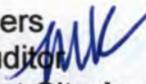




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CITY AUDITOR'S OFFICE

TO: Mayor and Council Members  
THRU: Margaret L. Krym, City Auditor   
FROM: Oscar B. Claudio, Assistant City Auditor   
DATE: January 8, 2013  
SUBJECT: Audit of Management of Grants

The Management of Grants audit has been completed. The audit covered grant financial transactions and activities during fiscal years 2010 and 2011. Attached is the audit report for the subject audit. The objectives and scope of this audit are detailed in the body of the report.

The audit identified four findings that are explained in detail in the audit report. Although due professional care was exercised in the performance of this audit, it should not be construed to mean that unreported noncompliance or irregularities do not exist. The deterrence of fraud is the responsibility of management. Management's response to the audit findings is incorporated in this final report.

The cooperation and assistance extended by management and staff during the course of this audit are much appreciated. Should you have questions or need clarification, please contact Oscar Claudio at 242-3382.

C: John Szerlag, City Manager  
Dolores Menendez, City Attorney  
Rebecca van Deutekom, City Clerk  
Jay Murphy, Chief of Police Department  
Victoria Bateman, Director of Finance  
Stephen Pohlman, Director of Parks and Recreation  
Steve Neff, Director of Public Works  
Bill Van Helden, Chief of Fire Department  
Paul Dickson, Building Official  
Melanie Purcell, Assistant Director of Finance  
Audit Committee



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CITY AUDITOR'S OFFICE

Management of Grants  
Audit

January 8, 2013

## EXECUTIVE SUMMARY

The City Auditor's Office has conducted and completed the Management of Grants Audit. The audit was conducted pursuant to authority set forth in Article 6, Section 6.06 of the City Charter titled "City Auditor's Office". This completed audit was part of the approved Audit Plan for Fiscal Year 2012 and was conducted in accordance with the generally accepted government auditing standards.

The objectives of the audit were to: 1) Determine the adequacy of the City's policy and procedures (Administrative Regulation #11 – Grant Application Process) and current procedures, controls and governance of the City's grant process; 2) Evaluate the utilization of available resources for obtaining potential grant revenues; and 3) Assess compliance with applicable Federal, State and Local laws, regulations and grant agreements. To achieve these objectives, the audit performed various procedures which, are stated in the Scope and Methodology section of this report.

The audit identified four findings during the process and provides recommendations to address these issues. Although these findings were not material in nature, we believe they warrant management's attention. All four findings were discussed with Management and their responses are included in this report.

The following concerns were observed during the audit:

- The City's Administrative Regulation #11 – Grant Application Process is inadequate and is no longer in accordance with industry standards. Also, the City has not established written policies and procedures for the grant management process.
- The City did not effectively utilize its grant management software in obtaining potential grant revenues when compared to other surveyed Florida Cities.

Also, the audit concluded that the City complied with the majority of applicable Federal and State laws and regulations and contract agreements. However, the audit disclosed that:

- The labor hourly rates applied in the calculation of employees' salaries were not in accordance with the City's established hourly rates.
- The equipment rates used in the calculation of equipment costs were not in accordance with the Federal Emergency Management Agency's (FEMA) established rates.

While the findings presented in this report may not significantly impair the operations of City Departments involved in grant activities they do provide an opportunity for Management to more effectively administer these activities and potentially to obtain greater financial benefits for the City.

## **BACKGROUND**

The City's Administrative Regulation #11, referring to its grant application process, became effective on October 1, 1996. This same regulation was superseded by a newer version which became effective on May 29, 2007. The two stated purposes of AR #11 are: 1) Ensure all grant applications submitted to County, State, Federal and private funding agencies are consistent with approved City policy; 2) Establish a procedure for central coordination and approval of all grant applications; and ensure goals and objectives of all grant programs are accomplished as stated in the grant application or its amendments. The following procedures were established within AR #11: 1) coordination of grant applications; 2) grant application; 3) grant administration; and 4) administrative guidelines. In addition, AR #11 has incorporated exhibits that correspond to these aforementioned procedures.

The City of Cape Coral (City) receives grant funding from Federal, State and Local sources. As of September 30, 2011, the City has active grants of over \$18 million Federal; \$13.9 million State; and more than \$4 million Local. The grant funds are being utilized for various programs including, but not limited to, housing; social; environmental; roads; and capital projects. Currently, several different City departments applied for and managed these grants. Some departments have certain individuals that apply for grants by looking at professional journals, searching for notice of availability of funds at various grantor agency websites, networking with grant professional organizations and using the City's grant software eCIVIS.

