



CITY OF APPLETON

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Internal Grant Management Policies  
and  
Procedures for Federal Programs

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Proposed: May 2017

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# Table of Contents

<b>Introduction</b> .....	5
<b>SECTION 1: GRANT APPLICATION PROCEDURES</b> .....	5
Grant Administration/Notification .....	5
Committee and Common Council Notification/Approval .....	5
Criteria for Applications Involving Outside Subrecipient Agencies .....	6
<b>SECTION 2: GRANT ACCEPTANCE PROCEDURES</b> .....	6
Grant Administration/Finance Department Notification .....	6
Committee and Common Council Notification/Approval .....	6
Unsolicited Grant Funds.....	7
Declining Grant Funds .....	7
<b>SECTION 3: GRANT TERM RESPONSIBILITIES</b> .....	7
<b>SECTION 4: FINANCIAL/CASH MANAGEMENT</b> .....	7
Financial Management System.....	7
Processing of Invoices.....	7
Payment on Reimbursement Basis Only .....	8
Drawdowns and Reconciliation.....	8
Withholding Payments .....	8
Financial and Program Reporting Reviews .....	8
Grant Close Out.....	8
Record Retention Requirements .....	9
Salaries and Wages.....	9
Program Income.....	9
Indirect Costs.....	9
<b>SECTION 5: CODE OF CONDUCT</b> .....	10
Preventing Fraud and Abuse of Funds.....	10
Conflict of Interest.....	10
Acceptance of Gratuities .....	10
Drug-Free Workplace Policy .....	11
<b>SECTION 6: PROCUREMENT POLICIES AND PROCEDURES</b> .....	11
Purchasing and Contracting Levels .....	12
Sole Source Procurements .....	12

**SECTION 7: CAPITALIZATION POLICY** ..... 12

**SECTION 8: ACCOUNTING PRINCIPLES AND AUDIT REQUIREMENTS** ..... 13

    Accounting Principles ..... 13

    Audits ..... 13

**SECTION 9: SUBRECIPIENT MONITORING**..... 13

    Monitoring Process ..... 14

    Procedures for High-Risk Subrecipient Management ..... 14

**SECTION 10: REMEDIAL ACTIONS AND SANCTIONS** ..... 15

    Remedial Actions ..... 15

    Sanctions ..... 15

    Deobligation of Funds ..... 16

**ADDENDUM #1: NOTIFICATION OF GRANT FUNDS FORM** ..... 17

**ADDENDUM #2: REQUEST TO ACCEPT GRANT FUNDS FORM** ..... 18



## **INTRODUCTION**

This Grants Administration Manual applies to all federal and state grants awarded to the City of Appleton. Federal and state grants will be managed in compliance with the Code of Federal Regulations (CFR), Uniform Grant Guidance, the Office of Management and Budget (OMB), and the City of Appleton's adopted policies.

The purpose of these policies and procedures is to assist in providing accurate, current, and complete disclosure of funded programs and financial results of federal and state grants within the existing budgetary accounting and reporting framework of the City of Appleton.

These policies provide guidelines to ensure the following:

1. Federal and state grants are properly authorized by the Mayor and City Council;
2. Grants have been properly budgeted by the appropriate department with review and concurrence by the City's Finance Department.
  - a. Relevant information for any anticipated grant will be included in the City's annual budget documentation. Relevant information will include program title, program information, grant agency, anticipated revenues and expenditures, any City match, and the number of full-time equivalents funded through the grant.
3. Transactions involving federal and state grants are in accordance with the provisions of the Federal Office of Management and Budget Circulars, the OMB Uniform Guidance for Federal awards, and other federal and state laws; Official accounting records required by grant agreements are maintained to the extent possible in a centralized location;
4. Grant transactions are properly identified by recording grant revenues and expenditures in the City's accounting system, including program income and match, and properly reported to maintain accounting and reporting controls;
5. Tracking grant expenditures by approved budget account categories;
6. Preparing and timely submitting reports;
7. Financial and programmatic requirements are monitored for compliance;
8. Grant closeout; and
9. Any other pertinent grant-related financial activities

