

# American Rescue Plan Act (ARPA) Grants Management Policy

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N/A

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All policies are updated as needed and on a set review cycle.

## 1. Policy Statement

### 1.1 Background

- (a) Historically marginalized communities are often left behind in crisis responses as a result of decision-making not rooted in equity. As the ongoing impacts of the coronavirus pandemic continue, the City is committed to embedding racial equity into the development and administration of its American Rescue Plan Act (ARPA) grant projects.
- (b) This policy establishes consistent standards and procedures to facilitate centralized reporting on the spending and performance of City of Sacramento (City) ARPA grant awards, including guidance to City staff regarding the solicitation, award, and management of ARPA grants.
- (c) On September 14, 2021, the City Council adopted the ARPA Framework and Funding Priorities (ARPA Framework) and directed the staff to implement City Council direction consistent with the ARPA Framework.
- (d) On October 19, 2021, the City Council adopted Resolution No. 2021-0313, which authorized the City to accept \$112.2 million of ARPA funding from the U.S. Department of the Treasury (Treasury); establish the ARPA Reinvestment Fund; and allocate \$112.2 million of ARPA funds to provide government services and budget the resulting available resources in the ARPA Reinvestment Fund to assist with the recovery and reopening resulting from the impacts of COVID-19.
- (e) The ARPA Framework contemplates that additional pass-through funding beyond the City's allocation of ARPA funding from Treasury may be awarded to the City and spent consistent with the ARPA Framework.

### 1.2 Purpose

- (a) The City must be able to measure, using common metrics focused on outcomes, the efforts to advance racial equity through its ARPA funding processes. These efforts include identifying gaps in the current understanding and application of a racial equity lens, as well as to uncover emerging best practices and opportunities for strengthening the communities hardest impacted by the ongoing COVID-19 pandemic.
- (b) The City is committed to effective, efficient, and transparent management of grants awarded to individuals and organizations providing community benefits. Funds awarded under this Policy are intended to address the impacts of COVID-19 on the Sacramento community. These funds can only be used in accordance with the terms of an approved grant agreement. The City Manager is authorized to sign grant agreements as set forth in Approved Budget Resolution No. 2021-0198 and No. 2022-0198.
- (c) The City aims to ensure that projects and services funded by its ARPA Reinvestment Fund are consistent with the objectives of the Treasury's Final Rule regarding Coronavirus State and Local Fiscal Recovery Funds (31 CFR Part 35).
- (d) The City recognizes that administrative burdens imposed on its grant applicants

and awardees may create challenges for Grantees to achieve the objectives of their grant awards. Consequently, this policy aims to minimize administrative burdens by encouraging City staff to streamline processes, eliminate duplicate requests for the same information, and provide clear, user-friendly templates for Grantee reporting.

- (e) Notwithstanding concerns regarding administrative burdens, the City must ensure that the spending and impacts of its ARPA investments can be easily and transparently communicated to the general public. To facilitate the conveyance of this critical information, reporting must be standardized for all City ARPA Grantees.

### 1.3 Governance

- (a) Segregation of duties is a basic building block of sustainable risk management and internal controls. The principle of segregation of duties is based on shared responsibilities of a key process that disperses the critical functions of that process to more than one person or department. This separation in key processes reduces the risk of fraud and error.
- (b) The City's Regulatory and Internal Control Framework for the City's Use of American Rescue Plan Funds (Regulatory and Internal Control Framework) outlines key internal controls, including segregation of duties.
- (c) This policy builds upon the Regulatory and Internal Control Framework by specifying additional controls, segregation of duties, roles, and responsibilities throughout the grant management lifecycle. Additional segregation of duties are depicted in Appendix B.
- (d) The City Manager established the ARPA Program Office as a centralized control point and clearinghouse for reviewing, coordinating, and approving all ARPA projects, funding solicitations, technology systems, grant agreements, and reporting templates deployed to meet the City's ARPA objectives. In addition, the ARPA Program Office provides technical assistance to City staff and Grantees to support the implementation of this Policy. The ARPA Program Office exists within the Office of the City Manager and may be supported by City contractors.
- (e) Any item in this Policy that requires approval from the City Manager's Office may be requested and effectuated in writing via email. Such approvals shall be documented and retained in the ARPA Central File Repository.

## 2. Grant Project Development and Eligibility Review

### 2.1 Project Management

Department directors shall designate one or more Project Leads who are responsible and accountable for the successful development and implementation of each ARPA grant project.

### 2.2 Racial Equity Rapid Response Tool

- (a) Project Leads shall use the ARPA Interim Racial Equity Rapid Response Tool (IRRT)

to assess each ARPA grant project and address the potential for that grant project to exacerbate existing racial disparities. To facilitate intentional consideration and build capacity of racial equity, this tool should be used to examine how Black, Asian, Indigenous, and People of Color (BAIPOC) communities will be affected, both short-term and long-term, by a proposed action or decision of the City in the development and implementation of ARPA grant projects.

- (b) The City’s Office of Diversity & Equity or ARPA Program Office may determine whether Project Leads have completed this requirement.

