



NOW THE HARD PART, IMPLEMENTATION: GRANTS MANAGEMENT REFRESHER

DAVID RYKKEN

DISCLAIMER

The views expressed do not necessary represent the views of the agency or the United States. I am not here representing HHS and I am conducting this as an outside activity in accordance with the Standards of Ethical Conduct Regulation. I have been approved by the HHS ethics committee to conduct this course according to the HHS Supplemental Ethics Regulation (5 CFR2635.893, 5 CFR 5501.106 (d))

SUCCESS IN IMPLEMENTING GRANTS



Uniform
Guidance



Internal Controls



Project
Management



Performance



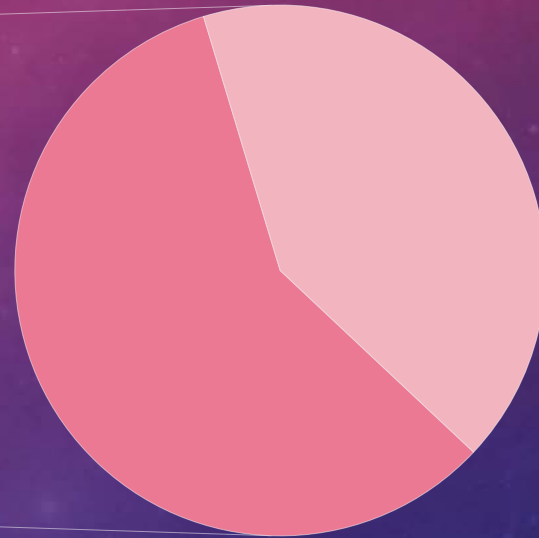
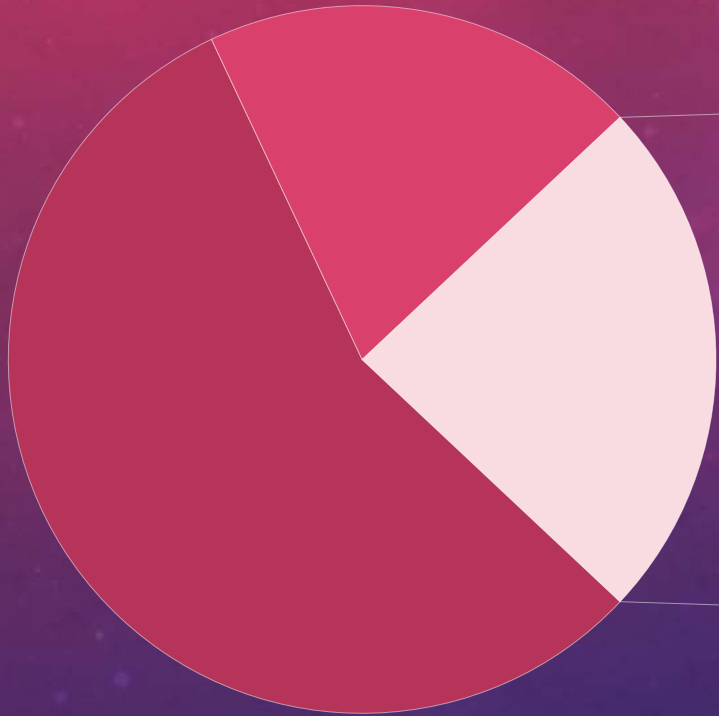
□ Overview of Grants Management

- Purpose
- Roles and Responsibilities
- Grants Management Process
- Notice of Award
- Allowable Costs
- Prior Approval Requests
- Laws, Regulations and Policies

PURPOSE OF GRANTS MANAGEMENT

- **To coordinate the business, administration and financial aspects of the federal award**
- **Overarching Goal**
 - Provide quality and proper stewardship of grants by managing the financial resources of the federal government
- **Primary objectives are to assure that the grantee:**
 - Is eligible to participate in a federally funded program
 - Has all appropriate clearances
 - Proposes costs that are allowable, allocable, and reasonable
 - Has a budget that is complete and properly detailed

UNIFORM GUIDANCE



- Administrative
- Cost Principles
- Audit

PURPOSE OF GRANTS MANAGEMENT

The principal purpose of a grant agreement is to provide assistance in the form of a thing of value to the State, or local government, other entity or other recipient to carry out a public purpose of support or stimulation, where substantial involvement is not expected or required by the granting agency to the recipient. Two primary types.

Non-Discretionary: a federal agency is required by statute to award if the recipient, usually a state, submits an acceptable State Plan or application and meets the eligibility and compliance requirements of the statutory and regulatory provisions of the grant program.

Discretionary: permits the federal government, according to specific authorizing legislation, to exercise judgment, or "discretion," in selecting the applicant/recipient organization, through a competitive grant process.

PURPOSE OF GRANTS MANAGEMENT

□ Funding Mechanisms

□ Grants

- Provides federal funding to assist public health stakeholders in accomplishing a public purpose
- Funds provided first and used when necessary to provide services

□ Cooperative Agreements

- Type of grant
- Used when there will be substantial involvement by Federal Agency staff
- Funds provided first and used when necessary to provide services

