

REVISED LEGISLATIVE DIGEST
(Amended in Committee, 6/17/2026)

[Administrative Code - Increasing Accept and Expend Threshold Amount for Grants]

Ordinance amending the Administrative Code to increase the minimum grant award amount requiring Board of Supervisors approval for acceptance and expenditure from \$100,000 to the greater of \$1,000,000 or the federal single audit threshold amount set by the United States Office of Management and Budget, starting October 1, 2026; require Board of Supervisors approval of a grant increase only if it raises the grant to the approval threshold for the first time or increases a previously-approved grant to either 110% or more of the previously-approved amount or \$200,000 or more above the previously-approved amount; authorize the Controller to make rules governing the acceptance and expenditure of any grants or grant increases that do not require Board of Supervisors approval; exempt gifts of legal services and litigation-related expert services from the requirement that department obtain Board of Supervisors approval to accept gifts valued above \$10,000; and make other non-substantive organizational changes to the sections of code relating to cash revolving funds and acceptance and expenditure of grant funds.

Existing Law

Currently, the Board of Supervisors must approve acceptance and expenditure of any grant of \$100,000 or more. The Controller may adopt rules for the acceptance and expenditure of grant funds in amounts less than \$100,000, and for increases of less than \$50,000 to grants previously approved by the Board.

Currently, the Municipal Code sections addressing acceptance and expenditures of grant funds are located in Article XV of Chapter 10 of the Administrative Code, which is titled "Cash Revolving Funds" and includes sections relating to cash revolving funds that precede the sections addressing acceptance and expenditure of grants.

Amendments to Current Law

Starting October 1, 2026, this ordinance would require Board of Supervisors approval only of grants that equal or exceed the greater of \$1,000,000 or the federal single audit threshold set by the United States Office of Management and Budget, and of increases to grant amounts that either bring the grant amount to the approval threshold for the first time or increase a previously-approved grant to either 110% or more of a previously-approved amount or \$200,000 or more above the previously-approved amount. The ordinance would authorize the Controller to adopt rules for the acceptance and expenditure of grant funds when Board approval is not required.

This ordinance would reorganize Chapter 10 of the Administrative Code such that the sections relating to cash revolving funds are moved to a new Article XIV, to be titled "Cash Revolving Funds," the sections relating to acceptance and expenditure of grants

and a few other matters remain in Article XV, and Article XV is retitled “Acceptance and Expenditure of Grant Funds.”

This ordinance would exempt gifts of legal services or litigation-related expert services from the category of gifts that require approval from the Board of Supervisors if valued above \$10,000.

Background Information

Amendments introduced at the Budget and Finance Committee meeting on June 17, 2026, would do the following:

- Change the trigger for Board of Supervisors review of an amendment to a previously-approved grant from an increase to 110% or more of the previously-approved grant to either an increase to 110% or more of the previously-approved grant or an increase of \$200,000 or more above the previously-approved amount.
- Add an exemption for gifts of legal services or litigation-related expert services to the category of gifts that require approval from the Board of Supervisors if valued above \$10,000.

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