



PALM DESERT

C A L I F O R N I A

	CITY OF PALM DESERT	
	<i>Subject</i>	Grant Policy and Procedures Manual
	<i>Policy No.</i>	CMGR-003
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	<i>Approved by</i>	Resolution No. 2025-____
	<i>Authored by</i>	City Manager's Office / Finance

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Part I – Grant Policy Statement

Purpose

The purpose of this policy is to establish a comprehensive and uniform framework governing the identification, application, acceptance, management, and reporting of grant funding within the City of Palm Desert (“City”).

This policy ensures compliance with all federal, state, and local regulations; promotes financial accountability; and provides consistent administrative guidance to all departments.

Grants represent critical funding sources that support public safety, infrastructure, sustainability, and community programs. The City recognizes that effective grant management enhances service delivery, maximizes external revenue opportunities, and safeguards public trust.

Policy Declaration

It is the policy of the City of Palm Desert that:

1. All City departments are encouraged to seek and manage grant funding that aligns with City Council goals and the City's Strategic Plan.
2. Each department applying for or receiving a grant is responsible for the full lifecycle of that grant—from application through closeout—including administration, compliance, reporting, and fiscal accountability.
3. All departments shall provide the Finance Department with full access to grant-related materials, including the grant application, grant portal information, login credentials (email and password), and any other items necessary to complete the grant cycle
4. Oversight, policy compliance, and fiscal coordination shall be managed jointly by the City Manager's Office and the Finance Department.
5. The City shall maintain transparency, accountability, and audit readiness for all grant-funded programs and activities.
6. All grants and details must be put in the Laserfiche "Grants" Folder for tracking and record-retention location, in accordance with this manual.
7. The City shall comply with 2 CFR 200 (Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards), the Single Audit Act Amendments of 1996, and all applicable California statutes and municipal financial policies.

Oversight and Administration

- The City Manager's Office is responsible for overall policy oversight, ensuring departmental compliance, and maintaining a centralized record of active and completed grants.
- The Finance Department provides fiscal control, auditing, and monitoring for all grant-related revenues and expenditures.
- The City Attorney's Office shall review all grant agreements and amendments requiring legal review or City Council action.

Departmental Responsibilities

Each department that applies for, receives, or manages a grant shall:

1. Coordinate with the City Manager's Office and Finance Department prior to any submission;
2. Ensure accuracy and completeness of all application materials;
3. Adhere to all funding conditions, procurement standards, and reporting requirements;
4. Maintain all grant documentation within the designated Laserfiche grant folder and/or other designated record-retention location.
5. Update the Grants Tracker Excel sheet, or other designated tracking method as established, upon submission, award, modification, and closeout; and
6. Complete all required closeout and retention procedures as outlined in this manual.

Grant Documentation and Recordkeeping

All grant documentation—including applications, executed agreements, amendments, reports, correspondence, and closeout materials—must be stored in the Laserfiche Grant Drive.

Each department shall ensure that the Grants Tracker Excel File is continuously updated with accurate information regarding status, funding amount, term, and reporting deadlines.

The City shall retain all grant-related records for a minimum of five (5) years following final audit or closeout, or longer as required by the grantor.

Compliance and Legal Authority

This policy and accompanying procedures are issued under the authority of the Palm Desert City Council, in compliance with:

- Title 2 of the Code of Federal Regulations, Part 200 (Uniform Guidance)
- Federal Grant and Cooperative Agreement Act of 1977
- Single Audit Act Amendments of 1996
- California Government Code Sections 53060 et seq.
- City of Palm Desert Fiscal and Procurement Policies
- And all other applicable compliance requirements.

Adoption and Effective Date

This Grant Policy and Procedures Manual is effective upon adoption by the Palm Desert City Council and shall apply to all departments and divisions of the City.

Updates or revisions to this manual may be made by administrative action of the City Manager's Office and Finance Department, with City Council approval where required.