□ Acquisition Mechanisms

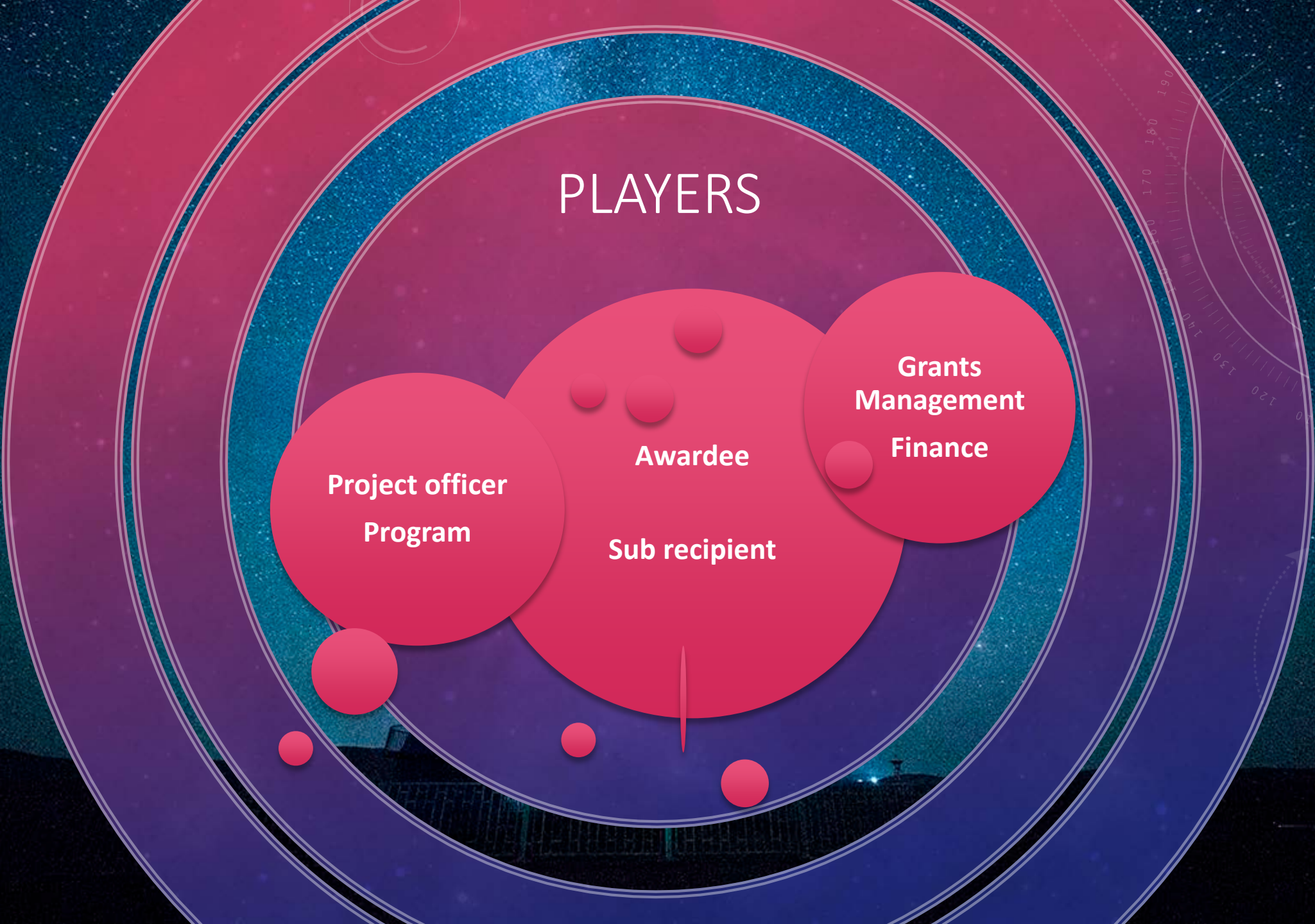
- Contracts, Purchase Orders, or Task/Delivery Orders
- Acquire goods and services for the direct benefit or use by Federal Agency
- Services are provided first and then payment follows

PLAYERS

**Project officer
Program**

**Awardee
Sub recipient**

**Grants
Management
Finance**



FEDERAL AGENCY ROLES AND RESPONSIBILITIES

- **Grants Management Officer (GMO):**
 - ONLY official authorized to 1) require the OPDIV to spend federal funds or 2) change the funding, duration, or other terms and conditions of an award

- **Grants Management Specialist (GMS):**
 - Primary point of contact for grant-related issues, including requests for prior approval, changes in the terms and conditions of award, receiving progress and financial reports, etc.
 - Handles the day-to-day business management (non-programmatic) aspect of grants

- **Project Officer (PO):**
 - Official responsible for the programmatic, scientific, and/or technical aspects of assigned grants

GRANTEE ROLES AND RESPONSIBILITIES

■ Authorized Organizational Representative (AOR):

- Holds authority to act on behalf of the organization
- Able to sign grant applications
- Held accountable for the appropriate use of funds awarded and the performance of the grant-supported project or activities
- Agrees to the terms and conditions

■ Other Accountable Parties:

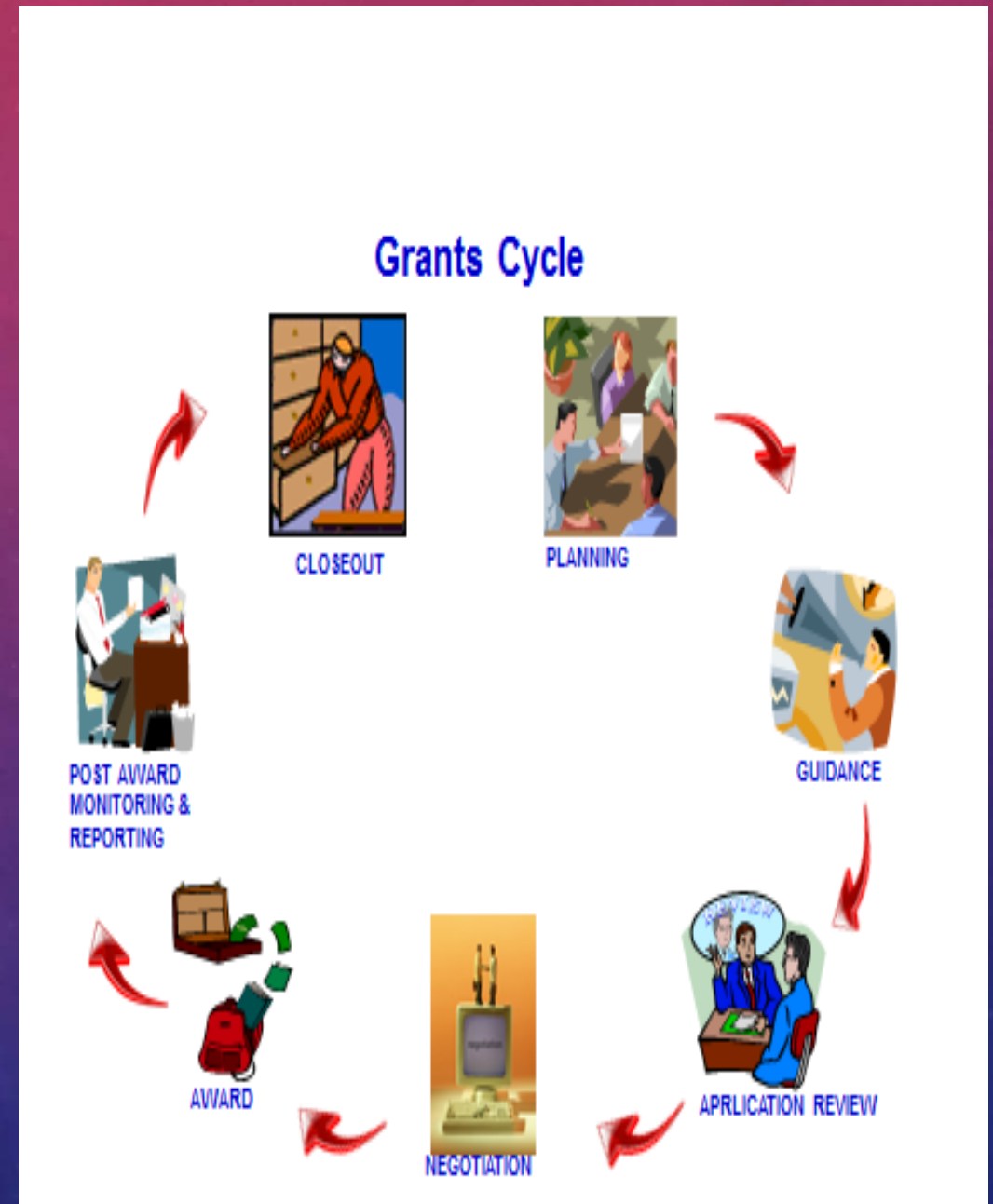
- Principal investigator
- Program/Project Director
- Program/Project Coordinator
- Business/Fiscal Officer
- Payment Management System Preparer/Approver

GRANTEE ROLES AND RESPONSIBILITIES

- ❑ **Develops and implements systems and monitoring procedures to ensure proper stewardship of funds**
- ❑ **Identifies areas of special interest and communicates regularly with the Federal Agency Project Officer**
- ❑ **Tracks progress and submits timely reports**
- ❑ **Accounts for its funds to Federal Agency , and is responsible for sub-grantees and sub-contractors**

GRANTS MANAGEMENT PROCESS

- ❑ **Planning**
- ❑ **Announcement**
- ❑ **Application Evaluation**
 - Receipt and Screening
 - Independent/Objective Review
 - Business Management Evaluation
 - Cost Analysis
- ❑ **Negotiation**
- ❑ **Award**
- ❑ **Post-Award Monitoring**
 - Formal Actions
 - Audit Resolutions
 - Conflict Resolution
- ❑ **Closeout**



GRANTS MANAGEMENT PROCESS

Planning:

Program Office, Evaluation and Grants Management perform various planning activities required for implementation of the program.

Program Office identifies program priorities and timelines in accordance with the statutory requirements and in coordination with the Grants Management Office and the Program Evaluation Team. The planning activities include:

- Identifying the program goals, objectives, and available resources.
- Determining the grant guidance, format, technical requirements needed to meet program goals;
- Identifying and planning for special programmatic, grants and evaluation requirements (e.g., developing a reporting requirements, site visits, organizing technical assistance); and,
- Developing long-term plans and schedules for announcing and awarding grants

GRANTS MANAGEMENT PROCESS

Guidance (Funding Opportunity Announcement)

- ❑ The Program Office develops the Guidance each year that accurately reflects program goals, requirements, and timetables.
- ❑ The Grants Management Office reviews and approves the Guidance to ensure compliance with laws and regulations, as well as with sound business management practices.
- ❑ The annual Program Guidance describes the programmatic and business management requirements of the grant program for the upcoming fiscal year.
- ❑ Guidance can be published in Grants.gov or the Federal Register.