## **SECTION 1: GRANT APPLICATION PROCEDURES**

### *Grant Administration/Notification*

Notification of grant applications must be sent to the Finance Department via electronic submission of PART #1: Grant Tracking Form (Addendum 1). This form addresses the following review criteria:

1. Consistency with overall program goals of the City of Appleton;
2. Local match requirements and/or other budget impacts;
3. Personnel requirements to implement objectives of the grant;
4. Identification of responsible staff for program compliance and fiscal monitoring;
5. Applicant department head authorization; and
6. Department of Finance notification

### *Committee and Common Council Notification/Approval*

Committee of Jurisdiction and Common Council notification and approval prior to grant application will be required. If personnel will need to be added to the table of organization in order to accept the grant, Human Resources Committee, Committee of Jurisdiction and Common Council must approve prior to application.

### *Criteria for Applications Involving Outside Subrecipient Agencies*

For grants where the City of Appleton is a pass-through agency of funding being distributed to subrecipients, it is important that the capability of the potential subrecipient agencies be examined. Thus, if an agency that has not previously received grant funds from the City of Appleton expresses interest in participating in one of the grant funding sources, that agency will be subject to a screening conducted by a Finance Department representative and staff directly involved in implementation and spend down of associated grant funds.

The screening will involve:

1. Examination of Agency Documents. The agency seeking to become a subrecipient will be asked to submit the following items to the City for review and verification:
  - a. Federal Tax Identification Number
  - b. Articles of Incorporation/By-Laws and Mission Statement
  - c. Administrative Organization Chart
  - d. Board of Directors/Officers Roster
  - e. Agency Budget/Financial Statements (from previous fiscal year)
2. Interview of Potential Subrecipient. A panel consisting of a Finance Department representative and others directly associated with administration of the grant will conduct an interview with agency representative(s) to address both general agency capacity and appropriateness of activities planned to accomplish with grant funds if they are awarded.

Upon completion of this screening, the interview panel will make a recommendation related to the capacity and appropriateness of the agency to carry out activities funded under the grant. This recommendation, along with Part #1: Grant Tracking Form, will be submitted to the applicable Committee of Jurisdiction as an action item by the applying department.

## **SECTION 2: GRANT ACCEPTANCE PROCEDURES**

### *Grant Administration/Finance Department Notification*

Upon notification that the applicant department was successful in obtaining grant funding, they shall electronically submit the following to the Finance Department:

- Part #2: Grant Tracking Form (Addendum 2)
- Award notification letter from the Grantor/Funder including grant agreement to determine if single audit regulations apply
- Budget Amendment Form OR Budget Page Reference for the Grant (to show that a budget amendment is not needed)

After the Director of Finance approves the Grant Tracking Form, an account is set up in the City's Financial Management System. The Program Managers are responsible for communicating awards to various agencies.

### *Committee and Common Council Notification/Approval*

No matter the amount, all new grants awarded to the City of Appleton must be presented to the applicant department's Committee of Jurisdiction for approval before a grant agreement is executed. In doing so, the aforementioned Grant Tracking Form shall be included as an attachment to the action item on that committee agenda. Budget adjustments will be placed on the Finance Committee Agenda at the same time, if applicable. Recurring annual grants do not need to be approved after initial award unless grant

renewal results in addition of staff, funding is increased more than \$100,000. Valley Transit's operating grant will be approved during the annual budget process with notification to the department's committee of jurisdiction once the final award is announced.

#### *Unsolicited Grant Funds*

For unsolicited grant funds, or those offered to a City department without an application process, in excess of \$10,000, the recipient must follow the instructions under this section: Grant Acceptance Procedures.