The audited Comprehensive Annual Financial Report's (CAFR) Schedule of Expenditures of Federal Awards and State Financial Assistance disclosed the City received \$6,559,000 Federal and \$3,478,000 State grants for the period ended September 30, 2011.

## **OBJECTIVES**

The objectives of the audit were to: 1) determine the adequacy of the City's policy and procedures (Administrative Regulation #11 – Grant Application Process) and current procedures, controls and governance of the City's grant process; 2) evaluate the utilization of available resources for obtaining potential grant revenues; and 3) assess compliance with applicable Federal, State and Local laws, regulations and grant agreements.

## **SCOPE AND METHODOLOGY**

The main goal of this audit was to perform a review of the City's grant management process. The procedures included review of relevant City policy and procedures; review of applicable Federal and State laws and regulations; review of grant contract agreements; documentation of grant management process, interviews of various staff with grant responsibilities and inquiries into other areas of the grant process. These

procedures provided an overview of the required controls in place related to the grants provided by the Grantor Agencies.

The audit reviewed the grant management software contract between the City and eCIVIS and analyzed how the software was being utilized. In addition to this audit procedure, we interviewed representatives from several Florida Cities with similar demographics to gather information about their utilization of available resources for obtaining potential grant revenues.

In addition, the audit tested grant financial transactions and activities during fiscal years 2010 and 2011. Judgmental sampling was used to improve the overall efficiency of the audit. In selecting the sample, we excluded those grants already reviewed by external auditors or grantor agency auditors in order to avoid duplication of work. We selected the Neighborhood Stabilization Program 3 (NSP-3); Trafalgar Parkway sidewalk construction project; and Beach Parkway sidewalk construction project because they represent the higher grant revenues received during the audit period.

The audit obtained and reviewed 10 out of 20 NSP-3 sub-grantee files to determine compliance with the provisions of the contract agreements and Federal regulations. The audit also tested all of the reimbursement requests and supporting documents for the Trafalgar and Beach Parkway sidewalk construction projects. To determine compliance with applicable Federal and State regulations and contract agreements, the audit reviewed the City's NSP-3 agreement with the Department of Housing and Urban Development; and agreement with Florida Department of Transportation for Trafalgar Parkway and Beach Parkway construction projects. Original records of financial reimbursements were reviewed and copies were used as evidence and verified through physical examinations. Lastly, staff and management of the City's Department of Public Works, Finance, and Community Development were inquired in order to develop an understanding of relevant internal control structures, obtain sufficient information of its operations and to verify the validity of the gathered data and documents.

This audit was neither designed nor intended to be a detailed study of every relevant system, procedure or transaction. Accordingly, the opportunities for improvement presented in this report may not be all-inclusive of areas where improvement may be needed. Although we exercised due professional care in the performance of this audit, this should not be construed to mean that unreported noncompliance or irregularities do not exist. The deterrence of fraud is the responsibility of management.

## **STATEMENT OF AUDITING STANDARDS**

We conducted our audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to afford a reasonable basis for our judgment and conclusions regarding the organization, program, activity or function under audit. Also, the audit includes assessment of applicable internal controls and compliance with requirements of laws and regulations when necessary to satisfy the audit objectives. We believe that the evidence obtained

provides a reasonable basis for our findings and conclusions based on our audit objectives.

## RESULTS OF AUDIT

### **1. The City's Administrative Regulation #11 – Grant Application Process is inadequate and is no longer in accordance with industry standards. Also, the City has not established written policies and procedures for the grant management process.**

The audit reviewed the present grant management process and disclosed that staff with grant responsibilities did not follow most of the procedures stated in the Administrative Regulation #11 because it no longer met current industry standards. The revised administrative regulation for grant application became effective on May 9, 2007, and has not been updated since. The audit compared Administrative Regulation #11 with the current grant process in place to evaluate the adequacy and effectiveness of each procedure and the overall impact in the grant management process. The result of the evaluation is presented in accompanying Exhibit A. The main issues identified in this audit finding are as follows:

- There is no Grant Administrator to manage the citywide grant management process.
- Roles and responsibilities of those involved in the grant process have not been established.
- The turn-around time for approval of grant applications is considerable allowing the City to miss several grant funding opportunities.
- Lack of staff training on grant writing and grant management and administration.
- There is no written policy and procedures manual for the grant management process.
- The grant management process could be improved with automation.
- The grant management process and regulation are not aligned with the City's strategic plan and department or business plans.