GRANT APPLICATION PROCESS

When completing applications:

- Review and follow instructions and deadlines provided in the FOA
- Provide a proposed narrative and explain the project completely
- Prepare a budget as it relates to the requirements identified in the FOA
 - Also make sure to follow Federal Agency Budget Guidelines when preparing a budget.
- Identify key personnel and applicable duties (e.g., Program director and business official)
- Identify the approving officials for the organization to prevent processing delays

ALLOWABLE COSTS

■ Cost principles provide four tests that are used to determine if a cost is allowable:

■ Reasonableness

- A cost is reasonable if, in its nature or amount, it does not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision was made to incur the cost
- It is “ordinary and necessary” for the operation of the organization or performance of the grant
- Restraints or requirements may be imposed on this test by:
 - Generally accepted, sound business practices
 - “Arms length” bargaining
 - Government regulations
 - Grant terms and conditions

ALLOWABLE COSTS

Allocability

- A cost is allocable to a grantee if it is treated consistently with other costs incurred for the same purpose, AND meets at least one of the following:
 - It is incurred solely in order to advance work under the grant;
 - It benefits both the grant and other work of the organization, including other grant-supported projects or programs
 - It is necessary to the operation of the organization, even though a direct relationship to a specific cost objective cannot be demonstrated

Consistency

- Recipients must be consistent in assigning costs to cost objectives
- Costs must be treated consistently for all work of the organization under similar circumstances, regardless of the source of funding, so as to avoid duplicate charges

Conformance

- Conformance with limitations and exclusions contained in the terms and conditions of award, including those in the cost principles

Track Your Grants

Grants.gov makes it easy to TRACK your federal grants that you have applied for. Enter the Grants.gov tracking number you received after submitting your application to track the processing status.

[Track your Grants » »](#)




Find Open Grant Opportunities

[NEWEST OPPORTUNITIES](#) | [BROWSE CATEGORIES](#) | [BROWSE AGENCIES](#) | [BROWSE ELIGIBILITIES](#)

[View More »](#)

Funding Opportunity Number	Opportunity Title	Agency
RFA-DK-13-020	George M. O'Brien Urology Cooperative Research Centers Program (U54)	National Institutes of Health
RFA-HL-14-026	Development of a Microfluidic Platform for Blood Testing in Neonatal and Pediatric Patients SBIR (R43/R44)	National Institutes of Health
RFA-HL-14-025	Development of a Microfluidic Platform for Blood Testing in Neonatal and Pediatric Patients STTR (R41)	National Institutes of Health
CDC-RFA-TS14-1403	ATSDRs Program to Promote Localized Efforts	Centers for Disease Control and Prevention
APS-663-14-000002	The Innovation Fund for Ethiopia Agriculture (IFEA)	Ethiopia USAID-Addis Ababa
ECA-ECAAE-14-014	Study of the U.S. Institutes for Student Leaders	Bureau Of Educational and Cultural Affairs
NOAA-NMFS-NCBO-2014-2003956	Fiscal Year 2014 NOAA Chesapeake Bay Watershed Education and Training (BWET)	Department of Commerce
DTFH6114RA00001	Public Road Safety Clearinghouse	DOT Federal Highway

What's New

 [SAM Quick Start Guide For New Grantee Registration](#) and [SAM Video Tutorial for New Applicants](#) are tools created by the General Services Administration to assist those registering with the System for Award Management (SAM). If you have questions or concerns about your SAM registration, please contact the Federal Support desk at <https://www.fsd.gov>.

[Grants.gov Applicant Training Video](#) - Need a quick lesson on how to Register, Find and Apply? Watch this short video to get tips on registering with Grants.gov; finding grant opportunities; understanding your search results; and, applying for opportunities. If you have any additional questions please visit the [Applicant Resources](#) section of Grants.gov.

Grants.Gov Blog

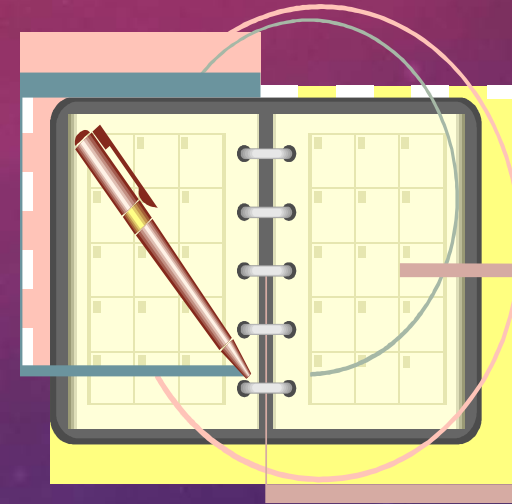
[View More Blog Entries »](#)

Financial Assistance

Grants.gov does not provide personal financial assistance. To learn where you may find personal help, please visit [USA.gov](#). The United States Government does not require payment, of any kind, to receive federal grants. To report fraud, please contact the [Department of Health and Human Services, Office of the Inspector General](#).

APPLICATION TIPS

- ❑ **Application packages must be SUCCESSFULLY submitted into Grants.gov no later than the date stated in the FOA.**
- ❑ **Submit your application package as early as possible**
 - Ensure all Grants.gov errors are cleared up prior to the due date



GRANTS MANAGEMENT PROCESS

Application Review

- **Application Review activities include the receipt and internal review of applications submitted.**
- **The Grants Management Office oversees the review of applications to ensure agency personnel comply with management policies and regulations, and with sound business management practices.**
- **The Program Management Office evaluates the applications for their programmatic value, adherence to the guidance and fulfillment of program intent.**

GRANTS MANAGEMENT PROCESS

Application Review Responsibilities

- GMS – performs cost analysis on every application; maintains documentation in the official file
- Federal Agency Program Offices – perform budget analysis on every application on the basis of evaluating the scientific or technical aspects of the project in relation to the proposed budget
- **GMS and Program Offices throughout Federal Agency share the fiduciary responsibility to achieve both programmatic success and fiscal accountability.**

GRANTS MANAGEMENT PROCESS

Negotiation

The negotiation process may be minimal or may involve negotiating all aspects of the award.

- ❑ May involve a comprehensive give-and-take negotiation of all aspects of the award, including the scope of work, the budget and the terms and conditions.

- ❑ **The Grants Management Office:**
 - May be involved explaining to the recipient that the budget must be changed to comply with regulations or cost principles .
 - Represents the government in all negotiations with recipients

GRANTS MANAGEMENT PROCESS

AWARD

The award process involves the preparation of the Notice of Award (NOA) and officially obligates funds for the grant.

