



4.11 GRANT MANAGEMENT POLICY

FINANCE

Enabling Legislation: M2019-121

Date Adopted: 09/03/19

Revised: 05/21/24

PURPOSE

The purpose of this policy is to establish a consistent process for the identification, application, acceptance, and administration of grants to ensure alignment with City priorities and responsible financial management.

Grant funds from state, federal, or other agencies and organizations are an important revenue source that can aid the City of Northfield ("City") in providing quality services to citizens and customers. The City Council ("Council"), Advisory Boards and Commissions, general public and staff are encouraged to identify opportunities for grants that will help the City achieve its goals that are consistent with adopted plans and policies of the City.

Staff are encouraged to solicit grants - especially where a grant will help achieve the City's Strategic Plan or other, City adopted plans, enhance or support the City's services, or address any other City priority - while trying not to incur a high level of overhead on small grants that do not greatly influence the City's strategy.

Prior to seeking grant funding, staff should consider the following in determining to pursue solicitation of a grant:

- Will the grant be used to address a City strategy or other priority?
- Would the grant funding be used for a previously-identified previously identified need of the City for which no other source of funding is available?
- If the program being funded by the grant is needed to accomplish a City priority or achieve the City mission, should it be supported instead by City funds to ensure that adequate resources are made available or should there be a plan to support the program via City funds if the grant is not received?
- Will the grant provide only short-term financing for a long-term commitment on the part of the City, and are there plans to fund the program long-term?
- Would the grant compete with other non-profits or governmental entities, and how is that considered in pursuing the grant?
- Would the grant benefit by partnering with other non-profits or governmental entities?



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This policy provides guidance on the process to be used by the City Administrator and staff in pursuing grants, and establishes a centralized means of identifying which grants are being sought, thereby promoting a systems approach to the use of grant funds.

DEFINITIONS

Grant

Funding awarded to the City by another level of government or by an outside agency or organization, and which generally meets the following requirements:

- The funding supports a public purpose.
- The funding is for a specified period of time.
- An application process is required to obtain the funds.
- Acquiring the funds is generally the result of a competitive process or funds are distributed on a formula basis.
- Periodic reports are required to be submitted to the granting agency.
- The grant is subject to audit by the granting agency.

Annual Grant

A grant that is awarded annually, regardless of the specific grant period (e.g., City fiscal year, federal fiscal year, or calendar year).

Multi-Year Grant

A grant that affects the appropriation of funding beyond one (1) fiscal year.

Appropriation

Legal authorization from Council to make expenditures and incur financial obligations on behalf of the City. Appropriations for grant programs can be included in and approved by Council in the City budget or adopted Capital Improvement Program or may require subsequent action by Council outside of the budgetary process.



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Council

Refers to the Mayor and City Councilors.

Council Approval

Refers to

1. the need for City Council to accept and appropriate a grant to provide departments the authority to spend grant funding; or
2. the requirement by the grantor that Council formally endorse or accept a grant, whether before the application is submitted or after the grant is awarded. Guidance for when legislative approval is not required to provide spending authority is provided below in **Requirements for City Council Approval, section 2** of this policy.

Agenda Request

A formal request to be placed on the Council agenda. The agenda request is required to allow the Council to vote to appropriate the grant funding. Grant funding that has not been appropriated may not be spent.

Ordinance

An ordinance, or an amendment to an ordinance, is a formal and binding type of Council legislation. A roll call of the Council records the Council's action on all ordinances.

Resolution

A resolution is a formal type of Council legislation. Passage of a resolution indicates the Council's policy on a certain matter, or it may direct a certain type of action to occur. It requires only one reading. This is a statement of intent by the Council to participate in the grant program. Resolutions may be required for grants prior to award or after the grant has been awarded. This does not constitute an appropriation or a formal acceptance of grant funding, but only an agreement in principle. Before grant funding can be spent, it must be appropriated. Because the budget is a legal document, any expenditures that are not included in the budget document must be ratified by Council as a separate resolution. The resolution appropriates grant funds for the department to spend.



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Supplanting

~~Substituting one source of funding to augment reductions in funding by another agency. The City's policy of not supplanting federal, state or private funding reductions with local funding applies to grants. Match requirements for grants are not considered supplanting. Grants are increasingly requiring that the City certify that federal, state or private funding are not supplanting local funds intended for the same purpose as well.~~

PROCESS

All grants must comply with all City policies and procedures, including 4.01 Purchasing Policy.

