



United States Department of Justice

Office on Violence Against Women

Working Together to End the Violence

Presentation on Grants Financial Management Division

Tribal SASP

February 2019

OVW

Topics of Discussion

- Grants Financial Management Division
- Uniform Administrative Requirements, Cost Principles, and Audit Requirements
- Most Common Findings
- Financial Management Systems
- Cost Principles
- Grant Adjustments – Budget Modifications
- Grant Reporting – Financial Reporting
- Payment of Grant Funds
- Record Retention
- Grant Closeout
- Conference Request
- Additional Resources

Grants Financial Management Division (GFMD)

GFMD Services

GFMD services include:

- Award acceptances
- Budget reviews
- Grant Adjustment Notices
- Audit confirmations
- Excess cash reviews
- Technical assistance/training
- Close-out processing

GFMD Contact Information

How to contact us --

OVW GFMD Helpdesk:

1-888-514-8556

Fax: 202-514-7045

OVW.GFMD@usdoj.gov

OVW award acceptance:

OVW.acceptance@usdoj.gov

OVW GMS technical assistance (other than password resets):

OVW.GMSSupport@usdoj.gov or

1-866-655-4482

Grants Financial Management Training

Online Training

- Basic grants financial management course
- Online, no limitation for registration
- Register with your vendor and award number
- One year to complete the course
- Approximately 14-16 hours to complete
- Final exam is optional

<https://ojpfgm.webfirst.com/>

Uniform Administrative Requirements, Cost Principles, and Audit Requirements (Uniform Guidance)

Uniform Guidance

Located in 2 CFR Part 200

Consolidated and superseded previous OMB circulars

Effective Date: Applies to all OVW awards that start with the year “2015” (and after)

- Does **not** apply retroactively to existing awards

Single Audit Change:

Threshold increased to \$750,000 or more of Federal funds expended during FY

OIG Audit, Single Audit, and Financial Monitoring

Reviews may include:

- Review and assess entire operation of entity
- Review written accounting and organizational policies and procedures
- Compare approved budget vs. actual costs
- Determine excess cash on hand

Most Common Findings:

- Lack of documentation – missing or incomplete invoices, contracts, receipts, etc.
- Inadequate or no timesheets
- No documented (or inadequate) policies or procedures
- Movement of funds over 10% without budget mod GAN approval
- Applying incorrect IDC rate to wrong period
- Expenditures on FFR don't match amounts in records 9

OIG Audit, Single Audit, and Financial Monitoring

Audit findings could result in:

- Unallowable costs requiring repayment of funds to DOJ
- Placement on DOJ High Risk List
- Hold on funds
- Possible termination of award
- Negative future funding decisions
- Lead to an OIG investigation in some cases (suspicion of criminal activity)

Financial Management Systems

Financial Management Systems

Should demonstrate:

- Obligations – amounts owed for goods or services
- Expenditures – charges made to the grant
- Receipt of funds – drawdown or payment of grants funds

Requirements

- Strong internal controls for proper grant management
- Written documented procedures
- Accurate, current, and complete records -
 - Demonstrate financial activities of each project
 - Each award accounted and tracked separately
 - Track and maintain source documentation

Financial Management Systems

Source Documentation

- Timesheets, purchase orders, invoices, travel authorizations, receipts, etc.
- Not required to submit unless requested
- Must maintain on file

Cost Principles

Establish Principles and Standards

Standards for costs:

- Allowable
- Reasonable
- Necessary and allocable
- Claimed against only one award
- Permissible under State & Federal laws and regulations
- Treated consistently between Federal and non-Federal funds

Allocating Costs

Multiple Awards – Allocating Costs

Cannot shift costs to:

- Overcome funding deficiencies
- Avoid restrictions or award terms

Must charge for costs incurred directly to grant

Cost Categories

Direct Costs

- Personnel
- Fringe Benefits
- Travel
- Equipment
- Supplies
- Contracts/Consultants
- Other Costs

Indirect Costs

TOTAL COSTS

Direct Costs

Personnel

- Compensation for direct recipient employees
- Time worked directly on the project
- Time/Effort clearly documented
- Amounts charged match documentation
- Charge based on actuals (not budgeted)
- Account for total activity of employee (Federal and Non-Federal)
- Follow written policies and procedures

Direct Costs

Fringe Benefits

Examples: Social Security, Medicare, Health Insurance, Unemployment Insurance, Retirement

- Actual fringe amounts associated with staff in Personnel
- Follow organizational policy
- Consistent for Federal and non-Federal funded positions
- COLA and Merit increases consistent for all staff

Direct Costs

Travel

- Direct recipient travel
- Follow organizational travel policy
- Refer to GSA's Federal Travel Regulations

Not budgeted in this category:

- **Consultant and partner travel**
 - Consultants/Contracts
- **Client/survivor assistance**
 - Other
- **Attendee travel assistance**
 - Other

Direct Costs

Equipment

- Fair market value of \$5,000+
- Use organizational capitalization policy (may have lower thresholds)
- Inventory every 2 years
- Procurement policy should be same for Federal and non-Federal funds
- Ensure proper management, use, and disposal

NOTE: Rented or leased equipment should be included in the “contractual” category.