Part II – Grant Procedures Manual

Chapter 1: Purpose, Definition, and Authority

Purpose

The purpose of this manual is to provide a comprehensive framework for all City of Palm Desert ("City") departments in identifying, applying for, managing, and closing out grants in compliance with local, state, and federal regulations.

This manual ensures that City staff consistently administers grant programs in a manner that promotes fiscal responsibility, transparency, and adherence to all applicable laws.

By following these procedures, departments will enhance the City's ability to secure and effectively utilize grant funds to advance community priorities while minimizing administrative and financial risks.

Definition of a Grant

A grant is a form of financial or in-kind assistance provided by an external entity—such as a federal or state agency, foundation, or corporation—to support a specific project or program.

A grant may take the form of:

- A contract or cooperative agreement;
- An intergovernmental agreement or memorandum of understanding;
- A loan, loan guarantee, or reimbursement program; or
- Any conditional award requiring performance, reporting, or fiscal accountability.

All grants accepted by the City are subject to applicable laws and regulations, including federal guidance under 2 CFR 200 and all City of Palm Desert fiscal and procurement policies.

Grant Types

The City recognizes the following common grant types:

- Discretionary Grants: Competitive awards based on specific application criteria.
- Block Grants: Formula-based distributions for a broad program purpose.
- Continuation Grants: Renewals or extensions of existing awards.
- Cooperative Agreements: Awards with substantial grantor involvement.
- Corporate/Foundation Grants: Non-governmental awards supporting City initiatives.
- Pass-Through Grants: Funds received from another agency acting as intermediary.
- Earmarks and Formula Grants: Legislative or formula-based distributions tied to defined metrics.

Governing Laws and Regulations

City departments must comply with the following, as applicable:

- 2 CFR 200 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards
- Federal Grant and Cooperative Agreement Act of 1977 (31 U.S.C. §6304)
- Single Audit Act Amendments of 1996
- OMB Circular A-133 Compliance Supplement
- California Government Code and City of Palm Desert Fiscal and Procurement Policies

Updates and Revisions

This manual is a living document. The City Manager’s Office and Finance Department may propose revisions to reflect changes in law, policy, or best practices. Revisions are effective upon City Manager approval or City Council adoption, as applicable.

Chapter 2: Grants Management Policy General Principles

The City of Palm Desert encourages its departments to seek supplemental funding opportunities that support municipal services and community programs.

The following principles govern all grant activities:

1. **Departmental Responsibility:**
Each department applying for or receiving a grant is responsible for the application, implementation, financial management, reporting, and closeout of that grant.
2. **Central Oversight:**
The City Manager's Office provides administrative oversight, while the Finance Department ensures fiscal control, compliance, and audit readiness.
3. **Consistency and Transparency:**
All grant activity must be documented in the Citywide Grants Tracker (Excel) and supported by a complete file in the Laserfiche Grant Drive folder or other designated tracking and record-retention location, in accordance with this manual.
4. **Cost Evaluation:**
Departments must evaluate all required matching funds, staffing impacts, appropriations, and indirect costs before submitting any grant application.
5. **Compliance:**
All grants are subject to applicable local, state, and federal rules, and City departments will adhere to all applicable compliance requirements.

Application Approval

Departments may submit grant applications only after internal coordination and approval in accordance with the following rules:

- City Council Approval is required before submission if:
 1. The grant creates ongoing City financial obligations.
 2. The grant requires City Council execution; or
 3. The grant poses potential controversy or political sensitivity.
- City Manager Approval may suffice for time-sensitive applications requiring immediate submission, provided Council ratification is sought at the next available meeting.

Application Process

1. **Departmental Assessment:**
Departments must assess their administrative and fiscal capacity to manage the grant.

2. Internal Coordination:
Departments must notify the City Manager's Office and Finance Department prior to submission.
3. Legal Review:
The City Attorney's Office shall review applications and agreements when required.
4. Filing and Documentation:
A copy of each application and all supporting materials must be uploaded to the Laserfiche Grant Folder.

