



CITY OF DETROIT
OFFICE OF THE CHIEF FINANCIAL OFFICER

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CFO DIRECTIVE
No. 2018-101-039

SUBJECT: Development and Grants Management
ISSUANCE DATE: December 21, 2018
EFFECTIVE DATE: December 21, 2018

1. AUTHORITY

- 1.1. State of Michigan Public Act 279 of 1909, Section 117.4s(2), as amended by Public Act 182 of 2014, states the chief financial officer shall supervise all financial and budget activities of the city and coordinate the city's activities relating to budgets, financial plans, financial management, financial reporting, financial analysis, and compliance with the budget and financial plan of the city.
- 1.2. The 1984 Detroit City Code provides various grants management requirements.

2. OBJECTIVES

- 2.1. To ensure proper grant planning, grant coordination, grant implementation, and grant oversight in order to maximize grant funding and its impact and to ensure grant funding is leveraged in an efficient and effective manner that maximizes investment in the City.
- 2.2. To ensure grant funding is used in accordance with all grantor rules and regulations, including Federal guidance and the Office of Management and Budget's Code of Federal Regulations (CFR).
- 2.3. To ensure that at all grantor requirements are met in accordance with grantor agreements.
- 2.4. To enable City departments to establish Fiduciary Sponsorship relationships with private entities that are eligible to receive grant or donation funds to be utilized for the benefit of a specified City Project.

3. PURPOSE

- 3.1. To establish the City's policies concerning development and grants management.

4. SCOPE

- 4.1. This Directive applies to all City Departments, Divisions and Agencies that receive grant funds, either directly or via fiduciary sponsorships.

5. RESPONSIBILITIES

- 5.1. Directors of grantee departments shall be the lead on the following activities:
 - 5.1.1. Clearly identify programs and projects that are departmental priorities, in alignment with the Administration's priorities, and communicate the information to the Office of Development and Grants (ODG) prior to pursuing external funding.

- 5.1.2. When a grant is awarded, designate a qualified employee to manage the day to day programmatic activity of the grant, including participation in all relevant grant-related activities and providing information to the OCFO as needed.
 - 5.1.3. Resolve programmatic or departmental issues identified by the ODG, Office of the Controller, or other OCFO division, or identified as part of a Corrective Action Plan associated with a grantor audit.
 - 5.1.4. Adhere to time and attendance requirements for grant-related activities, with assistance from the ODG as requested.
 - 5.1.5. Perform any required programmatic sub-recipient monitoring, in coordination with the Office of the Controller.
 - 5.1.6. Provide additional support to the Office of Departmental Financial Services (ODFS), the ODG, the Office of the Controller, and other stakeholders as applicable.
- 5.2. The Deputy CFO- Director / Chief Development Officer shall be lead on the following activities:
- 5.2.1. Coordinate citywide grant planning and identify potential grants for departments, including assisting in the creation of a fundraising strategy that best leverages public, philanthropic and corporate opportunities.
 - 5.2.2. Provide support to departments on writing grant applications and letters of interest in response to open call opportunities, including reviewing and editing applications and other products.
 - 5.2.3. Maintain transparency of the City's grants portfolio, including:
 - 5.2.3.1. Coordinate grant application and approvals, including required approvals pursuant to the City Code.
 - 5.2.3.2. Coordinate development and fundraising activities.
 - 5.2.3.3. Review and approve fiduciary sponsorships.
 - 5.2.3.4. Provide summary reports and status for grants received.
 - 5.2.4. Monitor grant implementation, including:
 - 5.2.4.1. Provide support to departments in development of grant implementation and procurement plans, and assist in identification and correction of problems that arise during project execution that affect the successful completion per the grant terms.
 - 5.2.4.2. Monitor that time and attendance requirements and allowability requirements for all grant-funded expenditures are being adhered to by the department through processing and approving grant purchase requisitions and other methods deemed necessary.
 - 5.2.4.3. Maintain copy of required grant files during and after the performance period.
 - 5.2.5. Coordinate the grant close out process, including establishing and maintaining grant close out check-lists, and serve as the final sign-off on closing out a grant.
 - 5.2.6. Provide additional support to grantee departments, the ODFS, the Office of the Controller, and other stakeholders as applicable.

