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excellence for social good



The Importance of a Grants Compliance and Management Program

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Grant Compliance Services

MAY 25,
2021

Presenter

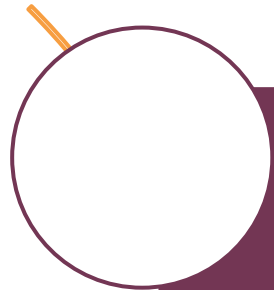


Rebecca Field is a principal at CliftonLarsonAllen and leads the Grant Compliance Services team. She has over sixteen years of public accounting experience. She specializes in grant compliance, including single audits, and has extensive knowledge in related regulations and requirements.

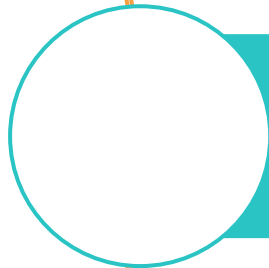
Rebecca also serves as a firm wide assurance resource where she oversees compliance with professional standards, provides technical assistance, and assists with training curriculum.



Agenda



Grant Compliance Importance



How to Identify Grant Compliance Requirements



Recognize tools and best practices that can be used to ensure proper compliance



What is Grant Compliance?



What is Grant Compliance?

Effective grant compliance
relies on having:

an in-depth
understanding
of the grant
requirements

proper policies
and
procedures in
place

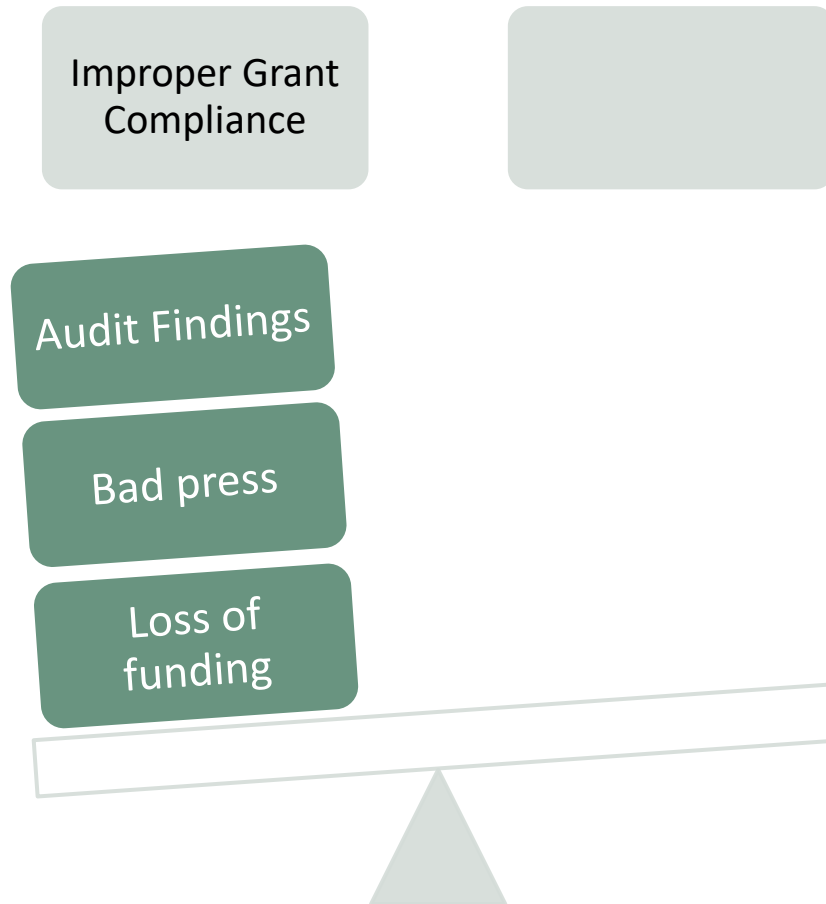
strong internal
controls

resources and
personnel

Who is responsible for Grant Compliance?



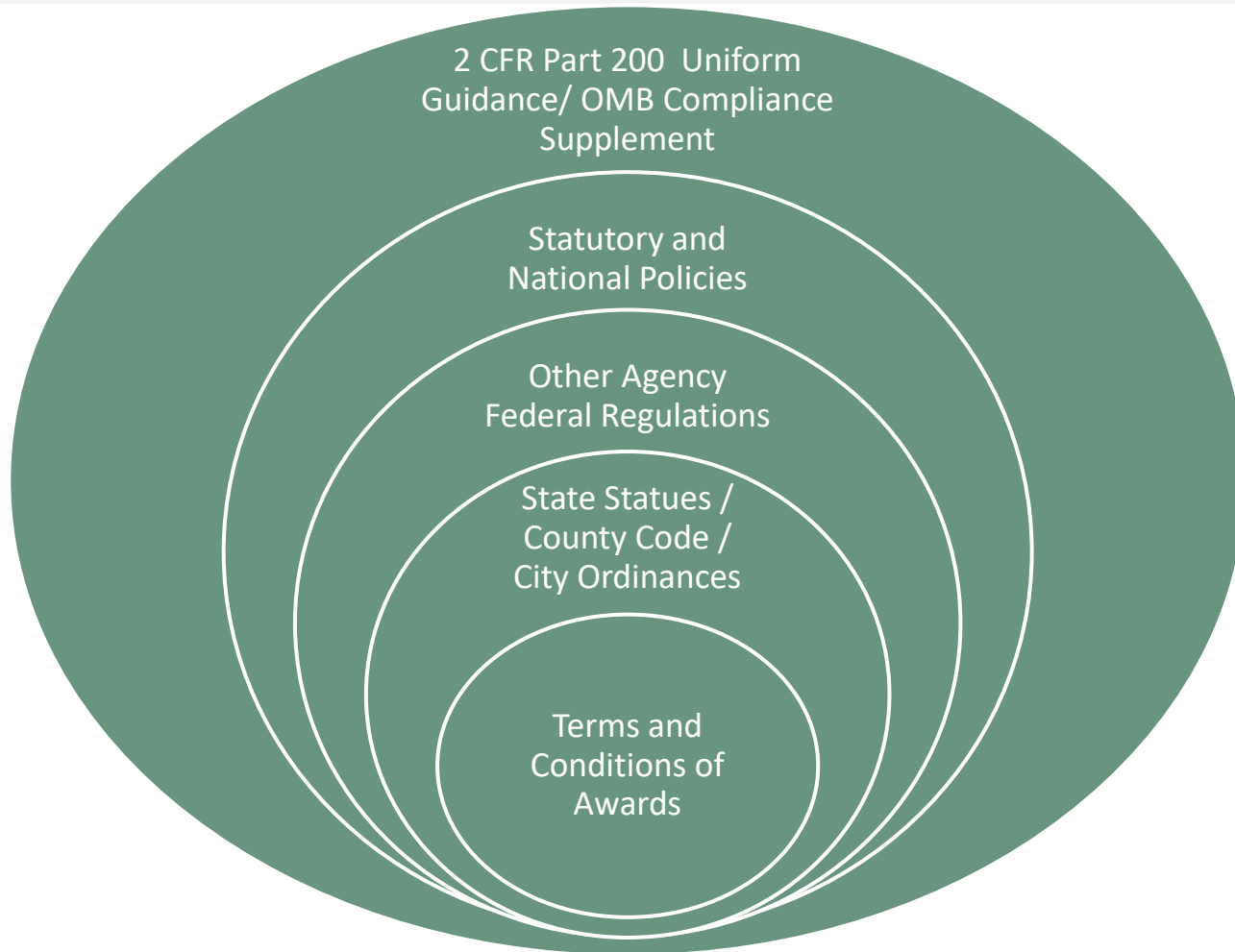
Why is Grant Compliance important?



