

Grants Training

Module 3, Lesson 3



Council on Financial Assistance Reform (COFAR)

FEDERAL GRANTS MANAGEMENT 101

Uniform Guidance Post Federal Award Requirements Lesson 3



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Lesson 3:

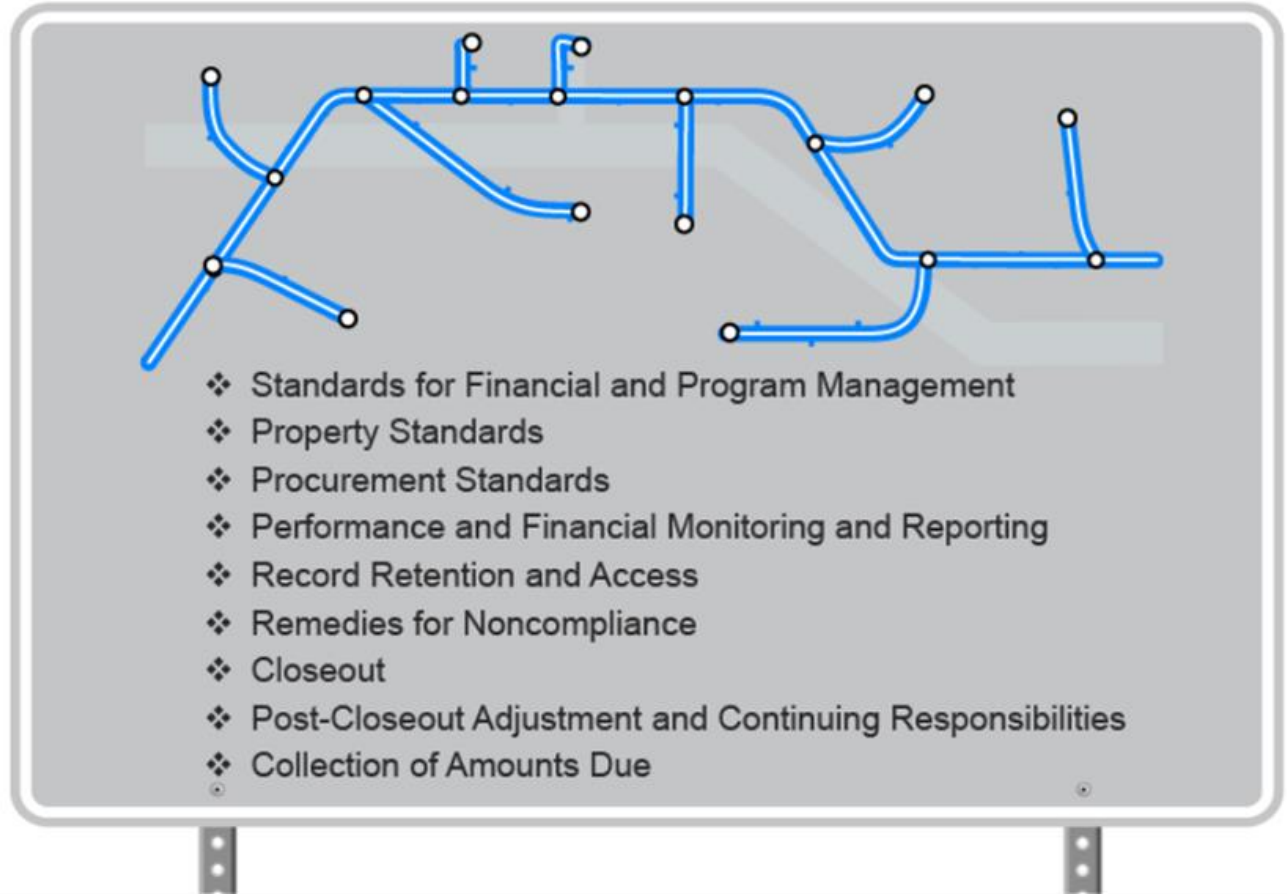
Post Federal Award Requirements

At the completion of this lesson, you will have a basic understanding of the Post Federal Award Requirements of the Uniform Guidance Administrative Requirements.



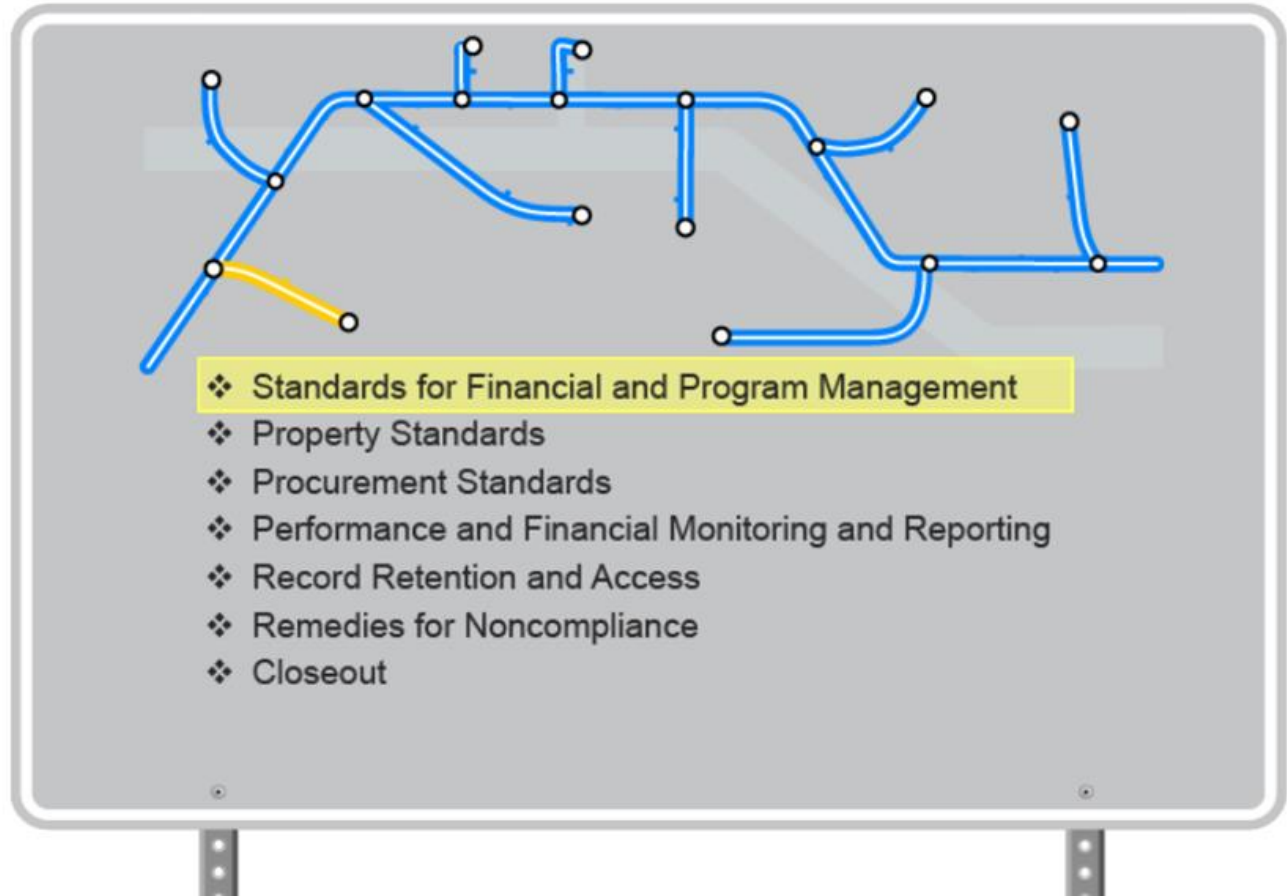


Uniform Guidance “Transit System”