#### *Declining Grant Funds*

For declining any grant funds, the applicant department shall request approval to decline from both the Committee of Jurisdiction and the Finance Committee. In doing so, a memorandum explaining the reasons for declining funding shall be included as an attachment to the action item on both committee agendas.

### **SECTION 3: GRANT TERM RESPONSIBILITIES**

The grantee department maintains full responsibility for understanding the requirements of the grant contract, meeting deadlines, and complying with grant program requirements. In doing so, the grant department will be responsible for maintaining the following documents in a single grant file:

1. Original grant application
2. Copy of executed grant contract/agreement with original filed in Clerk's Office
3. Payment requests/activity reports provided to the granter/funder
4. Documentation of grant amendments
5. Any other pertinent documentation relevant to the administration of the grant

The grantee department must be prepared to share this file with the Finance Department for internal monitoring and during the external financial and single audit, as well as any regulatory inquiries or investigations.

### **SECTION 4: FINANCIAL/CASH MANAGEMENT**

#### *Financial Management System*

The City of Appleton is responsible for the use and maintenance of the financial management system. All grant awards, obligations, unobligated balances, assets, liabilities, expenditures, and program income are tracked within the City's financial system. This system delivers accurate, transparent, and efficient financial operations. The City uses a multi-fund accounting system with automated Due To/Due From processing.

The financial management system updates all balances in real-time with each transaction, connecting users to the most current, accurate information. The system provides for multi-year tracking of budgets, expenditures and revenues for user-defined projects, such as capital improvements, special programs and more.

#### *Processing of Invoices*

For reimbursement grants, the grantee department will be expected to submit reimbursement requests to the granting agency with a scanned copy to the Finance Department. Departments will be responsible for maintaining documentation supporting all reimbursement requests. Reimbursement should be requested in as timely a manner as possible, but no later than forty-five (45) days from the date expense was incurred.

### *Payment on Reimbursement Basis Only*

The City of Appleton does not normally request advanced funding from federal, state or other grant sources. All draw down requests are usually on a reimbursement basis only.

### *Drawdowns and Reconciliation*

Drawdowns from all funding agencies are prepared by the Deputy Director of Finance or designee based on actual expenditures in the City's financial management system.

All balances, draw-downs and close outs are reconciled with the City's financial management system by the Program Manager and/or a member of the Finance Department with a final review by the Deputy Director of Finance.

### *Withholding Payments*

The City may withhold payments from subrecipients when the subrecipient has failed to comply with grant award terms or conditions. Cash withheld for failure to comply with grant award condition, but without suspension of the grant, may be released to the grantee upon subsequent compliance.

### *Financial and Program Reporting Reviews*

Financial Review:

1. On an on-going basis, the grantee department will monitor the accuracy of expenditures, and grant expenditure/financial reporting requirements
2. The Finance Department may perform random reviews throughout the grant term to ensure City compliance with grant and/or single audit requirements

Program Review:

1. On an on-going basis, the grantee department and a Finance Department designee will monitor activity related to meeting objectives/requirements of the grant

Performance Measures:

1. Grants in excess of \$100,000 shall be required to have at least one performance measure contained in the grantee department's budget

Any financial, program, and/or performance issues identified will be brought to the attention of the grantee department head for discussion and deficiencies will be reported to the Mayor and Finance Director. Failure to follow procedures can result in discipline up to and including discharge.

### *Grant Close-Out*

Federal entities formally close out grants when a project is completed. The same process is used when projects are terminated or no longer funded by HUD or when recipients discontinue a project.

The Program Manager notifies the Deputy Director of Finance when a contract is complete and can be closed out in the City's financial management system. Once all expenditures have been processed and all revenue has been received, grant close out begins.

The Program Manager informs the Deputy Director of Finance of the requested close out. The Finance Department's office then verifies all expenditures and revenues have been received and the grant can be closed. Notification is promptly delivered to the Federal or State agency by the Program Manager requesting the grant be closed.



