



I. Authority

The Fort Worth City Council is responsible for legislating, formulating policy, and setting the overall direction of City government. This includes the approval of financial policies which establish and direct the operations of the City of Fort Worth (“the City”). The City Manager is responsible for carrying out the policy directives of the City Council and managing the day-to-day operations of the executive departments, including the Department of Finance. This policy shall be administered on behalf of the City Manager by the Chief Financial Officer/Director of Financial Management Services (“CFO”).

II. Purpose

The purpose of this policy is to:

- A. Define practices and provide the guiding principles for grant management, including the application, approval, set up, management, accounting, and reporting of grant activity performed by the City.
- B. Ensure that City personnel seek and apply for federal, state and other grants-in-aid that address the City’s current priorities and policy objectives, and administer them in accordance with applicable federal and state laws and regulations, City policies, and contractual obligations.
- C. Establish controls to maintain, and enforce a sound system of operational procedures in accordance with industry best practices and internal control objectives. These controls address the operational nature of the processes associated with grant management.
- D. Require procedures related to the grant management process be in conformance with this policy.

III. Applicability and Scope

All employees of the City, including uniformed employees, having grant management or accounting responsibilities shall conduct all related activities in compliance with rules and guidelines set forth by this policy and by their respective departmental grants procedures.



IV. **Glossary**

Definitions related to this policy will be incorporated into the Glossary for Financial Management Policies.

Administering Department – The City of Fort Worth Department responsible for applying for and overseeing the activities of a grant-funded program.

Indirect Costs – Expenditures the City will incur for managing the grant program. Any eligible indirect costs shall be calculated and included in each grant application and shall be specified in the Mayor and Council Communication (M&C) seeking approval to proceed with a grant application or award. If a waiver of indirect costs is sought by the Administering Department, such waiver must quantify the estimated amount, explain the reasoning behind the request, and be approved by the Mayor and Council.

V. **Policy**

A. **Grant Identification, Application, Acceptance**

1. Each respective department of the City of Fort Worth may research and identify grant opportunities that facilitate the City's overall goals, mission, and initiatives and provide supplemental or alternative funding sources for either capital expenses/expenditures or operating programs.
2. If grant opportunities are identified, departments are responsible for obtaining approval from the corresponding Assistant City Manager.
3. Potential grant opportunities shall be evaluated for administrative burden and compliance costs prior to application. Where the amount likely to be received does not exceed the cost of applying for and administering the grant, the City should not seek the grant. Where the amount awarded does not exceed the cost of administering the grant, the City should not accept the grant.
4. Prior to application, the Administering Department shall:
 - a. Complete an agenda item on a regularly scheduled City Council meeting wherein approval to apply and accept, if awarded, the grant is requested.
 - b. The M&C requesting application and acceptance approval shall include the following components:



- a. Name of grant,
 - b. Grantor,
 - c. Dollar award of grant along with the identification of required matching funds, including the source of such matching funds,
 - d. Overview of the grant program, including how the City will use the funds in support of City goals and priorities,
 - e. Required appropriation ordinances and language for the full amount of the grant, including match costs and program income, if any, and
 - f. Dollar value of indirect costs being applied for in the grant, calculated based on the indirect cost study in effect at the time. Where reimbursing the general fund for the indirect cost burden would impact program services, the department should weigh the City's priorities in deciding whether to allocate additional resources to the program from other sources.
 - g. Statements regarding responsibilities for collecting revenue and ensuring that funds are available prior to obligation.
5. The M&C shall be routed through the Grant Accounting Team of the Financial Management Services Department (FMS) for review prior to being placed on a City Council Agenda for consideration. This is accomplished by checking the "Includes Any Federal, State, Interlocal or Grant Funding" box on the "General" tab of a draft M&C.
 6. After City Council approval, the Administering Department, in coordination with FMS Grant Accounting, shall prepare all documents required in the application process and submit the same to the granting agency.
 7. Applications shall include a budget for all indirect costs allowable under the grant.
 8. It is acknowledged that grant application deadlines may not allow for approval by the Mayor and Council prior to being due. In these instances, ratifying Mayor and Council Communications shall be completed utilizing the same process as non-ratifying M&Cs.
 9. Once a grant is awarded, the Administering Department is responsible for accepting the award and, in concert with the City Attorney's Office, seeing that the corresponding contract is correct and fully executed, including all provisions required under 2 CFR 200 of the Code of Federal Regulations.
 10. In instances where the City needs to further evaluate whether a grant meets the City's objectives, mission, goals, and initiatives, it is acceptable to submit a



Mayor and Council Communication for approval to apply for the grant only. In these instances, a supplemental Mayor and Council Communication is required in order to accept the grant and appropriate funds.

