (collecting and analyzing data to focus on “what’s working and what needs to be improved”) and summative (collecting and analyzing to investigate “what’s been achieved” in a program).

Expiration Date

The date specified in the grant award notification after which expenditures may not be charged against the grant unless to satisfy obligations committed before that date.

F**Federal Information Processing Standards (FIPS) Code**

The FIPS Code is the unique 5-digit number that is assigned to each county in the United States. This number is comprised of a 2-digit State code followed by a 3-digit county code.

Federal Register

A daily compendium of federal regulations and notices, including announcements or RFPs for grant awards.

Federated Giving Program

A joint-fundraising effort, usually administered by an umbrella organization that, in turn, distributes the contributed funds to several non-profit agencies.

Fee

An amount, in addition to actual, allowable costs, paid to an organization providing goods or services consistent with normal commercial practice. This payment also is referred to as “profit.”

Financial Status Reports

A recipient report that contains information on total outlays (grantor and recipient shares) and unobligated recipient balances for the reporting period. Financial status reports are used by the grantor to monitor the financial progress of the grant and show the status of grant and matching funds.

Fiscal year (FY)

The 12-month accounting period at the end of which the books are closed for a department or governmental unit.

Formula Grant

A grant that the Federal agency is directed by Congress to make to grantees, for which the amount is established by a formula based on certain criteria that are written into the legislation and program regulations; this funding is directly awarded and administered in the Federal agency’s program offices.

For-Profit Organization

An organization, institution, corporation, or other legal entity that is organized or operated for the profit or financial benefit of its shareholders or other owners. Such organizations also are referred to as “commercial organizations.”

Funder

The governmental unit, foundation or other entity that awards grants.

Funding Cycle

The schedule of events starting with the announcement of the availability of funds, followed by the deadline for submission of applications, review of applications, award of grants and release of funds.

Funding Priorities

A means of focusing a competition on the areas in which a funder is particularly interested in receiving applications. Priorities take the form of specific kinds of activities that applicants are asked to include in an application to receive preference in the review process.

G**Gantt Chart**

A popular type of bar chart that aims to show the timing of tasks or activities as they occur over time. Although the Gantt chart did not initially indicate the relationships between activities this has become more common in current usage as both timing and interdependencies between tasks can be identified.

Grant

A financial assistance mechanism providing money, property, or both to an eligible entity to carry out an approved project or activity.

Grant Agreement

A grant agreement is a legal instrument for the transfer of funds from the funder to the grantee and which sets forth the terms and conditions of the award.

Grantee

An organization that has been awarded financial assistance for a project. The grantee is the entire legal entity even if a particular component (e.g., department, office, or agency) carries-out the grant –funded activities. The grantee is legally responsible and accountable to the funder for the performance and financial aspects of the grant-supported project or activity.

Grantor

A governmental unit, foundation, or other entity that awards grants.

Grant Period

The period that extends from the effective date through the expiration date.

I**In-kind**

A contribution of equipment, supplies or other tangible resource, as distinguished from a monetary grant. Some organizations may also donate the use of space or staff time as an in-kind contribution.

Indirect Costs

Indirect costs cover general administrative costs of a project, including such items as rent, utilities, maintenance, depreciation and custodial services.

Indirect Cost Rate

The percentage of a grant, approved by a federal or state agency, or that a particular organization can use to reimburse itself for indirect costs incurred in doing the work of the grant project.

J

Journal Vouchers

An accounting entry for the recording of certain transactions, corrections or information. The journal voucher usually contains an entry or entries, explanations, references to documentary evidence supporting the entry or entries, and the signature or initials of one or more properly authorized officials.

K

Key Personnel

The individuals who contribute to the development or execution of a project in a substantive, measurable way, whether or not they receive salaries or compensation under the grant. Consultants also may be considered key personnel if they meet this definition. "As needed" is not an acceptable level of involvement for key personnel.

L

Letter-of-Intent

A letter-of-intent expresses the grantor's willingness to commit funds to a project if other conditions are met.