HUD's grant closeout requirements are described in 24 CFR parts 84 and 85 and in other procedures established by HUD. The City will submit all reports required by HUD no later than 90 days from the date of the end of the project's grant term. Obligations remaining at closeout must be covered by the terms of the close-out agreement.

#### *Record Retention Requirements*

Except as otherwise provided, the City of Appleton retains all financial records, property purchased, supporting documents, statistical records, and all other records pertaining to the federal grant for three years from the day the City submits to the awarding agency its single or last expenditure report for the grant period.

However, if any litigation, claim, negotiation, audit or other action involving the records has been started before the expiration of the three year period, the records must be retained until completion of the action and resolution of all issues which arise from it.

When original records are electronic and cannot be altered, there is no need to create and retain paper copies. When original records are paper, electronic versions may be substituted through the use of duplication or other forms of electronic media provided that they are subject to periodic quality control reviews, provide reasonable safeguards against alteration, and remain readable.

#### *Salaries and Wages*

The City of Appleton's payroll system will be used for the recording and reimbursement of administrative and program support staff time. The payroll system requires staff and their immediate supervisors to certify payroll bi-weekly. The system tracks grants and programs worked on. The system has the functionality to record grants worked, which are mandated to be done by all grant funded staff. Based on the time entries by employees, reports are created representing the exact hours allocable to specific projects completed by staff. The payroll expense, based on actual hours worked on each grant, is charged bi-weekly in the City's financial reporting system.

If grant funds will be used for the hiring of personnel, the grantee department must contact the City of Appleton's Human Resources Department to determine employee status and to start the selection process. Any person hired to fill a grant-funded position is subject to all applicable City policies.

#### *Program Income*

The City of Appleton does receive program income from some grants. Program income is the income received by the subrecipients which was directly generated by a grant-supported activity. Program income earned during the grant term shall be retained by the subrecipient, and added to funds committed to the project and used for eligible activities in accordance with the requirements of the grant. Costs incident to the generation of program income may be deducted from gross income to calculate program income, provided that the costs have not been reimbursed through grant funds.

#### *Indirect Costs*

The City does not charge an indirect cost to federally-funded grants. Administrative costs and support staff costs are charged based on actual hours worked. If the City chooses to charge indirect costs to a federally-funded grant, it will use the allowable de minimis rate of 10 percent of modified total direct costs.

## **SECTION 5: CODE OF CONDUCT**

The purpose of this policy is to provide guidelines regarding expectations for the conduct of employees and volunteers while working for or representing the City of Appleton.

It is the policy of the City of Appleton that all City employees and volunteers act in an ethical manner when working with other employees, volunteers, elected officials, or outside publics. Each employee, elected official, and volunteer has a responsibility to the City of Appleton and its citizens to place loyalty to the laws and ethical principles above private gain or personal preference.

### *Preventing Fraud and Abuse of Funds*

In order to ensure the proper disbursement of grant funds, the City maintains compliance with HUD rules and regulations, as well as other applicable federal regulations such as Office of Management and Budget Circulars A-87, A-133, and 24 Code of Federal Regulations Part 85 (Uniform Administrative Requirements).

The City of Appleton particularly emphasizes the avoidance of fraud, abuse and mismanagement related to accounting, procurement and accountability. The City monitors the compliance of subrecipients and the appropriate funding agencies monitor the City of Appleton.

### *Conflict of Interest*

The City's policy is that no employee, officer, or agent may participate in the selection, award, or administration of a contract supported by federal funds if a real or apparent conflict of interest would result from such participation. Such a conflict would arise when 1) the employee, officer, or agent, 2) any member of his/her immediate family, 3) his/her partner, or 4) an organization which employs, or is about to employ, any of the above, has a financial or other interest in the firm selected for award. An employee, officer or agent of the City of Appleton shall ensure that s/he is involved in no apparent or potential violations of this provision.