### 2.3 Project Eligibility Review

- (a) Project Leads shall perform and document the same two-step analysis specified in Treasury’s ARPA Coronavirus State and Local Fiscal Recovery Funds (SLFRF) Final Rule (31 CFR Part 35):
  - 1) Identify COVID-19 public health or economic impact; and
  - 2) Design a response that addresses or responds to the impact.
- (b) Project Leads shall submit each proposed ARPA grant project for eligibility review by the City Attorney’s Office and Office of the City Auditor under Treasury’s SLFRF Final Rule regarding allowed uses.
- (c) Project Leads are authorized to proceed with pre-award activities if the City Attorney’s Office and Office of the City Auditor review clearly provides notations indicating the project is eligible under Treasury’s SLFRF Final Rule or the City Manager’s Office approves an exception. In the event that only one office provides such notations, Project Leads shall receive approval from the City Manager’s Office to implement a project.

### 2.4 Alternative Eligibility Guidelines for ARPA Reinvestment Funds

- (a) To simplify administration of its services and projects, the ARPA Reinvestment Fund provides the City with additional flexibility in determining project and participant eligibility.
- (b) When the City Attorney’s Office or Office of the City Auditor have identified a project as not being clearly eligible under the Treasury’s SLFRF Final Rule, Project Leads may request approval from the City Manager’s Office for a proposed project addressing negative economic impacts if the project activities occur in or primarily serve program participants residing in one of the following geographic boundaries:
  - 1) A Census Tract directly adjacent to a 2021 or 2022 Qualified Census Tract (QCT) ([https://www.huduser.gov/portal/sadda/sadda\\_qct.html](https://www.huduser.gov/portal/sadda/sadda_qct.html));
  - 2) Community Development Block Grant (CDBG) Low/Moderate Income Census Tract;
  - 3) Sacramento Promise Zone (<https://www.sacramentopromisezone.org/interactive-map>);
  - 4) Opportunity Zone (<http://www.cityofsacramento.org/economic-development/grow-here/incentives/opportunity-zones>);
  - 5) A zip code that has an area median income (AMI) below the California

Department of Housing and Community Development (HCD) low-income designation for Sacramento County:

	Median
95815	\$36,652
95824	\$38,330
95814	\$45,146
95821	\$49,285
95823	\$50,945
95838	\$51,261
95811	\$51,648
95832	\$51,763
95820	\$53,878
95828	\$56,511
95817	\$58,406
95822	\$60,560
95833	\$66,183
95834	\$68,523
<b>Sac Co. Low</b>	<b>\$72,500</b>

- (c) If none of the preceding boundaries are utilized for a particular project, the Project Lead shall provide documentation that justifies why the project achieves ARPA SLFRF objectives and aligns with City policy.
- (d) Use of the preceding geographic boundaries is not sufficient to determine eligibility for projects that provide cash transfers to individuals or households. For those projects, eligibility must be determined at the individual or household level through proof of income less than the 2021 Self-Sufficiency Standard for Sacramento County based on family type/size (<https://selfsufficiencystandard.org/calculator/>) or documented eligibility dated within the last 12 months for at least one of the following public assistance programs:
  - 1) Unemployment Insurance;
  - 2) State Disability Insurance (SDI);
  - 3) Medicare/Medi-Cal;
  - 4) Supplemental Security Income (SSI);
  - 5) Sacramento Housing and Redevelopment Agency (SHRA) Public Housing or Housing Choice Vouchers;
  - 6) CalFresh;
  - 7) Temporary Assistance for Needy Families (TANF);
  - 8) Women, Infants, and Children (WIC); or
  - 9) Federal tribal assistance.
- (e) A final determination by the City Manager’s Office is required to deem a proposed project as eligible that the City Attorney’s Office and Office of the City Auditor have not identified as clearly eligible.
- (f) These alternative geographic boundaries cannot be used for ARPA Pass-through Funds.

### 3. Pre-Award Requirements

#### 3.1 Grant Application Process

- (a) When awarding grants, staff is encouraged to conduct a competitive application process (“grant solicitation”); however, due to the exigent circumstances related to the public health emergency caused by COVID-19, grant solicitations are not required if the City Manager’s Office provides written authorization to proceed without a grant solicitation, or if 3.1(b) or (c) apply.
- (b) No grant solicitation is required if the City Council named or suggested a particular organization as a grant recipient in the City’s adopted ARPA Framework and Funding Priorities, as amended.
- (c) No grant solicitation is required to grant funds to another public agency to perform one of that agency’s core governmental functions (e.g., providing funds to Sacramento County for health and human services).
- (d) When utilized, grant solicitations shall be published for a minimum of 10 calendar days.
- (e) Grant solicitations should be published in the form of a Notice of Funding Availability (NOFA) using the City’s standard ARPA NOFA Template and posted to the City’s ARPA web page.
- (f) NOFAs should include the following information:
  - 1) The title of the grant funding opportunity and grant identification number;
  - 2) The revenue source allocated to fund the grant;
  - 3) The purpose of the grant;
  - 4) Key performance indicators (KPIs) that specify the metrics that the City may collect to determine whether or not the grant project was successful in achieving the City’s objectives;
  - 5) A brief description of the grant, including, but not limited to, the mechanism used to announce the availability of funding;
  - 6) Eligibility requirements;
  - 7) Evaluation criteria;
  - 8) Geographic limitations, if applicable;
  - 9) The grant performance period;
  - 10) The approximate date the grant will be issued;
  - 11) The deadline for grant applications to be submitted;
  - 12) Directions for application submission including information to be provided in a proposal narrative, budget, and budget justification; and
  - 13) City staff contact information, including directions for application submittal.
- (g) Each NOFA shall be reviewed and approved by the City’s ARPA Program Office and City Attorney’s Office prior to publication.
- (h) Grants that are awarded without a competitive solicitation process must comply with all other requirements of this Policy.

