



Lanesborough Village Fire & Water District

Grant Administration Policy

Purpose

The purpose of this policy is to govern the management of grants and gifts. Grants are predominantly from agencies of the Commonwealth or the Federal government but also may be offered by private entities. Gifts of money or property generally come from private donors for a particular purpose.

A municipality's use of grants and gifts can be a valuable tool in the pursuit of policy goals and objectives; but effective grant and gift management requires diligence from pre-application/donation review through grant/gift implementation to grant/gift closing.

This policy establishes a framework for evaluating grant/gift opportunities, tracking grant/gift activity, processing grant/gift revenues and expenditures, and receiving, using, and disposing of non-monetary gifts.

Background

DLS recommends analyzing current and future impact of grants on operating budget, capital improvement program, and debt management.

The Government Finance Officers Association recommends that governments establish processes to promote awareness throughout the government that grants normally come with significant requirements.

Definition

1. Grant - an award, usually financial, given by one entity (typically a company, foundation, or government) to the Water District to facilitate a goal or incentivize performance. Under most conditions, grants do not have to be paid back to the grantor. Generally, upon acceptance by the Water Commissioners or Superintendent in a District, grants do not require approval at District Meeting before funds can be expended.
2. Gifts (Monetary) - cash or securities given to a municipality to be expended for a purpose stipulated by the donor. Such gifts may be accepted under the provisions of either M.G.L. Chapter 44, Section 53A, or Chapter 71, Section 37A and spent without approval of and appropriation at District Meeting.
3. Gifts (Non-Monetary) - includes non-cash donations such as articles, art, furniture, etc. deemed by donors to have a possible use or a future use to the District.



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Applicability

This policy applies to the Law Counsel and Water Superintendent regarding the application for and acceptance of grants and gifts; and Treasurer regarding the control of grant and funds; and Water Commissioners responsible for implementing and managing a grant- or gift-funded program.

Policy

1. The District is encouraged to pursue grant funding for projects and programs consistent with their goals and objectives.
2. Pursuant to M.G.L. c. 44, § 53A, no department shall expend grant funds until a fully executed grant agreement has been accepted and approved for expenditure by the Water Commissioners and a grant account(s) is established by the Treasurer.
3. No grant or gift funds shall be used to supplant an existing operating budget appropriation for the purpose of diverting it to another use.
4. The municipality shall comply with the terms and conditions of the grant agreement as well as all applicable federal, state, and local laws and regulations. Timely notification shall be provided to the Treasurer and Law Counsel if there are any developing concerns relative to implementation of the grant, its budget, or compliance with grant requirements.
5. At fiscal year-end, the Treasurer shall evaluate the materiality of any grant expenditures in excess of grant reimbursements and, if deemed material, request that the Treasurer pursuant to M.G.L. c. 44, § 6A, borrow in anticipation of reimbursement, to finance such deficits in order to mitigate the impact on the District's fiscal condition.
6. Pursuant to M.G.L. c. 44, § 53A, monetary gifts shall require acceptance by the Water Commissioners before expenditure or use.
7. Non-monetary gifts shall be considered by the Water Commissioners on a case-by-case basis to determine whether the gift will be accepted or respectfully declined. When considering the acceptance of the non-monetary gift, the District will consider the value offered by the non-monetary gift, the maintenance and short- and long-term costs and the storage/placement of the non-monetary gift. The District has no obligation to accept any/all gifts offered. If a gift is accepted, the District reserves the right to declare the non-monetary gift surplus at any future time unless the District and the donor agree that the non-monetary gift will be kept in perpetuity. No monetary value will be attributed to the value of the non-monetary gift by the District. It is the responsibility of the donor to ascertain its value.



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Procedure

1. Grant Application - All grant applications submitted shall be pre-approved by Law Counsel before submitting to a grantor for funding. The Law Counsel shall inform the Water Commissioners in writing or verbally at a regular meeting of grant applications that have been approved for submission. Evaluation of the proposal shall address the following:
 - a) The District's motivation for pursuing the grant.
 - b) An assessment of how the grant will further the District's policy goals and objectives.
 - c) An assessment of the capacity of existing staff to administer the grant over the term of the grant, and costs of salaries and benefits for new staff, if needed.
 - d) Availability of office space, facilities, supplies, or equipment required to implement the grant.
 - e) Cash or in-kind contributions, if any, required of the District by the grantor, and proposed funding sources to meet such requirements.
 - f) District overhead that can be funded through the grant.
 - g) Potential for the grant program to generate income to the District.
 - h) Identification of potential post-grant costs if the grant-funded program is maintained or terminated.
 - i) Grant compliance and audit requirements.

2. Grant/Gift Management
 - a) Upon notification of a grant award or a gift, Law Counsel will forward a signed copy of the grant agreement or instructions from the donor of a gift to the Water Superintendent as well as to the Treasurer. All agreements shall be in writing.
 - b) The written agreement shall provide that any interest earned in the grant/gift fund can be used for the purpose of the grant or gift. Exceptions to this requirement must be approved by the Water Commissioners.
 - c) The Treasurer will establish grant/gift accounts in the general ledger to record grant/gift revenues and expenditures and set up systems to ensure that grant/gift-funded staff are appropriately charged to the grant.
 - d) The Treasurer shall issue reports as needed to grant/gift managers showing amounts expended-to-date versus budget, and grant/gift payments received to-date.
 - e) Primary responsibility for grant/gift management shall rest with the department awarded the grant/gift. This shall include compliance with all terms and conditions of the grant/gift, timely expenditure of funds, regular monitoring of the grant/gift budget, timely filing for reimbursement, if applicable, and filing for an extension of the grant/gift, if permitted and needed.

3. Grant/Gift Closeout
 - a) Upon completion of the grant/gift-funded program or grant/gift period, whichever comes first, the grant/gift manager will verify that all grant/gift requirements have



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been met and will send to the Treasurer a grant/gift closeout package that includes a final report and, in the case of a grant, either a final reimbursement request or notification of the amount to be refunded to the grantor.

- b) Upon receipt of the closeout package, the Treasurer will put the general ledger's grant/gift account into inactive status and will reconcile the project manager's report with the general ledger's record of grant/gift activity. In the case of a grant, the project manager will subsequently submit a final reimbursement request to the grantor or, if a refund is due, the Treasurer will add the refund amount to a subsequent accounts payable warrant.
- c) Within 30 days of any grant/gift closeout or the year-end closing, whichever is earlier, the Treasurer will determine if the grant/gift account has been over expended and will either apply the expense to the operating budget or propose an appropriation from other available funds.

4. Audit

- a) All grant/gift activities are subject to audit by the particular grantors, the Treasurer, and the District's independent auditor. The Treasurer will maintain all grant/gift documents and financial records for seven years after their closeouts or for the lengths of time specified by the grantors, whichever period is longer.

Approval Date	
Revision Date	
Revision Date	
Revision Date	

References:

- M.G.L. c. 44, § 6A
- M.G.L. c. 44, § 53A
- M.G.L. c. 71, § 37A