

## HYATT PROCEEDS – COUNCIL DISTRICT GRANT POLICY

The purpose of this policy is to provide an equitable and fiscally responsible process for administering grant funding for City Council District improvement plans funded through the approved allocations of Hyatt proceeds received by the City of Wichita for such purposes. This guide is to assist both City of Wichita staff administering the grants, as well as grant applicants and grantees.

### **1.0 STAGES OF GRANT PROCESS**

**Notice of Grant.** A notice, such as “Grant Application Notice,” should be issued notifying potential applicants within the Council District of the availability of funding and related grant criteria.

A grant application is then written in response to this established criterion. This is the first stage of four stages in the process.

**Initial Application.** A Grant Application is completed and submitted to City staff. The application must be completed per the requirements set forth in the Request for Application posted for the grant funding opportunity. Applications must contain the following information:

- Purpose of project;
- Scope of project, including implementation plan (work plan);
- Goals and objectives of project
- Detailed budget and amount of grant request
- Funding Agency Required Assurances

**Selection Process.** Grant applications shall be reviewed and evaluated by a Grant Review Committee appointed pursuant to the City Ordinance No. 50-585

**Notification of Grant Award.** Following consideration by the Grant Committee, grant applicants shall be notified of award. A Notice of Grant Award (NGA) will include all critical information including, but not limited to: the project and budget period; the amount of award, including (if applicable) matching fund requirements; and the applicable laws, regulations, and award conditions. The applicant must then sign and return the NGA to the appropriate City staff, as identified in the NGA.

**Performance Period.** The grantee will manage the grant project according to the requirements, standards and guidance contained within the grant terms and conditions. Depending on the term of the grant period, quarterly, bi-annual, or annual, narrative and financial progress status reports will be required in accordance with the frequency established in the special conditions of the award document. Any modifications to the approved implementation plan should be submitted to City staff. The applicant must complete all deliverables as stated in grant application.

*Note: City staff approval is required for any major amendments to the project, such as changes in the scope of work, budget, major personnel and the performance period. Failure to request changes may result in cost disallowances.*

**Close Out.** Upon completion of the performance period of the grant award, the grantee is required to submit a final report of activities, performance and the final financial report. Recipients are generally required to submit all reports required by the terms and conditions of their award within 90 days of the completion of the project period. Financial records and supporting project documents should be retained for a period of three years from the date of submission of the final report package.

## **1.1 GENERAL RISKS ASSOCIATED WITH GRANT FUNDING**

City grants are awarded for specific “public purposes” and therefore, grantees are required to utilize funds awarded as agreed upon and stated in the grant award document. If grant funding misuse occurs, including fraud and waste, the consequences of these actions can include debarment from receiving future funding, administrative recovery of funds, and up to and including criminal prosecution. Misuse of funds can be a result of simple mistakes, gross negligence or actual criminal fraud.

### **Common misuses of grant funding may include:**

- **Conflict of interest** – Conflict of interest occurs when grant funds are used to purchase either goods or services from a party that did not participate through an open procurement process. Goods or services should be purchased through what is commonly known as an “arm’s length transaction,” where the project staff, sub-contractors or vendors of the grantee are not related parties, including family members, or business associates. Additionally, the grantee should not hold a financial or other legal interest in the entities utilized in connection with providing goods or services related to the grant project.
- **Misuse of Funds** – Misuse of funds can include, but is not limited to, charging personal expenses as business expenses to the grant, charging for costs or services that were not incurred, not tracking personnel costs correctly and charging items to the grant that were not approved.
- **Theft** – Theft of funds can be accomplished through a number of ways. It can include using funds for non-grant-related purposes, such as purchasing personal items with grant funds, or reimbursement for expenses, goods or service not actually incurred.

It is the responsibility of the recipient of grant funding to mitigate the inherent risks associated with the potential misuse of funds.

## **1.2 GRANT ROLES AND RESPONSIBILITIES**

Each grant application shall identify and designate an “authorized representative” that is the individual authorized to sign all documents as the grantee or on behalf of the grantee. The primary contact or project manager, which may also be the grantee and/or authorized representative shall also be

identified. This primary contact will be tasked with management and oversight of the grant project and for ensuring that grant deliverables are met in the time set forth in the approved work plan. The primary contact will work in collaboration with appropriate City staff on grant-related reimbursements, draw-downs, and other grant reporting requirements.

