

**CITY OF BEAUMONT  
POLICIES AND PROCEDURES MANUAL**

Policy Number: 6.3

Subject: Grant Administration

Effective Date: 10/23/2015

Approved by: Kyle Hayes/10/23/2015  
City Manager/Date

Laura Clark/10/23/2015  
Chief Financial Officer/Date

**I. PURPOSE:**

The purpose of this policy is to establish a City-wide policy governing grant application, management and compliance, and to ensure control and accountability for City assets obtained through grant funding.

**II. DEFINITIONS:**

- A. Capital Asset - For grant purposes, this includes personal property costing \$5,000 or greater per-unit and having an estimated useful life greater than one year.
- B. Catalog of Federal Domestic Assistance (CFDA) - A listing of all federal assistance programs by agency and number.
- C. Controlled Asset - An asset that has a per-unit cost of less than \$5,000, however due to its high-risk nature, must be tracked regardless of per-unit cost. The following is a list of Controlled Assets.

<u>1. Controlled Asset Description</u>	<u>Authority</u>
• Stereo Systems	(UGMS, SPA)
• Cameras including Still, Digital and Video	(UGMS, SPA)
• Facsimile Machines	(UGMS)
• TVs, VCRs, DVRs, and DVD Players	(UGMS, SPA)
• Cellular and Portable Telephones	(UGMS, THSSAA)
• Desktop CPU-Apple and non Apple	(SPA, THSSAA)
• Portable CPU-Apple and non Apple-include Tablet	(SPA, THSSAA)
• Printer — Portable and non portable	(SPA, THSSAA)
• Data Projectors	(THSSAA)
• GPS Devices	(THSSAA)
• Communications Equipment	(THSSAA)
• Hand Held and Vehicle Mounted Radios	(THSSAA)
• Night Vision Optics, Spotting Scopes, and Binoculars	(THSSAA)
• Trailers	(THSSAA)
• Generators	(THSSAA)
• CBRNE Detection Equipment	(THSSAA)

UGMS = Uniform Grant Management Standard  
SPA = State Property Accounting System  
THSSAA = Texas Homeland Security State Administrative Agency

- D. Departmental Grant Facilitator - Person assigned to process a grant or program application and program management within a City Department.
- E. Disposition - When original or replacement equipment acquired under a grant or sub-grant is no longer needed for the original project or program or for other activities currently or previously supported by a federal agency.
- F. Grant - An award to carry out a valid purpose under terms established by the grantor depending on the type of award and applicable federal, state, and local regulations.
- G. Grantee - An agency or organization receiving financial assistance directly from an awarding agency to carry out a project or program. Also referred to as recipient or sub-recipient.
- H. Grantor - Entity providing financial assistance in the form of an award. Also referred to as the sponsor or awarding agency.
- I. Match - A contribution based on overall costs of a project or activity provided by the grantee or by third parties from the sources other than the grant funds. Can be either a cash match or in-kind match using personnel costs, supplies, services, equipment or other property.
- J. Texas 1033 and Texas Federal Surplus Property Programs - Refers to goods, materials, or equipment that are obtained through military surplus programs and will be treated as grant assets for the purpose of this policy.
- K. Uniform Grant Management Standards (UGMS) - Under authority of Chapter 783 of the Texas Government Code, UGMS outlines the standards for State of Texas grant programs, including cost principles, administrative requirements, and the Texas Single Audit Circular. UGMS is similar to the Federal OMB Circulars.

### III. GRANT ADMINISTRATION:

- A. BEFORE the completion and submission of the application:
  - 1. Notify the Finance Department of intent to apply for grant funding.
  - 2. Indicate any matching requirements to see if money is expected to be available or needs to be budgeted. Request information from Finance as needed.
  - 3. Schedule a meeting with or send the application to the Finance Department to review financial data included in the application for accuracy.

4. The City's Data Universal Numbering System (DUNS) number, employer ID numbers (EIN), tax ID number, and other finance data required or requested for the grant applications will be obtained from the Finance Department.
5. Registration or access to State or Federal grant application websites will be completed or facilitated through the Finance Department.
6. The Departmental Grant Facilitator will prepare and submit the agenda item to Finance to request approval from City Council to "apply for and receive" the grant funding BEFORE submitting the application to the agency. Exceptions will be approved by the City Manager, Chief Financial Officer or his or her designee.

B. Filing Grant Application

1. Once approved by Council and signed by the City Manager and/or Mayor as applicable, a copy of the non-sensitive grant application portions, and/or the budget itself should be submitted to the Finance Department.
2. Program Denial of Grant - Upon program denial of a grant application, the applying department will maintain a copy of the award notice and a copy shall be submitted to the Finance Department.
3. Program Approval of Grant - Upon program approval of grant application:
  - a. The applying department will maintain a copy of the award notice and a copy shall be submitted to the Finance Department.
  - b. The Departmental Grant Facilitator is responsible for completing **Attachment A** which outlines the point of contact, how the funds are to be used, and the individuals who will need access to the accounts established for the grant.

