

GRANTS POLICY

This policy establishes proper administration and accounting of grants awarded to and by the Fairbanks North Star Borough.

I. POLICY

It is the policy of the Borough that all grants will be administered and accounted for in such a manner as to comply with applicable federal, state, and local statutes, ordinances, regulations, and grant contract terms. In addition, recipients of grants awarded directly by the FNSB will be held accountable for such funds and the FNSB will monitor all grantees consistently.

II. SUPPLEMENTAL INFORMATION

A. References -

1. U.S. Office of Management and Budget Circulars: A-87 - Cost Principles for State and Local Governments, A-102 - Uniform Requirements for Assistance to State and Local Governments
2. AS 37.05.315-316
3. FNSB 3.01
4. FNSB 3.03

B. Definitions -

1. Grant: All monies coming from another governmental agency/corporation/foundation, or other, which are restricted as to use and accounted for in any fund other than the general fund. Any monies appropriated by the FNSB directly to any organization or individual.
2. Grantee: FNSB department or outside organization which will manage the project.

C. Attachments - None

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SUPERSEDES: 25.02 (05/13/88)
PRIMARY RESPONSIBILITY: FS

APPROVED:

Janita Adams

FNSB NO. 25.02.01

DATE: 5/13/88

GRANTS: APPLICATIONS

This procedure outlines the steps necessary for grant applications.

I. PROCEDURE

- A. Grant applications will be prepared by the grantee department.
- B. Fill out Grant Application Summary form and route with the application.
- C. Project budget and all financial related items will be reviewed by the Grants Accountant prior to submittal to the Mayor's Office.
- D. The Mayor or designee will sign all grant applications.
- E. The grantee department is responsible for mailing the application to the grantor and forwarding a copy of the application with the Mayor's signature to the Grants Accountant.
- F. The Grants Accountant will keep all applications and Grant Application Summaries on file.
- G. Upon receipt of "notification of grant award" (or non-award) the grantee department will notify the Grants Accountant and forward the original "notification of grant award" (or non-award) and original approved grant agreement (if applicable).

II. SUPPLEMENTAL INFORMATION

- A. References - None.
- B. Definitions -

Grant Application: Form which must be submitted to Grantor requesting funding for projects. This is not a request for a direct appropriation from the State Legislature.

- C. Attachments - Grant Application Summary form.

SUPERSEDES: 02.02.001 (08-01-85)
PRIMARY RESPONSIBILITY: FS

GRANT APPLICATION SUMMARY

<u>Required Routing</u>	<u>Name</u>	<u>Department</u>	<u>Initial/Date When Complete</u>
Grantee Department			
Grants Accountant			
Mayors Office			
Grantee Department			
(copy) Grants Accountant			

Project Name _____
 Grantee Department _____
 Project Manager _____ Ext. _____

Funding: State Grant \$ _____
 FNSB Cash Match \$ _____
 Federal Grant \$ _____
 Other (Identify) \$ _____
 Total Project Funding \$ _____

Description of Grant Project: _____

Proposal Deadline Date: _____
 Date Proposal Mailed _____
 Project Start and Lapse Dates: _____

Grantor Agency: _____

 (address) _____

 (address) _____

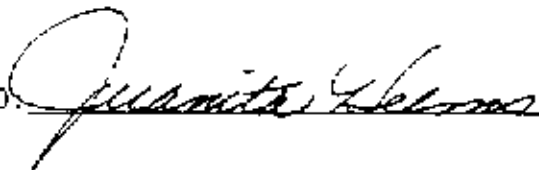
 (telephone #) _____

 (contact person) _____

Grants Office Use (only)

Fund _____ Division _____ MSA Project No. _____
 Date Awarded _____ Ord. No. _____ Date Ordinance _____

APPROVED:



FNSB NO. 25.02.02
DATE: 5/13/88

GRANTS: NEW GRANTS

This establishes guidelines for the receipt of grant funds.

I. PROCEDURE

- A. The Director of the grantee department will appoint a Project Manager.
- B. For any new grant, the Grants Accountant will orient the Project Manager of grant policies and procedures and any specialized financial regulations for that grant.
- C. Upon notification of the grant award; the Project Manager will prepare a resolution accepting the grant and submit it to the Grants Accountant for review and processing.
- D. The Project Manager is responsible for ensuring that the Grants Accountant receives the following ORIGINAL documents:
 1. Notification of Grants Award.
 2. Approved Grant Agreement (if applicable).