- **The Grants Management Office prepares and signs the grant award, certifying that the award complies with all legal, regulatory, and internal policy requirements and that it is a sound business agreement into which the Department should enter.**
 - The NOA describes all terms and conditions of the award, including reporting requirements.
 - The NOA is then distributed to the appropriate key offices.
 - The Program Management Office
 - The Budget Office
 - Recipient

- **As part of this step, required files (usually an official grant file and an institutional file) are created and/or updated for each grant/recipient.**

NOTICE OF AWARD

- ❑ **Legally binding document issued to the grant recipient**
- ❑ **Provides an official commitment of U.S. government funds to grantee**
- ❑ **Indicates that funds may be requested from the Payment Management System**
- ❑ **Incorporates the following guidance:**
 - FOA
 - Application
 - Budget
 - Uniform Guidance
 - U.S. government regulations by reference

NOTICE OF AWARD

■ Sets forth pertinent information about the grant:

- Grant identification number (“grant number”)
- Name of recipient organization
- Name of key staff (e.g., Principal Investigator/Project Director - PI/PD, Business Official)
- Approved project period start and end dates
- Approved budget period start and end dates
- Amount of federal funds authorized for spending by the recipient
- Matching (non-federal share)
- Standard and program specific terms and conditions
- Administrative or programmatic restrictions

NOTICE OF AWARD EXAMPLE

- ❑ **Program name:** Identifies the program title under which the federal funding is being awarded.
- ❑ **Center information:** Identifies which center awarded grant funds for the project.
- ❑ **Grant number:** The unique identifier of the grant. The suffix indicates the current year of support. For example, -01 indicates the first year of support, and -02 indicates the second year of support.
- ❑ **FAIN:** The unique Federal Award Identification Number.
- ❑ **Program director:** The person designated by the recipient organization with the responsibility for the daily oversight of the program or project. The PD must have a registered eRA Commons ID and be listed on the HHS Checklist 5161.
- ❑ **Project title:** The title of the grant-supported project. The title usually describes the essence of the project.
- ❑ **Grantee address:** The address of the recipient organization.
- ❑ **Business address:** The address where grantor may send official correspondence.
- ❑ **Budget period:** The interval of time, usually a 12-month budget period, into which a project period is divided for budgetary and funding purposes.
- ❑ **Project period:** The total time grantor has programmatically approved a federal project for federal support. This does not constitute a commitment by the federal government to fund the entire project period. Each budget period within the project period is subject to the availability of funds and satisfactory progress of the project or progra

NOTICE OF AWARD EXAMPLE

- ❑ **Dear Grantee:** This section notifies the recipient that they are legally responsible and accountable to grantor for the grant-supported project. This section also notifies the recipient that by drawing down funds from the Payment Management System (PMS), they acknowledge acceptance of the grant and compliance with the terms and conditions and other policies, rules, and regulations.
- ❑ **Section I—Award Data:** Provides information on the amount of the award for the stated budget period, the award recipient, and any applicable program-specific legislation and regulations. This includes:
 - Award Calculation
 - Summary Totals for All Years
 - Accounting Information
- ❑ **Section II—Payment/Hotline Information:** Provides information about accessing your award funds in PMS, as well as reporting fraud waste and abuse of federal funds to the HHS Office of Inspector General.
- ❑ **Section III—Terms and Conditions:** Provides “order of precedence” that explains the laws and regulations that govern the award. Recipients are responsible for understanding and complying with the rules and regulations in this section. Failure to comply with these guidelines may result in enforcement actions, up to and including termination of the award. This section also includes the Treatment of Program Income.
- ❑ **Section IV—Special Terms and Conditions:** Lists any special program-specific and grants management terms and conditions that must be addressed by the recipients during the award.
- ❑ **Grantor contact information:** Lists the contact information for the Government Program Officer (GPO) and the Grants Management Specialist (GMS) assigned to your grant.

FUNDING RESTRICTIONS

- ❑ **Notice of Award terms and conditions may include funding restrictions.**
 - Refer to the Technical Review Summary for the restricted items
- ❑ **Funding restrictions can be administrative, programmatic, or science-related.**
- ❑ **Examples of why funding restrictions are implemented:**
 - For Research Grants, Human Subject IRB or OMB Clearances are pending approval
 - There is a cost included on the budget that was specifically restricted in the FOA
 - Grantee is on a Corrective Action Plan and has some restrictions that are pending compliance prior to release.

FUNDING RESTRICTIONS

❑ **Administrative Restrictions:**

- Placed on an award by the GMS
- Due to omitted or additional budgetary information needed
- Examples include:
 - Required consultant information
 - Three quotes on equipment over \$5,000
 - Required vehicle information

❑ **Programmatic Restrictions:**

- Placed on an award by the Federal Agency program office
- Examples include:
 - Non-compliance with reporting requirements
 - Activities not aligned with scope of work in FOA
 - Questionable equipment purchases

FUNDING RESTRICTIONS

- ❑ **Releasing administrative and programmatic restrictions grantees must submit to GMS:**
 - A justification for the current need AND
 - An itemization of budget of cost(s) with narrative justification in response to restriction(s).

