

Grant Distribution

Policy Scope: Citywide
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Policy Contact

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NA

Policy Review

Review Cycle: 2 year
Next Scheduled Review Date: 7/2023
All policies are updated as needed and on a set review cycle.

I. Policy Statement

This GRANT DISTRIBUTION Policy is intended to provide clarification on the City of Sacramento's efforts in providing funds to individuals and organizations for efforts, activities, programs and/or resources that promote and support the well-being of the Sacramento community. This policy does not apply to grants awarded to the City.

II. General Use of City-granted Funds

The City of Sacramento (City) is committed to effective, efficient, and transparent management of City business and processes.

The City grants funds to individuals and organizations to complete agreed-upon work that benefits the City and promotes the well-being of the community. Recipients and sub-recipients of City grants may consist of individuals, non-profits, businesses, or community-based organizations conducting public benefit activities.

III. Process

The City shall enter into a formal grant agreement with all recipients in accordance with the City's signing authority in place at the time of granting.

Grant funds can only be used for the expressed purpose outlined in the grant, unless explicitly noted otherwise.

Grants shall not be issued to recipients who are not in good standing with regulatory authorities.

Grant payments may be issued to the grant recipients without the requirement of a purchase order or sole source justification. Unless otherwise required by law or waived by the City Manager, staff shall conduct a competitive application process (formal solicitation).

IV. Responsibilities

Grantor: The department or department designee administering the grant is the grantor and is responsible for adhering to this policy, verifying grantee compliance with grant regulations, and ensuring that grant monies are being used effectively, as intended, and within established grant requirements. It is the grantor's responsibility to ensure that due diligence is taken when assessing applicants and selecting recipients to protect the City from fraud, waste, and abuse.

Grantee: The individual, non-profit, business, or community-based organization receiving funds is the grantee and is responsible for adhering to this policy and the grant agreement. The grantee is responsible for implementing the goals and objectives identified in the grant solicitation. Grant recipients must ensure compliance with any applicable regulations; oversight of grant-related action and activities, reporting, and record retention requirements; and ensure that funds are used for their intended purpose and account for expenditures made with grant dollars. If all grant funds are not expended during the grant agreement period, any excess

funds must be either returned to the City or be used for another purpose that has been approved by the City prior to use. The grantee is also subject to audits per City Code section 2.18.060.

V. Statutory Background

The City Council, by resolution, established the framework and fiscal signing authority of the City Manager.

VI. Transparency

The City retains the right to publish data regarding a grantee's finances, performance metrics, and program evaluation. This includes, but is not limited to, council reports and completed audits by the City Auditor, which are shared publicly through the City's website.

VII. Records Management

The City Clerk maintains the current and historical record of all City contracts. These records shall be maintained in the City's approved electronic records repository in accordance with the City's record retention schedule. Grantors are required to maintain all records associated with the granting process as specified in the Citywide Records Management Policy and Retention Schedule.

Charter Officer Review and Acknowledgement



Howard Chan (Dec 17, 2020 17:38 PST)

Howard Chan, City Manager



Susana Alcalá Wood (Dec 22, 2020 13:50 PST)

Susana Alcalá Wood, City Attorney



Jorge Oseguera (Jan 11, 2021 17:00 PST)

Jorge Oseguera, City Auditor



Mindy Cuppy, City Clerk



John Colville Jr (Dec 17, 2020 15:19 PST)

John Colville, City Treasurer

APPENDIX A – Specific Grant Funding Sources

This policy and accompanying procedure apply to all grant solicitation, selection, and awards, except as outlined below.

<p>Bequest/Trust Funds (“Ann Land Memorial Fund”)</p>
<p>Pursuant to chapter 2.64 of the City Code, the Ann Land and Bertha Henschel Memorial Fund Commission administers the annual disbursement of investment income of the Ann Land Memorial Fund and the Bertha Henschel Memorial Fund to agencies providing direct benefit, aid, and assistance to the destitute men, women, and children of the City of Sacramento. As an endowment fund, the principal sum of the bequest is invested by the City and the interest accruing thereon is authorized for expenditure for the purpose as defined by the Fund, using a competitive grant process.</p>
<p>Innovation & Growth Fund</p>
<p>The City Council established and authorized the Innovation and Growth Fund to be funded by property tax revenues received because of the dissolution of Redevelopment (Resolution 2013-0198). The Innovation and Growth Fund include unobligated revenues from sources such as land sales, lease revenues, loan repayments, and interest income. The Innovation and Growth Fund Policy, Guidelines, and Procedures were approved by Resolution 2016-0240.</p>
<p>Measure U Fund</p>
<p>The Measure U Fund was established to account for revenues collected from the transactions and use tax approved on November 6, 2018, by the voters. As a general tax, Measure U can be used for any general government purpose. This one-cent tax is charged on each dollar of taxable sales of goods purchased from retailers within the City of Sacramento, and on the taxable storage, use, or consumption of goods purchased outside the City and delivered to a location within the City.</p>
<p>State Funds</p>
<p>State funding resources are authorized by a legislative act and are subject to State audit and oversight. If applicable, clarifying grant requirements and recommended partnership types will be outlined either by the awarding State Department or state statute.</p>
<p>Federal (Pass-Through) Funds</p>
<p>The administering department, acting as the Pass-Through Entity, must adhere to the Uniform Guidance, codified at Title 2, Part 200 of the Code of Federal Regulations (2 CFR 200) as may be amended, and must follow the program requirements as authorized in the catalogue of Federal Domestic Assistance and Federal Notice of Award package. In addition, the grantee is responsible for adhering to any other federal regulations or requirements, if applicable.</p>

