

## **Grant Threshold (FAC 2.10.26)**

### **Why Consider a Grant Threshold**

Councils typically delegate contract authority for routine, low-dollar agreements to avoid inefficiencies. Without a threshold, even minor grants (e.g., \$5,000) require full routing and council approval, creating delays and administrative costs.

Best Practices from GFOA (Government Finance Officers Association) and industry guidance – establish a formal grants policy that includes delegated authority thresholds, internal controls for compliance and reporting, and clear procedures for council ratification of all grants, regardless of size. ([Establishing an Effective Grants Policy](#))

City Grant revenue averages between \$7 - 10M annually (40% Operating and 60% CIP). Grant awards typically range between \$5,000 - \$1M (Operating) and \$200,000 - \$2M (CIP). The City manages approximately 45 grants annually and receives an average of 18 new grant awards each year (see table below - based on 8680<sup>TM</sup> 8680 average).

\$0 - \$25k	\$25,001 - \$50k	\$50,001 - \$75k	\$75,001 - \$100k	\$100,001 - \$150k	\$150,001 +
4	1	1	1	1	10

### **Council Approval Thresholds in other Puget Sound Cities (13)**

- None – also do not have internal Grants Management Policies or Procedures (4)
- \$30,000 – for private grants + all government grants go to Council (1)
- \$50,000 (2)
- \$75,000 (1)
- \$100,000 (1)
- \$100,000 – must get permission to apply if there is an unbudgeted match (1)
- \$125,000 – for Operating grants & \$350,000 for CIP grants (1)
- \$300,000 – if no match or ongoing costs (1)
- \$350,000 (1)

### **Threshold Options for Council Consideration**

- Blanket dollar amount for any grant
- Dollar amount for Operating & Dollar amount for CIP grants
- Blanket dollar amount for any grant + criteria (e.g., unbudgeted match, ongoing costs)

### **Key Safeguards**

- Require **quarterly reporting** to Council on all grants executed under the delegated authority threshold.
- Maintain **formal acceptance and appropriation** by Council for all grants, regardless of award amount.
- Internal **Grant Management Policy and Procedures** implemented by City Grants Team.