C. Managing Grant

1. The Departmental Grant Facilitator is responsible for submitting periodic reports and other non-financial documentation as required by the grant program guidance and/or recipient agreement.
  - a. If any payroll changes are to be made related to grants, the Grant Facilitator is responsible for making sure that Human Resources is notified in a timely manner.
  - b. If any changes or budget amendments are to be made to the contract, the Grant Facilitator is responsible for submitting those changes to Finance for review.
  - c. Once proposed changes or amendments have been reviewed by Finance, the Grant Facilitator may need to go to Council for approval.
  - d. Upon approval of change or amendment by the agency, the Grant Facilitator should send the approval letter, final budget after amendment, and other related documentation to the Finance Department.

Attachment A

Grant Name: \_\_\_\_\_

Grant Number: \_\_\_\_\_

Grant Period: \_\_\_\_\_

Who Applied for Grant: \_\_\_\_\_

City Point of Contact: \_\_\_\_\_

Telephone: \_\_\_\_\_

1. Use of Grant Funds:
  - New Program
  - One Time Purchase
  - Capital Project
  - Operations (Below, indicate expenditure accounts needed; account numbers will be setup for each)
  
2. Is a listing of the proposed expenditures, projects, etc., for which the grant funds were awarded attached?  YES  NO (If no, when will it be sent to Grants Division?) \_\_\_\_\_
  
3. Matching requirement?  YES  NO percentage ratio \_\_\_\_\_
  
4. Was the grant approved by Council?  YES  NO Date \_\_\_\_\_  
 If so, is the resolution attached?  YES  NO
  
5. Has a copy of the application been previously sent to the Grants Division?  
 YES  NO If no, is it attached?  YES  NO
  
6. Is a copy of the Notice of Award and related documentation and regulations attached?  
 YES  NO

Individuals needing account access:

Expenditures Category:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_  
Signature

CFDA# \_\_\_\_\_ Granting Agency \_\_\_\_\_

*To be completed by the Grants Division*

2. The Finance Department is responsible for submitting periodic financial reports as required by the grant/program guidance and/or recipient agreement, as well as requests for reimbursements.
  - a. The Finance Department will communicate with the Information Technology Department to make sure access is granted to all accounts.
  - b. The Finance Department will provide the final approval on all requisitions for expenditures that will be posted to an account in one of the Funds accounting for federal and state grants. The approval structure is as follows:
    - First Level - Division Manager/Department Director
    - Second Level - Department Director
    - Third Level - Finance (over \$10,000 and/or over budget)
    - Fourth Level - Finance Grants Staff
  - c. The Finance Department will also be responsible for pulling all supporting documentation for expenditures and reimbursements, etc., so the file will be complete for future audits.
  - d. The Finance Department is responsible for making sure that Human Resources has implemented the changes and ensure that salaries, benefits, etc., are being charged correctly to the grant and/or General Fund.

D. Record Retention

1. All records associated with a grant shall be maintained until three years from the date the final financial report is filed, or three years after the grant closeout date, whichever is later or as otherwise directed by the specific grant, or state or federal retention regulations.
2. Equipment records shall be maintained for three years past the date of final disposition.

IV. PROCUREMENT AND INVENTORY MANAGEMENT:

A. Equipment Procurement

1. All purchases with grant funds are to be clearly stated on related requisitions and communicated to Purchasing's staff.
2. A check for federal debarment of awarded vendor shall be performed for all grant funded purchases and then documented in grant files.
3. Davis Bacon regulations will be followed by vendors when applicable in adherence to federal regulations.
4. Grant guidelines should be reviewed before any cooperative Purchasing programs are used.

B. Inventory Management

1. The required Grant Inventory Control Form provided in **Attachment E** will be completed each year. A copy will be maintained by the Departmental Grant Facilitator and a copy will be sent to the Finance Department.
2. Upon receipt of a grant asset, each Departmental Grant Facilitator shall create or update a master inventory of grant assets, to include all applicable blocks on the form. The required form is provided in **Attachment F**. A master copy shall be saved in the Grant Management sub-folder under the Finance folder on the shared S drive. The document should be write-protected by the Departmental Grant Facilitator.

