



CITY OF MOUNT VERNON

GRANTS MANAGEMENT MANUAL

DRAFT

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XXX.XX SUBJECT: GRANTS MANAGEMENT & ADMINISTRATION

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XXX.XX SUBJECT: GRANTS MANAGEMENT & ADMINISTRATION

1. OBJECTIVE: The purpose of Grant Management and Administration policies and procedures is to develop, implement and maintain meaningful grant oversight and coordination for the City thereby increasing grant related revenue, limiting the City's exposure to grant related legal liability, and improving the efficiency and impact of programs and services funded through grants.
2. AUTHORITY: This grant policy was submitted to the City Council and adopted on (Month) (Date), 2019.
3. DIRECTION: The Comptroller, as an elected official, serves as the head of the Finance Department is hereby directed to carry out this policy in cooperation with the Mayor and other City departments and agencies. In addition, the Comptroller shall follow the ordinances of the City Council.

A. INTRODUCTION

City government, as an institution, has multiple partners including citizens, taxpayers, businesses, visitors, employees, and other governments. As a major institutional, economic, and service force in the New York metro area, it is important that the City strengthen relationships with its partners by adopting clear and comprehensive financial policies.

Grant funds received by the City of Mount Vernon (the “City”) support important programs and services that the City provides to the community. These funds allow the City to extend pre-existing services, introduce new initiatives, gain technological advances, and subsidize programmatic staffing. Grant funds are dispersed throughout the City and impact a variety of efforts, including homeland security, economic development, social services, public safety, recreation, and infrastructure improvement and maintenance, among others. Because grant funding allows the City to leverage local public funds in order to extend and enhance the services it offers to the community, the impact of grant funding upon the community is significant, with the process of grants administration and management a critical and important function. Furthermore, the financial integrity of the City of Mount Vernon is of utmost importance and adopting a set of financial policies is a key element to maintain this integrity.

These policies and procedures are intended to foster exceptional stewardship of the public trust through a rigorous adherence to ethical and professional standards associated with grant related activity. Adherence to these policies and procedures will promote efficiency, better transparency, greater accountability, a strategic approach to funding opportunities, and generally place the City in a more competitive position for securing grant funds.

If specific direction relative to grants cannot be located in this policy, please refer to the City of Mount Vernon Code of Ordinances, Resolutions or contact either the Finance Department and/or responsible line department for assistance.

B. TYPES OF GRANT FUNDING

The City of Mount Vernon considers the term *grant* to include the following funding types:

1. Block Grants – a broad intergovernmental transfer of funds or other assets by the U.S. Congress to state or local governments for specific activities such as secondary education or health services, but with few restrictions attached. Block grants are distributed according to legal formulas defining broad functional areas such as health, income security, education or transportation. They are used for a variety of activities, largely at the recipient’s discretion.
2. Competitive (Discretionary) Grants – an award of financial assistance in the form of money, or property in lieu of money, by the Federal government to an eligible grantee, usually made on the basis of a competitive review process.
3. Continuation of any grant type – a continuation grant provides additional funding for budget periods subsequent to the initial budget period.
4. Conditional Grant – a conditional grant involves one grantmaker seeking the involvement of others by making their grant (only a part of the total costs of a project) conditional upon the remainder of the cost being funded from another source.
5. Cooperative Agreements & Contracts – a type of Federal assistance; essentially, a variation of a discretionary grant, awarded by a Federal agency when it anticipates having substantial involvement with the grantee during the performance of a funded project.
6. Earmark – refers to a provision in legislation requiring that a portion of a certain source of revenue be designated for specific projects usually at the request of a federal or state legislator. Typically, the City submits requests for projects to state and federal legislators who seek to obtain funds for those requests, usually to be spent in the district the legislator represents. Earmarking bypasses the normal procedure by which revenues are pooled in a general fund and then allocated among various government spending programs as opposed to a specific project.

7. Formula Grants – a grant that the Federal agency is directed by Congress to make to grantees, for which the amount is established by a formula based on certain criteria that are written into the legislation and program regulations; this funding is directly awarded and administered in the Federal agency's program offices.
8. Pass-thru of any grant type – grant funds received from one grantor but passed through another grantor or funding source.
9. Reimbursement Programs – a type of funding program under which the grantee is reimbursed for qualifying expenditures already incurred, as specified in the terms of the grant agreement for such a program.
10. County Grants – a grant made by the Westchester County Government.
11. State Grants – a grant made by the New York State Government.
12. Federal Grants – a grant made by the Federal Government.
13. Foundation Grants – a grant made by a philanthropic foundation.
14. Corporate Grants – a grant made by a corporate foundation.

C. GRANT ROLES AND RESPONSIBILITIES

The purpose of this section is to establish the roles and associated responsibilities of the various City of Mount Vernon departments and agencies, henceforth referred to as “departments” involved in the grant process. City departments and their staff that occupy positions of responsibility with respect to grant activity have specific roles and responsibilities that they shall perform and uphold both ethically and in the best interests of the City of Mount Vernon.

Roles are addressed herein for the: Comptroller, URA Executive Director, URA Deputy Executive Director, URA Finance Manager, URA Account Clerk, Planning Department Senior Accountant, Office of the Comptroller, City Council Oversight Committee, City departments, and agencies that apply for or receive grant funds, Grants Manager, Corporation Counsel, City Clerk, Commissioner or Director, and Mayor.

1. Department of Planning and Community Development/Urban Renewal Agency
 - a. The Planning Department/Urban Renewal Agency administers several of the City’s grants as designated by the City Council.
 - b. The Commissioner of the Planning Department/Executive Director of the Urban Renewal Agency or designee has authority to initiate grant applications for the City in advance of application submission.
 - c. The Executive Director and Deputy Executive Director provides general oversight of HUD grants and other grants administered by the Urban Renewal Agency.
 - d. The Planning Department Accountant provides oversight to ensure compliance of financial rules and regulations.
 - e. The URA will hire a staff accountant to enter journal entries into the URA general ledger and to review voucher payment requests to ensure compliance.
 - f. The Finance Manager draws down funds from IDIS or ELOCCS for HUD grants.
 - g. The URA finance staff is responsible for the bank reconciliation, maintaining program income, and filing of all checks and vouchers for HUD grants.

2. Office of the Comptroller

The Office of the Comptroller is responsible for the oversight of grant related financial activity.

In this role, the Office of the Comptroller reviews financial reports generated by recipient departments, works with the Corporation counsel to identify and investigate issues that may arise with respect to the management of City grants, and provides general oversight of other grant related issues, including the proper budgeting and accounting for grants and other responsibilities indicated throughout this policy.

- a. A Manager is designated and held responsible for general management and administration of each of the City's grant activities to include: annual Citywide grant management planning and goals; chairing the City Council Oversight Committee; facilitation of departmental grant planning and collaborative grant submittals; grant training and technical assistance for City staff; ensuring that departments track and report departmental grant activity; maintenance of grant policies and procedures, grants manual; and identifying and investigating issues that may arise with respect to the management of City grants. The Grant Manager also oversees the preparation of the Schedule of Expenditure of Federal Awards.
 - b. The City Clerk manages the City's procurement processes, purchase orders according to the grant agreement, federal and state laws and regulations, and City Code and policy. All other activities related to procurement, including funds received as a grant, must follow related City Ordinances.
3. City Council Oversight Committee – This committee comprised of liaisons from the City Council who oversee assigned departments, offices and agencies. It is also a mechanism for communication between specific city departments. URA funding is serviced by the Planning Department.
 4. City Departments, Offices and Agencies – These organizational units of the City apply for and utilize grant funds on behalf of the City and are responsible for all aspects of the grant process including planning for submission of grant proposals, grant writing,

preparing City Council Agenda items to accept grant awards, preparing budget revision requests to accept grant funds, developing grant implementation plans, managing grant programs and projects, preparing and submitting reports to grantors, and properly closing out grant projects as detailed in this policy and the grant agreement or award letter that delineates the terms and conditions of the grant.

5. A Grant Project Manager – The Grant Project Manager is responsible for managing the program or project funded by the grant within a department. The following roles further define grant Project Manager’s responsibilities.
 - a. Communicate grant related information from the grant related meetings and communications to all staff in their department with grant responsibilities.
 - b. Serve as the conduit for grant related ideas and information from the department back to the Grants Manager.
 - c. Have the authority to obtain necessary approvals and signatures as indicated in this policy.
 - d. Ensure City grant policy and procedure is being followed in the department.
 - e. Report their department’s grant activity to the Grants Manager and enter their department’s grant activity in the City’s and department/agency records as outlined in this policy.
 - f. Participate in grant meetings and subcommittee meetings to accomplish committee goals and objectives as needed.
 - g. Share ideas and expertise in grant related meetings and training events as requested.
 - h. When staff time is part of the reimbursement, make sure the actual time and specific work is described in the time sheet for submission to the grantor for reimbursement.
6. Corporation Counsel – Prior to City Council consideration, the Corporation Counsel shall conduct a legal review of grant applications and subsequent agreements or contracts. The Corporation Counsel or designee has authority to approve and sign grant applications for the Corporation Counsel’s Office at the time of application submission.

