



AGENDA ITEM #8B

**AGENDA ITEM EXECUTIVE SUMMARY
Village Board Meeting
6/12/2023**

Item Title: Grant Policy

Staff Contact: Tom Dahl, Finance Director

CONSENT

VILLAGE BOARD ACTION:

Adopt a resolution authorizing the adoption of the Grant Policy.

Executive Summary:

On the May 8, 2023, Village Board meeting staff presented a new Grant Policy for Board consideration. The Grant Policy was prepared to ensure that grants are applied for in a consistent manner and roles and responsibilities are delineated for all parties involved in obtaining, spending, and reporting grant funds. In addition, the policy includes items that are required by the federal and/or state governments. The main tenants of the policy include:

- Responsibilities of Administration, Finance and the department applying for and receiving a grant.
- Application Procedures
- Acceptance Procedures
- Grant Monitoring and Reporting
- Purchasing Procedures and Vendor Certification
- Risk Monitoring
- Performance Measurement
- Grant Closeout

The Board concurred with staff's recommended tenants and directed staff to move forward with preparing a final draft for Board adoption. Attached to this memo is the final draft of the Grant Policy and supplemental resolution.

Implications:

Is this item budgeted? N/A

Estimated cost: N/A

Any other implications to be considered? N/A

Strategic Priority:

Financial Stewardship

Attachments:

Resolution

Grant Policy

THE VILLAGE OF ROSELLE
DUPAGE AND COOK COUNTIES, ILLINOIS

RESOLUTION

NUMBER _____

**A RESOLUTION
APPROVING AND ESTABLISHING
A GRANT POLICY**

DAVID PILESKI, Mayor
AMANDA HAUSMAN, Village Clerk

TOM DELLA PENNA
WAYNE D. DOMKE
DENA FORSYTHE
CHERYL LENISA
TOM PIORKOWSKI
LEE TREJO

Village Board

Published in pamphlet form by authority of the
Mayor and the Board of Trustees of the Village of Roselle
on this the 12th day of June, 2023

RESOLUTION NO. _____

**A RESOLUTION
APPROVING AND ESTABLISHING
A GRANT POLICY**

WHEREAS, the Village of Roselle (hereinafter referred to as the “Village”) is a municipal corporation organized pursuant to the laws of the State of Illinois possessing certain powers and perform certain functions pertaining to its local government and affairs as provided for by and through the Illinois Municipal Code and Illinois Statute;

WHEREAS, the Village has in full force and effect a codified set of ordinances which are of a general and permanent nature, which said codified set is known and designated as the Village Code of the Village of Roselle, as amended;

WHEREAS, the Village has the authority to adopt ordinances, policies and to promulgate rules and regulations that pertain to its government and affairs that protect the health, safety and welfare of its residents;

WHEREAS, the Village recognizes the need to adopt procedures relative to the administration of grant funds which includes procedures to ensure that all grant applications reflect the Village’s goals and objectives, to ensure that proper oversight of all funds appropriated to minimize the Village’s risk of non-compliance with grant requirements and to ensure proper administration and accounting of all grants;

WHEREAS, the Village desires to adopt a policy providing for the administration of all grants received by and for the benefit of the Village; and

WHEREAS, the Corporate Authorities of the Village of Roselle are of the opinion that that it is in the best interests of the safety, health and welfare of the residents to adopt the grant policy as set forth herein.

NOW, THEREFORE, BE IT RESOLVED, in open meeting assembled, by the Village President and Board of Trustees of the Village of Roselle, DuPage and Cook Counties, Illinois, as follows:

Section One – Recitals

The Corporate Authorities hereby find that all of the recitals hereinbefore stated as contained in the preamble to the resolution are full, true and correct and do hereby, by reference, incorporate and make them part of this resolution as legislative findings.

Section Two – Adoption of Grant Policy

The Corporate Authorities of the Village of Roselle hereby adopt the grant policy which is set forth in Exhibit A which is attached hereto and made a part hereof.