B. Grant Set-Up

1. Upon award of a grant by a granting entity, FMS Grant Accounting shall schedule a Grant Kick-Off meeting with the Administering Department. The Grant Kick-Off meeting is to clarify grant management and accounting roles and responsibilities specific to that particular grant, and should be attended by management representatives of the Administering Department and FMS Grant Accounting (and, where applicable, FMS Capital Assets).
2. The Administering Department is then responsible for completing and/or collecting the following documents, with assistance and support from FMS Grant Accounting, and submitting them to FMS Grant Accounting to be entered into PeopleSoft (the City's system of record for all financial data):
 - a. The Grant Information Form (GIF),
 - b. A balanced Grant Project Budget,
 - c. The approved M&C,
 - d. The fully executed award agreement,
 - e. The funding location (FID) for any required matching expenditures, and
 - f. Any Combo Codes necessary to process expenditures.
3. FMS Grant Accounting is responsible for setting up the award in PeopleSoft, including entry of operating and financial reporting schedules. Grant Accounting shall then provide the Administering Department with the PeopleSoft project (grant) number.
4. The Administering Department and FMS Grant Accounting are responsible for understanding grant conditions, including allowable costs for each grant. This includes personnel expenditures and whether salaries, overtime and/or fringe benefits are allowable. The Administering Department, with the support and assistance of FMS Grant Accounting, is responsible for determining and using the appropriate vehicle to ensure personnel charges are distributed to the grant as accurately as possible. This may entail the use of ePARs, tasks groups/task profiles and/or Combo Codes. The Administering Department should ensure that grant-funded personnel understand how to code their time for accurate accounting.



5. The Administering Department, with assistance and support from FMS Grant Accounting, submits any Combo Code requests, which are reviewed by FMS Grant Accounting and set up by FMS Financial Systems Management. Any Task Groups/Task Profiles are submitted through ITSM Self-service at <http://itsm.cfwnet.org>.

C. Grant Management

1. The Administering Department shall manage awards in accordance with 2 CFR 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, applicable State laws and/or regulations, and corresponding contractual agreements. FMS Grant Accounting shall provide assistance and serve as a resource for clarification of any questions regarding 2 CFR 200.
2. If the grant has subrecipients:
 - a. The Administering Department, with assistance and support from FMS Grant Accounting, shall perform a risk assessment for each subrecipient before passing along awarded funds, in accordance with 2 Code of Federal Regulations (“CFR”) §200.331, “Requirements for pass-through entities,” and formulate a risk mitigation plan based on identified risk factors.
 - b. The Administering Department, with assistance and support from FMS Grant Accounting, shall perform subrecipient monitoring in accordance with §200.330, “Subrecipient and Contractor Determinations,” and §200.331, “Requirements for Pass-Through Entities,” and document such monitoring.
3. The Administering Department shall monitoring contractors to ensure compliance with all contract provisions.
4. All grant-related procurement activities must be conducted in accordance with all applicable City policies and State and federal laws and regulations (e.g., Davis-Bacon Act).
 - a. If a capital asset is purchased or created with grant funds, FMS Grant Accounting and FMS Capital Assets should be notified.
 - b. For federal grants, no local purchasing preference can be given.
 - c. For federal grants, cost plus a percentage of cost and percentage of construction cost methods are prohibited.