Sources of Grant Compliance Requirements



Sources of Grant Compliance Requirements



Example of Multiple Requirement Sources

2. RESPONSIBILITIES OF RECIPIENT

2.1. PUBLIC TRANSIT OPERATIONS

RECIPIENT will operate a public transit system in accordance with all applicable federal, state, and local laws, rules and regulations, including:

- 2.1.1. Minnesota Statutes, Sections 174.21 to 174.24;
- 2.1.2. Minnesota Rules, Chapter 8835, *Public Transit*;
- 2.1.3. FTA Circular 9040 *Formula Grants for Rural Areas Program*, as amended;
- 2.1.4. FTA Circular 4220 *Third Party Contracting Guidance*, as amended;
- 2.1.5. 2 CFR Part 200 *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, as amended;

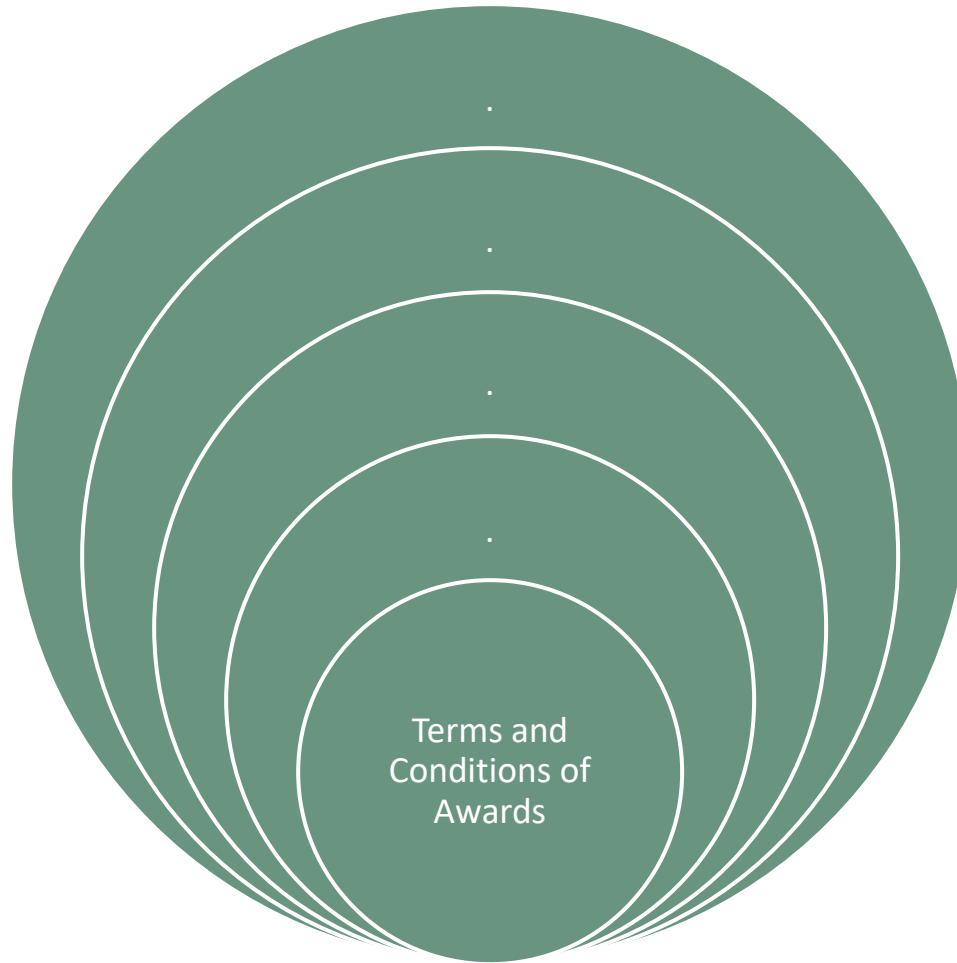
Example of Multiple Requirement Sources

This Award Document (Form CD-450) signed by the Grants Officer constitutes an obligation of Federal funding. By signing this Form CD-450, the Recipient agrees to comply with the Award provisions checked below and attached. Upon acceptance by the Recipient, the Form CD-450 must be signed by an authorized representative of the Recipient and returned to the Grants Officer. If not signed and returned without modification by the Recipient within 30 days of receipt, the Grants Officer may unilaterally withdraw this Award offer and de-obligate the funds.

- DEPARTMENT OF COMMERCE FINANCIAL ASSISTANCE STANDARD TERMS AND CONDITIONS
- R & D AWARD
- FEDERAL-WIDE RESEARCH TERMS AND CONDITIONS, AS ADOPTED BY THE DEPT. OF COMMERCE
- BUREAU-SPECIFIC ADMINISTRATIVE STANDARD AWARD CONDITIONS
- SPECIAL AWARD CONDITIONS
- LINE ITEM BUDGET
- 2 CFR PART 200, UNIFORM ADMINISTRATIVE REQUIREMENTS, COST PRINCIPLES, AND AUDIT REQUIREMENTS, AS ADOPTED PURSUANT TO 2 CFR § 1327.101
- 48 CFR PART 31, CONTRACT COST PRINCIPLES AND PROCEDURES
- MULTI-YEAR AWARD (PLEASE SEE THE MULTI-YEAR SPECIAL AWARD CONDITION.)
- DEPARTMENT OF COMMERCE PRE-AWARD NOTIFICATION REQUIREMENTS FOR GRANTS AND COOPERATIVE AGREEMENTS (REF:79 FR 78390 DECEMBER 30, 2014)
- OTHERS(S):



Terms and Conditions of Awards



Example— Financial Reports

1. Federal Financial Report (SF-425) - (final report only)
 - a. A final comprehensive Federal Financial Report must be submitted, within 90 days after award expiration. The report shall cover the entire project period from the start date through the end date of the original award, or approved extended end date of the award, and must include the cumulative total of indirect costs charged to the award.

2. Federal Financial Report (SF-425) - Due semi-annually; reported under the —“Federal Cash” line of the report.
 - a. The SF-425 shall be submitted on a semi-annual basis. If the non-Federal entity is reporting on more than one NOAA grant and/or agreement, then the SF-425 attachment must be used.
 - b. Interim semi-annual Federal Financial Reports (SF-425) are due no later than 30 days after the semi-annual reporting periods ending March 31 and September 30 for the entire project period of the award.
 - c. A final Federal Financial Report (SF 425) is due within 90 days after award expiration. The report shall cover the last semi-annual reporting period ending on September 30 or March 31, or a portion thereof, based on the end date or approved extended end date of the award.
 - d. The SF-425 is due for the non-Federal entity using ASAP for payment. If converting to ASAP during the course of the Award, the SF-425 forms will be due as described above starting with the ASAP conversion date.

Example of Specific Grant Terms

7) Scientific Integrity

For grant activities conducted under this award, if the recipient is involved in the collection, assessment, oversight, or

interpretation of scientific information, the recipient will be required to adhere, to the best of their ability, to the principles, policies and codes of conduct identified in NOAAs Policy on Scientific Integrity (NOAA Administrative Order 202-735D), which is available at: http://www.corporateservices.noaa.gov/ames/administrative_orders/chapter_202/202-735-D.html The intent of the policy is to strengthen widespread confidence (from scientists, decision-makers, and the general public) in the quality, validity, and reliability of NOAA-funded science.

Further information on this policy can be found at: <http://nrc.noaa.gov/scientificintegrity.html>.

Example of Specific Grant Terms

2.3. RESERVE ACCOUNT

If a public transit system generates operating revenue in excess of RECIPIENT's local share amount, RECIPIENT will deposit the excess into a reserve account to be used for STATE approved operating expenses that are not covered by this Grant Agreement or for part of the local share of STATE approved capital expenses of the transit system. RECIPIENT will report this revenue and the expenses charged against it to STATE on the *Request for Funds* form prescribed by STATE.

