



GRANTS MANUAL

Los Angeles Police Department

Grants Section

100 W. 1st Street, Suite 842
Los Angeles, CA 90012

GRANTS SECTION

Mission

Our mission is to provide oversight, management, and assistance in acquiring supplemental resources to support departmental priorities and goals not currently subsidized by local funds.

Vision and Purpose

The Grants Section is responsible for the management and oversight of all grant funding in the Department. This includes competitive and formula-based grants from federal, state, and private sources. The Grants Department oversees fiscal requirements, programming compliance, and evaluation reporting on all grants.

GRANT OPPORTUNITIES

The Grants Section regularly monitors Grants.gov and eCivis to seek out grants that pertain to law enforcement. Funding sources may come from the Federal, State and County agencies, as well as private organizations. The Grants Section reviews grant solicitations or Notice of Funding Opportunity documents to ascertain if LAPD is eligible to apply. Unless a specific end user division has been identified to apply for the grant, "Grant Opportunity" emails are sent out to all command staff and their designees to notify them of the solicitations. These emails include a summary of the grant, funding available, the due date to notify the Grant Section of their interest, a copy of the grant solicitation, and a Grant Proposal form.

Federal grant dollars come in two forms:

- ❖ Direct Grants – These are grants where you apply directly to the federal government.
- ❖ Pass-through Grants – The State applies to the federal government for a grant, receives the grant, and then passes the federal monies on to applicants. Pass-through monies are still considered federal monies even though they are distributed by state agencies.

TYPES OF GRANT OPPORTUNITIES

- ❖ Block Grant – (Pass-through) A type of mandatory grant where the recipients (normally States) have substantial authority over the type of activities to support, with minimal Federal - administrative restrictions. The basic premise is that States should be free to target resources and design administrative mechanisms to provide services to meet the needs of their citizens.
- ❖ Categorical Grant – (Direct and pass-through) A grant having a specifically defined purpose.
- ❖ Closed-ended Grant – (Pass-through) A type of mandatory grant where the award constitutes an upper limit on the amount of funds the Federal Government may pay for program activities (See Entitlement or Open-ended Grant).
- ❖ Consortium Grant – (Direct) A grant to one institution in support of a project in which any programmatic activity is carried out through a collaborative arrangement between or among the recipient institution and one or more other institutions or organizations which are separate legal entities, administratively independent of the recipient. The involvement of the non-recipient (collaborating) institutions is that of actually performing a portion of the programmatic activity.
- ❖ Demonstration Grants - Pilot projects generally involving a small number of sites in an effort to learn about the effectiveness of a new program or approach. An effective demonstration grant program may lead to further funding in the form of discretionary grants. Demonstration grants also are awarded on a competitive basis and can go to state

and local governments or to community-based organizations, depending on the program's eligibility requirements.

- ❖ **Discretionary / Project Grant_** – (Direct) A grant that permits the government, according to specific authorizing legislation, to exercise judgment ("discretion") in selecting the applicant/recipient organization, through a competitive grant process. Types of activities commonly supported by discretionary grants include demonstration, research, training, service, and construction projects or programs. Discretionary grants are sometimes referred to as "project grants." Unlike a formula grant, a discretionary grant awards funds on the basis of a competitive process. The department reviews applications, in part through a formal review process, in light of the legislative and regulatory requirements and published selection criteria established for a program. The review process gives the department discretion to determine which applications best address the program requirements and are, therefore, most worthy of funding.
- ❖ **Earmark Grant** – (Direct) Earmark grants are grants that are appropriated by Congress prior to a peer review. The term "earmark" is a reference to the Congressional Record where the awards are written into the legislation specifically with the grant applicant's name, activity, and dollar amounts.
- ❖ **Entitlement or Open-ended Grant_** – (Pass-through) A type of mandatory grant where there is no upper limit on the amount of funds the Federal Government will pay for allowable services and activities. Open-ended grants are often referred to as "open-ended entitlement grants" because the Federal Government pays a statutorily-required share of costs without dollar limits.
- ❖ **Formula Grant_** – (Pass-through) Formula grant programs are noncompetitive awards based on a predetermined formula. These programs are sometimes referred to as state-administered programs.
- ❖ **Mandatory Grant_** – (Pass-through) A grant that a Federal Agency is required by statute to award if the recipient (usually a State) submits an acceptable State Plan or application and meets the eligibility and compliance requirements of the statutory and regulatory provisions of the grant program. Mandatory grants include open-ended entitlement grants, closed-ended grants, and block grants. In the past, mandatory grants were sometimes referred to as "formula grants."

NOTIFICATION OF INTEREST TO APPLY

Department entities who are interested to apply for a grant must notify the Grants Section by emailing a completed Grant Proposal form.

GRANT APPLICATIONS

The Grants Section Officer in Charge (OIC), the Commanding Officer (CO) of Fiscal Operations Division, along with personnel from the Office of Chief of Police (OCOP), will attempt to find the best entity in the Department to receive grant funds. Once an entity has been selected, the Grants Section OIC and the Grants Application Coordinator (GAC) will meet with the CO, and/or Subject Matter Expert, and/or Program Manager of the chosen entity. During the meeting, the Grants Section will explain the grants application process and provide details on the following:

- ❖ Grant solicitation
- ❖ Program priorities/requirements
- ❖ Application deadline
- ❖ Budget/Expenditure plan
- ❖ Timeline/Milestones
- ❖ Establish timeline to receive draft proposal at least two weeks before the deadline

APPLICANT ENTITY RESPONSIBILITIES

The applicant CO is an integral part of the grant application and management process. If for any reason the CO believes the grant would not benefit the entity, he/she should promptly discuss any concerns with the Grants Section OIC. The OCOP will make the final determination of grant placement.

