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DATE: April 23, 2024

SUBJECT: **GRANT MANAGEMENT AND ADMINISTRATION REVIEW**

Executive Summary

Purpose:

The purpose of this engagement is to provide guidance to City of Tempe (City) Leadership on establishing a comprehensive central grant management policy and implementing citywide and department-specific procedures for effective grant administration throughout the grant lifecycle, aligned with industry best practices.

Background

The City pursues and manages grant opportunities through a decentralized approach. Staff with specialized knowledge throughout the City apply for grants in their respective areas of expertise. The City receives significant grants from other governments and organizations to support its programs and activities. According to the Fiscal Year 2023/24 Adopted Budget, grant revenues should reach almost \$140M in the following categories:

	FY 2023/24
Source	Adopted Budget - Grant Revenue
CDBG / Sec 8 Housing	\$52,192,639
Governmental Grants	\$23,378,511
Police RICO Grants	\$9,177,332
<u>Capital Budget Fed Grants</u>	<u>\$54,386,147</u>
Total	\$139,134,629

Currently, the Municipal Budget Office (MBO) provides the only citywide procedures for grant management. These procedures outline specific administrative steps that must be followed to accept and receive new grants. However, no citywide policy exists for the pre-award, management, or the closeout phases of the grant lifecycle.

In 2022, we conducted an audit of three specific grants. Overall, we concluded that grant funds were spent on activities consistent with grant terms but found opportunities to improve management controls and create and clarify policies and procedures in several areas. Without overarching City policy or guidance, we recognized that individually developed processes and controls could lead to:

- Inefficiency and duplication
- Communication and knowledge gaps
- Compliance risks
- Strategic and resource challenges

Approach

In this project, we took a multi-pronged approach to assess the cohesiveness of the City's grant management process. Our comprehensive review and analysis included the following:

- Multi-departmental outreach sessions
- Policy and procedure review
- eCivis implementation review
- Benchmarking of similar cities
- Best practices research

We provided the Strategic Management and Innovation Office (SMIO) with minutes from department outreach sessions as well as a summary of the overall strengths, challenges and needs expressed by the groups, grant policies, guidelines and procedures obtained from other cities we contacted, and consolidated summaries of best practices prepared from guidance published by the Government Financial Officers Association (GFOA) and other authoritative bodies. This information can also be found in our Comprehensive Grant Review Report following this Executive Summary.

Conclusions in Brief

Staff responsible for grant management believe specific improvements are needed:

- City departments face a variety of grant management challenges and articulated numerous specific needs including: some aspects of a centralized grant management function with dedicated staff, standardized procedures, training, and better streamlined processes.

Changes to the City's organizational structure would help improve grant management functions:

- Establishing a Grants Administration Oversight Committee would help ensure grant compliance and promote strategic funding decisions that could avoid unexpected future financial burdens.
- The newly established Sustainability and Resilience Project Coordinator – Policy and Grants position within the Strategic Management and Innovation Office (SMIO) offers a significant opportunity to improve efficiency, transparency, and resource acquisition. However, the position is only .5 FTE. Based on the needs and challenges of grant management expressed department-wide, there may be a potential misalignment between the prioritization of the grant management program versus the allocated resources.

Formal grant policies and procedures based on best practices are needed to support consistent grant management practices:

- A formal citywide grant policy is needed help safeguard the City's finances and maximize the impact of grant funds.
- When creating and updating grant policies and procedures, the City can maximize resources by conducting a comprehensive review and comparison of policies previously developed by similar organizations.
- Departments responsible for grant funds should create/update processes and procedures to align with the new citywide grant management policy to ensure consistency and awareness across departments.

The City's planned grant management software will improve processes, but implementation is complex and will take time:

- eCivis can simplify and improve the grant management process. If implemented alongside a formal centralized grant policy with supporting documented procedures and formal training for staff, this software application can help the City maximize funding and deliver greater impact in the communities. However, there is some concern that the implementation of eCivis could add to their workload rather than ease it.
- Due to the complexity of the eCivis system and the limited staffing resources available to complete the implementation, SMIO would benefit from creating and following a formal documented project plan that calls for a phased implementation.

Summary of Recommendations

1. Consider establishing a Grant Administration Oversight Committee to help ensure grant compliance and promote strategic funding decisions.

