

RESOLUTION NO. 2, 2015
CITY OF VALPARAISO, BOARD OF PUBLIC WORKS & SAFETY

**A RESOLUTION REVISING THE FEDERAL AND STATE GRANT PROCEDURES
FOR THE CITY OF VALPARAISO, INDIANA**

WHEREAS, the City of Valparaiso would like to revise certain procedures related to Federal and State grant funds received by the City.

WHEREAS, Exhibit A – Federal and State Grant Procedures, in compliance with The City of Valparaiso's Federal and State Grant Policy Statement, is presented for approval to the Board of Public Works and Safety, to go into effect as of May 08, 2015.

WHEREAS, the procedures are revised to provide further guidance in the compliance with the Federal and State Grant Policy Statement.

NOW, THEREFORE, BE IT RESOLVED by the City of Valparaiso Board of Public Works & Safety does hereby approve the revision of the attached Exhibit A – Federal and State Grant Procedures.

Adopted this 8th day of May, 2015 by a vote of all members present and voting.

Jon Costas, Mayor

William Oeding, Member

Matthew Murphy, Member

ATTEST:

Treana Cimoch
Deputy Clerk-Treasurer

Exhibit A to Board of Works Resolution #1, 2015
City of Valparaiso's Federal and State Grant Procedures

The procedures below are in compliance with the City of Valparaiso's Policy Statement regarding federal and state Grants.

A. Grant Application Control Activities

The purpose of this section is to give a basic understanding of the City's process of notification and approval of a specific department's intent to apply for federal and state grants.

1. Departments within the City of Valparaiso are responsible for identifying grants in which to apply. The Department is responsible for completing the grant application with all documentation as per the grant requirements.
2. Prior to submission, the grant application is presented to the Board of Public Works and Safety. The Board meets on the second and fourth Friday of every month. Documentation is to be submitted the day prior to the meeting in order for the Board to review. Representatives of the Department applying for grant are required to be present during the meeting as there may be questions or concerns from the Board.
3. Once approved by the Board, the grant application is sent to the Clerk-Treasurer's Office for final approval. Along with this application, the Department is required to submit the Indiana State Board of Accounts Check List (See Exhibit A). The Clerk-Treasurer is responsible for reviewing the application and checklist for completeness and accuracy.
4. Upon approval of the application by both the Board of Public Works and Safety and the City Clerk-Treasurer, the application is submitted to the awarding agency by the Department. Copies of the application are kept on file at the applying Department as well as the Clerk-Treasurer's Office.

B. Grant Award Notification Control Activities

The purpose of this section is to give a basic understanding of the City's process of receiving notification that a grant has been awarded.

1. After the requesting department receives notification that the grant has been awarded, it will provide award documentation to the City Clerk-Treasurer's Office.
2. A Deputy Clerk-Treasurer at the City Clerk-Treasurer's Office creates a new fund with the grant name and the grant number. Two separate fund accounts are created within this fund. The first account will be designated for all revenue/drawdowns received for the grant. The second account will be designated for all expenditures and withdrawals from the grant funds.

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Only drawdowns and expenditures related to that specific grant are processed through the fund.

3. The City Clerk-Treasurer's Office notifies the Department responsible for the federal award of the assigned fund and account number. This fund number must accompany any requests for drawdowns or withdrawals from the fund.

C. Federal Grant Drawdowns

The purpose of this section is to give a basic understanding of the City's process of requesting and processing drawdowns from federal and state grants.

1. If grant is on reimbursement basis, proceed to step number C2. If grant is on cost-advancement basis, proceed to step number C3.
2. When drawdown requests are received by the City Clerk-Treasurer's Office, the Deputy Clerk-Treasurer designated as the Grant Administrator reviews them for completeness and compliance with the grant requirements. The period of the drawdown must be documented on the request. The fund expenditure balance as of the period is compared and reconciled to the amount of the drawdown. If the drawdown is determined to be compliant with the award, the Grant Administrator submits it to the awarding agency. Proceed to C.4.
3. When cost advancement drawdown requests are received by the City Clerk-Treasurer's Office, the Deputy Clerk-Treasurer designated as the Grant Administrator reviews them for completeness and compliance with the grant requirements. If compliant, the Grant Administrator submits it to the awarding agency.
4. The drawdown request is then filed with the Deputy Clerk-Treasurer until the funds are received. The request is not recorded against the fund until the drawdown is received from the awarding agency. This is to ensure that funds are recorded at the correct amount, depending on any variances between the amount requested and received.
5. When the funds are received from the awarding agency, the Deputy Clerk-Treasurer will record the amount received in the fund records. If there is a variance in the amount requested and the amount received, the discrepancy must be resolved through communications between the Grant Administrator and the Department.
6. The Deputy Clerk-Treasurer is then responsible for notifying the Department of the receipt of grant funds.