### 3.2 Grantee Selection Process

- (a) All ARPA grant awards must meet one or more of the following minimum requirements:
- 1) Respond to the public health emergency (with respect to COVID-19) or its negative economic impacts, including assistance to households, small businesses, and nonprofits, or aid to impacted industries such as tourism, travel, and hospitality;
  - 2) Respond to workers performing essential work during the COVID-19 public health emergency by providing premium pay to eligible workers;
  - 3) Constitute the provision of government services to the extent of the reduction in revenue due to the COVID-19 public health emergency relative to revenues collected in the most recent full fiscal year prior to the emergency; or
  - 4) Constitute necessary investments in water, sewer, or broadband infrastructure.
- (b) Each application received through a grant solicitation must be reviewed by a panel of non-conflicted reviewers to provide a comprehensive and fair assessment. Review panelists may consist of City staff members or community members with relevant subject matter expertise, or a combination of both. The panel shall verify that all Grantees meet the Grantee Eligibility Requirements set forth in Section 4.3.
- (c) To evaluate any grant application, the City must examine various factors, such as:
- 1) Does the proposal address the impacts of COVID-19? Will the Grantee verify that subrecipients and program beneficiaries were impacted by COVID-19, to the extent required?
  - 2) What is the potential direct/indirect public benefit to City residents?
  - 3) What is the potential impact on the population served and geography served?
  - 4) Does the proposal incorporate data/evidence to substantiate the need caused by COVID-19?
  - 5) What are the proposed activities and are they in alignment with the grant objectives?
  - 6) Will the proposed activities be complete before December 31, 2026?
  - 7) As practicable, does the proposal incorporate evidence-based programs?
  - 8) Is the application consistent with Treasury's Overview of the ARPA SLFRF Final Rule available at <https://home.treasury.gov/system/files/136/SLFRF-Final-Rule-Overview.pdf>?
  - 9) What are the proposed performance targets? Are they measurable and achievable?
  - 10) Does the entity have administrative internal controls and an agreed-upon amount to administer the grant (not to exceed 10% of the direct cost)?

### 3.3 Conflicts of Interest

- (a) To maintain a fair and equal process for all grant applicants, no member of the



grant application review panel shall have any interest, financial or personal, in any entity submitting a grant application. Each member of the review panel must certify that they have no conflict of interest. Conflict of interest forms shall be retained by the Project Lead and uploaded to the ARPA Central File Repository.

- (b) No grant applicant shall directly or indirectly contact any Council member or other City staff, other than the person identified in the solicitation, for meetings, conferences or technical discussions that are related to the grant solicitation.
- (c) Unauthorized contact of any Council member or other City staff may be cause for immediate disqualification from consideration to receive a grant award.

### 3.4 Public Disclosure

- (a) Grant applications submitted in response to a NOFA shall be made available to the public after the evaluation process is complete, in accordance with the California Public Records Act and City's Records Management Policy.
- (b) If an applicant designates any portion of its application as proprietary or confidential, or if there are any other potential issues with disclosing the application, the Project Lead shall consult with the City Attorney's Office prior to any response or disclosure.

## 4. Award Requirements

### 4.1 Award Process

- (a) Department directors shall designate no more than one Contract Lead who is responsible and accountable for the successful development and execution of each ARPA grant award.
- (b) Upon the selection of each ARPA Grantee, Contract Leads shall work with the ARPA Program Office to draft the ARPA grant agreement.
- (c) Upon review and approval of each draft ARPA grant agreement by the ARPA Program Office, Contract Leads shall submit each complete grant agreement to the City Attorney's Office for pre-approval before routing any grant agreement for signatures.
- (d) Grant agreements routed for signature shall include all referenced exhibits, SAM.gov verification (if required), insurance documentation, and verification of other eligibility requirements.

### 4.2 Grant Agreement Requirements

- (a) The details of each grant agreement may vary based on the program to be funded. But to ensure the objectives of the grant are met and that the City's interests are protected, grant agreements should be based on the most recent and appropriate standard ARPA Grant Agreement template and include the following terms:
  - 1) Start and end dates;
  - 2) Not-to-exceed award amount;
  - 3) Payment schedule;
  - 4) Description of the scope of grant-funded activities;
  - 5) A budget and budget justification;

- 6) A limitation on indirect cost recovery to no more than 10% of direct costs (unless the Grantee has negotiated a higher indirect cost rate with the federal government or the City Manager's Office approves a higher limit);
  - 7) Fiscal accountability provisions that require the Grantee to track grant money as a standalone project, activity code, or assigned project to prevent the commingling of other expenses not related to the grant;
  - 8) Provisions for the monitoring and evaluation of the Grantee's work;
  - 9) Requirement for records to be retained for a minimum of 5 years and authorization for audit(s);
  - 10) Indemnity/hold harmless provision;
  - 11) Nondiscrimination requirements;
  - 12) Termination provision;
  - 13) Conflict of Interest prohibition;
  - 14) Grantee self-certifications that it is in good standing with all regulatory agencies; and
  - 15) Any other provisions required by the City Attorney's Office.
- (b) To the extent practicable, the actual templates for required reporting should be attached to each agreement in lieu of listing exhaustive reporting requirements in the agreement terms.

