

RESOLUTION NO. 2025-_____

**A RESOLUTION OF THE CITY COUNCIL OF
THE CITY OF MERCED, CALIFORNIA,
ADOPTING THE GRANT POLICY**

THE CITY COUNCIL OF THE CITY OF MERCED DOES HEREBY
RESOLVE, DETERMINE, FIND, AND ORDER AS FOLLOWS:

SECTION 1. That certain document entitled, "Grant Policy" is hereby
adopted as the official administrative policy for the City of Merced.

SECTION 2. That the City Manager is hereby authorized and directed to
comply with the Grant Policy effective immediately.

PASSED AND ADOPTED by the City Council of the City of Merced at a
regular meeting held on the _____ day of _____ 2025, by the following
vote:

AYES: Council Members:

NOES: Council Members:

ABSENT: Council Members:

ABSTAIN: Council Members:

APPROVED:
MATTHEW SERRATTO, MAYOR

Mayor

ATTEST:
D. SCOTT MCBRIDE, CITY CLERK

BY: _____
Assistant/Deputy City Clerk

(SEAL)

APPROVED AS TO FORM:
CRAIG J. CORNWELL, CITY ATTORNEY

Craig Cornwell 9/18/2025
City Attorney Date

CITY OF MERCED

GRANT POLICY

Purpose

To establish procedures for the application, acceptance, and reporting of grants.

Definition

A grant is a type of external funding source that is awarded for a specific purpose. A grant is only valid within the timeframe defined in the agreement, and typically imposes contractual obligations on the city. The method of grant disbursement is determined by the granting agency and the use of the funds is generally subject to audit by the granting agency.

Policy

This policy, including any amendments, shall be approved by City Council resolution and applies to all grants for which the City may apply.

It is the objective of the City to affirmatively seek grant funding opportunities that add to the City's financial resources to help maintain and provide quality services and capital improvements for Merced residents and businesses.

Typical Grant Types: This is not an all-inclusive list.

County Grants: A grant made by a County Government.

State Grants: A grant made by a State Government.

Federal Grants: A grant made by the Federal Government.

Foundation Grants: A grant made by a philanthropic foundation.

Corporate Grants: A grant made by a corporate foundation.

Examples of Grants: This is not an all-inclusive list.

Block Grants: A broad intergovernmental transfer of funds or other assets by the U.S. Congress to state or local governments for specific activities determined largely at the recipient's discretion. Block grants are distributed according to legal formulas defining broad function areas such as health, income security, education, transportation, etc.

Competitive (Discretionary) Grants: An award of financial assistance in the form of money, or property in lieu of money, by the federal government to an eligible grantee, usually made based on a competitive review process.

Conditional Grants: A conditional grant involves a Grantmaker(s) providing resources that are subject to specified terms, conditions or performance requirements. Failure to satisfy the conditions may result in reduction, termination or repayment of the grant.

Cooperative Agreements & Contracts: A type of federal assistance; essentially, a variation of a discretionary grant, awarded by a federal agency when it anticipates having substantial involvement with the grantee during the performance of a funded project.

Earmark: Refers to a provision in legislation requiring that a portion of a certain source of revenue be designated for specific projects, usually at the request of a legislator. Typically, the City submits request for projects to state and federal legislators who seek to obtain funds for those requests. Earmarking bypasses the normal procedure by which revenues are pooled in a general fund and then allocated among various government spending programs as opposed to a specific project.

Formula Grants: A grant that a federal agency is directed by Congress to make to grantees, for which the amount is established by a formula based on criteria written into the legislation and program regulations. This funding is directly awarded and administered in the federal agency's program offices.

Pass-Through of Any Grant Type: A grant originating from one grantor but passed through another grantor or funding source. If the grant originates from the Federal Government, but is passed through a state agency, the funding falls under the Single Audit Act and should be reported as such.

Reimbursement Programs: A type of funding program under which the grantee is reimbursed for qualifying expenditures already incurred or to be incurred, as specified in the terms of the grant agreement.

City Manager Authorization

All grant application submittals must be approved by the City Manager or designee.

City Council authorizes the City Manager or his or her designee to approve submittal of a grant if all the following are met:

- the Council has a policy, fund or plan in place supporting the program or grant activities.

- the grant or application does not require any additional City funds not already budgeted for this purpose.
- the grant is less than \$50,000.

Finance Officer Authorization

City Council authorizes the Finance Officer or his or her designee, if grant is approved by the City Manager pursuant to the City Manager authorization:

- To appropriate the grant accordingly with an offsetting budget adjustment to revenue.
- To pool cash for reimbursement until grant reimbursement funds are received.

City Council Authorization

Council approval for acceptance of grant awards is required when any of the following apply:

- Funds will be used to purchase or lease real property.
- The City acts as a fiscal agent for another agency.
- Appropriation of additional funds to serve as matching funds is required.
- The granting agency requires governing body approval to apply or accept funding. In that case, an administrative report with a resolution will be presented to the City Council for consideration.
- The grant award is \$50,000 or greater. An administrative report requesting approval to apply for the grant with a resolution will be presented to the City Council for consideration.

Grant Application Parameters

1. Programs and projects proposed for grant funding should be those that are consistent with the City's Mission Statement and Strategic Goals identified as part of the City Work Program, Capital Improvement Program, General Plan, adopted Master Plans or similar planning documents.
2. The submission of a grant application does not commit the City to appropriating matching funds or to provide funds for ongoing costs not covered by the grant.