8. Commissioner or Director – The Commissioner or designee has authority to approve and sign grant applications for City operating departments at the time of application submission. In addition, the Commissioner or designee in consultation with the Mayor shall be the final arbiter of which department will submit the application when internal competition for a grant application cannot otherwise be resolved or to obtain approval to submit multiple applications to a grantor.
9. Mayor – The Mayor has authority to approve and sign grant applications for the City at the time of application submission as well as to sign grant agreements that have been approved by City Council and delivered for signature by the City Clerk. In addition, the Mayor serves as the Chairman of the Urban Renewal Agency.

D. CONFLICT OF INTEREST

The purpose of this section is to avoid the appearance, as well as the actuality, of any conflict of interest or breach of trust by an official or employee of the City.

1. No officer or employee of the City shall have any interest, financial or otherwise, direct or indirect, or have any arrangement concerning prospective employment that will, or may be reasonably expected to, bias the design, conduct, or reporting of a grant funded project on which he or she is working.
2. The Grant Manager for each particular grant funded project shall ensure that in the use of project funds, officials or employees of the City and nongovernmental recipients or subrecipients shall avoid any action that might result in, or create the appearance of:
 - a. Using his or her official position for private gain
 - b. Giving preferential treatment to any person or organization
 - c. Losing complete independence or impartiality
 - d. Making an official decision outside official channels
 - e. Affecting adversely public confidence in the grant funded program in particular and the City in general
 - f. Any violation of this provision is governed by City Ordinances and Ethics Policy.

E. LETTER OF SUPPORT REQUESTS FROM EXTERNAL ORGANIZATIONS

External organizations frequently seek support from the City for grant applications they intend to submit to a grantor. Requests for such support are often made to department staff or directors who may be unaware of whether other City departments are competing for the same grant opportunity. Additionally, there may be other reasons why it would not be in the City's interests to provide a letter of support.

Letters of support for a grant application prepared by an external entity, and for which the City is not a collaborating partner, shall be coordinated by the Department Director in consultation with Finance Department, Corporation counsel and the department's authorized signatory as defined in Section H before submission to the requesting organization.

1. Upon receiving a request from an external organization for a letter of support for a grant application it intends to submit to a grantor, the department must decide whether to support the request.
2. The Department Director is responsible for consulting with the department's authorized signatory as defined in Section H, documenting the information and reasoning behind the decision, and for ensuring that no potential liabilities to the City will be incurred as a result of their action.
3. If the Department Director decides he/she supports the request and would like to provide a letter of support, he/she must provide the Comptroller with the name, mission and activities of the requesting organization, the name and description of the proposed project, and whether or not there will be future obligations by the City.
4. The Comptroller will ensure the City is not in competition or is likely to be in competition for the same grant opportunity by comparing the request to pre-application reporting received from City departments.
5. If the City is likely to be in competition with the same grant opportunity, the request for a letter of support shall be denied.
6. If approved, the Department Director may supply the appropriate letter of support and provide a copy of the letter to the Grant Manager for recording purposes.

F. GRANTS MANAGEMENT DATABASE

This section shall describe the use of the Grants Management Database and establish the responsibilities for entering the required grant related data.

The City's financial accounting system, MUNIS is used as the database.

1. All City staff must immediately report all grant activity to the designated Grant Manager. This shall include grants being considered for a program or project (even if not ultimately pursued) and grant applications submitted.
2. If another record for the same grant opportunity exists within the same cycle, the Grant Manager must notify the Commissioner/Director applying for the grant.
3. If no record of the same grant opportunity exists within the same cycle, the Grant Manager will keep track of the submission.
4. Each grant record shall be updated upon any change to the status of the grant and/or the information previously entered.

G. AUTHORIZED WRITTEN SIGNATURE

The purpose of this section is to identify who may approve and provide authorized written signatures on grant applications and subsequent grant agreements. This shall be done well in advance of grant submission due dates to avoid last minute delays or problems that could cause the grant deadline to be missed.

1. This written signature authority is different from the electronic signature authority granted to specific individuals in departments for the purposes of submitting an online grant application or quarterly reports.
2. There are four authorized signers: Commissioner/Director, Comptroller, Corporation counsel, and the Mayor.

H. AUTHORIZED ELECTRONIC SIGNATURE

Many federal and state grant programs have the requirement or option of submitting grant applications and reporting through the internet. The purpose of this section is to identify the procedure to provide authorized electronic signatures.

1. All grant applications submitted through the internet shall comply with the standard policies and procedures for submission of grant applications as described in this policy.
2. The individual submitting the grant must be designated as an authorized electronic signatory by his/her Department Director.
3. The Department Director shall send an email to the Grants Manager requesting and/or notifying authorized electronic signature status for each designated staff person he/she selects. This shall be done well in advance of grant submission due dates to avoid last minute delays or problems that could cause the grant deadline to be missed.

I. D-U-N-S NUMBER

Dun & Bradstreet (D&B) issues a D-U-N-S Number, a unique nine digit identification number that is required to apply for US Federal government contracts or grants.

1. The Finance Department has the sole responsibility of obtaining and managing D-U-N-S numbers for the City of Mount Vernon from the federal government's Central Contractor Registry.
2. A responsible department or Grant Manager may obtain the City of Mount Vernon's D-U-N-S number from the Comptroller.

J. GRANT SEEKING PROCESS

Individual departments throughout the city have the authority to identify and apply for grants. However, the Grants Manager has to be notified when a grant has been identified. The Comptroller has periodic meetings where grant application status is discussed. If there are two or more departments applying for the same grant, then the one with greater chance of succeeding will proceed. The department applying for the grant verifies the eligibility of the project before the grant is submitted to the grantor. They will also ensure that in order to carry out the full objectives of the grant, no additional funding will be required. If there is an additional financial obligation, then the department must consult with the Comptroller and determine how to meet that future financial commitment. As a policy, the City does not apply for grants that need financial commitment beyond the grant period.

Project managers are responsible for their grants including all the necessary accounting and financial reports. These reports are used to prepare the monthly report that the Grants Manager submits to the Comptroller and City Council for review. This report shows the year-to-date activities, revenues and expenditures. Additionally, a report showing anticipated amounts to be spent and received over the next few weeks is also submitted.

The grant seeking process has three components: (1) the development of a departmental grant seeking plan (2) pre-application assessment and review and (3) application submission.

1. Grant Seeking Plan: This plan promotes a strategic approach to grant seeking, to enhance the City's ability to coordinate grant activity on a Citywide basis and provide an annual overview of department-level needs that have the potential for being met through grant funding. The Grant Manager sends to project managers the list of grants received and grants found at [grants.gov](https://www.grants.gov) for possible grant application. The City is constantly look for grants and when awarded the grant process is started. However, at the beginning of the budget season; each department prepares a wish list and prioritizes capital projects that need funding. This list is sent to the budget staff assigned to capital projects for inclusion in the new fiscal year's capital improvement project budget.

2. Pre-Application Assessment & Review: This assessment encourages the pursuit of grant opportunities that support the City's strategic priorities, while ensuring that possible costs to the City are identified and considered as early as possible.

Pre-application assessment shall be done well in advance of grant submission due dates to avoid last minute delays or problems that could cause the grant deadline to be missed.

a. Pre-Application Assessment

(1) Financial

- Total anticipated project cost, any match requirements and sources
- Program income considerations
- Staffing requirements (including salary and benefits increases for multi-year grants). Force labor, including salary rate must be submitted during application stage and approved by the grantor.
- Documentation of a clear continuation plan. It is required that departments develop continuation plans (plans for sustaining grant funded programs if funding is reduced or terminated) prior to applying for grants, which reflect the potential for loss of funding and the subsequent loss of grant funded positions or program components. Departments must plan responsibly for either termination or reduction of the program or seek to secure alternative sources of funding. Identify the source of matching fund if required, including the complete account string.

(2) Programmatic

- Alignment with City's strategic priorities and/or department's business plan
- Provision or expansion of services to address critical needs
- Department's capacity to administer the financial and administrative aspects of the grant

3. Application Submission: This procedure ensures that each grant application submitted by or on behalf of the City is aligned with an established City priority, meets the City's expectations of document quality, has matching funds available if required by grantor, and that the means for continuation of the project or program after the grant period ends has been given realistic consideration. The department submitting the grant application is responsible for ensuring that pre-application assessment factors noted above have been evaluated and completed prior to submission.

