

MANAGING LOCAL GOVERNMENTAL GRANTS FOR RECIPIENTS

DC Youth Services Program

Course Objectives:

At the end of the workshop, attendees should be able to:

- **determine applicable statutory and regulatory authorities and discuss their impact on grants administration .**
- **Examine valuation of cost-sharing contributions**
- **Discuss government financial and progress reporting forms**
- **Evaluate proposed changes in budget and scope to determine whether prior approval by the awarding agency is required .**
- **Explore how agencies and auditors review internal controls through site visits**
- **Apply knowledge gained in the course in a simulated negotiation with agency personnel over grant terms and conditions**

Format

Presentations

Independent Readings

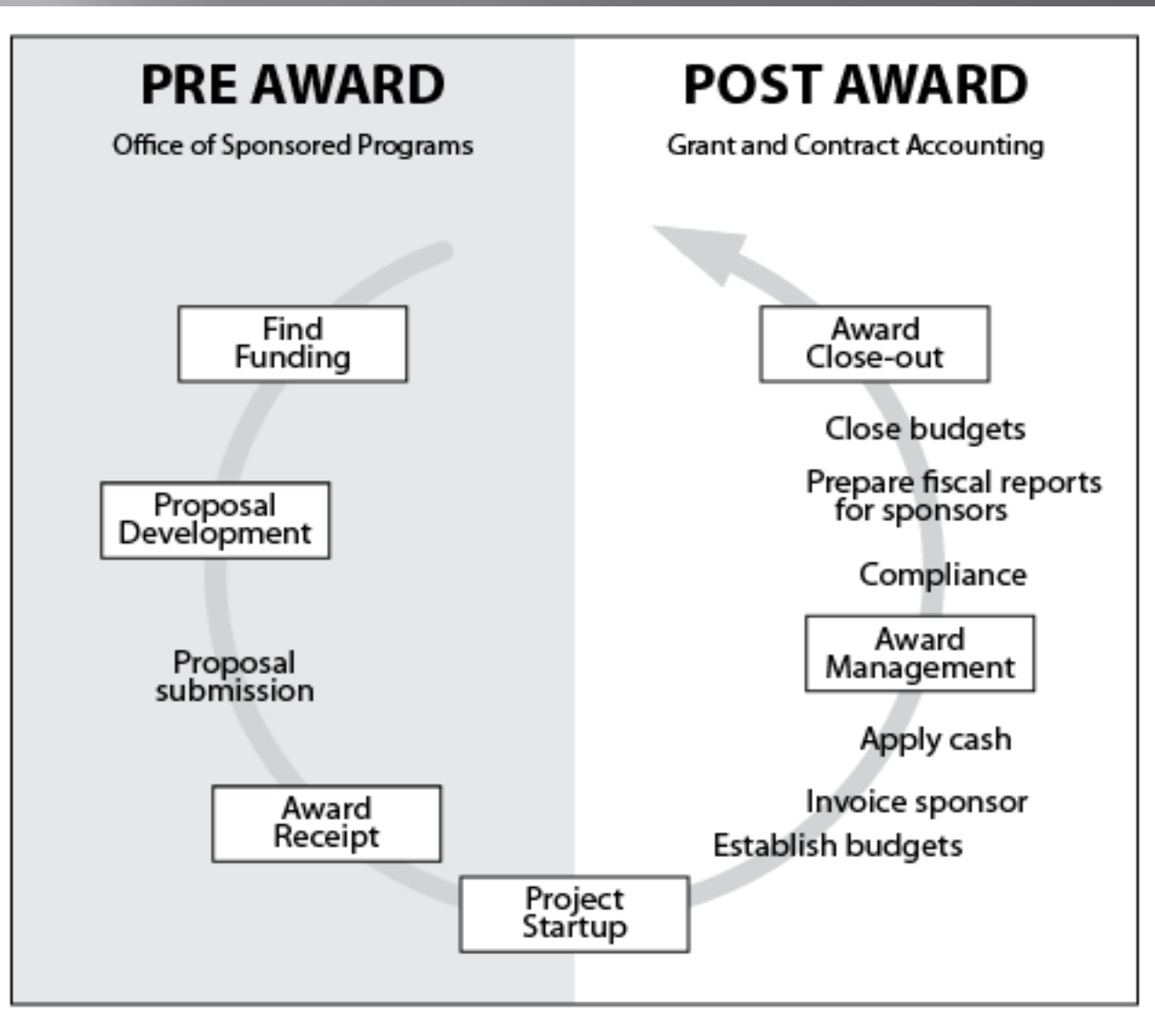
Discussions

Practical Exercises

Case Studies

Quizzes

Grant Life Cycle and Roles



Notices of Grant Award

- Authorities governing recipient and awarding agency actions
- Grant terms and conditions: payment, cost sharing, and program income treatment

Developing a Project Management Plan

- In addition to recording financial transactions in your accounting system, you must maintain records that back up the transactions. Those records must be identified by the use of appropriate account numbers to ensure the grant costs are charged to the grant. Records for your grant may have account numbers that include the grant number.
- All costs you incur must have related records. For example, you must have time sheets that support payroll charges and contracts and contractors' bills that support contract costs. The supporting information must be cross-referenced to the accounting entries and maintained in your filing system. If you receive volunteer goods or services, those providing the goods or services should provide you with documentation as to the value of the goods or services. In the case of volunteer personnel, the documentation should be similar to your organization's time sheets and should not be only estimates of time spent.