After presentation and discussion of the audit findings, management and staff involved in the grant process were in agreement that a citywide grant management policy would strengthen the governance of grants and address many of the weaknesses noted. We have been advised that management is currently in the process of creating a grant management policy and procedures manual.

**Recommendations #1:** a) Management should develop a citywide standardized process for grant management and oversight which would encompass the complexities of various grant applications and must be incorporated into a comprehensive grant management and administrative policy and procedures manual. Management should ensure that this manual is updated regularly and accordingly to meet current industry standards. The purpose of the policy should promote a strategic approach to grant

seeking, to enhance the City's ability to coordinate grant activity on a citywide basis and provide an annual overview of departmental level needs that have the potential for being met through grant funding. Consequently, the grant management process and regulation must be aligned with the City's strategic plan and department or business plans. b) Management should ensure to provide staff training on grant writing and grant management and administration.

*Management response:*

*Financial Services staff are currently reviewing Administrative Regulation #11 and preparing recommendations to management for changes to strengthen the grant application and management process. Specifically, there are changes that can streamline the application process without jeopardizing control and accountability, allowing for a greater number and more timely applications. Additionally, confirmation of the alignment of a grant with the City's strategic priorities can be incorporated within the grants management procedures. A decision to prioritize training and provide for a single point of administration for grants through a dedicated position has been discussed but has not been finalized due to funding and process management concerns.*

**2. The City did not effectively use its grant management software in obtaining potential grant revenues.**

The City annually pays \$20,600 to eCIVIS, Inc. for a grant software license and service agreement. This grant management software has distinct features created specifically for grant seeking organizations which include: 1) allows users to research a centralized grants management system which, contains thousands of Federal, State and foundation grant opportunities; 2) web-based system to track and report grant management process; and 3) provides grant seeking organizations educational reference resources. Additionally, this software provides automated search agents, updates and daily/weekly emails to users.

The audit disclosed that 52 City employees have access to this software but only 11 were actively using it as of June 2012. Also, the additional management module software for tracking and reporting grants has not been utilized since it was purchased in March 2010. Management has not effectively directed concerned staff to properly utilize the eCIVIS software in obtaining potential grant revenues.

Without proper and effective directions from management to use this grant management software, the City received lesser grant revenue compared to surveyed Florida Cities with comparable demographics (population size, number of employees, etc.) during the audited period. Plus, the City is paying for the additional management module software which is not being utilized for its intended purpose since the time it was purchased.

**Recommendation #2:** Management should implement control procedures that will direct and compel employees to prioritize the use of the grant management software in order to possibly increase the chances of obtaining more grant fund revenues.

Implementation of these control procedures will provide guidance that is necessary to properly and consistently carry out organizational activities at a required level of quality.

Also, management should determine the need and/or usefulness of the additional purchased grant software module. This additional software module increased the license and service agreement annual payment to \$20,600.

*Management response:*

*The City has negotiated a settlement with the software company, eCivis, which allows employees continued access and use of the grants management software. Future contracts for this or other grants management software will be determined in concert with the decision regarding centrally coordinated grants management.*

**3. The labor hourly rates applied in the calculation of employees' salaries were not in accordance with the City's established hourly rates.**

The audit reviewed both City contract agreements with the Florida Department of Transportation for Trafalgar and Beach Parkway sidewalk construction projects to determine compliance. In addition, the audit tested all 10 reimbursement requests and supporting documents for Trafalgar and all five (5) reimbursement requests and supporting documents for Beach Parkway. The grant amounts for Trafalgar and Beach Parkway projects were \$300,000 and \$402,282 respectively.

The audit disclosed that the City complied with almost all of the major provisions of the contract agreements for both Trafalgar and Beach Parkway projects. However, test of the labor hourly rates used in calculating employee labor cost showed incorrect rates were used based on the City's established hourly rates. According to the City's established hourly rate as reported in the payroll financial software JDE, Equipment Operator I; Equipment Operator II; Laborer; and Transportation Operation Supervisor should have hourly rates of \$14.63; \$21.48; \$13.15 and \$33.49 respectively. Instead, the hourly rates used in the labor cost calculation of these aforementioned employees for cost reimbursement were \$14.17; \$20.80; \$12.74; and \$23.64 respectively. The Trafalgar labor cost calculations occurred from October 20, 2010 through September 23, 2011. The Beach payroll labor cost calculations happened from June 28, 2010 through February 26, 2011.

