

Grants Management Policy

I. Authority

The Fort Worth City Council is responsible for legislation, policy formulation, and setting the overall direction of government. This includes the approval of financial policies which establish and direct the operations of the City of Fort Worth (“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 Financial Management Services Department (“FMS”). This policy shall be administered on behalf of the City Manager by the Chief Financial Officer/Director of FMS (“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 must conduct all related activities in compliance with rules and guidelines set forth by this policy and by their respective departmental grants procedures.

IV. Glossary

See definitions related to this policy provided in the Glossary for Financial Management Policy Statements.

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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 appropriate Assistant City Manager prior to applying for the grant.
3. Potential grant opportunities shall be evaluated for administrative burden and compliance costs prior to application. Where the amount likely to be awarded and received does not exceed the cost of applying for and/or administering the grant, the City should not seek the grant.
4. Prior to application, the Administering Department must receive authorization from City Council to apply for and accept a grant award through the following actions:
 - a. Complete an agenda item on a regularly scheduled City Council meeting wherein approval to apply and accept, if awarded, the grant is requested; and
 - b. Compose a Mayor & Council Communication (M&C) requesting application and acceptance approval, including the following components:
 - i. Name of grant;
 - ii. Grantor;
 - iii. Dollar award of grant along with the identification of required matching funds, the source of such matching funds, and potential impact on the operating budget;
 - iv. Overview of the grant program, including how the City will use the funds in support of City goals and priorities;
 - v. Required appropriation ordinances and language for the full amount of the grant, including match costs and program income, if any;
 - vi. Title and salary/fringe information for any and all grant-funded positions, including the percentage of salary funded per position and language defining a transition plan for each position in the event the grant is not awarded or at the end of the grant period;

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- vii. Dollar value of indirect costs being applied for in the grant or waived, 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;
 - viii. A statement confirming the addition of application data to the Grant Application Repository; and
 - ix. Statements regarding responsibilities for collecting revenue and ensuring funds are available prior to obligation.
5. The M&C must include the appropriate FMS Grant Accountant as a reviewer in collaboration and shall be routed through the FMS Grant Accounting Team as well 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, will prepare all documents required in the application process and submit the same to the granting agency.
7. Applications must include a budget for all indirect costs allowable under the grant if a waiver of indirect costs has not been approved by Council.
8. The Administering Department shall enter basic application information into the Grant Application Repository in the PeopleSoft ERP system (the City's system of record for all financial data) to enable tracking and monitoring of grant application status and subsequent award or denial.
9. 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.
10. 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 or the Texas Grant Management Standards.
11. 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 an M&C for approval to apply for the grant only. In these instances, a supplemental M&C is required in order to accept the grant and appropriate funds.

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B. Grant Set-Up

1. FMS Grant Accounting will not set up any grant award in PeopleSoft prior to the award of the grant by the granting agency. Upon award of a grant by a granting entity and notification of the grant award from the Administering Department, 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:
 - a. The Grant Information Form (GIF);
 - b. A balanced Grant Project Budget;
 - c. The approved M&C;
 - d. The award notification from the Grantor;
 - 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 must 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 Chartfield Maintenance. Any Task Groups/Task Profiles are submitted through ITSM Self-service at [http:// itsm.cfwnet.org](http://itsm.cfwnet.org).

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6. The Administering Department is responsible for providing a copy of the fully executed award agreement or contract to FMS Grant Accounting upon receipt.
7. FMS Grant Accounting is responsible to update the award in PeopleSoft for grant award amendments within 2 business days of notification from the Administering Department and receipt of accurate supporting documentation.

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, the Texas Grant Management Standards, applicable State laws and/or regulations, and corresponding contractual agreements with the awarding agency or other grantor. FMS Grant Accounting will provide assistance and serve as a resource for clarification of any questions regarding 2 CFR 200 and/or the Texas Grant Management Standards.
2. The Administering Department is responsible for ensuring that grant goals are accomplished within the performance period specified in the award or contract.
3. If the grant has subrecipients:
 - a. The Administering Department, in coordination with FMS Grant Accounting, must perform a risk assessment for each subrecipient before passing along awarded funds, in accordance with 2 Code of Federal Regulations (CFR) §200.332, “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 §200.331, “Subrecipient and Contractor Determinations,” and §200.332, “Requirements for Pass-Through Entities,” and document such monitoring.
4. The Administering Department will monitor contractors to ensure compliance with all contract provisions.
5. 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). Refer to Finance Directive 23 – Grant Purchasing in Compliance with the Federal Office of Management and Budget for guidance to establish, maintain, and enforce a sound system of purchasing practices in compliance with applicable grant regulations.
 - a. If a capital asset is purchased or created with grant funds, FMS Grant Accounting and FMS Capital Assets must be notified.

