

## 4.6 FEDERAL GRANTS MANAGEMENT

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### PURPOSE

The IAFN is committed to responsible federal grant financial management. The policy and procedural guidelines contained in this statement are designed to:

1. Ensure the maintenance of accurate grant records; and,
2. Ensure compliance with federal reporting requirements; and,
3. Ensure compliance with subrecipient monitoring and management.

### FEDERAL FINANCIAL REPORTING

#### Monthly Review of Actual vs. Budget Expenses

Expenses related to IAFN's grant agreements are monitored on a monthly basis. At the end of each month after all transactions have been entered into the accounting system, the Finance Director runs a budget vs. actual report for each grant agreement. He/she reviews these reports for reasonableness and for indications that actual expenses may not be in line with approved budgeted amounts. Monitoring these variances on a monthly basis helps ensure that substantial expenses which have not been approved are not incurred. This monitoring also ensures that if necessary, budget modification requests can be made in a timely manner.

#### Requesting Grant Reimbursement

IAFN's practice is to only draw funds after allowable expenses have been incurred. The Finance Director and CEO will review all charges for allowability. As such, IAFN requests funds from awarding agencies on a cost reimbursement basis. This practice ensures compliance with the federal administrative requirements for minimizing time between the federal transfer of funds to IAFN and IAFN's subsequent disbursement.

Reimbursements for IAFN's grant agreements are processed through automatic draw in the Payment Management System.

#### Automatic Draw Down Reimbursement

Electronic payments for expenses related to grant agreement expenses are made on a cost reimbursement basis and are requested the Payment Management System (PMS). The IAFN CEO is the only IAFN staff who has access to the password protected system.

The IAFN Finance Director reviews the balance of each of the cooperative agreements, at a minimum, on a monthly basis to determine the total amount expended by IAFN on the grant related items. The CEO subsequently requests reimbursement for the amount through PMS. All amounts requested through PMS are documented in a spreadsheet. The spreadsheet is maintained by the IAFN Director. The spreadsheet is maintained so that at any given time, IAFN knows the amount of funds requested and received for each of its grants, and have the necessary accounting support for the draw.

### **Quarterly and Year End Grant Reporting**

Each quarter IAFN reports grant related spending to Department of Justice (DOJ) via the Division of Payment Management (DPM) online system. The FFR- Federal Cash Transaction Report for the quarter is due 30 days after the end of the period. The FFR is filed together with the accounting data that backs it up.

Each year IAFN reports grant related spending data to DOJ by completing SF 425, which is due to DOJ no more than 90 days after the budget period ends. IAFN completes all grant financial surveys as requested by DOJ in compliance with the requested deadline.

### **CONSULTANTS/CONTRACTS AND SUBRECIPIENTS**

The Uniform Guidance 2 CFR 200.330 - 200.332 are the federal regulations that define the requirements for recipients of federal funds with respect to Subrecipient Monitoring and Management. As a recipient of federal funds, IAFN is responsible for the programmatic and financial monitoring of its subrecipients. Such monitoring responsibilities are shared among various staff and should be followed in accordance with the guidelines provided below.

IAFN will select consultants and/or subrecipients in accordance with the Department of Justice regulations and A-122 Uniform Guidance Subpart D and in compliance with the regulations in 2 CFR 200.330-332.

A **Consultant/contractor** is an individual or organization from whom you procure professional goods or services. (Justice, 2015)

A **Subrecipient** is a non-Federal entity that receives a subaward from a pass-through entity to carry out part of a Federal program, but does not include an individual that is a beneficiary of such program. (Justice, 2015)

#### **Responsibility**

The grantee (recipient) is responsible for the settlement and satisfaction of all legal, financial, contractual and administrative issues related to agreements entered into in support of an award. This includes disputes, claims, protests of award, source evaluation, or other matters of a contractual nature.

The subrecipient is responsible for the settlement and satisfaction of all legal, financial, contractual and administrative issues related to agreements entered into in support of an award. This includes disputes, claims, protests of award, source evaluation, or other matters of a contractual nature.

#### **Avoiding Conflicts of Interest**

Grantees shall avoid real or apparent organizational conflicts of interests and non-competitive practices among contractors and subrecipients with procurement supported by Federal funds. Procurement shall be conducted in a manner to provide, to the maximum extent practical, open and free competition.