2. Develop a formal citywide grant policy that addresses each stage of the grant management lifecycle. This will help safeguard City finances and maximize the impact of grant funds. See Attachment A for a schedule of best practices for developing grant policy.
3. Create and update department-specific grant policies and procedures that align with citywide grant management policy. See Attachment B for recommended best practices for developing grant related procedures.
4. Due to the complexity of the eCivis application and the limited staffing resources, consider the need to create a formal software implementation plan.

Please refer to the Comprehensive Review Report accompanying this Executive Summary for additional details and information regarding our work performed, conclusions reached, and recommendations made above.

Grant Management and Administration Comprehensive Review

In this project, we took a multi-pronged approach to assess the cohesiveness of the City's grant management, including internal practices, external benchmarking, and best practices research. Our analysis included:

Internal Review:

- **Department Outreach:** We met with staff who regularly manage grant funds from five city departments to understand the current state of grant management, including their specific needs, common challenges, and any persisting weaknesses and control gaps.
- **Policy and Procedure Review:** We evaluated existing policies and procedures in grant-administering departments, centralized processes in Budget and Finance, and reviewed the most recent Single Audit for control deficiencies.
- **eCivis:** For the eCivis grant management software implementation, we offered an advisory perspective on building comprehensive citywide policies and procedures alongside the software system. This ensures proper controls and compliance are addressed while maximizing the effectiveness of eCivis for grant management.

External Benchmarking:

- **Survey of Similar Cities:** We gathered best practices from six municipalities through interview, online research and policy review. Our surveyed cities included Flagstaff, Denver, Houston, Pasadena, Richmond, and San Antonio.

Best Practices Research:

- **Expert Guidance:** We researched current best practices for grant management issued by the Governmental Financial Officers Association (GFOA) and other authoritative bodies.
- **Grant Management Software Assessment:** We considered the benefits and drawbacks of the City of Tempe's planned citywide implementation of eCivis.

Conclusions

City departments we engaged with are encountering a variety of challenges and articulated numerous specific needs.

To better understand the current state of grant management, we partnered with SMIO's Sustainability and Resilience Project Coordinator – Policy and Grants, hosting 10 meetings with over 30 department employees from five departments that regularly rely on grant funding. We provided the Sustainability and Resilience Project Coordinator with the minutes for each meeting as well as a summary of all meetings, highlighting strengths, challenges and needs as expressed by department staff. The strengths as expressed by department staff in summary are as follows:

Department Strengths in Grant Management

Experience

- Most departments have some key staff members with many years of experience in grant administration who are dedicated to tracking, budgeting, reporting and compliance.

Collaboration

- Collaboration is strong within teams and among different departments.

Positive Track Record

- Departments overall have a positive track record of both securing and administering grants.

Partnerships

- Departments have strong partnerships with community stakeholders.

The challenges and needs departments are facing when administering grants are listed below:

Challenges

- **Limited resources:** Lack of dedicated grant writers, coordinators, and administrative support is prevalent across departments.
- **Decentralized and siloed processes:** Departments operate independently, leading to a lack of coordination and information sharing, and potential for duplication of efforts.
- **Knowledge gaps:** Staff desire training on various aspects of grant management, including grant writing, specific federal requirements (e.g., SAM.gov, DUNS number), budgeting, city processes, compliance, and software usage.
- **Time constraints:** Short lead times, extensive reporting requirements, and competing priorities make it difficult to manage grant workloads effectively citywide.
- **Complex internal processes:** Delays caused by approvals and City systems integration hinder efficiency.
- **Difficulties finding suitable grants:** Challenges exist in identifying grants aligned with program needs while avoiding competition with other departments.
- **Sustainability concerns:** Difficulty ensuring long-term program sustainability after grant funding ends.