#### 4.3 Grantee Eligibility Requirements

- (a) Prior to executing any ARPA grant agreement, Contract Leads shall verify the following eligibility requirements:
- (1) California Secretary of State Active Status (<https://bizfileonline.sos.ca.gov/search/business>): Business entities such as corporations (including nonprofit public benefit corporations), limited liability companies, and some partnerships are required to register and maintain good standing with the California Secretary of State. Contract Leads shall verify that such entities have are in good standing or have a status of active.
  - (2) Business Operations Tax Certificate (BOTC) or Waiver Letter (<https://www.cityofsacramento.org/Finance/Revenue/Business-Operation-Tax/Looking-for-a-Business>): All businesses that operate in or do business with the City of Sacramento shall obtain a BOTC to be eligible for grant funding. Nonprofit organizations are not subject to this requirement and may obtain a waiver letter from the City's Revenue Division in lieu of a BOTC.
  - (3) Insurance: Proof of insurance coverage that meets the City's standard minimum requirements and an endorsement that the City is an additional insured is required prior to executing any grant agreement. The City's Risk Management Division may approve deviations from the City's standard minimum coverage requirements.
  - (4) California Attorney General Charitable Trust Registration (<https://rct.doj.ca.gov/Verification/Web/Search.aspx>): A nonprofit

organization Grantee shall register and be in good standing with the California Attorney General's Registry of Charitable Trusts. If a nonprofit organization Grantee provides evidence that it is in the process of complying with the Attorney General's registration and reporting requirements, Contract Leads may execute an ARPA Grant Agreement but place an administrative hold on payments until the Registry reflects that the Grantee is in compliance.

- (b) The City may require that evidence of eligibility (e.g., a screenshot of a verification lookup result) be submitted as part of a grant application.

#### 4.4 Signing Authority

The City shall adhere to the current Signing Authority policy in place at the time a grant is awarded unless additional signing authority has been delegated to the City Manager by the City Council.

#### 4.5 Requisition Approvals

- (a) No purchase order or sole source justification is required to support a grant agreement. However, the use of purchase orders may help expedite payments and facilitate financial tracking.
- (b) When submitting a pre-requisition, the Sourcing Event ID or Bid Number field must include the word "GRANT" for Procurement to approve the creation of a purchase order.

### 5. Post Award Requirements

#### 5.1 Grantee Monitoring and Award Management

- (a) To properly manage a grant post-award, City staff and Grantees should do the following:
  - 1) Maintain documentation of project or budget modification requests, approvals, and denials;
  - 2) Collect and evaluate data on programmatic activities to measure Grantee progress toward stated goals and objectives;
  - 3) Collect supporting documentation on financial activities to corroborate certain grant expenditures, such as timesheets, payroll summaries, and itemized receipts, when required by the grant agreement;
  - 4) Reconcile financials regularly, but at a minimum, at the end of each Fiscal Year and within 90 days of the end of the grant term;
  - 5) Confirm that any subaward agreements entered into by the Grantee impose all grant agreement obligations on subrecipients and subcontractors, as required;
  - 6) Adhere to applicable records retention requirements;
  - 7) Submit financial and programmatic reports to outside funding agencies, if applicable (e.g., state and federal agencies); and
  - 8) Conduct other necessary monitoring activities to ensure Grantee

compliance.

- (b) If all grant funds are not expended prior to the end of the grant agreement, any excess funds held by the Grantee must be returned to the City upon demand.

## 5.2 ARPA Central File Repository

- (a) All required monitoring and grant management documentation shall be stored the City's ARPA Central File Repository.
- (b) Documents stored on a Contract Lead's hard drive or cloud storage that are not uploaded to the City's ARPA Central File Repository shall be considered insufficient to meet the requirements of Sections 5.1 and 6.4.
- (c) The City's ARPA Program Office shall be responsible for supporting and maintaining the ARPA Central File Repository.
- (d) Contract Leads shall immediately contact the City's ARPA Program Office if document retention requirements are unclear or to receive technical support in properly using the ARPA Central File Repository.

## 5.3 Payment Terms and Methods

- (a) By default, the payment terms for all grant awards shall be made on a reimbursement basis.
- (b) If a Grantee can demonstrate that payments made on a reimbursement basis would prevent the Grantee from meeting the objectives of the grant award, the City Manager's Office may approve one or more advance payments in the grant agreement terms.
- (c) All Grantees shall register as a supplier with the City's Accounting Division to receive payments from the City.
- (d) Contract Leads may generate invoices on behalf of a Grantee and submit them to the City's Accounting Division to reduce administrative burdens if the Grantee has met the payment terms specified in the grant agreement.
- (e) Contract Leads should advise Grantees of the process to receive electronic payments to reduce the time in which Grantees are paid.