Example of Specific Grant Terms

Terms and Conditions

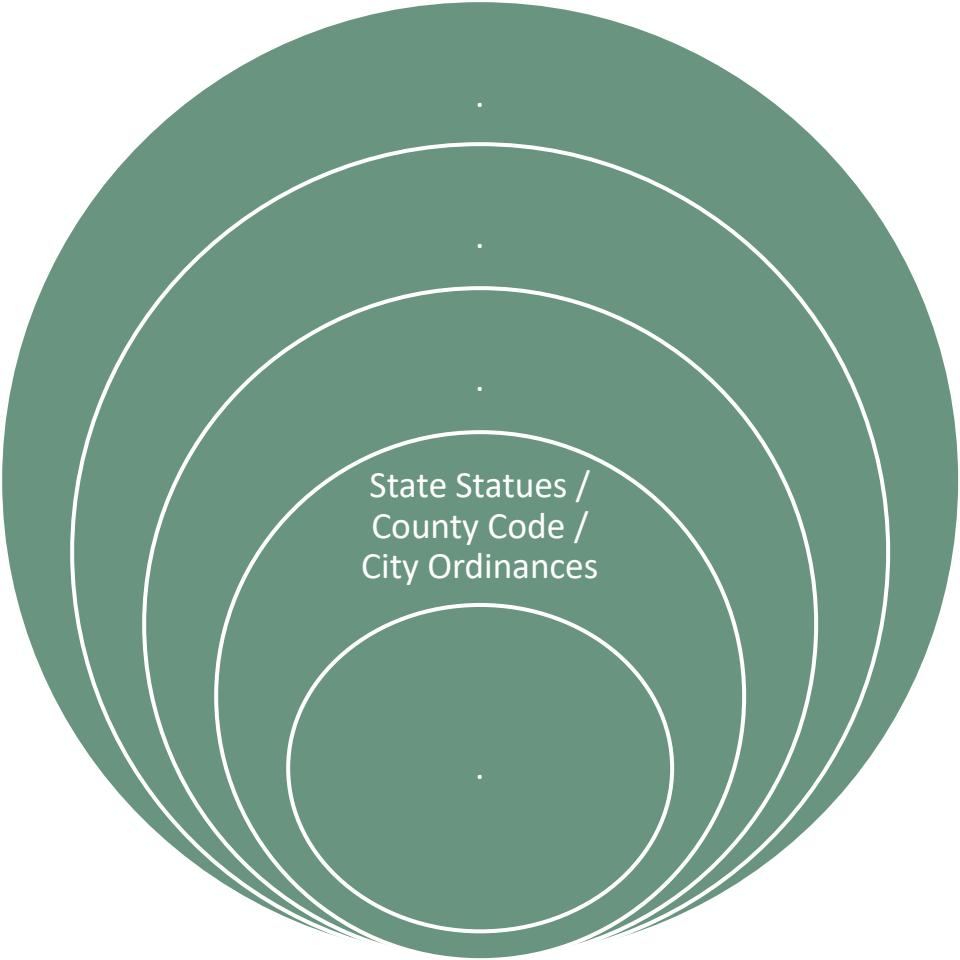
Failure to comply with the remarks, terms, conditions, or reporting requirements may result in a draw down restriction being placed on your Payment Management System account or denial of future funding.

Grant Specific Term(s)

3. Funds may not be used for fundraising, lobbying, incentives (gift cards, food), construction/renovation, facility or land purchases, or vehicle purchases. Pursuant to existing law and consistent with Executive Order 13535 (75 FR 15599), health centers are prohibited from using federal funds to provide abortion services (except in cases of rape or incest, or when the life of the woman would be endangered). This is consistent with past practice and long-standing requirements applicable to grant awards to health centers. Funds must be used consistent with all federal cost principles as noted in 45 CFR Part 75. In addition, this supplemental funding may not be used to:
 - Supplant existing resources.
 - Support bonuses or other staff incentives.



Sources of Grant Compliance Requirements



State Statute Example

11. DATA PRACTICES

RECIPIENT will comply with the Minnesota Government Data Practices Act in Minnesota Statutes, Chapter 13, as it applies to all data provided by STATE according to this Grant Agreement, and as it applies to all data created, collected, received, stored, used, maintained, or disseminated by RECIPIENT according to this Grant Agreement. The civil remedies of Minnesota Statutes Section 13.08 apply to the release of the data referred to in this Article by either RECIPIENT or STATE. For a non-profit organization RECIPIENT, upon receiving a request to release the data referred in this Article, RECIPIENT will immediately notify STATE. STATE will give RECIPIENT instructions concerning the release of the data to the requesting party before the data is released.

Sources of Grant Compliance Requirements



Agency Regulation Example

U.S. Department of State Award Provisions



During the period of performance, the Recipient must comply with:

- The Award Provisions below;
- The Department of State Standard Terms and Conditions for Federal Awards, which are incorporated by reference and made part of this Federal Award. Electronic copies containing the complete text are available at: <https://www.state.gov/m/a/oape/index.htm>
- The applicable sections of [2 CFR §200](#) and [2 CFR §600](#); and
- All assurances and certifications made during the application process.

Agency Regulation Example

CFR > Title 2 > Subtitle B > Chapter VI

2 CFR Chapter VI - DEPARTMENT OF STATE

eCFR

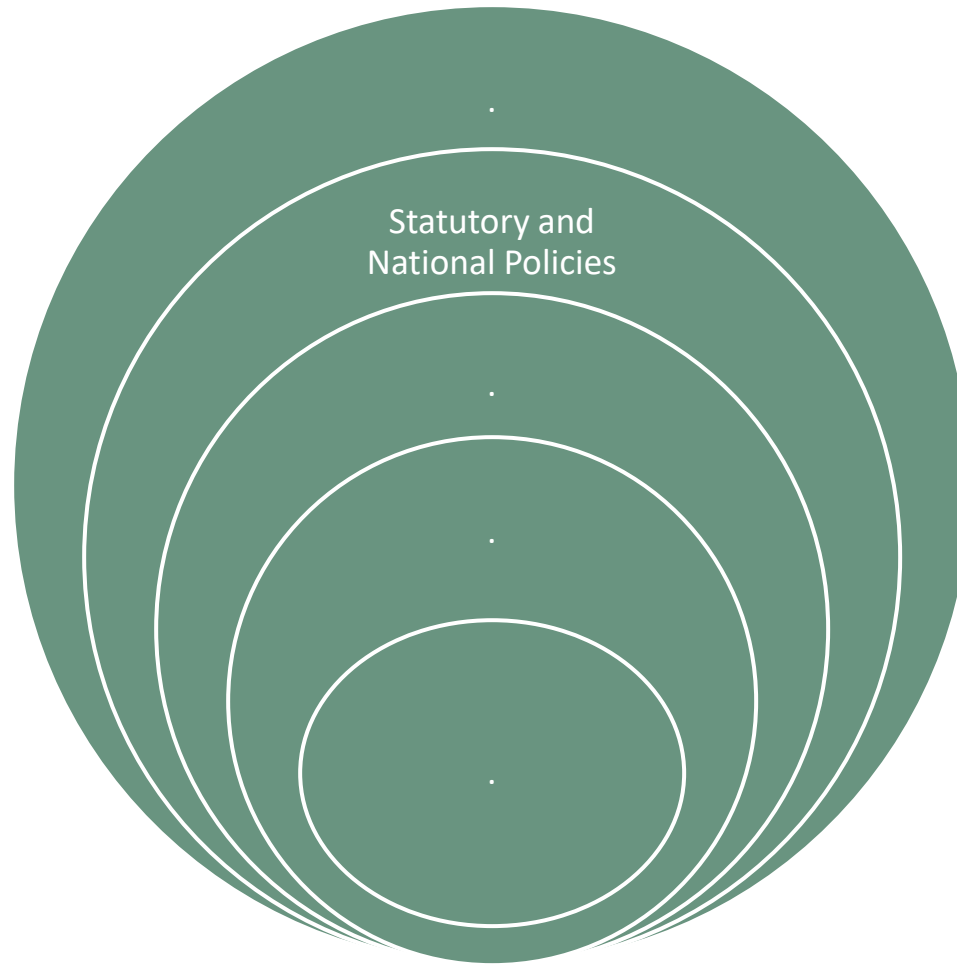
Rulemaking

[prev](#) | [next](#)