Needs

- **Centralized grant management:** Centralization of some processes and controls would help departments coordinate activities, share information, track and report on grant activity, and could offer overall policy guidance.
- **Dedicated staff:** Departments require dedicated grant writers, coordinators, and potentially administrative support to manage the grant lifecycle effectively.
- **Standardized procedures:** Documented procedures for grant management, including conflict of interest protocols, streamlined internal approvals, and clear roles and responsibilities, are essential.
- **Training:** Training programs on various aspects of grant management, including writing, monitoring, budgeting, specific software usage, and city processes, are crucial for building staff capacity.
- **Improved communication and collaboration:** Mechanisms for departments to share information, collaborate on grant opportunities, and identify potential conflicts are necessary.
- **Technology solutions:** Implementation of a user-friendly grant management platform like eCivis is needed to improve efficiency, searchability, and potentially streamline internal processes and provide a centralized grant repository in a readily accessible format.
- **Clearer budgeting guidelines:** More flexibility in budget line items would facilitate spending on grant-related activities.
- **Proactive grant search and prioritization system:** A system that can actively identify grant opportunities that align with City and department goals and prioritize grant applications based on resource availability, and long-term sustainability is needed.
- **Streamlined administrative and reporting processes:** Improvements to internal processes for grant setup and management within Finance, Budget, and HR departments would reduce administrative burdens while efforts to reduce reporting burden and explore ways to utilize existing data for grant reporting would save time and resources.
- **Grant sustainability analysis:** Conducting feasibility assessments to consider long-term implications for staffing and budget before accepting grants is essential for program sustainability.
- **Increased staffing:** Filling vacant positions and potentially hiring additional staff is necessary to manage the workload in some departments.
- **Improved information sharing:** Clearer communication regarding eCivis implementation and potential benefits for entitlement programs is necessary to address concerns.
- **Improved performance measurement:** A stronger focus on setting clear and measurable performance outcomes for grant projects would enhance program evaluation.

Establishing a Grants Administration Oversight Committee would help ensure grant compliance and promote strategic funding decisions that could avoid unexpected future financial burdens.

The GFOA recommends that a grant oversight committee be both interdisciplinary and permanent, and meet at least quarterly. Representatives generally include the Chief Financial Officer, Budget Manager, Assistant City Manager, Grant Management Coordinator, and one or more Department Heads. Furthermore, the Committee should be involved before applying for, accepting, renewing, or continuing a grant.

Duties of a centralized grant oversight committee typically include:

- **Reviewing Grant Applications and Renewals:** Understanding grant requirements to ensure compliance before accepting or renewing a grant.
- **Ensuring Alignment with Government Goals:** Verifying if the grant aligns with the city's mission and strategic priorities.
- **Conducting Cost-Benefit Analysis:** Evaluating the grant's financial feasibility, including potential future costs after the grant ends.
- **Assigning Oversight Responsibilities:** Designating individuals and departments responsible for managing and reporting on the grant.
- **Establishing Grant Monitoring Plan:** Developing a system to track grant activities and ensure sub-recipient compliance (if applicable).
- **Securing Adequate Resources:** Confirming sufficient financial, human resource, and technological resources to support the grant.
- **Evaluating Post-Grant Personnel Costs:** Assessing potential personnel expenses after the grant period ends (e.g., severance, retaining staff).
- **Evaluating Post-Grant Asset Maintenance Costs:** Analyzing potential costs associated with maintaining equipment or facilities acquired through the grant after it ends.

The GFOA recognizes that smaller governments may need to reduce the total number of members on the oversight committee, but the duties assigned remain essentially the same.

Development of a formal citywide grant policy will help safeguard the City's finances and maximize the impact of grant funds by ensuring strategic selection, efficient management, and responsible use of these resources.

A formal grant policy can streamline grant management for City staff. This policy would outline requirements and best practices for each stage of the grant lifecycle, from pre-award through closeout. This includes identifying, organizing, and tracking specialized requirements for grant operations, specific compliance rules, monitoring of sub-recipients, and specialized reporting needs. There are typically negative consequences for failing to meet these requirements. Furthermore, a formal grant policy will help the City identify and make timely decisions regarding maintaining a program or asset after

the expiration of the grant, either as a condition of the grant itself or because of practical/political circumstances.

Grant Management Lifecycle

Pre-Award	Award	Manage and Report	Closeout
<ul style="list-style-type: none"> • Identify Funding Opportunities • Prepare Application / Obtain Department Approval • Evaluate Strategic Alignment with City Priorities • Understand Requirements • Cost Benefit Analysis • Develop project plan and team • Submit Application 	<ul style="list-style-type: none"> • Receive Award Letter • <i>Request Council Approval to accept and disburse the grant funds *</i> • <i>Submit Request for Cost Center / Budget Transfer *</i> <p><i>* These steps are currently the only steps documented in citywide procedures.</i></p>	<ul style="list-style-type: none"> • Administer program / follow terms and conditions • Track project schedule / deliverables • Maintain internal controls to prevent error, fraud, waste • Drawdown funds • Maintain all required documents and keep records • Report performance measures timely • Fulfill financial reporting requirements timely 	<ul style="list-style-type: none"> • Complete final drawdown • Submit final reports and reconciliations • Retain records

Currently, the Municipal Budget Office (MBO) provides the only citywide procedures for grant management. These procedures outline specific administrative steps that must be followed to accept and receive new grants - including obtaining Council approval, submitting a request for a new cost center, and requesting a budget transfer. A fiscal impact statement is also required which indicates if matching funds are required. Once these steps are complete, management of the grant throughout its lifecycle is managed by the department who was awarded the grant.