The Project Manager will coordinate the processing and approval of grant agreements. Grant agreements/contracts must be signed by the Mayor or designee prior to being mailed to the grantor agency.

The Grants Accountant is responsible for maintaining the grant file thereafter.

- E. The grantee department is responsible for preparing the appropriating ordinance, fiscal note, and project line-item budget including indirect. Refer to the procedure on Appropriating Ordinances for this process.
- F. **EXCEPTION TO ABOVE PROGRESS:** For grants which the State Legislature has appropriated directly to FNSB, the Grants Accountant will prepare the resolution (Step C), will process the grant agreement and forward a copy to the Project Manager (Step D), and will prepare the appropriating ordinance (Step E). The grantee department is responsible for the fiscal note and project line-item budget (Step E). The Grants Accountant will process these grants so that all grants awarded in a Senate or House Bill will be processed and ordinated together.

SUPERSEDES: 02.02.001 (08-01-85)
PRIMARY RESPONSIBILITY: FS

- G. At the discretion of the Grants Accountant, nothing shall preclude acceptance and appropriation in the same ordinance if it will expedite the process. (Steps C and E.)
- H. Upon adoption by the Assembly of the appropriating ordinance, the Grants Accountant will assign an MSA project number, and the General Ledger Accountant will post the line-item budget to the MSA accounting system.

Block grants will be posted to an awaiting budget account/center. The Project Manager will transfer funds to the individual projects through budget transfers, following applicable grant required authorization procedures.

I. Match Requirements.

- 1. From the application or legislative reference, the Grants Accountant will determine if a grant requires matching funds from the Fairbanks North Star Borough and if the match must be a cash contribution or an in-kind contribution.
- 2. All cash matches must be included in the appropriating ordinance.
- 3. If the Project Manager will use funds previously appropriated as the match, the General Ledger Accountant must verify the availability and legality of the matching funds.
- 4. The Project Manager is responsible for collecting all the data necessary to document in-kind matches. This data must be submitted to the Grants Accountant in a timely manner as required for grant reports.

II. SUPPLEMENTAL INFORMATION

A. References -

U.S. Office of Management and Budget Circular A-102, Attachment F;
Matching Share

B. Definitions -

1. Federal Government Grantor Agencies:

Department of Defense (DOD)
Department of Education (DOE)
Department of Labor (DOL)
Department of Transportation (DOT)
Environmental Protection Agency (EPA)

B. Definitions continued.

2. State of Alaska Grantor Agencies:

Department of Administration (DOA)
Department of Community and Regional Affairs (CRA)
Department of Education (DOE)
Department of Environmental Conservation (DEC)
Department of Natural Resources (DNR)
Department of Public Safety (DPS)
Department of Transportation/Public Facilities (DOT)

3. Block Grant: A grant which is intended for a common purpose that may encompass several projects and, therefore, may have several different MSA cost centers and possibly several different project managers (e.g., Senate Bill 168 projects, 0168_____).

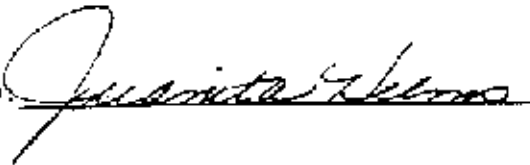
4. Match: That portion of a project which is not borne by the grantor agency, it must be provided by the Fairbanks North Star Borough. The matching share requirements are included in grant contracts and are often prescribed by legislation.

5. Cash Contribution: The Fairbanks North Star Borough's cash outlay used as the required match for a grant.

6. In-kind Contribution: The value of non-cash contributions provided by the Fairbanks North Star Borough in support of a grant. In-kind contributions may be in the form of charges for real property and non-expendable personal property and the value of goods and services directly benefiting and specifically identifiable to the project or grant.

C. Attachments - None.

APPROVED



FNSB NO. 25.02.03
DATE: 5/12/88

GRANTS: INDIRECT COST

A procedure for calculating FNSB grants indirect budget.