- PART 600 - THE UNIFORM ADMINISTRATIVE REQUIREMENTS, COST PRINCIPLES, AND AUDIT REQUIREMENTS FOR FEDERAL AWARDS (§§ 600.101 - 600.407)
- PART 601 - NONPROCUREMENT DEBARMENT AND SUSPENSION (§§ 601.10 - 601.1010)
- PARTS 602-699 [RESERVED]



Sources of Grant Compliance Requirements



Statutory and National Policy Requirements

The Federal awarding agency must manage and administer the Federal award in a manner

to ensure that Federal funding is expended and associated programs are implemented in full accordance with U.S. statutory and public policy requirements

Statutory and National Policy Requirements

These include (but are not limited to):

those
protecting
public
welfare,

the
environment

and
prohibiting
discrimination

Statutory and National Policy Requirements

The Federal awarding agency must communicate to the non-Federal entity all relevant public policy requirements

and incorporate them either directly or by reference in the terms and conditions of the Federal award.

The non-Federal entity is responsible for complying with all requirements of the Federal award.

Statutory and National Policy Requirements Example

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| a. Statutory Provisions | 25 |
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| a. The National Environmental Policy Act (42 U.S.C. §§ 4321 <i>et seq.</i>)..... | 27 |
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| c. Executive Order 11988 (Floodplain Management) and Executive Order 11990 (Protection of Wetlands)..... | 28 |
| d. Clean Air Act (42 U.S.C. §§ 7401 <i>et seq.</i>), Federal Water Pollution Control Act (33 U.S.C. §§ 1251 <i>et seq.</i>) (Clean Water Act), and Executive Order 11738 (“Providing for administration of the Clean Air Act and the Federal Water Pollution Control Act with respect to Federal contracts, grants or loans”)..... | 28 |
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Statutory and National Policy Requirements Example

| | |
|---|----|
| j. The Safe Drinking Water Act of 1974, as amended, (42 U.S.C. §§ 300f <i>et seq.</i>) | 29 |
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Statutory and National Policy Requirements Example

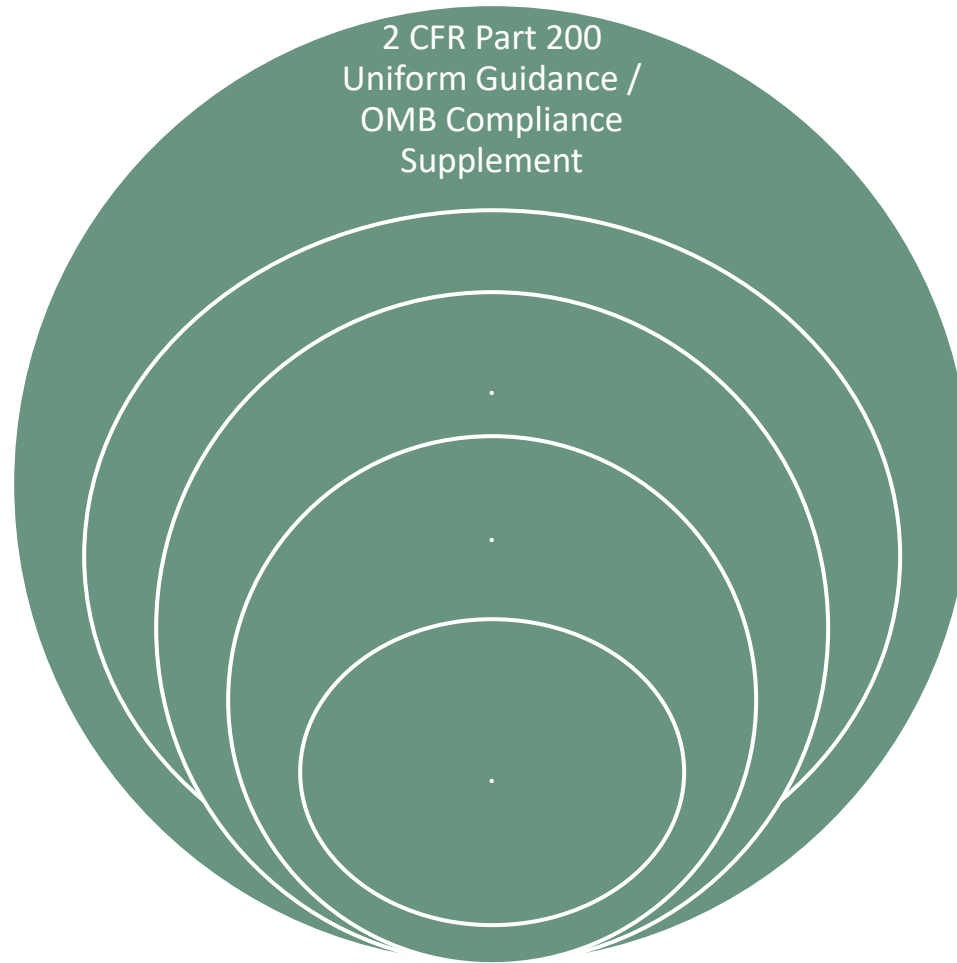
| | |
|--|----|
| i. Care and Use of Live Vertebrate Animals | 36 |
| j. Management and Access to Data and Publications | 36 |
| k. Homeland Security Presidential Directive | 37 |
| l. Compliance with Department of Commerce Bureau of Industry and Security Export Administration Regulations | 38 |
| m. The Trafficking Victims Protection Act of 2000 (22 U.S.C. § 7104(g)), as amended, and the implementing regulations at 2 C.F.R. Part 175 | 40 |
| n. The Federal Funding Accountability and Transparency Act (FFATA) (31 U.S.C. § 6101 note) | 42 |

3 | 31 March 2017

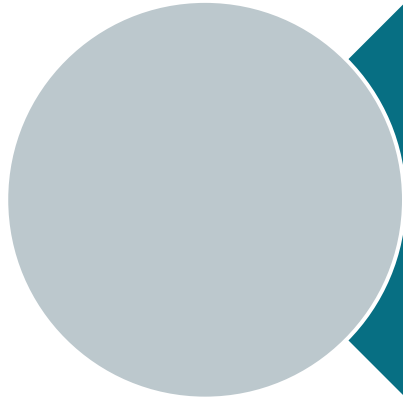
| | |
|---|----|
| o. Recipient Integrity and Performance Matters (Appendix XII to 2 C.F.R. Part 200) | 47 |
| p. Federal Financial Assistance Planning During a Funding Hiatus or Government Shutdown | 49 |



Sources of Grant Compliance Requirements



Uniform Guidance



Applicable to Federal Financial Assistance

- Grants
- Cooperative Agreements
- Other forms
- Subawards



The Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards – previously referred to as the “Omni Circular” or “Super Circular”

Uniform Guidance

Split into 6 Subparts:

- Subpart A – Acronyms and Definitions
- Subpart B – General Provisions
- Subpart C - Pre Federal Award Requirements
- Subpart D – Post Federal Award Requirements
- Subpart E – Cost Principles
- Subpart F – Audit Requirements