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- 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 (200.317-200.327).
6. Vendors are required to be checked against the list of debarred/suspended vendors on SAM.gov prior to awarding any contract and annually thereafter, at a minimum, and evidence of SAM searches retained.
 7. The Administering Department shall ensure supervisor (or supervisor's designee) or the appropriate FMS Grant Accountant reviews all fiscal and program data required to be reported to the granting agency prior to submission, and that documentation is retained to evidence the review, including who performed the review and the review date.
 8. The Administering Department shall submit project status reports in accordance with the award agreement, and provide copies of such reports, including evidence of review and approval, to FMS Grant Accounting to be attached in PeopleSoft.
 9. 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 are required to 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.
 10. The Administering Department must create and maintain adequate documentation for all program operations and expenditures (activity reports, invoices, procurement card receipts, purchase orders, receipt documentation, etc.).
 11. The Administering Department must ensure all staff charging time worked to a grant provide general details of grant activities performed in the comment fields of the employee's timecard. This requirement will be in addition to any work- effort documentation required by the Grantor.
 12. The Administering Department and FMS Grant Accounting will create and maintain all pertinent award-related documentation in accordance with §200.334 Retention Requirements for Records and applicable State law as specified in the City Administrative Regulation Records Retention and Disposition Policy and the Citywide Retention Schedule and supply it as requested to authorized grant monitors. The Citywide Retention Schedule provides the following retention guidelines:

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- a. **Audit Requirements** - Most cities are required by state law to conduct annual or biennial audits of their records and accounts. These audit requirements were taken into consideration when setting the retention periods. The following retention rules also apply:
 - i. When there is no statutory audit requirement and audits are conducted irregularly or when a statutorily required audit is delayed, any record in the schedule whose retention period dates from the end of a fiscal year (FE) must be retained for the retention period stated or one year after the audit, whichever is longer.
 - ii. With regard to special funds for which there are no statutory audit requirements and the fund is not audited, records listed under [1025-26](#), [1025-27](#), [1025-28](#), and [1025-30](#) associated with receipts and disbursements from or to the fund must be retained for FE + 10 years.
- b. **Grant or Loan Records** - Subsections (1)-(3) apply to departments receiving federal, state or private grants or loans. If a grant or loan requires a longer retention period than those stated in the schedule, the associated records must be retained for the full retention period required by the terms of the grant or loan.
 - i. **Direct Grants and Loans** - This subsection applies to grants and loans received directly from a federal grantor agency.
 - a) Federal grantor agencies require that grant-related records be retained for audit purposes for 3 years from the filing of required expenditure reports.
 - b) In addition to [1025-08\(a\)-\(b\)](#), financial and programmatic records of grant-funded projects, including documentation of relevant accounting, banking, purchasing, payroll records and other documents and working papers associated with the financial and programmatic administration of the grant funds or used to prepare reports or forms required by federal law or regulation must be retained for the following periods:
 - i) Grants and loans continued or renewed annually or at other intervals except quarterly that are not part of a multi-year funding cycle - 3 years from the date of submission of the annual or other periodic expenditure report.
 - ii) Grants and loans continued or renewed annually or at other intervals except quarterly that are a part of a multi-year funding cycle - 3 years from the date of submission of the annual or other periodic expenditure report for the final reporting period of the grant cycle.
 - iii) Grants and loans continued or renewed quarterly - 3 years from the date of submission of the expenditure report for the last quarter of the federal fiscal year.

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- iv) Grants and loans for where the final expenditure report requirement has been waived - 3 years from the date the report would have been due.
 - v) All other grants and loans - 3 years from the date of submission of the final expenditure report.
- c) The retention periods for the following types of records are exceptions to the periods noted above:
- i) Records of non-expendable property, e.g., equipment and furniture; or equipment acquired with grant or loan funds and must be accounted for throughout its useful life; are kept according to [1025-05\(a\)](#).
 - ii) Cost allocation plans and indirect cost records - 3 years from date of submission or, for plans prepared and retained by the grantee, from the close of the fiscal year covered by the plan.
 - iii) Income records - 3 years from the end of the fiscal year in which the income is used.
- d) If litigation or audit commences before the expiration of the 3-year period, the records must be retained until all litigation or audit findings are resolved or until the end of the regular 3-year period, whichever is longer.
- e) If records are transferred to the grantor agency at its request, do not keep copies.
- c. **Indirect Federal Grants and Loans** - This subsection applies to federal grants received as sub-grants from state agencies or other local governments, like regional councils of government.
- i. The expenditure reports are submitted to the federal agency by the state or local sub-grantor agency after all sub-grantees have submitted reports to the sub-grantor. Consequently, records under [1025-08\(a\)-\(b\)](#) and records described in section (b) (1) of these retention notes must be retained by city sub-grantees for FE + 5 years. Consult with the state or local sub-grantor agency to determine if there are additional or special requirements associated with a particular grant.

The city must retain copies of reports or records submitted to the sub-grantor agency for the periods indicated.