Grant Award and Acceptance

- All grant awards shall be executed by the City Manager or designee following Council approval where required.
- Copies of all executed agreements must be provided to the Finance Department and City Clerk for filing.
- Departments are responsible for initiating account setup and tracking expenditures in coordination with Finance.

Chapter 3: Roles and Responsibilities

City Council

- Authorizes policies, budgets, and acceptance of major grants.
- Approves grant applications requiring significant matching funds or long-term obligations.
- Provides legislative oversight for grant-funded programs.

City Manager's Office

- Serves as the central oversight authority for City grant activities.
- Maintains the Citywide Grants Tracker within the Laserfiche Grant Drive and/or other established tracking mechanisms.
- Ensures consistency in grant administration across departments.
- Coordinates interdepartmental communication and compliance.
- Reviews applications and reports for alignment with City priorities.

Finance Department

- Ensures fiscal accountability, compliance, and audit readiness.
- Establishes grant project codes and applicable accounting codes to track all grant revenues and expenditures.
- Reviews reimbursement requests and prepares financial reports.
- Monitors cost allocation, matching funds, and financial reconciliations.
- Supports annual single-audit preparation for federal grant compliance.

Department Directors and Grant Managers

- Serve as primary custodians of each grant under their department.
- Responsible for all deliverables, performance measures, and compliance reporting.
- Must maintain all documents in the Laserfiche grant folder.
- Must update the Grants Tracker Excel sheet promptly after application, award, amendment, or closeout.
- Ensure expenditures are allowable under the grant agreement
- Notify the City Manager's Office and Finance Department of any grant modifications, reporting delays, amendments, departmental changes, or potential compliance issues.
- If the grant's project manager changes, the department is responsible for training the new project manager on the grant cycle to ensure a smooth transition and prevent any disruptions or compliance issues.

City Attorney's Office

- Reviews all contracts, grant agreements, and amendments requiring legal review.
- Provides legal guidance to departments regarding grant terms, indemnity, and liability.

All City Staff Engaged in Grant Management

- Must adhere to the City's conflict-of-interest policies and ethical standards.
- Are required to complete any training provided on grant management, compliance, or documentation procedures.
- Must cooperate with the Finance Department and external auditors during audits or reviews.

Chapter 4: Grant Pre-Award Process

The pre-award process begins when a department identifies a potential funding opportunity and continues through submission of the grant application. The City of Palm Desert requires that all grant applications undergo internal review and documentation prior to submission.

Section 4.1 – Project and Program Development

A successful grant project must be well-developed before seeking external funding. Departments must ensure the proposed project:

- Aligns with the City Council's goals and the City's Strategic Plan;
- Is feasible and sustainable after the grant period; and
- Has measurable outcomes and realistic deliverables.

Pre-Application Development Checklist:

Item	Description	Complete (✓)
<input type="checkbox"/> Project aligns with City priorities	Confirm alignment with Strategic Plan and Council objectives	
<input type="checkbox"/> Defined scope, objectives, and outcomes	Identify deliverables, timeline, and responsible parties	
<input type="checkbox"/> Feasibility analysis completed	Determine the operational, fiscal, appropriation, and staffing feasibility.	
<input type="checkbox"/> Post-grant sustainability considered	Identify how the program will continue after funding ends	
<input type="checkbox"/> Partnerships established (if applicable)	Secure letters of support or commitment	
<input type="checkbox"/> Estimated budget prepared	Include indirect costs, match requirements, and in-kind support	

Section 4.2 – Review of Grant Opportunities

Departments are responsible for identifying suitable funding sources through federal, state, or private grant databases, newsletters, or professional networks (consultants).

Each opportunity should be evaluated using the following criteria:

- Financial Impact: Total cost, matching requirements, ongoing obligations
- Operational Impact: Staffing capacity and cross-department coordination

- Programmatic Impact: Consistency with City priorities and community need
- Risk Assessment: Political sensitivity, compliance complexity, or audit exposure

Section 4.3 – Coordination and Internal Review

Departments must coordinate with the City Manager’s Office and Finance Department prior to submission.