Section Three - Codification

The title, chapter(s) and section(s) adopted by this resolution shall be numbered and placed in an appropriate title, chapter(s), and sections(s) sections when and during the codification of the Roselle Municipal Code if necessary.

Section Four - Conflict Clause

That all resolutions, parts of resolutions, board actions and/or policies in conflict with the terms of this resolution shall be repealed to the extent of said conflict.

Section Five - Constitutionality Clause

Any part or parts of this resolution declared by a court of law to be invalid or unconstitutional shall not affect the validity of the remaining provisions of this resolution.

Section Six - Passage Clause

That this resolution shall take full force and effect from and after its passage, approval and publication as provided by law.

Section Seven - Publication

This resolution shall be published in book or pamphlet form as provided by the Illinois Municipal Code.

Section Eight - Recording

This resolution shall be entered into the minutes and upon the journals of the Board of Trustees of the Village of Roselle.

The Remainder of this Page has been Intentionally Left Blank / Roll Call Vote to follow:

DECIDED pursuant to a Roll Call Vote:

| | YES | NO | ABSENT | PRESENT |
|-----------------|-----|----|--------|---------|
| Tom Della Penna | | | | |
| Wayne D. Domke | | | | |
| Dena Forsythe | | | | |
| Cheryl Lenisa | | | | |
| Tom Piorkowski | | | | |
| Lee Trejo | | | | |
| David Pileski | | | | |
| TOTAL | | | | |

PASSED AND APPROVED by the Village of Roselle Board of Trustees on the 12th day of June, 2023:

David Pileski
Mayor

ATTEST:

Amanda Hausman
Village Clerk

STATE OF ILLINOIS)
) SS
 COUNTIES OF DUPAGE AND COOK)

CLERK’S CERTIFICATION

I, Amanda Hausman hereby certify that I am the duly elected and qualified Village Clerk in and for the Village of Roselle, DuPage and Cook Counties, Illinois; that I am the keeper of the files, records, and seal of said Village, and that the following is a true and correct copy of Resolution No. _____

**A RESOLUTION
 APPROVING AND ESTABLISHING
 A GRANT POLICY**

adopted and approved by the Mayor and the Board of Trustees at an official meeting held on June 12, 2023 and that the vote on the motion for adoption was as follows:

| | YES | NO | ABSENT | PRESENT |
|-----------------|-----|----|--------|---------|
| Bruce Berkshire | | | | |
| Wayne D. Domke | | | | |
| Cheryl Lenisa | | | | |
| Tom Della Penna | | | | |
| Tom Piorkowski | | | | |
| Lee Trejo | | | | |
| David Pileski | | | | |
| TOTAL | | | | |

I do further certify that the deliberations of the Board on the adoption of said resolution were conducted openly, that the vote on the adoption of said resolution was taken openly, that said meeting was called and held at a specified time and place convenient to the public, that notice of said meeting was duly given to all of the news media requesting such notice, that said meeting was called and held in strict compliance with the provisions of the Open Meetings Act of the State of Illinois, as amended, and with the provisions of the Village Code of the Village of Roselle, as amended, and that the Board has complied with all of the provisions of said Act and said Code and with all of the procedural rules of the Board.

I further state that this Certification is issued under my hand and the seal of the Village of Roselle as required in the Illinois Compiled Statues 65 ILCS 5/1-2-4.

IN WITNESS WHEREOF, I have hereunto set my hand and caused to be affixed the Corporate Seal of said Village of Roselle, DuPage and Cook Counties, Illinois on the date set forth herein.

 Amanda Hausman, Village Clerk

(SEAL)

Exhibit A
Grant Policy

DRAFT



Village of Roselle GRANT POLICY

Definition and Purpose

The definition of a grant for purposes of this policy is as follows: An award of financial assistance in the form of money or property by a funding source including the federal government, state government, other local governments, non-profit agencies, private businesses and citizens that the Village has the ability to accept or reject.

