



TOWN OF ERVING

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FIN-010

Policy

Grants Management Policy


Approved:  Date: October 18, 2023
Select Board Chair, Jacob A. Smith

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.01 Issue Date / Effective Date

This policy is issued and effective on October 18, 2023.

.02 Purpose

To establish policies and procedures for the effective handling and efficient management of special grant revenues from Federal, State, private or non-profit sources. Grant sources can provide the Town with critical opportunities to augment services and make investments into capital infrastructure. While grant sources can provide opportunity, they add administrative responsibilities to departments with existing budget constraints. The opportunities must be balanced with the ability to meet the necessary administrative obligations.

.03 Town Boards Authorized to Accept Gifts and Grants

The Select Board recognizes the authority of Town boards, commissions, committees, departments or officials to accept gifts or grants as provided by statute. The following Town boards, commissions, committees, departments or officials are authorized to accept gifts and grants of money, tangible personal property and/or real estate to the extent set forth in their respective authorizing statutes:

- A. The Select Board is authorized to accept gifts and grants of money and tangible personal property on behalf of the Town (MGL C. 44, § 53A, 53A1/2)
- B. The School Committee is authorized to accept gifts and grants of money for educational purposes (MGL C.44, § 53A, and C.71, §37A); and of tangible personal property as a matter of Town Policy

- C. The Board of Library Trustees is authorized to accept gifts and grants of money for library purposes (MGL C.78, §7, 11) and for purposes of library construction or renovations (MGL C.78, §19K); and of tangible personal property as a matter of Town Policy
- D. The Conservation Commission is authorized to accept gifts and grants of money, tangible personal property and real property for conservation and parkland purposes, subject to the approval of the Select Board (MGL C.40, §8C)
- E. Any other Town board, commission, committee, department, or officer is authorized to accept grants and gifts of money and to expend such funds for their designated purpose, subject to the approval of the Select Board (MGL C.44, §53A)
- F. Any other Town board, commission, committee, department or officer as authorized by any other statute

.04 Matching Funds, In-kind Contributions, and Ongoing Obligations

When a board, commission, committee, department, or officer (“responsible department/board”) seeks grant funding for projects and/or services, it is critical that the Town is fully aware of any requirements such as matching funds, in-kind contributions, or any ongoing financial obligations that will need to be sustained beyond the project period.

- A. If a grant requires matching funds, the responsible department/board is required to seek approval from their appointing authority to commit those funds for the project. If matching funds are not readily available, a Town Meeting request may be necessary. Matching funds must be encumbered and/or transferred to an appropriate account for reporting and tracking purposes. This prevents funds promised to the grantor from being spent on any other expenditure.
- B. If a grant requires in-kind contributions of staff time or materials, the responsible department/board must ensure that the department has the capacity to follow through with this commitment, including the required tracking of this time. If the in-kind contributions rely on commitments from other departments, the responsible department/board is required to get a formal commitment from the other departments to ensure that they understand the nature of the commitment and can participate in the required tracking.

If the proposed grant project creates an on-going commitment, it is critical that the responsible department/board has notified other departments, appointing authorities, and officials before the grant application is submitted. Ongoing commitments can be a range of responsibilities, such as annual maintenance and eventual replacement of capital assets or the establishment of a new service that citizens will expect to maintain in future years but will require future changes to the budget. A grant proposal that contemplates hiring new staff members can create ongoing obligations in the form of wages, benefits, and unemployment.

.05 Additional Requirements of the Grantor

Grantors occasionally have specific requirements that grantees must comply with in order to use and receive reimbursements for grant funds. This can include requirements related to:

- promotion and advertisement of the project funded by the grant with the use of specific images or logos;
- specific procurement requirements that are in addition to Massachusetts General Law requirements;
- Contractual obligations for selected vendors that will be paid with these funds and act as contractual conditions;
- Financial auditing requirements, usually applicable for Federal grantors

It is the responsibility of the department/board that is applying for the grant funds to understand all of these requirements and to actively communicate these expectations to the appropriate Town board (Section .03) before the grant funded projects and procurements are commenced.

.06 Notification of Grant Request or Award

All responsible department/boards will notify the Town Accountant and Town Treasurer of all grant awards using the provided notification form. The notification form must be submitted with all required fields answered. The form must include copies of the grant application, the award letter, the proposed budget, and the signed contract. Incomplete notification forms will be returned to the department that has submitted them without being processed. The Town Accountant will process all the complete forms and will create the necessary revenue and expense codes for departmental use.

.06 Reimbursements

In the case of “draw down” or reimbursement grants, it is the department/board’s responsibility to request these reimbursements in a timely fashion to maintain positive cash flow. In addition, the grant should be tracked and reconciled on a regular basis, so that the responsible department/board is aware of the original grant amount, the reimbursement total to date, variance and what needs to be spent by the end of the grant period. All grant funds should be spent as indicated in the grant application and in accordance with the grant contract. The Town Accountant can be a resource for reconciling grant accounts. If reimbursement requests have been submitted, notification should be sent to the Town Treasurer and Town Accountant.

.07 Reporting

Most grants require regular reporting such as monthly, quarterly, annually and/or a final report. It’s critical to submit complete reports on time so that future grant funding is not jeopardized. The grant contract should clearly outline the expected reporting periods and if there is a specific format that reports must be submitted in. It is the responsibility of the responsible department/board to comply with these requirements in a timely manner. If the report requires documentation from other offices, such as proof of payment and cashed checks, requests for such documentation should also be done in a timely manner to avoid unnecessary delays or compliance issues.

.08 Compliance with all Internal Financial Management Practices

Grants management includes compliance with all internal financial management practices. All grant funds, whether awarded upfront or received as a reimbursement, will be submitted to the Town Treasurer on a Schedule of Departmental Payments form, identifying the correct revenue account codes. All accounts payable expenses will be submitted to the Town Accountant for processing on a Schedule of Departmental Bills Payable, identifying the correct expenses account codes. Similarly, all associated payroll records will be submitted to the Town Treasurer, identifying the correct payroll account codes.

Compliance with these existing procedures will ensure timely payment to vendors and employees and will keep the accounts current with revenues.

.09 Grant Closeout

Grants are to be closed out in accordance with the contractual period stated in the grant documents. The Accounting Office will close out grant funds in accordance with those periods unless the responsible department/board has secured a project extension and that approval has been documented and submitted to the Town Accountant. The responsible department/board will provide the Town Accountant with timely notification of the grant closeout and if there are any unanticipated issues.