All proposed applications must be reviewed for compliance, budget accuracy, and administrative capacity.

Pre-Submission Review Checklist:

Review Step	Responsible Party	Notes	Date Completed
Department review of NOFO/FOA requirements	Department		
Coordination meeting with City Manager’s Office	Department / CMO		
Budget review and account setup discussion	Finance		
Legal review (if applicable)	City Attorney		
City Manager/City Council approval	CMO / Council		
Copy of application saved to Laserfiche Drive	Department		
Application logged in Grants Tracker Excel	Department		

Section 4.4 – Application Preparation

Departments are responsible for the completeness and accuracy of their applications. All attachments, certifications, and forms must be reviewed and approved prior to submission.

Application Documentation Requirements

- Project narrative and scope of work
- Budget and budget justification
- Letters of support or partnership MOUs
- Required certifications and assurances

- Completed federal or state forms and all applicable forms.
- Signed City approval form or Council resolution (if required)

Section 4.5 – Submission and Recordkeeping

A final copy of the full application package must be:

1. Uploaded to the Laserfiche Grant folder under the designated grant name;
2. Logged in the Citywide Grants Tracker and or tracking mechanism
3. Shared electronically with the City Manager’s Office and Finance Department for internal tracking.

Chapter 5: Grant Post-Award Process

The post-award process begins once the City receives notification of an award and continues through project implementation, reporting, and closeout. The following standards ensure compliance, accountability, and audit readiness.

Section 5.1 – Award Notification, Review, and Acceptance

- All award notifications must be reviewed by the City Manager’s Office and Finance Department prior to acceptance.
- The City Manager or designee executes grant agreements following Council authorization (if required).
- Fully executed agreements must be filed with the City Clerk and stored in the department’s Laserfiche grant folder.

Section 5.2 – Fiscal Accountability

Departments must ensure strict financial stewardship of grant funds. The following standards apply:

1. Grant Expenditures:
 - Funds may only be used for purposes described in the grant agreement.
 - Expenditures must be allowable, allocable, reasonable, and properly documented as described in the grant award.
2. Matching Funds:
 - All matching requirements must be budgeted and documented prior to expenditure.

3. Budget Modifications:

- Any reallocation or modification requires written approval from both the Finance Department and the granting agency.

4. Financial Reporting:

- Departments must submit periodic financial reports to the grantor and provide copies to Finance and the City Manager's Office.

Section 5.3 – Equipment and Real Property Management

All property or equipment purchased with grant funds must:

- Be used exclusively for the project during the grant term;
- Be recorded in the department's asset inventory and tagged per City policy;
- Be safeguarded against loss or damage;
- Follow grant guidelines for disposition after closeout.
- Reference City of Palm Desert Disposal Policy (Resolution 2022-99)

Equipment Management Table

Item	Serial/Asset Tag	Acquisition Date	Cost	Location	Disposition Date/Action
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Section 5.4 – Procurement and Suspension/Debarment

Departments must comply with federal, state, and City procurement requirements, using the most stringent rule applicable.

Before contracting under a federally funded grant:

- Verify all vendors and subcontractors are active in SAM.gov and not suspended or debarred.
- Maintain proof of verification in the grant file.
- Ensure all procurement records, bids, and contracts are uploaded to the Laserfiche grant folder.

Section 5.5 – Grant Reporting

Departments are responsible for submitting all required reports accurately and on time.

Reporting Requirements Table:

Report Type	Due Date	Recipient (Agency)	Copy To	Status
Progress Report		Grantor	City Manager's Office	
Financial Report		Grantor / Finance	Finance Department	
Final Report		Grantor	City Manager's Office / Finance	

Section 5.6 – Closeout and Record Retention

Grant Closeout Procedures:

1. Reconcile all revenues and expenditures.
2. Submit final reports to the grantor and provide copies to Finance.
3. Ensure all deliverables are submitted by due dates.
4. Upload all closeout documents to the Laserfiche grant folder.
5. Update the Grants Tracker Excel Sheet to reflect “Closed” status.