Direct Costs

Supplies

- Pens, copy paper, training materials, postage, etc.
- Actual costs for reimbursements
- Computing device is a supply if the cost is less than \$5,000 (or less than capitalization threshold), regardless of useful life

Direct Costs

Consultants/Contracts/Subawards

Use appropriate agreement type based on the nature of the service

- Contract – procurement for goods or services (including consultants)
- Subawards – carry out program activities

Substance of the relationship is more important than the form of the agreement

Just because you issued a contract to the organization doesn't mean it's a contractual relationship

Direct Costs

Consultants/Contracts

- Reasonable rate of compensation for consultants (supported by invoices for similar services)
- Prior Approval threshold = \$650/day or \$81.25/hour
- Free and open competition
- Prior Approval for sole-source contracts (non-competitive) → \$250,000+
- Procurement policy should be same for Federal and non-Federal funds

**→ \$650 per day is a threshold,
not a standard OVW or DOJ rate**

Direct Costs

Consultant/contract characteristics may include:

- Normally operates in a competitive environment
- Provides goods and services within normal business operations and ancillary to the operation of the Federal program
- Purpose is to obtain goods and services
- Not subject to compliance requirements of the Federal program as a result of the agreement

NOTE: See section 200.330

Direct Costs

Subrecipient characteristics may include:

- Uses Federal funds to carry out a program for public purpose, as opposed to providing goods or services for the benefit of the pass-through entity
- Performance measured against award objectives
- Adheres to applicable Federal program requirements
- Determines who is eligible to receive what Federal funding
- Responsibility for programmatic decision making

Direct Costs

Pass-through entities are required to:

- Clearly identify the agreement as a subaward and include all required information
- Evaluate subrecipient's potential risk for non-compliance with Federal statutes, regulations, and award requirements, and add additional special conditions as needed
- Monitor activities, financial/performance reports, and audit compliance (as required in Subpart F)
- When necessary, take enforcement action for non-compliance

Direct Costs – Subrecipient vs Contractor

Characteristic	Subrecipient	Contractor
MOU partners are generally considered this	Yes	No
Federal Program requirements and terms and conditions apply	Yes	No
Funds received count towards meeting the audit threshold	Yes	No
Required to be reported by direct recipient under FFATA	Yes	No
Reimbursed for actual costs incurred	Yes	No
Do procurement standards (including competition and sole source approval) apply?	No	Yes
Contract provisions apply (2 CFR 200 Appendix II)	No	Yes
Profit may be earned (including fee for service)	No	Yes

Direct Costs

Other

- Ex. – rent, registration fees, client/survivor services, participant support costs, etc.
- Allocate shared costs – equitable distribution method

Example of Rent Budget Computation:

Project Coordinator's office

150 sq ft x \$11/sq ft x 12 months x 50% of time devoted to project = \$990

NOTE: Property owned by grantee can charge proportionate amount of cost of ownership (insurance, maintenance, depreciation, etc.)

Food and beverages not allowable except for clients/survivors

Indirect Costs

Indirect costs are -

- Costs incurred for common or joint purpose costs
- Costs which benefit more than one activity
- Not readily assignable to a specific project or activity

Ex. Costs of operating and maintaining facilities, general administrative and general expenses (salaries and expenses of executive officers, personnel administration and accounting)

Indirect costs may be charged either through use of current negotiated indirect cost rate agreement or charge the *de minimis rate* (10% of modified total direct costs)

Only organizations that have never had a negotiated indirect cost rate agreement may use the *de minimis rate*

Program Income

Gross income generated by a supported activity or earned as a result of the award

- Methods for Applying Program Income
 - Addition: Anticipated PI included in application budget
 - Match: Used to finance the non-Federal share of program
 - Deduction: Used for PI not anticipated at time of the award
- OVW prior approval required (see special condition on your award)
- Apply to allowable program expenses
- Expend program income before drawing down
- Report on SF-425

Grant Adjustments

Grant Adjustments

Grant Adjustment Notices (GANs) are processed in GMS

Types of GANs:

- Budget Modifications
- Change to the Authorized Representative
- Change of Key Staff
- Change in Scope
- Change in grant period (grant extension)
- Program Office approvals
- Removal of Special Conditions

Grant Adjustments

Budget Modification GANs

Prior Approval Required for:

- Change in scope
- Move funds into a category not previously approved
- Cumulative change greater than 10% of the award amount (i.e. \$300,000 → \$30,000)

Grant Adjustment Notices (GANs) are processed in GMS

Budget Modification GAN Process

- Attach revised budget
 - Level of detail similar to original approved budget
 - All costs broken down and supported with narrative to justify costs
- Attach Indirect Cost Rate Agreement, if applicable
 - If there are multiple rate agreements for different periods that cover the award period, attach all that apply
- Budget is reviewed/approved by Program Specialist first, then Financial Analyst