The purpose of the grant procedures outlined in this document is:

1. To ensure all grant applications reflect the Village's goals and objectives.
2. To ensure proper oversight of all funds appropriated to the Village.
3. To minimize the Village's risk of non-compliance with grant requirements.
4. To ensure proper administration and accounting of all grants.

Scope

This policy is applicable to any Village of Roselle department, employee or elected official preparing and submitting grant applications to agencies outside the Village government for funds, materials, or equipment to be received and administered by the Village. If grant policies and regulations conflict with regulations and policies of the Village, the federal and state regulations will prevail unless they are less restrictive than Village policies – where Village policy prevails.

No grant will be accepted that will incur management reporting costs greater than the grant amount. Such costs include, but are not limited to, indirect costs, overhead and any other items needed to administer the grant. Any unapproved submittal by any Village department, employee or elected official in violation of these grant procedures shall not bind the Village. All grant applications and award acceptances must have approval of the Village Administrator and the Village Board under the provisions of this policy.

Central Responsibility

The Village Administrator authorizes the Finance Department to promulgate any procedures that minimize the Village's risk for non-compliance with grant requirements and for providing support to requesting agencies. The Finance Department will maintain the back-up file for all grants to facilitate management reporting and overall monitoring. The required central grant file will be maintained by the department seeking grant funds and must be retained in accordance with Illinois Secretary of State retention standards.

For Federal and State Grants, the department receiving the grant should ensure compliance with the Federal Office of Budget and Management (OMB) general requirements and the Illinois Grant Accountability and Transparency Act (GATA) uniform requirements and any other state and/or federal requirements specified in the grant conditions. The Finance Department will review expenditures for obvious non-compliance and will act as liaison with independent auditors. All Village departments, employees and elected officials shall submit any/all grant information required by the Finance Department to carry out its oversight responsibilities.

Finance Responsibility

The Finance Department is responsible for keeping the System for Award Management (SAM) registration current and ensuring that the registration is renewed annually. Finance is also responsible for keeping the Village's GATA status current and in good standing. This includes the Pre-Qualification Status and the annual Fiscal and Administrative Internal Controls Questionnaire. In addition, Finance is responsible for accepting the Notice of State Award (NOSA) and completing the annual audit requirements for GATA.

Department Responsibility

Each department is responsible for applying for grants applicable to their operations and completing the grant reporting requirements. This includes completion of the periodic status reports, as required by the specific grant agency, to the grant agency, monitoring of grant compliance and closing out the grant. A copy of the status reports must be sent to the Finance Department to assist in the completion of the GATA and/or grantor reporting requirements.

Grant Application Procedures

The Village department, employee or elected official desiring to submit a grant application soliciting funds will prepare the request as outlined by the grantor's requirements. Prior to submitting any application to a grantor, the following steps shall be followed:

1. Department completes a pre-application review process to assess the application and the financial aspects required of the grant. The department should make every effort to project all initial and ongoing costs associated with the grant program including but not limited to: staff support, needed assistance for computer systems, office space, utilities, systems furniture, vehicles, office equipment, office supplies, computer software and hardware and/or telephone charges.
2. Department submits to the Finance Department a draft grant application along with any required assurances and conditions. The Finance Director or designee will provide assistance and guidance to the department in the preparation of the grant, evaluate the financial aspects of the grant, and ensure availability of matching funds, where applicable.
3. Department Head submits grant applications to the Village Administrator. The Administrator and/or designee, and the Finance Director may meet with the departments seeking grants to make an assessment of the application and the financial aspects. The Village Administrator must approve the application prior to its submittal to the grantor.
4. Upon approval by either the Village Administrator or the Village Board, the Department can submit the grant application.

Furthermore, the department shall submit to the Finance Department the original grant application along with any required assurances and conditions prior to submitting the application to the grantor agency for approval. The purpose of the application notification to Finance is to allow Finance to maintain a comprehensive list of pending grant applications as well as active grants, to provide assistance as appropriate to departments in the preparation and

administration of grants and to ensure availability of matching funds, where applicable. The Finance Department will request additional information or revised submittals if needed.