C. Asset Tagging

1. The following requirements will be followed for equipment tagging:
  - a. Grant funded capital and controlled assets must be tagged.
  - b. Tagging is considered acceptable when it can be removed only through considerable effort.
  - c. Asset tags must contain the following data verbatim: City of Beaumont and Asset #.
  - d. When practical, the equipment should be marked "Purchased with Funds Provided by the \_\_\_\_\_." i.e. federal grantor agency.
  - e. The asset tag sequence number must be reflected as a column in the Jurisdiction's master inventory listing and must correspond with the asset data.
  - f. The tag should be easy to access during inventory and inspections. If an asset is constructed of material that does not allow for a tag to be applied (e.g. rubberized, fabric), other means of tagging such as permanent marker or engraving should be utilized. If an asset's size does not allow for a tag to be applied (e.g. night vision optics), the Sub-recipient should place the tag on the storage container for that asset. Hand held radios can often be tagged under the battery. It is not necessary to deface an asset when applying a tag.
  - g. In the event that an asset is found to have its tag defaced or damaged to the point where number recognition is impossible, replace the identification tag and update the master inventory list to reflect the new asset tag. A cross reference on the old record should also be made to provide an audit trail.
2. If equipment is not delivered directly to the Departmental Grant Facilitator, it is the responsibility of the receiving department to ensure the equipment is properly tagged.
  - a. The Information Technology Department is responsible for tagging all electronic items.
  - b. The Fleet Division is responsible for tagging all Fleet assets.
  - c. The Departmental Grant Facilitator is responsible for tagging other items.

## City of Beaumont

### Annual Grant Inventory Control Requirement

City of Beaumont	Inventory Completion Date:
<b>I. Controlled and Capital Assets Acknowledgement</b>	
Initial here to certify: _____	Master Inventory is Updated
<b>II. Tagging of Grant Funded Assets</b>	
Initial here to certify: _____	All Grant Assets are properly tagged in accordance with Grant Management Policy X.XX and Program Guidance for all assets.
<b>III. Physical Inventory Reconciliation</b>	
Initial here to certify: _____	A full physical inventory and reconciliation of assets has been completed in accordance with policy.
<b>IV. Authorized Signatures(s)</b>	
Print Name of Department/Division	
Printed Name of Grant Manager	
Title	
Signature	
Date	





3. Any loss, damage, or theft shall be investigated and a copy of the report maintained with the grant file, as well as any insurance documentation of proceeds or other reimbursements. Additionally, appropriate documentation will be complete in accordance with section V (disposition).

V. **DISPOSITION PROCEDURES:**

- A. Upon disposal, loan, or transfer of any grant equipment, the inventory shall be updated to reflect date, reason, and method of disposition.
- B. Prior to disposal of any property obtained through grant programs and/or related state and federal programs, the Departmental Grant Facilitator shall use current grant/program guidance to facilitate approval, after which the standard City policy 7.10 will be followed.
- C. Disposal of Surplus Property under \$5,000 in Value
  1. Grant equipment with a current per-unit fair market value of less than \$5,000 may be retained, sold or otherwise disposed of in accordance with the City surplus property policy with no further obligation to the awarding agency. Update the disposition on the master inventory form and provide notice to the Federal Grantor Agency as applicable.
  2. Additionally, equipment that had an original per-unit cost of \$5,000 or more requires establishing "Fair Market Value". Fair market value may be established by getting a written appraisal from the vendor from which the equipment was purchased or by using a trade publication such as Kelly Blue Book, etc. The Grant Facilitator must annotate final disposition change on the inventory showing the method of disposition (i.e. public onsite auction, public online auction, surplus sale with prices reflecting market value, or landfill/scrap yard), and date of disposal as administered by the Purchasing Division.
  3. The Departmental Grant Facilitator shall obtain approval from the grant authority commensurate with program requirements.
  4. The Purchasing Technician shall obtain written approval from the Departmental Grant Facilitator prior to authorizing any disposal action.
- D. Disposal of Surplus Property of \$5,000 or more in Value
  1. Grant equipment with a current per-unit fair market value in excess of \$5,000 calculated by multiplying the current market value or proceeds from sale by the awarding agency's share of the equipment.
  2. For grants administered by FEMA, if the "Fair Market Value" is \$5,000 or higher per-unit, then FEMA forms SF-428-C and the SF-428-S form (as applicable) shall be completed and submitted to FEMA for approval prior to disposition. A copy of the written appraisal will accompany the request. Once the SF-428-C is submitted, further instructions will be given by FEMA once approval or disapproval is determined.
- E. Loan or Pass-through of Grant Equipment
  1. Equipment procured by the City on behalf of a project participant or equipment purchased

by the City and reimbursed by a sub-recipient to carry out a grant-funded project is eligible for a pass-through or loan under the following circumstances:

- a. Approval by the Departmental Grant Facilitator, appropriate Department Director, CFO and City Manager.
- b. A Memorandum of Understanding (MOU) must exist between the City and the project participant.
- c. It is the City's responsibility to ensure the project participant meets the same grant eligibility standards/criteria as the City.
- d. The project participant must maintain the annual inventory requirements in the required format.
- e. The Departmental Grant Facilitator must continue to maintain the inventory showing the "loaned" disposition of the grant asset.
- f. Equipment loan form (**Attachment B**) must be completed and maintained by the Departmental Grant Facilitator.
- g. The Departmental Grant Facilitator may then facilitate the loan.