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7. If the grant is funded on an advancement basis, the time between the receipt of the funds and the expenditure should be minimized. The Grant Administrator monitors the funds received to determine if they are expended within 10 days of receipt. If the 10 days expire, and the funds still remain, the Grant Administrator will follow up with the Department to resolve the situation as quickly as possible.
8. The Grant Administrator is further responsible for monitoring the activity of the grant expenditures. This includes ensuring that all costs are incurred prior to the expiration of the grant and all necessary funds are liquidated 90 days following the expiration.

D. Federal Grant Disbursements

The purpose of this section is to give a basic understanding of the City's process of receiving and processing disbursement requests for federal grants.

1. Departments will request disbursements from the City Clerk-Treasurer's Office. With this request they must provide an accompanying invoice or purchase order. The Grants Administrator will review the invoice or purchase order to determine if it is within the period of availability and whether it complies with the grant requirements (including allowability of the cost).
2. Once approval is received from the Grant Administrator, the Deputy Clerk-Treasurer will enter the information into the General Ledger. This information includes, the vendor, amount, and corresponding fund number for the grant.
3. The Deputy Clerk-Treasurer prepares a check to be signed by the Clerk-Treasurer and disbursed to the vendor after approval by the Board of Public Works & Safety.
4. The check copy along with the supporting documentation (Vendor invoice, Purchase Order, etc...) are filed within the City Clerk-Treasurer's Office. This documentation must be retained throughout the grant's period of performance or longer depending on award.

E. Federal Award Equipment Management

The purpose of this section is to give a basic understanding of the City's process of inventorying equipment purchased with federal grant dollars.

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1. When equipment is purchased using federal grant funds, it will be added to an inventory of all equipment purchased with that grant's funds. The equipment is assigned a specific serial number that is recorded in the inventory and placed on the item itself.
2. A detailed inventory is to be kept by the responsible Department as to comply with Federal Acquisition Regulation 52.245-1 (f). An inventory compliant with this regulation will include:
 - a. Description of the property;
 - b. A serial number or other identification number;
 - c. An asset tag number;
 - d. Grant/program or award name if funded by federal and/or state grant;
 - e. The percentage of federal participation in the cost of the property;
 - f. Who owns the title;
 - g. The acquisition date;
 - h. The cost of the property;
 - i. The location of the property;
 - j. The use and condition of the property; and
 - k. The ultimate disposition data.
3. Individual grants may have specific requirements that must be followed during the purchase and inventory of equipment. These requirements are noted in the grant agreement and should be identified by the Grant Administrator prior to any expenditure of grant funds.
4. At a minimum, an annual inventory is completed by the responsible Department to ensure that all equipment listed on the inventory is accurate. Also, this will verify that all equipment received has been recorded on the inventory listing. Upon completion of the physical inventory, the documentation must be submitted to the Grant Administrator for review.

F. Federal Award Reporting

The purpose of this section is to give a basic understanding of the City's process of identifying and complying with reporting requirements specified in federal grant agreements.

1. Upon receipt of the award agreement, the Grant Administrator must identify all reporting requirements that are stated in the agreement. Award requirements should be documented within the City Clerk-Treasurer's Office and be assigned to an individual.

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2. When financial information is included in the Federal Financial Report, the information is reconciled with the General Ledger and the receipts and disbursements as per the fund balance.
3. All Federal Financial Reports are reviewed by the Grants Administrator and City Clerk-Treasurer prior to the submission to the awarding agency. Review and approval should be documented via email in order to have evidence of the process. The emails should then be saved in PDF format or printed in so they are not archived or deleted.
4. Documentation of the report and the submission of the Federal Financial Report is maintained by the City Clerk-Treasurer's Office.

G. Federal Award Year-End Close / SEFA (Schedule of Expenditures of Federal Awards) preparation.

The purpose of this section is to give a basic understanding of the City's process of year-end close procedures regarding federal grants.

1. Departments required to submit federal financial reports at year-end prepare the reports to be submitted. Reports are sent to the City Clerk-Treasurer's Office for review before submission.
2. The Grant Administrator reviews the information on the report and reconciles the amounts with the General Ledger.
3. The Deputy Clerk-Treasurer completes a second reconciliation of the information to the amounts recorded within accounting system.
4. If the second reconciliation contains no variances, the SEFA is prepared by the Clerk-Treasurer using the information recorded in the accounting system.
5. The Deputy Clerk-Treasurer compares the prepared SEFA to the accounting records to verify accuracy of numbers reported.
6. If no variance is indicated, the SEFA is provided to the auditors responsible for the preparation of the single audit report.

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