Record Retention:

Grant records must be maintained for five (5) years after the final audit year, or longer if required by the grantor.

Section 5.7 – Termination and Continuation of Grant Programs

- The City will not continue grant-funded programs or positions once funding expires, unless otherwise approved by the City Council.
- Departments must notify the City Manager's Office 90 days before grant expiration to determine closeout or renewal needs.

Section 5.8 – Conflict of Interest

No City official or employee may participate in the selection, award, or administration of a grant where a real or perceived conflict of interest exists.

Departments must adhere to the City's Conflict of Interest Code and 2 CFR 200.318(c)(1) as applicable

Section 5.9 – Grant Folder Documentation Requirements

Each grant in the Laserfiche Grant folder location must contain the following (at minimum):

Grant Folder Documentation Checklist:

Folder Section	Contents Required	Complete (✓)
Application Materials	Application, narrative, budget, attachments	
Award Documentation	Award letter, executed agreement, resolution	
Financial Documentation	Expenditure reports, invoices, reimbursements	
Correspondence	Grantor communications, approval letters	
Reports	Progress, financial, and final reports	
Equipment/Inventory	Purchase documentation, asset logs	
Closeout	Final report, reconciliation, and audit results	
Amendments	As applicable	

Chapter 6: Federal Requirements for Construction Projects

Departments managing federally funded construction-related projects must comply with all federal labor and safety standards.

These requirements extend to contractors, subcontractors, and subrecipients performing work under City-administered grants.

6.1 Federal Labor Standards and Compliance

When applicable, the following laws and standards must be enforced:

Regulation	Summary Requirement
Davis–Bacon Act	Requires contractors and subcontractors to pay prevailing wages, as determined by the U.S. Department of Labor (DOL), for all laborers and mechanics on federally funded construction projects exceeding \$2,000. Wage determinations must be included in bid specifications.
Contract Work Hours and Safety Standards Act (CWHSSA)	Applies to contracts over \$100,000. Defines overtime as any hours worked over 40 in a week and mandates overtime pay of 1.5 times the regular rate. Violations may result in liquidated damages of \$40 per day per employee.
Copeland Anti-Kickback Act	Prohibits employers from inducing employees to give up compensation and requires certified payroll submission.
Fair Labor Standards Act (FLSA)	Establishes minimum wage, overtime, recordkeeping, and child labor standards for all workers, including those not covered by Davis–Bacon.

To ensure the City remains in compliance, departments must include all required labor provisions in bid solicitations, contracts, and project management documentation, and ensure that certified payroll records are retained for all contractors performing the work.

6.3 Environmental and Safety Compliance

Departments must comply with applicable National Environmental Policy Act (NEPA) and California Environmental Quality Act (CEQA) requirements, as well as all local safety standards.

Copies of environmental documents and approvals must be stored in the grant folder and or record retention area

Chapter 7: Other Important Federal Guidelines and Policies

7.1 Disadvantaged Business Enterprises (DBE)

The City of Palm Desert promotes participation by minority-owned, women-owned, and disadvantaged business enterprises in federally funded projects.

Departments must make reasonable efforts to ensure DBEs are included in procurement solicitations, consistent with 49 CFR Part 26.

7.2 Civil Rights and Nondiscrimination

The City complies with Title VI of the Civil Rights Act of 1964 and related laws prohibiting discrimination on the basis of race, color, national origin, sex, age, or disability in any program or activity receiving federal assistance.

Departments must ensure equal opportunity in contracting, employment, and service delivery.

7.3 Americans with Disabilities Act (ADA) and Section 504

All programs, facilities, and communications must be accessible to persons with disabilities. Departments must evaluate accessibility impacts and document compliance efforts.

7.4 Lobbying Restrictions

Pursuant to 2 CFR 200.450, federal grant funds may not be used to influence members of Congress or other federal officials.

Departments engaging in lobbying with non-federal funds must submit Form SF-LLL (Disclosure of Lobbying Activities) as required.

