

ADMINISTRATIVE PROCEDURES



Procedure Number: 22-4

Effective Date: 06/04/1984

Revision Date: 09/28/2011

C. D. DeBartolo
County Administrator

SUBJECT: **GRANTS MANAGEMENT**

DEPARTMENT RESPONSIBLE: **Finance and Risk Management**

1. STATEMENT

The purpose of this procedure is to ensure compliance with Board of Supervisors Policy 22-6 through standardization of grant management processes throughout the full grant life cycle (funding opportunity, application, award, implementation, monitoring, evaluation, and close out).

Departments are encouraged to actively seek, apply for, and accept grants, when such grants serve the interests, purpose or mission of a County program or operation. The acceptance and use of grant funding obligates the County to undertake extra responsibilities, to commit valuable resources, and to comply with conditions and requirements beyond normal operations. Therefore, proper approvals and prudent monitoring for all grants are necessary to ensure that the County does not incur unnecessary obligations or become exposed to undue liabilities.

It is the responsibility of each Department, as administrators of grants, to comply with all applicable laws, rules, regulations, policies and procedures that govern the grant.

2. DEFINITIONS

CFDA Number - The Catalog of Federal Domestic Assistance lists all their funding programs by agency and program title. The CFDA number identifies the federal grant.

Cost Accounting Standards (CAS) - Standard accounting procedures used for classifying, recording, and allocating current or predicted costs intended to ensure uniformity in budgeting and spending funds.

Cost Sharing - That portion of project or program cost not covered by the grantor.

Direct Costs - Cost items directly related to producing the end project or providing services specified in the grant or contract.

Grant - An award of money that generally does not need to be paid back, given to finance a particular activity or facility. Types of grants include:

Block Grants - An unrestricted federal grant. Money from the federal budget granted to state or local governments to spend on local services. The state or local government may use the money at its discretion for such programs as education or urban development.

Continuation Grant - A project approved for multiple years of funding, although typically funded for one year at a time and are contingent upon successful performance in the previous year.

Discretionary Grants - Competitive grants where funds are distributed according to a funder's discretion rather than by predetermined priorities.

Formula Grants - Grants which are structured, designed and allocated based on a specific formula. These grants are sent directly to the states who disburse moneys according to the formula.

General or Operating Support Grant - Rather than for a specific project, this grant is made to further the general purpose or work of an organization. It is also called an unrestricted grant or basic support grant.

Fund Impact – The effect on the County's budget of any county match, cost sharing or in-kind contribution required to receive grant funds.

Indirect Costs – Those costs incurred for a common or countywide objective that benefit more than the grant award. Such costs are not readily directly allocable to the grant being benefited and may include payroll, purchasing, administrative services, building maintenance and operation, depreciation of equipment, etc.

In-Kind - Rather than cash, this is a donation of goods or services such as labor, equipment, supplies or the use of facilities used to benefit the grant.

Leveraging - Grant money that is used to gain other money.

Matching Funds - When the grantee is required to pay the difference in the amount of funds from the sponsor and the amount funds required for the project.

Pass-through Entity - A government or private agency that receives grant funds and then contracts the full amount of the grant with a sub-recipient to complete the objectives of the grant award.

Sub-Grantee (Sub-Recipient) - The receiver of pass-through grant funds from a grantee rather than receiving funds directly from the grantor. The sub-grantee (or sub-recipient) is required to complete objectives of the grant award, and is required to follow all the policies and rules of the original grant plus any additional conditions added by the grantee.

3. PROCEDURE

The County will use a centralized grant management data system to manage the following critical grant lifecycle management processes.

3.1. Funding Opportunity Identification and Notification

3.1.1. Departments identify the content of grant funding opportunities to be sent to their Department's designee. The designee is responsible for distributing any funding opportunities received to appropriate staff within the Department, for determination of whether or not to pursue the opportunity.

-
- 3.1.2. Finance Grants Management Division staff screen funding opportunities to determine those which the County is eligible to apply, and notifies Departments of opportunities that match areas of interest to the Department.
- 3.2. Response to Opportunity Notification
 - 3.2.1. Departments will review funding opportunities and perform a cost/benefit analysis to determine if the grant is in the best interest of Pima County. The analysis will determine any fund impact the award may have, including the review of indirect costs, cash match, cost sharing, in-kind expense and maintenance of effort required by the grant.
 - 3.2.2. The Department will notify Finance Grants Management Division whether or not the Department will pursue the funding opportunity.
- 3.3. Application
 - 3.3.1. Once Departments have identified funding opportunities to be pursued, Departments track the application status, approvals and core application information.
 - 3.3.2. The Department shall request indirect costs based on the County's Indirect Cost Rate Proposal (calculated annually by the Finance Department's Financial Control and Reporting Division), any time this expense is allowable under the award.
 - 3.3.3. All grant applications must include the use of a Dun & Bradstreet Data Universal Numbering System (DUNS) number. Departments should refer to Administrative Procedure 22-34 for guidance on the usage and management of DUNS numbers within Pima County.
 - 3.3.4. Prior to submittal, applications are electronically routed for review to the Finance Department's Grants Management Division. Grants Management Division staff review the application to confirm the content is compatible with financial and compliance requirements, and ensures full disclosure of any conditions, terms or other implications associated with applying for the grant.
 - 3.3.5. After the application has been prepared and full disclosure confirmed, Departments shall obtain permission from the Deputy County Administrator to pursue the funding opportunity prior to submitting the application, demonstrating the opportunity has been reviewed and is in the County's best interest.
- 3.4. Awards & Amendments
 - 3.4.1. Approval and acceptance of grant awards is accomplished in full compliance with Board of Supervisors and County Administrative policies and procedures. Initial clearance to apply for a grant does not substitute or replace normal County processes for accepting awards through the Board of Supervisors. Departments cannot independently accept a grant award.