Uniform Guidance Administrative Requirements

§200.300 Statutory and national policy requirements

§200.301 Performance measurement

§200.302 Financial management

§200.303 Internal controls

§200.304 Bonds

§200.305 Payment

§200.306 Cost sharing or matching

§200.307 Program income

§200.308 Revision of budget and program plans

§200.309 Period of performance

§200.310-316 Property standards

§200.317-327 Procurement standards

§200.328-330 Performance and financial monitoring and reporting

§200.331-333 Subrecipient monitoring and management

§200.334-338 Record retention and access

§200.339-343 Remedies for noncompliance

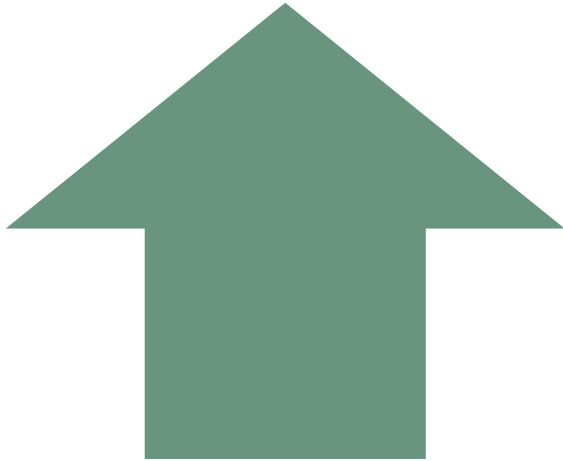
§200.344 Closeout

§200.345 Post-Closeout adjustments and continuing responsibilities

§200.346 Collection of amounts due

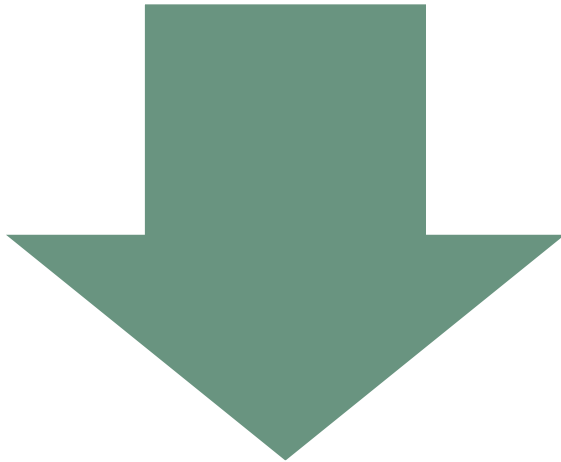


Applicability of Compliance Requirements



Some compliance requirements are more general

- Cash Management
- Equipment Standards



Some compliance requirements are very grant specific

- Eligibility
- Special Tests and Provisions

Applicability of Compliance Requirements

Uniform Guidance (2 CFR Part 200) has overarching requirements

Grant agreement and documents will include specifics

Matching Requirement must be from verifiable source and valued correctly

Organization must contribute 100 volunteer hours for project

OMB Compliance Supplement



What is the Supplement?

Identifies the existing important compliance requirements that the federal government expects to be considered as part of a single audit

Provides a source of information for auditors to understand federal program objectives, procedures, and compliance requirements

Includes audit objectives and suggested audit procedures for determining compliance with the noted requirements

Compliance Supplement

Supplement issued annually

Usually in spring / early summer

Latest versions have been effective for 6/30 year ends)

2020 Current Supplement is available at:

https://www.whitehouse.gov/wp-content/uploads/2020/08/2020-Compliance-Supplement_FINAL_08.06.20.pdf

2020 Current Supplement Addendum is available at:

https://www.whitehouse.gov/wp-content/uploads/2020/12/2020-Compliance-Supplement-Addendum_Final.pdf



Compliance Supplement (Part 2)

| Requirement | A | B | C | E | F | G | H | I | J | L | M | N |
|---------------------------------|---------------------------------|---------------------------------|-----------------|-------------|------------------------------------|---------------------------------------|-----------------------|------------------------------------|----------------|-----------|-------------------------|------------------------------|
| Program Number | Activities Allowed or Unallowed | Allowable Costs/Cost Principles | Cash Management | Eligibility | Equipment Real Property Management | Matching, Level of Effort, Earmarking | Period of Performance | Procurement Suspension & Debarment | Program Income | Reporting | Subrecipient Monitoring | Special Tests and Provisions |
| 14.182/ 14.195/14.249/14.856 | N | N | Y | Y | N | N | N | N | N | Y | N | Y |
| 14.218/14.225 | Y | Y | N | N | Y | N | Y | N | Y | Y | N | Y |
| 14.228 | Y | Y | N | N | Y | N | Y | N | Y | Y | N | Y |
| 14.231 | N | N | N | N | Y | Y | Y | Y | Y | N | N | Y |
| 14.235 | N | N | N | N | Y | Y | Y | Y | Y | N | N | Y |
| 14.238 | N | N | N | N | Y | Y | Y | Y | Y | N | N | Y |
| 14.239 | Y | Y | N | Y | N | N | N | N | Y | N | Y | Y |
| 14.241 | Y | Y | Y | Y | N | N | N | N | N | Y | Y | Y |
| 14.256 | Y | Y | N | N | N | N | Y | N | Y | Y | N | Y |
| 14.267 | N | N | N | N | Y | Y | Y | Y | Y | N | N | Y |

Compliance Supplement (Part 3)

Part 3 lists and describes:

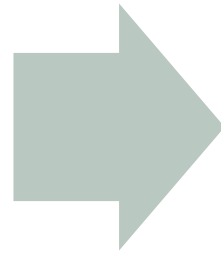
the 12 types of compliance requirements, except for Special Tests and Provisions

the related audit objectives that the auditor must consider, as applicable, in a single audit

Designed to test against the requirements listed within 2 CFR Part 200, subpart D and E

Compliance Supplement (Part 4)

For each Federal program included in the Supplement



Part 4 discusses program objectives, program procedures, and compliance requirements that are specific to the program.

N. Special Tests and Provisions**EBT Reconciliation**

Compliance Requirements PR must perform all the following:

- a. Record and compare payments to the Daily Activity File and the Daily Payments Summary File prepared by the EBT Services provider for the Department of the Family (PR Annual Plan of Operation, H., Program Administration, 2.a., Reconciliation System (EBT)).
- b. Perform the following reconciliations (PR Annual Plan of Operation, H., Program Administration, 2.a., Reconciliation System (EBT)):
 - (1) Benefits authorized equal benefits posted.
 - (2) Benefits accessed by recipients (net EBT account debits/credits) equal benefit amount transactions approved by the EBT services provider.
 - (3) Net EBT account debits/credits equal amount paid to merchants and financial institutions (plus/minus authorized adjustments).
 - (4) Amount paid to merchants and financial institutions equal funds requested by the EBT services provider (plus/minus authorized adjustments).

PR's EBT service provider maintains transaction trails that document the cycle of household transactions from the posting of point-of-sale transactions at retailers through the settlement of retailer credits (PR Annual Plan of Operation, G., Criteria for Distribution of Funds, 7, Electronic Benefit Transfer – EBT Family Card, and H., Program Administration, 2.a., Reconciliation System (EBT)).

Audit Objectives Determine whether PR performs the required comparisons and reconciliations.

Suggested Audit Procedures

- a. Ascertain if PR has a process in place to perform the required comparisons and reconciliations.
- b. Test a sample of comparisons and reconciliations to ascertain if they are properly performed and that there is proper follow-up and resolution of discrepancies.

Grants Management Best Practices



Grant Compliance Program

Read through grant agreement for terms and conditions

Read through Uniform Guidance and OMB Compliance Supplement

Ensure Proper Internal Controls over Compliance

Document Policies and Procedures

Utilize Tools and Checklists

Internal Controls

Organizations must **establish and maintain** effective internal controls over federal awards.