F. Transfer of Grant Equipment

1. Requires approval by the Departmental Grant Facilitator, appropriate Department Director, CFO and City Manager.
  - a. It is the Departmental Grant Facilitator's responsibility to ensure the intended recipient agency meets the same grant eligibility standards/criteria as the City with respect to the original funding source of the grant.
  - b. Transfer equipment using **Attachment C**.
  - c. Equipment transfer form (**Attachment C**) must be completed and maintained by the Departmental Grant Facilitator.
  - d. The Departmental Grant Facilitator will then obtain approval through the federal or state funding agency.
  - e. The Departmental Grant Facilitator must annotate final disposition change on the inventory showing the "transfer" disposition of the grant asset, to include the name of the receiving agency, date of transfer and date of grant authority approval. The City is then relieved of responsibility of the item.

**Texas Department of Public Safety  
Texas Homeland Security State Administrative Agency  
Homeland Security Grant Program  
Passed-Through Property Record**

Sub-recipient:

\_\_\_\_\_  
Name of Organization

\_\_\_\_\_  
Street/Mailing Address, City, County, Zip

\_\_\_\_\_  
Printed Name and Title

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

Project Participant:

\_\_\_\_\_  
Name of Organization

\_\_\_\_\_  
Street/Mailing Address, City, County, Zip

\_\_\_\_\_  
Printed Name and Title

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

This is to certify that the property described below was acquired through the expenditure of grant funds awarded to the above named Homeland Security Grant Program Sub-recipient. The Project Participant receiving the property certifies that they have knowledge of the laws, rules and regulations of Texas Homeland Security grants. The Project Participant further certifies that they agree to be bound by all the contract covenants and exhibits to the Sub-recipient's Agreement and any modifications or amendments to that agreement as if they were written here. The Sub-recipient and Project Participant further certify that they are duly authorized and empowered by their governing body to enter into this agreement. The Sub-recipient further certifies that the Project Participant has complied with all Texas Homeland Security State Administrative Agency eligibility requirements.

Property being passed-through

Item description: \_\_\_\_\_  
Item Control Number: \_\_\_\_\_  
Serial Number/VIN: \_\_\_\_\_  
Model Number: \_\_\_\_\_  
Acquisition Date: \_\_\_\_\_  
Unit Cost: \_\_\_\_\_

This form is provided for the benefit of grant administration. TXDPS/THSSAA cannot advise Sub-recipients about the legality of any specific property that is passed-through. Sub-recipients should consult with their own legal counsel concerning compliance with all relevant laws, including state and local requirements.

**Texas Department of Public Safety  
State Administrative Agency  
Homeland Security Grant Program  
Property Transfer Record Agreement**

Transferred From: \_\_\_\_\_  
Name of Organization (Homeland Security Grant Sub-Recipient)

\_\_\_\_\_  
Street/Mailing Address, City, County, Zip

\_\_\_\_\_  
Printed Name and Title

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

Transferred To: \_\_\_\_\_  
Name of Organization (Homeland Security Grant Sub-Recipient)

\_\_\_\_\_  
Street/Mailing Address, City, County, Zip

\_\_\_\_\_  
Printed Name and Title

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

This is to certify that the property described below was acquired by the expenditure of (name and year of grant) funds awarded to the above named Homeland Security Grant Sub-Recipient (Grantor). The jurisdiction/organization receiving the property (Grantee) certifies that they have knowledge of the laws, rules and regulations of the aforementioned grant for the year of the award. The Grantee further certifies that they agree to be bound by all the contract covenants and exhibits to the Grantor's Sub-Recipient agreement and any modifications or amendments to that agreement as if they were written here. The Grantor and Grantee further certify that they are duly authorized and empowered by their governing body to enter into this agreement. The Grantor further certifies that the Grantee has complied with all State and Federal eligibility requirements.

Property being transferred

Item description: \_\_\_\_\_  
Item Control Number: \_\_\_\_\_  
Serial Number/VIN: \_\_\_\_\_  
Model Number: \_\_\_\_\_  
Acquisition Date: \_\_\_\_\_  
Unit Cost: \_\_\_\_\_

This form is provided for the benefit of grant administration. TXDPS/SAA cannot advise sub-recipients about the legality of any specific property transfers. Sub-recipients should consult with their own legal counsel concerning compliance with all relevant laws, including state and local requirements.