- d. The City is responsible for full compliance with the procurement regulations contained in 2 CFR 200 (200.317-200.326).
 - e. Vendors shall be checked against the list of debarred/suspended vendors on SAM.gov prior to awarding any contract and annually thereafter, at a minimum.
5. The Administering Department shall submit project status reports in accordance with the award agreement, and provide copies of such reports to FMS Grant Accounting to be attached in PeopleSoft.
6. Where financial reports—including financial status reports (FSRs), requests for reimbursement (RFRs) or drawdowns, or close-out reports—are filed by the Administering Department, the Administering Department should submit a draft of the submission to FMS Grant Accounting five (5) business days prior to the due date for review and concurrence. Where such financial reports are filed by FMS Grant Accounting, they should be submitted to the Administering Department five (5) business days prior to the due date for review and concurrence.
7. The Administering Department shall create and maintain adequate documentation for all program operations and expenditures (activity reports, invoices, purchase orders, receipt documentation, etc.).
8. The Administering Department and FMS Grant Accounting shall create and maintain all pertinent award-related documentation in accordance with §200.333 Retention Requirements for Records and applicable State law as specified in City records management policies and supply it as requested to authorized grant monitors.
9. FMS Grant Accounting shall ensure awards are accounted for in accordance with 2 CFR 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, applicable State regulations, and City policies and procedures.
10. The Administering Department and FMS Grant Accounting shall, at a minimum, review and analyze grant financials monthly. This review will include a process to verify that all costs are allowable and appropriate and that all revenues earned have been recognized.
11. As determined and documented in the Grant Kick-off Meeting, either the Administering Department or FMS Grant Accounting will submit financial reports in accordance with the award agreement.



12. Grant funds shall not be used to purchase gift cards or other cash-equivalent items for distribution to recipients. All disbursements of funds and/or assets shall follow standard City procedures to ensure accountability and compliance.
13. Other roles and responsibilities for the Administering Department:
 - a. Ensure funding is managed according to the terms and conditions of the award,
 - b. Request award extension and/or agreement amendments, if necessary,
 - c. Prepare M&Cs for grant amendments, if necessary,
 - d. Submit budget transfers requests and correcting journal entries to FMS Grant Accounting in a timely manner, and
 - e. Monitor grant terms and conditions for any changes throughout the performance period (with support from FMS Grant Accounting).
14. Other roles and responsibilities for FMS Grant Accounting:
 - a. Ensure that all appropriate grant documentation is attached to PeopleSoft Project Definitions and/or journal or budget entries,
 - b. Maintain all other appropriate grant-related documentation in the City's physical or virtual storage,
 - c. Review grant amendment-related M&Cs for completeness and correctness,
 - d. Serve as point of contact for financial matters and grant questions,
 - e. Attach and maintain copies of operating and financial reports in PeopleSoft, and
 - f. Enter and approve budget transfers.

D. Grant Accounting

1. All grant-related financial activity must be accounted for in the City's primary accounting system of record (PeopleSoft).
2. Direct and indirect costs should be clearly identified and separated.
3. City contributions (matching) and grantor funds should be clearly identified and separated.
4. The Administering Departments and/or FMS Grant Accounting are responsible for submitting all financial reports required by grantor agencies, as determined and documented in the Grant Kick-off Meeting.
5. The Administering Departments and FMS Grant Accounting must ensure that grant budgets set up in PeopleSoft are correct, appropriate, and allowable. FMS Grant Accounting shall review submitted budgets for balance and correctness.



Multi-year grants pose special challenges, and, in conjunction with FMS Grant Accounting, Administering Departments should decide how various time periods and activities are to be handled before the grant is initially set up. This should be decided and documented as part of the Grant Kick-off Meeting.

6. The Administering Departments and FMS Grant Accounting must be aware of the particular requirements of reimbursement, advance payment, or fee-for-service grants as they apply to each award.
7. The Administering Departments, with support from FMS Grant Accounting, must be familiar with, comply with, and document compliance with all contractual requirements for applicable grants.
8. FMS Grant Accounting shall review PeopleSoft financials for each grant each month and communicate any issues encountered to appropriate grant staff.
9. Expenditures/Expenses:
 - a. The Administering Departments, in conjunction with the Purchasing Division of the Financial Management Services Department, shall ensure that all grant-related procurement is handled in accordance with Financial Management Policy Statements, City purchasing standard operating procedures (SOPs), and all applicable state and/or federal grant regulations and contractual requirements.
 - b. The Administering Departments are responsible for ensuring that grant-related funds are only obligated/expended when there is budgetary authority to do so.
 - c. The Administering Departments are responsible for monitoring grant budget status to ensure that necessary budget modifications are made before expenditures are needed.
 - d. The Administering Department, with support and assistance from FMS Grant Accounting, is responsible for ensuring that all expenditures are necessary, reasonable, allowable, and appropriately allocated.
 - e. The Administering Departments and FMS are responsible for ensuring that all disbursements are correct, and that any required retainage or cash held by other entities is accounted for properly.
10. Revenues:
 - a. The Administering Departments must provide FMS Grant Accounting with copies of any request for reimbursement (RFR) or drawdown request each time they are submitted.
 - b. FMS Grant Accounting is responsible for making any journal entries to recognize the revenue and create a receivable.