The applicant CO is the Project Director of the grant. The Project Director is responsible for ensuring personnel involved with the grant adhere to grant procedures and guidelines and other instructions related to the grant. The Project Director shall assign a Subject Matter Expert from the entity to assist with the grant application. The Subject Matter Expert will compose the project narrative and budget justification and provide required documentation for the application. Generally, the Department has 30 days to submit the grant application to the grantor. The Grants Section will provide specific deadlines prior to the submission date to allow for reviews and modifications by the GAC and the Grants Section OIC.

GRANT PROPOSAL

A grant proposal or application is a written formal request for funds needed to support a specific program or project. While the grant writer should be familiar with the exact content of a grant application which is determined by funding agency guidelines, most grant applications include the following: (1) Why the funds are needed, (2) What the funds will be used for, and (3) How the funds will be managed.

EXPENDITURE PLAN/BUDGET

After the scope of work or project narrative has been completed, an expenditure plan will be developed by the end user with the assistance of the GAC. The plan will include salaries, overtime, travel, contractual services, equipment, supplies and other costs allowable by the grant.

The budget shall be prepared in accordance with the procedures prescribed by the funding agency, as well as all applicable federal and state guidelines and applicable OMB cost principles. In addition to the line item budget, most grant applications will require a detailed budget narrative explaining the need/use for each line item in the budget. The budget narrative submitted with the application must match the dollar amounts provided on the line item budget. Calculations must be included to support the budgeted amount.

PREPARING THE DETAILED LINE ITEM BUDGET

Relevant information for each line item must be provided and the total cost for the corresponding row for each line item must be entered. The total cost should represent only the grant-funded portion of the applicable line item. Except for formulas or hourly wages, all amounts should be rounded to the nearest dollar. The totals for each cost category will be verified by the GAC.

I. Cost Categories

Federal cost principles define direct costs as those that can be identified specifically with a particular final cost objective, i.e., a particular award, project, service, or other direct activity of the organization. When preparing the budget, the grantee should allocate all direct costs into one of the following seven (7) direct cost categories.

A. Personnel

Personnel costs are for salaries and overtime. They are directly charged in whole or part to the grantor. The amounts can be based on actual rates (if employee is known) or on the annual Wages and Count report.

B. Fringe Benefits

Fringe benefits are defined as expenses directly associated with employment and applicable to salaries and wages. Fringe benefits are to be specifically applicable to the employees listed in the personnel budget category and budgeted only for the percentage of time devoted to the program. List each component of fringe benefits budgeted to the grant award. Allowable fringe benefits include contributions to pension plans, health insurance, FICA, unemployment insurance, and worker's compensation. Provide the base salary amount to which fringe benefits rates are applied. (This amount may be less than the budgeted personnel costs when part time employees are included as part of that category.)

Fringe benefits are to be specifically applicable to the employees listed in the personnel budget category and budgeted only for the percentage of time devoted to the program. If not previously listed by line item, the Grantee must list each individual component of the fringe benefits rate.

C. Consultants

An experienced professional who provides expert knowledge for a fee. These individuals are to be reimbursed for personal services on a fee basis: List each type of consultant or service (with numbers in each category and names of major consultants when available), the proposed daily fee rate, and the amount of time to be devoted to such services. Requests for funds for consultants will be very carefully screened. The narrative must clearly explain how the use of outside consultants will significantly and permanently enhance project effectiveness. Normally individual consultant rates may not exceed \$650.00 per day. The Grant Analyst should verify the allowable costs and amounts.

D. Travel

Travel costs are the expenses for transportation, lodging, subsistence, and related items incurred by Grantee employees who are in travel status on official business of the organization. Itemize total travel expenses of project personnel by local mileage, non-local, and subsistence. Travel costs and per diem rates must follow General Services Administration rates found at www.gsa.gov/travel.

E. Equipment

Equipment is defined as an article of nonexpendable, tangible personal property having a useful life of more than one year and an acquisition cost which equals or exceeds the lesser of the Grantee's capitalization level or \$5,000. An item that does not meet the capitalization level or that is "expensed" by the organization shall be budgeted in either the "Supplies" or "Other" categories as appropriate.

List each item of equipment to be purchased with grant funds. Provide the full cost of each item of equipment that is to be purchased. If the item of equipment is to be only purchased in part with grant funds list the percentage of participation in the final cost. Explain why the equipment is necessary for successful completion of the project.

F. Supplies

Supplies include any materials costing below the lesser of the Grantee's capitalization level or \$5,000 per unit and that are expended or consumed during the course of the program. List each general classification of material and supplies (e.g., office supplies, postage, training materials) to be purchased with grant funds.

Provide the number of each item type to be purchased. Nominal objects and general office supplies need not be broken down into separate items for budgeting but may be broken down into monthly or quarterly estimates. (e.g., office supplies at \$150 month for 12 months = \$1,800). For each item listed under supplies, list a corresponding rate or cost.

G. Contractual Costs

Contractual costs include expenditures incurred for obtaining the services of contractors, and/or consultants. Provide the name of the contractor or contract organization. Treat each contract as a separate item. State the service(s) to be provided. Provide the basis for the contractual costs (i.e. the total hours and hourly rate or the estimated price for the project or service.)

List all contractual costs to be paid for with grant funds including a breakdown by contractors and/or consultants name (if known), hourly or daily fee, estimated time to be spent on the program, and an estimated total cost for each service. Describe the products or services to be obtained and indicate the applicability or necessity of each to the program. Provide a separate budget for each subgrant.

H. Construction

Construction consists of costs to support the initial building, large scale modernization or permanent improvement of a facility. No construction costs should be budgeted without prior authorization from the funding agency. Specific guidance and instructions will be provided to the Grantee when necessary.

I. Management and Administration (M&A)

M&A activities are those defined as directly relating to the management and administration of grant funds, such as financial management and monitoring. The amount of funds that the Department can allocate towards M&A costs are normally indicated in the grant application and can range from 3- 5%.

