



Grants Management



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Big Thinking. Personal Focus.

Grants Management



- Follow regulations, terms and conditions of each grant
 - Accounting system
 - Internal controls
- Grantee communication
 - Request changes to awards
 - Timely submission of required reports
- Adhere to closeout procedures of grantors



Compliance Requirements



- Activities Allowed or Unallowed
- Allowable Costs
- Cash Management
- Davis Bacon Act (moved to Special Tests and Provisions)
- Eligibility
- Equipment and Real Property
- Matching, Level of Effort, Earmarking
- Period of Availability
- Procurement and Suspension and Debarment (sams.gov)
- Program Income
- Real Property Acquisition and Relocation Assistance (deleted)
- Reporting
- Subrecipient Monitoring
- Special Tests and Provisions

Allowability per 2 CFR Part 225



- Cost must be necessary and reasonable
- Cost must be allocable to Federal awards under 2 CFR Part 225
- Cost must be authorized or not prohibited under State or local laws or regulations
- Cost must conform to any limitations or exclusions set forth in the CFR
- Cost must be consistent and uniform with policies, regulations, and procedures

Allowability per 2 CFR Part 225 (continued)



- Cost must be accorded consistent treatment. A cost may not be a direct cost if any other cost incurred for the same purpose has been allocated to the Federal award as an indirect cost
- Cost must not be included as a cost or used to meet cost sharing or matching requirements of any other Federal award in either the current or a prior period

Reasonableness per 2 CFR 225



- A cost is reasonable if 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. The question of reasonableness is particularly important when governmental units or components are predominately Federally-funded.

Reasonableness per 2 CFR 225



- Consideration shall be given to:
 - Whether the cost is generally recognized as ordinary and necessary for the operation of the governmental unit or the performance of the Federal award
 - Does the cost follow: sound business practices; arm's-length bargaining; Federal, State and local laws and regulations; and terms and conditions of the Federal award

Reasonableness per 2 CFR 225



- Does the cost reflect the market prices for comparable goods or services
- Did the person performing the purchases act with prudence considering their responsibilities to the governmental unit, its employees, the public at large, and the Federal government
- Were there significant deviations from the established practices of the government which may unjustifiably increase the Federal award's cost

Direct Costs



- Direct costs are those that can be identified specifically with a particular final cost objective
- Examples of direct cost:
 - Compensation of employees specific to the grant
 - Cost of materials specific to the grant
 - Equipment specific to the grant
 - Travel expenses specific to the grant

Indirect Costs



- Costs that are for a common or joint purpose benefiting more than one cost objective
- Examples of indirect costs:
 - Some administrative costs
 - Some professional fees
- To charge indirect costs to a grant, a government must have an indirect cost rate plan approved by their Federal Cognizant Agency:

Indirect Cost Rate Proposals



- Types of Rates
 - Provisional – temporary rate
 - Final – approved rate based on actual, allowable costs
 - Fixed – in grant agreement or organization's current rate subject to later adjustment
 - Predetermined – cannot be adjusted, used in cooperative agreements and grants

Indirect Cost Rate Proposals (continued)



- **Direct Cost Bases** – direct costs are used to distribute indirect costs to individual Federal awards
- **Simplified Method** – easier, more straightforward, involves only one indirect cost pool
- **Multiple Rate Method** – involves multiple indirect cost pools and allows for the distribution of indirect costs to grants in differing degrees (e.g. G&A, fringes, payroll)

Audit of the Program



- Financial management review checklist
 - Provide a check that objectives were met
 - Prevent audit findings
 - Reporting, cash management
 - Prevent significant deficiencies and material weaknesses
 - Questioned costs
 - Unallowable costs or activities
 - How to resolve questioned costs and minimize return of grant funds

Benefits of Effective Grants Management



- Effective grant management enables your organization to:
 - Increase grant funding
 - Organize grant documentation
 - Streamline the audit process
 - Avoid audit findings
 - Avoid questioned costs
 - Avoid return of funds or reduction of grant awards
 - Measure success

Increased Grant Funding



- New funding sources allow for organizational growth
- Change/Enhance organizational focus
- Develop new programs
 - Special purpose grants
 - On-going grants
 - One time competitive/discretionary grants

New Funding Sources



- Finding new funding sources to meet the needs of your community can be challenging. As your community grows, Schneider Downs can assess grant opportunities. We begin by navigating potential funds currently available.
 - Grants.gov, HHS, ARC, DOE
 - State initiatives
 - Joint ventures with other local governments
 - Local foundations, foundationcenter.org

Prior to Applying for Grants



- Can we meet the conditions and/or restrictions on grant expenditures?
- Will the start up and overhead costs for the program outweigh the benefits?
- Does the grant allow for indirect costs?
- Can we meet the matching requirements, or can we find local support to meet matching requirements?

Grant Program Development



- Develop a program that includes
 - Objectives
 - Policies and Procedures
 - Involve oversight committee in initial grant evaluation process
 - Team Atmosphere
 - Buy in of all members
 - Work together on the objectives, policies and procedures and each grant application process

Grant Application Process



- Identify needs that enhance community's mission or purpose, then identify grants
- Develop grant writing and review policies
- Document understanding of eligibility and compliance requirements
- Develop a compelling statement of need
- Emphasize organizations qualifications to fulfill the grant's purpose
- Ensure adherence to all grant requirements

Grant Writing Tips



- Read all grant announcement documents
- Utilize similar language to the grant funding announcement
 - Executive Summary
 - Statement of Need
 - Project Description
 - Project budget
- Describe the sustainability of the project after the grant period
- Provide resumes
- Develop an internal review process

Implementing and Executing the Program



- Review grant funding announcement
 - Identify provisions that impact the financial administration of the program
 - Standards of cost documentation
 - Allowable, reasonable and allocable
 - OMB A-87 and Uniform Grant Guidance (2 CFR Section 225)
 - For new compliance requirements, develop a plan to monitor and track adherence
 - Determining if a cost should be direct or indirect to the program

Practical Ideas to Stay Organized



Practical Ideas to Stay Organized



- Tickler files
- Mark your on-line calendar for important reporting deadlines
- Read grant agreements for allowable and unallowable expenditures, cash management and reporting requirements
- Create grant administrative oversight policy and committee
- Assign designated person to prepare grant budgets and approve expenditures

Monitoring Results



- Internal
 - Tracking and charging costs across multiple programs
- External
 - SF-270 Advance/Reimbursement Request
 - SF-271 Construction Program Reimbursement Request/Outlay Report
 - SF-425 Federal Financial Reports
 - Quarterly, Semi-Annually, Annually
 - Prepare and provide support



SUCCESS
IS THE SUM OF SMALL EFFORTS,
REPEATED

DAY IN **DAY OUT**

Robert Collier (1885-1950) InspirationBoost.com

Measure Success



- Define measurable goals:
 - Collect the data and references
 - Describe the benefits obtained from the grant/project
 - Quantitative (i.e. how many people benefited from the grant)
 - Qualitative (a safer place to live)
- Report your success
- Market your success to the community



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