- d. **State and Private Grants and Loans** - This schedule extends the 3-year federal retention requirement described in section (b) (1) of the retention notes to state (excluding federal sub-grants) and private grant records unless the state or private grantor agency has established different retention requirements, in which case those requirements shall prevail. It is an exception to the extension of federal grant requirements to state and private grants that for state or private renewed quarterly as described in section (b) (1) (ii) (B), the 3-year retention requirement runs from the date of submission of the expenditure report for the last quarter of the state

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fiscal year for state grants and from the last quarter of the city's fiscal year for private grants.

13. 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, Texas Grant Management Standards, other applicable State regulations, and City policies and procedures. The Administering Department and FMS Grant Accounting will, at a minimum, review and analyze grant financials monthly. This review must include a process to verify that all costs are allowable and appropriate and that all revenues earned have been recognized.
14. 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.
15. 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.
16. 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 within 10 business days of the identification of need for such entries; and
 - e. Monitor grant terms and conditions for any changes throughout the performance period (with support from FMS Grant Accounting).
17. 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;

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- e. Attach and maintain copies of operating and financial reports in PeopleSoft;
- f. Enter and approve budget transfers within 2 business days of the request, by the Administering Department; and
- g. Review and post corrective journal entries within 2 business days of submission by the Administering Department.

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 must be clearly identified and separated. City contributions (matching) and grantor funds must be clearly identified and separated.
3. The Administering Department 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.
4. The Administering Department 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.
5. The Administering Department, with support from FMS Grant Accounting, must be familiar with, comply with, and document compliance with all contractual requirements for applicable grants.
6. FMS Grant Accounting is responsible for reviewing PeopleSoft financials for each grant on a monthly basis and communicate any issues encountered to appropriate grant staff.
7. Expenditures/Expenses:
 - a. The Administering Department, in conjunction with the Purchasing Division of the Financial Management Services Department, must 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 Department is responsible for ensuring that grant- related funds

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are only obligated/expended when there is budgetary authority to do so.

- c. The Administering Department is 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.
8. 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 within 2 business days of the receipt of a request for reimbursement and supporting documentation from the Administering Department.
 - c. FMS Grant Accounting is responsible for monitoring bank account activity, and, when ACH deposits hit the appropriate bank account, submitting a Central Revenue Miscellaneous Check Deposit Form to Central Revenue to accurately reflect the sum received within 1 business day.
 - d. FMS Grant Accounting is responsible for reconciling receivables and payments received.
9. Journal Entries:
- a. The Administering Department is 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 within 2 business days of notification from the Administering Department.

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- c. For journal entries greater than 10 lines and better handled by uploading, the Administering Department will 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.
10. FMS Grant Accounting will serve as the point of contact for the annual Single Audit, coordinate requested information from the Administering Department and provide responses to the City's external auditors.
11. 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 the verification of the completion of all required performance period activities, the Administering Department and FMS Grant Accounting shall perform grant closeout tasks in accordance with §200.344 Closeout or corresponding State regulations, City policies, and contractual requirements.
2. The Administering Department and the FMS Grants Accountant will ensure the PeopleSoft grant project is closed within 60 calendar days of the latter of the end of the grant performance period or liquidation period. Should the grant project not be closed within the 60 days, the FMS Grants Accountant will escalate the non-compliance to the FMS Financial Reporting Coordinator. Should the grant project not be closed within 63 days, the FMS Financial Reporting Coordinator will escalate to the FMS Financial Services Manager. Should the grant project not be closed within 65 days, the FMS Financial Services Manager will escalate to the Assistant Director of FMS, who will escalate to the Administering Department's leadership.
3. 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 §200.311 - §200.316 and §200.330.
4. 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.

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5. 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.
6. The Administering Department will notify FMS Grant Accounting to close the grant in City's financial system and provide all required closeout documentation:
 - a. Request to inactivate Combo Codes (where applicable);
 - b. Request to inactivate or redirect Payroll Task Profiles (where applicable);
 - c. An Asset listing including any and all assets purchased/constructed with grant funding if applicable; and
 - d. A Capital Asset In-Service and Capital Asset Completion form if applicable.
7. The Administering Department or FMS Grant Accounting (as assigned in the Grant Kick-off Checklist) must ensure final reimbursement request is submitted. FMS Grant Accounting shall verify that final reimbursement has been received.
8. The Administering Department and FMS Grant Accounting will ensure that all financial activities are recorded, that revenues balance to expenditures, and that revenues and expenditures balance to budget figures.
9. FMS Grant Accounting must complete the grant-closeout process in PeopleSoft.

F. Post-Close

1. The Administering Department and FMS Grant Accounting are responsible for ensuring that their records are maintained in accordance with applicable City policy, State law, and federal regulations. Refer to Section C(12) for record retention requirements.
2. The Administering Department is 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.

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Revision History		
M&C Reference	Revision Date	Effective Date
G-19114	9/26/2017	10/1/2017
G-19360	9/11/2018	10/1/2018
19-0260	10/22/2019	10/1/2019
20-0645	9/15/2020	10/1/2020
21-0591	8/24/2021	10/1/2021
22-0660	9/13/2022	10/1/2022
23-0842	9/26/2023	10/1/2023
24-0805	9/17/2024	10/1/2024