M&A costs include the following categories of activities:

- ❖ Hiring of full-time or part-time staff or contractors/consultants to assist with the following activities.
 - Management of grant funds
 - Design, requirements, and implementation of the grant program
 - Compliance with reporting/data collection requirements
- ❖ Travel and meeting-related expenses directly related to management and administration of the grant funds.
- ❖ Acquisition of authorized office equipment, including personal computers, laptop computers, printers, LCD projectors, and other equipment or software which are used primarily in support of the implementation of grant-related

activities. Office equipment purchased for planning, exercises or training activities would fall under those categories.

- ❖ Recurring fees/charges associated with certain equipment, such as cell phones, faxes, etc. which is directly related to management and administration of the grant funds

J. Other

The "other" category includes items that are directly charged, yet not included in one of the above cost categories. List "other" items (e.g., telephone, rent, utilities, or insurance and bonding) by major type. The narrative should provide a brief description of "other" item, its purpose, and an explanation of its necessity or its relation to the program.

II. Other Program Funds

A. Cost Sharing or Matching Funds

Requirements for cost sharing and matching funds are unique to each program and are found in the laws, regulations and provisions specific to those relevant programs and agreements. If the Grantee receives an award subject to cost sharing or matching requirements, they shall provide the total amount of those funds in the cost sharing or matching section of the budget worksheets. In situations where the Grantee provides funding that is not a requirement of the grant award, that information may be entered into the "Other Grantee Supplied Funds" section of the worksheets. Provide all relevant details related to the source (cash or in-kind) and applicability of cost sharing or matching funds. Amounts in excess of the required matching fund that are reported on the grant budget becomes subject to audit.

❖ CASH MATCH

A designated amount of money the City is required to use for the project, in addition to the grant amount. It includes actual cash spent by the City for budgeted costs of the project. The amount will appear as part of the approved budget. The cash match must be spent during the period of the grant award. Failure to spend the minimum required cash match would reduce the amount of the state grant award on a proportionate basis. The cash match in the approved budget may not be used to match other state or local funds.

❖ IN-KIND MATCH:

An in-kind match is a specific amount of non-cash donations (assigned a dollar value), which the Department is required to use for the project in addition to the grant award amount. Some examples of in-kind match are volunteer time, donated equipment, supplies, space, or services. All of the above examples

must be assigned a dollar value (based on fair market value) and appear in the project budget. The basis for determining the valuation of in-kind match, such as personal services, material, equipment, and space, must be documented by the Department. The in-kind match must be spent during the period of the grant award. Failure to spend the minimum required in-kind match would reduce the amount of the state grant award on a proportionate basis. The in-kind match in the approved budget may not be used to match other state or local funds.

B. Other Grantee Supplied Funds

Other Grantee Supplied Funds are considered supplemental (not required by authorizing grant legislation) funds provided by the Grantee to operate the program. The reporting of other Grantee supplied funds is not a requirement of the grant award and should only be provided at the discretion of the Grantee. If this is included in the grant budget, then it becomes subject to audit.

C. Program Income

Federal administrative requirements define program income as gross income earned by the recipient that is directly generated by a supported activity or earned as a result of the grant award. Program income includes, but is not limited to, income from fees for services performed, the use or rental of real or personal property acquired under federally-funded projects, the sale of commodities or items fabricated under an award, license fees and royalties on patents and copyrights, and interest on loans made with award funds. (Program income does not include the interest that is earned on grant funds prior to their disbursement by the Grantee. Those funds should be administered in accordance with applicable cash management requirements) If the Grantee anticipates earning any program income resulting from grant funded activities, the Grantee must notify the applicable funding agency of such income and include the estimated/projected amounts in the appropriate section of the budget worksheets.

III. Budget Summary

Once the line item budget has been completed:

- ❖ Verify that the totals for each budget line item are equal to the corresponding amounts contained in the Budget Summary.
- ❖ Verify the Total Grant Award.
- ❖ If applicable, verify both the amounts entered and the total for Grantee Supplied Funds and Matching Funds.
- ❖ If applicable, verify the projected program income.
- ❖ Attach all addendums, required justifications and narratives for submission to the grant application.

APPLICATION REVIEW

The initial draft of the program narrative is sent to the Department's Grants Consultant and Grants Section OIC for review and input. The end user and GAC will work on all components of the application.

The GAC is responsible for:

- ❖ Ensuring all corrections are made;
- ❖ Confirming that the proposal includes all required information, such as performance metrics, project timelines and qualifications;
- ❖ Collecting all required documents, such as organizational charts, resumes, sole source justifications, and letters of support;
- ❖ Having all certifications reviewed and signed by appropriate parties. They may have to be signed by the Chief of Police, Commanding Officer of Fiscal Operations Division, Project Director, City Attorney, or Chief Administrative Officer;
- ❖ Checking formatting and page limits as instructed on the grant solicitation. The application will be disqualified for non-compliance.

The application package is sent to the Grants Section OIC for final review.

APPLICATION SUBMITTAL

Federal grant proposals are submitted online via the Grant Management System (GMS) and Grants.gov. State grant proposals are mailed via overnight mail service. The GAC will track and confirm the delivery of the application. All grant applications are maintained electronically in the Grants Pending Application file under the Grants Home folder, and entered into the Grants Tracking System with the status of "Applied/Pending Grantor Approval."

GRANT AWARD

Notification of grant awards are sent via email or letter from the funding agency to the Chief of Police or the Mayor. Grants are usually awarded between three to four months after the grant application submission deadline. Some grants are awarded after the start of the grant period.

If a grant application was denied funding, the status in the Grants Tracking System (GTS) will be changed to "Grantor Denied." Grants Section will communicate with the funding agency to obtain feedback on the application. Some grantors send out Reviewer Comments with the grant denial notification, providing information on the strengths and weaknesses of the application. Grants Section will notify the end user of the denial and discuss how future applications can be improved based on the feedback.