Letters-of-Commitment

Letters-of-commitment specifically list services, money or other inputs promised to the project by partner organizations.

Letters-of-Support

Letters-of-support are written endorsements of an application for funding. They are provided by organizations or individuals who are familiar with the applicant's ability.

M

Matching Funds

Funds other than the funder's grant funds required by a grant program to pay the percentage of project costs not covered by the grant.

Matching Grant

A grant made by one grantor or donor to match those provided by another grantor or donor.

Memorandum of Understanding (MOU)

An agreement developed and executed among partners relating to their roles in a joint operation.

Monitoring

A grantor's review and evaluation of specific aspects of a grantee's activities under a grant agreement. These activities include (1) measuring a grantee's performance, (2) assessing a grantee's adherence to applicable laws, regulations, and the terms and conditions of the award, (3) providing technical assistance to grantees, and (4) assessing whether a grantee has made substantial progress.

N**Nonprofit**

A designation secured from the state by a corporation whose board members receive no remuneration from its activities.

Notice of Funding Availability (NOFA)

A term some funders use for the announcement of a funding competition or RFP.

O**Obligated Funds**

Funds that are unexpended but are encumbered at the end of the funding period to cover the known obligations. They are considered to be unexpended funds.

Office of Management and Budget (OMB)

A branch of the Executive Office of the President. OMB helps the President formulate his spending plans; evaluates the effectiveness of agency programs, policies, and procedures; assesses competing funding demands among agencies, and sets funding priorities. OMB ensures that agency reports, rules, testimony, and proposed legislation are consistent with the President's budget and with administration policies. In addition, OMB oversees and coordinates the administration's procurement, financial management, information, and regulatory policies. In each of these areas, OMB's role is to help improve administrative management, to develop better performance measures and coordinating mechanisms, and to reduce any unnecessary burdens on the public.

OMB**Circulars**

Administrative policy documents issued by OMB that give instruction to Federal agencies on a variety of topics, including the administration of Federal grants and cooperative agreements.

Operating Foundation

An operating foundation uses the majority of its funds to conduct research or run programs for the common good. An operating foundation may make a few, small grants.

Outreach

An active effort by program staff to encourage individuals in the designated service delivery area to avail themselves of program services.

P**Partnerships**

Partnerships involve similar organizations that help each other meet their respective goals, without making substantial changes in the services they provide.

Performance Funding

Performance funding is based on the timely submission of deliverables according to the specifications negotiated between grantor and grantee.

Performance Period

The total amount of time during which the funder authorizes a grantee to complete the approved work of the project described in the application. Performance periods of more than 1 year in duration are divided into budget periods.

Performance Report

See 'Progress Report'

PERT Chart

A PERT chart is a project management tool used to schedule, organize, and coordinate tasks within a project. PERT stands for *Program Evaluation Review Technique*, a methodology developed by the U.S. Navy in the 1950s to manage the Polaris submarine missile program.

Program

A coherent assembly of plans, project activities, and supporting resources contained within an administrative framework, the purpose of which is to implement an organization's mission or some specific program-related aspect of that mission.

Progress Report

A recipient report that contains information on the comparison of actual accomplishments to objectives established for the reporting period. In addition, where the output of the project can be quantified, a computation of the cost per unit of output may be required.

Program Income

Gross income earned by the recipient that is directly generated by a supported activity or earned as a result of the award. Program income includes, but is not limited to, income from fees for services performed, the use or rental of real or personal property acquired under federally-funded projects, the sale of commodities or items fabricated under an award, license fees and royalties on patents and copyrights, and interest on loans made with award funds. Interest earned on advances of Federal funds is not program income. Except as otherwise provided in Federal awarding agency regulations or the terms and conditions of the award, program income does not

include the receipt of principal on loans, rebates, credits, discounts, etc., or interest earned on any of them. (Source: Office of Management and Budget Circular A-110)

Program Year (PY)

The 12-month period beginning in July 1 and ending June 30 for the Commonwealth and beginning October 1 and ending September 30 for the federal government.