In addition to the above application procedures, any grant pertaining to information technology equipment, software, services, etc. will be reviewed by the Assistant Village Administrator prior to submission to the grantor. The Assistant Village Administrator in conjunction with the Village's information technology consultants(s) will evaluate the benefits and costs of the grant and assure that any equipment, software, service, etc. purchased will be compatible within the Village's existing information technology network and can be adequately supported now and in the future.

If the grant is approved by the Village Board as part of the annual budget adoption process, then additional Village Board approval is not required prior to the submittal of the grant application unless otherwise required by the grantor agency or as directed by the Village Board or Village Administrator. However, prior to the submittal, the Village Administrator shall approve the grant application.

All grant award acceptances must have approval of the Village Administrator and the Village Board under the provisions of this policy.

If a grant application is denied by the grantor, a copy of the letter of denial shall be forwarded to the Finance Department for their records.

Grant Acceptance Procedures

The grant award letter/acceptance agreement (notification received detailing the amount of the grant awarded, grant assurances and special conditions and the guidelines that must be followed to comply with the grant requirements) will be forwarded to the Finance Department, who will review the grant award for reporting requirements, special conditions and deadlines related to administering the grant.

If deemed necessary by Finance and time permits, the Finance Department may forward the grant award letter/agreement to the Village Attorney for legal review of any clauses or grant special conditions to ensure compliance with particular federal or state laws. Departments should notify the Finance Department if:

- (a) There is a subsequent alteration in the funding configuration.
- (b) There is a subsequent alteration in the Village's financial obligation.
- (c) Grant funds will be carried forward into the next fiscal year.
- (d) There is any notification that the grant will be terminated.

Departments are responsible for ensuring that all funds are expended or encumbered prior to the end of the grant period in order for funds to be used adequately and not lost in future award periods.

Notification of award letter shall be presented by the department that applied for the grant to the Village Administrator and the Village Board. The department responsible for a grant award should prepare an agenda item describing fiscal impact accompanied by the award letter and grant agreement.

Grant Monitoring and Reporting

Monitoring of Grants

Departments are responsible for continuous monitoring of the financial status of grants. The Finance Department will provide departments with on-line access of monthly financial reports for such monitoring. Departments must review the monthly financial reports and notify the Finance Department promptly of any discrepancies noted and/or any additional reports needed.

Departments must also monitor grants for compliance with all applicable federal, state, and local regulations and ensure that grant expenditures are in compliance with grant procurement policies and procedures. For example, equipment procured with grant funds must be disposed of in accordance with the terms of the grant and OMB Circular A-87

requires payroll costs to be supported properly based on the percentage worked on the grant. Federal grants must meet requirements set out in OMB Circulars A-87, A-102, and A-133. Departments should contact Finance if assistance is needed with compliance issues.

Grant Reporting

The requesting department is responsible for providing financial reports to grantors. Departments handling grant reporting are responsible for complying by the due dates with all reporting requirements of the grant including financial reporting and reimbursement requests. All reimbursement requests should be copied and forwarded to Finance for review and monitoring of timeliness of revenue reimbursements.

Indirect Costs

Grant applicants may request indirect costs if the application guidelines do not require a federally approved indirect cost rate and indirect cost are allowed in the grant. Departments should contact the Finance Department for assistance with identifying and calculating indirect costs for inclusion in grant applications. These funds will be used by the Finance Department to offset costs in overseeing the grant including staff time, external auditor expenditures, etc.

New Personnel & Allocation of Personnel Costs

Any new personnel positions to be created because of grant funding must be approved by the Village Board and properly classified by Administration. Departments are to promptly notify Finance of any allocation changes needed for those persons being charged to grants. When employees are 100% federally funded by a grant, salaries and wages will be supported by semi-annual certifications stating that the employee worked solely on that program for the period covered by the certification. The certification must be signed by the supervisor having firsthand knowledge of the work performed by the employee. Where employees are partially federally funded, their daily tasks must be listed on the Daily Activity Logs (or equivalent) provided by the grantor to support the percentage of time spent working on the grant. Distribution percentages determined before the services are performed do not qualify as support for charges to Federal awards. For example, someone working 75% out of federal funding and 25% out of local funding must complete the Daily Activity Log (or equivalent) to substantiate the percentages.