Project Performance and Other Grants Management Issues

Meeting goals and objectives of Financial and performance reporting

Generally, you will have an accounting system that was developed with the assistance of a firm or person with accounting system development and management expertise or by obtaining any one of several excellent off-the-shelf software programs, and many times both.

Property management

- Your organization must take a physical inventory of equipment and reconcile the results with your equipment records at least once every two years.
- You must investigate any differences between quantities determined during the inventory and those shown in the accounting records to determine the reason for the difference. During the inventory you must also verify the existence, current use, and continued need for the equipment. Your equipment management system must provide controls to insure safeguards against loss, damage or theft of the property.
- You must investigate and fully document any loss, damage, or theft of equipment; if Grant owned the equipment, you must promptly notify Grant Award officer.
- Changes in budget and scope

ESTABLISHING PROPERTY AND PURCHASING STANDARDS

PURCHASING GOODS AND SERVICES

Your organization must have written purchasing procedures that assure you avoid unnecessary purchases; compare lease and purchase alternatives; and provide generally for the purchase goods and services through open competition.

Terminology sometimes calls purchasing under grants “procurement”, but we will use the term “purchasing” in this training. This training covers basic minimum requirements for purchasing under your grant. Detailed guidance for such purchasing can be found in “Purchasing Supplies, Equipment, and Services under Grants”.

BASIC REQUIREMENTS FOR PURCHASING

It is unlikely you will purchase the supplies, equipment, and services you need for your grant at an auction, but purchasing guidance and requirements exist and designed to ensure that what you buy you get at a reasonable price in a fair and openly competitive way. Many organizations have their own purchasing requirements and systems. If you have your own system it must meet the minimum standards of the regulations.

Basic Requirements for Purchasing, continued....

- Your purchasing system must be based on the following principles and requirements:
- You must settle all contractual and administrative issues arising out of contracts under your grant.
- You must ensure you do not purchase unnecessary things under your grant.
- You must evaluate whether it is more economical to lease rather than purchase equipment and supplies.
- You must have written standards of conduct that apply to employees involved in purchasing (in particular, the award and administration of contracts for supplies, equipment, and services).
- You must, to the maximum extent practicable, ensure open and free competition in your purchasing.

Basic Requirements for Purchasing, continuing....

- You must assure the cost or price of your supplies, equipment, and services is reasonable. You do this by conducting a cost or price analysis for each procurement action. You must document cost and price analyses in your files. Details for conducting a cost or price analysis can be found in “Purchasing Supplies, Equipment, and Services under Grants”. (Purchases made by competitive bidding where the award is based on a lump sum are deemed to have had an adequate cost or price analysis.)
- You must make positive efforts to use disadvantaged businesses, including small businesses, minority-owned firms, women's business enterprises, and firms in labor surplus areas, whenever possible.

Basic Requirements for Purchasing, end.

- You may copyright any software or written material that is subject to copyright and was developed, or for which ownership was purchased, under an award. reserves a royalty free, nonexclusive and irrevocable right to reproduce, publish, or otherwise use the work for Federal purposes, and to authorize others to do so.
- You must ensure you do not award a contract to any person (organization or individual) debarred or suspended or otherwise excluded from or ineligible for participation in Federal programs. You must also ensure your contractor does not award a subcontract to any person debarred or suspended or otherwise excluded from or ineligible for participation in Federal assistance programs. You can find the list of debarred, suspended, and excluded persons at: <http://www.epls.gov>.
- You must maintain records of each purchase. For purchases which exceed \$100,000, these records must include the rationale for the method of procurement, the reason you selected the contract type, your justification for lack of competition when competitive bids or offers are not obtained, the reasons for contractor selection or rejection, and the basis for the contract price, including documentation of required price and cost analyses.
- You must ensure your contracts comply with applicable Federal, state, and local law.

Interacting with the Awarding Agency

- Monitoring methods and site visit procedures
- Audits and sanctions
- If your organization expends more than \$500,000 in Federal funds (the total from all Federal agencies) in any of your fiscal years, you are subject to the Single Audit Act and you must conduct a “Single Audit”. (You are expending funds when you make payments for activities under your federal grants.) The audit requirements under the Single Audit Act are complex, and this training does not cover the details of these audits.
- Also, regardless of whether your organization is subject to the Act, Office of Inspector General may audit your grants. If you conduct an audit in accordance with the Single Audit Act, Office of Inspector General may still audit your grants, but it will, to the extent practicable, build on the results of your single audit.

End-of-grant issues

- Closeout
- Renewals and extensions

Improving Management of Subsequent Grants

- Conducting a self evaluation
- Negotiating your next grant

Special Conditions for Recovery Act Grants