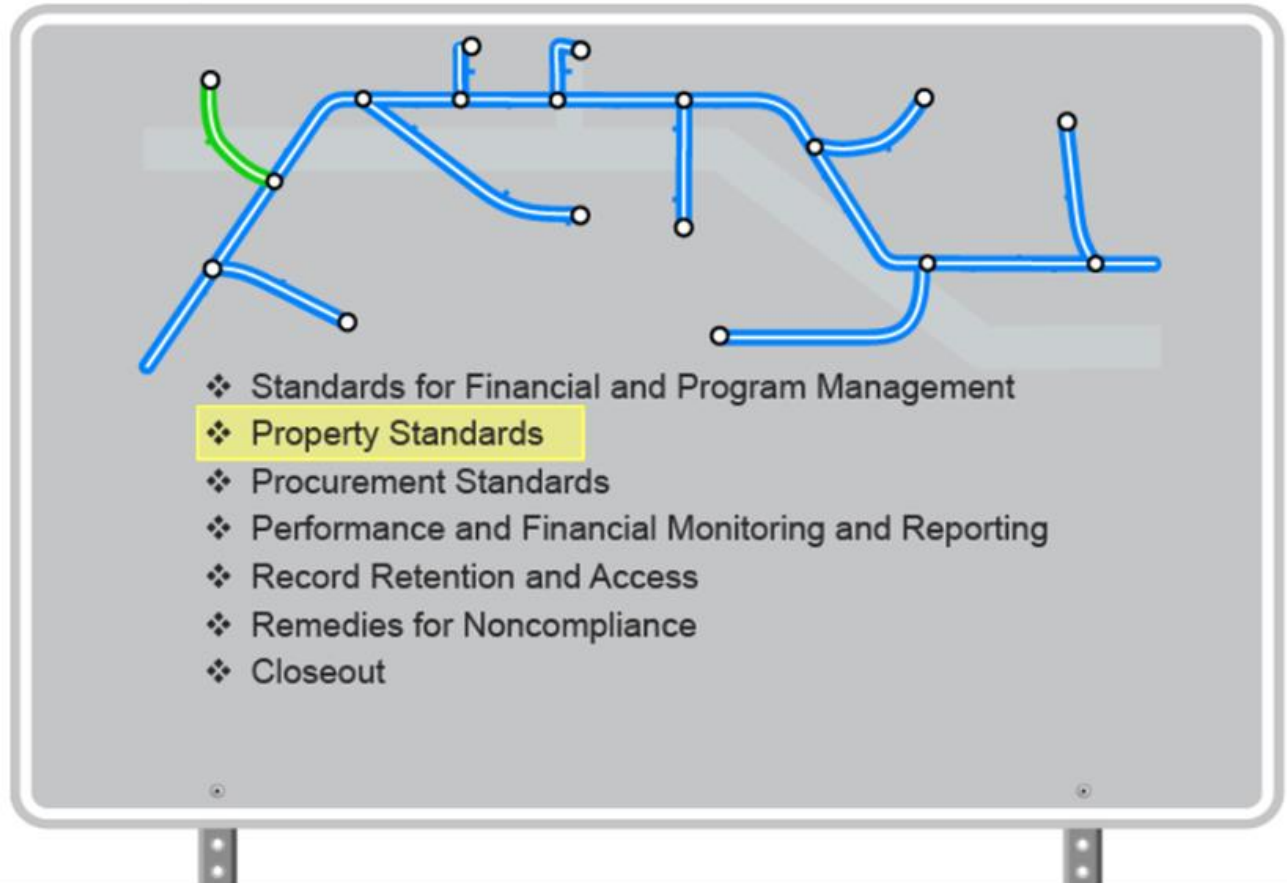


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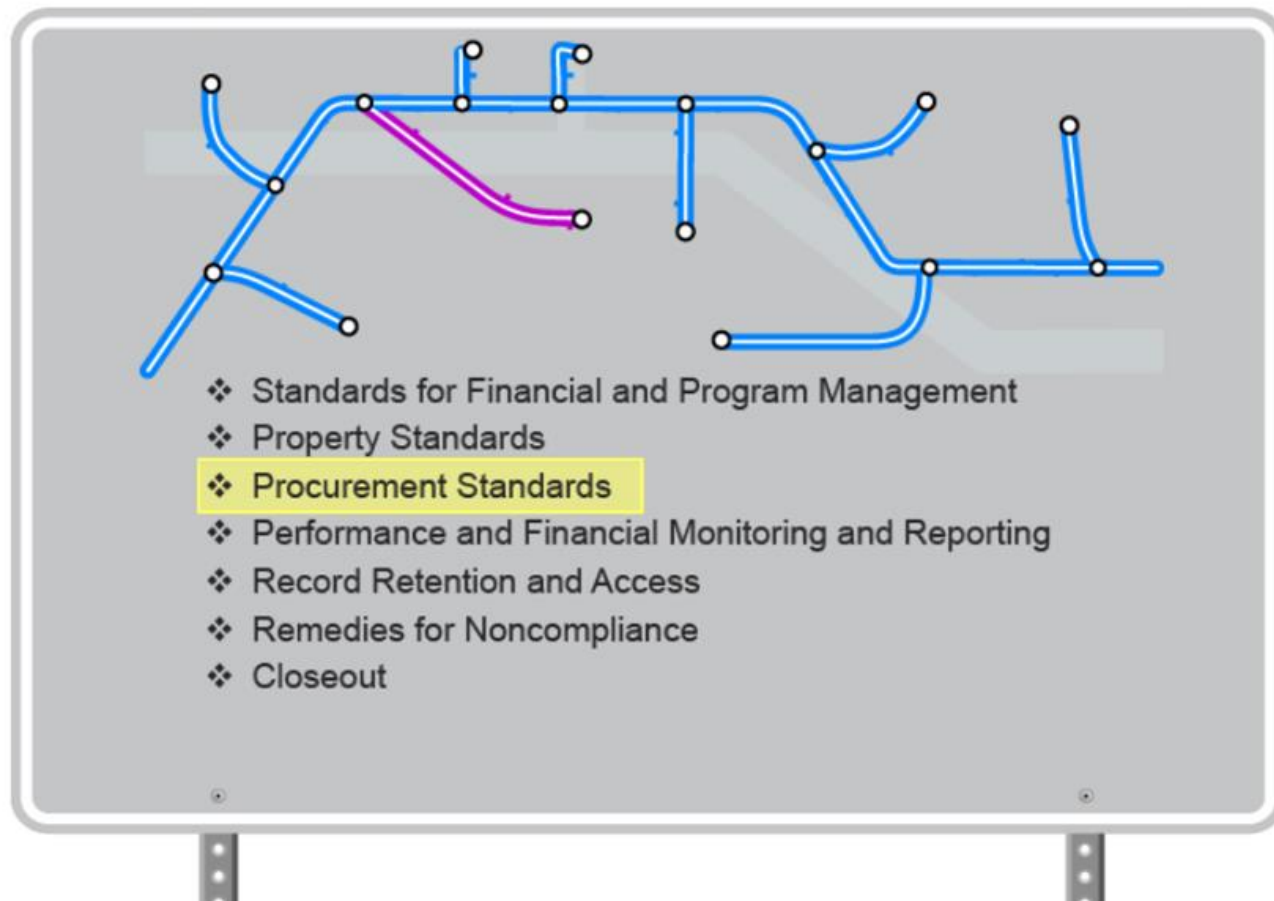