OMB §200.430 (i) provides standards for the documentation of personnel expenses and are incorporated into this grant policy. Charges to Federal awards for salaries and wages must be based on records that accurately reflect the work performed. The timekeeping system used by the department participating in the grant must use time codes to track work performed and charged to the grant.

Grant Related Procurement and Policy Issues

Any purchases, of any amount, made with federal grant funds must comply with the following requirement:

A copy of the required certification related to the suspension and disbarment of the vendor MUST be obtained before any funds are spent. This copy must be kept with the grant central file and be available for the Village auditors when requested. This information is available on the SAM web page and can be accessed at the following address: <http://www.sam.gov/>. From there, go to "Search Records" at the top left of the page, and search for the vendor by name. A message will be received showing whether the vendor is excluded. If excluded, the Village may not purchase from that source. If there are no records matching the search request, the Village may purchase from that vendor, assuming all other purchasing and grant requirements have been met. In either case, the pages must be printed out for the grant file, to show compliance with this requirement.

The Finance department also needs to be notified so that assets acquired using federal funds can be properly identified. Equipment items purchased with Federal Funds that cost \$5,000 or more are to be tagged when purchased so that proper disposal procedures can be followed when items are sold or sent to surplus. Federal equipment should be inventoried at least every 2 years to be properly safeguarded against theft, damage, or loss. Inventory records should be maintained in accordance with state record retention requirements. Also, land purchases made with grant funds often have land use restrictions which will be discussed with the Village Attorney to ensure restriction compliance. When assets acquired with federal funds are no longer used in the grant program (i.e., grant has expired, asset was lost, stolen,

or damaged, or asset became idle) the grantor must be notified. The Federal Government may be due a portion of the proceeds for equipment items with a book value of \$5,000 or more at the time of disposition. If the federal agency is compensated for the current fair market value of the item, the equipment may be retained by the agency.

Grantees should follow the Village's and/or grantor's policies and procedures for all practices including procurement for the selection of contractors and vendors. If grant applications have special conditions, a copy of such must be given to Finance for assistance in compliance monitoring. If grant guidelines require grantees to abide by different procurement procedures other than those adopted by the Village, the grantee should resolve the situation with the Finance Department prior to submitting the application. As a rule, federal and state regulations prevail unless less restrictive than Village policies-where Village policy prevails.

2 CFR §200.318 (c)(1) states that "No employee, officer, or agent may participate in the selection, award, or administration of a contract supported by a federal award if he or she has a real or apparent conflict of interest. Such a conflict of interest would arise when the employee, officer, or agent, any member of his or her immediate family, his or her partner, or an organization which employs or is about to employ any of the parties indicated herein, has a financial or other interest in or a tangible personal benefit from a firm considered for a contract. The officers, employees, and agents of the non-Federal entity may neither solicit nor accept gratuities, favors, or anything of monetary value from contractors or parties to subcontracts. However, non-Federal entities may set standards for situations in which the financial interest is not substantial, or the gift is an unsolicited item of nominal value." The Village's purchasing policy addresses conflicts of interest, and that policy extends to procurements under a grant. This grant policy would prohibit contractors who develop or draft specifications, requirements, statement of work (scope of services) or requests for proposals/qualifications from competing for such procurements.

Difference Between a Subrecipient and a Contractor

A subrecipient is defined as "a non-federal entity that receives a subaward from a pass-through entity to carry out part of a federal program; but does not include an individual that is a beneficiary of such program. A subrecipient may also be a recipient of other federal awards directly from a federal awarding agency."