- a. Approval to submit a grant application shall be obtained as follows: (1) Department Director (2) Comptroller (3) Mayor; and (4) City Council Approval as required by the grantor at the time of submission.
- b. The department is responsible for obtaining required authorized written signature at the time of application submission and for submitting the grant application to the grantor by the grant application due date. Grant applications must be clearly labeled at each location that requires a signature with a "sign here" label.
- c. The department shall prepare a council agenda item for City Council approval to submit a grant application if required by the grantor at the time of submission.

The Grant Process for HUD-Funded Grants

Under the conditions put forth by HUD on approvals and disbursements of HUD program grants, the City must undertake the following process unique to HUD-funded activities:

The grant making process for CDBG/HOME includes (1) creation of an Annual Action Plan; (2) Request for Proposals and (3) application review and funding recommendation.

1. Annual Action Plan

The City follows a five-year Consolidated Plan for use of all HUD formula grants. This plan describes community needs, goals, strategies and priorities. It also sets up the development of an Annual Action Plan that guides the selection of projects and activities under the CDBG/HOME grants.

The Annual Action Plan promotes a strategic approach to the use of HUD grants and enhances the City's ability to coordinate grant activity on a City-wide basis and provide an annual overview of department-level needs that have the potential for being met through grant funding. The Annual Action Plan covers the period beginning July 1 and ending June 30.

2. Request for Proposals (RFP)

The City will determine what projects and activities it undertakes in response to community needs through a variety of means. These include the issuance of a Request for Proposals (RFP), designation of subrecipients to carry out activities and/or other decisions duly made by the City's leadership. The RFP method of selecting projects includes the following steps. (See APPENDIX I Request for Proposals.):

- Urban Renewal Agency Executive Director, approval of RFP
- Newspaper Notice announcing RFP release, availability and technical assistance
- Selection of citizen review panel
- Conduct technical assistance workshop
- Review comments sent via email
- Use of evaluation forms to review submittals (proposals)
- Receipt of proposals in response to RFP
- Log-in of received proposals
- Citizen Review panel scores the submittals
- Debrief with applicants not awarded HUD grant funds

3. Application Assessment & Review

The application assessment and review process includes steps to ensure that the public is notified of potential projects per regulatory guidelines, that recommendations are made in accordance with eligible uses of grant funds, and that the successful projects are in-line with the goals set forth in the Consolidated Plan.

Upon receipt of proposals, staff will review applications for responsiveness to the RFP, program eligibility, completeness, timely submission, etc. These factors are threshold standards that must be met before evaluation of the proposals and further consideration by the City. Applications that satisfy those standards, will be evaluated against objective selection criteria in categories that favor selection of solid projects that may be administered within a limited budget. (Applicants whose proposals do not meet the threshold standards will be notified as such.)

Categories of selection criteria for those proposals that undergo full review are as follows:

1. Conformity to Consolidated Plan
2. Organizational Capacity and Experience
3. Evidence of Need for Service
4. Statement of Work/Scope of Services
5. Bonus Points – Collaborative Proposals

After staff screens applications, an objective review panel evaluates the proposals against the selection criteria. The review panel may be composed of subject experts from other City Departments, other jurisdictions, nonprofits, philanthropy or academia. The subject matter experts are selected for their history and experience designing, implementing or evaluating similar projects. Each year the panel's composition changes given that their participation is voluntary and out of professional courtesy.

Because it is necessary that the evaluation of applications be fully documented, the City will use an evaluation form that enables the staff and review panel to record their assessment of each proposal. This form appears as APPENDIX II Application Evaluation Review Form.

The steps in the process and the timeline are as follows:

- Post notices of public hearings #1, #2 and #3
- Create inventory of all submitted proposals
- Complete inventory indicating proposals that are disqualified for not meeting minimum requirements/threshold
- Distribute proposals to review panel
- Hold public hearing #1 and recommendation meeting at CDC in February
- Present formal recommendations to CDC in March.
- Present recommendations to City Council in April public hearing #2
- Submit Annual Plan to HUD in May

K. AWARD NOTIFICATION, REVIEW AND ACCEPTANCE

Grant agreements and subrecipient agreements are legal contracts. It is the City's responsibility to carry out the project and/or activities associated with a grant to accomplish its objectives, while adhering to all of the terms and conditions prescribed by the grantor. Failure to do so increases the City's exposure to legal liability and compromises current and future grant funding. Therefore, the City carries a significant legal and ethical responsibility when accepting grant funding. The award notification, review and acceptance process has two components: (1) award notification and review and (2) City Council approval to accept the award.

1. Award Notification & Review Procedure

- a. All departments that receive a grant award shall date stamp, duplicate, and forward a copy of the award notification, the grant agreement or contract, and any memoranda of understanding to the Grants Manager within two days of receipt.
- b. The department is responsible for reviewing the grant award and ensuring that legal review and City Council approval to accept the award is completed by the date required by the grantor for full execution.
- c. In the event that funds awarded by the granting entity are reduced from those requested in the original grant application, or factors previously evaluated at the time of application have changed, the department must ensure that the goals, objectives and evaluative components of the grant can still be accomplished within the prescribed timeframe set by the grantor.
- d. If award terms need to be amended before the grant award can be accepted, the department must negotiate with the grantor and obtain changes to the grant award in writing.
 1. If the award terms are negotiated to the department's satisfaction, the department must request that the grantor provide the changes in writing. When the changes have been received in writing from the grantor, the department must submit the grant agreement or contract, any memoranda of understanding and written changes from the grantor to the Grants Manager within two business days of receipt.

2. If the award terms cannot be negotiated to the department's satisfaction, the Department Director from the recipient department must prepare a letter to the granting entity declining the award, and provide a copy of the letter to the Grants Manager, Comptroller. The letter should express the City's regret in declining the award and clearly articulate the specific reason(s) the award is being declined.
 - e. The Corporation counsel shall conduct a legal review of the Grant Agreement to assess whether the terms and conditions of the agreement are legally enforceable and ensure the City's interests are protected prior to the department's submission of a council agenda item to accept grant funds.
 1. If the legal review identifies any potential legal issues stemming from the terms and conditions of the agreement, the submitting department must contact the granting entity and seek to resolve the issue.
 2. If a resolution cannot be reached, the submitting department must prepare a letter to the granting entity to decline the award and provide a copy of the letter to the Grants Manager and the Comptroller.
 3. If the legal review identifies no potential legal issues stemming from the terms and conditions of the agreement, the department may submit a council agenda item to accept grant funds.
 - f. The Grants Manager and Department Project Manager must ensure the grant record in the Grants Management Database is updated and complete at the time of award.

2. Council Approval to Accept Award Procedure

The purpose of this section is to ensure that acceptance of each award granted to the City is formally authorized by City Council. The department receiving the grant award must prepare a City Council agenda item and fiscal impact statement and submit it for council approval before any funds from the granting entity are appropriated or expended. The agenda item must be accompanied by the award letter, grant agreement and any other required documentation.

- a. The department must prepare and submit a budget revision request to the Office of the Comptroller to add the grant award to the department's budget. The fund and project into which the grant funds are to reside must be clearly stated.
- b. The department must ensure the City Clerk has the required amount of original grant awards ready for the Mayor's signature. Grant awards must be clearly labeled at each location that requires a signature with a "sign here" label.
- c. Once City Council has approved the grant award, the recipient department shall notify the Grants Manager of the Council's action and ensure the City Clerk has obtained the Mayor's signature as required.
- d. The department is responsible for submitting the grant award(s) to the grantor by the grant award due date.
- e. The department must provide an original of the fully executed grant agreement to the City Clerk's Office and Grants Manager when the fully executed grant award is returned to the City by the grantor.

The grant information form which identifies specific details regarding the grant must be completed and submitted to the Grants Manager. The following must accompany the grant information form:

1. Grant application
2. Award letter
3. Grant agreement
4. City Council Resolution
5. Staff Report

The Grants Manager will create the project number and link it to the org and object as identified in the grant information form.

Once approved, the Grant Agreement is forwarded to the Office of the Comptroller to recognize the Special Revenue in the City's financial accounting system.

L. BUDGET PREPARATION/AMENDMENT

The purpose of this section is to describe how the budget is prepared to reflect the various sources and uses of funds coming to the City in a given year. It also describes how the funds are recorded and what is done in the event of a budget amendment. This section refers to the City's budget preparation where an in-depth description of budgeting policies and procedures can be found.