Factors that should be considered when selecting a contractor or subrecipient are:

- Contractor integrity;
- Compliance with public policy;
- Record of past performance;
- Financial and technical resources;
- Responsive bid; and
- Excluded Parties Listing (Debarred Consultants  
<https://www.dol.gov/ofccp/regs/compliance/preaward/debarlst.htm>)

Contracts will be normally competitively bid unless:

- The item is available only from a single source;
- After solicitation of a number of sources, competition is determined inadequate; or
- Meets the requirements of simplified acquisition.

### **Notice and distribution of the RFP**

RFPs shall be distributed to an adequate number of qualified sources, at least 10 days prior to the date set for receipt of proposals.

### **Evaluation of Proposals**

Evaluation of the proposals received by IAFN in response to an RFP shall be conducted based on price and other factors identified within the RFP. These factors typically include factors relevant to a determination of responsibility (such as financial, human, and organizational capability), as well as other technical factors (such as the degree to which the proposer is expected, based on information submitted and available, to achieve the performance objectives, to provide the quality expected, and on the relative qualifications of the proposer's personnel).

### **Award and Compensation**

Upon conclusion of a competitive proposal process, IAFN may make an award to a contractor or subrecipient whose proposal is deemed most advantageous to IAFN and whose rate is in accordance with market value. Any agreement will be in writing.

IAFN will seek approval on any consultant rate in excess of \$650 per 8-hour day, or \$81.25 per hour, prior to awarding contract on all Office on Violence Against Women grants and rates in excess of \$450 per 8-hour day or \$56.25 per hour on any other federal grant. Compensation is to be reasonable and consistent with that paid for similar services in the marketplace and consistent with the individual/organization experience and expertise. Consideration can be given to compensation including fringe benefits for those individuals whose employers do not provide such benefits. An 8-hour day may include preparation, evaluation, and travel time in addition to the time required for actual performance.

### **Monitoring**

IAFN will monitor its activities under Federal awards to assure compliance with applicable Federal requirements and performance expectations are being achieved. IAFN will submit performance reports at the interval required by the Federal awarding agency.

## **SUBRECIPIENT MANAGEMENT AND MONITORING**

### **Subrecipient Eligibility**

IAFN will notify each potential subrecipient (“subrecipient”) by email or other means that a grant application has been sent to the subrecipient. The subrecipient must confirm with the IAFN staff that the subrecipient received the application.

To be eligible to apply for funding, a subrecipient must:

- meet deadlines for applications, including those established by IAFN; and
- submit grant acceptance letters and /or signed funding contracts within 30 days of receipt from IAFN.

### **Awards**

The IAFN CEO makes funding awards to its subrecipients per government requirements on an as needed basis. The funding awards are communicated to subrecipients electronically.

### **Federal Obligations**

IAFN will provide subrecipients with the following information at the time of the award. If any of these data elements change during the award period, the changes will be included in subsequent award modifications.

- Federal Award Identification
- Subrecipient Name (which must match the registered name in DUNS)
- Subrecipient DUNS number
- Federal Award Identification Number (FAIN)
- Federal Award Date
- Subaward period of performance start and end date
- Total amount of federal funds obligated to the subrecipient
- Federal award project description
- Name of the federal awarding agency, pass-through entity, and contact information for the awarding official
- Catalog of Federal Domestic Assistance (CFDA) number and name
- All requirements imposed by IAFN on the subrecipient so that the federal award is used in accordance with federal statutes, regulations and the terms and conditions of the federal award
- Any additional requirements that IAFN imposes on the subrecipients for IAFN to meet its own responsibility to the funding entity including identification of required financial or performance reports
- The federally approved Indirect cost rate to be used by the subrecipient
- A requirement that the subrecipient permit IAFN and auditors to have access to the subrecipients’ records and financial statements as necessary for IAFN to meet the requirements of 2 C.F.R. §299, and
- Appropriate terms and conditions concerning closeout of the subaward.
- IAFN will provide subrecipients with any other obligations that the it is aware of related to federal funds.

