



## PIMA COUNTY, ARIZONA BOARD OF SUPERVISORS POLICY

**Subject:**

**Policy for Accepting and Administering Grants**

**Policy Number**

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**Purpose**

The purpose of this policy is to ensure optimum financial terms and reimbursements for Pima County when receiving grant funding and to facilitate informed, timely decisions by the Board of Supervisors when considering and accepting grants by establishing a formal, uniform process for:

1. Evaluating, applying for and accepting grants,
2. Negotiating the terms and conditions of grant agreements, and
3. Monitoring grant related expenditures.

**Background**

Pima County receives significant grant funding from federal, state and local agencies. Prior to the adoption of this policy, the Board of Supervisors frequently was not apprised of grant applications and resulting fiscal impacts to the County until after grants were awarded and funding was pending or, in some cases, already received. Further, information and analysis accompanying requests for grant acceptance were inconsistent and in some instances insufficient to allow the Board to manage and plan for the short and long term fiscal needs of the County. This policy addresses these issues as well as setting forth the Board's expectations concerning acceptable terms and conditions under which grant funding is received.

**Policy**

**A. Definitions**

In this policy, unless the context otherwise requires:

1. "Board" means the Pima County Board of Supervisors.
2. "Fund Impact" means any cash or in-kind matching requirement for the receipt of grant funds and includes overhead charges if such charges are not entirely supported by grant funds.
3. "Grant" means any contribution or gift of cash or other assets from a governmental or private entity to be used for a specific purpose.
4. "Ongoing Grant" means a grant program that is expected to provide grant funding each year for an unlimited duration and for which the terms and conditions remain substantially unchanged.
5. "Overhead Charges" means direct and indirect administrative costs incurred by the County that are attributable to and benefit a grant program that are calculated and allocated by the Finance Department in conformance with federal law and accepted principles of governmental accounting.
6. "Responsible Department" means the department, office or agency under the budgetary jurisdiction of the Board that has direct oversight responsibility for the program(s) or service(s) to be funded partially or entirely with funds from a grant award.

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**B. Approval to Apply for Grants**

1. Except in the case of ongoing grants that have previously been approved by the Board, all applications for grants that will have a fund impact must be approved by the County Administrator prior to submittal.
2. Prior to submission of an application for grant funding, the responsible department shall determine whether receipt of the grant will create current or future fund impact. If a fund impact will occur the responsible department shall:
  - a) Calculate the amount of fund impact, both cash and in-kind, for the current and future fiscal years including the cost to continue the grant funded services when the grant funds expire. If in-kind match is to be provided the calculation must include impacts on other existing departmental programs and services.
  - b) Prepare a cost benefit analysis of the grant including whether the grant funded services are mandated by law.
  - c) Transmit to the County Administrator and the Finance Department the information described in items (a) and (b) above together with a description of all material grant terms and conditions including the method and schedule of grant disbursements and whether all overhead charges will be paid from grant funds.
3. The County Administrator shall periodically report to the Board pending grant applications.

**C. Approval to Accept Grants**

1. All grants must be accepted and approved by the Board prior to receipt and expenditure of grant funds.
2. Requests by responsible departments for approval to accept grants shall:
  - (a) Be transmitted to the County Administrator for placement on the Board's meeting agenda.
  - (b) Include the information, revised as appropriate to reflect the actual grant award, required by section B, paragraph 2 of this policy relating to application for grants, and
    - o Be copied to the Finance Department.
3. If required to comply with a material deadline for acceptance of a grant, the County Administrator may preliminarily approve acceptance of a grant subject to subsequent ratification by the Board.

**D. Terms and Conditions of Grants**

Though the Board may authorize exceptions for specific grants, it is the general expectation of the Board that all grants:

1. Pay all of their overhead charges as calculated and allocated by the Finance Department.
2. Be distributed in advance of expenditures by the County for grant funded services or, if unavoidable, reimbursed after such expenditures no less frequently than each month. If expenses will be reimbursed interest expense incurred by the County to advance cash for the services should be supported by the grant funding.
3. Utilize in-kind contributions in lieu of cash to satisfy match requirements and, if cash must be utilized, that revenue sources other than General Fund be expended.

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<b><u>Implementation</u></b>  The County Administrator shall develop and distribute an administrative procedure to promote uniform reporting and processing of grant approvals pursuant to this policy.		
<b><u>Prior Policies and Procedures</u></b>  All previously adopted Board of Supervisors' Policies and County Administrative Procedures in conflict with this policy are repealed to the extent of such conflicts.		
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