The Budget Cycle and Recording Sources and Uses

The budget cycle begins January 1, and the budget for the next fiscal year is adopted by the City Council annually. Proposed budgets for subsequent years are prepared for planning purposes and are approved in concept.

At the beginning of the budget cycle, grants that the City will receive in the fiscal year are identified and are included as expected Special Revenue where they will be spent prior to being incorporated into the budget, each awarded grant is given a specific project number linked to a revenue and expenditure objects that is called an account string. This account string identifies to which department the grant will be allocated. Total grant expenses to be incurred must always equal total grant revenues to be received. If not, then the match must be identified, including the full account string.

For the detailed budgeting process, please refer to the Budget Policy.

City of Mount Vernon Budget Policy

The Board of Estimate and Contract no later than November 23 will hold a public hearing to complete and adopt an itemized statement in writing of the itemized revenue and expenditure of the City for the ensuing fiscal year.

A public hearing notice and proposed estimate is published in the official City newspaper no later than October 25th. Copies of the proposed estimate is available for the public to review in the City Clerk's office. Once the annual estimate is adopted by the Board of Estimate and Contract, it is submitted to the City Council by filing with the City Clerk. The City Council convenes to consider the estimate. The City Council will hold public hearings to receive input from the community. The City Council adopts an estimate by December 5th. Upon request of the City Council, Commissioners shall be required to attend meetings of the City Council or any committee thereof, in relation to the proposed appropriations in the annual estimate for the department.

Budget Amendments

The budget is a flexible document that provides a comprehensive framework of resource allocations for implementation of the City's goals, priorities and program activities for the fiscal year. Amendments to the budget may be made throughout the fiscal year. A mid-year budget review is conducted and presented to the City Council in January. Appropriations of new monies or transfers between funds require formal action through City Council resolution. Transfers between division/accounts may be made at the administrative level. These transfers can be authorized by the Comptroller, or Department Directors, depending on the nature of the transfer.

HUD-Funded Grants

Grant allocations are received from HUD typically in the Spring. The HUD Annual Action Plan is prepared and submitted to the Urban Renewal Agency Board for approval at a Board Meeting in April. The annual action plan is submitted to HUD by June and approved by HUD in December. The grants are accepted by the City as described in Section K. Based on City policy, the Mount Vernon Urban Renewal Agency (MVURA) is designated as the administering agency in accordance with a Subrecipient Agreement entered between the City and the MVURA in December 2018.

Other Grants

In addition to large grants from HUD, the City funds Capital Improvement Projects and other projects from Federal, State and County sources. Description and details about those grants are available upon request.

M. USE AND RECEIPT OF GRANT FUNDS

The purpose of this section is to ensure that grant funds are properly received and used by the City of Mount Vernon. Violations can result in a range of penalties, including suspension of future funds from the Grantor, return of all funds associated with the award, including those already expended, and civil and/or criminal penalties.

Receiving Grant Funds

The following details the protocol for City departments to adhere to when receiving grant funding:

1. All departments receiving grant funds shall adhere to pertinent City Ordinances, Policies and Procedures with regard to generally accepted accounting practices.
2. No grant funds shall be disbursed until a Council Agenda item and budget revision request have been approved by City Council, a project has been established in an appropriate fund and required documentation is completed by the responsible department or agency.
3. Modifications to the budget associated with a grant funded project in such a way that alters the grant amount or moves funds from one budget line item to another must adhere to City policy and procedures for budget modifications and grantor requirements.
4. Grant funds awarded to the City of Mount Vernon shall not be used to supplant an existing expense so that current funds can be diverted to another use, unless such use of grant funds is explicitly identified as allowable in writing by the granting entity in the grant award.
5. All income resulting from a grant funded project or program shall adhere to City Policy and Procedure and be managed and maintained as established in the award letter, grant agreement, contract, special conditions, or other document generated by the granting entity. The protocol for reporting HUD formula grant program income in IDIS is listed in Section N of this manual.
6. All procurement activity associated with Federal grant funded projects or programs shall follow the procedures outlined in City Policy and Procedure as well as 2 CFR Part 200. A copy of the grant agreement and/or documentation

specifying grantor purchasing requirements must be provided to Purchasing to ensure compliance.

7. All property acquired through grant funds shall follow the procedures outlined in City Policy and Procedure regarding property control.
8. All grant and any related matching fund revenues and expenditures shall be recorded in the grant project. Any revenues or expenditures that occur in another program/project that are applicable to a grant or that are used as a match shall have a journal entry (JE) made to put the revenues or expenditures in the appropriate grant project with a detailed explanation, including original G/L date and batch information. Revenues received shall not be deposited into an expenditure account unless an item purchased was returned.
9. Grant Managers are ultimately responsible for adherence to the stipulations outlined in the approved grant award/contract to ensure that only allowable expenditures are incurred.

Use of Grant Funds

All grants that are received by the City will be used in accordance with the terms and conditions set forth in the grant agreement between the City and Grantor. For grants that are non-HUD funded, the reporting of the use of funds will be done as per the Grantor's instructions. All grant reports, whether interim reports or final reports, will be kept on file in the city's financial accounting system, MUNIS. All city employees who have access to MUNIS can access and print out documents relating to the grant. Each grant is assigned a unique identifier number and details pertaining to the grant are saved here.

For HUD-funded grants, each award is managed to comply with statutes, regulations, and the terms and conditions of the Federal award. The procedures for using, recording and reporting the grants conform to the terms of the Subrecipient Agreement entered between the City and the MVURA in December 2018. Given possible conditions placed on the City regarding the HUD programs, it is important to delineate the steps to officially approve and record the HUD grants both within the City budget and accounting system and within HUD's reporting tool, Integrated Disbursement and Information System (IDIS). The MVURA also creates a corresponding General Ledger within its own QuickBooks accounting system.

The MVURA uses QuickBooks General Ledger chart of accounts to track all Federal and State grants received by the City. Each CDBG, HOME, and COC grant is assigned a specific project ID code that is assigned by the grantor e.g. HUD. These project codes are then assigned a 5-digit general ledger account designed to identify the funding source as well as the sub recipients or pass through agency.

Chart of GL Account Codes	
Balance Sheet	
10000– 19999	Assets
20000 – 29999	Liabilities
30000 – 39999	Equity
Revenue & Expenses	
40000 - 49999	Revenue
50000 - 59999	Expenses
60000 - 69999	Other Revenue Sources
70000 - 79999	Cost Allocations

The coding of the revenue and expense lines for each grant was appropriately coded so that they contain the same 4-digit code preceded by 4 or 5 to denote a revenue or expense line item. Consequently, the Project number becomes part of the account code, giving the ability to track and report each grant separately by Fiscal Year.

CDBG/ HOME

The IDIS codes change annually in accordance with HUD standards. The Finance team establishes a budget line item in QuickBooks General Ledger for the funded amounts. Qualified expenses are reviewed throughout the Fiscal Year to ensure there is an available budget balance before the draws are authorized and processed.

At the end of the fiscal cycle, a final reconciliation identifies any unspent budget that needs to be closed out with HUD. Additionally, note that any drawn funds that cannot be substantiated in accordance with HUD guidelines, will be returned via coordination with the HUD regional office.

During the entire Grant Accounting process, the Finance team:

- Continually monitors the spending of grant funds to ensure they are being spent in a timely matter and within the grant timelines.
- Review and approve all expenditures to ensure compliance with HUD and COC policies. (vouchers, service payroll, purchase requisitions etc.)
- Document all match requirements and documentation.
- Follow all grant close out procedures within the HUD’s timelines.
- Provide an explanation of all unspent grant funds.

COC

Each year's project codes change in the QuickBooks ledger system to align with the appropriate grant year. (See Appendix III for CoC Financial Management Policies.)

During the budget cycle:

- The URA Finance team establishes a budget by line item based on the grant award. This budget establishes the maximum amount that can be drawn for each grant's line item.
- Line items include:
 - 1030- operating costs
 - 1040- rental assistance
 - 1050- supportive services
 - 1060- administration costs
 - 1100- leasing
- Grant match amounts are established in the general ledger for each COC project.
- Draws are processed against the line items according to the established budget.

Project Clearance

On behalf of the City, the MVURA will follow the project clearance steps to confirm its determination of eligibility for projects and activities that are included in the budget of HUD grants in accordance with grant conditions, including CDBG, HOME and CoC funding. The clearance procedure below applies to HUD formula grants.

1. **Project Description:** Basic eligibility determination per the City's CDBG National Objective & Eligible Activity Determination Procedures, HOME eligibility, and CoC project/homeless determination and documentation through the Project Activity Worksheet and the Initial Review Form (both included in APPENDIX IV Project Clearance Procedure)
2. **Financial Analysis:** A financial analysis that uses the form by the same name and determines the financial soundness of the activity.
3. **Environmental Review:** The Environmental Review record that uses the City of Mount Vernon Environmental Review Record (CORERR) and determines the level of environmental impact by the activity.
4. **HUD Clearance:** Upon completion of these three forms, staff will send a packet to HUD for review.