Based on our review of GFOA and other authoritative guidance on grant administration and our review of surveyed cities' grant policies, a citywide grant policy is typically implemented by the centralized grant management function and components of the policy include:

- Grants identification and application
- Strategic alignment
- Funding analysis
- Evaluations / renewals

- Administrative and operational support

Attachment A provides detailed best practices for each of these components.

When creating and updating grant policies and procedures, the City can maximize resources by conducting a comprehensive review and comparison of policies previously developed by similar organizations.

We evaluated the grant management policies of six cities with populations ranging from under 80,000 to almost 2.5 million, noting the inclusion of GFOA best practices. We found the following common subjects addressed in policies:

- Centralization of some grant oversight functions
- Early involvement of Finance and Budgetary assessment
- Requirement for strategic alignment with the City's mission and priorities
- Creation of a multi-year cost benefit analysis with identification of all potential costs, contributions, and funding gaps.
- Early development of a project implementation plan identifying roles and responsibilities
- Requirement to understand terms and conditions upon acceptance
- Supporting procedures to charge expenses and obtain reimbursement correctly

We also noted that most of the grant policies we reviewed were silent on the following GFOA best practices:

- An overall approach to grant renewals
- A provision for training those responsible for the management of the grant

We consider these to be important aspects of grant management and should be taken into consideration as well.

We provided SMIO staff with copies of all City policies we obtained during our review.

Departments responsible for receiving and managing grant funds should update and document processes and procedures to align with the new citywide grant management policy. This ensures consistency and awareness across departments that grant requirements must be properly managed and documented upon fulfillment.

In addition to a current, citywide grants policy, it is important to ensure that departments appropriately manage grants after their acceptance. Departments must ensure compliance with grant agreement terms and conditions, such as:

- Efficient administration and operation and financial management of grant programs.
- Proper support of grant management software solutions
- Proper internal controls to prevent error, waste, or abuse of grant funds
- Proper subrecipient monitoring and reporting
- Continuous interagency communications and information sharing

- Accurate and Timely reporting
- Compliance with auditing requirements
- Performance monitoring for determining if program goals have been met
- Recordkeeping and documentation
- Adherence to applicable laws, regulations, and policies

Inappropriate administration can result in the failure to meet all requirements of the grants that the City receives. In such cases, some or all grant resources may need to be returned to the provider and future grants may then become more difficult to obtain. Normally, a failure to meet all grant requirements is not usually intentional. Instead, the problem often occurs because staff within departments may not have proper experience, guidance, or training, or may not have been aware of all requirements in a timely manner.

Departments may need support from SMIO, Finance, and IT to ensure their documented processes and procedures are efficient and effective. We assembled a list of best practices that could be beneficial for the City's efficient administration and operation of grant programs at the department level. See *Attachment B*.

Note that *Attachment A and B* may have overlapping best practices listed as some best practices could be included in the overall grant policy and/or incorporated into department procedures and practices. These best practices are meant to provide guidance but not dictate policy or procedure. Procedures will need to be tailored to individual department needs based on specific grants and activities.

The newly established Sustainability and Resilience Project Coordinator – Policy and Grants position within SMIO offers a significant opportunity to improve efficiency, transparency, and resource acquisition.

The central Sustainability and Resilience Project Coordinator – Policy and Grants position offers the opportunity to significantly increase efficiency, enhance transparency, and improve resource acquisition. This position can also strengthen internal controls and help ensure grant requirements are met by:

- Creating and administering a citywide grant management policy and providing guidance and assistance to departments in developing grant management procedures.
- Developing training for users in citywide grant policy and procedures and requirements for managing grants in eCivis.
- Coordinating implementation of eCivis, a citywide grant management system.

However, considering the extensive responsibilities assigned to this position, achieving desired outcomes within associated target dates may prove challenging, as the position only works on grant management activities on a part-time basis.

eCivis can simplify and improve the grant management process. If implemented alongside a formal centralized grant policy with supporting documented

procedures and formal training for staff, this software application will help the City maximize funding and deliver greater impact in the communities.