Any employee, officer or agent of the City of Appleton should report violations of this Code of Conduct to his/her supervisor.

There will be no retaliation against any party who makes a good faith complaint concerning violations of this Code of Conduct, regardless of whether it is ultimately determined that such violation has in fact occurred, nor will there be any retaliation against any party who provides information in the course of an investigation into alleged violations. All supervisors have a responsibility to be sensitive to and deal with violations. This responsibility includes monitoring all relevant work activities and contacting a higher level supervisor if it is reasonably believed that a violation has occurred. Any such report shall be investigated regardless of whether a formal complaint has been made.

### *Acceptance of Gratuities*

Per the City of Appleton's Code of Conduct policy, no staff member should solicit gifts, awards, rewards, or favors. However, the City recognizes that periodically, unsolicited gifts or favors are often offered to City employees and volunteers as a token of appreciation.

Per Section 19.59 Wisconsin Statute and Chapter ER-MRS 24 Wisconsin Administrative Code, the following guidelines shall be adhered to regarding accepting gifts:

*"No employee may solicit or accept from any person or organization, directly or indirectly, money or anything of value if it could reasonably be expected to influence such employee's official actions or judgment, or could reasonably be considered as a reward for any official action or inaction on part of*

*such employee.”*

Should such an influential gift or favor be offered, provided or delivered to someone who has direct authority over business decisions with the vendor/gift source, a legal determination shall be made on whether or not such item or reward may be accepted or utilized. Employees should refer each case to the City of Appleton Legal Services Department for determination.

The City of Appleton realizes, particularly during the holiday season, departments or individuals may receive gifts as tokens of appreciation from outside sources. If the recipient has direct authority over business decisions with the giving party/vendor and the gift is substantial or significant, the Legal Services Department should be consulted to determine the appropriate course of action.

To ensure that citizens have complete confidence in the integrity of the government of the City of Appleton, each employee, elected official and volunteer shall respect and adhere to the principles of the Code of Conduct policy. For further policy reference, please view the City of Appleton’s Code of Conduct policy.

#### ***Drug-Free Workplace Policy***

The City of Appleton is committed to maintaining a drug free workplace for all employees. Employees are expected to report to work free from any substances that could inhibit their ability to perform their duties. The use of illegal drugs on or off duty is prohibited.

As a condition of employment, all City of Appleton employees shall abide by this policy and notify the City (your immediate supervisor and the Human Resources Director) of any criminal drug statute conviction no later than five (5) days after such conviction. In addition, employees funded by the State of Wisconsin Department of Administration Division of Energy, Housing, and Community Resources (DOA DEHCR) must report any violations to DEHCR within 10 business days.

In conjunction with this policy, the City of Appleton prohibits all employees from engaging in the following conduct:

- Reporting for duty or remaining on duty while under the influence of alcohol or a controlled substance.
- Manufacturing, distributing, dispensing, possessing or using a controlled substance, alcohol, or drug paraphernalia in the workplace.
- Deliberately misusing this policy in regard to subordinates.
- Providing false information in connection with a test, or falsifying test results through tampering, contamination, use of drug masking products, alteration or substitution.
- Refusing to take a required drug/and or alcohol test.

Failure to comply with this policy shall lead to disciplinary action up to and including discharge. A discharge for all illegal drug use could impact eligibility for benefits under unemployment compensation. The goals of this policy are prevention and rehabilitation whenever possible, rather than discipline or termination. The City of Appleton encourages employees who have an alcohol or other drug problem to seek help to deal with their problem. Help is available through the City’s Employee Assistance Program. For more details on this program, contact the Human Resources Department.

#### **SECTION 6: PROCUREMENT POLICIES AND PROCEDURES**

The City of Appleton adheres to federal regulations, the City of Appleton Procurement Policies and if applicable, Valley Transit Procurement Policies to allow the City and it’s grant subrecipients to acquire, on a competitive basis, all goods and services at the best value possible and to operate in a manner that

maximizes the effectiveness and efficiency of services provided.