The GTS status for awarded grants is changed to "Pending Council Approval." All electronic files for the grant application will be moved to the Grants Active folder.

AWARD ACCEPTANCE

Upon notification of a grant award, the Grants Section prepares two Intradepartmental Correspondences:

1. The transmittal is a 15.2 from the Chief of Police to the BOPC that will be transmitted to the Mayor, the CAO, the Office of the Chief Legislative Analyst, and the City Clerk's office for City Council committees. The Chief of Police, in the correspondence, provides a discussion of the grant program and requests authorization from City Council and Mayor for:
 - a. Retroactive approval of the grant application;
 - b. Acceptance of the grant award;
 - c. Execution of the grant award agreement and any other related contracts; and
 - d. Controller Instructions on establishing accounts and appropriations and how the funds are to be spent.

Included in the transmittal are the following attachments:

- a. Grant award letter or notification
 - b. Grant award agreement
 - c. Grant application
2. 15.2 from the Commanding Officer of Fiscal Operations Division to the Chief of Police to approve and sign the attached transmittal.

COMMISSION AND COUNCIL MEETINGS

The grant award will be placed on the BOPC agenda by the Chief of Staff Office. The Grants Analyst should request automatic notifications of all BOPC and future City Council meetings, including the status of grant approvals. The Program Director, the Subject Matter Expert, and the Grants Analyst shall attend the BOPC to discuss program details and answer any questions from the Board. If approved, the BOPC report is forwarded to the City of Los Angeles, Officer of the Chief Administrator Officer (CAO).

The CAO will review the report and make a recommendation to the appropriate City Council committees. Grant awards for LAPD are normally referred to the Public Safety Committee and/or the Personnel committees. The Program Director, the Subject Matter Expert and the Grant Analyst shall attend City Council Committee meetings, if necessary, to respond to questions by the committee members. After approval from Council Committees, the transmittal is scheduled to go on the Full Council agenda for approval. The Mayor has ten days after Council approval to sign the award.

GRANT APPROVAL

After Council approves the grant award, the Grants Analyst is responsible for:

1. Notifying the end user to start program implementation.
2. Notifying FOD Appropriations Section to set up accounts and encumber the funds and provide them with the following documents as soon as they are available:
 - a. Grant Title
 - b. Grant Award Number
 - c. Council File Number
 - d. Grant Amount
 - e. Grant Period
3. Change status to "Open" in the GTS.

ACCEPTANCE TIMELINES

With Federal Grants, the Grants Section has 45 days to transmit the acceptance letter to the grantor with the signature of the Chief of Police. With State Grants, the Grants Section has 60 days to transmit the acceptance letter to the grantor with the signature of the Chief of Police. The Grants Section may contact the grantor to request an extension for acceptance.

GRANTS MANAGEMENT

ORIENTATION WITH END USER

The assigned Grants Analyst and Grants Section Officer in Charge will meet with the end user to discuss grant requirements and processes:

1. Grant timeline
2. Budget and appropriations
3. Purchasing
4. Travel
5. Overtime Code
6. Overtime tracking
7. Performance Metrics
8. Reporting deadlines
9. Progress Reports
10. Special Conditions
11. Identify Program Lead
12. Introduce Grants Analyst
13. Expectations

Preferably, the attendees from the end user division will consist of the following:

- ❖ Commanding Officer (Project Director)
- ❖ Subject Matter Expert/Program Lead
- ❖ Timekeeper (if overtime is in the budget)
- ❖ Training Coordinator (if travel is included in budget)
- ❖ Other personnel who may be involved in preparing the activities listed above

GRANT DOCUMENT MANGEMENT

All grant files are electronically located under Grants Home.

1. Grants Active folder – contains all grant awards. Each grant has documentation on the grant application, grant award, transmittals for City acceptance, grant modifications and progress reports.
 - a. Application
 - ❖ Copy of the announcement for funding with any important notes
 - ❖ Copy of Original Application that was submitted for funding
 - ❖ Controller Instructions
 - ❖ City Council File
 - b. Correspondences

- ❖ All Intradepartmental Correspondences
- ❖ All Forms submitted to the CAO
- ❖ All letters of transmittals
- ❖ All correspondence to the grantor
- c. Meetings
 - ❖ Agenda and handouts
 - ❖ Sign-In Sheet
 - ❖ Notes
- d. Modifications and Amendments
 - ❖ Any documents requesting changes in the award and budget
 - ❖ Council Motion to accept modifications
- e. Procurement/Contracts
 - ❖ Requirements, specifications
 - ❖ RFP
 - ❖ Statement of Work
 - ❖ Contracts for equipment including rented or leased equipment
- f. MOU and Agreements
 - ❖ Memorandum of Understanding
 - ❖ Operational Agreements
- g. Progress Reports
 - ❖ Reports required by the grant award
 - ❖ Any document with statistical information
 - ❖ Correspondence with End User on Progress
- h. Site Visits/Audits
 - ❖ Any documents or notes pertaining to the grantor's site visits/audit
 - ❖ Any documents or notes pertaining to Grants Section conducting site visits/audits to the end user
- i. Contacts
 - ❖ Name and contact information for the project Director, Subject Matter Expert and the Program Manager
 - ❖ Name and contact information for the grantor
 - ❖ Name and contact information for key contract sources
- j. Other, if needed

2. Grants Cost Recovery folder – contains financial information for each award. Each file has documentation on the financial reports submitted to the grantor for reimbursement, back-up documentation, invoices, the Budget and Revenue Status report, and the Detailed Expenditure report.

1. Expenditures

- ❖ Copy of any Approved or Denied Supply Order Form 15.11.00
- ❖ Copy of any Approved or Denied Travel Requests
- ❖ Copy of any Contracts

- ❖ Copy of Names and Serial Numbers in which salary and/or overtime is grant funded
- 2. Expenditure Reports
 - ❖ Any documents the grant accountant believes should be shared with end user
 - ❖ Request for reimbursement from the grantor
- 3. Other, if needed

Grant files are also maintained in physical folders.