The City's Information Technology Department (IT), Government Relations Office, the Finance Department, and the Municipal Budget Office, all recognized the City's growing need to streamline grant efforts and optimize grant compliance and began working towards the implementation of eCivis, a grant management software solution. In October 2023, after completing much of the pre-implementation phase, IT began transitioning the project to the SMIO. The tentative implementation date of key modules in eCivis for some departments is July 2024.

eCivis' Key Features:

- Finding grants: Access databases of available funding opportunities and filter them based on specific criteria.
- Applying for grants: Streamline the application process with online forms and automated workflows.
- Managing grants: Track budgets, expenses, and performance metrics for awarded grants.
- Generating reports: Create custom reports to track progress and analyze grant program data.
- Compliance: Ensure adherence to federal and state grant regulations.
- Cost allocation: Manage and allocate costs associated with grants and other programs.

eCivis can help ensure policies and procedures are followed in several ways:

- **Streamlined workflows-** By automating tasks and setting up clear, step-by-step processes for different grant activities, eCivis can help prevent deviations from established policies and procedures. For example, the software can enforce deadlines for submitting reports or requesting budget changes, making it less likely that these requirements will be missed.
- **Centralized data repository-** eCivis stores all grant-related data in a central location, making it easy for authorized personnel to track progress, identify any inconsistencies, and ensure that everyone is adhering to the same policies and procedures.
- **Audit trails and reporting-** eCivis automatically logs all actions taken within the system, creating a detailed audit trail of who did what, when, and why. This can be helpful for identifying any potential policy violations, training opportunities or areas where procedures need to be revised.
- **Role-based access control-** eCivis allows administrators to set different levels of access for different users, limiting what each person can do within the system. This can help to prevent unauthorized changes to data or workflows, further ensuring adherence to policies and procedures.

However, concerns among department staff that the implementation of eCivis could add to their workload rather than ease it must be also addressed. Also, because this system will interface with City financial systems and be implemented Citywide, IT enterprise resources will need to be allocated on an ongoing basis.

Due to the complexity of the eCivis system and the limited staffing resources available to complete the implementation, SMIO would benefit from further collaboration with IT in creating and following a formal documented project implementation plan.

The project plan should outline tasks, timelines, resources, budget, and communication strategy. Other important areas that the project plan should cover are:

- **Phased Implementation Strategy** – Using a phased approach may necessary. Deploying each module of eCivis in a separate phase or importing only certain grants at a time may make the implementation more manageable.
- **Migration and Conversion Strategy** – Determining if only new grants will be created in the system or if existing grant projects will be included. Departments will need detailed guidance on moving existing data and ensuring accuracy.
- **User Training and Documentation** – Training strategies should be documented far in advance. Issues such as who will provide training and how guides and system documentation will be created and made available.
- **System Launch** – The project plan should lay out the system go-live date and document and what post implementation support will be made available.
- **System Integration:** The plan should document plans for the system to interface with other systems, including the upcoming PeopleSoft upgrade.

Both the Project Management Institute (PMI) and the IT Infrastructure Library (ITIL) have well known sets of IT best practices and additional guidance for software implementation projects.

While eCivis can be a valuable tool for ensuring compliance, it is not a foolproof solution. Ultimately, the responsibility for following policies and procedures lies with the individuals involved in managing grants. However, by using eCivis effectively, City departments can significantly improve their ability to stay compliant and achieve desired outcomes.

Recommendations

We provided the results of our department outreach sessions, external benchmarking review, and research into GFOA grant management best practices to SMIO's Sustainability and Resilience Project Coordinator. This project was not an audit but was performed as a management service. The following recommendations are for

consideration by City Leadership and are not subject to the IAO's audit follow-up process.

1. Determine if additional resources are needed to achieve the goals and objectives of the centralized grant management function in SMIO while also addressing the current needs and challenges expressed by staff.
2. Consider establishing a grant administration oversight committee to help ensure grant compliance and promote strategic funding decisions.
3. Develop a formal citywide grant policy to help safeguard City finances and maximize the impact of grant funds. See Attachment A for assistance.
4. Create and update department-specific grant policies and procedures that align with citywide grant management policy. See Attachment B for assistance.
5. Consider the need to create a formal project plan for the implementation of eCivis due to the complexity of the system and the limited staffing resources.