### ***Purchasing & Contracting Levels***

Purchases of and contracts for supplies, materials, equipment, and contractual services shall be based on competitive bids/quotations whenever practical, subject to the following spending guidelines:

*Purchases up to \$2,000* may be made based on the best judgment of the department or subrecipient making the purchase. However, it is recommended to seek competition for these purchases for the lowest prices within the parameters of quality and delivery. Accordingly, whenever making a purchase under \$2,000, it is encouraged to seek competition from as many sources as reasonable to assure best price and delivery.

*Purchases of \$2,000 or more but less than \$7,500* require the solicitation of two (2) or more quotes, which may be written or verbal, but documented in either case. When verbal quotes are received, all pertinent details of the quote should be documented in writing by the department and retained on file.

*Purchases of \$7,500 or more* require that a minimum of three (3) written quotations be solicited. Additionally, any new contracts or agreements for services or equipment with an anticipated contract cost of \$25,000 or more require the recommendation of the Committee of Jurisdiction and the approval of Common Council prior to execution.

*Public Construction Projects.* In accordance with Wisconsin Statute §62.15, all such projects for which the cost is expected to be greater than \$25,000 must be competitively bid. The City's Attorney's Office will determine the applicability of this statute to individual projects.

### ***Sole-Source Procurements***

Purchases of goods or services under \$25,000 may be made without competition when it is agreed in advance between the department and the Purchasing Office that there is a valid reason to purchase from one source or that only one source is available.

For sole source purchases over \$2,000 but less than \$7,500, the department shall obtain verbal approval from the Purchasing Office (subrecipient obtain approval from Program Manager), and document the reasons and agreement at the department level.

Any procurement activities that will take place as part of a grant award shall follow all City purchasing policies and procedures. If the procurement requirements of a grant are stricter than those of the City of Appleton, then those requirements must be followed. Grantee departments are encouraged to consult with the Purchasing Manager in the Finance Department.

For all City of Appleton policies pertaining to procurement and contracting, reference the City of Appleton's Procurement and Contract Management Policy.

## **SECTION 7: CAPITALIZATION POLICY**

Capital assets are defined by the government as assets with an initial cost of more than \$10,000 for general capital assets and infrastructure assets, and an estimated useful life in excess of one year. All capital assets are valued at historical cost, or estimated historical cost, if actual amounts are unavailable. Donated capital assets are recorded at their estimated fair value at the date of donation.

Additions to and replacements of capital assets of business-type activities are recorded at original cost, which includes material, labor, overhead, and an allowance for the cost of funds used during construction when significant. For tax exempt debt, the amount of interest capitalized equals the interest expense

incurred during construction netted against any interest revenue from temporary investment of borrowed fund proceeds.

Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Buildings and improvements, including parking ramps	15-70 years
Equipment, furniture, and vehicles	3-25 years
Utility systems	10-77 years
Infrastructure	40-100 years
Intangibles	10 years

## **SECTION 8: ACCOUNTING PRINCIPLES & AUDIT REQUIREMENTS**

### *Accounting Principles*

The City complies with requirements set forth in the following:

- [OMB Circular A-87](#) "Cost Principles for State, Local, and Indian Tribal Governments" This circular establishes principles and standards to provide a uniform approach for determining allowable costs under Federal grants and other agreements with states and local governments and Indian tribal governments
- [24 CFR Part 85](#) "Administrative Requirements for Grants and Cooperative Agreements for State, Local, and Federally Recognized Indian Tribal Governments" These regulations set forth uniform requirements for financial management systems, procurement, reports and records, and grant close-outs for recipients of Federal grant funding

### *Audits*

The City of Appleton is subject to the Single Audit Act. A Single Audit encompasses the review of compliance with program requirements and the proper expenditure of funds by an independent certified public accountant. The City undertakes an annual independent audit performed according to the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and the *State Single Audit Guidelines* issued by the Wisconsin Department of Administration.