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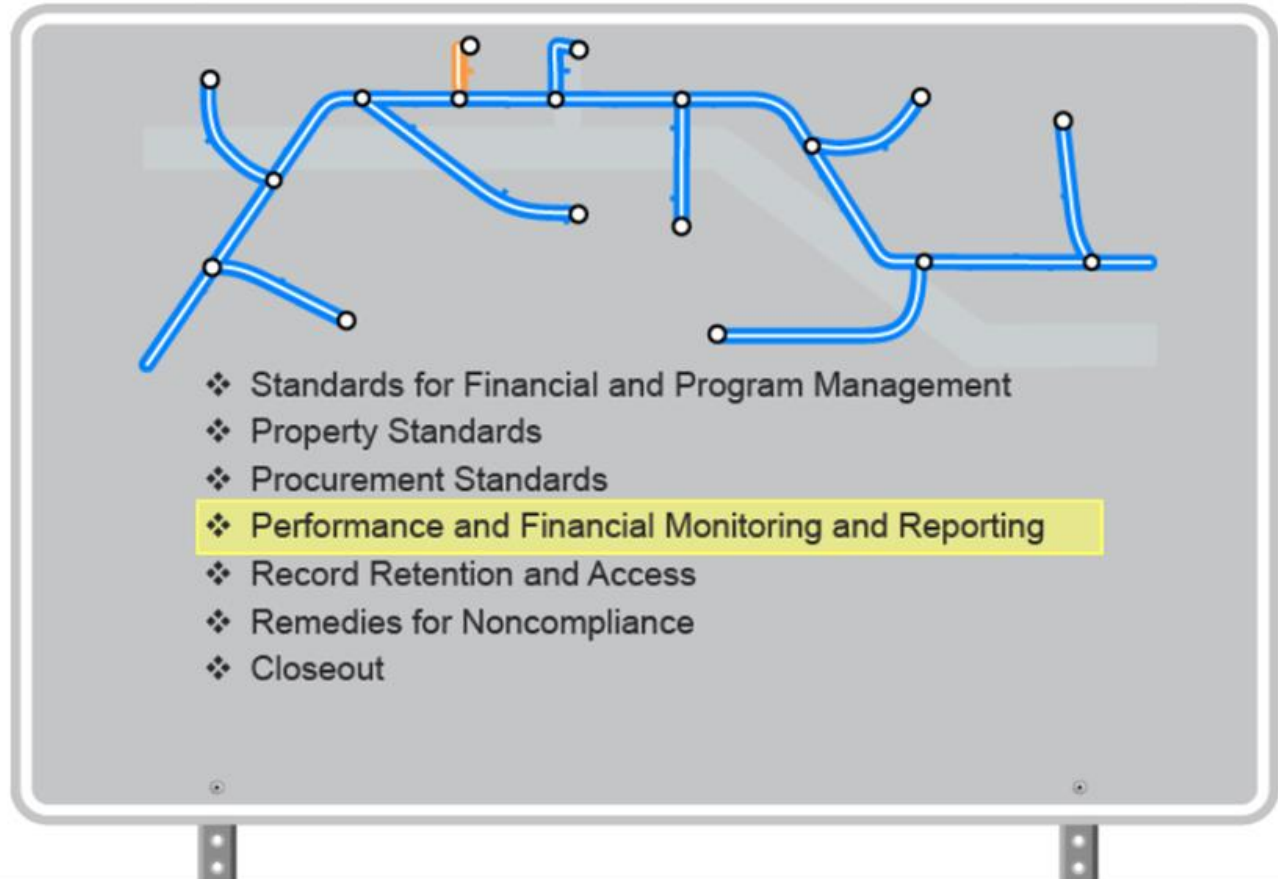


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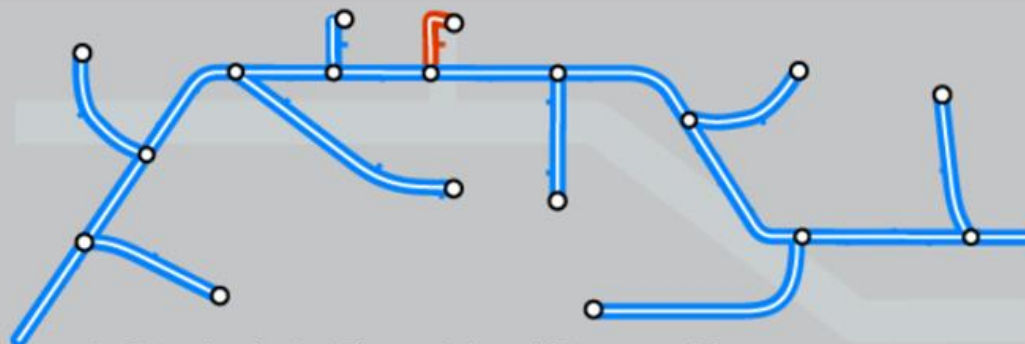


Uniform Guidance “Transit System”