Internal Control Framework

It is crucial that organizations have the proper framework for internal control to ensure that:

Grant resources are being utilized effectively and efficiently;

Assets purchased or developed with grant funds are being safeguarded properly;

Financial reporting required by these grants is accurate and timely; and

Grant resources are being utilized in compliance with appropriate laws and regulations.

Internal Controls

Organizations will need to exercise judgment in determining the most appropriate and cost effective internal control in a given circumstance

Internal Control Key Items



Segregation of Duties

- Reviewer/approver should be someone with knowledge of compliance requirements
- Essentially would be able to catch non-compliance

Documentation

Documenting Policies

Key to an effective grants management program is ensuring that proper policies and procedures are in place and documented.

Documenting Policies

The reasons for this are twofold:



Internally, they can provide clarity and instruction to those involved in grant management.



Externally, they can show either current or potential funding agencies that your organization has a program in place to ensure full compliance.

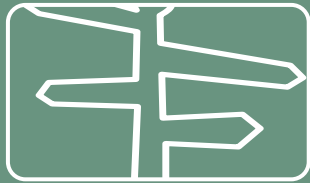
Required Policies



Charging of Costs Policy



Payment and Billing Policy



Procurements Standards Policy



Conflicts of Interest Policies

Best Practice Policies

Financial
Management
Systems Policy

Documentation
of Internal
Controls

Cost Sharing
and Matching
Policy

Program
Income Policy

Budget and
Program
Revisions Policy

Property and
Equipment
Standards Policy

Monitoring and
Reporting

Subrecipient
Procedures
Policy


Record
Retention Policy

Grant Award
and Closeout
Policy



Policy Review and Revisions

Designate key individual or team to monitor your policies over federal programs.



Regularly review policies for compliance and educate employees on changes to policies. Encourage open dialogue regarding questions and decision making.



Make sure policies are easily accessible for all employees involved and they know that they are responsible for reviewing these.

Checklists

Develop checklists for all aspects of the grant process, such as:

Grant application process

Preparation for the single audit

Subrecipient risk assessment and monitoring

Submission of financial and program reports

Grant close-out

New Award Checklist

- Read your entire award package – Grant and Program Managers
- Award Notice - (It is important to review the details)
 - Grantor
 - Award Number
 - Amount Of This Award
 - Budget
 - Award Dates
 - Program Type
 - Program Manager

New Award Checklist, continued

➤ Agreement

- Budget Restrictions
- Project Requirements
- Federal Appropriations
- Cost Share Requirements - Set up and track
- Equipment - must be properly recorded as an asset.
- Costs Allowable/Not allowed - review with Program Manager
- Reporting Requirements (Labor hours, receipts, cost share, etc.)
 - Must submit any necessary back-up documentation to Fiscal Manager.
- Reporting Deadlines (Interim/Final Financial and Technical)
- Regulatory Compliance Issues
- Technical Tasks and Deliverables (must be within the project period)

Checklist for Uniform Guidance Requirements

- CLA's **"Uniform Guidance Checklist"**
- <https://www.claconnect.com/resources/articles/clas-uniform-grant-guidance-checklist-streamlines-implementation>


Uniform Guidance Checklist



| | | |
|----|---|--|
| 1 | | |
| 2 | Grant Reform and Uniform Guidance Planning and Implementation Checklist | |
| 3 | For those topics that have expanded information indicated, click on the hyperlink to the "Additional Guidance" tab. | |
| 4 | For those cell that have red triangles in the top right corner, hover over the cell to view the additional guidance in the comment. | |
| 5 | Action Item | Date Completed / Expected Completion Date |
| 29 | Subpart D — Post federal Award Requirements Note: This includes all requirements, not just those changes from old guidance | |
| 30 | | |
| 31 | | |
| 32 | Standards for Financial and Program Management (Sections 200.300 - 309) | |
| 33 | 1) Performance measurement — Reports will now have a comparison of actual accomplishments to the objectives of the federal award, and if needed, include reasons why goals were not met. Also, nonfederal entities now must provide cost information to demonstrate cost-effective practices. | |
| 34 | a) Has your organization discussed with the federal awarding agency which performance goals, indicators and milestones will apply for your grants? | |
| 35 | b) Has performance reporting frequency and content been determined to ensure proper reporting? | |
| 36 | | |
| 37 | 2) Financial management — Does your organization's financial management system, including records documenting compliance: | |
| 38 | a) allow for the preparation of reports required by general and program-specific terms/conditions? | |
| 39 | b) allow for the tracing of funds to a level of expenditures to show that they have been used according to the terms/conditions/regulations? | |
| 40 | Link for the characteristics your financial system must have in order to meet the above requirements. | |
| 41 | | |
| 42 | 3) Internal controls | |
| 43 | a) Has your organization established and maintained the most appropriate and cost-effective internal controls over federal awards to ensure compliance with regulations and the terms/conditions of awards? | |
| 44 | b) Has your organization considered the <i>Internal Control Framework issued by the Committee on Sponsoring Organizations (COSO)</i> and the <i>Standards for Internal Control in the Federal Government (Green Book)</i> issued by the Comptroller General as best practice | |
| 45 | c) Do you have internal controls and procedures in place to take prompt action when noncompliance issues are identified, including noncompliance related to audit findings? | |
| 46 | d) Has your organization made reasonable measures to safeguard protected, personally identifiable information (PII) and other sensitive information? | |
| 47 | e) Has your organization had discussions, provided trainings, and had organization-wide considerations to verify that effective internal controls have been established and maintained over federal awards to provide reasonable assurance that awards are being managed in compliance with laws and regulations? | |
| 48 | | |



Uniform Guidance Checklist


| 5 |  CliftonLarsonAllen | Date Completed / Expected Completion Date | |
|----|--|---|--|
| 48 | | | |
| 49 | 4) Payment | | |
| 50 | a) For states — Has your organization considered and followed the Treasury-State CMIA agreements and default procedures codified at 31 CFR Part 205 and TFM 4A-2000? | | |
| 51 | b) Nonfederal entities other than states — Has the organization minimized the time between the transfer of funds from the U.S. Treasury or the pass-through entity and the disbursement by your organization? | | |
| 52 | c) Advanced payments — Has your organization been authorized to submit requests for advance payments and reimbursements at least monthly when EFT's are not used, or as often as needed when EFT's are used? | | |
| 53 | d) Has your organization used funds from program income (including repayments to a revolving fund), rebates, refunds, contract settlements, audit recoveries, and interest earned before requesting cash advance payments? | | |
| 54 | e) Banking requirements — Has your organization established banking procedures so that you can account for the receipt, obligation, and expenditure of funds for specific federal awards? | | |
| 55 | f) Advance payments — Has your organization set up to have advance payments deposited in insured accounts wherever possible? | | |
| 56 | g) Are advance payments maintained in interest-bearing accounts unless certain criteria apply? | | |
| 57 | Link to conditions where advance payments do not need to be in interest-bearing accounts | | |
| 58 | | | |
| 59 | 5) Cost sharing or matching — If your organization has grants where cost sharing or matching requirements are in place, do they meet all of the required criteria? | | |
| 60 | Link to required criteria for cost sharing or matching contributions | | |
| 61 | a) Unrecovered indirect costs — Has prior approval from the federal awarding agency been obtained to use unrecovered indirect costs as part of the cost sharing/matching requirement? | | |
| 62 | b) Value of contribution of services or property — If a federal awarding agency has authorized your organization to donate buildings or land for construction/facilities acquisition projects or long-term use, has the value for this requirement been calculated as the lesser of: 1) value of remaining life, or 2) current fair market value? | | |
| 63 | c) Volunteer services — If your organization uses volunteer services from a third party for cost/matching requirements, was this service considered an integral and necessary part of project/program and documented? | | |
| 64 | d) Donated property from third parties — If this has been used for the requirement, does the amount not exceed the fair market value of property at time of donation? | | |
| 65 | | | |
| 66 | 6) Use of program income | | |