5. **IDIS Set-up or eLOCCS:** ONLY after HUD has approved the three level reviews for each activity, the Grant Project Manager will set up the activity in IDIS or in eLOCCS. For HOME funded projects, this IDIS set-up may only proceed to funding commitment if all conditions have been satisfied per the Activity Funding Certification at 24 CFR 502 (b).

Recording Program Income

The City generates program income through the operation of various programs and activities. HUD requires that agencies correctly account for and report program income. The City is required to use program income first prior to HUD grant funds from the US Treasury. In order to be in compliance with HUD regulations, the city follows the procedures listed below:

1. After the close of books in the general ledger each month, the Senior Accountant will run the detailed trial balance for the month for the CDBG and HOME funds.
2. All program income will be identified as "IDIS Receipt "and posted IDIS.
3. All expenses eligible for draw are identified and tracked and a voucher is created.
4. The voucher amount is net of Program Income receipt identified as "IDIS Receipt".
5. The URA finance staff will track in the general ledger the Program Income balance in each of the bank accounts for CDBG and HOME funds.
6. Monthly status report in summary will be prepared from the General Ledger and presented to the URA Board and Comptroller.
7. Procedures for processing IDIS vouchers are specified separately in Section N.

N. ACCOUNTING AND GRANTS MANAGEMENT CONTROLS

The purpose of this section is to describe the accounting of grant funding the City receives, and how it ensures that the dollars are being used for the purposes intended. The accounting manual prepared by the City lays out in detail the policies and procedures related to all manner of accounting topics. It provides descriptions of the roles and responsibilities of City staff as they relate to management of funding and revenues the City receives. It describes the various types of funds the city has created to segregate different funding sources and uses, outlines how the procedures adhere to GAAP, and details how money is handled from the time it comes to the City its use and to its recording and reporting.

Purchasing

The City's purchasing policies conform to procurement guidelines. (See Appendix V Procurement Policy.) All purchases begin with some form of written quotation, bid or proposal. Purchases of more than \$20,000 must go out to bid. The Department can get a sample bid from the City Clerk's office that is most similar to what you need. Once completed, the bid documents are submitted to the legal department for review. The Department will need to request legislation from the City Council, at its next meeting, to approve specifications and advertisement for bid. Legislation must also be approved by the Board of Estimate and Contract. The Department will need to take the bid to the mail room to make 10 copies. The City Clerk's Office received bid book, and advertises in a local newspaper(s) for at least 2 days. Bid books will be available for pick-up by the public in the City Clerk's office. A minimum of three weeks must be given to provide bidders the opportunity to prepare their bid proposal. The Board of Estimate will open all bids received by the City Clerk's Office by the deadline. The opened bids will be available after a week in the City Clerk's Office to be checked out by the Department, for analysis and recommendation.

The Department evaluates the bid proposals and determines which bid is in the best interest of the city. The Department requests from the Board of Estimate and Contract, the approval of the relevant bid. After the Board approves the request to accept the bid, the City Clerk's Office will notify all bidders of the award. The Law Department prepares the necessary contracts, and contacts the necessary parties to execute the contract. After execution, copies of the contract will be provided to the respective departments. In the absence of any bids, the bid must be re-advertised.

Emergency Exceptions

An emergency is an occurrence of a serious and urgent nature that demands immediate attention. Emergency procedures may be used to purchase only that which is necessary to cover the requirements of the emergency. Subsequent requirements shall be obtained using normal purchasing procedures.

Professional Services

Services which involve specialized expertise, use of professional judgment, or a high degree of creativity in the performance of the contract. The Commissioner may put forward a Request for Proposal (RFP).

Accounting

All departments have certain roles and responsibilities in managing grants. They are all involved in identifying potential funding sources, pursuing them, and if received managing their expenditure, tracking it, and reporting on it. The interface on accounting and managing the grants for the departments is the Finance Department.

As previously described, MVURA is responsible for managing the grants received from HUD. It is responsible for ensuring that that grants are complying with all applicable rules and regulations set forth in HUD program rules.

Under its Subrecipient Agreement with the City, the MVURA has established internal control principles, policies and procedures to ensure:

- There are sufficient funds to cover payments made for program and operations activities for the CDBG, HOME and COC programs;
- Payments are made only for approved purposes;
- In addition to cash, all other assets (equipment and other property are identified in an inventory record; and
- Each transaction is recorded on the General Ledger in QuickBooks.

These internal controls also correspond to programmatic requirements under CDBG (e.g. the Administrative cap) and HOME Rule provisions (e.g. subsidy layering analysis) and cross-cutting Federal Requirements. For each requirement, the City of Mount Vernon has established related policies. (See Appendices.)

All expenditures for CDBG and HOME, including payroll, are reimbursement driven; therefore, prior to any check being issued by the Finance Department receipts must be submitted, reviewed and vouchered by a Grants Manager or program administrator.

Receipts and Invoice Processing

To assure proper tracking of monies coming to and going out from the City's ledgers, the City follows specific protocols for handling receipts and invoices, tracking appropriate uses and recording them in MUNIS and when necessary, IDIS. All expenditures must be authorized in the budget and follow the standard procedure for payment.

The Office of the Comptroller is responsible for ensuring that receipts received by the City through ACH or Wire are identified and recorded in the General Ledger. The URA tracks in Quickbooks and records in its General Ledger.

Periodically, the Office of the Comptroller reviews the wire receipts in the City's bank accounts. Frequently, the URA receives a request to pay a vendor. The Comptroller reviews all claims before wiring transferring the funds to the URA local account. Some typical receipts received by wire are Federal and State grant reimbursements such as CDBG drawdowns from IDIS that are paid by HUD. All drawdowns from HUD are recorded via manual journal entry in the General Ledger.

Contractors rendering services in the fulfillment of projects of the Housing Department require payment per the terms of the contract. Payments to vendors are made either by checks which are processed by the URA finance staff.

Accounts Payable

The Accounts Payable within the Office of the Comptroller is responsible for ensuring the timely and accurate payment of business transactions for the City of Mount Vernon. All vendors doing business with the City of Mount Vernon are required to forward invoices either directly to the Finance Department/Accounts Payable or to the responsible Department. The City Department acquiring the goods or services must initially authorize payment of all invoices.

Departments are required to review invoices and respond to Accounts Payable with payment approval or payment status within 5 working days. Invoices are processed for payment within 10 working days from the date Account Payable receives payment approval from the initiating department/division. Accounts Payable dispenses payments weekly and physical checks are electronically signed by the Comptroller. A check register is prepared and presented to the Comptroller or designee for approval and signature before checks are disbursed.

HUD Related Vouchers

Prior to a voucher being provided to the City's Finance Department for payment, the voucher is reviewed and compared to the signed contract and CDBG guidelines to ensure prior to payment contractual obligations and guidelines are met. The voucher is reviewed and compared by the Executive Director and the Deputy Director of the MVURA, and the MVURA Board Treasurer along with the Comptroller.

Once reviewed and approved, the voucher is submitted to MVURA Bookkeeper for processing and the following specific steps are taken:

1. An authorized MVURA staff draws down the funds from IDIS, the Comptroller is notified that the funds were drawn down, and URA finance staff provide the vouchers and supporting documentation to the Comptroller's office.
2. The Comptroller's office reviews and approves a wire transfer of the CDBG, HOME, or CoC funds to the MVURA.
3. Once the funds have been wired, the MVURA prepares checks for the eligible and allowable grant expenditure.
 - a) The MVURA staff initiates each transaction by completing a "check request" form, which is presented to the MVURA Bookkeeper for approval. All check request forms shall contain enough narrative description to specifically identify the purposes of the payment and the account to which the cost is to be charged.
 - b) The MVURA Bookkeeper or his designee shall review the check requests and attached supporting documentation for completeness and accuracy.

- c) The MVURA Bookkeeper or his designee shall ensure that the vendor's invoice/billing statement accords with the terms of the purchase, that the goods have been received and conform to specifications or that the services billed have been rendered satisfactorily, that the computations and accounts to be charged are correct and that sufficient funds are available for payment.
- d) The MVURA Finance Staff shall then submit the checks and supporting invoices to the URA Board Treasurer for signature.

Note: The only two authorized signatories are the Mayor and the URA Board Treasurer. The MVURA Bookkeeper oversees the proper notification of the MVURA bank whenever authorized signature changes are made.