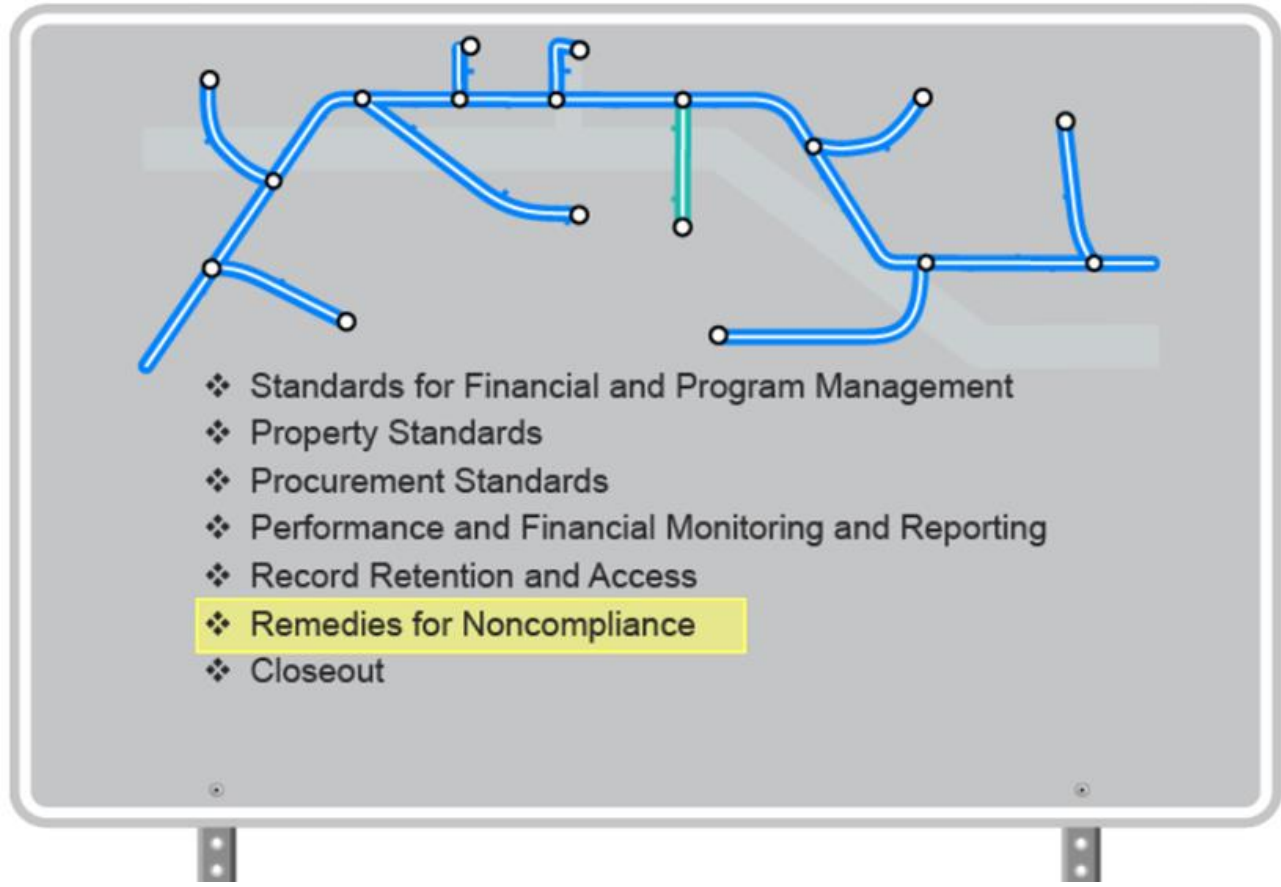
Uniform Guidance “Transit System”



- ❖ Standards for Financial and Program Management
- ❖ Property Standards
- ❖ Procurement Standards
- ❖ Performance and Financial Monitoring and Reporting
- ❖ Record Retention and Access
- ❖ Remedies for Noncompliance
- ❖ Closeout

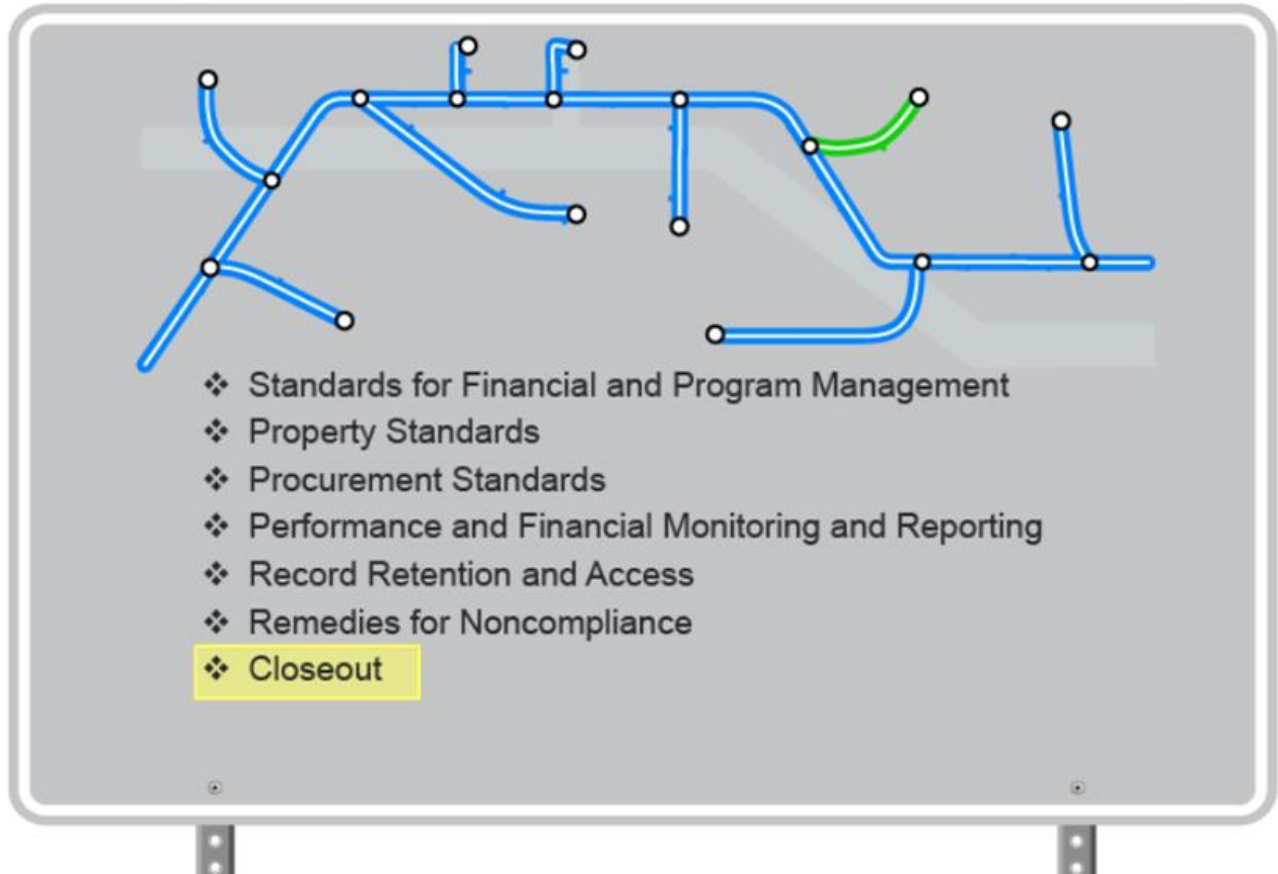


Uniform Guidance “Transit System”