APPENDIX B – Grant Recipient Eligibility Requirements

California Secretary of State Registration
A non-profit organization grantee and its fiscal sponsor must register and maintain active status with the California Secretary of State.
Business Operation Tax Certificate/ Waiver Letter
All businesses that operate in or do business with the City of Sacramento must obtain a Business Operation Tax Certificate to be eligible to receive grant funding. For non-profit organizations, the City will issue a waiver letter in lieu of a Business Operation Tax Certificate.
Valid Tax Forms
All grantees must submit a W-9 tax form and either a CA-590 tax form for in-state grantees and non-profit organizations or CA-587 for out-of-state grantees, to be eligible to receive payment issued by the City Accounting Division.
Insurance
The City may require insurance depending on the scope of the grant. If insurance is required, the City will not execute the grant agreement or disburse funds until both the certificate of insurance and endorsements have been received.
Charitable Trust Registration
A non-profit organization grantee must register and be in good standing with the California Attorney General: Registry of Charitable Trusts.
General Services Administration Registration (federal funds only)
The City receives federal funds to pass through to sub-recipients. Federal regulations prohibit the award of federal grant funds to applicants that are debarred, suspended, or otherwise excluded from or ineligible for participation in federal assistance programs or activities. To that end, city staff must confirm applicants' participation eligibility if the grant includes federal funds by: <ul style="list-style-type: none"> • Obtaining the applicant's Data Universal Number System (DUNS); • Checking the System for Award Management (www.sam.gov), using the applicant's DUNS number; and • Ensuring the entity is in good standing with the Internal Revenue Service (e.g., is a valid 501(c)(3)).

I. Procedure Statement

This procedure is intended to provide standardized guidance to City staff regarding the solicitation, award, and management of grants.

II. Grant Application Process

Solicitation announcements shall include the following information:

- The title of the grant opportunity and grant identification number;
- The revenue source allocated to fund the grant;
- The purpose of the grant;
- A brief description of the grant, including, but not limited to, the mechanism used to announce the availability of funding;
- Eligibility requirements;
- Cost-share and match requirements, if any;
- Reporting and evaluation requirements;
- Geographic limitations;
- A description of the total available grant funding, the number of awards, and the amounts per award;
- The grant performance period;
- The date the grant will be issued;
- The deadline for proposals to be submitted;
- Bidders' conference information, if applicable;
- Directions for application submission including criteria to be addressed in a proposal narrative, budget, and budget justification; and
- City Staff contact information, including directions for application submittal.

III. Grant Recipient Selection Process

Each application received shall be reviewed by a diverse panel of reviewers to provide a comprehensive and fair assessment. Without limitation, the panel should be reflective of racial, cultural, ethnic, gender, and professional diversity.

Whenever feasible, staff will perform a risk assessment of the vendor prior to awarding funding. The risk assessment will include past performance issues, audit findings, debarment, convictions of fraud, theft, or embezzlement, as well as perceived or real conflicts of interest.

In addition, a measurable rubric shall be adopted or created to evaluate the following, but not limited to:

- What is the potential direct or indirect public benefit to City residents?
- What is the potential impact on the population served and geography served?
- Does the proposal incorporate data or evidence to substantiate need?

- What are the proposed activities and are they aligned with the grant mission?
- If practicable, does the proposal incorporate evidence-based best practices?
- Does the proposal meet all criteria outlined in the grant authorization as per regulation, resolution, or statute?
- Does the applicant meet the City's Local Business Enterprise 5% preference?
- What are the documented historical program successes?
- What are the proposed performance targets? Are they measurable and achievable?
- Does the entity have administrative internal controls and an agreed-upon cap on the amount to administer the grant – typically 10% of the direct cost?