1. Green folders - contain similar documents as those found in the electronic Grants Active folder.
2. Blue folders - contain similar documentation as those found in the electronic Grants Cost Recovery folder.

GRANT PERFORMANCE PERIOD

Federal grants use the federal fiscal calendar, which starts on October 1st and ends on September 30th. State and County grants generally use the same fiscal year as the City's, which starts on July 1st and ends on June 30th.

FISCAL MANAGEMENT

Grant analysts are also responsible for the fiscal management of the grant:

- ❖ Maintain accurate accounting records for grant expenditures
- ❖ Review the budget for each grant
- ❖ Process purchase requisitions
- ❖ Follow up payments to vendors
- ❖ Maintain Accounts Receivable
- ❖ Reconciliation of salaries and/or overtime reports with end users
- ❖ Prepare financial reports of expenditures and claims for reimbursement
- ❖ Apply first level approval on receivable invoices
- ❖ Review and reconcile encumbrances, expenditures, and revenue to the Department's financial management system
- ❖ Assist budget analysts for any requests for information, such as reversions and reappropriations for the following fiscal year.
- ❖ Update GTS, which maintains the status of grant funds.
- ❖ Prepare the Budget and Revenue Status Report and the Ledger of Expenditures.

GRANT ACCOUNTS

All grants are under Fund 339. Each grant is given an appropriation account and all encumbrances, expenditures, payments and reimbursements are recorded under the grant's appropriation account.

General Fund accounts are under Fund 100. The Grants Section uses the following Fund 100 accounts for personnel costs:

Account 1012	Sworn Salaries
Account 1092	Sworn Overtime
Account 1010	Civilian Salaries
Account 1090	Civilian Overtime

EXPENDITURE REVIEW AND PROCESSING

The end user initiates all grant expenditures. Purchase requisitions, contractor invoices and travel authorities must be signed by the commanding officer of the requesting division and submitted to Grants Section for review. The Grants Analyst first reviews the documents to check for completeness and ensures the items are included in the approved budget and within the budgeted amount. The Grants OIC provides a second level of review and submits to FOD for processing.

1. Equipment, Supply, and Other purchases

- ❖ Requires a completed Requisition Form (15.11), including a valid quote from a preferred vendor. Ensure sales tax and shipping fees are included. Note: There are no sales tax or shipping fees for software or license purchases.
- ❖ Shipping address for IT equipment should be the ITD warehouse. This is especially important for equipment that needs to be asset tagged for support and maintenance.
- ❖ Information Technology Division provides the quotes for IT purchases. Motor Transport Division will provide quotes for vehicles and other transportation-related items.
- ❖ All quotes and supporting documentation must be attached to the 15.11.
- ❖ The Grants Analyst reviews the 15.11 and ensures the item is allowable and the amount is within budget, and indicates on the 15.11 the name and appropriation number of the grant funding this purchase. After approval from the Grants Analyst and Grants OIC, it is submitted to FOD Appropriations to encumber the funds.
- ❖ The following entities will cut the purchase order for all contracted items, and non-contracted items that are less than \$1000:
 - a. Information Technology Group for IT-related purchases – computers, software, licenses, closed circuit cameras, body-worn cameras, etc.

- b. Motor Transport Division for transportation-related purchases – cars, motorcycles, command post vehicles, etc.
- c. Forensic Science Division for crime lab-related equipment and supplies.
- d. Supply Division for all other purchases.

For non-contract purchases:

- Submit 1 quote if less than \$500
- Submit 3 quotes if more than \$500
- ❖ General Services Department will cut the purchase order for all non-contract procurement over \$999. Three quotes are needed and the lowest bidder will be selected. It will take 28 days to process orders less than \$100,000 and 90 days to process orders over \$100,000.
- ❖ In the event of a Sole Source request, obtain a sole source letter from the vendor/manufacture, and a 15.2 from the end user. The justification should include the following:
 - a. Brief description of the procurement and what it is being contracted for;
 - b. Explanation why it is necessary to contract noncompetitively, including:
 - Expertise of the contractor
 - Responsiveness
 - Knowledge of the program
 - Expertise of his personnel
 - Management
 - c. Time constraints
 - When contractual coverage is required and why
 - Impact on the program if dates are not met
 - How long it will take another contractor to reach the same level of competence.
 - d. Uniqueness
 - e. Other. Any other points that should be covered to “sell the case.”
 - f. Declaration. A declaration stating that this action is in the best interest of the Department.
- ❖ In the event of a No Substitutions request, submit a justification why no other product will be accepted.
- ❖ Vendor Payment

When items are delivered, the end user needs to sign off on the packing list or invoice that came with the order:

 - a. Determine if all items on the packing list/invoice are included on the package.
 - b. Name, serial number and signature of person who received and confirmed the shipment is on the packing list.
 - c. Determine if all the items on the order are on the packing list.
 - d. If yes, indicate that the order is fully received by writing on the packing list “Okay to pay.”
 - e. If not, make sure the discrepancies are noted on the document.

The document must be sent to Supply Division's Receiving Section for processing as soon as possible to initiate the payment process.

2. Contractor Invoices

- ❖ End user working with the contractor should review the invoice and indicate payment approval by signing off on the invoice and writing "Okay to pay."
- ❖ The Grants Analyst reviews the invoice and ensures the amount is within budget, and indicates on the invoice the name and appropriation number of the grant funding this expenditure. The Grants OIC will review and sign off on the invoice before submitting to FOD Appropriations for payment.