Uniform Guidance “Transit System”





Standards for Financial and Program Management



Standards for Financial and Program Management contains guidance on:

- ❖ Performance Measurement
- ❖ Financial Management
- ❖ Internal Controls
- ❖ Payments
- ❖ Cost Sharing or Matching
- ❖ Program Income
- ❖ Revision of Budget and Plans
- ❖ Period of Performance



Standards for Financial and Program Management



Performance Measurement

The Federal awarding agency requires all award recipients:

- ❖ to use OMB-approved standard information collections when providing financial and performance information
- ❖ relate the financial data to performance accomplishments of the Federal award

Federal awarding agencies should provide recipients with clear performance goals, indicators, and milestones.



Standards for Financial and Program Management



Financial Management

States must expend and account for Federal funds in the same way as state funds. All other non-Federal entities must have a financial management system which:

- ❖ identifies, in its accounts, all Federal awards
- ❖ provides accurate, current, and complete financial reporting
- ❖ maintains source documents and other records that identify the source and application of funds
- ❖ provides effective control over all funds, property, and other assets
- ❖ compares expenditures with budget amounts for each Federal award
- ❖ includes written procedures for payment and for determining allowability of costs



Standards for Financial and Program Management



Internal Controls

For Federal awards non-federal entities must:

- ❖ establish and maintain effective internal controls
- ❖ comply with Federal statutes, regulations, & terms and conditions
- ❖ evaluate and monitor compliance
- ❖ take prompt action on audit findings
- ❖ safeguard protected personally identifiable information

Select the image to visit
the Green Book Website.





Standards for Financial and Program Management



Payments

Section 200.305 provides detail on how Federal awarding agencies pay award recipients.

- ❖ Generally, the non-Federal entity must be paid in advance.
- ❖ Advance payments to a non-Federal entity must be limited to the minimum amounts needed.
- ❖ Whenever possible, advance payments must be consolidated to cover anticipated cash needs.
- ❖ Reimbursement is the preferred method when the non-Federal entity cannot meet the requirements of advance payment.

Select "Next" for more on Payments



Standards for Financial and Program Management



Payments (continued)

- ❖ Interest earned amounts up to \$500 per year may be retained by the non-Federal entity for administrative expense.
- ❖ To the extent available, the non-Federal entity must disburse funds available from program income (including repayments to a revolving fund), rebates, refunds, contract settlements, audit recoveries, and interest earned on such funds before requesting additional cash payments.



Standards for Financial and Program Management



Cost Sharing or Matching

As defined in Section 200.306, cost sharing or matching means the portion of project costs not paid by Federal funds (unless otherwise authorized by Federal statute).

Cost Sharing or Matching:

- ❖ are verifiable from the non-Federal entity's records
- ❖ are not included as contributions for any other Federal award
- ❖ are necessary and reasonable for accomplishment of project or program objectives
- ❖ are allowable under Subpart E—Cost Principles
- ❖ are not paid by the Federal Government under another Federal award (unless otherwise authorized by Federal statute),
- ❖ are provided for in the approved budget when required by the Federal awarding agency



Standards for Financial and Program Management



Program Income

As defined in Section 200.80, program income means gross income earned by the non-Federal entity that is directly generated by a supported activity or earned as a result of the Federal award during the period of performance.

- ❖ Fees from services performed, use of rental of property, principal and interest on loans made with the Federal award are examples of program income.
- ❖ Proceeds from the sale of real property, equipment, or supplies are not program income.

Select "Next" to see three options for use of program income.



Standards for Financial and Program Management



Program Income (continued)

The three options for use of program income are:

1. Deduction: reduces the costs of the project.
2. Addition: adds the program income to the Federal award.
3. Cost sharing: allows the recipient to use program income to meet the cost sharing or matching requirement of the Federal award.



Standards for Financial and Program Management



Revision of Budget and Program Plans

For non-construction Federal awards, recipients must request prior approvals for the following:

- ❖ change in the scope or the objective of the project or program
- ❖ change in a key person or a reduction in level of effort by more than three months or 25% reduction in time
- ❖ costs that require prior approval
- ❖ the transfer of participant costs
- ❖ subawarding, transferring or contracting out any work, including fixed amount awards
- ❖ changes in the approved cost-sharing or matching
- ❖ additional funding to complete the project



Standards for Financial and Program Management



Revision of Budget and Program Plans (continued)

Except for change of scope, the Federal awarding agencies are authorized, to waive prior written approvals mentioned previously. Such waivers may include authorizing recipients to do any one or more of the following:

- ❖ incur project costs 90 calendar days before the Federal awarding agency makes the Federal award
- ❖ initiate a one-time extension of the period of performance by up to 12 months (other conditions must be met)
- ❖ carry forward unobligated balances to subsequent periods of performance



Standards for Financial and Program Management



Revision of Budget and Program Plans (continued)

Within 30 calendar days from the date of receipt of the request for budget revisions, the Federal awarding agency must review the request and notify the recipient whether the budget revisions have been approved.

If the revision is still under consideration at the end of 30 calendar days, the Federal awarding agency must inform the recipient in writing of the date when the recipient may expect the decision.

No other prior approval requirements for budget revisions may be imposed unless an exception has been approved by OMB.

For specific prior approval requirements related to construction grants, [refer to 200.308 paragraph \(g\)](#).



Standards for Financial and Program Management



Period of Performance

A non-Federal entity may only charge allowable costs incurred during the period of performance (except publication and printing costs) and any costs incurred before the Federal awarding agency or pass-through entity that were authorized by the Federal awarding agency or pass-through entity.





Knowledge Check

Cost sharing or matching does not need to be verified by records.

True

False



Knowledge Check

Cost sharing or matching does not need to be verified by records.

Correct!

Cost sharing or matching does need to be verified by records.



Knowledge Check

The maximum amount of interest that can be retained by the non-Federal entity is \$100 per year for administrative expense.

True

False



Knowledge Check

The maximum amount of interest that can be retained by the non-Federal entity is \$100 per year for administrative expense.

Correct!

\$500 per year is the maximum amount that may be retained by the non-Federal entity for administrative expense.