- ❑ **GMS lifts restrictions by issuing a revised NoA**

- ❑ **Grantees may not draw down restricted funds until the revised NoA is issued.**

NOTICE OF AWARD

- ❑ **Issued for each budget period in the approved project period**
- ❑ **A revised NoA may be issued during a budget period to**
 - Make changes to the terms and conditions
 - Respond to prior approval request.
- ❑ **A recipient indicates acceptance of an award and its associated terms and conditions by drawing down or requesting funds.**
- ❑ **Any costs incurred by the grant recipient prior to the NoA being issued are incurred at their own risk**

NOTICE OF AWARD

- ❑ **A revised NoA is issued whenever GMS:**
 - Approves a change to the budget
 - Approves a change to the duration of support
 - Approves a change to the terms and conditions of the award
 - Lifts a funding restriction
- ❑ **If there is not a revised NoA, then the original terms and conditions of the previous NoA remain in effect.**

NOTICE OF AWARD

❑ Sets forth pertinent information about the grant:

- High risk determination (requires additional conditions)
- Frequency of required reports
- Maintain accurate records and document any changes made to the original NoA
- Retention period for recipient records
- Review all internal monitoring procedures to mitigate risk
- Develop a communication plan
- Federal Agency points of contact

GRANTS MANAGEMENT PROCESS

Post Award Monitoring

Post-award monitoring of recipient performance includes:

- Tracking receipt of required financial and progress reports.
- Reviewing these reports to identify performance or financial deficiencies.
- Maintaining records of all communications with the recipient, including correspondence and telephone or on-site contact.
- Responding to requests for amendments to the grant.
- The Program Management Office monitors the technical progress and performance of the recipient through review and analysis of project reports and through site visits.

FEDERAL AGENCY PROCUREMENT AND GRANTS OFFICE

❑ **Business conduit for all program requirements**

- Ensure compliance with applicable statutes, regulations and policies
- Serve as the official receipt point for ALL official communications and contacts with awardees
- Negotiates, awards, administers and closes out all grants and cooperative agreements
- Reviews and approves all financial requests

GRANTS MANAGEMENT PROCESS

- Post Award Monitoring
- **Site Visit Purpose**
- **Intention of Federal agency that certain programmatic and fiscal components must be in place and functioning at a high level of proficiency in order to demonstrate proper stewardship of federal funds**
- **Program may require a site visit to each Awardee once every 16 months (ideally ~ 1 time/year)**
- **Frequency may vary depending on:**
 - If Technical Assistance is required
 - Indicators that Awardees program is not functioning effectively (fiscal or programmatic)
 - Awardees not in compliance with legislative mandates and/or requirements in Funding Opportunity Announcement (FOA)

GRANTS MANAGEMENT PROCESS

- **Site Visit Rationale**
- **Each fiscal year, Project Officer performs review of FOA**
 - Have program requirements been addressed
 - Are there activities that may require extensive follow-up/monitoring
 - Is there a need for a Conditions of Award (COA)
 - Are there innovations and promising practices
- **FOA information assists in development of monitoring plan and prioritizes site visit schedule**

GRANTS MANAGEMENT PROCESS

■ PO and State Coordinator work together before site visit

■ Site Visit Plan Development Process

- Pre-site visit letter to Awardee
- Coordinate transport, agenda, purpose, goals and objectives
- Determine what work will be discussed
- Determine what documents need to be reviewed to include progress on work plans, training documentation, contracts for current FY, meeting minutes
- Verify and validate systems that have been put in place

■ Establish personnel to be met

- Program Director, Principal Investigator, Fiscal, Contracts and Grants Manager, Contractors...

GRANTS MANAGEMENT PROCESS

■ Site Visits Financial Accountability

- How does the program track funding and verify deliverables?
- How does the Awardee verify deliverables when they are purchased through another contracting source?
- What verification methods are in place to verify major contractors have completed contracted deliverables?
- How often do program officials reconcile with the state fiscal personnel?
- Does Sub-Award Announcement require applicants to deliver the requirements and sub-capabilities of the program?
- How does Contractor verify deliverables when they are purchased?
- How does Contractor reconcile deliverables with Program manager?

GRANTEE ROLES AND RESPONSIBILITIES

- **Grantees must have written policy requirements for financial management (2 CFR 200)**
- **Written policy should include requirements for:**
 - Comprehensive internal controls
 - A financial management system
 - Sub-awards
 - Audits

GRANTEE ROLES AND RESPONSIBILITIES

❑ **Financial management system must:**

- Support key record areas with documentation, such as:
 - Cancelled checks
 - Receipts
 - Payroll
 - Time and attendance records
- Maintain effective control over and accountability for...
 - All cash,
 - Real and personal property, and
 - Other assets under the award
- Compare actual expenditures or outlays with the approved budget for the award

GRANTEE ROLES AND RESPONSIBILITIES

❑ Financial management system must:

- Provide accurate, current and complete financial records of federal funds
 - Include procedures for financial reporting from sub-grantees
- Maintain records that adequately identify the...
 - Sources of funds for federally assisted activities
 - Purposes for which the award was used
- Include key areas within its records:
 - Authorizations
 - Obligations
 - Unobligated balances
 - Assets
 - Liabilities
 - Outlays or expenditures
 - Any program income

GRANTS MANAGEMENT PROCESS

❑ **Additional Accountability Measures**

- Ensure items or systems purchased in previous funding years are still in place and personnel trained in use
- Position Description reviews to ensure salaries augmented with program funds reflect association with program

❑ **Review Carryovers**

❑ **Review funding for all activities**

GRANTEE ROLES AND RESPONSIBILITIES

- ❑ **Financial management system must:**
 - Determine allow ability of costs
 - Minimize the time between any advance payment (draw down) of funds under the award and the disbursement of these funds
- ❑ **Notify GMS immediately if financial management problems are discovered.**

GRANTS MANAGEMENT PROCESS

Site visits are Show and tell

Has the awardee demonstrate outcomes of awards?

How can the project officer tell?