I. PROCEDURE

- A. For all new grants received, Project Managers will budget 5.1% of the direct costs for indirect costs. This rate is subject to change through Assembly action.
- B. The following formula will be used to ensure correct indirect budgets.

$$\text{Direct Budget} = \frac{\text{total grant amount}}{100\% + \text{indirect rate}}$$

$$\text{Indirect Budget} = \text{direct budget} \times \text{indirect rate}$$

For example:

A grant in the amount of \$150,000 would be budgeted as follows:

$$\text{Direct Budget} = \frac{\$150,000}{100\% + 5.1\%} = \$142,721$$

$$\text{Indirect Budget} = 142,721 \times 5.1\% = \$7,279$$

$$\text{Verification: Total Budget} = \$142,721 + \$7,279 = \$150,000$$

- C. On a monthly basis, the Grants Accountant will charge to all projects the applicable indirect costs incurred by the project.
- D. Upon receipt of the monthly transaction journal, the Project Manager will verify the amount of indirect charged to the project and notify the Grants Accountant of any discrepancies.

II. SUPPLEMENTAL INFORMATION

A. References -

- 1. Resolution No. 86-88.
- 2. U.S. Office of Management and Budget Circular A-87; Cost Principles for State and Local Governments.

B. Definitions -

- 1. Direct Costs: Those that can be identified specifically with a particular project. These costs may be charged directly to grant projects.

SUPERSEDES: 02.02.001 (08-01-85)
PRIMARY RESPONSIBILITY: FS

Typical direct costs chargeable to grant projects are:

- a. Compensation of employees for the time and efforts devoted specifically to the execution of grant projects.
 - b. Cost of materials acquired, consumed, or expended specifically for the purpose of the grant.
 - c. Equipment and other approved capital expenditures specifically for use by the project.
 - d. Other items of expense incurred specifically to carry out the grant agreement.
 - e. Services furnished specifically for the grant program by other agencies.
2. Indirect Costs: Those (a) incurred for a common or joint purpose benefiting more than one project and (b) not readily assignable to projects specifically benefitted, without effort disproportionate to the results achieved, e.g., Data Processing, Legal, Financial Services.
- C. Attachments - None.

GRANTS: SUBGRANTS/CONTRACTS/FNSB AWARDS PROCEDURE

This procedure establishes guidelines for subgrants/contracts and awards by Borough to organizations and individuals.

I. PROCEDURE

- A. The procedures for new grants in the FNSB Policies and Procedures Manual Procedure No. 25.02.02 will be followed for the initial set-up of the project.
- B. The Grants Accountant will draft the contract document between the Borough and the subgrantee/grantee.
- C. The Department of Law will review the contract.
- D. The Grants Accountant will obtain the signatures of the subgrantee/grantee and the Mayor or designee.
- E. Upon receipt of the fully executed contract, the Grants Accountant will write a purchase order to the subgrantee/grantee.
- F. Payment to subgrantee/grantee:
 1. An advance of 20% of the contract amount will be issued to the subgrantee/grantee when the contract amount is greater than \$50,000.
 2. 90% of the contract amount will be issued to the subgrantee/grantee when the contract amount is \$50,000 or under.
 3. For all grants, 10% of the contract will be held by FNSB until receipt of a final subgrantee/grantee report.
 4. Monthly or quarterly, in accordance with the contract document, the subgrantee/grantee must submit to the Grants Accountant a summarized expenditure report and copies of expenditures (invoices, checks).
 5. Reimbursement will be authorized by the Grants Accountant upon receipt of the monthly expenditure report and copies of expenditures.

The subgrantee/grantee must spend the entire advance prior to receiving additional reimbursement from the Borough.
 6. The subgrantee/grantee must retain all records for a period of three (3) years following the close of the Borough's fiscal year in which the grant was fully completed. The Borough retains the right to audit the subgrantee/grantee if deemed necessary during this period.

II. SUPPLEMENTAL INFORMATION

- A. References - None

SUPERSEDES: 25.02.04 (05/13/88)
PRIMARY RESPONSIBILITY: FS

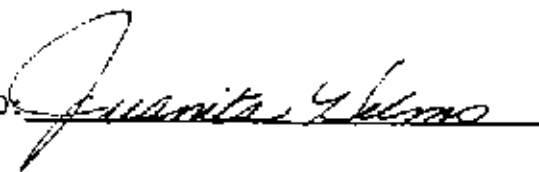
B. Definitions -

1. Grant: All monies coming from another governmental agency, corporation, foundation or other, which are restricted as to use and accounted for in any fund other than the general fund. Any monies appropriated by the Borough directly to any organization or individual.
2. Grantee: Refers to recipient of an award directly from the FNSB.
3. Grantor: Agency awarding the grant contract or the individual designated to represent awarding agency.
4. Grants Accountant: The person designated by the Chief Financial Officer to be responsible for grant administration.
5. Subcontract: A grant awarded to the FNSB but in which the Borough transfers management of the entire grant or part of the grant to another entity and that entity is responsible for performing the objectives of the grant (e.g., Airport Management Study).
6. Subgrant: A grant awarded by the legislature to an entity but "passed-through" the Borough for the Borough to administer. Pass-through grants are referenced in the legislative appropriations (e.g., Tanana Valley Fair).
7. Subgrantee: Refers to recipient of either a subgrant or a subcontract.