The audit concluded that due diligence was not performed in determining the applicable hourly rates for the calculation of the employee labor cost. The audit disclosed that Finance staff just used prior period hourly rates without searching or being knowledgeable of the current applicable rates for specific pay periods. The resulting difference amounted to \$3,421 of miscalculated labor cost for all 15 reimbursement requests. The amount may be insignificant but it implied a weakness in the process which produced inaccurate information. Lastly, the audit showed no evidence of supervisory review and monitoring of staff's work pertaining to this process.

**Recommendation #3:** Management should require supervisory review be performed on the work of staff to ensure applicable rates are used and potential errors are corrected and prevented prior to finalizing the calculation process. Oversight provides management with reasonable assurance that functions are performed accordingly. In addition, staff performing such process should be required to perform due diligence by researching the most current applicable rates established by the City.

*Management response:*

*Additional oversight and sign-off by management personnel was implemented subsequent to a similar review in the FY2011 external audit. Additionally, staff is working to develop regularly scheduled updates and review of the rates to be utilized in any grant reimbursement requests to ensure City-wide consistency and compliance with state and federal regulations. These regular reviews will be incorporated into either the grant application or annual audit process.*

**4. The equipment rates used in the calculation of equipment costs were not in accordance with the Federal Emergency Management Agency’s (FEMA) established rates.**

The audit disclosed that the City complied with almost all of the major provisions of the contract agreement. However, test of the equipment rates used in the calculation of equipment costs for both Trafalgar and Beach Parkway projects showed non-compliance with FEMA rates established on or after May 1, 2008, and on or after September 15, 2010. The use of incorrect equipment rates were consistently applied for the most part of the projects’ duration. The Trafalgar project use of FEMA equipment rates covered the periods October 18, 2010 through September 23, 2011. The Beach project use of FEMA equipment rates covered the periods June 28, 2010 through February 26, 2011. Comparative example of equipment rates used by the City versus FEMA rates is shown as follows:

<u>Equipment Description</u>	<u>City Rate</u>	<u>FEMA Rate</u>
Arrow Board	\$ 9.00	\$ 3.15
Cement Hand Saw 14 in.	5.35	6.00
1 Ton Pickup Truck	13.91	20.00
Loader/Backhoe 1.5 Cu Yd	28.67	33.00
Skid Steer Loader 2,000 lbs.	22.85	18.00
Tandem Dump Truck 14 Cu Yd	61.32	60.00
Compactor	11.75	11.00
Semi Tractor Trailer 6x4 50,000 lbs	31.00	55.00
Low-Sider Dump Truck 15K lb	10.09	20.00
Fork Lift 6,000 lb	12.00	11.75

Grant seeking organizations that received federal government funding are required to comply with applicable federal laws and regulations. In this case, the City is required to comply with FEMA's schedule of equipment rates established on or after May 1, 2008, and on or after September 15, 2010, because the City received pass-through federal grant funding for Trafalgar and Beach Parkway projects during these periods.

Again, the overall impact of these errors did not significantly affect the outcome of these grants but they do imply a weakness in the process which produced the inaccurate information. Also, consistent use of incorrect established equipment rates and non-compliance with federal regulations could provide an adverse effect on the City's credibility and reputation and could therefore potentially jeopardize the City's ability to obtain future grant funding.

It is our opinion that due diligence was not performed in determining the applicable equipment rates for the calculation of the reimbursable equipment costs. The audit disclosed that staff just used prior period equipment rates without searching or being knowledgeable of the current applicable rates for specific reimbursement periods. In addition, there was no evidence of supervisory review and monitoring of the staff's work pertaining to this process.

**Recommendation #4:** Management should require supervisory review be performed on the work of staff to ensure applicable rates are used and potential errors are corrected and prevented prior to finalizing the calculation process. Oversight provides management with reasonable assurance that functions are performed accordingly. In addition, staff performing such process should be required to perform due diligence by researching the most current applicable rates established by the grantor agency.

<i>Management response:</i>
<i>Same as #3.</i>

CITY OF CAPE CORAL  
OFFICE OF THE CITY AUDITOR  
COMPARISON OF GRANT APPLICATION PROCESSES  
ADMINISTRATIVE REGULATION #11 and CURRENT PRACTICE