IAO Review Team:

Bill Greene, City Auditor

Jacqueline Gerald, Sr. Internal Auditor

Diana Storino, Sr. Internal Auditor

Attachment A – Grant Management Policy - Best Practices

Category / Best Practice	Stage
Grants Identification and Application	
Document both a government-wide policy and individual grant policies	Ongoing
Document the purpose for the policy. Examples: To provide framework, ensure consistency, strengthen internal control, etc.	Ongoing
Include detailed definitions to ensure clarity and consistency	Ongoing
Develop a timeline and process for updating policies and procedures as changes occur	Ongoing
Require that Departments document grant procedures and update regularly	Ongoing
Alert agencies that policy decisions concerning grants are made entity-wide to ensure consistency and adherence to strategic planning goals	Ongoing
Implement procedures for grant seeking departments or agencies to notify other relevant departments including finance and budget of their intention before applying. This will help ensure that all parties in the City are aware of the ground and are prepared to administer it	Pre-Award
Provide examples of request forms, timelines, etc.	Pre-Award
Document City Council approval and the RFCA process	Pre-Award
Document role of Legal or IT review / approval in the grant identification / approval process	Pre-Award
Ensure that every award application has the signature of the executive director or agency head, or has received approval, prior to submitting the application	Pre-Award
Review and know the laws, regulations, OMB circulars, 2 CFR200, grant terms and conditions of the grant	Pre-Award
Distinguish grants by source (federal, state, local, and private entity)	Ongoing
Identify the time periods required by the grants	Ongoing
Identify grant reporting requirements	Ongoing
Identify grants that require specialized administration	Ongoing
Strategic Alignment	

Establish a central grants management function	Ongoing
Establish procedure for addressing internally competing applications	Pre-Award
Before completing a grant application, determine the extent to which the grant is consistent with the City's mission, strategic priorities, and/or adopted plans	Pre-Award
Perform due diligence to ensure that the use of the proposed Technology and/or Data does not cause or create an undue or material technical, cybersecurity, regulatory, or privacy risk	Pre-Award
Funding Analysis	
General Policy should reference Financial / Budget policy and procedures	Pre-Award
Require a multi-year cost/benefit analysis prior to application or acceptance. The analysis should include matching funds (and whether they will need to be set aside) and any other direct costs associated with a grant, the extent to which overhead costs will be covered, in-kind contributions, audit and close-out costs, and potential costs that might need to be incurred beyond the grant period	Pre-Award
Disallow the supplantation of an existing expense so that current funds can be diverted to another use for federal grant recipients, unless such use of award funds is explicitly identified as allowable in writing by the sponsor in the award	Ongoing
Be aware of any procurement requirements which may be more stringent than the City's standard procurement policies plan accordingly	Pre-Award
Identify the source of any required grant match and determine any requirements regarding the grant match.	Pre-Award
Develop a contingency plan for funding services that will be continued even if the grant funding is reduced or terminated	Pre-Award
Evaluations / Renewals	
Develop and document an understanding of audit requirements specific to grants including, those in Generally Accepted Government Auditing Standards (GAGAS), Generally Accepted Auditing Standards (GAAS), and Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)	Ongoing
Include an overall approach to grant renewals and an evaluation of the impacts of the grant funded program	Post-Award
Develop and document an understanding of audit requirements for grant close-out	Ongoing

Establish a post-implementation review process that evaluates the program, answering questions such as: - Whether the program achieved its goals - Were any process or internal control issues that were identified by staff, grantor or auditors resolved?	Post-Award
Ensure a proper closeout process to include evaluation for renewal, accounting for unspent funds, and correct disposition procedures are followed	Post-Award
Administrative	
For new programs, establish a project plan identifying timelines and parties responsible for implementing the plan	Pre-Award
Include detailed roles and responsibilities for each City function throughout the grant management process	Ongoing
Address potential conflict of interest, appearance or actual	Ongoing
Provide initial training for new and unfamiliar programs and continuing training for the government (both for oversight agencies, such as finance, and department/program staff that directly administer the grants) and others involved with the grant program (e.g., subrecipients)	Ongoing
Ensure departments understand responsibility for managing the award throughout the entire lifecycle, ensuring compliance with overall terms and conditions.	Ongoing
Maintain a process to ensure that costs charged to grants are allowable, necessary, and reasonable, and properly allocated, and that these determinations are made in a consistent manner	Ongoing
Document the official system of record and what systems (eCivis) should be used to maintain and support proper grant management and tracking	Ongoing
Maintain internal control procedures over accounting, financial reporting, and program administration	Ongoing
Maintain internal control procedures over the identification of, and adherence to, Federal and State compliance requirements, such as those relating to contracting	Ongoing
Design and use internal control procedures to ensure the reliability of information obtained from third parties	Ongoing
Ensure that each area of the grant process (programmatic, budgeting, accounting, etc.) is managed by competent staff who are trained and knowledgeable in their areas of responsibility	Ongoing