- 5.3. The Deputy CFO- Controller / Chief Accounting Officer shall be lead on the following activities:
- 5.3.1. Perform drawdowns for all applicable grants awarded to the City.
 - 5.3.2. Reconcile all grant accounts on a monthly basis, including expenditures and revenues, which should net to “\$0.00” by the end of the grant term.
 - 5.3.3. Complete the annual Single Audit, with support from the ODG, grantee departments, the ODFS, and other departments as applicable.
 - 5.3.4. Perform financial and administrative subrecipient monitoring.
 - 5.3.5. Coordinate all activity related to grantor audits, including developing and overseeing the closeout of the Corrective Action Plans, with support from the ODG, grantee departments, the ODFS, and other departments as applicable.
 - 5.3.6. Review, no less than annually, Community Development Block Grant (CDBG) and Neighborhood Opportunity Fund (NOF) program applicants’ financial information and perform a financial analysis on each applicant. Review other programs as deemed necessary.
 - 5.3.7. Review, no less than annually, the City’s Component Units Federal Awards and Single Audits of all Component Units and Blended Component Units. Working with the ODG and other departments as applicable, provide a series of recommendations based on the review.
 - 5.3.8. Provide additional support to grantee departments, the ODFS, the ODG, and other stakeholders as applicable.

6. POLICY

6.1. Citywide Grant Planning

- 6.1.1. The ODG shall lead a citywide grant planning process annually to produce a Citywide Grant Portfolio Plan. The purpose is to identify department priorities, strategies, and approaches for building and managing the City’s grant funding. The development of the Citywide Grant Portfolio Plan must coincide with the development of the City’s annual budget and four-year financial plan. The Citywide Grant Portfolio Plan will outline external funding priorities and areas of focus for the year, and will be updated as priorities are met or change.

6.2. Grant Application Coordination and Approval

- 6.2.1. Any department intending to apply for external funding which has not been incorporated into the adopted budget must initiate the process by contacting the ODG with complete information regarding the scope, timeline and budget of the proposed application or fundraising effort.
- 6.2.2. Following clear communication by the department of their intent to apply for a specific funding opportunity, the ODG must initiate the Approval to Pursue process, which for discretionary grant applications includes review and approval of the Grant Application Request Form. All applications by City departments must be approved by the ODG, Office of Budget (if match is required), Mayor’s Office and City Council.
- 6.2.3. The ODG shall create and maintain access to any grantor application portals or systems requested by departments for the submission and management of grant

applications that have completed the Approval to Pursue process. The ODG is available to assist departments with any aspect of the application or fundraising process as requested by the department, including letters of support.

- 6.2.4. If external funding is awarded, the grantor will send the award notification to the primary point of contact stated on the grant application. The point of contact who receives the award notification must forward it to the ODG and the ODG shall facilitate the Approval to Accept process. Acceptance of all grants awarded to City departments must be approved by the ODG, Office of Budget, Mayor's Office and City Council.
- 6.2.5. All revenue accepted by the City in the form of a grant must be established as a separate appropriation, unless otherwise directed by the Chief Financial Officer (CFO).

