

**Grant Administration  
Policies and Procedures**

**Approved by:  
Select Board  
Effective: 11/24/21**

**GRANT MANAGEMENT**

**PURPOSE**

To ensure Monterey efficiently and appropriately manages its grant-funded programs, this policy sets a framework for evaluating grant opportunities, tracking grant activity, and processing grant revenues and expenditures. Effective grant management helps promote the pursuit of grants that are in the Town's best interest and assure timely reimbursements to optimize cash flow, and to guard against year-end account deficits. As a legal contract, every grant agreement must be fulfilled in accordance with its prescribed terms and conditions, as well as all applicable federal, state, and local regulations. Failure in this regard exposes the Town to legal and financial liabilities and compromises future grant funding.

**APPLICABILITY**

This town wide policy applies to the Town grant writers and grant project managers in each department applying for or receiving grant funding. It further applies to the grant related responsibilities of the Select Board, Town Administrator, Town Accountant, and Treasurer/Collector.

Departments shall designate a grant project manager, who will by default be the Department head if not designated otherwise. The term Grant project manager also refers to Town grant writers.

**POLICY**

All departments are encouraged to seek grant funding for projects and programs consistent with the Town's goals, including the Town's short, medium, and long range plans. All municipal applications for grants must receive preapproval by the Select Board. To be eligible for preapproval, there must be a sufficient plan for effectively administering the grant program and performing its required work scope, along with a plan for adequate matching requirements (both cash and in-kind). Grants can be administered by Town employees or outside consultants.

No department shall expend grant funds until a fully executed grant agreement has been accepted and approved for expenditure by the Select Board. Further, no grant funds shall be used to supplant an existing expense for the purpose of diverting current funds to another use.

Operating departments through their designated grant project manager(s) have primary responsibility for seeking grant opportunities, preparing applications, and managing awarded programs. The Town Accountant is responsible for consulting with project managers on grant budgetary matters, accounting for grants in the general ledger, monitoring grant expenditures for consistency with award requirements, tracking the timeliness of reimbursement requests, and distributing monthly reports of grant expenditures to departments.

A. Grant Opportunity Assessment

Well in advance of a grant application's due date, the departmental project manager will assess the grant opportunity in consultation with the Town Administrator. Below are the factors to be considered, at a minimum.

Programmatic:

- Alignment of the grant's purpose with the Town's and department's strategic priorities
- Department's capacity to administer the grant through to closeout
- Office space, facilities, supplies, or equipment required
- Ongoing impact of the grant program after it is completed
- Compliance and audit requirements, particularly as they may differ from the Town's

Financial:

- Total anticipated project cost
- Expenditure requirements and anticipated cash flow schedule
- Required cost matching shares and sources, including cash and in-kind
- Staffing requirements, including salary and benefit increases for multiyear grants
- Administration and indirect recapture amounts
- Program income potential

In this stage, the grant project manager will also develop a contingency plan to address the potential future loss of grant funding, which may include alternative funding proposals or plans for reducing or terminating program positions or components after grant closeout.

B. Grant Application and Award Acceptance

Prior to filing any grant application, the project manager will complete a Grant Request/Information Form to the Town Administrator to be discussed at a future Select Board meeting. The Select Board will then make a determination as to whether any preapproved application should be submitted to the Town Counsel for a legal review. Following this, the project manager will submit the grant application to the grantor and forward a copy to the Town Accountant.

When a project manager receives notice of any grant award, he or she will submit it as a meeting agenda item for the Select Board to formally accept by signatures and thereby approve the expending of grant funds. The project manager will then send copies of the signed agreement to the grantor and the Town Accountant.

Upon receiving the new grant's documents, to record the grant activity separately from regular expenses, the Town Accountant will create new general ledger accounts identifying them by name and including the CFDA (catalogue of federal domestic assistance) number for any federal grants, and appropriate grant award number designation for state and local grants. When notified of any amendment or adjustment by the grantor, the project manager will immediately forward the information to the Town Accountant, who will make adjustment(s) to the grant's budget in the general ledger.

C. Grant Financial Management

At the start of a new grant, the project manager will email its requirements and the timing of reimbursement requests (e.g., at the time of expenditure, monthly or quarterly), when applicable.

The project manager will ensure all expenditures made are allowable and consistent with each grant award's requirements. The project manager will submit project invoices to the Town Accountant consistent with the Town's disbursement policy. The project manager will also ensure the proper payroll account codes for grant-funded employees are included on the department's payroll report to the Town Accountant and Treasurer/Collector as part the regular payroll process.

To minimize the use of advance town funds, every project manager will request reimbursements as often as the grant's guidelines allow and always no later than June 30th. In doing so, the project manager will prepare all required reports and requests as detailed in the agreement and submit these to the grantor. Immediately following each submittal, the project manager will send an email notification of the reimbursement request to the Town Accountant and Treasurer/Collector.

The Town Accountant will monitor each grant's deficit balance to assure it is temporary and contact the manager regarding the expected timing of reimbursements. . The Treasurer/Collector will match reimbursements received electronically or by check with their requests and credit the proper revenue lines.

#### D. Grant Closeout

Upon completion of the project work or grant period, whichever comes first, the project manager will verify that all grant requirements have been met and will send to the Town Accountant a grant closeout package that includes a final report and either a final reimbursement request or notification of the amount to be refunded to the grantor. If there is a refund to the grantor, the project manager will fill out the Schedule of Departmental Bills Payable Form and include it as part of the grant close out package.

Upon receipt of the closeout package, the Town Accountant will put the general ledger's grant account into inactive status and will reconcile the project manager's report with the general ledger's record of grant activity. The project manager will subsequently submit the final reimbursement request to the grantor or, if a refund is due, the Town Accountant will submit the Schedule of Departmental Bills Payable form and appropriate document for the refund to the Accounts Payable Clerk for processing on the next warrant.

Within 30 days of any grant closeout or the year-end closure, whichever is earlier, the Town Accountant will determine if the grant account has been over expended and contact the project manager to discuss if it can be applied to the current year's operating budget or an appropriation is needed. If an appropriation is needed, the project manager will contact the Town Administrator.

#### E. Audit

All grant activities are subject to audit by the particular granters, the Town Accountant, and the Town's independent auditor. The Town will maintain all grant documents and financial records for seven years after their closeouts or for the lengths of time specified by the grantors, whichever period is longer.

#### **REFERENCES**

M.G.L. c. 40, § SD M.G.L. c. 41, § 57 M.G.L. c. 44, § 53A