~~All grant applications requiring Council approval must be signed by the Mayor and City Clerk, unless otherwise designated by Council action. All other grant applications must be signed by the City Administrator or their designee prior to submission to the granting agency. All grant expenditures must be appropriated through the budgetary process, or if funding is not available through combination of grant and budgeted funds, a pre-approved Council authorization or through the proper authorization if not included in the annual adopted budget.~~

Any grant that includes personnel costs must comply with all City personnel policies. The request shall include language indicating that the position is authorized only for the duration of the grant period, unless continued employment is required by the grantor and approved by the Council prior to accepting the grant funding. The employee will be notified in writing upon hire that the position is subject to the continuation of grant funding and expiration of the grant will result in elimination of the position.

Annual Council Budget Preparation Review

Each year, as part of the budget development process, City staff and the Council will proactively identify grants ~~resources that will be sought according to the Council "Grant Management Policy" purpose statement above.~~ This review ~~does not prohibit separate exploration of grants in accordance with this policy, but rather is an~~



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intentional step to be proactive in planning in coordination with budgeting is intended to support coordination with City's budgeting process.

Grant Application Phase

The procedure for completing and submitting grant applications is as follows:

1. Department identifies a need for services, equipment or programs.
2. Department seeks grant programs that support services related to the identified need.
3. Department Director requests Finance Director and City Administrator approval of intent to apply for grant funding consults with Finance Department if the grant includes a match requirement or ongoing financial obligation.
4. City Administrator authorizes department to proceed with application development approval is required for grants exceeding \$50,000; if there is a concern regarding the request, the City Administrator may request additional information of from the Department Director.
5. Department obtains Council approval, if needed. Refer to the following section, Grant Approval for specifics on when Council approval is needed.
- ~~5-6.~~ Department prepares grant application and routes it to other affected departments for review coordinates review with other impacted departments, as needed. The Department may have City Advisory Board or Commission members or community volunteers assist in applying for grants, either by soliciting them directly or responding to offers. The Department shall clearly identify roles and expectations of this assistance while maintaining adherence to all provisions of this policy.
- ~~6.~~ Department Director submits final grant application to the City Administrator, or their designee, for final authorizations and signatures.
7. Once application is approved and signed, Department submits grant to grantor agency Department submits grant to relevant agency.
- ~~7-8.~~ If a grant is completed in an online database, a hard copy should be maintained by the Department.

Grant Approval

Grant approval shall follow the below thresholds:



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<u>Grant Amount</u>	<u>Approval Authority</u>
<u>Up to \$50,000</u>	<u>Department Head + Finance</u>
<u>\$50,001 - \$175,000</u>	<u>City Administrator</u>
<u>Over \$175,000</u>	<u>City Council</u>

City Council approval is required in the following instances:

- The grant exceeds \$175,000
- The grant creates an ongoing financial obligation.
- The grant authorizes additional full-time, permanent part-time FTEs, or temporary employees that exceed six months of employment.
- Special instances as determined by the City Administrator.

Council approval should be obtained prior to submitting a grant application. However, the City Administrator may authorize submission without prior Council approval when necessary due to application deadlines or other logistical constraints. In such cases, Council approval shall be obtained at the next regular Council meeting.

Grant Management Phase

The procedure for appropriating and managing grants is as follows:

1. Department drafts agenda item requesting acceptance of the grant and to appropriate funding. The Department will work with the Finance Department and/or Administration Department on any other logistics, such as signatures. Department notifies Finance Director that grant was approved and drafts an agenda request to accept the grant and appropriate funding. If additional paperwork, such as a formal acceptance is required, the Department will forward this to City Clerk's office to obtain signature from the responsible party. City Clerk will work with the City Administrator to determine if Council authority is needed to be included on a future Council agenda.
2. The City Attorney should be included in the material review for the Council agenda. Any contracts or agreements related to the grant shall be sent to the City Attorney for review.

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- 3.—Department representative may be requested by the City Administrator to present the agenda item.
- 4.3. Once Council appropriates the grant if Council accepts the grant, the Department is responsible for submitting any documentation, the City Clerk will direct Department representative to place in appropriate files. In the event that Council declines the grant, the submitting department is responsible for notifying the grantor grantor in writing that the City will not be accepting the grant.
- 5.4. Department begins managing the grant in accordance with the grant application and guidelines. Department must coordinate with the Finance Department to determine level of support needed responsibility for financial reporting. If the Department submits financial reports and provides, copies of each report must be forwarded to the Finance Director. The Department managing the grant is responsible for maintaining all grant-related records and ensuring reporting requirements are met.
- 6.5. When the grant period is completed, the Department shall contact the Finance Department to coordinate closing the grant.