A contractor is defined as "an entity that receives a contract," which is defined as "a legal instrument by which a non-federal entity purchases property or services needed to carry out the project or program under a federal award. The term as used in this Part does not include a legal instrument, even if the non-federal entity considers it a contract when the substance of the transaction meets the definition of a federal award or sub-award."

The Village, as the pass-through entity, must make a case-by-case determination regarding each agreement it makes for the disbursement of federal funds, casting the party receiving the funds in the role of a subrecipient or a contractor.

Subrecipient Risk and Monitoring Program

The Village is responsible for monitoring the programmatic and financial activities of its subrecipients to ensure proper stewardship of sponsor funds.

The Village is required by Uniform Guidance, specifically §200.318, to evaluate each subrecipients risk of noncompliance. This evaluation consists of monitoring the activities of subrecipient organizations to ensure the subaward is in compliance with applicable Federal statutes and regulations and terms of the subaward and verifying that subrecipients are audited as required by Subpart F of the Uniform Guidance. For non-federal awards, the Village may also be required by the sponsor to provide evidence of due diligence in reviewing the ability of a subrecipient to properly meet the objectives of the subaward and account for the sponsor's funds.

Consistent with federal, state and local regulations, and to ensure proper stewardship of sponsored projects, the Village must undertake certain activities to monitor subrecipients, including but not limited to subrecipient pre-qualification, reporting site visits, regular contact and other means to provide reasonable assurance that subrecipients administer and perform subawards in compliance with applicable law, regulations and the provision of the Village's sponsored projects. Additionally, the Village assesses, among other factors, the subrecipient organization's financial status and internal controls based on documentation from the subrecipient and other independent sources, to determine whether to

proceed with the subrecipient. Based on that assessment, terms and conditions are established in the subaward agreement to be consistent with the level of perceived risk and then the Village identifies specific monitoring activities.

Failure to adequately monitor the compliance of subrecipients could result in reputational damage to the Village and jeopardize current and future funding. It is the responsibility of the Village, as the prime recipient, to ensure the good stewardship of sponsored funding and ensure that all funds assigned to subrecipient organizations receive the same diligence as sponsored funds that remain at the Village.

Performance Measurement

To comply with 2 CFR §200.301, the Federal awarding agency must measure the recipient's performance to show achievement of program goals and objectives, share lessons learned, improve program outcomes and foster adoption of promising practices. The Federal awarding agency will determine how performance progress is measured which may differ by program. These requirements must be aligned to the extent permitted by law, with the Federal awarding agency strategic goals, strategic objectives or performance goals that are relevant to the program. Grant administrators will be responsible for ensuring the performance measures are tracked and met according to the grant award.

Recipient departments must ensure performance measurements are aligned with the program spending plan. Tracking the project's performance is to be done by the department. If the project is not aligned with the spending plan the Finance Department should be immediately notified.

Participant Eligibility

Grant award programs developed by the Village to distribute grant funding as a pass-through entity, shall determine participant eligibility based on the specific requirements of the awarded grant. Each award applicant will be reviewed for eligibility and all supporting documentation and determination of eligibility will be maintained in the grant application portal and Munis for review and submission to the grantor if necessary. Records will be maintained and stored according to the State of Illinois records retention policy.

Classification of Grant Revenue

All federal, state and local grant revenue should be receipted as revenue as opposed to as expenditure refunds in order to be in compliance with approved grant policies.

Year-End Procedures

The department must indicate clearly on all January, February and March invoices which fiscal year (prior or current) they are to be posted to. Only goods and services received prior to December 31st can be posted back to the prior year. The department must reconcile January, February and March expenditures promptly since these adjustments can only be made until the end of March, due to audit timing and materiality of expenditures.

The department must ensure all funds are expended or encumbered prior to the end of the grant period for funds to be used adequately and not lost in future award periods.

Grant Closeout Procedure

Upon completion of the grant period of each grant, the responsible department should include a memorandum to the Village Administrator including the grant, project number and final disposition of funds and requirements.