-
- 3.4.2. Departments shall read and ensure compliance with the terms and conditions as stated in the award notice and/or the agreement.
 - 3.4.3. Departments enter the details of the award. The information is electronically routed to Finance Grants Management Division staff to confirm accuracy and completeness.
 - 3.4.4. With instruction from Departments, Finance Grants Management Division staff complete Cost Accounting Standards setup.
 - 3.4.5. Finance Grants Management Division staff run a report extracting Award and Amendment information, processing the report through the Board of Supervisors as required for approval and acceptance of the award. Once acceptance is complete, Finance Grants Management Division enters the acceptance date.
 - 3.4.6. Departments must process any subsequent grant contracts, resolutions and related items through the Board of Supervisors per Procurement requirements that govern processing of contracts.
 - 3.4.7. Departments record critical grant deliverable items, setting up automated reminders for the appropriate Department staff.
- 3.5. Federal Grant Sub-recipient Monitoring Responsibilities
- 3.5.1. The County is responsible for the programmatic and financial monitoring of its federal grant award sub-recipients in accordance with the federal Office of Management and Budget's (OMB) Circular A-133.
 - 3.5.2. Departments are responsible for programmatic sub-recipient monitoring.
 - 3.5.3. The Finance Department's Grants Management Division staff is responsible for fiscal sub-recipient monitoring for Department grants supported by this Division.
 - 3.5.4. Elected Officials Departments are responsible for both programmatic and fiscal sub-recipient monitoring.
 - 3.5.5. Sub-recipient monitoring includes, but is not limited to, these core monitoring mechanisms:
 - 3.5.5.1. Advising sub-recipients of all applicable federal laws and regulations and all appropriate flow-down provisions from the primary agreement.
 - 3.5.5.2. The routine receipt and review of technical performance reports.
 - 3.5.5.3. The routine review of expenses-to-budget.
 - 3.5.5.4. The periodic performance of on-site visits or other regular contact, if necessary.
 - 3.5.5.5. The option to perform "audits," if necessary.

-
- 3.5.5.6. The review of Office of Management and Budget ("OMB") Circular A-133 audit reports ("A-133 Audits") filed by sub-recipients and any audit findings.
 - 3.5.5.7. The review of corrective actions cited by sub-recipients in response to their audit findings.
 - 3.5.5.8. Sanctioning sub-recipients in cases of their continued inability or unwillingness to permit monitoring activities, to have required audits and/or to correct non-compliant conduct.
 - 3.5.6. Sub-recipient monitoring records are to be maintained in the County's grant management data system.
 - 3.5.7. Departments are responsible for notifying the Finance Department's Grants Management Division of all federal grant sub-recipients at the start of each County fiscal year, as well as sending timely notification when others are added throughout the year.
 - 3.6. Audit & Close Out
 - 3.6.1. Departments shall notify the Finance Department's Grants Management Division in advance of all grant monitoring visits and/or other audits and provide copies of any subsequent reports and corrective action plans.
 - 3.6.2. The Finance Department's Grants Management Division maintains copies of the reports in the County's grant management data system.
 - 3.6.3. When Departments have fulfilled grant award responsibilities, Departments send notification of such to the Finance Department's Grants Management Division.
 - 3.6.4. The Finance Department's Grants Management Division completes the grant's fiscal closeout responsibilities, communicating to the Department when this is done.
 - 3.6.5. When the Finance Department's Grants Management Division has confirmation from Departments that programmatic grant close out responsibilities have been completed and that Finance Grants Management Division has completed their fiscal grant close out responsibilities, with Departments approval, the Finance Department's Grants Management Division closes the grant.
 - 3.6.6. Departments prepare and archive the grants programmatic records, in accordance with Pima County standard processes and the regulations that govern the grant.
 - 3.6.7. The Finance Department's Grants Management Division staff prepares and archives the grants fiscal records on behalf of Departments whose grants they support, in accordance with Pima County standard processes and the regulations that govern the grant. The grant fiscal records are then archived along with the Department's grant programmatic records under the Department's approved archive schedule.