C. Attachments - None

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APPROVED:



FNSB NO. 25.02.05
DATE: 5/13/88

GRANTS: MONITORING RESPONSIBILITIES

This procedure outlines the responsibilities of the Grants Accountant and the Project Manager.

I. PROCEDURE

- A. The Grants Accountant is charged with ensuring that all grant documents are properly executed and maintained; and that the borough complies with applicable Federal, State, and Local statutes, regulations, ordinances, and grant contract terms.
- B. The Project Manager must ensure that grant operations are conducted in accordance with the conditions of the grant, that project expenditures are for the objectives of the project, and that project expenditures do not exceed the expenditure budget.
 - 1. Monthly, Life-to-Date expenditure reports and transaction journals will be sent from the Accounting Division to the Project Manager for review.
 - 2. The Project Manager will review the reports and report any discrepancies noted to the Grants Accountant within 30 days of receipt of reports.
 - 3. The Project Manager will prepare budget transfers as needed. Budget transfers must follow applicable grant required authorization procedures.

II. SUPPLEMENTAL INFORMATION

- A. References - None.
- B. Definitions - None.
- C. Attachments - None.

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SUPERSEDES: 02.02.001 (08-01-85)
PRIMARY RESPONSIBILITY: FS

APPROVED:

Juanita Ykens

FNSB NO. 25.02.06

DATE: 5/13/88

REPORTING RESPONSIBILITIES

This sets forth guidelines to ensure financial reporting is conducted in accordance with the terms of the grant contract.

I. PROCEDURES

A. Progress Reports.

1. The Grants Accountant will prepare all financial reports and/or billings to the grantor agency.
2. As requested by the Grants Accountant, the Project Manager will prepare project status reports or other program type reports and all other documents as required by the grant contract and forward them to the Grants Accountant in a timely manner to ensure submittal by the due date.
3. The Grants Accountant is responsible for submitting both reports to the grantor agency.

B. Contract Amendments.

1. Certain grants will not allow budget transfers without prior written approval of the grantor agency. In these cases the Grants Accountant will notify the Project Manager who will submit the request for budget amendment to the Grants Accountant who will then forward it to the grantor agency.
2. Amendments to any other terms of the contract (completion date, scope of work) will also be prepared by the Project Manager and sent to the Grants Accountant for submittal to the grantor agency.

C. Grant Close-out.

1. Two months prior to their lapse date, the Grants Accountant will notify the Mayor's Office and the Project Manager of all grants which lapse. For grants with a project length of three years or more, the Grants Accountant will also notify the Project Manager one year prior to lapse date.
2. Within 30 days after the project completion, the Project Manager will inform the Grants Accountant in writing.
3. The Project Manager will submit to the Grants Accountant the final progress report and all other program documents required by the grantor agency for close-out.

SUPERSEDES: 02.02.001 (08-01-85)
PRIMARY RESPONSIBILITY: FS

4. The Grants Accountant will perform a final review, prepare the final financial report, and submit all closeout reports to the grantor agency with a copy to the Project Manager.
5. The Mayor's Office will coordinate all reappropriations of grants awarded by the State Legislature. By January 31 of each year, the Grants Accountant will provide the Mayor's Office with a list of all grants awarded by the State Legislature which have lapsed. By January 31 of each year, the Project Manager or grantee department will provide the Mayor's Office (with a copy to the Grants Accountant) with a list of any grants for which they seek reappropriations.

II. SUPPLEMENTAL INFORMATION

A. References - None.

B. Definitions -

1. Project Completion: Scope of grant is complete or funds are fully spent (this includes the lapse of any warranty periods).
2. Project Status Reports/Final Progress Report: Non-financial reports required by Grantor Agency on status of meeting the objective of the grant; documentation required by Grantor to assure adherence to the scope of work as stated in the grant agreement (i.e., contracts, bid documents, specs, written narrative reports).

C. Attachments - None.