MANAGEMENT OF GRANTS AUDIT  
ATTACHMENT A

GRANT APPLICATION PROCEDURES / PROCESSES	ADMINISTRATIVE REGULATION #11	CURRENT PRACTICE	ADMINISTRATIVELY APPROVED	RESPONSIBILITY CITYWIDE / DEPARTMENTAL	MANUAL / AUTOMATED	EVALUATION RESULT	RECOMMENDED CHANGE
Responsible for the coordination of all grant activities including research, applications and follow-up except for Law Enforcement and CDBG/SHIP related grants.	YES	YES	YES	Grant Writer - Citywide	Manual	There is no citywide Grant Writer to perform this responsibility. This task is currently performed by the Police Grant Writer and Accounting Grant Coordinator.	A Grant Administrator position should be in place to handle responsibility for this process.
Identifies projects for potential funding sources.	NO	YES	NO	Management - Departmental	Manual / Automated	Current practice is weak. Only a few management staff participate in performing this process.	The proposed Grant Administrator and department staff should work together to accomplish this process. Also, management should address this process by educating staff in promoting a strategic approach to grant seeking procedures.
Researches grant funding opportunities and alerts appropriate Departments of potential grant sources.	YES	NO	YES	Grant Writer - Citywide	Manual	Weak. There is no citywide Grant Writer to perform this responsibility.	The same recommendation as mentioned above.
Research potential project funding sources and discuss their findings with department decision makers	NO	YES	NO	Management - Departmental	Manual / Automated	Current practice is weak. Only a few management staff participate in performing this process. Same evaluation as above.	The same recommendation as mentioned above.
Submits a Notice of Grant Opportunity form to Department if an appropriate potential grant source is located.	YES	NO	YES	Grant Writer - Citywide	Manual	There is no citywide Grant Writer to perform this responsibility. This process is no longer applicable.	This process should be deleted from AR #11 since it is no longer applicable to the present application process.
Direction is given to compose and prepare grant application.	NO	YES	NO	Staff - Departmental	Manual / Automated	Current practice is weak. Only a few departmental staff are involved in this process. More departments should participate in the grant application process to increase the potential for revenues.	The proposed Grant Administrator and department staff should work together to accomplish this process. Also, management should address this process by educating staff in promoting a strategic approach to grant seeking procedures.
Departments provide required information to Grant Writer in order to complete grant application. Police and CDBG/SHIP Coordinators are not required to comply with this process.	YES	NO	YES	Staff - Departmental	Manual	Weak. There is no citywide Grant Writer to perform this responsibility.	A Grant Administrator position should be in place to handle responsibility for this process.
Designated staff prepare and submit Consent Agenda Packet in SIRE for Council approval to apply for the selected funding solicitation.	NO	YES	NO	Staff - Departmental	Automated	Current practice is adequate. Automation improved the approval process and is consistent with industry standards. Stated in AR #11 and is also used in current practice.	The City should consider formalizing this procedure by amending AR #11 and/or writing a policy and procedures manual.
Submits the Consent Agenda Item Summary to the City Manager for Council approval. The consent agenda summary form is also used to request approval to submit a continuation application.	YES	YES	YES	Grant Writer - Citywide; Staff - Departmental	Manual	However, there is no citywide Grant Writer performing this procedure.	A Grant Administrator position should be in place to handle responsibility for this process.

GRANT APPLICATION PROCEDURES / PROCESSES	ADMINISTRATIVE REGULATION #11	CURRENT PRACTICE	ADMINISTRATIVELY APPROVED	RESPONSIBILITY CITYWIDE / DEPARTMENTAL	MANUAL / AUTOMATED	EVALUATION RESULT	RECOMMENDED CHANGE
The Consent Agenda Packet is transmitted thru SIRE system to the Department Director for signature and approval. The consent agenda process can take 2-6 weeks to complete.	NO	YES	NO	Staff - Departmental	Automated	Weak. Although automation improved the approval process, the turn around time is too long making the City lose several grant funding opportunities.	Each City department should produce a prioritized list of department or division needs that can potentially be met through grant funding on an annual basis. These needs should be aligned with the City's strategic plan and department or division business plans. The departmental prioritized list of needs should be submitted annually to the City Manager for approval. <b>The City Manager's approval must be sufficient authorization for grant application. Exception would be for grants with matching funds which will require Council approval.</b>
When a resolution is required by Grantor Agency, the Grant Writer will draft a resolution and submits it to City Attorney for approval. Upon approval, the Grant Writer submits the resolution to City Manager for approval five working days prior to due date for City Council agenda items. Police and CDBG/SHIP Coordinators are responsible for submitting their consent agenda items and resolutions.	YES	NO	YES	Grant Writer - Citywide	Manual	Adequate. However, management should consider having a designated staff since there is no citywide Grant Writer to perform this process.	A Grant Administrator position should be in place to handle responsibility for this process.
Upon Department Director's approval, the consent agenda packet is transmitted electronically to City Attorney for legal review and signature.	NO	YES	NO	Staff - Departmental	Automated	Current practice is adequate. The City should consider formalizing this procedure by amending AR #11 or writing a policy and procedures manual.	A Grant Administrator position should be in place to handle responsibility for this process.
Grant Writer works with the department staff to develop a task list and timeline for completion of grant application. Grant Writer and staff are responsible for completion of assigned elements by agreed upon deadline. Grant Writer will assimilate, edit and format all information for the grant application for final review by the department.	YES	NO	YES	Grant Writer - Citywide; Staff - Departmental	Manual	Adequate. Since there is no citywide Grant Writer to perform this process, management should have a designated staff person for this process. AR#11 should be amended as appropriate.	A Grant Administrator position should be in place to handle responsibility for this process.
From the City Attorney, the packet is transmitted electronically to the City Manager's Office where it is signed and transmitted to the City Clerk to be added to the Council Agenda for the next available Committee of the Whole meeting.	NO	YES	NO	Staff - Departmental	Automated	Current practice is adequate. The City should consider formalizing this procedure by amending AR #11 or writing a policy and procedures manual.	A Grant Administrator position should be in place to handle responsibility for this process.