All voucher payment requests representing allowable and authorized costs shall be paid promptly upon receipt of proper invoices/billing statements.

Checks shall never be written for "cash." All disbursements shall be made by check. All checks shall be pre-printed and shall bear the name and address of the MVURA. They must be pre-numbered and used in sequence. Voided checks must be retained and recorded. The supply of unused checks shall be adequately safeguarded in a fireproof cabinet or safe.

All checks require the signature of the URA Board Treasurer and they must be co-signed by the Mayor.

HUD-Funded Activities: Special Procedures

SPECIAL PROCEDURES REGARDING PAYROLL DISBURSEMENT

The Department of Planning and Community Development/MVURA shall have written authorizations on file for all employees that cover their rates of pay, withholdings and deductions.

The Chief Accountant shall establish adequate timekeeping controls (including the use of time sheets) and there shall be supervisory review and approval of all employee time/leave records prior to issuance of a check.

The Chief Accountant shall be the lead point of contact for processing payroll for URA employees.

Payroll Process:

1. URA staffs prepares time sheets and activity logs bi-weekly
2. URA Payroll Administrator creates a worksheet to allocate colleagues hours to COC, CDBG and Home.
3. The URA Supervisor reviews the colleague's activity logs/ payroll worksheet and provides authorization before the payroll funding is processed.
4. The payroll worksheet is submitted to ADP
5. Payroll Administrator funds the payroll by transferring funds from CDBG, COC or Home to the Revolving account.
6. ADP processes electronic disbursements to each colleague's personal bank account and charges a bi-weekly fee for their service.
7. The Accountant reviews the payroll activity in ADP to validate accuracy of the payroll data.

CREDIT CARD CONTROL PROCEDURES

With the advice and consent of the URA Board, the agency may have a credit card not to exceed \$3,000.00 to be held by the Chief Accountant.

Credit cards are for authorized business expenditures of the MVURA and are not intended to be used by employees as a substitute for personal credit cards.

The Executive Director must authorize business expenses before charges are incurred on the URA credit card in accordance with applicable MVURA policies, procedures and practices, including but not limited to the Travel and Training Policy and the Procurement Policy.

The Executive Director may authorize valid business expenses in writing retroactively.

Employees shall submit receipts for all expenses charged to company credit card(s) to the MVURA Bookkeeper of the MVURA or his/her designee within one week of the transaction.

The Chief Accountant or his/her designee shall examine billings for the URA credit card to ensure that all charges are valid. If there are incorrect charges, the Chief Accountant or his/her designee shall notify the Executive Director immediately and shall complete and return any forms necessary to dispute such charges to the credit card company.

If an employee with knowledge of an incorrect or disputable charge fails to report such charge within a reasonable time, he or she may be liable to the MVURA for any resultant charges and may be subject to disciplinary action up to and including termination of employment.

Employees who incur ineligible or disallowed costs on company credit cards shall reimburse the MVURA for such charges within thirty (30) calendar days of the date such charges were incurred and may be subject to disciplinary action up to and including termination of employment.

Finance charges, late fees and/or penalties associated with credit card use shall be avoided and shall not be paid with MVURA funds under any circumstances.

Charges shall not be incurred in excess of the credit card's established credit limits. If a higher limit is required, a request for a new credit limit and supporting documentation shall be submitted to the Executive Director for approval.

Lost or stolen credit cards shall be reported to the MVURA and to the credit card company immediately and not later than the first business day after discovery of the loss. Employees who fail to report lost or stolen credit cards may be held liable for any charges and may be subject to disciplinary action up to and including termination of employment.

The purpose of this section is to outline the procedures for tracking and recording HUD funded activities.

It includes details on:

- Staff roles and responsibilities
- How to document activities in IDIS
- Internal controls for funding
- Reconciling MUNIS and IDIS
- Closing out the activity

Roles and Responsibilities

In addition to the Finance Department's role in shepherding payments through the accounting system, the Housing staff plays the key role from the inception of a project of keeping both Finance and HUD informed of the status of the project activity being funded.

The chart below defines the roles and responsibilities of Agency staff. They are the key staff in ensuring compliance with HUD funding rules. Roles and responsibilities of non-Housing staff are listed in Section C of this document. A detailed organizational chart also appears as Appendix VI Organizational Chart.

Title	Role	Responsibilities
Community Development Specialist	The Project Manager is responsible for initiating, organizing, and maintaining the project file. This is accomplished in coordination and in conjunction with the Executive Director. The Community Development Specialist ensures that the project is delivered on time, within budget, and meets the required federal regulatory standards.	<ul style="list-style-type: none"> • Manage and lead the project sponsor(s) team. • Manage the coordination of the partners and the working groups. • Develop and maintain a detailed project plan; through initial stages, funding, contract compliance, regulatory monitoring and project completion. • After HUD approval; set-up IDIS activity. • Fund activity in IDIS.
Executive Director	Manage the HUD regulatory process and advise the MVURA Board.	<ul style="list-style-type: none"> • Manage the HUD regulatory process. • Manage the HUD project submittal process. • Manage the City’s regulatory process to ensure compliance with budget and program standards. • Advise the MVURA Board.
Deputy Executive Director	The Deputy Executive Director will oversee the Community Development Specialist.	<ul style="list-style-type: none"> • Work closely with the Executive Director to manage the HUD regulatory process. • Oversee the work of the community development specialist. • Manage the City’s regulatory process to ensure compliance with budget and program standards.
Senior Accountant	Oversee the Finance Manager and the Accounting Clerk	<ul style="list-style-type: none"> • Ensure that Chart of Accounts and General Ledger is updated and maintained • Oversee the finance manager and accounting clerk
Finance Manager		<ul style="list-style-type: none"> • The Finance Manager draws down funds from IDIS or ELOCCS for HUD grants.
Account Clerk		<ul style="list-style-type: none"> • The Account Clerk is responsible for the bank reconciliation, maintaining program income, and filing of all checks and vouchers for HUD grants.
Bookkeeper	Will report to the Senior Accountant	<ul style="list-style-type: none"> • Will process all of the vouchers received by the subrecipients and will ensure that all HUD compliance requirements are met.

Funding Activity in IDIS

Once there is approval from HUD on the activity, the Community Development Specialist needs to make sure the activity is set up in IDIS and ELOCCS. MUNIS and IDIS and ELOCCS are three systems that operate independently but need to reflect the same records of in-flows and out-flows of dollars. While MUNIS is an accounting system, IDIS and ELOCCS is an information tracking and disbursement system. Tracking funding in IDIS and ELOCCS is a requirement of several HUD programs, and thus the City is mandated to use the system.

Since the city is under "special conditions" from HUD, it is required to receive prior approval before setting up activities in IDIS. The process of approval from HUD is listed in Section M "Use and Receipt of Grant Funds". An activity can be set up in IDIS only after receiving authorization from HUD on the Project Clearance form indicated in section M and only after executed agreements such as contracts, program agreements; loan agreements or construction agreements have been obtained.

Internal Controls for Funding

Implicit in the routine of processing invoices are the checks and balances that are described by the following controls.

1. At the beginning of every month, Senior Accountant (General Accounting) reviews the ledger and prepares a "Draw Schedule" of all reimbursable expenses.
2. Senior Accountant gathers supporting documents to support the items on the "Draw Schedule".
3. Finance staff validates the expenses and creates a voucher in IDIS.
4. The voucher with supporting documents is forwarded to the Accounting Manager for verification of grant number, project, activity, in addition to eligibility of expense and whether it has been budgeted.
5. The voucher is then forwarded to the Comptroller for approval.
6. Finally, the voucher is approved in IDIS by the Accounting Manager.

Drawdown/ Payment Process

1. URA Vouchers with supporting documents are received by the URA Admin team. These payment requests are date stamped and recorded into a log maintained by the URA Accountant.
2. The payment vouchers are reviewed by the designated URA Administrator and authorized for payment.
3. After review of the available budget balances, the URA Finance team processes the drawdown of funds from IDIS/ LOCCS.
4. URA staff notifies the Comptroller and Comptroller's Accountant that drawdowns have been processed.
5. URA Accountant compiles a report detailing all draws to be paid by HUD to CMV. This report is provided to CMV Finance for identification of any URA funds credited to the City's bank account.
6. The Comptroller or Comptroller's Accountant will notify the URA staff that the funds have been received.
 - a. Comptroller will notify the URA Staff of an available date and time for the URA Staff to submit payment vouchers.
 - b. URA Staff will submit the payment vouchers with supporting documents to the Comptroller's Accountant
 - c. URA will provide a top sheet for each drawdown. A copy of the original contract will be included with the first voucher for each recipient payment.
 - d. Subsequent recipient payments will only require a copy of the first and the contract execution page of the contract.
 - e. This documentation enhances transparency and ensures that back-up support is available for future external Audits.
7. Comptroller or Comptroller's Accountant will review each voucher for approval. If not approved, URA will be notified of any additional paperwork required for review.
8. Comptroller will provide a stamped copy of the list of funds approved for wire transfer.
9. The URA Staff will provide a copy of stamped approved funds for wire transfer to the URA Accountant.

