CITY COUNCIL AGENDA REQUEST FORM

Today's date: 04 / 13 / 18

Date of meeting 04 / 18 / 18

(City Council meetings are held the 1st and 3rd Wednesday of each month.)

Name of Citizen, Organization, Elected Official, or Department Head making request:
Sean Scoggin, Grants and Projects Administrator

Address: 1123 Lake St, Sandpoint, ID

Phone number and email address: (208) 255-7548

Authorized by: Jennifer Stapleton _____
name of City official *City official's signature*
(Department Heads, City Council members, and the Mayor are City officials.)

Subject: Grants Policies and Procedures Manual Approval

Summary of what is being requested: Grants and Projects Administrator has developed a policies and procedures manual that is now ready for Council review and approval. Currently, there is no such manual governing City management of grant business processes.

The following information MUST be completed before submitting your request to the City Clerk:

1. Would there be any financial impact to the city? **Yes or No** ☐ ☑
   If yes, in what way? _____

2. Name(s) of any individual(s) or group(s) that will be directly affected by this action: — Have they been contacted? **Yes or No**

3. Is there a need for a general public information or public involvement plan? **Yes or No** ☐ ☑
   If yes, please specify and suggest a method to accomplish the plan: _____

4. Is an enforcement plan needed? **Yes or No** ☐ ☑ Additional funds needed? **Yes or No** ☐ ☑

5. Have all the affected departments been informed about this agenda item? **Yes or No** ☑ ☐

This form must be submitted no later than 6 working days prior to the scheduled meeting. All pertinent paperwork to be distributed to City Council must be attached.

ITEMS WILL NOT BE AGENDIZED WITHOUT THIS FORM

CITY OF SANDPOINT
AGENDA REPORT

DATE: April 13, 2018

TO: MAYOR AND CITY COUNCIL

FROM: Sean Scoggin

SUBJECT: Grants Policies and Procedures Manual Approval

DESCRIPTION/BACKGROUND:

The City's grant and financial assistance processes have historically been decentralized. City departments were responsible for ensuring funds were spent in accordance with a budget provided in the grant application, programs were being measured, and that issues were addressed as they arose. However, there was no individual within the City dedicated to managing and ensuring grant compliance. Additionally, there was no internal standards established by the City for the purpose of managing grants. This ultimately made the City less competitive when applying for grant dollars, and also increased the risk for noncompliance or mismanagement of grant funds.

In June of 2017 the City hired a Grants and Projects Administrator to centralize City grant program compliance and develop processes that would increase program efficiency's, reduce compliance risks, and make the City a more competitive grantee. As a result, a policy and procedures manual has been developed by the Grants and Projects Administrator to ensure such program advances are both managed appropriately and are adequately enforced. This manual covers all policy and associated procedural aspects necessary for highly effective grants management and adheres to federal Office of Management and Budget and Code of Federal Regulations guidelines for all administrative, cost principles, and audit requirements associated with grants management.

STAFF RECOMMENDATION:

City staff respectfully recommends that City Council authorize the implementation of this policy and procedures manual.

ACTION:

Approve

WILL THERE BE ANY FINANCIAL IMPACT?

The establishment of City-wide policies and procedures for grants management will reduce the risk of future audit findings and make the City more competitive for future grant funds, which will have a substantial impact on future capital project financing.

HAS THIS ITEM BEEN BUDGETED?

NA

ATTACHMENTS:

Resolution
Policies and Procedures Manual

No: 18-
Date: April 18, 2018

RESOLUTION
OF THE CITY COUNCIL
CITY OF SANDPOINT

TITLE: CITY OF SANDPOINT GRANTS POLICIES AND PROCEDURES MANUAL

WHEREAS: The Grants and Projects Administrator seeks to establish policies and procedures that mitigate current and future risks associated with the administration of grants or financial assistance, and that make the City more competitive when seeking grant and financial assistance funds;

WHEREAS: The City Council recognizes the benefit of ensuring compliance with all State and Federal regulations and compliance standards governing the management of grant and financial assistance awards; and,

WHEREAS: The City Council wishes to adopt policies and procedures that, among other factors, provide guidelines for entering into contractual agreements with private, State or Federal entities associate with the award of grants of financial assistance.

NOW, THEREFORE, BE IT RESOLVED THAT: The City of Sandpoint Grants Policies and Procedures Manual is hereby adopted.

_____
Shelby Rognstad, Mayor

ATTEST:

_____
Maree Peck, City Clerk

City Council Members:

	YES	NO	ABSTAIN	ABSENT
1. Eddy				
2. Aitken				
3. Williamson				
4. Ruehle				
5. Aispuro				
6. Darling				

City of Sandpoint

Grants Management Policies and Procedures Manual

Central Administrative Services
City of Sandpoint
1123 Lake Street
Sandpoint, ID. 83864

CITY OF SANDPOINT
ADMINISTRATIVE POLICY AND PROCEDURE

TITLE: **GRANTS MANAGEMENT POLICY AND PROCEDURE MANUAL**
EFFECTIVE DATE:
REVISION DATE:

1.0 GENERAL

1.1 The City of Sandpoint Grant Policies and Procedures Manual has been developed to standardize grant related activity associated with the City of Sandpoint. The purpose of the manual is to establish guidelines for meaningful oversite and coordination of grant and financial assistance awards throughout the entire award lifecycle; thereby increasing award revenues, mitigating potential City exposure to grant related legal liability, and improve the efficiency and impact grant awards have on municipal projects and service delivery.

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2.0 DEPARTMENTS/DIVISIONS AFFECTED

This policy shall apply to all City of Sandpoint departments and divisions.

3.0 REFERENCES

None

4.0 DEFINITIONS

4.1 "Financial Assistance" means the transfer of money, property, services or anything of value from a federal, state, or local/private entity to the City of Sandpoint to support and stimulate a project to be carried out for public benefit. This does not include any donations made to the City. Departments/divisions should contact the Grants and Projects Administrator for assistance in determining whether an award should be classified as a grant or donation.

4.2 "Award Management System" means the software tool that allows for the retention of grant and financial assistance awards, and is the repository for all award master files.

4.3 "Award Master File" means an electronic file housed within the Award Management System created and maintained for each grant or financial assistance award, specifically. Each award master file may contain, but is not limited to, grant or financial assistance notice of funding, research materials, letters of intent, program administrative rules, application and supporting documents, reports, contracts, contractor reimbursements, program drawdowns, etc.

4.4 "Contractor" means any entity that receives a contract from a recipient or subrecipient defined as a legal instrument used to purchase goods or services to carry out a grant or financial assistance award program.

4.5 "Subrecipient" means a non-federal entity that receives a subaward from a pass-through entity to carry out part of a grant or financial assistance award program.

5.0 POLICY

5.1 The City of Sandpoint, actively researches, applies for, and accepts grants or enters into appropriate contracts, when such grants or contracts have been determined to serve the interest, purpose, or mission of the City of Sandpoint, reduce City taxpayer burden in the support of service delivery, and when such grants or contracts do not obligate the City to needless or unacceptable conditions, requirements, or liabilities.

5.2 The City of Sandpoint Grants and Projects Administrator manages and ensures compliance with all financial assistance award terms and conditions, provides documentation to auditors, and provides technical assistance to all City departments throughout the entirety of a grants lifecycle. Specifically, this position is responsible for:

a. Establishing and managing internal controls that safeguard federal, state and local/private grant assets and ensure their proper use;

b. Establishing and enforcing written policies and procedures clarifying the roles and responsibilities pertaining to the submission, acceptance and administration of approved grant awards;

c. Conducting all environmental reviews associated with any request for financial assistance;

d. Providing oversite, monitoring, and reporting on Davis-Bacon requirements for the City;

e. Providing complete grant lifecycle oversite and compliance through the development and management of software and databases specific to grants management;

f. Maintaining the Data Universal Numbering System (DUNS) and System of Award Management (SAM) registrations for the City of Sandpoint;

g. Providing assistance and training to all City elected officials and departments on compliance with regards to city, state, federal and private funder policies and special conditions requirements; and,

h. Establishing, and when necessary, updating written policies and procedures pertaining to grant management for the City to ensure compliance as defined by all federal, state, and private funding agencies.

6.0 PROCEDURES

See Document

7.0 RESPONSIBILITIES

It is the responsibility of the Grants and Projects Administrator to administer the policies and procedures herein for the City of Sandpoint.

8.0 DOCUMENT

City of Sandpoint Grants Policies and Procedures Manual.

APPROVAL

Revision of this manual will be issued as required.

All City of Sandpoint personnel are required to follow the policies and procedures set forth herein when engaging in any grant related activity.