All findings and associated evidence are reported directly from the independent certified public accountant to the Mayor, Common Council and federal and state oversight agencies. If the audit includes findings, the City completes and submits to the independent certified public accountant a corrective action plan. The corrective action plan is added to the audit file of that year and is reviewed in subsequent years.

## **SECTION 9: SUBRECIPIENT MONITORING**

The City of Appleton maintains a high level of accountability by using a combination of risk analysis of programs and activities, desk reviews, site visits, and checklists. All subrecipients are subject to on-site monitoring at least once per year. Subrecipients can be selected for additional or in-depth monitoring

according to various factors and criteria, including, unsatisfactory performance standards during the program period, current external audit findings, program experience, project complexity, or special circumstances.

### *Monitoring Process*

The grant monitoring process includes the following essential components:

1. An *initial evaluation* is conducted for each subrecipient. The initial evaluation takes place during project development and once a contract has been executed, and consists of assessment of risk factors and need for additional monitoring.
2. *Pre-monitoring* consists of technical assistance and reviews of subrecipient's policies and procedures. The purpose of pre-monitoring is to review the policies and procedures of the subrecipients in meeting grant objectives and guidelines.
3. During *on-site monitoring*, the monitor conducts:
  1. a general assessment of the activities undertaken by the subrecipient to satisfy the contractual obligations, the accuracy of the information reported, and the administration of the program is within federal guidelines. In addition, the monitor ensures that the subrecipient is achieving or making diligent efforts to achieve the goals and objectives stated in the scope of service
  2. a financial assessment that establishes whether the subrecipient has effective financial management systems in place, whether timely expenditures are being made, and whether the accounting system identifies a breakdown of program funds; and
  3. a program assessment that determines if the subrecipient has been meeting its reporting requirements
4. As a *follow-up* to a monitoring visit, the monitor sends a determination of compliance letter notifying the subrecipient of the monitoring results. The letter details the purpose of the visit, provides feedback, and addresses areas for improvement, if necessary. If the monitor identifies findings, a corrective action plan is required. If the monitor has any concerns, specific recommendations are provided to the subrecipient. Upon receipt of a subrecipient's response to identified findings or concerns, the monitor will determine if a follow-up site visit is necessary to ensure that (1) corrective action was taken; and (2) the agency is now complying and performing in accordance with its contract. If the department is not satisfied with the corrective action taken by the subrecipient, Section 10 of this manual will be implemented.
5. Projects that have *long-term compliance* requirements are monitored annually to ensure compliance with funding terms.

### *Procedures for High-Risk Subrecipient Management*

A subrecipient may be considered high risk if the City determines that the subrecipient:

- Has a history of unsatisfactory performance;
- Is not financially stable;
- Has a management system which does not meet the management standards set forth in 24 CFR part 85;
- Has not conformed to terms and conditions of previous awards; or

- Is otherwise not responsible.

After careful consideration, if the City awards a grant to a high-risk subrecipient, the City may impose special conditions and/or restrictions that correspond to the high risk condition and shall be included in the award. Special conditions or restrictions may include:

- Withholding authority to proceed to the next phase until receipt of evidence of acceptable performance within a given funding period;
- Requiring additional, more detailed financial reports;
- Additional project monitoring;
- Requiring the subrecipient to obtain technical or management assistance; or
- Establishing additional prior approvals.

If the City decides to impose such conditions, the City will notify the subrecipient as early as possible, in writing, of:

- The nature of the special conditions/restrictions;
- The reason(s) for imposing them;
- The corrective actions which must be taken before they will be removed and the time allowed for completing the corrective actions; and
- The method of requesting reconsideration of the conditions/restrictions imposed

#### **SECTION 10: REMEDIAL ACTIONS AND SANCTIONS**

If the City determines that a subrecipient is not complying with a program requirement or the subrecipient agreement, the City will perform one of the remedial actions set forth below and/or will impose sanctions.