## 5.4 Reporting

- (a) Contract Leads may use a grant management technology system to standardize and centralize required Grantee reports upon review and approval by the ARPA Program Office.
- (b) Whenever possible, Contract Leads shall provide reporting templates or standard form fields in a grant management technology system, or a combination of both, to establish clear expectations with Grantees regarding the information required to be submitted to the City through regular reports.
- (c) Grantees shall submit the following reports to the City at a minimum frequency of once every twelve months but no less often than the frequency of grant payments:
  - 1) A narrative explanation of the progress toward all goals set forth in the grant agreement; and
  - 2) An itemized list of all grant expenditures to date, including the amount of

any subaward and the name of each subaward recipient and the names of any contractors and the amount paid.

- (d) For any grant award in which the Grantee's approved budget includes \$50,000 or more in total payments to one or more contractors or Subaward recipients, Contract Leads shall require valid proof of payment made to any contractor or Subaward recipient to approve a reimbursement request for such payments. Receipts, invoices, or general ledger records do not constitute a valid proof of payment. A valid proof of payment shall be limited to:
- 1) A canceled check that includes the date, amount, payee, and signature of the person writing the check;
  - 2) A bank statement that shows the transaction in question;
  - 3) An electronic funds transfer (EFT) receipt that shows the transfer of funds from one account to another; or
  - 4) A wire transfer confirmation that confirms a wire transfer between two bank accounts.
- If a valid proof of payment does not identify the account holder name for both the payer and payee, then the Contract Lead shall request evidence that links the payer and payee to the proof of payment records, prior to approving the reimbursement request.
- (e) Generally, Contract Leads should not require documentation of expenditures of less than \$5,000 to approve payments to Grantees unless the Contract Lead identifies performance issues or suspects fraud, or such documentation is otherwise required by the grant agreement.
- (f) Contract Leads shall not approve payments to Grantees unless all required reports, to date, have been submitted.
- (g) Any frequency of submitting reports less than once every three months by a Grantee must be approved by the City Manager's Office and the specific reporting requirements incorporated into an ARPA grant agreement. Approval by the City Manager's Office shall be provided or denied at the Grant Project level and is not required for each individual grant agreement.

## 5.5 Closeout Procedure

- (a) No later than sixty days following the final disbursement of City grant funds, Grantees shall provide the City with a closeout report that includes all the following:
- 1) An itemized list of all expenditures of City grant funds;
  - 2) The name of each Subgrantee of City grant funds;
  - 3) The name of each contractor who is paid with City grant funds;
  - 4) The amount of each subaward of City grant funds;
  - 5) The amount of each contract for the purchase of goods or services that is paid for in whole or in part with City grant funds;
  - 6) A copy of each grant subaward agreement between the Grantee and a Subgrantee for a subaward of City grant funds;
  - 7) A copy of each contract for the purchase of goods or services that is paid

- for in whole or in part with City grant funds;
- 8) All performance metrics required to be reported under the grant agreement; and
- 9) All project participant demographic data (Appendix A).
- (b) The ARPA Program Office may support review of closeout reports to assure Grantee compliance with closeout requirements specified in each grant agreement.
- (c) Contract Leads may request any additional information to demonstrate that City grant funds were used solely for Authorized Activities in accordance with the grant agreement.
- (d) Upon the Contract Lead's satisfaction that each Grantee has completed the requirements of each grant agreement, the Contract Lead shall send a notification to the Grantee stating that the Grantee has met all requirements in the grant agreement and that the City has officially closed out the grant award.

#### 5.6 Subaward Requirements

- (a) Grantees shall enter into a written grant agreement for each subaward that the Grantee makes to a Subgrantee; and
- (b) Grantees shall ensure that each written grant agreement for a subaward imposes on the Subgrantee all obligations the City imposes on the Grantee.

#### 5.7 Disclosure Requirements

- (a) Grantees shall comply with all applicable disclosure requirements as required by the California Political Reform Act and the City's Conflict of Interest Code.

#### 5.8 Grant Agreement Amendments

- (a) Amendments to ARPA grant agreements may be approved by the City Manager or authorized designee, within the limits of approval authority specified in the City Code or Council authorization. Amendments exceeding these limits must be approved by the City Council.
- (b) Delegations of the City Manager's approval authority are specified in the Signing Authority Policy.
- (c) Any amendment extending the term of an ARPA grant agreement must be approved by the appropriate approval authority prior to expiration of the unextended term.

#### 5.9 Transparency

The City retains the right to publish data regarding a Grantees' finances, performance metrics, and project evaluation. This includes but is not limited to, council reports, completed audits by the City Auditor, and information shared publicly through the City's website.

#### 5.10 Records Management

The City Clerk maintains the current and historical record of all city contracts, including grant agreements. These records shall be maintained in the City's approved electronic

records repository in accordance with the City's record retention schedule. Contract Leads are required to maintain all records associated with the granting process as specified in this Policy.

#### 5.11 Right to Audit

- (a) The City retains the right to review all records and request an independent audit of the Grantee's financial records at all times during and up to five years after the final payment is made and the grant is complete. If an audit is conducted, the Grantee must provide access to personnel, personnel documents, facilities, financial documents, and any other pertinent documents as part of the audit process.
- (b) If it is determined that a Grantee expended funds in a manner inconsistent with this Policy or the terms of the grant award, the Grantee shall return the funds to the City within 60 days of a demand from the City, unless an alternative repayment plan is agreed to.