Any questions concerning grant policies and procedures should be directed to the City Administrators Office, Sandpoint City Hall at (preferred contact information).

The Policies and Procedures herein are effective (Date), and apply to all current and future grant activity.

Sean Scoggin Grants and Projects Administrator	Date
Jennifer Stapleton City Administrator	Date
Scot Campbell City Attorney	Date

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Section I: ADMINISTRATIVE – Departmental Roles and Responsibilities

Purpose:

This policy establishes the roles and responsibilities for each City of Sandpoint department and their staff associate with, or involved in, activities pertaining to grant and financial assistance life cycles.

Policy:

City of Sandpoint departments and staff whom occupy positions of responsibility in regard to the procurement of awards of financial assistance, or projects whose funding is in any way associated with financial assistance contracts, are required to adhere to the procedural roles and responsibilities set forth in this manual, and shall ethically perform and uphold their assigned roles and responsibilities. Only City of Sandpoint departments and staff shall have the authority to occupy roles associated with the application, administration, and overall management of grants or financial assistance awards, unless otherwise authorized by City Council directive.

Procedures:

1. **Office of the Mayor**

   Sole responsibility for final execution and acceptance of all grant or financial assistance awards, as well as approval of projects and programs they support resides in the Mayor. As such, the Mayor or his/her designee is the Authorized Organization Representative for the purposes of the execution of grant and financial assistance awards

   Should a proposal or request for funding require the contact information, electronic or written signature, or final approval of the senior authority for the City, the Mayor's contact information shall be provided, which shall be coordinated by the Grants and Projects Administrator, and will also be responsible for providing any associated login and password information to the Office of the Mayor immediately upon request.

2. **Central Administrative Services**

   Oversight and overall centralized management of activities pertaining to research, application, reporting, compliance, and closeout of grants and financial assistance awards and contracts are the responsibility of the Grants and Projects Administrator, who reports directly to the City Administrator. Strategic identification and coordination of grants and financial assistance awards to be pursued by the City will also be provided by Central Administrative Services.

Therefore, all grant and financial assistance activity within the City shall be routed through Central Administrative Services in accordance with this Grants Management Policies and Procedures Manual. Additionally, the City Administrator shall act as the Mayor's Authorized Organization Representative in all cases and situations in which obtaining signature from the Mayor is unattainable.

Additional responsibilities of the Grants and Projects Administrator will be to maintain the City's DUNS and SAM registration, strategic awards planning, establishment and management of grant and financial assistance internal controls, identifying and investigating potential compliance issues pertaining to the management of grant and financial assistance awards, oversight of possible award audits, and provide assistance and training to all City elected officials and departments on compliance regarding city, state, federal and private funder policies and special conditions requirements.

The grants and Projects Administrator is responsible for the final approval and submission of all grant or financial assistance award applications to ensure that all policies and procedures established in this manual are adhered to.

3. Finance Department

The establishment of unique program numbers and/or detailed coding for each grant or financial assistance award in the City's accounting system is the responsibility of the Finance Department. Finance will also ensure that associated revenues and expenditures are tracked appropriately and that such individual funds are not comingled with any other City funds. Additionally, the Finance Department is responsible for processing transactions, including the payment of invoices to outside entities for work performed associated with a grant or financial assistance funded project within the scope of a specific grant or financial assistance award, preparation of financial reports, single audit reporting, and providing assistance to Central Administrative Services in the event of a grant or financial assistance audit.

4. Legal Department

A legal review of all grant or financial assistance award agreements ensures that all terms of the agreement are legally enforceable. Therefore, the City's Legal Department shall review the terms and conditions of all grant or financial assistance award contracts to ensure such contracts do not obligate the City to needless or unacceptable conditions, requirements, or liabilities. The Grants and Projects Administrator will work in concert with the Legal Department in reviewing all grant or financial assistance award contracts as an initial step in the award acceptance process.

5. City Departments and Divisions

All City departments or divisions who wish to receive a grant or financial assistance award for a specific project are responsible for working in conjunction with the Grants and Projects Administrator in the development of award applications, implementation plans, management of the project associated with the award, preparing, reviewing and submitting reports to awarding agencies, and assisting in the close out process as outlined throughout this manual and in compliance with all award contract terms and conditions.

All departments wishing to apply for a specific grant or financial assistance program are responsible for completion of an initial draft of the application, in full, and provide the draft to the Grants and Projects Administrator for final review and submission.

A department awarded funds will appoint one individual as the Project Lead who will work in conjunction with the Grants and Projects Administrator in managing award administration and compliance. In the event of an award audit, The Project Lead will be designated to assist the Grants and Projects Administrator and Director of Finance throughout the audit process.

Additionally, staff acting on behalf of the City as liaison to a commission or committee shall be responsible for working in conjunction with Central Administrative Services and the Grants and Projects Administrator on all commission or committee grant or financial assistance program lifecycles as set forth above.

Section I: ADMINISTRATIVE – Conflict of Interest

Purpose:

This policy addresses conflicts of interest, perceived or otherwise, which can damage the reputation and credibility of the City of Sandpoint. The purpose of this policy is to avoid an appearance, or actual, conflict of interest or breach of trust by any official or employee of the City.

Policy:

No employee, officer, or agent of the City of Sandpoint 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 or financial assistance funded project on which he or she is working.

In addition, no employee, office or agent of the City of Sandpoint may participate in the award or administration of a contract associated with a grant or financial assistance award to the City if a conflict of interest, real or apparent, would be involved. Such a conflict would arise when any of the following parties has a financial or other interest in the firm selected for an award:

- An employee, officer, or agent of the subrecipient;
- Any member of an employee's officer's, or agent's immediate family;
- An employee's, agent's or officer's partner; or
- An organization which employs, or is about to employ, any of the identified in the preceding section.

Officers, employees or agents will neither solicit nor accept gratuities, favors or anything of monetary value from contractors or potential contractors associated with a grant or financial assistance awarded to the City. Any additional prohibitions relative to real, apparent, or potential conflicts of interests made by an awarding agency must be complied with.

Any real, apparent, or potential conflicts of interests involving City employees, officers or agents, or subrecipients of the City, shall be reported to the Grants and Projects Administrator who shall disclose in writing any potential conflict of interest related to a federal grant to the federal awarding agency or pass-through entity in accordance with applicable federal awarding agency policy.

All City employees, officers, or agents assigned to projects associated with a grant or financial assistance award shall avoid any action that may result in, or create the appearance of:

a. Using his or her official position for private gain;
b. Giving preferential treatment to any person or organization;
c. Losing complete independence or impartiality;
d. Making an official decision outside official channels;
e. Adversely affecting public confidence in the program or project funded by the award in particular and the City in general.

Any questions regarding conflicts of interest should be forwarded to the Grants and Projects Administrator for clarification.

Section I: ADMINISTRATIVE – Award Management System

Purpose:

The Award Management System is a software tool that assists in the management of grants and financial assistance awards throughout the entire award lifecycle; improves project or program coordination; enhances oversight and internal controls; provides a database of all previous and current City-wide grant and financial assistance awards; and centralizes the overall administration of City grant and financial assistance awards. The purpose of this policy is to describe the proper use of the Award Management System and to establish the responsibilities for entering award related data, along with requirements for maintaining and updating that data.

Policy:

An award master file shall be created in the Award Management System for each funding opportunity identified for application, or for each award received. The award record shall be appropriately named, constitute an award master file, and contain all documentation needed to demonstrate compliance and performance reporting.

Procedure:

1. Prior to final submission of an application for grant or financial assistance funds on behalf of the City of Sandpoint, Central Administrative Services will create an award master file and upload all corresponding request for funding materials associated, including project outline, budget, timeline, and all other appropriate documentation.
2. In the event that a request for funding is successful in securing a grant or financial assistance award, the grant contract will be housed within its corresponding award master file.
3. All documentation pertaining to a grant or financial assistance award, including but not limited to, contracts between the City and third parties, reports, invoices, requests for reimbursement, and closeout materials will be provided to the Grants and Projects Administrator for uploading to the corresponding award master file for compliance monitoring.

Section I: ADMINISTRATIVE – Multiple Application Submission

Purpose:

Not every funding agency will consider multiple funding requests from a single applicant within the same funding round. This is especially true for federal and state grantors. Therefore, multiple requests for submissions to the same funding agency during the same funding round must be addressed. The purpose of this policy is to identify the procedure for resolving such an event.

Policy:

The City shall not submit multiple applications to the same funding agency during the same funding round unless explicitly allowed by the funder and approved by the Grants and Projects Administrator. In the event that multiple departments or divisions intend to submit an application to the same funder during the same funding round, and the funder will not accept more than one (1) application from the City, the City Administrator shall be the final arbiter of which department or division will submit the application.