- ❑ **Verify and validate work plans, performance measures and other deliverables**
- ❑ **Visit onsite locations where activities have been conducted**
- ❑ **Show tangible outputs of the benefits of the award**
- ❑ **Review plans, attendance sheets and other documentation of activities performed.**

GRANTEE ROLES AND RESPONSIBILITIES

■ Comprehensive Internal Controls

- Program monitoring
 - Planned meetings
 - Site visits
 - Internal audits
- Accountability assignments
 - Line of authority
 - Tracking system
- Records maintenance
 - Accounting, procurement and contracts
 - Document, document, document

GRANTEE ROLES AND RESPONSIBILITIES

■ Comprehensive Internal Controls (continued)

- Bank accounts
 - Access to draw downs
- Cash management
- Payroll
- Procurement
- Accounting systems

EQUIPMENT

- ❑ **Equipment management system must include:**
 - Records that adequately identify equipment, including location
 - Physical inventory at least every two years
 - Control procedures to prevent loss, damage, or theft
 - Adequate maintenance procedures
 - Proper sales procedures (when sale approved by Federal Agency)
- ❑ **Equipment management:**
 - Written equipment management policy
 - Records include...
 - Full description of equipment
 - Purchase price
 - Date of purchase
 - Vendor
 - Location of item

EQUIPMENT

■ **Equipment management (continued):**

- Maintain vehicle logs to document usage
- Inventory equipment at least annually
- Report damage or loss to Federal Agency
- Reserve equipment for project use – avoid diversion to other projects
- Account for equipment at Federal Agency request, and at award closeout
- Grantee is responsible for loss or damage of equipment

GRANTEE ROLES AND RESPONSIBILITIES

Sub-awards

- Grantee is solely responsible for the performance of sub-grantees
 - Grantee should have a plan for financial and program oversight
 - Federal Agency will not get involved in sub-awards
 - Federal Agency may recommend, but not require, sub-awards to specific entities
- Grant requirements “flow down” to all sub-awards, including applicable cost principles

GRANTS MANAGEMENT PROCESS

■ **Exit Conference with key local staff**

- Focus on problem areas and positive findings

■ **PO prepares a draft of site visit report**

- Written report
- Format should include standardized information in the site visit protocol, including background of program, status of work plan, best practices and recommendations

■ **Awardee representative and PO will work collaboratively to follow-up on any outstanding problem areas**

REPORTING DATES

■ Interim FFRs

- Submitted within 30 days after the end of each calendar quarter

■ Annual FFRs

- Submitted within 90 days after the end of the calendar quarter in which the budget period ends

■ Final FFRs

- Submitted within 90 days after the project period ends
- Final FFR must not include unliquidated obligations

GRANTEE ROLES AND RESPONSIBILITIES

■ Audits

- Required when expenditures are \geq \$750,000 annually in U.S. government awards
- Not required when expenditures are $<$ \$750,000 annually in U.S. government awards
 - Grantees are required to make financial records available for Federal Agency review upon request
- Must be performed by an U.S.-based independent auditor
- Cost of a required audit is an allowable cost
- Include the grantee's entire fiscal year, which may be different than the budget period

GRANTEE ROLES AND RESPONSIBILITIES

■ Audits (continued)

- Components include at a minimum:
 - An audited Fund Accountability Statement which details grant revenues and expenditures by grant
 - A report of internal controls
 - A report on compliance with grant terms and conditions, and applicable laws and regulations
- English-language audit reports are due at the earliest time of either:
 - 3 months after completion of the audit; OR
 - Within 9 months after grantee's fiscal year-end

GRANTEE ROLES AND RESPONSIBILITIES

■ Audit resolution

- Audits received from the grantee which do not provide all the necessary information
 - GMS will prepare an insufficient audit memo to the grantee clarifying the requirements and requesting the missing components.
 - Grantees will have 30 days to either:
 - Submit the required items OR
 - Respond with a timeline for completion and submission of the requested items.
 - A copy of the correspondence will go to...
 - Principal investigator (PI),
 - Project officer (PO),
 - Grants management officer (GMO), and
 - Grants management specialist (GMS).

PRIOR APPROVAL REQUESTS

- ❑ **Considered post-award actions**
- ❑ **Submitted to the assigned GMO/GMS as an original**
 - Provide requests electronically in accordance with the terms and conditions in the Notice of Award
- ❑ **Always reference the Award # in the request**
- ❑ **Must include the signatures of project and authorized business office official, as listed on the Notice of Award.**
- ❑ **Will be reviewed by the Grants Management Specialist and the Federal Agency program office**

PRIOR APPROVAL REQUESTS

■ Examples of requests that require prior approval:

- Change in scope (post-award)
- Change of key staff
- Change of grantee organization (Bona Fide agent)
- Contract or consultant agreements
- Supplemental funds
- No cost extension
- Redirection of funds or revised budget
- Carryover of unobligated funds
- Release of funding restrictions
- Clarify on federal regulations and financial aspects of the award

PRIOR APPROVAL REQUESTS

■ Changes can include:

- New project director/principal investigator or business official
- Any change that will result in an absence from the project for 3 months or more, or reduce the approved FTE level by 25% (2 CFR 215)
 - Example: Approved level is 100% FTE, reduced to 50%

■ Prior approval request should include:

- Cover letter, including dual signatures and award number
- Name and position title of the key staff that is changing
- Name, address, phone, and email address for new key staff
- Proposed effective date of the key staff change
- Attach a copy of the new key staff's resume or CV