3. Travel

- ❖ A Travel Authority must be prepared by the user division and approved by the Grants Analyst. The Grants Analyst indicates on the Travel Authority the name and appropriation number of the grant funding the travel.
- ❖ Unless otherwise indicated, all grant -funded travel must comply with City travel policies and procedures, and the GSA guidelines and rates.
- ❖ After the travel is completed, the end user submits a Personal Expense Statement with all back-up documentation and receipts attached to the Grants Section.
- ❖ The Grants Analyst reviews the invoice and ensures the package is complete and in compliance with City policies. The Grants Analyst indicates on the invoice the name and appropriation number of the grant funding the travel and submits to the Grants OIC for review before forwarding to FOD Revenue/Travel Section for processing.

PERSONNEL COST TRACKING

If the grant pays for overtime, the Grants Analyst will request the end user division to provide a list of personnel who will be assigned to work the overtime. The list will be utilized by FOD to set up an overtime report for the grant. Grants are assigned an overtime code:

<u>Grant</u>	<u>Code</u>
Securing the Cities Grants	30
Homeland Security Grants (Hydra/WMD/iWatch)	31
Homeland Security Grants (10,000 Volts/ALPR/Alliance/STC)	37
Homeland Security Grants (Mactac)	38
Port Security Grant Program	65
DNA Capacity Enhancement/Backlog Reduction Grant	79
Selective Traffic Enforcement Program	84
JJCPA	91
All other Grants	85

Overtime is documented by the completion of overtime slips (greenie). The greenie should include the overtime grant code and the name of the grant. Overtime information is entered by the end

user division's timekeeper into the On-Line Overtime System (OLOTS). The data in OLOTS is then uploaded to the City's Payroll System (PAYSR). Overtime reports are generated from OLOTS.

The Grants Analyst will also request a list of employees whose salaries will be paid by the grant. Employee time is recorded on the Department's Deployment Planning System (DPS). Timekeepers enter timesheet information in DPS, which is then uploaded to PAYSR. Salary reports are generated from PAYSR.

GRANT MODIFICATION

1. Budget Modification

Movement of funds from one budget category to another during the grant performance period.

- ❖ In most cases, grantor approval is not required if amount of modification is 10% or less of the grant amount. However, it is preferable if grantor is notified by email regarding any modification to the budget.
- ❖ Grantor approval is required for modifications greater than 10%. For federal grants, the Grants Adjustment Notice (GAN) is completed in the Grants Management System and submitted electronically to the grantor for approval. For state and local grants, the grantor will provide direction on how to submit a budget modification.
- ❖ Council approval is required if the budgetary revision is greater than the grant revision limit in accordance with Administrative Code Section 14.8(b)(1)B. This limit is based on the consumer price index and is provided by the Office of the City Administrative Officer each fiscal year.
- ❖ After receiving grantor approval of the budget modification, the Grants Analyst will:
 - a. Provide FOD Appropriations Section and Budget Section a copy of the approved GAN or official grantor approval;
 - b. Modify the Budget and Revenue Status Report to reflect the new budget;
 - c. Modify the budget in GTS;
 - d. Prepare a transmittal for Council approval, if needed.

2. No Cost Time Extension

Grant extensions are generally approved with sufficient written justification to the grantor. Sixty days before the grant expires is a good time to request for the extension. Grantors usually will not grant an extension more than 90 days from the grant end date. Common reasons for extensions include grantor giving late notification of grant award, delays in hiring staff, and limited time in the grant period due to delays in Council approval.

- ❖ All time extensions must be approved by the grantor.
- ❖ Time extensions without Council approval is allowed if the extension is less than one year. Extensions for over a year needs to be approved by Council.
- ❖ Once Council approves an extension, the clock "resets" and an extension for up to a year is allowed without council approval from the date of the last Council-approved

extension. The key is to have a preceding council action accepting the grant extension and authorizing an amendment to extend for the clock to reset for a subsequent time extension without council authority.

- ❖ After receiving grantor approval of the budget modification, the Grants Analyst will:
 - a. Provide FOD Appropriations Section and Budget Section a copy of the approved GAN or official grantor approval;
- ❖ Modify the Budget and Revenue Status Report to reflect the new grant period;
- ❖ Modify the grant period in GTS;
- ❖ Prepare a transmittal for Council approval, if needed.

REIMBURSEMENT

Most grants are funded with the Cost Reimbursement Method. Under this method of funding, the City/Department is required to finance the project with its own funds. The grantor will make payments to the City/Department for actual cash disbursements only when supported by adequate documentation.

EQUIPMENT INVENTORY

The Grants Section is responsible for maintaining inventory control of grant-funded equipment. This is necessary to maintain updated records of location of grant-funded equipment and prepare for inventory audits.

Definition

Equipment is defined as any unit item with a life expectancy of at least one year and having an acquisition cost of \$5,000 or more. Shipping, taxes in-transit insurance, and installation charges should be included under this category for new purchases, provided these costs are included on the original purchase order.

Reporting and monitoring of equipment inventory will be maintained by using the following procedure.

INVENTORY REQUIREMENTS

1. Warehouse personnel will affix official property identification tags on all equipment before they are delivered to end users. If an item of equipment cannot be tagged, then it must be etched, or marked with fade resistant ink, paint, etc. The end users are responsible for affixing the identification tags if the equipment is delivered directly to their location.
2. All city, state and federal regulations and laws will be followed.
3. The following data fields must be populated in the Equipment tab of the GTS:
 - a. Description
 - b. Serial – City asset tag number, manufacturer's serial number, model number, stock number or other identification number.
 - c. Funding Source – Name of grant, including award number
 - d. Owner – Whether title vests in the recipient or the grantor
 - e. Acquisition Date – or date received
 - f. Federal Participation – Information from which one can calculate the percentage of Federal participation in the cost of the equipment
 - g. Location – Location and condition of the equipment and the date information was reported
 - h. Cost – Unit acquisition cost

- i. Disposition – Ultimate disposition data, including date of disposal and sales price or the method used to determine current fair market value where a recipient compensates the Federal awarding agency for its share.

