

San Diego Integrated Regional Water Management Administrative Policy

DRAFT Policy and Procedures for Grant Administration Funding

March 29, 2017

Purpose:

To establish policy and procedures for funding Grant Administration Program (GAP) support services for Integrated Regional Water Management (IRWM) projects, including unforeseen circumstances necessitating additional funding to manage the grant through completion.

Policy:

The GAP provides essential grant administration-support services. Grant administration support is funded by a minimum of 3% of the sum of project grant awards, as recommended by the GAP and approved by the Regional Water Management Group (RWMG). The grant administration cost percentage may be based on the number of projects and estimated costs to administer them for the duration of the grant program. Duration of the program is defined as the time from the date of the grant award through grant program completion. For typical grant administration support costs allocation, Step 1 shall be followed.

Grant administration is a project or component of the overall grant program and will comply with all requirements of the grant agreement. GAP activities, costs and a schedule will be part of each grant application.

The GAP budget may require an increase if the grant program is extended past the termination date to fund grant support activities during the extended post-program completion period or under other unforeseen circumstances.

Payment of additional grant administration costs may be required, depending on circumstances. Failure to do so may put the project in default of the Local Project Sponsor (LPS) agreement.

Discussion:

Grant administration-support services include, but are not limited to:

- Grant and LPS Agreements processing
- Review and submittal of project invoices and reports to grantor
- Responding to Department of Water Resources (DWR) audits
- Conducting internal desk audits
- Project sponsor and DWR coordination
- Grant agreement compliance
- Grant financial management
- Post-project-completion compliance support within program contract timeframe

GAP costs typically include fully loaded staff time, materials and other costs required to provide the services mentioned above. Extensive or additional support services needed may require re-

evaluation of percentage originally calculated for grant administration (i.e. substantial amendments, new grant requirement process that require extensive assistance, etc.).

Below are examples of circumstances that may result in GAP cost changes.

Grant Program Extension

Each request for agreement extension past the original grant program completion date may incur additional GAP costs beyond those originally budgeted. The cost methodology and billing method for the extended grant administration-support services is based on average monthly project support costs for that round of funding (due to variability in contract requirements).

Payment of additional grant administration costs may be required, depending on circumstances. Failure to do so may put the project in default of the LPS Agreement. An LPS may use local funds or other sources to pay for additional GAP costs that may be required by its project extension. If a project requests an extension that eventually extends the term of the grant program, Steps 2 and 3 below shall be followed.

Post Program-Completion Compliance Period

Grant administration costs related to the post program-performance compliance period are those associated with administering grant requirements past the grant program term. Examples of these costs include the annual post project-performance reports and audits (typically required for 10 year timeframe). All projects may be subject to an audit by DWR or GAP for up to three years after the grant completion date. If this occurs, audit costs, including grant administration support, will be borne and charged to the LPS.

Procedures:

Procedures for determining additional GAP costs, if any:

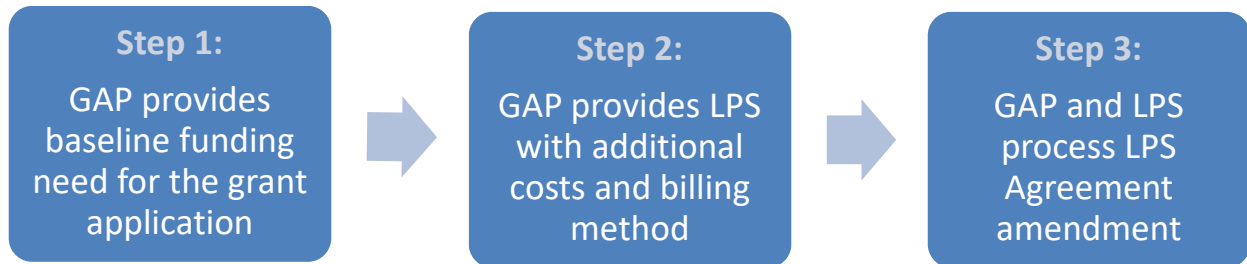
Step 1: During the project selection process, the GAP shall provide the RWMG and Project Selection Workgroup with an estimate of grant administration costs based on the number of projects selected and estimated costs to administer those projects. This amount shall be used in the grant application as the GAP grant budget. The GAP shall be included in the grant agreement as a separate project or component.

Step 2: In the event of program extension or other unforeseen circumstances that change GAP costs beyond the base percentage established in Step 1, the GAP shall provide the relevant LPS with estimated grant administration costs and method of billing for the project changes.

Step 3: Once costs and billing method are agreed upon by the GAP and LPS, the LPS Agreement amendment(s) processing begins. The LPS submits an LPS Agreement amendment form to the GAP showing the project extension date and the reason for the extension, as well as its appropriated budget for the additional grant administration costs, source of funding, and other changes to the project, if any, and applicable agreement exhibits to be changed.

Once this information is submitted, the GAP will request approval of the amendment from the grantor as necessary. After receiving approval from the grantor, the GAP will amend the LPS Agreement.

Grant Administration Funding Flow Chart



Effective Date:

The *Policies and Procedures for Grant Administration Funding* will be effective immediately upon approval by the RWMG (San Diego County Water Authority, City of San Diego, and County of San Diego). The policy will be made available to all current and prospective LPS.

Notes: After this policy is approved, LPS Agreements may be amended to include a section referring to additional grant administration costs. Revision to this policy may occur to address funding source(s) to administer post-program completion requirements for IRWM projects.

Definitions:

1. RMWG – Regional Water Management Group
2. RAC – Regional Advisory Committee
3. GAP – Grant Administration Program
4. LPS – Local Project Sponsor
5. Project Selection Workgroup – Comprises of members from various stakeholder groups (e.g., non-profit entities, water agencies, etc.) who select the projects for regional grant applications
6. LPS Agreement – Agreement between LPS and San Diego County Water Authority
7. Grant Agreement – Agreement between San Diego County Water Authority and grantor