Procedure:

1. Upon identifying the potential for the submission of multiple applications to the same grantor during the same funding cycle, the Grants and Projects Administrator shall determine whether the funding agency permits multiple submissions. If the grantor allows for multiple submissions, Central Administrative Services will authorize the multiple requests for funding as provided in Section II of this Manual.
2. In the event the funding agency does not allow for multiple submissions within the same round, the Grants and Projects Administrator shall meet with each department or division in question to discuss their respective projects in need of funding to determine whether a collaborative approach is feasible. If a collaborative approach is feasible, the Grants and Projects Administrator will work with both departments or divisions in the creation of the new project scope and subsequent funding request.
3. Should a funding agency not allow for multiple submissions, the Grants and Projects Administrator shall notify the City Administrator of the conflict and provide her/his analysis and recommendation.
4. Upon receiving feedback from the City Administrator, the Grants and Projects Administrator will notify the departments or divisions as to which project has priority over the other.
5. Central Administrative Services will then authorize the funding request for the project having highest priority as provided in Section II of this Manual.

Section II: FUNDING RESEARCH AND APPLICATION – Strategic Funding Alignment

Purpose:

In order to strategically align the City's grants and financial assistance activities with the appropriate departmental projects or programs, the Grants and Projects Administrator must have knowledge of prioritized departmental needs that require grant and other forms of outside financial assistance. Such knowledge and information sharing are critical and will allow Central Administrative Services and the Grants and Projects Administrator to coordinate common needs amongst City departments and divisions, monitor submissions of requests for funds to regular cyclical funding opportunities, and be pre-positioned to confidently pursue funding opportunities for major City projects. The purpose of this policy is to establish a strategic approach in the pursuit of outside funding through the coordination and enhancement of City-wide, cross-departmental communication pertaining to awards of grant and financial assistance.

Policy:

Applications for grant and financial assistance and their awards shall align with existing City strategic plans, priorities and processes. Awards typically support activities in three categories: 1) capital; 2) operating; and 3) program. Applications and awards for capital should align with the City's Capital Improvements Strategic Plan. Applications and awards for operating and program support should align with other existing City plans.

Additionally, each City department or division should undergo an annual strategic planning process specific to grant or financial assistance acquisition and produce a need assessment report outlining a prioritized list of projects in need of any additional outside funding. Budgets and brief narrative statements should be developed for each of the needs, as should goals and objectives that, once achieved, will address the identified need.

Procedure:

1. All City departments shall conduct an annual needs assessment that will identify needs that can potentially be met through grant or financial assistance funding. All assessments will be submitted to the Grants and Projects Administrator during the annual budget process.
2. Submitted departmental needs will be prioritized and accompanied by a project scope, which will also indicate whether the need is a short-term or long-term priority.
3. Needs should be accompanied by a narrative providing a description of activities, personnel, equipment, facility and other resources that will be required, as well as the goals and measurable objectives.
4. Budgets should be developed to identify the overall cost, City funds available, and the funding gap that represents the need for requesting outside funding for the project.

5. Departmental needs assessment reports should also include potential outside funding sources for each project, if known.
6. The Grants and Projects Administrator will collate each departmental need assessment into a single cogent document, the Annual Grants Strategic Plan, which will be included in the City's annual budget document.

Section II: FUNDING RESEARCH AND APPLICATION – Pre-Application Identification and Approval

Purpose:

The purpose of this policy is to ensure that all applications for funding submitted by the City align with established City priorities, are not redundant in their submission within a funding cycle, and are done so with the understanding that the City will meet all agreed upon contract terms and conditions of an approved grant or financial assistance award.

Policy:

The City of Sandpoint aggressively pursues grants and other forms of financial assistance with the understanding that they are a significant resource for enhancing the quality and quantity of public services, facilities and infrastructure. The City will seek financial assistance for activities that further core City functions or that fund programs deemed in the best interests of the Citizens of Sandpoint. As such, the benefits and impact of all grant or financial assistance opportunities will be examined prior to application by the Grants and Projects Administrator.

The City will decline or deny the submission of any grant or financial award applications that do not to meet the criteria above, or includes requirements that the City is unable or unwilling to fulfill. Funding applications shall be approved, signed and submitted by the Grants and Projects Administrator only after receiving final authorization from the City Administrator.

Procedure:

1. Upon identification by a City department of a potential funding source, the department will complete the Grant Information Form, in full, and submit it to the Grants and Projects Administrator.
2. The Grants and Projects Administrator will then review the Grant Information Form to verify:
    a. Alignment with existing strategic plans as provided under Section II of this Manual;
    b. No other City department is also considering the opportunity;
    c. No other concerns can be identified at this stage.
3. Any concerns identified by the Grants and Projects Administrator at this stage will be discussed with the department identifying the funding opportunity and any other appropriate City employees.
4. If identified concerns cannot be rectified or continue to conflict with the above criteria, the Grants and Projects Administrator will advise the City Administrator and provide her/his recommendations. Final authority in whether to deny or proceed at this point in the application process rests with the City Administrator.

5. Should the request for funding appropriately align with City and departmental priorities, and no further concerns are identified, the Grants and Projects Administrator will authorize the department to move forward to the initial application draft process pursuant to the policies and procedures of this Manual.

Section II: FUNDING RESEARCH AND APPLICATION – Application Submission

Purpose:

The Grants and Projects Administrator is responsible for the oversite of all grant applications submitted on behalf of the City of Sandpoint, ensuring City compliance with all application submission requirements. The purpose of this policy is to provide the Grants and Projects Administrator with proper information to ensure that all application requirements are met prior to submission.

Policy:

At the discretion of the City Administrator, the Grants and Projects Administrator shall have sole authority to approve the submission of grant or financial assistance applications, unless the funding agency specifically requires legislative approval, in which case, the formal approval of City Council will be sought.

Procedure:

1. The Grants and Projects Administrator will review all departmental grant application initial drafts prior to submission to ensure proper completion, that all policies and procedures of this Manual were adhered to, and that all prior approvals have been acquired.
2. Should an application be found to be incomplete or in need of revision, it will be returned to the department with proper instruction for completion.
3. If an application review is satisfactory, the department will be notified of its approval for submission by the Grants and Projects Administrator.
4. At the discretion of the City Administrator, the Grants and Projects Administrator may electronically sign the application and submit it with any and all necessary supporting documentation as specified in the application instructions.
5. Once submitted, a copy of the finalized application along with any and all supporting documentation shall be uploaded into the Award Management System.
6. It is the responsibility of the Grants and Projects Administrator to secure all letters of support, should they be needed, and the approval of City Council prior to submission of all grant or financial assistance applications.

Section III. AWARD ACCEPTANCE – Award Acceptance

Purpose:

It is the City's responsibility to carry out, from inception to completion, all projects and/or activities associated with a grant or financial assistance award, while also adhering to all terms and conditions prescribed by the funding agency. Failure to do so increases the City's exposure to legal liability and compromises current and future grant or financial assistance funding for all departments. The purpose of this policy is to ensure that all relevant City departments and divisions are made aware of award notices in a timely fashion and standardize the procedure for, and document the acceptance or rejection of, grant or financial assistance awards made to the City.

Policy:

All grant and financial assistance awards made to the City of Sandpoint shall be reviewed and approved by the Grants and Projects Administrator prior to formal acceptance, approval, and signature by the Mayor or his/her authorized designee.

Following the review of a proposed grant contract by the Grants and Projects Administrator, both the Legal and Finance departments shall review the contract and provide their recommendations for revisions, acceptance, or in some cases rejection. Upon approval of the contract by both the Legal and Finance departments, the award will be formally accepted by the City through resolution by City Council.

Procedure:

1. Upon receipt of an award notification, a copy of the award letter and/or contract shall be uploaded to its corresponding award master file within the Awards Management System by the Grants and Projects Administrator.
2. Prior to acceptance of the award the Grants and Projects Administrator will coordinate with both the Legal and Finances departments for review and subsequent recommendations concerning revision, acceptance, or rejection.
3. If recommendations of revision are made by either the Legal or Finance department, the Grants and Project Administrator will communicate those concerns to the funding agency and work to amend the contract terms and conditions in a manner that addresses those concerns.
4. Should the funding agency not agree to the amended terms and conditions presented by the City, the Grants and Projects Administrator will advise the City Administrator and seek her/his recommendations on whether to accept or reject the award.
5. Should the funding agency agree to the proposed amended terms and conditions, and upon receipt of the amended contract, the Grants and Projects Administrator will bring the contract before City Council for final review and authorization by resolution.

