

[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.

NOTE: **Unchanged Code text and uncodified text** are in plain Arial font.
Additions to Codes are in *single-underline italics Times New Roman font*.
Deletions to Codes are in *strikethrough italics Times New Roman font*.
Board amendment additions are in double-underlined Arial font.
Board amendment deletions are in ~~strikethrough Arial font~~.
Asterisks (* * * *) indicate the omission of unchanged Code subsections or parts of tables.

Be it ordained by the People of the City and County of San Francisco:

1 Section 1. The purpose of this Section 1 is to reorganize Chapter 10 of the
2 Administrative Code to create a separate Article for procedures concerning the acceptance
3 and expenditure of grant funds. Chapter 10 is amended as follows:

4 (a) A new Article XIV, titled "Cash Revolving Funds," is added, and Sections 10.125-
5 10.132, as currently numbered, are moved to that Article XIV.

6 (b) Sections 10.170-10.179, as currently numbered, remain in Article XV. Article XV
7 is renamed "Acceptance and Expenditure of Grant Funds."

8
9 Section 2. Articles XIII and XV of the Administrative Code isare hereby amended by
10 revising Sections 10.100-305 and 10.170-1, to read as follows:

11
12 **SEC. 10.100-305. SAN FRANCISCO GIFT FUNDS.**

13 (a) Establishment and Use of Funds. The Board of Supervisors does hereby
14 authorize the creation of category eight funds or accounts for the purpose of accepting any gift
15 of cash or goods which may from time to time be offered to the City and County of San
16 Francisco through any department, board, or commission thereof, for the benefit of the
17 designated department, board, or commission and for such purposes within its prescribed
18 legal jurisdiction as may be specified by the donors. The Board of Supervisors does hereby
19 authorize said departments, boards, and commissions to receive and to administer such gifts
20 in accordance with the wishes of the donors. All such gifts will be promptly reported to the
21 Controller.

22 (b) Exceptions to Fund Category. The acceptance or expenditure of any gift of cash
23 or goods of a market value greater than \$10,000, with the exception of gifts of legal services
24 or litigation-related expert services, shall require approval of the Board of Supervisors, by
25 resolution.

1 * * * *

2
3 **SEC. 10.170-1. GRANT FUNDS – ACCEPTANCE AND EXPENDITURE.**

4 (a) Any department, board, or commission that seeks to accept and expend federal,
5 State, or other grant funds must comply with any applicable provisions of this Section 10.170-
6 1.

7 (b) The acceptance and expenditure of federal, State, or other grant funds in ~~the an~~
8 amount equal to or exceeding the greater of \$100,000~~1,000,000~~ or the federal single audit threshold
9 amount set by the United States Office of Management and Budget, or more is subject to the approval
10 by resolution of the Board of Supervisors. For purposes of this Section 10.170-1, the greater of
11 \$1,000,000 or the federal single audit threshold amount set by the United States Office of Management
12 and Budget shall be referred to as the “Board Review Threshold.” If, as a condition of the grant,
13 the City is required to provide any matching funds, those funds shall be included in
14 determining whether the grant meets the ~~\$100,000, threshold~~ Board Review Threshold. This
15 subsection (b) shall also apply to an increase in a grant where the increase, alone or in
16 combination with any other previous increases to that grant, would for the first time raise the
17 cumulative total amount of the grant to equal or exceed the Board Review Threshold~~\$100,000 or~~
18 ~~more~~ or, for a grant the Board of Supervisors has previously approved on the basis that it met or
19 exceeded the Board Review Threshold, would increase the cumulative total amount of the grant to
20 either (i) 110% or more of the amount most recently approved by the Board of Supervisors; or (ii)
21 \$200,000 or more above the amount most recently approved by the Board of Supervisors.

22 The department, board, or commission requesting approval shall submit the following
23 documents to the Board prior to its consideration:
24
25

1 (1) A proposed resolution approving the acceptance and expenditure of grant
2 funds, or a proposed ordinance as required under subsection (d), signed by the department
3 head, the Mayor or his or her designee, and the Controller;

4 (2) A completed "Grant Information Form." The Clerk of the Board shall
5 prepare the form; it shall include a disability access checklist, indirect cost recovery, and other
6 information as the Board of Supervisors may require;

7 (3) A copy of the grant application;

8 (4) A letter of intent to award the grant or acknowledgment of grant award from
9 the granting agency; and,

10 (5) A cover letter to the Clerk of the Board substantially conforming to the
11 specifications of the Clerk of the Board.

12 (c) Grants or Increases to Grants of Less Than ~~\$100,000~~ the Board Review Threshold.
13 The Controller may prescribe rules for the acceptance and expenditure of federal, State, or
14 other grant funds in amounts less than ~~\$100,000~~ the Board Review Threshold, or for increases to
15 grants where the increase, alone or in combination with any other previous increases to that
16 grant, would not raise the cumulative total amount of the grant to equal or exceed the Board
17 Review Threshold ~~\$100,000 or more~~. The Controller may also prescribe rules for the acceptance
18 and expenditure of increases to grants, where the original grant or any subsequent increase
19 to the grant has been approved by the Board of Supervisors under subsection (b) or (d) and
20 where the latest increase would not require approval by the Board of Supervisors ~~be in an amount~~
21 ~~less than \$50,000~~.

22 (d) Grant Funded Positions. No position funded by a grant, regardless of the amount
23 of the grant, shall be authorized or filled unless the classification, duration, and number of
24 positions to be funded by the grant are specifically set forth in an ordinance approving
25

1 acceptance and expenditure, which ordinance shall also contain appropriate amendments to
2 the annual salary ordinance to reflect the positions proposed to be funded through the grant.

3 * * * *

4
5 Section 3. Scope of Ordinance. In enacting this ordinance, the Board of Supervisors
6 intends to amend only those words, phrases, paragraphs, subsections, sections, articles,
7 numbers, punctuation marks, charts, diagrams, or any other constituent parts of the Municipal
8 Code that are explicitly shown in this ordinance as additions, deletions, Board amendment
9 additions, and Board amendment deletions in accordance with the “Note” that appears under
10 the official title of the ordinance.

11
12 Section 4. Effective and Operative Dates.

13 (a) Effective Date. This ordinance shall become effective on the 31st day after
14 enactment. Enactment occurs when the Mayor signs the ordinance, the Mayor returns the
15 ordinance unsigned or does not sign the ordinance within ten days of receiving it, or the Board
16 of Supervisors overrides the Mayor’s veto of the ordinance.

17 (b) Operative Date. This ordinance shall become operative on October 1, 2026.

18
19
20 APPROVED AS TO FORM:
21 DAVID CHIU, City Attorney

22 By: /s/
23 SARAH CROWLEY
24 Deputy City Attorney

25 4939-1513-3109 v.1.docx