Knowledge Check

Prior approval is required when changing key personnel specified in the application or the Federal award.

True

False



Knowledge Check

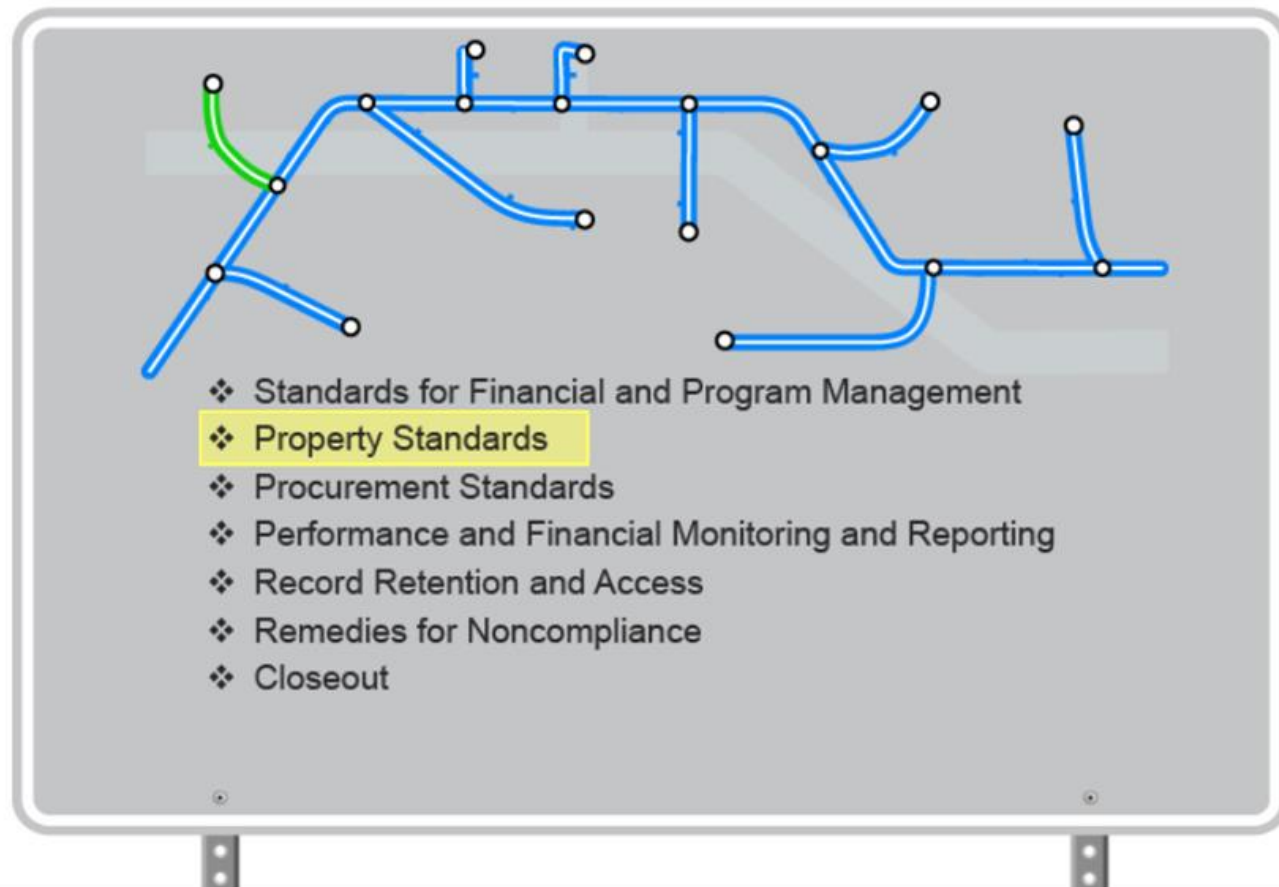
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Correct!

Prior approval is required when changing key personnel specified in the application or the Federal award.



Uniform Guidance “Transit System”





Property Standards



Sections 200.310-316 cover property standards, which includes information on the use, management, and disposition of real property, Federally owned and exempt property, equipment, supplies, and intangible property.

Use:

All property acquired with Federal award funds must be used for the originally authorized purpose as long as needed.





Property Standards



Disposition:

If the property is no longer needed for the original purpose, the requirement depends on the type of property.

Real Property

Federally Owned and Exempt Property

Equipment

Supplies

Intangible Property

Select each type of property for more information.



Property Standards



Real Property

Real property may either be retained or sold and the Federal awarding agency must be compensated.

Real property means land, including land improvements, structures, appurtenances thereto, but excludes movable machinery and equipment.



Select to return to previous slide



Property Standards



Federally-Owned and Exempt Property

- ❖ Federally Owned Equipment
 - Title remains with the Federal government.
 - The Federal awarding agency can donate excess property under the Federal Technology Transfer Act.
- ❖ Exempt Federally-Owned Equipment
 - Title vests with recipient based on award explicit terms and conditions.

Select to return to previous slide



Property Standards



Equipment

As defined in 200.313, equipment is tangible personal property (including information technology systems) having a useful life of more than one year and a per-unit acquisition cost which equals or exceeds the lesser of the capitalization level established by the non-Federal entity for financial statement purposes, or \$5,000. Title to equipment acquired under a Federal award vests with the non-Federal entity. A physical inventory of the equipment must be taken and the results reconciled with the property records at least once every two years.

Select to return to previous slide



Property Standards



Supplies

As defined in 200.94, supplies means all tangible personal property other than those described in 200.33 Equipment. A computing device is a supply if the acquisition cost is less than the lesser of the capitalization level established by the non-Federal entity for financial statement purposes or \$5,000, regardless of the length of its useful life.



Select to return to previous slide



Property Standards

Intangible Property

- ❖ Definitions provided in 200.59 means property having no physical existence, such as trademarks, copyrights, patents and patent applications and property, such a loans, notes and other debt instruments, lease agreements, stock and other instrument of property ownership.
- ❖ Title of intangible property vests with the recipient.
- ❖ The recipient may copyright any work developed under the Federal award.
- ❖ The recipient is subject to applicable regulations governing patent and inventions – such as Department of Commerce (37 CFR part 401).
- ❖ The Federal Government has the right (1) obtain, reproduce, publish, or otherwise use the data produced under a Federal award; (2) authorize others to receive, reproduce, publish, or otherwise use such data for federal purposes.

Select to return to previous slide





Uniform Guidance “Transit System”



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- ❖ Remedies for Noncompliance
- ❖ Closeout



Procurement Standards



States

When procuring property and services under a Federal award, states must follow the same policies and procedures it uses for procurements from its non-Federal funds.

All other non-Federal entities (including subrecipients of states)

The non-Federal entity must have procurement procedures that reflect applicable state, local, and tribal law and meet the standards in the Uniform Guidance including, standards of conduct, competition, methods of procurement, contract cost and price, and contract provisions.