### 6. Additional Requirements for Grants Utilizing ARPA Pass-through Funds

#### 6.1 Federal Subrecipient Scope and Status

- (a) To the extent federal pass-through funds are awarded, as specified in an executed grant agreement, the Grantee must acknowledge that it is a Subrecipient as defined in title 2 of the Code of Federal Regulations ("CFR"), sections 200.74 and 200.93.
- (b) Grant awards funded by the City's ARPA Reinvestment Fund are not federal funds, do not confer federal Subrecipient status, and are not subject to the requirements in this section.
- (c) The Assistance Listing Number assigned to ARPA SLFRF funds is 21.027.

#### 6.2 Subrecipient Risk Assessment

- (a) Each Subrecipient shall complete a risk assessment prior to executing any grant agreement.
- (b) Contract Leads shall evaluate each Subrecipient's risk of noncompliance based on a set of common factors, as set forth in the City's ARPA Risk Assessment Form, which includes factors such as prior experience in managing federal funds, previous audits, personnel, and policies or procedures for subcontract execution and oversight.
- (c) Ongoing monitoring of any given subrecipient should reflect its assessed risk and include monitoring, identification of deficiencies, and follow-up to ensure appropriate remediation.
- (d) Pursuant to 2 C.F.R. § 200.208, based on the risks of non-compliance revealed through the risk assessment, the City and its subrecipients may consider imposing additional conditions on any grant award (or award to a Subgrantee). Such conditions may include:
  - 1) Structuring payments as reimbursements rather than advance payments;

- 2) Withholding authority to proceed to the next phase until receipt of evidence of acceptable performance within a given performance period;
- 3) Requiring additional, more detailed financial reports;
- 4) Requiring additional project monitoring;
- 5) Requiring the Grantee or subrecipient to obtain technical or management assistance; or
- 6) Establishing additional prior approvals.

### 6.3 Subrecipient Awards

- (a) Federal regulations prohibit the award of federal grant funds to applicants that are debarred, suspended, or otherwise excluded from or ineligible for participation in federal assistance projects or activities.
- (b) Contract Leads shall confirm applicants' participation eligibility if the grant includes federal funds by obtaining the applicant's Unique Entity ID (UEI) and verifying the entity status using the System for Award Management (SAM.gov).
- (c) Contract Leads shall upload a record (e.g., screenshot) of the SAM.gov entity status to the ARPA Central File Repository.
- (d) In accordance with generally accepted accounting practices, a Subrecipient shall maintain records of all matters related to the grant agreement including:
  - 1) General ledger and subsidiary ledgers used to account for the receipt of federal pass-through funds and the disbursements from federal pass-through funds to meet eligible expenses related to the public health emergency due to COVID-19;
  - 2) Budget records;
  - 3) Payroll, time records, human resource records to support costs incurred for payroll expenses related to addressing the public health emergency due to COVID-19;
  - 4) Receipts of purchases made related to addressing the public health emergency due to COVID-19;
  - 5) Contracts and subcontracts entered into using federal pass-through funds and all documents related to such contracts;
  - 6) Subaward grant agreements entered into using federal pass-through funds and all documents related to such awards;
  - 7) All documentation of reports, audits, and other monitoring of contractors, subcontractors, the Grantee, and subrecipients;
  - 8) All documentation supporting the performance outcomes of contracts, subcontracts, grant subaward agreements, and this agreement;
  - 9) All internal and external email/electronic communications related to use of federal pass-through funds;
  - 10) All investigative files and inquiry reports involving federal pass-through payments; and
  - 11) All other pertinent records sufficient to reflect all direct and indirect costs of whatever nature claimed to have been incurred and anticipated to be incurred in performance of the grant agreement, and all other matters



covered by the grant agreement.

#### 6.4 Subrecipient Monitoring

- (a) Contract Leads shall be responsible for monitoring the activities of each Subrecipient to ensure that the subaward is used for authorized purposes, in compliance with federal statutes, regulations, and the terms and conditions of the subaward, and that subaward performance goals are achieved;
- (b) In addition to the requirements in Section 5.1, Contract Leads shall be responsible for:
  - 1) Reviewing the Grantee's Schedule of Expenditures of Federal Awards (SEFA) if it expends \$750,000 or more during its fiscal year in federal awards, as indicated in the Subrecipient's risk assessment;
  - 2) Documenting the review of all required financial and performance reports;
  - 3) Ensuring that the Subrecipient takes timely and appropriate action on all deficiencies pertaining to the federal subaward detected through audits, on-site reviews, and written confirmation from the subrecipient, highlighting the status of actions planned or taken to address Single Audit findings; and
  - 4) Issuing and documenting a management decision for applicable audit findings pertaining only to the federal award provided to the Subrecipient from the City as required by §200.521 Management decision.
- (c) Contract Leads shall upload all documentation related to Subrecipient monitoring activities in this section to the ARPA Central File Repository.