6.3. Fiduciary Sponsorships

- 6.3.1. Departments must consult with the ODG on projects that could benefit from a Fiduciary Sponsor, as well as on potential opportunities to enter into Fiduciary Sponsorship relationships. All prospective Fiduciary Sponsorship relationships between any private entity and any department are subject to approval by the ODG. Determination of suitability is dependent upon the private entity's:
 - Good fiscal standing as reflected in its current IRS Form 990, audit, or other documentation provided by the private entity;
 - Past performance as a Fiduciary Sponsor for a City Project, if any;
 - Reasonableness of fees, if any;
 - Agreement to required terms; and
 - Capacity to meet desired role and responsibilities.
- 6.3.2. All Fiduciary Sponsorship relationships with any department must be established through a memorandum of understanding in a form approved by the ODG.
- 6.3.3. Any Fiduciary Sponsorship of a particular project is subject to prior approval by the ODG.
- 6.3.4. All departments participating in one or more Fiduciary Sponsorship relationships must provide copies of the fully executed memorandum of understandings that pertain to these relationships, as well as periodic status reports to the ODG upon request and in a manner and form as defined by the ODG.
- 6.3.5. The ODG must be notified in advance of any amendments or alterations to existing memorandums.
- 6.3.6. Any Fiduciary Sponsorship will include parameters for the sharing of grant agreements and other materials relevant to the project.

6.4. Grant Implementation

- 6.4.1. The ODG shall host an implementation meeting within thirty (30) days of the award acceptance in order to review the roles, responsibilities, requirements, and key events that will take place during the life of the grant. The meeting shall include all grantee department program and administrative staff that will be supporting the implementation of the grant, the ODG, the ODFS, the Office of

the Controller, and other relevant departments as necessary. The content of the meeting shall be documented and distributed by the ODG to all participating staff, and include both a programmatic and procurement plan for the project.

- 6.4.2. All grantee departments, in collaboration with the ODG, the ODFS and Office of the Controller, shall prepare and submit accurate status reports, progress reports, annual reports, and other reports as required to the grantor or ODG. The ODG is available to assist departments as needed with the writing of any programmatic reports, and submission via grantor systems. Grantee departments must provide ODG with copies of all submitted reports or other critical communications with funders.
- 6.4.3. The ODG must review and approve all grant-funded requisition requests and contracts (prior to being fully executed) to ensure all grant-funded purchases are allowable under the terms and conditions of the grant and all requirements are included in the bid and resulting contract. The City may not enter into awards or contracts with organizations that are debarred or suspended.
- 6.4.4. The ODG shall monitor each department's grant portfolio on an ongoing basis and confirm whether all grants have been properly executed and are being managed in accordance with City and grantor requirements. Grantee departments must make all reasonable efforts to accommodate and participate in the ODG monitoring engagement and provide all documents and information requested in a timely manner. If any department does not comply with two consecutive monitoring visits, the ODG may request the Office of the Controller to perform a review and / or audit of the department's grant activities.

6.5. Grant Reconciliation

- 6.5.1. The Office of the Controller shall verify that expenditures are charged to the correct accounts, are listed accurately for the correct dollar value, and have all required supporting documentation.
- 6.5.2. The Office of the Controller shall verify that all requested reimbursements have been received, and credited to the correct account.
- 6.5.3. The Office of the Controller shall track receipt and expenditure of program income on a monthly basis during the award period, and on a quarterly basis until the grant is officially closed by the ODG.
- 6.5.4. The Office of the Controller shall perform project-to-date reconciliation at City fiscal year end, at the end of the project period, and as needed, to ensure all grant-related expenditures and revenues are properly recorded.

6.6. Time and Attendance Requirements for Grant-related Activities

- 6.6.1. Payroll transactions must be recorded by individual staff according to policies and procedures established by the Human Resources Department and must be authorized and approved by supervisors and / or program management staff knowledgeable of the individual's time and attendance activities.
- 6.6.2. The ODG shall coordinate with department staff to review and ensure employees' time charged to a particular grant or project is properly supported with a verified and signed time certification in accordance with federal guidance 2CFR Part 225.