Knowledge Check

All property acquired with Federal award funds must be used for the originally authorized purpose as long as needed.

True

False



Knowledge Check

All property acquired with Federal award funds must be used for the originally authorized purpose as long as needed.

Correct!

All property acquired with Federal award funds must be used for the originally authorized purpose as long as needed.



Knowledge Check

A physical inventory of equipment purchased with Federal funds must be taken and reconciled with the equipment records at least once every five years.

True

False



Knowledge Check

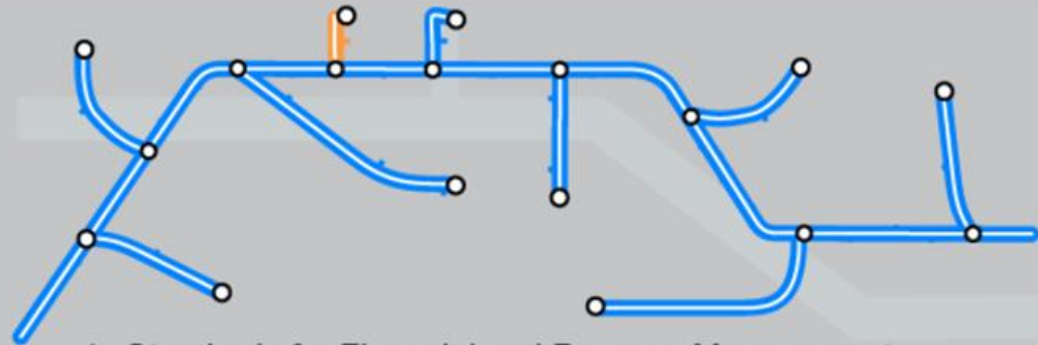
A physical inventory of equipment purchased with Federal funds must be taken and reconciled with the equipment records at least once every five years.

Correct!

A physical inventory of equipment purchased with Federal funds must be taken and reconciled with the equipment records at least once every two years.



Uniform Guidance “Transit System”



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Performance and Financial Monitoring and Reporting



Financial Reporting

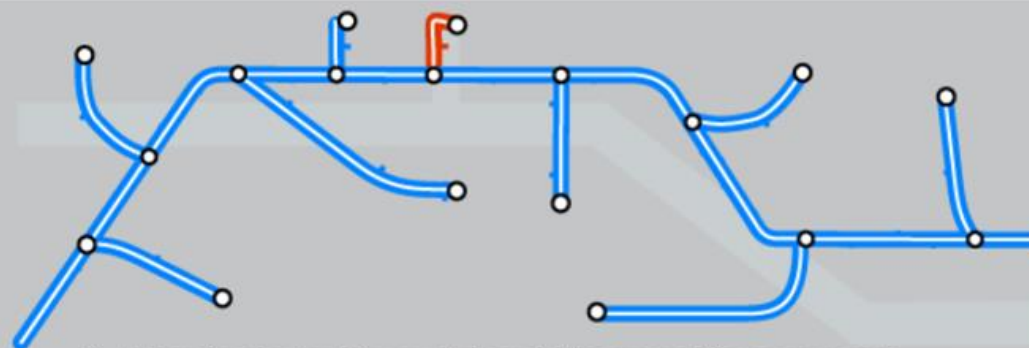
- ❖ Recipients must use OMB approved forms for financial reporting.
- ❖ Financial reporting must be collected with the frequency required by the terms and conditions of the Federal award, but no less frequently than annually or more frequently than quarterly.

Monitoring and Reporting Program Performance

- ❖ Annual reports must be due 90 calendar days after the reporting period.
- ❖ Quarterly or semiannual reports must be due 30 calendar days after the reporting period.
- ❖ Final performance reports will be due 90 calendar days after the period of performance end date.



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Records Retention and Access



Record Retention Requirements

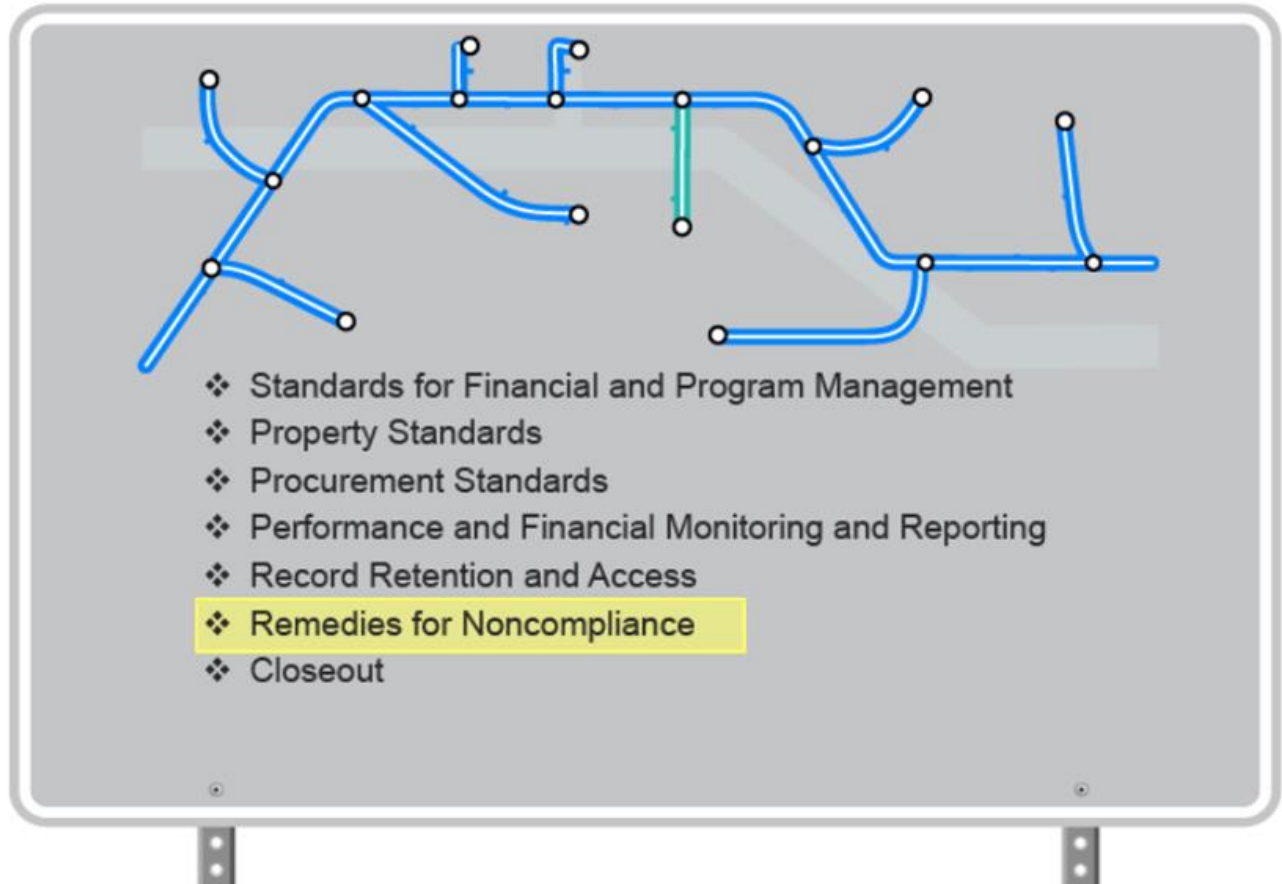
- ❖ Financial records and key supporting documents must be retained for a period of three years from the date of submission of the final expenditure report.