##### *Remedial Actions*

Remedial actions (described at 24 CFR part 578.107(b)(1)) may include the following:

- Developing and following a schedule of actions for carrying out project activities and projects affected by non-compliance, including schedules, timetables, and milestones;
- Establishing and following a grants management plan that assigns responsibilities for carrying out remedial actions;
- Canceling or revising project activities or projects likely to be affected by non-compliance before expending associated grant funds;
- Re-programming grant funds not yet expended for given activities or projects to eligible costs or projects;
- Suspending funds disbursement;
- Reducing or terminating a subrecipient's remaining grant funds and re-allocating funds to other subrecipients or returning funds; and
- Requiring matching contributions to be made before or in conjunction with draws being made from the recipient's grant.

##### *Sanctions*

Sanctions, as defined at 24 CFR part 578.107(b)(2) through (9), may include the following:

- Suspending payments to preclude the further expenditure of funds for affected projects or activities;
- Continuing the grant with a substitute recipient;

- Denying matching credit for all or part of the cost of the affected activities and requiring further matching contributions;
- Requiring the recipient to reimburse its line of credit in an amount equal to the funds used for the affected activities;
- Reducing or terminating the remaining grant;
- Imposing conditions on a future grant; and
- Imposing other legally available remedies.

### *Deobligation of Funds*

Regulations at 24 CFR part 578.107(d) allow the de-obligation of funds for the following reasons:

- Failure to meet timeliness standards in 24 CFR part 578.85;
- Delays in completing construction activities that affect the expenditure of other funds for other activities during the remaining term of the grant;
- Costs for acquisition, new construction, or rehabilitation that are less than the total cost agreed to in the grant agreement;
- Actual annual leasing, operating, supportive services, rental assistance, or administrative costs that are less than the total cost agreed to in the grant agreement for a 1-year period;
- Failure to move program participants into units within 3 months of units' availability for occupancy; and
- Other circumstances set forth in the grant agreement.



**ADDENDUM #1  
GRANT TRACKING FORM**



**Part #1: Notification of Grant Funds**

APPLICANT DEPARTMENT: \_\_\_\_\_  
\_\_\_\_\_

DATE:

APPLICANT DEPARTMENT GRANT CONTACT NAME/TITLE:  
\_\_\_\_\_/\_\_\_\_\_

COMMITTEE OF JURISDICTION:  
\_\_\_\_\_

NAME OF GRANT/FUNDING SOURCE:  
\_\_\_\_\_/\_\_\_\_\_

AMOUNT OF GRANT REQUEST: \$ \_\_\_\_\_ LOCAL MATCH  
REQUIREMENT: \$ \_\_\_\_\_

SOURCE OF MATCH: \_\_\_ GENERAL FUND \_\_\_ NON-GENERAL FUND \_\_\_ NOT  
APPLICABLE

TIMEFRAME OF GRANT: \_\_\_/\_\_\_/\_\_\_ through \_\_\_/\_\_\_/\_\_\_

TYPE OF GRANT REQUEST: \_\_\_ MONETARY \_\_\_ OTHER (Explain under 'purpose of grant')

PURPOSE OF GRANT (summary): \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

How does the grant meet City/Department/Program goals? \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

What are the personnel requirements (include both existing and new staff) of the grant? \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

DEPARTMENT HEAD SIGNATURE:  
\_\_\_\_\_

**ADDENDUM #2  
GRANT TRACKING FORM**

**Part #2: Request to Accept Grant Funds**



AMOUNT OF GRANT AWARD: \$ \_\_\_\_\_

FEDERAL/STATE ID #: \_\_\_\_\_

LOCAL MATCH REQUIREMENT: \$ \_\_\_\_\_

Please describe the source of match, if applicable: \_\_\_\_\_

\_\_\_\_\_

Please describe any major changes in proposed grant-funded activities: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_