7.5 Limited English Proficiency (LEP)

Departments must ensure meaningful access to services and information for individuals with limited English proficiency.

Translated materials or interpreters should be provided when appropriate under Title VI guidance.

7.6 Drug-Free Workplace

All grant-funded programs must comply with 2 CFR 182, requiring a drug-free workplace policy and employee notifications for federally funded activities.

7.7 Conflict of Interest

No City employee, official, or agent shall participate in the selection, award, or administration of a grant or contract supported by federal funds where a real or apparent conflict of interest exists.

Conflicts arise when the employee, a family member, partner, or organization has a financial interest in or potential benefit from the transaction.

Departments must immediately disclose any potential conflict to the City Manager's Office and Finance Department for review.

7.8 Organizational Conflicts of Interest

An organizational conflict of interest exists when an entity assisting in preparing specifications or applications is also competing for a resulting contract. Such entities must be excluded from participation unless approved by the federal awarding agency.

7.9 Recordkeeping and Audit Compliance

Departments must retain all grant-related records—including applications, contracts, reports, invoices, payrolls, and correspondence—for five (5) years after the final audit year.

If litigation, audit, or investigation is ongoing, records must be retained until all issues are resolved.

Part III – Appendices, and Adoption

Appendices

Appendix A – Citywide Grants Tracking

Each department must maintain current and accurate entries in the Laserfiche grant folder located in the *City-of-Palm-Desert* Laserfiche:

Required Columns:

Column Name	Description	Example Entry
Grant Title	Official name of the funding program	FEMA Hazard Mitigation Grant
Funding Source	Agency or organization providing funds	FEMA / Cal OES
State/Federally Funded		State
Department	Responsible City department	Public Safety
Grant Manager	City staff managing the grant	D. Hurtado
Application Submitted	Date of submission	01/15/2025
Award Amount	Total funds awarded	\$250,000
Matching Funds	Required local match (if any)	\$25,000 (10%)
Project Start Date	Beginning of grant term	07/01/2025
Project End Date	End of grant term	06/30/2027
Status	Application / Awarded / Active / Closed	Active
Report Due Dates	Periodic reporting schedule	Quarterly
Folder Path	Link or path to Laserfiche grants	Laserfiche/City-Of-Palm-Desert/Grants/

Departments must update this tracker:

- Upon submission of any application;
- Upon award, modification, or amendment;
- Upon closeout and final reporting.

Appendix B – Grants Folder Structure

To ensure consistent recordkeeping, all departments must store grant-related documents in the shared Laserfiche directory.

Each department shall maintain a grant folder organized as follows:

📁 City-of-Palm-Desert

└ 📁 Grants

| └ 📁 [Department Name]

| | └ 📁 [Grant Name or Program Title]

| | | └ 📁 01_Application

| | | └ 📁 02_Award_and_Agreements

| | | └ 📁 03_Budget_and_Financials

| | | └ 📁 04_Reports

| | | └ 📁 05_Procurement_and_Contracts

| | | └ 📁 06_Equipment_and_Inventory

| | | └ 📁 07_Closeout

| | | └ 📁 08_Audit_and_Correspondence

Each folder must contain complete documentation for that stage of the grant lifecycle. The Finance Department and City Manager’s Office will conduct periodic reviews of folder compliance.

Appendix C – Definitions and Acronyms

Term / Acronym	Definition
2 CFR 200	Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards
CFDA	Catalog of Federal Domestic Assistance (now Federal Assistance Listings)
CMO	City Manager’s Office
DBE	Disadvantaged Business Enterprise
DUNS / UEI	Unique Entity Identifier assigned by the federal government
FOA / NOFO	Funding Opportunity Announcement / Notice of Funding Opportunity
LEP	Limited English Proficiency
OMB	Office of Management and Budget
SAM.gov	System for Award Management – a federal database verifying entities’ eligibility
Uniform Guidance	Common term for 2 CFR 200

Laserfiche Grant Folder	City's shared drive used for document storage and collaboration
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