10. The Comptroller's Accountant will execute wire transfer and provide copy of the wire transfer remittance details to the URA.
11. URA staff reconciles all payments received by comparing the statement of amounts remitted with the URA report of all funds being paid by HUD.
12. Any over/under payments are reviewed and escalated to the URA Exec Director and URA Treasurer for resolution.
13. Once all funds are reconciled, URA Finance team moves funds by wire transfer to the appropriate bank accounts e.g. CDBG, COC & HOME.
14. URA Team processes vouchers and checks to subrecipients and landlords. These vouchers and checks are submitted for signature to the URA Executive Director and, once signed, the checks are then authorized by the Mayor/ URA Chairman and URA Treasurer.
15. Copies of all checks are then provided to the URA Treasurer and Comptroller as an enhanced control.
16. The URA checks are recorded into the URA check register to comply with the banking anti-fraud/ positive pay process.
17. The physical checks mailed to all beneficiaries and vouchers/backup support are filed in secured cabinets for access by URA Finance team.

Reconciliation of MUNIS with IDIS or ELOCCS

The MVURA general ledger should be set up to account for specific program expenses. On a periodic basis (for example, biweekly or monthly) the MVURA Bookkeeper runs a schedule of MVURA Revenue and Expense report to determine the amount of MVURA grant funds that have been recorded to offset eligible MVURA expenses. Because the MVURA seeks reimbursement after incurring and recording the program expenses, the difference between the recorded MVURA grant revenues and the recorded total eligible MVURA expenses is the amount of program expenses that the subrecipient needs to be reimbursed, either through eLOCCs or from program income.

Reconciliation at MVURA (QuickBooks with IDIS or ELOCCS)

The MVURA general ledger should be set up to account for specific program expenses. On a periodic basis (for example, biweekly or monthly) the MVURA Bookkeeper runs a schedule of MVURA Revenue and Expense report to determine the amount of MVURA grant funds that have been recorded to offset eligible MVURA expenses. Because the MVURA seeks reimbursement after incurring and recording the program expenses, the difference between the recorded MVURA grant revenues and the recorded total eligible MVURA expenses is the amount of program expenses that the subrecipient needs to be reimbursed, either through eLOCCs or from program income.

Special consideration is made to reconciling MUNIS and IDIS systems so that they are coordinated and telling a cohesive story of how the funds are flowing. This coordination between the two systems is a requirement of receiving funding from HUD.

The following steps outline the process to reconcile MUNIS with IDIS:

1. When funds are received Treasury notifies the Office of the Comptroller
2. Journal entries are prepared by the Senior Accountant (General Accounting) to record receipt.
3. After the general ledger is closed at the end of the month, the Senior Accountant (General Accounting) will prepare a status report for the Monthly meeting with the City Manager.
The status report comprises the following:
 - a. Budget vs Actuals for the month
 - b. Vouchers processed in IDIS/DRGR during the month
 - c. The IDIS Report PR02 – List of Activities By Program Year and Project
 - d. Reconciliation of IDIS with the subsidiary ledger of IDIS within MUNIS.

Activity Closure

The following describes the process of closing out an activity funded by HUD dollars. This is done upon completion of the terms and conditions of the grant.

By the end of a fiscal year, June 15, the following steps need to be taken to close out an activity:

1. Project Manager will "check CDBG/HOME" to determine if beneficiary data is needed
2. Project Manager will ensure all expenditures have been drawn
3. Project Manager will ask Accounting Manager for written authorization to complete activity once all funds have been drawn during the 12-month period.
4. If activity was not implemented, then "Cancel" activity.

O. GRANT OVERSIGHT, MONITORING AND AUDITS

The purpose of this policy is to ensure that all grant funded programs or projects are managed according to the terms set forth in the grant agreement, Grant Management and Administration Policies, Procedures and other applicable City policies.

The overall purpose of monitoring and evaluation is the measurement and assessment of performance in order to more effectively manage the outputs and outcomes of grant expenditures. Thus, monitoring should not be a one-time event. The monitoring plan is to provide an internal control mechanism designed to review performance over a period of time and to evaluate compliance of non-profit sub recipients funded with Community Development Block Grant (CDBG) and HOME Investment Partnership Act (HOME) funds pursuant to 24 CFR 570.502, Applicability of uniform administrative requirements, (a)(14) and with 24 CFR Section 85, Uniform Administrative Requirements at 2 CFR Part 200 "Monitoring and reporting program performance", and other laws and regulations based on the funding source.

Details of the policies and procedures appear as APPENDIX VII CDBG and HOME Subrecipient Monitoring as well as a separate the HOME Compliance Manual and Policy Statement that cover the City's compliance with cross-cutting federal requirement ranging including but not limited to Environmental Review, Labor Standards, and Uniform Relocation. All of these documents are available on the City's website.

The grant oversight and monitoring process has two components: (1) develop implementation plan and (2) submit reports as required.

1. Develop Implementation Plan

- a. All City departments that receive grant awards must develop an implementation plan within 30 days of City Council approving a grant award.
- b. The Project Manager shall submit the implementation plan to the Grants Manager.
- c. Departments with existing work plans that provide the elements noted below and plans already included in the grant application or grant award are acceptable implementation plans.

- d. The grant implementation plan shall have the following elements:
 - i. Project overview
 - ii. Project goals and objectives
 - iii. Identification of activities and dates
 - iv. Identification of roles and associated responsibilities
 - v. Anticipated expenditure schedule
 - vi. Evaluation matrix that identifies the measurable objectives, the metrics used to measure them, the anticipated completion date, and fields to enter the actual completion date and outcome measures.

2. Grant Reporting

Grants awarded to the City may require that progress, programmatic and financial reports be submitted to the grantor. Accurate and timely reporting is critical to maintaining a good relationship with the Grantor. Late or inaccurate reports may negatively impact current or future funding.

Specific reporting procedures are as follows:

- a. Recipient departments must prepare timely and accurate progress, programmatic or financial reports as required by grantor.
- b. If the report preparer is not the department's Fiscal Manager or equivalent, the preparer shall submit all financial reports to the Project Manager for review and approval before submitting them to the grantor. If the preparer is the department's Fiscal Manager or equivalent, the reports shall be submitted to the appropriate Department Director before submitting them to the grantor.
- c. Copies of all financial status and final reports prepared for submission to the grantor shall be provided to the Grant Manager. The reports identifies the associated grant name, year, and include supporting documentation and reconciliations. If the Commissioner/Director's review is required, all documents submitted to the grantor must pass his review and approval before submission to the grantor. All documents submitted to the grantor will be appended in MUNIS by the Grant Manager.

For the HUD grants awarded on a formula basis (CDBG and HOME), the City prepares a the Consolidated Annual Performance and Evaluation Report (CAPER) a required annual report for HUD. The CAPER is comprised of statistical and financial statements, narratives and maps describing activities carried out during the program year.

3. Auditing

The City of Mount Vernon policy is to conduct an annual audits in accordance with GAGAS. The audits are to cover the entire operations of the auditee that cover departments, agencies, and other organizational units that expended or otherwise administered Federal awards during such audit period, as applicable. The financial statements and schedule of expenditures of Federal awards must be for the same audit period.

The completed audit will include the Schedule of Federal Awards, submitted to the clearinghouse per 2 CFR Part 200.512 (b) and the related reporting package.

Management recommendation included in the audit reports are to be considered and acted upon as appropriate.

The expense of a completed audit will be shared in an equitable fashion between the City, Departments and agencies and those services will be procured in a manner consistent with 2 CFR Part 200.318 (Procurement). This requires a solicitation of proposals for audit services on a competitive basis periodically.

P. FILE MANAGEMENT, ACCESS AND RETENTION

The Comptroller or designee may review the files, activities, equipment, and facilities, and interview relevant personnel and contracted entities of any City of Mount Vernon project or program that is funded with grants awarded to the City. Grant files sent to the Grant Manager are maintained in the project master file in MUNIS per project number. Each department may maintain their own grant files as they see fit.

File Retention Procedure

The City of Mount Vernon maintains records for at least five years following the closure of its most recent audit report. If any litigation, claim, negotiation, audit, or other action involving grant records has been started before the expiration of the five-year period, the records must be retained until completion of the action and resolution of all issues which arise from it, or until the end of the regular five-year period, whichever is later.