IV. Awarding of Grants

The grant agreement, which is a contract, is dependent upon the grant or gift type. To ensure the mission of the grant is completed and that the City's interests are protected, agreements must include:

- Program header – description and funding number that authorizes both the fiscal and program activities (e.g., council report/resolution/motion, city code, state statute, or Catalog of Federal Domestic Assistance);
- Start and end of the term dates;
- Not-to-exceed award amount;
- Payment schedule;
- Scope of grant-funded activities;
- Budget and budget justification;
- Allowable and disallowable costs;”
- Fiscal accountability provisions that require the grantee to track grant money as a stand-alone project, activity code, or assigned project to prevent the commingling of other expenses not related to the grant;
- Consistent monitoring and evaluating by the grantor of the grantee's work per specific grant agreement;
- Record retention per the City's Record Retention Policy (three-year minimum);
- Prevailing wage requirements;
- Grant recipients will use the City of Sacramento logos on printed and web-based materials that promote or explain grant-funded activities, including flyers, programs, and similar materials. Some grant programs may require additional acknowledgment to the City;
- Indemnity and hold-harmless provision;
- Adhere to City, State and Federal nondiscrimination requirements;
- Severability, suspension, and termination-at-will provision(s)
- Conflict-of-interest provision;
- Governing law provision; and
- Any other provisions the City Attorney's Offices deems necessary or prudent.

In addition, a grantee shall maintain records of all matters related to the grant agreement, including but not limited to, books, financial records, supporting documents, statistical records, personnel records, property records, and all other pertinent records sufficient to reflect properly:

- (a) All direct and indirect costs of whatever nature claimed to have been incurred and anticipated to be incurred in the performance of the agreement.
- (b) All other matters covered by the agreement.

Agreements involving federal and state funding must include standard general provisions as required by the federal or state agency and should include the original notice of award to which the sub-recipient may refer.

V. Post-Grant Award Management

To properly manage a post-grant award, the grantor shall do the following:

- Maintain documentation of project or budget modification requests, approvals, and denials;
- Collect and evaluate data on programmatic activities to measure grantee progress toward stated goals and objectives;
- Collect supporting documentation on financial activities to corroborate all grant expenditures, including but not limited to timesheets, payroll summaries, and itemized receipts;
- Reconcile all financials regularly, but at a minimum at the end of each Fiscal Year and within 90 days of the end of the grant term;
- Adhere to applicable records retention requirements;
- Ensure accountability and transparency by posting results and outcomes of a grant on department or division website;
- Conduct monitoring activities to ensure grantee compliance; and
- Submit financial and programmatic reports to outside funding agencies, if applicable (e.g., state and federal agencies).
- The grantor shall collect a final completion report from the grantee

As stated above, the grantor shall maintain supporting documentation (i.e., timesheets, receipts, and budgets) for all completed program work that the grantee directly charges to the grant. If the supporting documentation collected by the grantor is not sufficient, the City retains the right to review other records and request an independent audit of the grantee's financial records. If an audit is conducted, the grantee must provide access to personnel, personnel documents, facilities, financial documents, and any other pertinent documents as part of the audit process per City Code section 2.18.060. The City retains the right to review the grantee's records and requests an independent audit at any time, including after the termination of a grant.

The report shall demonstrate quantitative and qualitative evidence of successful efforts benefitting the

community, outline all completed grant activities as proposed in the original scope and executed modifications, materials provided to the public, advertisements, and photographs, where applicable.

Key Words, Terms, and Definitions

For the purposes of this document, the following terms and definitions apply:

Term	Definition
Applicant	An individual, non-profit, business, or community-based organization that applies for city grants.
Fiscal Sponsor	Fiscal sponsorship refers to the practice of non-profit organizations offering their legal and tax-exempt status to groups engaged in activities related to the sponsoring organization's mission. Such groups may wish to maximize efficiency by sharing a common administrative platform with a larger organization or such groups may be newly established and lack a robust administrative infrastructure. As opposed to the entity providing the services under the grant, the City enters into an agreement with the Fiscal Sponsor. In doing so, the Fiscal Sponsor serves as the legal representative for the grant.
Funding	The money provided, by an institution, governmental entity, or department for a particular purpose.
Grant	An authorized expenditure provided by a governmental entity or department or other institution for a particular purpose.
Grantee	An individual, non-profit, business, or community-based organization to whom a grant or conveyance is made.
Grantor	The grantor is the City, Department, or Division
Pass-Through Entity	The federal government allows grant recipients to act as pass-through entities in order to provide funding to other recipients. The pass-through entity receives federal funds which it “passes on” or “passes through it” to other recipients.
Sub-recipient	A secondary receiver of a grant, as allowed by the grant terms.
Suspension	An action to temporarily withhold funding for a project, pending corrective action by the grantee or a decision to terminate the grant.
Oversight	The action of managing a grant to ensure compliance with grant requirements.