



# Memorandum

**TO:** HONORABLE MAYOR AND  
CITY COUNCIL

**FROM:** Nadine N. Nader

**SUBJECT:** SEE BELOW

**DATE:** October 26, 2006

Approved

Date

10/26/06

**SUBJECT: GRANTS MANAGEMENT REPORTS [MAKING GOVERNMENT WORK BETTER COMMITTEE]**

On October 19, 2006 staff presented a report on the City's Grants Management efforts to the Making Government Work Better Committee.

The Committee requested that the item be cross-referenced for full Council consideration and also that additional information be provided on the status of HNVF contracts as well as Exhibit F of the grants procedure background and fingerprinting requirements.

Attached is the report that was presented to the MGWB Committee. Under separate cover, the City Manager's Office will be releasing a status report on HNVF Grants and the City Attorney's Office will be releasing a report on Exhibit F.

NADINE N. NADER

Assistant to the City Manager



# Memorandum

**TO:** Making Government Work Better  
Committee

**FROM:** Mark Linder

**SUBJECT:** GRANTS MANAGEMENT REPORT    **DATE:** October 5, 2006

**APPROVED:**

*Ray Winter*

**DATE:**

*10/11/06*

In February 2006, the City Auditor's Office presented a report on an Audit of Citywide Grant Oversight to the Making Government Work Better Committee (MGWB). The audit involved risk and vulnerability assessments of the departments and offices responsible for administering grants. The report included recommendations to: 1) Develop a grants procedure manual; 2) Develop a citywide grants tracking database; and 3) Establish a grants oversight working group. Below are the current activities related to each of the recommendations:

**Recommendation 1:** *Develop a procedures manual to formally document City policies and procedures regarding grant oversight.*

I head a team of department senior staff, which has been established to guide the development and implementation of the grants management and monitoring work of the Grant Oversight Working Group. Research of best practices of other jurisdiction has been started. Based on this research, staff is working on the immediate development of an Early Warning System that will outline minimum requirements that need to be met and validated before a grant is awarded. In addition, staff is also working on developing a Post Award Early Warning System to help identify and address problems that may arise with an agency post award of City funds.

**Recommendation 2:** *Develop a citywide grants database to provide comprehensive grant information, facilitate better grant awarding decisions and grantee monitoring, and help ensure grantee compliance with grant requirements.*

The City Manager's Office Grants Oversight Working Group is currently working with the Housing Department to implement a Grants Tracking Database that will facilitate information sharing among departments and staff by providing a centralized location, accessible citywide, that tracks dollar amounts and numbers of grants being awarded by the City, as well as general grantee compliance information to assist staff with grant making decisions.

The timeline for Citywide implementation will be determined by how soon the Housing Department is able to implement its new database system.

**Recommendation 3:** *Establish a City Manager's Office Grant Oversight Working Group to (1) establish citywide consistent policies and procedures; (2) establish specific training requirements for staff involved in grants management and monitoring; (3) establish criteria when audited financial statements are obtained and reviewed; (4) establish risk-based criteria for determining when more detailed audits, reviews or monitoring are required; and (5) adopt consistent and reasonable grant agreement requirements related to grantee reporting.*

The City Manager's Office has established a Grant Oversight Working Group comprised of representatives from each department that participated in the City Auditor's audit and is working with the Working Group in the development and implementation of the above recommendations.

In addition to the audit specific activities outlined in this memo, other staff efforts also include on-going discussions with stakeholders (i.e., representatives from the arts organizations, Finance Department, City Auditor and City Attorney's Offices, etc.) on emergency funding of arts organizations, implementation of financial review and monitoring, as well as performance standards that arts organizations must meet before they may be considered for funding. A work plan is currently being developed that will incorporate all of the activities related to grants management.

#### **COORDINATION**

No coordination required.

  
MARK LINDER  
Deputy City Manager