PRIOR APPROVAL REQUESTS

- **Movement or shifting of funds from one approved budget category to another**
- **Authorized unilaterally up to % or \$ of budget – whichever is less (inform GMS and PO)**
- **Significant rebudgeting:**
 - Cumulative transfers exceeding % or \$ of the approved budget for the budget period, whichever is less
 - May be quantitative indicator of change in scope
 - Revised work plan if there is a change in scope
 - Timeline of supported activities and dates of completion
 - A detailed budget and narrative justification must be submitted
 - Must include signature of project director, principal investigator, and authorized business office official

REDIRECTION OF FUNDS

Cost Categories	Original Budget	Redirection	Revised Budget
Salary & Wages	\$164,756	\$12,480	\$177,236
Fringe	\$59,312	\$1,223	\$60,535
Consultants	\$21,362	-\$13,703	\$7,659
Equipment	\$0	\$0	\$0
Supplies	\$1,089	\$0	\$1,089
Travel	\$6,560	\$0	\$6,560
Other	\$56,537	\$0	\$56,537
Contracts	\$30,000	\$0	\$30,000
Total Direct Costs	\$339,616	\$0	\$339,616
Indirect Costs	\$31,257	\$0	\$31,257
Total Award	\$370,873	***\$0	\$370,873

CARRYOVER OF UNOBLIGATED FUNDS

- ❑ **Unobligated funds from the previous budget period requested for use in the next budget period.**
- ❑ **Unobligated funds that are carried over to the next budget period can only be used to pay for activities which will be completed within that specific budget period.**
- ❑ **Requests must express a bona fide need that carryover of funds will contribute to the planned objectives.**
- ❑ **All requests for carryover require prior approval by GMO.**

CARRYOVER OF UNOBLIGATED FUNDS

■ Request must include:

- Current signed and dated Federal Financial Report (FFR) indicating an unobligated balance
- Reason for unobligated funds from prior year
- Justification of bona fide need for current year
- List of proposed activities
- Description of how funds will enhance current activities
- Detailed line item budget and justification
- Timeline/period of performance for proposed activities
- Signature of project director, principal investigator, and authorized business office official
- Current indirect cost rate agreement (if requesting indirect costs)

CARRYOVER OF UNOBLIGATED FUNDS

- ❑ **Submit requests no later than 120 days prior to the end of the budget period specified in the Notice of Award**
- ❑ **Suggestions for grantee success:**
 - Work with your financial management officer to get regular statements of obligations or liquidations
 - Submit federal financial reports (FFRs) on time
 - Work closely with your Federal Agency Project Officer (PO) to request carryover of unobligated funds in a timely manner
 - Be sure to monitor your Payment Management System (PMS) subaccounts

PERFORMANCE AND PROGRESS REPORTS

- **Required for all grantees under 2 CFR 200**
- **Documents programmatic successes and shortfalls**
- **Performance Reports**
 - Annual Performance Reports
 - Submitted within 120 days before the budget period ends
 - At a minimum should include:
 - Budget and spend plans for the next budget period
 - Work plans for the next budget period
 - Additional guidance will be provided by the GMS

PERFORMANCE AND PROGRESS REPORTS

Progress Reports

- Final Progress Reports
 - Required for any grant that:
 - Has reached the end of the project period, and
 - Will NOT be extended through award of a new competitive segment.
 - Submitted within 90 days after the project period ends
 - At a minimum should include:
 - A statement of progress made toward the achievement of originally stated aims
 - A list of significant results (positive or negative)

GRANTS MANAGEMENT PROCESS

Closeout

Process by which we determine whether all applicable programmatic work and administrative requirements under award have been met.

- **Program Management certifies that programmatic objectives have been met, resolves any known programmatic execution/completion questions, and provides additional information and consultation to the Grants Management Office as requested.**
- **The Grants Management Office takes the lead in conducting final business review of completed grants; ensures final reports are submitted and approved; makes adjustments, disallowances or other actions as appropriate; and, officially closes the grant.**

ORDER OF PRECEDENCE

- ❑ **Constitution of the United States**
- ❑ **Statutes**
- ❑ **Regulations**
- ❑ **Executive Orders**
- ❑ **Office of Management and Budget (OMB) Circulars**
- ❑ **Policies**
- ❑ **Guidelines and Procedures**

STATUTORY AUTHORITIES

- ❑ **Provide for program establishment and authorizations**
- ❑ **Define purpose**
- ❑ **Prescribe various standards or restrictions**
- ❑ **Appropriate funds for the program**

STATUTES

❑ **Federal Grant and Cooperative Agreement Act of 1977 (FGCAA)**

- Distinguishes between acquisition and assistance
- Mandates agencies to select appropriate award instrument
 - Grant, cooperative agreement, or contract
- May not use mechanisms to acquire services for the direct use or benefit of the federal government
- Enforceable by law

❑ **Important CFRs for Grantees**

- Uniform Guidance (2 CFR 200)

POLICIES

■ External Policies

- National Policy
- Federal Agency Grants Policy Statement

■ Internal Policies

- Awarding Agency Grants Administration Manual (AAGAM)
- Grants Policy Directives (GPDs)
- Notice of Award (Terms and Conditions)

ENFORCEMENT OF LAWS, REGULATIONS AND POLICIES

■ Federal Agency can provide:

- Formal written notification to grantee
 - Identify problem and provide corrective action plan with timetable
- Formal written warning to grantee
 - Violation may be slightly more serious
 - Identify problem and provide corrective action plan with timetable
 - Requires grantee institution to remedy internal issues
 - Identifies consequences if not corrected promptly
- Additions to terms and conditions (Special Terms and Conditions)
- Soft or hard restrictions

ENFORCEMENT OF LAWS, REGULATIONS AND POLICIES

❑ **Federal Agency can also:**

- Withhold and offset
- Withhold or deny noncompeting continuation award
- Terminate
- Suspend or debar



THANK YOU!

DAVID RYKKEN