Providing for administrative monitoring, including timely reporting and adherence to compliance requirements by subrecipients	Ongoing
Providing for the receipt, review, and appropriate follow-up of Single Audit reports, when applicable	Ongoing
Establish communications with: <ul style="list-style-type: none"> - The grant sponsor/provider - External financial statement and Single Audit providers - Those with oversight responsibility including, when applicable, the Federal Cognizant Agency 	Ongoing
Document in a format accessible to stakeholders the purpose and the government's responsibilities for each of its grants	Ongoing
Ensure that program deficiencies are communicated to all responsible parties, including management, and elected and appointed officials	Ongoing
Ensure that corrective action plans addressing the control deficiencies are written, identify responsible parties and timelines, and are implemented in a timely manner whether the program achieved its goals	Ongoing
Maintaining a comprehensive list of reporting requirements and a reminder system for meeting the reporting deadlines	Ongoing
Document need for compliance with City record retention policy	Ongoing
Develop and maintain a process to monitor for changes in grant terms and conditions that occur after the acceptance of a grant	Post-Award
Utilize federal, state, and local government's official debarment lists to update the government's list of contractors	Post-Award

Attachment B – Grant Administration Procedures - Best Practices

	Category / Best Practice	Stage
1	To ensure the efficient administration and operation of grant programs, the government should:	
	Document both a government-wide and individual grant policies	Ongoing
	Address potential conflict of interest, appearance or actual	Ongoing
	Require that Departments document grant procedures and update regularly	Ongoing
	Document role of Legal or IT review / approval in the grant identification / approval process	Pre-Award
	Provide initial training for new and unfamiliar programs and continuing training for the government (both for oversight agencies, such as finance, and department/program staff that directly administer the grants) and others involved with the grant program (e.g., subrecipients)	Ongoing
	Maintain a process to ensure that costs charged to grants are allowable, necessary, and reasonable, and properly allocated, and that these determinations are made in a consistent manner	Ongoing
	Maintain a process to address specific personnel issues related to grants (e.g., whether salaries and/or benefits are eligible expenditures and if so, what are the related time-keeping requirements)	Ongoing
	Disallow the supplantation of an existing expense so that current funds can be diverted to another use for federal grant recipients, unless such use of award funds is explicitly identified as allowable in writing by the sponsor in the award	Ongoing
2	To ensure the efficient financial management of grants, governments should:	
	Utilize financial management systems to support compliance with grant-related legal and regulatory requirements	Ongoing
	Establish one or more grant funds or unique grant project identifiers to account for all financial transactions for each grant	Pre-Award
	Develop appropriate cash management procedures for drawdown and receipt of funds as well as disbursement of funds	Ongoing
	Develop procedures to reconcile internal records with federal and state reports	Ongoing
	Maintain internal control procedures over accounting, financial reporting, and program administration	Ongoing
	Determine whether administrative/ indirect costs will be allocated to grant programs, and if so, maintain an appropriate process to make the allocation	Ongoing

	Document if the government will use a negotiated rate or the de minimis indirect cost rate	Pre-Award
	Maintain a process to track information about local matching funds, including identification of the source of such funds	Ongoing
	Integrate grants into the annual budget process	Ongoing
	Integrate grants into the government's cash flows planning	Ongoing
	Become knowledgeable of and implement, as necessary, federal, and state standards for procurement	Ongoing
	Maintain internal control procedures over the identification of, and adherence to, Federal and State compliance requirements, such as those relating to contracting	Ongoing
3	To support grants administration, governments should maintain systems that:	
	Support comprehensive, information technology policies and procedures to support general and application specific controls	Ongoing
	Design and use internal control procedures to ensure the reliability of information obtained from third parties	Ongoing
	Ensure IT policies and procedures are reviewed and updated at least annually	Ongoing
	Comply with federal and state standards for financial management systems	Ongoing
	Ensure that systems will provide information to all involved parties to allow them to comply with both GAAP and grant requirements	Ongoing
	Identify and segregate costs as necessary for the grant (e.g., separate allowable and unallowable costs, separate direct costs from indirect costs, and separate administrative costs)	Ongoing
	Account for and track grant funded capital items	Ongoing
	Track information for non-cash grants	Ongoing
	Store and provide information electronically so that it is available to multiple users	Ongoing
4	To maintain proper internal control procedures, governments should:	
	Ensure that each area of the grant process (programmatic, budgeting, accounting, etc.) is managed by competent staff who are trained and knowledgeable in their areas of responsibility	Ongoing
	Providing for administrative monitoring, including timely reporting and adherence to compliance requirements by subrecipients	Ongoing
	Consider the level of program risk (e.g., high, medium, low) when establishing internal control procedures	Ongoing
	Providing for the receipt, review, and appropriate follow-up of Single Audit reports, when applicable	Ongoing