- 6.6.3. Department staff shall ensure grant records contain the supervisor and / or program manager's verification of level-of-effort activities, signed time certifications, and timely reconciliations of total salaries paid to total salaries approved in the grant.
- 6.7. Drawdown Requests
 - 6.7.1. Drawdowns shall be initiated by the Office of the Controller according to the grantor's rules and regulations, as stated in the Grant Agreement, and the schedule of drawdowns must be established during the grant implementation meeting.
 - 6.7.2. All drawdown requests shall be verified by the ODG to ensure allowability and the Office of the Controller to ensure funds availability within the terms of the Grant Agreement. Each drawdown request must have all required supporting documentation and must be stored in the grant file once the drawdown is complete.
- 6.8. Program Income
 - 6.8.1. All program income resulting from a grant-funded project or program must be administered in accordance with Federal regulations. Program income from a Federal award shall be expended before remaining grant funds are expended.
- 6.9. State, Local or City Funds shall not be supplanted with Federal grant funds.
- 6.10. Grant File Maintenance and Grant Close Out
 - 6.10.1. All departments awarded external funds must provide copies of required documents to the ODG upon receipt or creation. The list of required documents for a particular award will be identified and described as part of the grant implementation meeting.
 - 6.10.2. All required documents must be stored electronically within the grant file in the City's grants management system, except for documentation that contains confidential or Personally Identifiable Information (PII). The location of files containing PII must be communicated to the ODG, and ODG must be updated if these files are moved. The department responsible for filing grant documents must save all documentation in the grant file at the department within five (5) days from receiving the documentation.
 - 6.10.3. The close-out of a grant-funded project shall be completed in a timely manner in accordance with Federal guidance and City policies and must consist of all required reports stated in the Notice of Grant Award. Programmatic close-out with the grantor, and receipt of final revenues, must be followed in a timely manner by close-out of the grant-specific appropriation in the City's financial management system.
- 6.11. Grantor Audits
 - 6.11.1. The Office of the Controller shall coordinate the collaboration between OCFO divisions and departments in order to facilitate a responsive grantor audit process. All departments must provide accurate, complete, and timely information and documentation to the Office of the Controller. The Office of the Controller shall meet deadlines established by grantor agencies unless otherwise approved by the CFO or their designee.

6.11.2. Relevant OCFO divisions must resolve findings related to their areas of responsibilities and the grantee department must resolve findings related to grant implementation or other department activities.

6.12. Subrecipient Monitoring

6.12.1. All grants received by the City, which are distributed to any organization qualifying as a subrecipient, must be monitored no less than annually to determine if the subrecipient is in compliance with all regulations and is meeting performance expectations.

6.12.2. During the monitoring, the auditor is to determine if a management decision letter is required. If required, the management decision must be issued within six (6) months from the date the Federal Audit Clearinghouse accepted the audit report. If a specific program (e.g. HUD, FTA, etc.) requires standard monitoring forms, those forms must be used as part of the monitoring program.

6.13. Financial Analysis Review

6.13.1. The Housing and Revitalization Department (HRD) shall provide a list of CDBG and NOF applicant names to the Office of the Controller and the Office of the Controller shall conduct a financial review of participants and provide its review to the HRD, the ODG, and other relevant stakeholders.

6.13.2. The Office of the Controller shall perform a financial analysis review for other subrecipients if necessary.

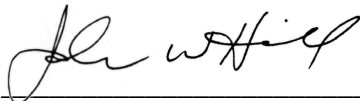
7. DEFINITIONS

7.1. *Fiduciary Sponsor*: a private entity that is the recipient of, or is eligible to receive, certain grant, loan or donated funds, whether from a public or private source, and that intends to utilize such funds for the benefit of a particular City Project.

7.2. *Fiduciary Sponsorship*: the ongoing relationship between a Fiduciary Sponsor and the City, as established in a memorandum of understanding, by which the Fiduciary Sponsor utilizes its grant funding for the benefit of a particular City Project.

7.3. *Open Call Opportunities*: opportunities for which a request for proposals or letters of interest has been posted publicly, and which is open to a variety of candidates.

APPROVED



John W. Hill

Chief Financial Officer, City of Detroit