Grant Reporting

Grant Reporting

Federal Financial Report (FFR) SF – 425

Report actual expenditures and unliquidated obligations (not drawdowns)

- Submitted in GMS
- Submitted by financial point of contact
- Submitted Quarterly

Grant Reporting

Federal Financial Report

- Due 30 days after the end of the quarter
- Final Report due within 90 days after award end date

Reporting Period:	Due by:
January 1 - March 31	April 30
April 1 - June 30	July 30
July 1 - September 30	October 30
October 1 - December 31	January 30

Payment Of Grant Funds

Payment of Grant Funds

Payment Requests

- Allowable and authorized costs
- Reimbursement basis – immediate need
- Minimize cash on hand
- Obligations incurred during award period

Ex. Award Period: 10/01/2018 – 09/30/2020

Obligation Period 10/01/2018 – 09/30/2020

Liquidation Period 10/01/2018 – 12/29/2020

Payment of Grant Funds

Requirements for drawdown of funds:

- Acceptance of award
- Current on Federal financial reports and progress reports
- Have sufficient funds available for drawdown

Approved requests are deposited into grantee's account within 3-5 business days of the request.

NOTE: GPRS does not process payment requests during the last 4 business days of each month, in order to meet reporting requirements. Please plan ahead!

Payment of Grant Funds

Grant Payment Request System (GPRS)

- Submit payment request
- View payment history
- Verify available balance and hold amounts
- Financial Point of Contact

GPRS Website

<https://grants.ojp.usdoj.gov/gprs>

GPRS User Guide

<http://www.ojp.gov/about/pdfs/gprsuserguide.pdf>

Grant Closeout

Record Retention

Records must be retained for a period of three years:

- Financial Records
- Supporting Documentation
- All other pertinent records

Format for retention can be either hard copy or electronic

- Records must be accessible
- Confidential records must be secured

See section 200.333

Grant Closeout

Complete the following steps:

- Submit Final Financial Report, SF-425
- Submit Final Progress Report
- Ensure all special conditions satisfied (ex. indirect costs, budget approval, documentation review)
- Complete a Financial Reconciliation
- Submit closeout package in GMS within 90 days after award end date

Keep in mind that non-compliance with closeout requirements may negatively impact future funding decisions.

If you've followed all of the above steps, then closeout should be a breeze!

Conference Cost And Reporting Guidelines

Conference Cost Guidelines

Purpose

- Minimize costs
- Ensure prudent spending
- Avoid appearance of extravagant spending

Consider all options

- Identify alternative training methods (webinars, teleconferences, etc.)
- Acquire lower cost locations
- Minimize travel costs
- Ensure all conference costs are necessary

Conference Cost Guidelines

Conference Cost Guidelines apply to all OVW award recipients:

- Grants
- Cooperative Agreements
- Contracts

All award recipients:

- Subject to monitoring
- Maintain all documentation
- Support all conference costs or food/beverage expenses

Conference Cost Guidelines

Conference cost limitations:

- Conference Planning Costs
- Meeting Space and Audio Visual Equipment
- Food and Beverages
- Other Items

<https://www.justice.gov/ovw/conference-planning>

Conference Cost Guidelines

Food and Beverage

- **Should not use funds for food/beverage**
- **Following rare exceptions:**
 - The location of the event is not in close proximity to food establishments
 - If not serving food will significantly lengthen the day or necessitate extending the meeting
 - If a special presentation at a conference requires a plenary address where there is no other time for food to be attained; or
 - Other extenuating circumstances which necessitate the provision of food.

Conference Cost Guidelines

Food and Beverage

If meals are approved:

- Cost cannot exceed 150% of the GSA M&IE locality rate per attendee.
 - The cost would include:
 - Individual Meal
 - Taxes
 - Service Costs (i.e., labor for room set-up)
- Attendees deduct provided meal from claimed M&IE (per diem)
- Generally, OVW funds cannot be used to provide Refreshments without specific prior approval
- Maintain supporting documentation

Conference Cost Guidelines

Other Items

Basic supplies allowable:

- Necessary for use during conference
- Ex. - pens, paper, name tags

Unallowable items:

- Trinkets – hats, mugs, portfolios, t-shirts
- Entertainment costs – amusement, diversion, social activities, etc.

NOTE: This does not apply to outreach activities

Additional Resources

- **Electronic Code of Federal Regulations**
http://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title02/2cfr200_main_02.tpl
- **OVW Solicitation Companion Guide**
<https://www.justice.gov/file/29686/download>
- **Link to DOJ Financial Grants Management Guide**
<https://www.justice.gov/ovw/grantees>
- **Creating a Budget: Training for OVW Applicants**
<https://www.justice.gov/ovw/resources-applicants>
- **OVW Financial Management Practices**
<http://www.resourcesharingproject.org/ovw-financial-management-practices>