	Establish communications with: - The grant sponsor/provider - External financial statement and Single Audit providers - Those with oversight responsibility including, when applicable, the Federal Cognizant Agency - An interdisciplinary implementation task force within the government that meets regularly to discuss necessary program and control changes and how they should be implemented	Ongoing
	Perform and document a risk assessment of the entity's grants management processes	Ongoing
	Provide an annual periodic review of the risk assessment process	Ongoing
5 Ensure proper subrecipient monitoring by		
	Establishing requirements for subrecipients to submit progress reports	Ongoing
	Establishing control activities to ensure the reliability of information obtained from third parties (e.g., contractors, subrecipients and beneficiaries)	Ongoing
	Document in a format accessible to stakeholders the purpose and the government's responsibilities for each of its grants	Ongoing
	Providing for financial monitoring, including obtaining an understanding of, and adhering to, cost principles	Ongoing
	Ensure that program deficiencies are communicated to all responsible parties, including management, and elected and appointed officials	Ongoing
	Developing contacts with the state for funds that pass through the state	Ongoing
6 Establish continuous communications with:		
	Ensure that corrective action plans addressing the control deficiencies are written, identify responsible parties and timelines, and are implemented in a timely manner whether the program achieved its goals	Ongoing
6a To promote information sharing and communication with all parties above:		
	Maintaining a comprehensive list of reporting requirements and a reminder system for meeting the reporting deadlines	Ongoing
	Distinguish grants by source (federal, state, local, and private entity)	Ongoing
	Identify the time periods required by the grants	Ongoing
	Identify grant reporting requirements	Ongoing
	Ensure that grant requirements are documented in contractor communication	Ongoing
	Ensure that grant information is available to internal stakeholders	Ongoing
	Develop ongoing communication and knowledge of grantors, pass-through organizations and subrecipients, including confirmation of the nature of the relationship (contractor or subrecipient)	Ongoing
	Develop an ongoing dialogue with financial statement, Single Audit, and program auditors concerning grant reporting and compliance	Ongoing

	Develop processes to ensure that quality, supportable information is utilized in grant decision making	Ongoing
	Document need for compliance with City record retention policy	Ongoing
	Develop and maintain a process to monitor for changes in grant terms and conditions that occur after the acceptance of a grant	Post-Award
7	Establish processes to meet various specialized reporting requirements including:	
	Utilize federal, state, and local government's official debarment lists to update the government's list of contractors	Post-Award
	Identifying who is responsible for the various reporting requirements	Ongoing
	Establish who is responsible for tracking grant outputs/outcomes	Ongoing
	Establishing methodologies for the preparation of specialized reports	Ongoing
	Establishing approval processes for certifying specialized reporting	Ongoing
	Establishing processes for obtaining all the information needed for the Schedule of Expenditures of Federal Awards (SEFA)	Ongoing
8	Ensure compliance with auditing requirements for grants by:	
	Developing and documenting an understanding of audit requirements specific to grants including, those in Generally Accepted Government Auditing Standards (GAGAS), Generally Accepted Auditing Standards (GAAS), and Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)	Ongoing
	For new programs, establish a project plan identifying timelines and parties responsible for implementing the plan	Pre-Award
	Developing and documenting an understanding of audit requirements for grant close-out	Ongoing
9	To identify and address potential program shortcomings,	
	Establish a post-implementation review process that evaluates the program, answering questions such as: - Whether the program achieved its goals - Were any process or internal control issues that were identified by staff, grantor or auditors resolved?	Post-Award
	Ensure a proper closeout process to include evaluation for renewal, accounting for unspent funds, and correct disposition procedures are followed.	Post-Award
	Review and know the laws, regulations, OMB circulars, 2 CFR200, grant terms and conditions of the grant	Pre-Award