CITY OF CAPE CORAL  
OFFICE OF THE CITY AUDITOR  
COMPARISON OF GRANT APPLICATION PROCESSES  
ADMINISTRATIVE REGULATION #11 and CURRENT PRACTICE

MANAGEMENT OF GRANTS AUDIT  
ATTACHMENT A

GRANT APPLICATION PROCEDURES / PROCESSES	ADMINISTRATIVE REGULATION #11	CURRENT PRACTICE	ADMINISTRATIVELY APPROVED	RESPONSIBILITY CITYWIDE / DEPARTMENTAL	MANUAL / AUTOMATED	EVALUATION RESULT	RECOMMENDED CHANGE
Upon completion of the grant application, Grant Writer will submit it to City Manager for signature. City Council approves all grant applications before submission to Grantor Agencies for consideration. When approved, the Grant Writer will submit the application to appropriate City department, Federal, State, County or private agency. The department maintains responsibility for program administration and/or project manager.	YES	YES	YES	Grant Writer - Citywide; Staff - Departmental	Manual	Adequate. Since there is no citywide Grant Writer to perform this process, management should have a designated staff for this process. AR#11 should be amended since most of grant application submissions to grantor agencies are done electronically.	A Grant Administrator position should be in place to handle responsibility for this process.
The consent item will be available for both public comment and Council discussion at the Committee of the Whole meeting. It will automatically roll to the regular Council meeting the following week for formal action.	NO	YES	NO	N/A	N/A	Current practice is adequate. The City should consider formalizing this procedure by amending AR #11 or writing a policy and procedures manual.	A Grant Administrator position should be in place to handle responsibility for this process.
Grant Writer ensures the application is submitted to the proper Regional, State and/or other appropriate Agencies for Executive Order 123 review. When hearings are required at such Agencies, a department spokesperson will be designated to accompany the Grant Writer. Police and CDBG/SHIP Coordinators are responsible for their depts.	YES	YES	YES	Grant Writer - Citywide	Manual	Adequate. Since there is no citywide Grant Writer to perform this process, management should have a designated staff for this process.	A Grant Administrator position should be in place to handle responsibility for this process.
If the Council denies the request to apply for a prospective grant, application documents are archived for destruction at the end of fiscal year. If the request to apply is approved, and the completed application is attached to the consent agenda, the City Clerk will facilitate needed signatures. Original documents are returned to the department where copies are made for distribution.	NO	YES	NO	City Clerk and Departmental Staff	Manual	Current practice is adequate. The City should consider formalizing this procedure by amending AR #11 or writing a policy and procedures manual.	A Grant Administrator position should be in place to handle responsibility for this process.
Grant Writer will make three copies of the grant application for internal distribution to the applicant department, City Clerk and City Manager's Office. Police and CDBG/SHIP Coordinators are required to send a copy of their applications to the City Clerk and Finance Department.	YES	YES	NO	Grant Writer; Police and CDBG/SHIP Coordinators	Manual	Current and former practices are adequate. However, there is no central person assigned to perform this process.	A Grant Administrator position should be in place to handle responsibility for this process.
The applicant department keeps a copy of the grant application and sends a copy to Grants Accounting Coordinator, City Clerk and original to Grantor Agency.	NO	YES	NO	Staff - Departmental	Manual	Current practice is adequate. The City should consider formalizing this procedure by amending AR #11 or writing a policy and procedures manual.	A Grant Administrator position should be in place to handle responsibility for this process.