### **1.3 GRANT AWARD NOTIFICATION, REVIEW AND ACCEPTANCE**

Upon approval of a grant application, a Notice of Grant Award (NGA) will be forwarded to the grantee for review and acceptance. The signed NGA shall be returned to appropriate City staff and authorization will be provided to begin grant project activities.

### **1.4 GRANT REPORTING PROCEDURES**

The Notice of Grant Award will contain information on reporting requirements for grant funded projects. Reporting requirements may differ depending on the nature and term of the grant project. Reports may be required on a monthly, quarterly or other frequency basis. It is the grantee's responsibility to ensure that all required reports are submitted to appropriate City staff before the respective due dates.

### **1.5 GRANT CLOSE-OUT PROCEDURE**

The Notice of Grant Award (NGA) will state the period of the grant funded project and will state the last date of the project period. The close out of a grant project must be completed in a timely manner and consist of all required reports as stated in the NGA. The close out of a grant does not negate any additional requirements for reporting of improvements or property purchased with grant funds, grant records retention or financial accountability. If any grant funds have not been expended during the approved grant project period, the unexpended funds shall be returned to the City of Wichita unless the project period is extended by the Grant Committee. Additional charges made after the close out date will be disallowed by the City of Wichita.

### **2.0 GRANT PAYMENTS**

The grantee agrees that all payments under the Notification of Grant Award shall be in accordance with established budgeting, purchasing and accounting procedures of the City. The purchase of capital outlay items and the purchase of equipment, supplies, materials and other personal property which have a unit cost of five thousand dollars (\$5,000.00) or more must be approved by the City before procurement is initiated. Failure to receive prior written authorization from the City to purchase such items may result in those expenditures being ruled ineligible for reimbursement.

Depending on the nature of the grant project, purpose and budget, grant funding may be disbursed to grantees on a reimbursement basis or payments may be made directly to authorized vendors, contractors or entities in accordance with established City of Wichita purchasing procedures and based

on actual invoices for goods or services received by the grantee for the grant project. A minimum of three written bids or quotes shall be obtained by the grantee for all purchases of goods or services under the grant project. All costs and expenditures submitted for reimbursement shall be itemized by line item according to the grant budget. Upon completion of the work performed and payment of invoices by the grantee, a copy of the invoice and evidence of payment to the vendor may be submitted to the City of Wichita for reimbursement to the grantee from authorized and budgeted grant funds. Any goods or services received and paid for by the grantee which are not applicable to the grant project will not be reimbursed.

Cash advances may be requested and justified in writing, with those justifications directed to the City of Wichita. If the City determines the request to be properly justified, it may issue a cash advance in an amount deemed appropriate based on the nature and term of the grant project. The City will recoup any cash advance from a pre-determined number of final payments made to the grantee under the NGA.

## **2.1 DOCUMENTATION OF COSTS**

All grant costs shall be supported by properly executed payrolls, time records, invoices, contracts, vouchers or other official documentation evidencing in proper detail the nature and propriety of the charges. All checks, payrolls, invoices, contracts, vouchers, orders or other accounting documents pertaining in whole or in part to the grant project shall be clearly identified and readily accessible.

## **2.2 REPORTS AND INFORMATION**

The grantee shall furnish or make available to the City or its designated representatives such statements, records, reports, data and information for examination or as the City may request pertaining to the Notice of Grant Award.

## **3.0 CONFLICTS OF INTEREST**

No grantee, member, officer or employee of the grantee or its designees, agent or others exercising any functions or responsibilities under the Notice of Grant Award shall have any personal financial interest, direct or indirect, in any contract or subcontract, or the proceeds thereof, for work to be performed under the project defined under this grant.

## **4.0 COMPLIANCE WITH LOCAL LAWS**

All parties shall comply with all applicable laws, ordinances, codes and regulations of the State of Kansas, and local governments.

## **5.0 POLITICAL ACTIVITY PROHIBITED**

None of the funds, materials, property or services provided directly or indirectly under the Notice of Grant Award shall be used for partisan political activity or for the election or defeat of any candidate for public office.

## **6.0 LOBBYING PROHIBITED**

None of the funds under the Notice of Grant Award shall be used for lobbying and/or propaganda purposes designed to support or defeat legislation pending before the Congress of the United States of America, the Legislature of the State of Kansas, the Sedgwick County Board of County Commissioners or the Wichita City Council.