6. Once final authorization has been received by City Council, the Grants and Projects Administrator will return the signed contract to the funding agency, inform the department overseeing the project associated with the funding, and, if specified within the terms and conditions of the contract, work with the City Administrator on the preparation and publishing of all public notices or press releases associated with the award.

Section III. AWARD ACCEPTANCE – Award Management

Purpose:

To facilitate the successful implementation of a grant or financial assistance award, the Grants and Projects Administrator will be responsible for the notification of funding award. It is the purpose of this policy and procedure to establish and ensure a timely notification of award to the department for which the funding is associated.

Policy:

Upon acceptance of a grant or financial assistance award, the Grants and Projects Administrator will immediately notify the department director and project lead for which the award funds are associated. The Grants and Projects Administrator will also inform the department director and project manager of the project timeline, interim report dates, and all award terms and conditions.

It is the sole responsibility of the Grants and Projects Administrator to ensure City compliance with all contract terms and conditions. If for any reason the City is found to be, or is in jeopardy of becoming, non-compliant with the established terms and conditions of a grant or financial award contract, it is the responsibility of the Grants and Projects Administrator to immediately notify the City Administrator.

Procedure:

1. Upon entering into a grant or financial assistance award contract, the Grants and Projects Administrator shall conduct a pre-implementation meeting with the associated department director, project lead, Finance Director, and any other appropriate City staff.
2. The department director and project lead will be informed of pertinent contract terms and conditions, project timeline, and interim report dates.
3. The Finance department will assign a budget project number to the project within the financial management system.
4. Should the contract allow for reimbursement of prior design, engineering design, administrative services, or any other allowable expenditures made prior to the award notice, a reimbursement shall be submitted to the funding agency only after approval from the Finance Department and the Grants and Projects Administrator.

Section III. AWARD ACCEPTANCE – Budget & Finance

Purpose:

The purpose of this policy is to ensure the proper establishment of a budget associated with a grant or financial assistance funded project.

Policy:

Central Administrative Services will determine whether an award made to the City of Sandpoint shall be classified as federal, state, private, or other. The Finance Department shall be responsible for assigning unique program numbers to each individual grant or financial assistance award to ensure that funds are not comingled with other City funds. Additionally, the Finance Department shall set up the proper revenue and expense account in the City's financial management system.

Procedure:

1. Once an award has been approved by Central Administrative Services and an award type determination has been made, the Director of Finance will set up the proper revenue and expense account in the financial management system. A unique program number will be assigned to each award, enabling the ability for the generation of individual reports.

Section IV. POST-AWARD MANAGEMENT AND ADMINISTRATION – Revenue and Receipts

Purpose:

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

Policy:

The default method of payment selected for all awards of financial assistance shall be reimbursement, unless the award is for an immediate, one-time expenditure or the only method of payment allowed by the funder is an advance payment. The basis for selecting another method of payment shall be discussed with the Grants and Projects Administrator who must approve the alternate method of payment prior to selection or draw down. Cash reimbursement shall be made only after actual costs have been incurred and the expense recorded in the general ledger or City payroll accrued in the payroll subsidiary ledger. All funds received shall be recorded as revenue in the grant program.

The City of Sandpoint's preferred method of receipt is Electronic Fund Transfers (EFTs). EFTs are wired to the City Treasurer and automatically deposited into the appropriate account. When a check is received rather than an EFT, the check shall be taken to the Finance Department for deposit within twenty-four (24) hours of receipt.

Section IV. POST-AWARD MANAGEMENT AND ADMINISTRATION – Program Income

Purpose:

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

Definition:

Program income is gross income earned by the City of Sandpoint that is directly generated by a supported activity or earned as a result of a grant or other award of financial assistance during the period of performance.

Program income includes, but is not limited to, income from fees for services performed, the use of rental or real or personal property acquired under grants and financial assistance, the sale of commodities or items fabricated under a grant or award of financial assistance, license fees and royalties on patents and copy rights and principal and interest on loans made with award funds.

Interest earned on advances of Federal funds is not program income, nor are rebates, credits, discounts and interest earned on any of them unless specified in the agreement or associated program regulations.

Policy:

Program income shall be recorded and used in accordance with program requirements, the Federal Office of Management and Budget (OMB) Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards, Federal awarding agency laws, program regulations and the provisions of the contract or grant agreement pertaining to the program.

City departments that earn program income that defrays program costs or any net proceeds (income received less the cost to generate the income) must be deducted from the allowable award expenditures before billing the funding agency for the net expenditures. Program income must be used for the purposes of, and under the conditions applicable, to the award. Unless specified by the awarding agency, program income must be used as earned and expended as soon as possible.

With prior funding agency approval, program income may be used to meet any non-award matching funds requirements or for additional allowable and allocable award activities. This approval must be in writing and documented within the corresponding grant or financial assistance award master file.

Procedure:

1. The designated Project Lead in the department receiving the award is responsible for contacting the Grants and Projects Administrator and the Finance Director to discuss the activity that will generate program income and its relationship to the grant or contract and how the program income shall be recorded. If this is known at the time the award is received, this discussion shall occur prior to the grant funded project commencing.
2. Dependent upon the awarding agency requirements, program income may be used in one of three methods:
   a. **Deduction** - deduct program income from total allowable costs to determine the net allowable cost on which the funder's share of costs is based. Program income shall be used for current cost.
      i. **EXAMPLE**: The initial project budget was $100,000. $10,000 of program income is earned. The adjusted project budget amount from the sponsor is reduced to $90,000 after gross program income is taken into account. Total project costs remain at $100,000. ($90,000 on the parent budget and $10,000 on the program income sub-budget.)
   b. **Addition** - add program income to the funds committed to the award agreement. Program income shall be used for the purposes and under the conditions of the award agreement.
      ii. **EXAMPLE**: the initial project budget was $100,000. $10,000 of program income is generated. The total project costs may now be$110,000. ($100,000 expensed on the parent budget and $10,000 expensed on the program income sub-budget.)
   c. **Cost Sharing** - Program income may be used to meet the cost sharing or matching requirement of the award agreement. The amount of the award remains the same.
      iii. **EXAMPLE**: The initial project budget was $100,000 with cost sharing/match committed at $20,000. $10,000 of program income is generated. The expenditure of the program income may be used to account for $10,000 of the committed cost sharing.

   If the award is silent on the treatment of program income, the addition method generally applies and is the default method for applying program income. Central Administrative Services shall be the final arbiter as to how to record the program income. This shall be documented in the Award Management System and the Finance Director will be notified.

   Regardless of the accounting method used, program income may be used only for allowable and allocable costs in accordance with the applicable cost principles and the terms and conditions of the award.

3. The Finance Department shall be responsible for depositing program income and calculation of the net program expenditures upon the use of program income when preparing drawdown requests and financial reports. It shall be coded under the match program number if using the Cost Sharing method.
4. Unless otherwise allowed in writing by the awarding agency, program income funds remaining in the project or program income account after the project has terminated will be returned to the awarding agency. If the Project Lead in the department or division receiving the award wishes to use these funds to further project or program objectives, a no cost extension of the award should be requested. The Grants and Projects Administrator shall be notified prior to the funding termination date and the request will be entered into the Award Management System.
5. Upon request for a no cost extension, the Grants and Projects Administrator will bring the request before Council for approval of the no cost extension by resolution.
6. Unless funding regulations or award terms and conditions specify otherwise, there is no obligation to the funding agency for program income earned after the end of the award period. However, income earned during the award period but received up to sixty (60) days after the end of the award period must be treated as program income received during the award period.

Section IV. POST-AWARD MANAGEMENT AND ADMINISTRATION – Allowable Costs and Expenditures

Purpose:

The purpose of this policy is to ensure that all project expenditures associated with a grant or financial assistance award are necessary, reasonable, allowable, and allocable costs supported by source documentation.

Policy:

The City of Sandpoint shall use applicable Federal OMB cost principles, agency program regulations and the terms of award and sub-award agreements to determine the necessity, reasonableness, allowability, and allocability of costs. A cost is necessary if it is required to effectively carry out the funded project or activity and meets the associated project goals and objectives stipulated in either the grant or financial assistance application or contract. A cost is reasonable if it does not exceed what a prudent person would incur under similar circumstances. A cost is only allowable if adequately documented and supported by accounting records and source documentation, such as purchase orders, vouchers, invoices, payroll allocation reports, payroll summaries, timesheets, etc. A cost is allocable to the extent the goods or services benefit the program or activity.

The specific requirements for activities allowed or un-allowed are unique to each program and are found in the laws, regulations and provisions of the contract or grant agreement.