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GRANT APPLICATION PROCEDURES / PROCESSES	ADMINISTRATIVE REGULATION #11	CURRENT PRACTICE	ADMINISTRATIVELY APPROVED	RESPONSIBILITY CITYWIDE / DEPARTMENTAL	MANUAL / AUTOMATED	EVALUATION RESULT	RECOMMENDED CHANGE
If the grantor agency denies the application, the file is archived for destruction at the end of fiscal year. If the grantor agency approves the application, the entire consent agenda process must be repeated accepting the grant and authorizing designated staff to sign and process all related documents.	NO	YES	NO	Staff - Departmental	Manual / Automated	Current practice is adequate. The City should consider formalizing this procedure by amending AR #11 or writing a policy and procedures manual.	A Grant Administrator position should be in place to handle responsibility for this process.
Once the Council has voted to accept the funding, the City Clerk will have the award documents executed and return to department staff for distribution to Accounting Grants Coordinator, department file and original copy to Clerk's Office.	NO	YES	NO	City Clerk and Departmental Staff	Manual	Current practice is adequate. The City should consider formalizing this procedure by amending AR #11 or writing a policy and procedures manual.	A Grant Administrator position should be in place to handle responsibility for this process.
The department maintains responsibility for program administration and/or project management. It will ensure all federal, state, county and private grants are administered properly and program goals and objectives are accomplished.	YES	YES	YES	Staff - Departmental	Manual	Adequate. Management should retain this procedure in AR#11 or in the new policy and procedures manual.	None.
The Accounting Grants Coordinator and Budget Analyst will assign the project a business unit number in JDE system and set up the approved grant budget within the business unit and notifying department staff when the project is active in the system.	NO	YES	NO	Staff - Departmental	Automated	Current practice is adequate. The City should consider formalizing this procedure by amending AR #11 or writing a policy and procedures manual.	Management should consider formalizing this procedure by amending AR #11 and/or writing a policy and procedures manual.
Grant Writer is the point of contact for all communication regarding the grant application. Upon notice of award, the Grant Writer will verify the Grantor Agency that the Grant Accounting Assistant is the point of contact for contracts, cooperative agreements, checks and confirmation of wire transfers.	YES	NO	YES	Grant Writer - Citywide	Manual	Adequate. Since there is no citywide Grant Writer to perform this process, management should have a designated staff person for this process.	A Grant Administrator position should be in place to handle responsibility for this process.
Departments will begin implementing their project coordinating with Purchasing and Finance. Department staff are responsible for program compliance and program reporting. Finance is responsible for financial compliance and reporting.	NO	YES	NO	Staff - Departmental	Manual / Automated	Current practice is adequate. The City should consider formalizing this procedure by amending AR #11 or writing a policy and procedures manual.	Management should consider formalizing this procedure by amending AR #11 and/or writing a policy and procedures manual.
Grant Accounting Assistant will assign a project number and accounting number to the grant upon notification of the award. Grant Writer, Police Grant Writer, CDBG/SHIP Coordinator and Department Program Administrator or Project Manager will be notified in writing that these numbers have been assigned to the grant/project.	YES	YES	YES	Staff - Departmental	Manual / Automated	These procedures are presently being performed by the Accounting Grants Coordinator and assigned Budget Analyst.	Management should amend AR #11 to conform with the present procedures in place.
Designated department staff oversees the daily project implementation and provide the Accounting Grants Coordinator with either completed quarterly financial reports or data required to complete the financial reports. The Accounting Grants Coordinator reviews the reports for accuracy, comparing reported costs with the balances in JDE business unit. Any discrepancies are resolved and forwards the reports to Financial Services Director for signature. The reports are returned to responsible department for submission to Grantor Agency.	NO	YES	NO	Staff - Departmental		Current practice is adequate. The City should consider formalizing this procedure by amending AR #11 or writing a policy and procedures manual.	Management should consider formalizing this procedure by amending AR #11 and/or writing a policy and procedures manual.