- a. Grantors may require retention periods in excess of five years. For Caltrans projects, the file retention period is three years after the last payment is made to Caltrans. Departments must ensure they comply with retention requirements specified by each grantor.
- b. Retention requirements extend to books of original entry, source documents supporting accounting transactions, the general ledger, subsidiary ledgers, personnel and payroll records, cancelled checks, and related documents and records.
- c. Source documents include copies of all awards, applications, and required recipient financial and narrative reports. Personnel and payroll records shall include the time and attendance reports, personal activity reports or equivalent documentation for all individuals reimbursed under the award.
- d. File Maintenance Recipient departments and agencies are obligated to protect records adequately against loss, theft, fire or other damage as well as breaches of confidentiality in accordance with State of New York statutory provisions. The records must also safeguard protected personally identifiable information (PII) and other information that HUD or a pass-through entity designates as sensitive, or the recipient considers sensitive, consistent with applicable Federal laws and regulations.

General Record-Keeping Requirements

The City shall maintain the following types of records:

1. Administrative Records
2. Financial Records
3. Project Files

Administrative Records: The Community Development Manager shall maintain the Administrative Records which document the overall administration of the CDBG/HOME activities. They include the following:

- Personnel files
- Property management files
- General program files: files relating to the City's application to HUD, the Grant Agreement, program policies and guidelines, correspondence with grantee and reports,
- Legal files: Articles of incorporation, bylaws of the organization, tax status, board minutes, contracts and other agreements.

Financial Records: The City of Mount Vernon maintains the following financial records to adequately identify the source and application of grants it has received.

- Chart of Accounts
- Manual on Accounting Procedures
- General Ledger
- Cash Receipts Journals
- Accounts Payable Register
- Payroll Register
- Journal Vouchers
- Subsidiary and General Ledgers
- Source documentation that support all costs charged against grant funds such as Purchase Orders, Invoices and canceled checks

- Procurement Files – list of suppliers including bids and contracts
- Drawdown Requests
- Bank Statements and reconciliations
- Comprehensive Annual Financial Report (CAFR)
- Single Audit files, and
- Relevant financial correspondence

Project Files: Project Managers shall maintain the Project/case files that include documents related to the activities undertaken with respect to specific individual beneficiaries, property owners, and/or properties. The Project file shall include at a minimum:

- a. Initial Review Form- This document provides a full description of each activity assisted with CDBG funds, including the location where the activities occur, the amount of CDBG funds budgeted, obligated, and expended for the activity and the regulatory provision under which the activity is eligible.
- b. Initial Form- Also demonstrates that each activity undertaken meets one of the National Objectives for the CDBG program (24 CFR 570.208 and particularly the record-keeping requirements at 570.506(b)(1) - (12)).
- c. Initial Form- Also shows that the City has made all necessary determinations required for the eligibility of certain activities under the CDBG program, including but not limited to 24 CFR 570.201(f) for interim assistance, 570.201(i)(2) for relocation, 570.201(p) for technical assistance, 570.202(b)(3) for loans to refinance existing indebtedness secured by a property being rehabilitated, 570.204 for activities carried out by CBDOs, and 570.206(f) for the preparation of applications for other Federal programs, and 570.209 for special economic development activities.
- d. Document compliance with the program rules regarding any change of use of real property acquired or improved with CDBG assistance (24 CFR 570.505 and 570.503(b)(7)(i) and (ii)).
- e. Demonstrate compliance with the program requirements regarding acquisition, displacement, relocation, and replacement housing (24 CFR 570.606).
- f. Detail the subrecipient's fair housing activities and equal opportunity compliance.
- g. Maintain all necessary information relative to the other program requirements specified in Subpart K of 24 CFR Part 570 (which includes labor standards; national flood insurance; employment and contracting opportunities; lead-based paint; use of debarred, suspended, or ineligible contractors or subrecipients; and conflict of interest).

- h. Financial Analysis- all financial analysis pertaining to cost feasibility and efficiency of proposed activity.
- i. Environmental Review- City of Mount Vernon Environmental Review Record (CORERR). Appropriate level of environmental review documentation and HUD approval.
- j. HUD approval form indicating activity has been approved for the program year.

The City establishes the specific requirements for record keeping in its Subrecipient Agreement (24 CFR 570.503(b)(2)). Mount Vernon specifies record keeping requirements for their subrecipients that are very similar to those found in 24 CFR 570.506, so that for the activities undertaken by subrecipients, the City will be able to demonstrate compliance with all applicable program requirements.

For housing rehabilitation or construction, Project Manager shall ensure that the following documents are part of the Project files:

- The owner's application for assistance, including the address of the property.
- Household size and income documentation for the owner and other households in the structure (if a multi-unit building) and other information to determine program eligibility and the appropriate level of financial assistance (underwriting).
- Other demographic information on the anticipated and actual beneficiaries of the activity for this project/case.
- The work write-up on the property.
- Evidence of any required owner contribution or private loan match.
- The financial assistance agreement between the subrecipient and owner (specifying levels of assistance, intended uses for funds, matching requirements, general program requirements, repayment and recapture procedures, requirements for occupancy by low- and moderate-income households if rental property, etc.).
- Evidence of liens to secure loan.
- Documentation of contractor solicitation and selection.
- Documentation of rent affordability, where applicable.
- A copy of executed construction contract, with all necessary provisions
- Documentation of compliance, as applicable, with historic preservation, flood insurance, lead-based paint, Davis-Bacon, relocation/anti-displacement, and other relevant program rules.
- Evidence of the sub recipient's periodic on-site inspection and sign-off on rehabilitation work, including final inspection.

- Copies of all change orders, with proper authorization.
- Records of disbursements made for completed and approved work. (In regard to this last item, a sub recipient must ensure that the data in its project files agree with its financial records.)

Progress Report

The City must compile cumulative data on its activities for inclusion in periodic reports required by the grantee. The City and its partners should develop logs for recording and totaling programmatic data (by type of activity, for units of service, numbers of beneficiaries, etc.) as cases are initiated and as they progress to avoid searching through all of its individual case files to obtain aggregate statistics every time a progress report is due.

Retention of Records

Grant related files will be retained in accordance with the City of Mount Vernon's policy on Records Retention (Policy Number AP 111).

Q. GRANT CLOSEOUT

Upon completion of the grant term of each grant award, the recipient department shall alert Finance Department's Budget Analyst to place the fund and/or project in a no posting status.

- 1 Upon completion of the grant period of each grant, the recipient department must prepare a memorandum to the Finance Department's Budget Analyst and Grants Manager that identifies the name of the grant, the project number and describes the final disposition of the funds and required activities. This is done after all the vendors are paid, including the retention money that maybe held as well as all reports to the grantor were submitted. The grant reimbursements must also be submitted, copies filed in MUNIS.
- 2 Upon review of the memorandum and satisfaction of any discrepancies, Finance Department's Budget Analyst will update the accounting system and confirm grant closeout with the Grants Manager.
- 3 If the CIP needs to be accepted by City Council, the department should prepare the staff report and agenda for the acceptance and recording of the project. (Some CIP must be recorded in the county books.)
- 4 The grant closeout memo shall be placed in the grant's master file in MUNIS.

APPENDICES

APPENDIX I – REQUEST FOR PROPOSALS (HUD GRANTS)

<http://cmvny.com/wp-content/uploads/2019/05/FY2019CMV.CDBGApplication.pdf>

APPENDIX II – APPLICATION REVIEW EVALUATION FORM

http://cmvny.com/wp-content/uploads/2019/08/cdbg.scoresheet_.pdf

APPENDIX III – CONTINUUM OF CARE FINANCIAL MANAGEMENT POLICIES

<http://cmvny.com/wp-content/uploads/2019/08/CoCFinancialManagement.august2019FINAL.pdf>

APPENDIX IV– PROJECT CLEARANCE PROCEDURES AND FORMS

<http://cmvny.com/wp-content/uploads/2019/08/NOEADP.pdf>

<http://cmvny.com/wp-content/uploads/2019/08/PAW-Attachment1.pdf>

<http://cmvny.com/wp-content/uploads/2019/08/CPC-Attachment2.pdf>

APPENDIX V – PROCUREMENT POLICY

<http://cmvny.com/wp-content/uploads/2019/08/City-of-Mount-Vernon-Procurement-Policy.pdf>

<http://cmvny.com/wp-content/uploads/2019/08/Procurement-Legislation.pdf>

APPENDIX VI – ORGANIZATIONAL CHART

http://cmvny.com/wp-content/uploads/2019/08/Organizational-Chart-URA_Updated-8.7.19.pdf

APPENDIX VII – MONITORING STRATEGY