Collection, Transmission, and Storage of Information

- ❖ The Federal awarding agency and the non-Federal entity should, whenever practicable, collect, transmit, and store Federal award-related information in open and machine readable formats rather than in closed formats or on paper.
- ❖ The Federal awarding agency or pass-through entity must always provide or accept paper versions of Federal award-related information to and from the non-Federal entity upon request.
- ❖ If paper copies are submitted, the Federal awarding agency or pass-through entity must not require more than an original and two copies.



Uniform Guidance “Transit System”





Remedies for Noncompliance



Noncompliance

If a non-Federal entity fails to comply with Federal statutes, regulations or the terms and conditions of a Federal award, the Federal awarding agency or pass-through entity may take the following actions:

- ❖ impose specific conditions
- ❖ temporarily withhold cash payments
- ❖ disallow all or part of the cost of the activity or action not in compliance
- ❖ wholly or partly suspend or terminate the Federal award
- ❖ initiate suspension or debarment proceedings
- ❖ withhold future Federal awards
- ❖ take other remedies that may be legally available



Remedies for Noncompliance

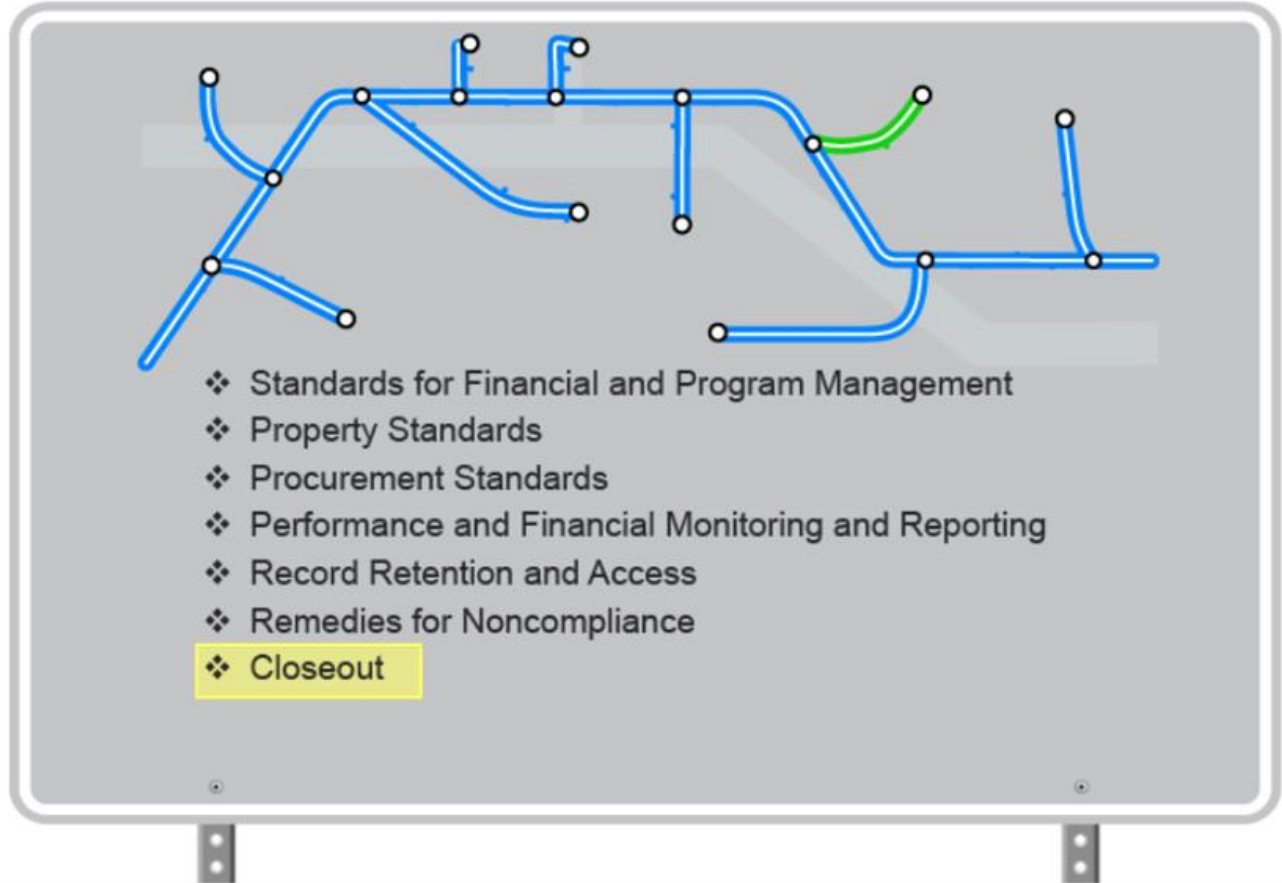


Termination & Appeals

- ❖ When a Federal award is terminated or partially terminated, both the Federal awarding agency or pass-through entity and the non-Federal entity remain responsible for compliance with closeout requirements.
- ❖ The Federal awarding agency must provide the non-Federal entity an opportunity to object and provide information and documentation challenging the suspension or termination action, in accordance with written processes and procedures published by the Federal awarding agency.



Uniform Guidance “Transit System”





Closeout

Closeout

The non-Federal entity must submit, no later than 90 calendar days after the end date of the period of performance, all financial, performance, and other reports.





Knowledge Check

Final performance reports are due 90 calendar days after the period of performance end date.

True

False



Knowledge Check

Final performance reports are due 90 calendar days after the period of performance end date.

Correct!

Final performance reports are due 90 calendar days after the period of performance end date.



Knowledge Check

When a Federal award is terminated only the non-Federal entity remains responsible for compliance with the requirements in closeout responsibilities.

True

False



Knowledge Check

When a Federal award is terminated only the non-Federal entity remains responsible for compliance with the requirements in closeout responsibilities.

Correct!

Both the Federal awarding agency or pass-through entity and the non-Federal entity remain responsible for compliance.