CITY OF CAPE CORAL  
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ADMINISTRATIVE REGULATION #11 and CURRENT PRACTICE

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ATTACHMENT A

GRANT APPLICATION PROCEDURES / PROCESSES	ADMINISTRATIVE REGULATION #11	CURRENT PRACTICE	ADMINISTRATIVELY APPROVED	RESPONSIBILITY CITYWIDE / DEPARTMENTAL	MANUAL / AUTOMATED	EVALUATION RESULT	RECOMMENDED CHANGE
Program Administrators or Project Managers prepare financial reports and request for reimbursements that are required by the Grantor Agency. These reports are submitted to Finance Department for administrative reviews for accuracy and completeness before forwarded to the Grantor Agency. The Grant Accounting Assistant reviews all financial reports and requests for reimbursements and the Grant Writer reviews all progress reports.	YES	YES	YES	Grant Writer, Grant Acctg Asst and Program Administrators	Manual / Automated	Adequate. The internal controls in place for review and approval are sufficient.	Management should retain this procedure and include in the policy and procedures manual.
About a week after the financial reports are submitted, the Grants Accounting Coordinator or other Council designated personnel will access the Grantor Agency's payment system and request drawdown of funds.	NO	YES	NO	Designated personnel; Grants Accounting Coordinator	Automated	Current practice is adequate. However, the assignment or designation of another personnel other than Finance staff may confuse the Grantor Agency or may result to multiple drawdowns for the same reimbursement request.	<b>Management should consider the drawdown of funds function be solely performed in Finance. Finance should implement control procedures for this process.</b>
Whenever adjustments or amendments to the grant or contract are required, request for changes are submitted to the Finance Director for City Manager's (or designee) signature before changes are submitted to Grantor Agency.	YES	NO	YES	Staff - Departmental	Manual	Adequate. However, the adjustments/amendments should be reviewed on individual merits or depending on grant fund amount and scope of change.	Minor adjustments/amendments to the grant/contract should not require City Manager's approval. However, major changes should require City Manager's approval. Management should set a limit on the grant dollar amount and scope of change that would require City Manager's approval.
Finance staff works with designated department grant contacts to ensure incoming payments are accurately posted and to resolve any obstacles regarding the payment process. Payments are made by either checks or ACH.	NO	YES	NO	Staff - Departmental	Automated / Manual	Current practice is adequate. The City should consider formalizing this procedure by amending AR #11 or writing a policy and procedures manual.	Management should consider formalizing this procedure by amending AR #11 and/or writing a policy and procedures manual.
On a continuing basis, the Grant Writer will work with the Program Administrator or Project Manager to resolve problems and to provide assistance to ensure grant goals are accomplished. The Police and CDBG/SHIP Coordinators will coordinate this activity within their departments.	YES	NO	YES	Grant Writer; Designated departmental staff		Adequate. Management should retain this procedure in AR#11 or in the new policy and procedures manual.	A Grant Administrator position should be in place to handle responsibility for this process.
Within 20 working days at the end of each quarter, the Grant Writer will furnish the City Manager with a schedule of grant applications status: in process, submitted, approved and denied. The City Manager will submit this status updates to City Council at the first Council meeting in the next quarter.	YES	YES, Collaboration between Finance and Police Grant Writer	YES	Grant Writer	Manual	Adequate. Since there is no citywide Grant Writer to perform this task, management should have a designated staff for this process because it is an adequate tool to monitor and track progress of grant applications.	A Grant Administrator position should be in place to handle responsibility for this process.
When the project is completed, the grant has expired or been fully expended, the department staff will facilitate the closeout process as directed by the Grantor Agency. Finance will make the appropriate entries to close the business unit internally. The internal file is reviewed to ensure documentation is comprehensive and complete. The file is archived for the seven year retention period.	NO	YES	NO	Staff - Departmental	Manual	Current practice is adequate. Management should consider formalizing this procedure by adjusting or amending AR #11 or writing a new policy and procedures manual.	Management should consider formalizing this procedure by amending AR #11 and/or writing a policy and procedures manual.

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The Grant Writer will maintain a summary of grant application performance in order to ascertain the overall progress of the grant application process.	YES	NO	YES	Grant Writer		There is no citywide Grant Writer to perform this process. However, management should have a designated staff for this process because this is an adequate tool to monitor and track the grant application progress. Current practice is adequate.	A Grant Administrator position should be in place to handle responsibility for this process.
Files may be archived in individual departments, Finance or City Clerk's Office.	NO	YES	NO	Staff - Departmental	Manual	Management should consider formalizing this procedure by adjusting or amending AR #11 or writing a new policy and procedures manual. Current practice is adequate.	Management should comply with the City Clerk's policy on location of files to be archived.
At the end of the seven year retention period, the department with physical possession of the file will request permission from the City Clerk to destroy the complete file and delete any corresponding electronic records. This department will oversee and sign off on the actual records destruction.	NO	YES	NO	Staff - Departmental	Manual / Automated	Management should consider formalizing this procedure by adjusting or amending AR #11 or writing a new policy and procedures manual.	The destruction of records should be performed by the Clerk's Office to ensure that all records eligible for destruction are done according to State of Florida's Regulation on Scheduling and Disposition of Public Records.