Procedure:

1. The Director or approved designee of a department overseeing a project supported by a grant or financial assistance award shall be responsible for providing contractors the Grant Accounts Payable form upon retaining the contractor's services. The proper use and submission procedures regarding the Grants Accounts Payable form will be included within all award contracts.
2. Upon retention of a contractor's services, the department head or approved designee managing the project will provide a copy of the approved contract and/or service agreement to the Grants and Projects Administrator.
3. The Grants and Projects Administrator shall review and approve in writing all invoices and expenditures associated with the grant award submitted directly to him/her by the contractor via the Grant Accounts Payable form. Grant Accounts Payable forms must be submitted with all supporting documentation that will allow the Grants and Projects Administrator to verify the necessity, reasonableness, allowability and allocability of the cost.
4. The Grants and Projects Administrator will submit the Grant Accounts Payable form to the Finance Director for review. This review shall include a determination that the costs

are consistent with financial policies, regulations and procedures of the City of Sandpoint and verify that the expenses are not included as a cost or used to meet cost sharing or matching requirements of any other financial assistance award project, unless specifically allowed.

5. Upon review and authorization by both the Grants and Projects Administrator and the Director of Finance, the Grant Accounts Payable form and all attached supporting documentation shall be provided to the Accounts Payable Clerk for processing.
6. Once processed, the Accounts Payable Clerk will provide the Grants and Projects Administrator with a copy of the warrant, who will then upload the warrant to the
7. appropriate grant award master file along with the originating Grant Accounts Payable form and supporting documentation.
8. The Finance Department is responsible for processing all contractor payments in accordance with generally accepted accounting principles and City of Sandpoint financial policies and procedures.
9. If a project cost or expenditure is deemed high risk by the Grants and Projects Administrator, she/he shall have final responsibility and authority on the necessity, reasonableness, allowability and allocability of the cost prior to processing by the Finance Department.

Section IV. POST-AWARD MANAGEMENT AND ADMINISTRATION – Drawdowns and Reimbursements

Purpose:

The purpose of this policy is to ensure that all drawdowns or other reimbursement requests made under grants or financial assistance awards are fully supported, and that reimbursements are only requested for necessary, reasonable, allowable, and allocable costs.

Policy:

Drawdown or other reimbursement requests shall be prepared by the Grants and Projects Administrator and submitted to the award agency by the Accounts Receivable Clerk only after all allowable cost and expenditure processes have been performed pursuant to established policies and procedures.

Procedure:

1. The Grants and Projects Administrator will complete a Grant Receivable Form to include all supporting documentation, quotes, warrants, or any other materials that ensure the reimbursement request is necessary, reasonable, allowable, and allocable under the grant award contract.
2. The Grants and Projects Administrator will submit the Grant Accounts Receivable form and supporting documentation to the Finance Director for review. This review shall include a determination that the costs are consistent with all City financial policies, regulations and procedures.
3. The Grants Accounts Receivable form will then be uploaded to the corresponding grant award master file by the Grants and Projects administrator and submitted to the Accounts Receivable Clerk for processing.
4. The Finance Department is responsible for processing all contractor payments in accordance with generally accepted accounting principles and City of Sandpoint financial policies and procedures.
5. The Grants and projects Administrator will run a monthly project report to track the receipt of processed reimbursement request to ensure that such requests are received by the awarding agency in a timely manner.

Section IV. POST-AWARD MANAGEMENT AND ADMINISTRATION – Match or Cost-Sharing Contributions

Purpose:

The purpose of this policy is to ensure that any matching or cost-sharing contributions required and reported under grant and financial assistance awards meet the requirements of Federal OMB Circulars, award conditions, and terms that are applicable.

Policy:

All matching or cost-sharing contributions (including cash and in-kind) shall be fully documented and verifiable in City financial records to the extent possible and in the Award Master File. The contributions shall be tracked and monitored to ensure that they cannot be included as contributions toward, or paid under, any other grant or financial assistance project or program unless expressly allowed and verified by Central Administrative Services. The contributions shall be necessary and reasonable for proper and efficient accomplishment of the project or program objectives and must be allowable and provided for in the approved award budget.

Documentation of all matching and cost-sharing contributions shall be maintained in the Award Master File and will be included as supporting documentation for financial reports and/or drawdown of funds, if necessary.

Procedure:

1. The Grants and Projects Administrator is responsible for ensuring availability and allocability of any all match required under a grant or financial assistance award program prior to the submission of the program application.
2. Should a grant or financial assistance award application require a Letter of Commitment of matching funds, the Grants and Projects Administrator shall draft the letter ensuring to include language clearly identifying the total monetary City contribution, and provide the letter to the City Administrator for review and final signature. This letter shall be uploaded to the corresponding grant master file.
3. Any and all City contributions will be fully documented in the City's financial system and all supporting documentation will be provided by the Finance Department when reports or audits are prepared.

Section IV. POST-AWARD MANAGEMENT AND ADMINISTRATION – Contracting and Procurement

Purpose:

The purpose of this policy is to ensure that all contracting and procurement activity associated with grant or other financial assistance funds shall be consistent with City of Sandpoint Contracting Guidelines, Resolution 07-14, administrative policies and procedures, and all provisions, terms and conditions of a grant or financial assistance award.

Policy:

The department receiving a grant or financial assistance award is responsible for complying with all of the provisions, terms and conditions of the grant or financial assistance award, including all applicable terms and conditions of the funding requirements relating to the acquisition process. The City of Sandpoint's Contracting Guidelines as codified under City Council Resolution 07-14 shall be followed, provided that they conform to applicable Federal, State and local law and regulations and standards identified. If there is a discrepancy between the City's contracting policies and procedures and the award regulations and provisions, the most restrictive requirement shall be followed.

All procurements associated in any way with the use of federal funds will be conducted in a manner that prohibits the use of statutorily or administratively imposed in-State or local geographical preferences in the evaluation of bids or proposals, except in those cases where applicable Federal statutes expressly mandate or encourage geographic preference.

Procedure:

1. The Department is responsible for overseeing the completion of a competitive solicitation process as specified in the City's Contracting Guidelines.
2. The Grants and Projects Administrator shall inform departments of all award provisions pertaining to contracting and procurement (specifications, terms and conditions, grant requirements, etc.) that must be included in a competitive solicitation document (Invitation to Bid, RFP, RFQ or RFI) to ensure compliance with all contract terms and conditions. All relevant information, provisions, restrictions, terms and conditions of the award pertaining to all contracted work performed must be included in the competitive solicitation document.
3. If the procurement is being made under a Federal grant or award of financial assistance, the department shall provide the Grants and Projects Administrator with contractor information prior to enlistment of services in order to verify suspension or debarment via the Federal System for Award Management (www.sam.gov) to determine if the contractor (including any subcontractors) is ineligible for the award of the contract and document the research and certification effort in the corresponding award master file.

4. Additionally, if the procurement is being made under a Federal grant or award of financial assistance, and the bid specifications provide for a specific brand name, or other requirements that limit competition, the specifications must be approved by the Grants and Projects Administrator before being published or distributed.
5. If a sole source is declared under a grant or other award of financial assistance, this must be approved by the Grants and Projects Administrator in writing prior to the contract or purchase being completed. Documentation of this approval will be maintained in the corresponding award master file.
6. Prior to final selection and announcement of a contractor award, documented review and approval must be obtained by the Grants and Projects Administrator.

Section IV. POST-AWARD MANAGEMENT AND ADMINISTRATION – Supplanting

Purpose:

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

Policy:

Grant and other financial assistance funds awarded to the City of Sandpoint can only be used to supplement current funding and shall not be used to supplant an existing expense so that local funds can be used for another purpose unless otherwise identified as allowable in writing by the awarding entity and approved by the Grants and Projects Administrator.

Procedure:

All City staff associated with the preparation and establishment of budgets for grants and financial assistance awards shall ensure that funds are used to support new program/project costs and not to support ongoing costs previously or currently supported with local funds unless expressly authorized by the grant award agency. If any questions or concerns arise in this regard, The Grants and Projects Administrator shall be contacted for final guidance.

Section IV. POST-AWARD MANAGEMENT AND ADMINISTRATION – Contract Amendments

Purpose:

Amendments to awards, whether issued in the form of an official contract amendment or more informally in the form of a letter from the awarding agency, are legal contracts. As such, it is the City's responsibility to carry out the funded project and/or activities associated with an award in compliance with all revised or new terms and conditions contained in the amendment. The purpose of this policy is to ensure that amendments made to an existing grant or financial assistance award contract will not conflict with other non-amended portions of the contract, all relevant City departments are made aware of award amendments notices in a timely fashion, and establishes a procedure for the acceptance or declination of amendments of awards made to the City.

Policy:

Awards are often amended to shift allocated funds from one cost category to another, increase or decrease the budget, change the performance period or to alter the programmatic requirements. All award amendments are subject to approval by the recipient department director and the Grants and Projects Administrator.