INVENTORY REVIEW

Every two years the Grants Section will conduct an inventory of grant-funded equipment. The Equipment Report from the Grants Tracking System will be distributed to the end users to review and update disposition/location of equipment.

FEDERAL GUIDANCE ON UTILIZATION OF EQUIPMENT

OMB Circular A-110 provides the following guidelines on the utilization of equipment purchased with federal funds:

- ❖ “The recipient shall use the equipment in the project or program for which it was acquired as long as needed, whether or not the project or program continues to be supported by Federal funds and shall not encumber the property without approval of the Federal awarding agency. When no longer needed for the original project or program, the recipient shall use the equipment in connection with its other federally-sponsored activities, in the following order of priority:
 - activities sponsored by the Federal awarding agency which funded the original project, then
 - activities sponsored by other Federal awarding agencies.
- ❖ During the time that equipment is used on the project or program for which it was acquired, the recipient shall make it available for use on other projects or programs if such other use will not interfere with work on the project or program for which the equipment was originally acquired. Preference for use shall be as follows:
 - other projects or programs sponsored by the Federal awarding agency that financed the equipment; then
 - projects or programs sponsored by other Federal awarding agencies.
- ❖ The recipient shall not use equipment acquired with Federal funds to provide services to non-Federal outside organizations for a fee that is less than private companies charge for equivalent services, unless specifically authorized by Federal statute, for as long as the Federal Government retains an interest in the equipment.
- ❖ If the equipment is owned by the Federal Government, use on other activities not sponsored by the Federal Government shall be permissible if authorized by the Federal awarding agency. User charges shall be treated as program income.

- ❖ When requiring replacement equipment, the recipient may use the equipment to be replaced as trade-in or sell the equipment and use the proceeds to offset the costs of the replacement equipment subject to the approval of the Federal awarding agency."

DISPOSITION OF INVENTORY ITEMS

Prior to disposing any equipment, it must be determined if the Department has any obligations to the awarding agency with respect to the equipment. Most, if not all, equipment purchased under grants is owned by the City of Los Angeles.

After determining who has title to the equipment, it must be ascertained whether the project that the equipment was purchased for is still on-going. If the project is still on-going, the Department normally has an obligation to utilize the equipment for the purposes of the project, or perhaps to make the equipment available to other federally-assisted projects.

Prior to transfer or disposal of grant-funded equipment, the end user shall notify the Grants Section, who will request approval from the grantor.

A. STOLEN EQUIPMENT

When items of equipment are stolen, an investigation must be made and an Investigative Report, Form 03.01.00 completed. A copy of the report concerning the investigation of the theft must be furnished to the Grants Section as soon as can be obtained.

B. LOST EQUIPMENT

When grant-funded equipment is missing or lost, the person responsible for the item should put the details in writing. Included must be information concerning the disappearance of the item, the last time the item was seen, and the first time it was noticed missing. This report must be furnished to the Grants Section.

C. EQUIPMENT TRANSFER

Once grant-funded equipment has been tagged and inventoried, it should not be removed from its assigned division, without approval from the Grants Section. It is imperative to notify the Grants Section when equipment is moved because all equipment is inventoried and tracked by location.

D. SALVAGEABLE EQUIPMENT

When grant-funded equipment no longer has a useful life, is damaged beyond repair, or is surplus to the office needs, commanding officers must request removal of equipment. A Supply Order, Form 15.11.00, along with an Intradepartmental Correspondence, Form 15.02.00, must be submitted to the Commanding Officer, Fiscal Operations Division prior to removal. Salvageable grant-funded equipment must not be disposed of, nor converted to uses for which they were not originally intended, except on authorization from the Commanding Officer, Fiscal Operations Division.

Upon receipt of notification to pick up salvageable equipment, Information Technology Division (IT equipment) or Supply Division, will cause the property to be picked up and a receipt therefore to be issued to the unit. Supply Division and Information Technology Division will ensure that all asset tags of salvageable equipment are removed prior to disposal and that the equipment is removed from the inventory database.

OTHER GRANT REQUIREMENTS

SUBRECIPIENT MONITORING

When grant awards are given to subrecipients, it is the primary recipients responsibility to monitor subrecipient compliance with the grant and contract agreement. The LAPD's Subrecipient Monitoring Guidelines are attached in Appendix A.

SUSPENSION AND DEBARMENT

Debarment and suspension certification requires that agencies establish and implement procedures to ensure that Federal assistance is not awarded to entities that are prohibited from receiving Federal funds. Those procedures should include a review of information in SAM regarding exclusion status. Such procedures help the Federal government and recipients to conduct business only with responsible persons.

The LAPD's Suspension and Debarment Guidelines are attached in Appendix B.

FEDERAL FUNDING ACCOUNTABILITY AND TRANSPARENCY ACT (FFATA)

Grant recipients must comply with applicable requirements to report first-tier subawards of \$25,000 or more and, in certain circumstances, to report the names and total compensation of the five most highly compensated executives of the recipient and first-tier subrecipients (first-tier "subgrantees") of award funds. The details of recipient obligations, which derive from the Federal Funding Accountability and Transparency Act of 2006 (FFATA), are posted on the OJP web site at <https://ojp.gov/funding/Explore/FFATA.htm> (Award condition: Reporting Subawards and Executive Compensation).

The LAPD's FFATA Reporting Guidelines are attached in Appendix C.