#### 6.5 Right to Audit

- (a) The City and the United States Department of the Treasury's Office of the Inspector General ("OIG") retain the right to review all records and request an independent audit of the Subrecipient's financial records at all times during and up to five years after the final payment is made and the grant is complete. If an audit is conducted, the Subrecipient must provide access to personnel, personnel documents, facilities, financial documents, and any other pertinent documents as part of the audit process.
- (b) If it is determined that a Subrecipient expended funds in a manner inconsistent with this Policy or the terms of the grant award, the Grantee shall return the funds to the City within 60 days of a demand from the City, unless an alternative repayment plan is agreed to.

### 7. Definitions

#### ARPA

American Rescue Plan Act enacted by Congress on March 11, 2021.

#### ARPA Framework

The ARPA Framework and Funding Priorities adopted by the City Council on September

14, 2021, to respond to the impacts of COVID-19.

#### ARPA Grant Award

Any grant awarded within a project under the City's ARPA Framework. This includes, but is not limited to, grants funded by federal pass-through funds and grants funded by the City's ARPA Reinvestment Fund.

#### ARPA Pass-through Funds

American Rescue Plan Act funds issued by a federal agency that are then transferred to a City Grantee via a Subaward. Includes American Rescue Plan Act funds the City received from a state agency that originated from a federal agency that are then transferred to a City Grantee. ARPA Reinvestment Funds are not ARPA Pass-through Funds.

#### ARPA Reinvestment Fund

The City's resources used to assist with the recovery and reopening resulting from the impacts of COVID-19, created by the savings from SLFRF funds used for public safety government services.

#### City Pass-through Funds

ARPA Reinvestment Fund or other City funds issued by the City to a Grantee that are then transferred to a Subgrantee via a Subaward. City Pass-through Funds exclude ARPA Pass-through Funds or any other federal or state funding provided to the City.

#### Contract Lead

A single individual designated by a department director who is responsible and accountable for the successful development and execution of each ARPA grant award.

#### Grantee

An individual, non-profit, business, or community-based organization, to whom the City awards a grant.

#### Grant Project

A set of related activities designed to accomplish a discrete objective of the ARPA Framework. A Grant Project may include the administration of one or more ARPA grant awards.

#### Project Lead

An individual designated by a department director who is responsible and accountable for the successful development and implementation of each ARPA Grant Project.

#### SLFRF

The City's allotment of Coronavirus State and Local Fiscal Recovery Funds established under Sections 602 and 603 of the American Rescue Plan Act (Assistance Listing Number 21.027), allocated toward public safety government services.

**Subaward**

A grant award administered by a Grantee using City or ARPA Pass-through Funds.

**Subgrantee**

A Grantee who receives City Pass-through Funds awarded by a City Grantee.

**Subrecipient**

A Grantee who receives ARPA Pass-through Funds awarded by the City.

## APPENDIX A

Project Leads shall require Grantees to collect demographic data to help inform City leaders and community members about who is being served by City-funded projects, to the extent practicable. This requirement does not apply to Grant Projects that provide recovery support for organizations or businesses within the creative economy. Generally, the City shall require Grantees to request voluntary responses regarding **Race/Ethnicity** and **Gender Identity** data, as listed below, from all project participants.

A “project participant” means any person receiving services funded by City of Sacramento American Rescue Plan Act or American Rescue Plan Act Reinvestment Grant funds. The City shall require Grantees to track the number of project participants that did not respond to each question so that the total number of reported responses equals the total number of project participants.

Project Leads may consider requiring Grantees to collect additional types of project participant demographic data, including **Age, Sex, Sexual Orientation** and **Language**, if a Project Lead identifies a strategic purpose for collecting and using such data.

To ensure that the City can standardize demographic reporting, Grantees shall use the list of options below for each demographic question. Please consult the Office of Diversity & Equity to obtain the specific definitions for each option.

### **Race/Ethnicity (REQUIRED)**

*What is your ethnicity? (Choose all that apply)*

- Asian
- Black or African American (not of Hispanic origin)
- Filipino (not of Hispanic origin)
- Hispanic or Latino/Latinx
- Middle Eastern or North African
- Native American or Alaska Native (not of Hispanic origin)
- Native Hawaiian or other Pacific Islander
- White (not of Hispanic origin)
- Two or more ethnicities
- Don't know
- Prefer not to say
- Prefer to self-describe: \_\_\_\_\_

## APPENDIX A

### Gender Identity (REQUIRED)

*How do you describe your gender identity? (Choose all that apply)*

*Gender identity is defined as a person's internal sense of their own gender.*

- Woman
- Man
- Transgender
- Cisgender
- Genderqueer
- Non-
- Gender non-conforming/Non-binary
- Questioning
- Two-Spirit
- I don't know
- Prefer not to say
- Prefer to self-describe: \_\_\_\_\_

### Age (OPTIONAL)

*What is your age (years old)?*

- Under 5
- 5-10
- 11-13
- 14-18
- 19-24
- 25-39
- 40-49
- 50-61
- 62-70
- Over 70
- Prefer not to say

## APPENDIX A

### Sex (OPTIONAL)

*I identify my sex as: (Please select one)*

*Sex is defined as a term assigned at birth is defined as a term used to refer to the chromosomal, hormonal and anatomical characteristics that are used to classify an individual as female or male or intersex.*

- Female
- Male
- Intersex
- Prefer not to say
- Prefer to self-describe: \_\_\_\_\_