Checklist


Additional Guidance



Uniform Guidance Checklist

| | A | B |
|----|---|--|
| 5 |  CliftonLarsonAllen | Date Completed / Expected Completion Date |
| 66 | 6) Use of program income | |
| 67 | a) If not specified in regulations from the federal government, has your organization considered the deduction requirement for program income? See comment for additional information. | |
| 68 | b) For IHEs and nonprofit research institutions: If not specified in regulations from the federal government, has your organization considered the addition requirement for program income? See comment for additional information. | |
| 69 | c) If your organization has obtained prior federal approval, have you considered using program income to meet cost sharing/matching requirements? | |
| 70 | | |
| 71 | 7) Revision of budget and program plans | |
| 72 | a) Does your organization have a process in place to report deviations from budget, project scope, or objective to the federal awarding agency, as well as requesting prior approvals for budget and program plan revisions? | |
| 73 | Link to required reasons for prior approval requests | |
| 74 | | |
| 75 | <i>Property Standards (Sections 200.310-316)</i> | |
| 76 | 1) Insurance coverage | |
| 77 | a) Does your organization have the equivalent insurance coverage for real property and equipment acquired or improved with federal funds (but not federally owned) as provided to property owned by the nonfederal entity? | |
| 78 | | |
| 79 | 2) Real property — Does your organization have the proper procedures in place regarding real property to meet the requirements for title, use, and disposition? | |
| 80 | Link to real property requirements | |
| 81 | | |
| 82 | 3) Federally-owned and exempt property | |
| 83 | a) Has the organization submitted an annual inventory listing of federally owned property in its custody to the federal awarding agency? | |

Uniform Guidance Checklist

| | A | B |
|-----|---|--|
| 5 |  | Date Completed / Expected Completion Date |
| | Action Item | |
| 86 | 4) Equipment | |
| 87 | a) Does your organization have the proper equipment procedures in place to meet the requirements for title, use, and disposition? | |
| 88 | Link to equipment requirements | |
| 89 | b) Does your organization have the proper procedures in place to meet the requirements for management equipment (including replacement equipment) whether acquired in whole or in part under a federal award: | |
| 90 | (1) Are property records maintained that include the required information? See comment or link for required property record information. | |
| 91 | (2) Is a physical inventory of the property taken and the results reconciled with the property records at least once every two years? | |
| 92 | (3) Is a control system must be developed to ensure adequate safeguards to prevent loss, damage, or theft of the property? | |
| 93 | (4) Are there adequate maintenance procedures developed to keep the property in good condition? | |
| 94 | (5) If your organization is authorized or required to sell the property, are there proper sales procedures established to ensure the highest possible return? | |
| 95 | | |
| 96 | 5) Supplies exceeding \$5,000 | |
| 97 | a) If there is a residual inventory of unused supplies exceeding \$5,000 in total aggregate value upon termination or completion of a project or program, and the supplies are not needed for any other federal award, has the organization (whether the supplies are sold or retained) compensated the federal government for its share? | |
| 98 | | |
| 99 | 6) Intangible property — Does your organization have the proper procedures in place to meet the requirements regarding intangible property? | |
| 100 | Link to intangible property requirements | |
| 101 | | |
| 102 | <i>Procurement Standards (Sections 200.317-326)</i> | |
| 103 | 1) Does your organization have a conflict of interest policy in place? If your organization has a parent, affiliate, or subsidiary organization that is not a state or local government or Indian tribe, does your conflict of interest policy also include organizational conflicts of | |
| 104 | | |
| 105 | 2) Does your organization have procurement procedures and policies in place to meet the requirements: | |
| 106 | a) Are written? | |
| 107 | b) Ensure that the acquisition of duplicate or unnecessary items is avoided? | |




Uniform Guidance Checklist

| A | | B |
|-----|--|---|
| 5 | CliftonLarsonAllen Action Item | Date Completed / Expected Completion Date |
| 108 | c) Ensure that state and local government intergovernmental agreements are considered where appropriate? | |
| 109 | d) Ensure contracts are awarded only to responsible contractors with the ability to perform contract terms successfully? | |
| 110 | e) Ensure all procurement transactions are conducted in a manner providing full and open competition? See comment or link for situations considered to be restrictive of open competition. | |
| 111 | f) Do not include state or local geographical preferences (except where federal statutes mandate or encourage geographic preference? | |
| 112 | g) Ensure all solicitations incorporate a clear and accurate description of the technical requirements for the material, product, or service to be procured? | |
| 113 | h) Require cost or price analysis, including independent estimates, for all purchases over \$150,000? | |
| 114 | i) Include affirmative steps to assure that minority business, women's business enterprises, and labor surplus area firms are used when possible? See comment or link for affirmative steps. | |
| 115 | | |
| 116 | 3) Do your procurement policies include guidelines for the following purchase thresholds? | |
| 117 | a) Micro-purchase (<\$3,000, no quotations, equitable distributions) | |
| 118 | b) Small purchase (\$3,000-\$150,000, rate quotations, no cost or price analysis) | |
| 119 | c) Sealed bids (\$150,000, formal advertising, price is a major factor). See comment or link for requirements. | |
| 120 | d) Competitive proposal (> \$150,000, fixed price or cost reimbursement, request for proposal (RFP) with evaluation methods). See comment or link for requirements for competitive proposal procedures. | |
| 121 | e) Noncompetitive proposal (solicitation of a proposal from only one source, unique product/service). See comment or link for requirements for non-competitive proposal procedures. | |
| 122 | | |
| 123 | 4) If time and material type contracts are used, has your organization used these only after determination that no other contract is suitable and does the contract include a ceiling price that the contractor exceeds at its own risk? See comment for information on time and material contracts. | |
| 124 | Link to more information on time and material contract | |
| 125 | | |
| 126 | 5) Are all prequalified lists of persons, vendors, or products current and include enough qualified sources to ensure maximum free and open competition, and is there a process to ensure this list is kept up to date? | |
| 127 | | |
| | 6) Do your procurement processes include keeping records that detail history of ALL procurements and at the minimum include the | |




Uniform Guidance Checklist

| 5 |  CliftonLarsonAllen | Action Item | Date Completed / Expected Completion Date |
|-------------------|--|--------------------|--|
| 128 129 | 6) Do your procurement processes include keeping records that detail history of ALL procurements and at the minimum include the rational for the method of procurement, selection of contract type, contractor selection or rejection, and the basis for the contract? | | |
| 130 131 132 | 7) Do procurement policies for construction or facility improvement contracts, or subcontracts exceeding \$150,000, include a bid guarantee equivalent to 5% of the bid price from each bidder (such as bid bond or certified check), a performance bond on the part of the contractor for 100 percent of the contract price, and a payment bond on the part of the contractor for 100 percent of the contract | | |
| 133 | <i>Performance and Financial Monitoring and Reporting (Sections 300.327-329)</i> | | |
| 134 135 | 1) Performance report timing requirements — Have you developed a timeline to ensure that annual performance reports are done and submitted within the 90-day calendar window after the reporting period? For quarterly or semiannual submissions, within 30 calendar days after the reporting period? For the final performance report, within 90 calendar days after the period of performance end date? | | |
| 136 137 138 | 2) Reporting on real property — Do you have a process in place to ensure that reports are submitted at least annually on the status of real property if the federal government retains an interest? (Note: If federal interest is for 15 years or longer, reporting may be required at various multi-year frequencies as well.) | | |
| 139 | <i>Subrecipient Monitoring and Management (Sections 200.330-332)</i> | | |
| 140 141 142 | 1) Does your organization have a formal process to analyze awards for determining subrecipient versus a contractor relationship? Link to definitions of subrecipient vs. contractor | | |
| 143 | 2) Has your organization verified that subawards made to subrecipients include the required pieces of information: | | |
| 144 | a) Required Federal Award Identification? See comment or link for federal award identification requirements. | | |
| 145 | b) All requirements imposed by the pass-through entity 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? | | |
| 146 | c) Any additional requirements that the pass-through entity imposes on the subrecipient in order for the pass-through entity to meet its own responsibility to the federal awarding agency including identification of any required financial and performance reports? | | |