REPORTS

FINANCIAL REPORTS

1. When preparing financial reports, the Grants Analyst will run the following reports for the billing period that will be reimbursed by the grantor:
 - a. The Statement of Condition of Appropriation Report (SAR) from the City's Financial Management System (FMS)
The report is generated by entering the grant's appropriation account number. It details all the grant's expenditures paid for the month(s) except for personnel costs.
 - b. Salary Report from PAYSR
The salary report is generated for each employee funded by the grant. The report lists the employee's bi-weekly pay, which is used in the calculation of salary to be reimbursed for the billing period.
 - c. Overtime Report
Each grant has its own overtime report programmed by FOD Systems that is based on OLOTS. A report is generated for the billing period and sent to the Program Lead to review and certify that the report is accurate.
2. Update the Budget and Revenue Summary
3. Update the Expense Detail
4. Include all supporting documents:
 - a. Purchase orders, 15.11s, Invoices
 - b. Correspondences
 - c. Grant modifications
5. Complete financial report, print and attach to package
 - ❖ Form SF 424 for federal grants
 - ❖ Form 201 for state grants
 - ❖ Other grants have their own forms
6. Enter information in Grants Tracking System and ensure that it matches with the information on the Budget and Revenue Summary
7. Submit the package to the Grants OIC for review and initial
8. Submit to FOD CO for review and signature
9. Submit financial report. For most federal grants, the reports are submitted online via the Grants Management System. Financial reports for state and county grants are submitted by mail.

Due Dates

Financial reports for federal and state grants are done quarterly and due 30 days after the quarter ends.

<u>Billing Period</u>	<u>Due Date</u>
January – March	April 30
April – June	July 30
July – September	October 30
October – December	January 30

County grants are done monthly and are due 30 days after the reporting month.

10. Submit Drawdown request for federal grants. Most grant funds are drawn down through the Grant Payment Request System (GPRS). Print confirmation and attach to package.
11. Enter invoice amount in Grants/Billing Summary.
12. Complete and send notification to the Office of Finance regarding receivables from the federal drawdowns.
13. Provide Financial report, Budget and Revenue Summary and Expense Detail to FOD Appropriations.

PROGRESS REPORTS

The user-division is responsible for reporting on the progress of the grant program. Completed reports are sent to the Grants Section for review and submission to the grantor.

- ❖ State - Semi-annual reporting. Progress reports are either submitted online or by mail depending on grantor instructions.
 - July 1 – Dec 31 due date: Jan 15
 - Jan 1 – June 30 due date: July 15.
- ❖ Federal – Semi-annual reporting. Progress reports are submitted online through the Grants Management System.
 - July 1 – Dec 31 due date: Jan 30
 - Jan 1 – June 30 due date: July 30

CLOSEOUT

The Grants Analyst initiates the closeout process once programmatic and financial requirements have been met. The grant agreement will provide information on closeout periods for each grant. During closeout, the Grants Analyst prepares the final progress report and final financial report for submission.

- ❖ State grants
 - Closeout periods can range from 0 – 45 days after the grant end date.
 - All expenses must have been encumbered prior to the grant end date.
 - All financial, progress, and other reports required by the terms and conditions of the award must be submitted during the closeout period.
 -
- ❖ Federal grants
 - Closeout period is 90 calendar days after the grant end date.

- Closeout instructions will be provided by the grantor.
- All financial, progress, and other reports required by the terms and conditions of the award must be submitted during the closeout period.

RETENTION

All grant records must be retained for seven years from the end of the grant performance period. If an audit, investigation, review, litigation, or any other action occurs during the seven-year retention period, the records shall be retained until the resolution of such process, or until the end of the seven-year period, whichever is longer.

AUDITS

TYPES OF AUDITS CONDUCTED BY THE GRANTOR

1. Desk Reviews: Reviews of financial and narrative reports, audit reports, correspondence and other documentation provided by the grant agency.
2. Telephone Contacts: Direct communication with the recipient by telephone to ask or answer questions and check on the progress of the project.
3. On-site Monitoring: A visit to the project site to review one or more aspects of the grant project.

REASONS WHY GRANTS MAY BE SUSPENDED OR TERMINATED

- ❖ Failure to submit required reports
- ❖ Failure to expend funds in a timely manner in accordance with grant milestones, guidance, and assurances
- ❖ Failure to make satisfactory progress toward the goals or objectives of the grant

TOP TEN FINANCIAL MONITORING FINDINGS

The following are common findings by federal and state auditors during their audit of grantee files:

1. Untimely submission of reports
Narrative and financial reports are not submitted when due.
2. Lack of documentation
The grantee does not have adequate invoices or other documentation to back up the expenditure of funds.
3. Inadequate monitoring of contractors
The grantee is failing to monitor its contractors to ensure that they are expending their funds in compliance with all state laws and regulations.
4. Inadequate time and effort records
The grantee has failed to keep adequate time and effort records documenting the time that its employees and consultants have worked on the activities related to the project.
5. Inaccurate reports
The financial status reports submitted do not agree with the financial records of the organization. The grantee's request for payment does not correlate with its need for funds.
6. Commingling of funds

The grantee's accounting system is unable to accurately identify the receipt and expenditure of funds with the proper award.

7. Excess cash on hand

The grantee is not managing its drawdown of funds to coincide with expenditures to avoid having excess funds on hand.

8. Unallowable costs

The grantee has expended state funds on cost items that are unallowable.

9. Inappropriate changes

The grantee has made budget changes and/or changes in the scope of the project without requesting prior approval from the grantor.

10. Conflicts of interest

The grantee has conflicts of interest or the appearance of conflicts of interest in its procurement procedures or other management of the state funds.

OTHER RESOURCES

- ❖ CALOES Subrecipient Handbook
<http://www.caloes.ca.gov/GrantsManagementSite/Documents/2018%20Subrecipient%20Handbook.pdf>
- ❖ DOJ Grants Financial Guide
<https://www.justice.gov/ovw/file/1030311/download>
- ❖ City of Los Angeles Administrative Code Section 14:
<http://www.amlegal.com/library/ca/losangeles.shtml>
- ❖ Uniform Guidance
<https://www.gpo.gov/fdsys/pkg/CFR-2014-title2-vol1/pdf/CFR-2014-title2-vol1-part200.pdf>