Grant Review and Authorization

- 1.—Any City department or agency that intends to apply for a grant shall provide a copy of the full grant application and all required forms to the City Administrator at least ten five (105) business days prior to the date the grant application is due to the granting agency.
- 2.—It is necessary to allow the City Administrator at least ten (10) business days to ensure that it is adequately reviewed.
- 3.—The City Administrator or designee will work with departments on a case-by-case basis for exceptions to the ten (10) day notice due to exceptional circumstances that do not allow for the time period. However, this does not exempt any grant from review by the City Administrator.

Requirements for Completing and Submitting Online Grants:

If a grant is completed in an online database, a hard copy should be provided to the City Administrator to complete the required review and to maintain for central filing.



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Requirements for City Council Approval

1. While all grants are subject to review by Finance Director and require authorization by the City Administrator, some grants may require independent Council action. Certain grants can be appropriated through the use of operating budgets.
2. Grants meeting the following criteria do not require Council action, provided there is ample funding in the operating budgets or revenue offsets with the grant to accommodate the appropriation:
 - The grant does not establish new costs beyond the grant years to the community.
 - The grant in total is \$25,000 or less (amount from grantor, including any associated match) and not included in the City budget. For items included in the budget, the Purchasing Policy (4.01) shall apply related to Council approvals.
 - The grant does not authorize additional full-time, permanent part-time FTEs, or temporary employees that exceed six months of employment.
 - Grantor requirements do not mandate acceptance by legislative body (e.g., Council).
 - For any other reason as deemed appropriate by the City Administrator.
- a. The City Administrator may authorize a grant in advance of Council authorization due to exceptional circumstances that do not allow for scheduling Council approval in advance of submitting the grant. In these cases, the City Administrator shall notify the Council prior to submission and shall bring it to the Council for subsequent approval at the next regularly scheduled Council meeting.

Requirements for Grants with Technology Components

The submitting department is responsible for routing grants that have technology components associated with them to the Information Technology (IT) Manager during the application phase. The department is responsible for coordinating all technology equipment and infrastructure needs with IT staff after submission of the grant.



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City Council Reporting Requirements

The Council shall receive an update summary of all grants applied for at least twice a year as provided by the City Administrator. The summary shall include at least a short description, summary of proposed sources and uses of funds, and status of the grant (i.e. funded, unfunded, pending).

RESPONSIBILITY & AUTHORITY

Before a grant can be submitted, the individual that is preparing the application must be authorized by the City Administrator to submit the grant.

City departments are responsible for the following:

- Seeking grant funding for identified needs that are not otherwise funded.
- Obtaining all required signatures pertaining to the grant application and grant acceptance.
- Completing applications for identified grants in accordance with guidelines prescribed by the granting agency.
- Collaborating with other departments as needed to ensure that grant funding provides the greatest possible benefit.
- Submitting the full grant application package and completed grant forms to the City Administrator ten (10) business days prior to the grantor's due date.

Initiating the agenda request process to acquire Council acceptance of the grant and appropriation of grant funds once written approval notice is received from the grantor agency, if applicable.

Developing agenda requests for resolutions as required by granting agencies.

Administering the grant-funded program and ensuring that all City policies are followed and all grant requirements are met.

Ensuring that grant expenditures are within the awarded grant funding.

GRANT REQUESTS BY BOARDS AND COMMISSIONS

Individual members of advisory boards and commissions may refer opportunities to their respective assigned staff for awareness to consider grants.



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If individual members of advisory boards and commissions are advocating for a particular grant to be pursued they shall bring it to the attention of the staff person to review and advise on adding to an upcoming agenda of the respective advisory board. Any grant recommended by an advisory board or commission shall require City Council consideration of approval in advance of the application submission. City staff shall request the agenda item and prepare the information in consultation with the City Administrator.

GRANT REQUESTS BY INDIVIDUAL CITY COUNCIL MEMBERS

Individual members of the City Council may refer grant opportunities to the City Administrator for consideration of exploration.

If individual members of the City Council are advocating for a particular grant to be pursued they shall bring to the attention of the City Administrator and Mayor with a request to be added to an upcoming agenda as established by the Northfield City Council Rules of Business & Meeting Rules. The City Administrator will work with the member of the City Council who is making the request to prepare information for consideration before the full City Council who shall determine whether to pursue or not.

Grant requests that align with advisory board and commission work areas shall be reviewed by the appropriate board or commission prior to being placed on the City Council agenda. Any exceptions to this process shall be considered by the City Administrator and Mayor when determining the agenda and as otherwise established by the Northfield City Council Rules of Business & Meeting Rules.