Procedure:

1. When requesting a programmatic amendment, re-budget, or an extension to the award period, the department shall submit the request in writing to the Grants and Projects Administrator.
2. The Grants and Projects Administrator will then work with the program awarding agency in defining the new terms and conditions of the proposed amended contract.
3. If the Grants and Projects Administrator and awarding agency agree on the amended terms and conditions, the amended contract shall be provided to the City's Legal Department for review and recommendation on acceptance, revision, or rejection.
4. Should the nature of the amended award dictate a substantial change in award amount, project scope, or timeline the Grants and Projects Administrator shall take the amended contract before City Council for approval by resolution.
5. The Grants and Projects Administrator shall submit the signed documents to the funding agency, and upon receipt of a fully signed copy of the agreement, include the amended contract in the award master file.

Section IV. POST-AWARD MANAGEMENT AND ADMINISTRATION – Monitoring & Compliance

Purpose:

The purpose of this policy is to ensure that all grant and financial assistance activities are managed according to the City's Grants Policies and Procedures Manual, to ensure full compliance and strategic management of current and future grant and financial assistance awards throughout the entire award lifecycle, and to reduce the City's exposure and legal liability with respect to mismanagement or lack of compliance with grant and financial assistance policies, requirements and associated regulations.

Policy:

City departments and divisions that apply for, and receive, grant and other financial assistance awards are responsible for managing their funded projects and programs in compliance with all award terms and conditions as well as associated federal, state and City regulations, policies and procedures.

The City's Grants and Projects Administrator oversees the fiscal and programmatic accountability and compliance for any and all grant and financial assistance awards made to the City of Sandpoint and its respective divisions and departments.

The City has adopted a risk-based approach to grants and financial assistance monitoring and compliance which is developed and administered by the Grants and Projects Administrator. The criteria and associated risk status is identified below:

Low Risk – Full Compliance Status

- Initial Grant Review Completed by the Grants and Projects Administrator
- Grant Award and acceptance Approved by City Council
- Recurring Grant Awards
- Managed by Experienced Personnel (Grant and Projects Administrator)
- No concerns identified by the Grants and Projects Administrator or the department managing the grant project
- Compliance and monitoring with no concerns identified

Medium Risk – Grant Under Review

- Concerns Identified During Compliance Review
- Critical Personnel Change
- Significant Match Requirement
- Report dates established by award contract not met or overdue
- Overpayments

High Risk – Out of Compliance

- Audit Findings
- Significant Compliance Issues
- Missed Deadlines
- Reporting Errors
- Complete Lack of Compliance Management
- Unauthorized Contractor Payments and/or Drawdown Requests

Procedure:

1. The Grants and Projects Administrator will continually review all existing internal controls and establish new and/or strengthened controls when necessary to safeguard federal, state and local/private grant and financial assistance assets and ensure their proper use.
2. The Grants and Projects Administrator shall establish written policies and procedures that clarify responsibilities for researching funding opportunities, submitting applications and accepting and administering grants and financial assistance awards.
3. The Grants and Projects Administrator shall develop and manage systems to coordinate the identification of funding resources and track and manage the entire lifecycle of the grants and other financial assistance awards.
4. The Grants and Projects Administrator shall establish written policies and procedures for adoption by Sandpoint City Council to ensure compliance with funding requirements as defined by funding agencies, the Code of Federal Regulations and the State of Idaho.
5. The Grants and Projects Administrator will assist department staff and their respective department directors with the interpretation and application of City, state, federal and other award agency policies and requirements.
6. The Grants and Projects Administrator will conduct regular compliance reviews of all financial assistance and grant awards to determine if they are in compliance with applicable federal, state and local laws, City policies and award documents.
7. When conducting compliance reviews, the Grants and Projects Administrator will utilize a risk-based approach, which will categorize awards in one of three statuses; 1) **Low Risk** – Full Compliance; 2) **Medium Risk** – Grant Under Review; and 3) **High Risk** – Out of Compliance. With this knowledge and understanding, department directors may provide recommendation at any time on whether a specific award should be classified within the Medium or High-Risk categories.
8. The Grants and Projects Administrator will ensure that award closeout is conducted in a timely manner, and that all award master files are maintained in accordance with 2 CFR §200.333.

Purpose:

The purpose of this policy is to properly identify, track, transfer and dispose of property acquired under a grant or other award of financial assistance. This policy applies to fixed assets, both real, personal, or intangible, as well as non-consumable supplies and materials such as furniture, computers, printers or other items considered small yet monetizable assets.

Definitions:

Real Property: Land, including land improvements, structures and appurtenances thereto, but excludes movable machinery and equipment.

Personal Property: All property except for real property.

Equipment: Personal property with useful life of more than one year and a per-unit acquisition cost:

1. Equal or greater than the lesser of the capitalization level established by a non-Federal entity for financial statement purposes, or;
2. Equal or greater than $5,000

Supplies: Personal property with a per-unit acquisition cost less than $5,000.

Intangible Property: Property having no physical existence – trademarks, copyrights, data, patents, trade secrets, intellectual property, leases, loans, stock.

Policy:

All property purchased under grants or other awards of financial assistance that meet the definitions of property under this provision shall be subject to the following:

1. **Property Records** – All property purchased or otherwise received under grants and awards of financial assistance should be tagged and must be entered into the Fixed Asset System managed by the Finance Department with a description of the property, serial number or other identification number, the source of funding for the property to include the award identification number, who holds title, acquisition date, cost of the property, percentage of federal participation in the project costs (if acquired under a federal award), location, use and condition of property, and any disposition data, including the date of disposal and sale price of the property.
2. **Physical Inventory** – a physical inventory of the property must be taken and the results reconciled with the Fixed Asset System annually and upon the closeout of the award. the inventory is subject to verification from the Finance Department, auditors, and other third parties engaged by Finance.
3. **Control Systems** – Any loss, damage or theft to any property must be reported to the Finance Department and the Grants Administrator within 48 hours of discovery. A

follow-up investigation will be implemented by the department in control of the asset with the support of the Finance Department and the Grants and Projects Administrator.

4. **Maintenance** – The department in control of the property shall ensure adequate maintenance procedures are implemented to keep the property in good and usable conditions.
5. **Disposition** – when original or replacement property acquired under a grant or award of financial assistance is no longer needed for the original project, program, or other activities currently or previously supported by the funding agency, the department seeking to dispose of the property shall contact the Grants and Projects Administrator for guidance and approval. The Grants and Projects Administrator shall ensure that any property sold, passed through to another entity, or otherwise disposed of, is done in accordance with applicable awarding regulations and procedures, including the notification of the funding agency, when appropriate for approval or further direction. In addition, the Grants and Projects Administrator shall advise the department controlling the asset and the Finance Department of any restrictions related to the income received from the sale.
6. **Replacement** – If property is damaged, no longer in working condition, or other circumstances arise and it is replaced by the manufacturer under warranty, the original property should be noted as disposed of in the Fixed Asset System and the replacement property entered with all of the identifying award information used for the original asset. The Grants and Projects Administrator and the Finance Director shall be notified of these instances within 48 hours of occurrence.

Procedure:

1. Upon paying an invoice for property purchased under a grant or financial assistance award meeting the definitions above, the Finance Department will forward an asset tag to the department in control of the asset and verify all of the identifying information required to be entered into the Fixed Asset System.
2. If property is received that is passed through to the City by another entity under a grant or financial assistance award, the Grants and Projects Administrator shall be notified. An award master file shall be created and a copy of the award agreement or pass-through award information should be entered into the file. The award will be accepted and/or processed as provided for under the Award Acceptance policy.
3. Should the asset be purchased or passed through under a federal or state grant and meets the definition of real, personal, or intangible property, the asset shall be identified in the Fixed Asset System.
4. Should the asset be purchased or passed through under a federal or state grant and meets the definition of supplies, the asset shall be identified in the Fixed Asset System.

5. The Finance Director shall coordinate with all departments to conduct a property inventory on an annual basis.
6. Any known loss, damage, theft or other material changes in the status of property shall be made known to the Finance Director by the department controlling the asset. This also includes changes in location or obsolescence of any asset.
7. If the controlling department intends to dispose of any property purchased under a grant or financial assistance award, the Grants and Projects Administrator shall be notified as soon as possible for guidance and approval.
8. The Grants and Projects Administrator shall review the awarding regulations and procedures, including contacting the funding agency when appropriate, for approval and further guidance if needed.
9. The Grants and Projects Administrator shall approve the disposition in writing and document it in the corresponding award master file. She/he shall also advise the department controlling the asset and the Finance Director of any special conditions related to the income received from the sale, including return of proceeds from the sale to the funding agency, and follow-up to ensure that appropriate internal controls are in place to comply with the special conditions.
10. The Finance Director shall be responsible for ensuring that the disposition data, including the disposition date and sale price of the property is entered into the Fixed Asset System.