- c. FMS Grant Accounting is responsible for monitoring bank account activity, and, when ACH deposits hit the appropriate bank account, making entries (eRDDs) to reflect the sums received.
 - d. FMS Grant Accounting is responsible for reconciling receivables and payments received.
11. Journal Entries:
- a. The Administering Departments are responsible for making all grant-related journal entries corresponding to a particular accounting period (month) no later than the deadline specified in each month's published close schedule. Nothing herein shall prohibit FMS Grant Accounting from identifying entries that need to be made and making them on behalf of departments when necessary to ensure compliance with City policy, grant requirements, or Generally Accepted Accounting Principles (GAAP).
 - b. FMS Grant Accounting is responsible for reviewing and posting any such journal entries.
 - c. For large journal entries better handled by uploading, the Administering Department shall provide FMS Grant Accounting with the necessary data and back-up, and FMS Grant Accounting will upload, review, and post the journal entries.
 - d. FMS Grant Accounting is responsible for City fiscal year-end entries such as accruals, adjusting entries, etc.
 - e. At the close of each grant, the Administering Department, with support and assistance from FMS Grant Accounting, is responsible for ensuring that all applicable revenues, expenditures, and transfers are reflected in PeopleSoft.
12. FMS Grant Accounting will serve as the point of contact for the annual Single Audit and coordinate and provide responses to the City's external auditors.
13. FMS Grant Accounting will prepare the annual Schedule of Expenditures of Federal Awards (SEFA) and Schedule of Expenditures of State Awards (SESA), and will coordinate with the City's external auditors to file the results with the Federal Audit Clearinghouse (FAC).

E. Grant Closeout

- 1. After completion of all required performance period activities, the Administering Department and FMS Grant Accounting shall perform grant



closeout tasks in accordance with §200.343 Closeout or corresponding State regulations, City policies, and contractual requirements.

2. The Administering Department and FMS Capital Assets shall ensure property purchased, donated, or constructed in relation with grant funding is accounted for in accordance with §200.310 - §200.316 and §200.329.
3. The Administering Department is responsible for final performance reports required by the terms and conditions of the award and shall provide copies to FMS Grant Accounting for attachment in PeopleSoft.
4. The Administering Department and FMS Grant Accounting are responsible for preparing final financial reports required by the terms and conditions of the award. The Administering Department and FMS Grant Accounting are responsible for collecting and maintaining all appropriate back up documentation for financial reports.
5. The Administering Department shall notify FMS Grant Accounting to close the grant in City's financial system and provide all required closeout documentation:
 - a. Project Closeout Checklist,
 - b. Request to inactivate Combo Codes (where applicable), and
 - c. Request to inactivate or redirect Payroll Task Profiles (where applicable).
6. The Administering Department or FMS Grant Accounting (per the signed Grant Kick-off Checklist) shall ensure final reimbursement request is submitted. FMS Grant Accounting shall verify that final reimbursement has been received.
7. The Administering Department and FMS Grant Accounting shall ensure that all financial activities are recorded, that revenues balance to expenditures, and that revenues and expenditures balance to budget figures.
8. FMS Grant Accounting shall complete the grant-closeout process in PeopleSoft.

F. Post-Close

1. The Administering Departments and FMS Grant Accounting are responsible for ensuring that their records are maintained in accordance with applicable City policy, State law, and federal regulations.
2. The Administering Departments are responsible for any programmatic reporting required by the grant, regardless of performance period.



3. The Administering Department and FMS Grant Accounting are responsible for responding to and cooperating with auditors, monitors, and other grantor personnel, as well as the City's independent or internal auditors.