## **Unexpended Funds**

If a subrecipient informs IAFN that it will be unable to expend all allocated funds from a grant program before the end of the award period, IAFN will inform all other eligible subrecipients of that grant program of the amount of funding that is available. All other eligible subrecipients of that grant program will be invited to submit requests for the specified remaining funds. IAFN staff will review all requests submitted to ensure that the proposed use of the funds is allowable within the grant program requirements. IAFN will divide available funds evenly among the subrecipients that request the funds for allowable expenses. If a subrecipient requests less than an equal share of the funds available, that amount will be granted and the balance divided evenly among the other requests.

## **SUBRECIPIENT FINANCIAL OVERSIGHT**

When IAFN delegates performance of activities under a grant to a subrecipient, IAFN is responsible for all aspects of the program including proper accounting and financial recordkeeping by the subrecipient. Required financial recordkeeping includes the accounting of receipts and expenditures, cash management, the maintaining of adequate financial records, and the refunding of expenditures disallowed by audits.

### **Reviewing Financial Operations**

IAFN must be familiar with, and periodically monitor, subrecipients' financial operations, records, systems, and procedures. IAFN must direct particular attention to the maintenance of current financial data.

### **Recording Financial Activities**

IAFN must document the subrecipients' obligations, including financial activities, in IAFN's books. Subrecipients must provide expenditure report forms per subcontract reporting deadlines and IAFN must record those expenditures on its books. Subrecipients also must report non-federal contributions ("match") applied to programs or projects as well as any program income resulting from program operations. IAFN also will record non-federal contributions and program income of subrecipients on its books.

### **Budgeting and Budget Review**

Each subrecipient shall prepare and submit to IAFN a budget that adequately reflects its subaward from IAFN. IAFN shall approve and maintain each subaward project budget.

### **Audit Requirements**

IAFN must ensure that subrecipients meet applicable audit requirements.

### **Reporting Irregularities**

IAFN and its subrecipients are responsible for promptly notifying the granting federal and/or state agency of any illegal acts, irregularities and/or proposed and actual improper actions related to fund administration.

## **SUBRECIPIENT MONITORING**

IAFN is required during a contract program period to monitor the subrecipients' use of funds. IAFN will evaluate the subrecipients' risk of non-compliance with Federal statutes, regulations and terms and conditions of the subaward for purposes of determining the appropriate monitoring.

Subrecipients may be evaluated as higher risk or lower risk to determine the need for closer monitoring. When evaluating whether a subrecipient is higher or lower risk, IAFN will consider:

- Grants/subcontracts with complex compliance requirements have a higher risk of non-compliance;
- The larger the percentage of program awards passed through, the greater the need for subrecipient monitoring;
- Larger dollar awards are of greater risk.

Methods of monitoring may vary. Factors considered in determining the nature, timing, and extent of monitoring are as follows:

- A subrecipient's prior experience with the same or similar subawards;
- Results of previous audits, monitoring's, status of quarterly financial reports, communications regarding financial matters;
- Whether the subrecipient has new personnel or a new or a substantially changed financial system;
- The extent and results of federal awarding agency monitoring.

Generally, new subrecipients require closer monitoring. For existing subrecipients, closer monitoring may be warranted based on results noted during monitoring and subrecipient audits, a history of non-compliance as either a recipient or subrecipient, the factors listed above, or other factors related to the implementation of grant funding and fiscal practices.

### **Non-Compliance**

Subrecipients are required to comply with applicable federal and state laws, rules and regulations, and applicable policies and procedures adopted by federal funding agencies and IAFN in effect during the contracting period. Failure to comply with such obligations may result in remedial consequences and corrective actions up to and including the reduction or termination of funding to the subrecipient. If remedial actions include reduction or termination of funding, those actions may only be made by the IAFN CEO, in consultation with IAFN Board of Directors.

### **Record Retention and Access**

Financial records, supporting documents, statistical records, and all other records pertinent to a Federal award will be retained for a period of three years from date of submission of the final expenditure report. There are exceptions listed under Subpart D, 200.333, of the uniform guidance.

The Federal awarding agency, Inspector General, the Comptroller General of the United States, or any other authorized representatives will have the right of access to any documents or other records to make audits, or examinations.

### **Closeout**

The Federal awarding agency will close-out the award when it determines that all administrative actions and work have been completed.