Section IV. POST-AWARD MANAGEMENT AND ADMINISTRATION – Travel Under a Grant

Purpose:

The purpose of this policy is to ensure that all travel conducted and subsequent reimbursement requests made under a grant are allowable and in compliance with all federal, state, and City travel requirements and specific grant award conditions and guidelines.

Policy:

All travel under a grant or financial assistance award shall be conducted specifically to carry out the award and in accordance with City travel policy and federal travel guidelines, as well as the grant contract conditions and requirements. If a difference between City reimbursement rates and the allowable federal reimbursement rate as defined by the General Services Administration (GSA) exists, the more restrictive of the two shall be utilized and charged to the grant. Departments shall be responsible for ensuring that all travel to be charged to a grant is allowable and pre-approved by the granting agency, when required. Travel approvals shall be requested in writing following all City established travel request procedures and maintained in the corresponding award master file. Additionally, the Grants and Projects Administrator shall review and approve all travel expenses to be charged to a grant, prior to the expenditure of funds, and confirm the allowability and allocability of the expenses pursuant to the grant or financial assistance award terms and conditions.

Procedure:

1. All City staff, including commission or committee members, conducting travel under a grant shall submit for approval a travel request form including required supporting documentation pursuant to established City policies and procedures.
2. City departments are required to verify the allowability, allocability and reasonableness of travel under a grant, including securing prior written approval from the funding agency, if required.
3. A copy of the Travel Request form shall be submitted to the Finance Director and the Grants and Projects Administrator to confirm the allowability and allocability of the travel under the grant.
4. If the travel meets all the above policies and procedures, the Grants and Projects Administrator will notify the department responsible for managing the associated project and shall upload a copy of the Travel Request and all supporting documentation into the award master file.

Section V. SUAWARD CONTRACTING & COMPLIANCE – Subawards

Purpose:

The purpose of this policy is to ensure that subawards are correctly identified under grants and other awards of financial assistance, and that award and City requirements are appropriately included in the contracts.

Policy:

All City departments intending to enter into a contract for goods and services under a grant or financial assistance award shall determine whether the entity they wish to contract with should be designated as a contractor or a subrecipient. This determination shall be retained within the corresponding award master file. If technical assistance is needed in making a determination between whether an entity should be deemed a contractor or a subrecipient, the department shall consult with the Grants and Projects Administrator for determination. All grant terms, regulations, and laws apply to subrecipients.

All subawards entered into under federal awards of financial assistance shall be made only after completion of a fully documented competitive selection process, unless otherwise approved by the Grants and Projects Administrator with written approval obtained from the funding agency as determined by the Grants and Projects Administrator.

All subawards entered into under non-federal grants or other financial assistance awards, and any other amendments thereto, shall be prepared on a template provided by Central Administrative Services and submitted to the Grants and Projects Administrator for approval. The Grants and Projects Administrator will coordinate with the Legal Department and will obtain a full legal review and authorizing signature.

The approval and signatures of the Grants and Projects Administrator and Legal Department shall be obtained prior to the contract being sent to a subrecipient agent, and if necessary, City Council.

Procedure:

1. The Department is responsible for ensuring that a fully documented competitive selection process is implemented for any awards made under federal grants or financial assistance awards, or any other awards that contain federal requirements.
2. If a competitive process is not possible or will not be conducted for any reason, prior approval by the Grants and Projects Administrator and written approval from the funder as determined by the Grants and Projects Administrator must be obtained prior to contract development. Identifying or referencing a subrecipient by name in an application does not constitute funding agency approval of a non-competitive process.

3. The department is responsible for determining whether the entity or person she/he intends to contract with is classified as a contractor or subrecipient. A Subrecipient Determination Checklist form may be obtained from the Grants and Projects Administrator for this purpose.
4. All documentation and agreements pertaining to contractor or subrecipient award shall be maintained in the corresponding award master file.

Section V. SUBAWARD CONTRACTING & COMPLIANCE – Federal Funding Accountability and Transparency Act

Purpose:

The purpose of this policy is to ensure City compliance with the Federal Funding Accountability and Transparency Act.

Policy:

Pursuant to the Federal Funding Accountability and Transparency Act (FFATA), the Grants and Projects Administrator shall be responsible for ensuring that all subawards supported with federal funding greater than $25,000 are reported into the Federal Funding Accountability and Transparency Subaward Reporting System (FSRS). Reports shall be entered prior to the end of the month in which the subaward or obligation was made. Any contract modifications made to a subaward that change the previously reported information or increase the threshold of award to $25,000 or greater shall also be entered within the month the modification was made.

Procedure:

1. The Grants and Projects Administrator shall report subawards and or any award amendments meeting the FFATA threshold of $25,000 to the FSRS reporting system prior to the end of the same month in which the award was made and/or changed.
2. If more than one subaward contract is entered into with a single agency under the same federal award, the combined award amount shall be reported to the FSRS reporting system if the combined award amount meets the FFATA threshold of $25,000.
3. A copy of the FSRS report shall be uploaded to the subaward master file by the Grants and Projects Administrator.

Purpose:

The purpose of this policy is to ensure that all award subrecipients are sufficiently monitored to verify compliance with all laws, regulations and the provisions of contract or grant agreements, and that all performance goals and reporting are accomplished.

Policy:

Prior to entering into a subrecipient contract and for each fiscal year during the contract performance period, the Grants and Projects Administrator shall perform a risk assessment and implement an appropriate monitoring plan to assess project performance, including program objectives, eligible activities and benchmarks, financial management, and allowability and allocability of costs associated with the subrecipient's program or project. Monitoring of subrecipients may consist of on-site or remote monitoring techniques, or a combination thereof, based on results of the risk assessment.

Should the outcome of a subrecipient risk assessment identify any compliance concerns or weaknesses, the Grants and Projects Administrator will develop, implement, and monitor a corrective action plan. The Grants and Projects Administrator shall also be responsible for conducting subrecipient audit reviews during the contract performance period.

Risk assessments, audit review, corrective action plans, and any other monitoring activities shall be documented in the subrecipient award master file.

Procedure:

1. Prior to entering into a subrecipient contract, the Grants and Projects Administrator shall conduct a risk assessment of the subrecipient and implement a monitoring schedule.
2. The subrecipient shall be monitored by the Grants and Projects Administrator as follows:
    a. **Budget Monitoring** – Compare actual expenditures and outlays with budget amount
    b. **Expenditure Monitoring** – Ensure that all expenditures billed are supported by source documentation to include, but not limited to, cancelled checks, invoices, time reporting records, payroll records, contract and subaward contracts, etc.
    c. **Allowable Cost Monitoring** – All subaward expenditures shall be reviewed ensure that all costs billed are necessary, reasonable, allowable, allocable, and in accordance with program requirements.
    d. **Performance Monitoring** – the Grants and Projects Administrator shall monitor subrecipients to verify that their performance is adequate. In the event performance concerns arise, the Grants and Projects Administrator shall develop, document, and implement an appropriate action plan. Additional

actions that may be implemented in response to a subrecipient award compliance deficiency include, but are not limited to:

i. Issue a letter of warning to the subrecipient putting them on notice that, should the deficiency continue without correction, additional action will be taken;
ii. Recommend and/or request the subrecipient develop and submit a corrective action plan; and
iii. Suspension of the disbursement of funds for the deficient activity

e. **Reimbursement Monitoring** – Ensure that subrecipients are paid on a reimbursement basis unless specifically authorized by the Grants and Projects Administrator.
f. **Property Monitoring** – If property is purchased or passed-through under the subaward, verify fixed asset records on an annual basis during the period of performance and at award closeout, ensure that the Catalog of Federal Domestic Assistance (CFDA) number and any other award identification of the grant under which the property was acquired, description of the property, serial or model number, the source of the funding, who hold the title, acquisition date, property cost, percentage of federal participation in the cost, use and condition of the property, and any disposition data, including the date of disposal and sale price of the property being tracked.

3. The Grants and Projects Administrator shall monitor the audit requirements of the subrecipient as stated in the award contract, including obtaining and reviewing all subrecipient's audit reports within 30 days after issuance, no later than nine months after the end of the audit period, and reviewing for compliance and verifying submission to the Federal Audit Clearinghouse (FAC) should federal monies be involved. If and audit finding exists for noncompliance reasons, or a determination is made that a lack of internal controls may affect compliance, the Grants and Projects Administrator shall require the subrecipient to develop and implement a corrective action plan and comply with additional monitoring task.
4. The Grants and Projects Administrator will notify the City Administrator of any non-compliance issues and/or concerns.
5. All subrecipient monitoring activities and corrective action plans will be documented by the Grants and Projects Administrator and uploaded to the subrecipient award master file.