Programmatic Report

See 'Progress Report'

Project**Narrative**

A descriptive statement about the proposed grant activities or purchases, which explains why the grant funds are needed and the benefits to be realized from the use of the grant funds.

Project Period

An extended amount of time, during which a grantee is required to complete the approved work of a project.

R**Real Property**

Land, including land improvements, structures, and appurtenances, but not movable machinery and equipment.

Recipient

The organizational entity or individual receiving a grant or cooperative agreement.

Reconciliation

Reconciliation refers to a process that compares two sets of records (usually the [balances](#) of two [accounts](#)) to make sure they are in agreement. Reconciliation is used to ensure that the money leaving an account matches the actual money expended, this is done by making sure the balances match at the end of a particular accounting period.

Reimbursement (or Cost Reimbursement)

Where the grantee provides proof of each expense allowed under the grant and the funding agency reimburses the documented full amount.

Renovation

Work that changes the interior arrangements or other physical characteristics of an existing facility or of installed equipment so that it can be used more effectively for its currently designated purpose or adapted to an alternative use to meet a programmatic requirement.

Request-for-Application (RFA)

An RFA is used in non-competitive grant programs, seeking information from a grantee who usually is entitled to receive funds according to a demographic formula.

Request-for-Proposal (RFP)

A solicitation by a grantor seeking applications from potential grantees. Also used by organizations to hire professional services.

Responsive proposal

A submission that meets all the mandatory requirements stipulated in the RFP and addresses the legislative intent of the program.

Reviewer, Grant Reviewer, Peer Reviewer, Field Reviewer

An individual who serves the funder by reviewing and scoring a competitive proposal. Reviewers are chosen for their subject-area expertise and typically serve on a panel or “technical” panel of at least three members.

S**Seed Money**

A grant or contribution used to start a new project or organization.

Selection Criteria or Evaluation Criteria

Standards by which different components of a proposal are rated and scored to qualify for funding.

Set-asides

Funds reserved by a grantor for a specific purpose or project.

Solicitation for Grant Application (SGA)

A term some agencies use for the announcement of a funding competition or an RFP.

Standard Form 269 (SF-269)

A standard Federal form for reporting expenditures for a grant or cooperative agreement for a particular reporting period, usually the 12-month Federal fiscal year, which runs from October 1 through September 30.

Standard Form 424 (SF-424)

A standard Federal form required for applications for federal assistance.

Stipend

A payment made to an individual under a grant in accordance with preestablished levels to provide for the individual’s living expenses during the period of training. A stipend is not considered compensation for the services expected of an employee.

Supplanting

To deliberately reduce budgeted funds because of the existence of grant funds. For example, when City funds are appropriated for a stated purpose and grant funds are awarded for that same purpose, the City replaces its budgeted funds with the grant funds and shift the budgeted funds to a different purpose.

Supplemental Award

The addition of funds to an existing award to:

1. Support New or additional activities which are not identified in the current grant or which significantly expand the project's scope beyond the purpose(s) for which the current grant was awarded;
2. Support an expansion of the grant approved activities; or
3. Provide for an increase in costs due to unforeseen circumstances.

For supplemental awards, the budget and grantor numbers remain the same.

Suspension

Temporary withdrawal of a grantee's authority to obligate grant funds, pending either corrective action by the grantee, as specified by the funder, or a decision by the funder to terminate the award.

T**Target area**

Usually a geographic area, such as a city, neighborhood, county, certain census tracts or school districts, school service areas.

Targeted population

The target group to receive direct assistance through the project.

Terms and Conditions

All legal requirements imposed on a grant by the funder, whether based on statute, regulation, policy, or other document referenced in the grant award, or specified by the grant award document itself.

Total Project Costs

The total allowable costs incurred by the grantee to carry out a grant-supported project or activity.

U**Unallowable Cost**

A cost determined to be unallowable in accordance with the applicable cost principles or other terms and conditions contained in a grant award.

Unexpended Funds

The funding (money) not spent during the award process.

Z**Zero Balance**

At the closing of a grant, when cash, expenditures, budget, and revenue are equal, the budget is said to have a zero balance.