### Sexual Orientation (OPTIONAL)

*What do you consider yourself? (Choose all that apply)*

*Sexual orientation is defined as a person's sexual, emotional, physical, or psychological attraction to other people.*

- Asexual
- Bisexual
- Gay
- Lesbian
- Heterosexual
- Pansexual
- Queer
- Questioning
- Prefer not to say
- Prefer to self-describe: \_\_\_\_\_

### Language (OPTIONAL)

*If not English, what is your primary language spoken at home?*

- Spanish
- Vietnamese
- Simplified Chinese
- Traditional Chinese
- Hmong
- Tagalog
- Russian
- Hindi
- Farsi or Dari
- Other: \_\_\_\_\_
- Prefer not to say

APPENDIX B



## ARPA Grants Management Segregation of Duties

	Pre-Award	Award	Post-Award	Close-Out
Project Leads (PL)	<ul style="list-style-type: none"> <li>Perform grant eligibility review process</li> <li>Document outcomes from the grant eligibility review process</li> <li>Identify CL responsible and accountable for the successful development and executive of each ARPA grant award</li> <li>Support CL develop preliminary grant agreement requirements for compliance with the City's ARPA Grants Management Policy</li> </ul>	<ul style="list-style-type: none"> <li>Authorize grant agreements</li> <li>Sign-off on grant financial and activity reporting templates</li> </ul>	<ul style="list-style-type: none"> <li>Oversee key internal controls to provide reasonable assurance grant objectives will be achieved</li> <li>Address known regulatory issues and/or financial and/or performance risks</li> <li>Direct and approve grant agreement amendments</li> </ul>	<ul style="list-style-type: none"> <li>Review close-out reports to confirm the grant program achieved its objective and all reporting requirements were met</li> </ul>
Contract Leads (CL)	<ul style="list-style-type: none"> <li>Obtain grant eligibility approval from PL</li> <li>If competitive award, complete solicitation process, review submissions, and make award recommendations</li> <li>In coordination with PL and ARPA Program Office, develop preliminary grant agreement requirements</li> </ul>	<ul style="list-style-type: none"> <li>Develop final grant agreements; obtain approval from City Attorney's Office and ARPA Program Office</li> <li>Develop and release NOFA; obtain approval from City Attorney's Office and ARPA Program Office</li> <li>Prepare for grantee for post-award activities, including the development of financial and activity reporting templates</li> <li>Prepare grantee for grant intake process</li> </ul>	<ul style="list-style-type: none"> <li>In coordination with ARPA Program Office, monitor grantee compliance with grant requirements</li> <li>Review and approve financial and activity reports submitted by grantee</li> <li>Track grantee performance</li> <li>Approve and track advance payments and reimbursements</li> <li>Escalate known risks to PLs</li> </ul>	<ul style="list-style-type: none"> <li>In coordination with the ARPA Program Office, review and approve close out reports</li> </ul>
ARPA Program Office	<ul style="list-style-type: none"> <li>Provide feedback to CL on draft grant agreement requirements</li> <li>Meet with CL and grantees to plan for post-award grant management activities</li> </ul>	<ul style="list-style-type: none"> <li>Support CL and grantees configure grant intake process</li> <li>Support CL and grantees to develop financial and activity reporting templates that meet grant agreement requirements</li> <li>In coordination with CL, review and approve NOFAs meet policy requirements</li> </ul>	<ul style="list-style-type: none"> <li>In coordination with CL, monitor grantee compliance with grant requirements</li> <li>Perform initial review of grantees' financial and activity reports submitted in eCivis</li> <li>Upload approved financial and activity reports into centralized file repository</li> <li>Provide ongoing consultation to Grantees and CL</li> </ul>	<ul style="list-style-type: none"> <li>Support CL and Grantees prepare close out reports</li> <li>In coordination with CL, review close out reports for compliance with grant agreement requirements</li> </ul>
Grantees	<ul style="list-style-type: none"> <li>If competitive award, follow the City's grant solicitation guidelines for competitive awards</li> <li>Complete risk assessment(s) and submit to CL; ensure all subrecipients complete risk assessments</li> </ul>	<ul style="list-style-type: none"> <li>Complete grant intake process</li> <li>In coordination with PM and ARPA Program Office, confirm and agree to financial and activity reporting templates</li> </ul>	<ul style="list-style-type: none"> <li>Maintain grant financial and activity documentation</li> <li>Prepare and submit monthly and/or quarterly financial and activity reports using approved reporting templates</li> <li>Monitor subrecipient/subgrantee compliance</li> </ul>	<ul style="list-style-type: none"> <li>Complete and submit close out reports no later than 60 days of contract ending</li> </ul>



**Charter Officer Review and Acknowledgement  
American Rescue Plan Act (ARPA) Grant Management**

(Signature by all Charter Officers is not a requirement for policy adoption)



[Howard Chan \(May 30, 2023 11:05 PDT\)](#)

**City Manager** May 30, 2023




[Susana Alcalá Wood \(May 24, 2023 16:21 PDT\)](#)

**City Attorney** May 24, 2023



**City Clerk** May 18, 2023



[John P. Colville Jr \(May 17, 2023 16:32 PDT\)](#)

**City Treasurer** May 17, 2023



[Jorge Oseguera \(May 19, 2023 09:38 PDT\)](#)

**City Auditor** May 19, 2023