Section VI. AWARD REPORTING – Program Reporting

Purpose:

To ensure that the program results and associated reporting of grant and financial assistance supported activities are accurate, current, complete and made in accordance with the specific reporting requirements of the award and any and all associated regulations.

Policy:

The Department Director in the department receiving the award shall prepare program reports with supporting source documentation, including all invoices and contractor documentation. At their discretion, the Department Director may designate or assign a staff member within their department to prepare the program report. The reports will be reviewed by the Grants and Projects Administrator and signed, if required. Copies of reports submitted will be retained in the Award Master File.

Procedure:

1. All project reporting deadlines will be documented within the award master file and tasked out to the Department Director in the recipient department.
2. The Department Director or assigned personnel shall prepare the report in accordance with the reporting guidelines as stated in the award contract. The report should include supporting documentation as appropriate.
3. The Department Director shall submit the report to the Grants and Projects Administrator who will then submit the report to the award agency, if required.
4. If the funding agency has designated the use of a separate reporting system, all reports may be maintained in that system rather than duplicated in the Award Management System at the discretion of Central Administrative Services.
5. The Grants and Projects Administrator will upload the report into the award master file.

Section VI. AWARD REPORTING – Financial Reporting

Purpose:

To ensure that the financial results and associated reporting of grant and financial assistance supported activities are accurate, current, complete and made in accordance with the specific reporting requirements of the award and any and all associated regulations.

Policy:

The Finance Department shall prepare financial reports with supporting source documentation to verify the allowability and allocability of grant and financial assistance associated expenses. The reports will be verified for accuracy and compliance by the Director of Finance and the Grants and Projects Administrator.

Procedure:

1. All financial reporting deadlines associated with a grant or financial assistance award will be input in the corresponding award master file.
2. Prior to preparing the financial report, the assigned finance personnel shall analyze the expenditures vs. income received for the reporting period, including any program income received.
3. The assigned finance personnel shall prepare the report in accordance with the reporting guidelines stipulated in the grant or financial assistance award contract. The report shall include supporting documentation to back up all of the revenue and expenses reported, including, but not limited to, drawdown requests, program income calculations, copies of invoices paid, payroll documentation and a report showing actual revenue and expenditures printed directly from the financial system. If match is reported, the associated supporting documentation shall also be included.
4. Expenses that have not posted to the general ledger at the time of the report preparation will not be reported except under exceptional circumstances (to be determined and approved by the Director of Finance on a case-by-case basis).
5. The Grants and Projects Administrator shall provide technical assistance, if requested.
6. The completed report, including supporting documentation shall be provided to the Grants and Projects Administrator.
7. The Grants and Projects Administrator shall review the report and the supporting documentation to verify that all of the expenses reported are allowable and allocable and adequately supported.
8. The Grants and Projects Administrator shall obtain the signature of the department director on the report and submit it to the awarding agency as required and note the submission date in the corresponding award master file.

9. A copy of the financial report, including appropriate approvals, shall be uploaded into the Award Management System.

Section VII. GRANT AUDITS AND REVIEWS – Award Agency Reviews

Purpose:

The purpose of this policy is to ensure that the City provides all needed documentation and verification of compliance to any funding agencies or their designees conducting reviews, monitoring or technical assistance support on City grants and other financial assistance awards.

Policy:

The Grants and Projects Administrator shall ensure that the City Administrator and the Finance Department are made aware of any scheduled reviews, monitoring or technical assistance visits made by their funding agency or designees. The Grants and Projects Administrator shall forward the Finance Director any advance documentation requests, including risk assessments, compliance checklists, etc. The Grants and Projects Administrator shall work with the City Administrator in coordinating the City's official response. The Grants and Projects Administrator shall also be responsible for developing and overseeing corrective action plans to address recommendations or weaknesses identified.

Section VII. GRANT AUDITS AND REVIEWS – Audits

Purpose:

To ensure that the City of Sandpoint appropriately complies with any and all audits conducted by a funding agency or their designated auditors to verify City compliance with all applicable rules, regulations, and circulars.

Policy:

The City of Sandpoint is responsible for conducting audits in accordance with the Single Audit Act of 1984 (31 U.S.C. 7501-7) and Federal agency implementing regulations. The Director of Finance shall serve as the primary point of contact with the state auditors for the Single Audit and shall be responsible for the developing and overseeing the implementation of any corrective action plans. The final Single Audit Report shall be submitted to the Federal Audit Clearinghouse within 30 days after receipt or nine months after the City's fiscal year end. The Accounting Department shall be responsible for electronically submitting the Single Audit Report.

The Director of Finance shall also serve as the primary point of contact for any other audits conducted by funding agencies and their designated auditors on the City's awarded grants and other financial assistance, and shall be responsible for developing and overseeing the implementation of corrective action plans.

The City of Sandpoint shall make available any and all supporting documents for review upon request by the awarding agency, its Inspector General, the Comptroller General of the United States or any other audit agencies designated.

Procedure:

1. The Finance Department will compile and prepare the Schedule of Expenditures of Federal Awards (SEFA) and may coordinate with Central Administrative Services for a secondary review.
2. The Director of Finance shall serve as the primary point of contact with the state auditors for the Single Audit and will assist City departments and divisions receiving grant and financial assistance funding with compliance oversight and technical assistance to comply with audit requirements in accordance with OMB Circular A-133.
3. Within 30 days after receipt or nine months after the City's fiscal year end, the Finance Department will electronically submit the Single Audit Report to the Federal Audit Clearinghouse.
4. In addition, the Director of Finance shall serve as the primary point of contact for audits conducted by funding agencies and their designated auditors.

5. Auditors will be provided access to all award master files by Central Administrative Services for purposes of reviewing award master files and verifying internal controls.
6. In instances of concerns identified, whether included in a formal management letter or only provided orally, and/or audit findings, the Grants and Projects Administrator will assume primary responsibility for development of a corrective action plan in coordination with the impacted departments or divisions and submitting the plan to the auditor, funder and any other appropriate reviewing agencies. In addition, the Grants and Projects Administrator will follow-up with the City departments to ensure that the appropriate corrective action has been implemented.

Section VIII. CLOSE-OUT AND RECORDS RETENTION – Award Close-Out

Purpose:

To ensure that all required final documents are submitted and conditions are met to ensure the proper close-out of grants and financial assistance awards.

Policy:

Upon expiration or termination of an award, the Grants and Projects Administrator shall oversee the close-out process to ensure that all required reports are submitted, actions taken, and conditions are met to ensure proper compliance.

Procedure:

1. The Grants and Projects Administrator will monitor award ending dates and review close-out requirements within 90 days of completions of projects associated with grant funding.
2. If performance under an award will end at an earlier date or has been terminated for any reason by the recipient department, the Director of the department associated with the project funding shall notify the Grants and Projects Administrator in a timely manner to ensure proper close-out procedures are implemented.
3. All close-out documents will be uploaded to the award master file upon reviewed and approval by the Grants and Projects Administrator and prior to submission.
4. The Grants and Projects Administrator is responsible for submitting all final documents to the awarding agency.

Section VIII. CLOSE-OUT AND RECORDS RETENTION – Records Retention

Purpose:

The City of Sandpoint is responsible for ensuring that complete award records, including all supporting documents to prove the allocability and allowability of revenues, expenditures, obligations, program income, interest, assets, authorizations and unobligated balances must be retained for audit purposes in accordance with federal, state and specific award requirements.

Policy:

All award master files, including but not limited to, contract and amendments, applications, statistical records, program and financial reports, income and expenditures, requests for reimbursement, and all associated supporting documentation, will be maintained as designated by the Central Administrative Services, and in accordance with 2 CFR §200.333. The Grants and Projects Administrator and designated members of Central Administrative Services are responsible for establishing and maintaining this record and ensuring it is complete by uploading and updating all award documents.

Supporting original documents such as original signed contracts will be maintained by the Grants and Projects Administrator for three (3) years or the required retention period specified in the award agreement, or the retention schedule prepared by the Secretary of State, whichever is longer.

Additional supporting records such as the fixed asset records for real property and equipment acquired with grant or financial assistance funds will be retained for three (3) years after disposition. Indirect cost rate proposals and cost allocation plans will be retained for three (3) years following the end of the fiscal year (or other accounting period) covered by the proposal, plan, or other computation.

The retention period begins following the submission date of the audit report covering the entire award period, or until all issues resulting from litigation, audit resolution, or claims have been resolved, whichever is later.