Uniform Guidance Checklist

| 5 |  CliftonLarsonAllen | Action Item | Date Completed / Expected Completion Date |
|-----|---|---|--|
| 147 | | d) An approved federally recognized indirect cost rate negotiated between the subrecipient and the federal government or, if no such rate exists, either a rate negotiated between the pass-through entity and the subrecipient (in compliance with this Part), or a de minimis indirect cost rate? | |
| 148 | | e) A requirement that the subrecipient permit the pass-through entity and auditors to have access to the subrecipient's records and financial statements as necessary? | |
| 149 | | f) Appropriate terms and conditions concerning closeout of the subaward? | |
| 150 | | 3) Has your organization evaluated subrecipient risk of noncompliance with federal regulations and terms of subaward to determine appropriate monitoring for each subrecipient? See comment for potential risk factors. | |
| 151 | | Link to potential risk factors for subrecipients | |
| 152 | | 4) Has your organization developed subrecipient monitoring tools that include the following requirements: | |
| 153 | | a) Reviewing financial and programmatic reports? | |
| 154 | | b) Following-up and ensuring that the subrecipient takes timely and appropriate action on all deficiencies detected through audits, on-site reviews, and other means? | |
| 155 | | c) Issuing a management decision for audit findings pertaining to the federal award? | |
| 156 | | d) Conducting a risk assessment for the subrecipient and considered additional monitoring tools? See comment or link for additional tools to consider. | |
| 157 | | 5) Does your organization have procedures in place to verify that: | |
| 158 | | a) Every subrecipient is audited as required? | |
| 159 | | b) Results of subrecipient's audits, on-site reviews, or other monitoring are reviewed to detect conditions that necessitate adjustments to the pass-through entity's own records? | |
| 160 | | c) Enforcement action against noncompliant subrecipients is taken? | |
| 161 | | 6) Fixed amount subawards — If your organization provides subawards based on fixed amounts up to the Simplified Acquisition Threshold (currently at \$150,000), has prior written approval from the federal awarding agency been obtained? | |
| 162 | | | |




Uniform Guidance Checklist

| 5 |  CliftonLarsonAllen | Action Item | Not Completed, Expected Completion Date |
|-----|--|-------------|--|
| 172 | <u>Closeout (Section 200.343)</u> | | |
| 173 | 1) Have you developed procedures to meet the following requirements for closing out grants at the end of the period of performance: | | |
| 174 | a) Must submit no later than 90 calendar days after the end of period of performance all financial, performance, and other reports required by terms and conditions? | | |
| 175 | b) Must liquidate all obligations incurred no later than 90 calendar days per terms/conditions? | | |
| 176 | c) Must promptly refund any balances of unobligated cash that the federal agency or pass-through entity paid in advance or paid that isn't authorized to be retained for use in other projects? | | |
| 177 | d) Must account for any real and personal property acquired with federal funds or received from the federal government? | | |
| 178 | | | |
| 179 | | | |
| 180 | Subpart E - Cost Principles | | |
| 181 | | | |
| 182 | <u>Administrative Salary Direct Costs (Section 200.413)</u> | | |
| 183 | 1) Has organization considered direct charging of administrative and clerical staff salaries if certain criteria have been met? (i.e. services integral to project, costs included in budget, not recovered as indirect, etc.) | | |
| 184 | | | |
| 185 | <u>Indirect Costs (Section 200.414)</u> | | |
| 186 | 1) Has a previously negotiated indirect cost rate been established with a federal agency? If so, the agency must accept it unless an exception is required by statute or regulation, or approved by a federal awarding agency head or delegate based on publicly | | |
| 187 | | | |
| 188 | 2) If there is an approved, federally negotiated indirect cost rate, has your organization considered whether it wants to apply for a one-time extension of up to four years? | | |
| 189 | | | |
| 190 | 3) If your organization does not have a negotiated indirect cost rate, has consideration been given for use of the de minimus rate of 10 percent of modified total direct costs? (Note: This must be used consistently on all awards until a rate is negotiated, which may be done at any time.) | | |
| 191 | | | |
| 192 | <u>Required Certifications (Section 200.415)</u> | | |
| 193 | 1) Has the organization implemented the requirement that, for annual and final fiscal reports or vouchers requesting payment under an agreement, a certification is included that is signed by an official who can legally bind the organization? | | |

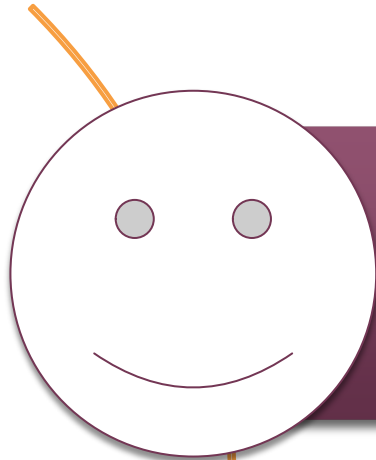


Uniform Guidance Checklist

| 5 |  CliftonLarsonAllen | Action Item | Date Completed / Expected Completion Date |
|-----|---|-------------|--|
| 191 | Required Certifications (Section 200.415) | | |
| 192 | 1) Has the organization implemented the requirement that, for annual and final fiscal reports or vouchers requesting payment under an agreement, a certification is included that is signed by an official who can legally bind the organization? | | |
| 193 | | | |
| 194 | | | |
| 195 | Time and Effort Reporting (Section 200.430) | | |
| 196 | 1) Does your organization have time and effort reporting processes that include records that accurately reflect the work performed and the necessary requirements? See comment for requirements of time and effort records. | | |
| 197 | Link to requirements for time and effort records | | |
| 198 | | | |
| 199 | 2) If your organization is going to use budget estimates for interim accounting purposes, have procedures been implemented that meet the following requirements? See comment for requirements when using budget estimates. | | |
| 200 | Link to requirements when using budget estimates | | |
| 201 | | | |
| 202 | 3) If the organization uses a substitute process or system for allocating salaries and wages to federal awards, is the system approved by the cognizant agency for indirect cost? | | |
| 203 | a) If the substitute system uses sampling methods, does it meet the acceptable statistical sampling standards? See comment. | | |
| 204 | Link to acceptable statistical sampling standards | | |
| 205 | | | |
| 206 | 4) Are salaries and wages of employees used in meeting the cost sharing or matching requirement on federal awards supported in the same manner as salaries and wages claimed for reimbursement from federal awards? | | |
| 207 | | | |
| 208 | Materials and Supplies (Section 200.453) | | |
| 209 | 1) Has the cost of computer equipment, if lesser than the capitalization policy or \$5,000, been classified as supplies? Has consideration been given for computer equipment being charged as a direct cost if they are essential and allocable, but not solely dedicated, to the performance of a federal award? | | |



Documentation of Compliance



Document compliance requirements



Document proper internal controls over compliance

Documentation of Compliance

- CLA's **"Program Understanding and Internal Control Workbook"** for each grant agreement
- <https://www.claconnect.com/resources/tools/2017/grant-program-workbook-understanding-your-grant-compliance-and-internal>

Program Understanding and Internal Control Workbook

| A | B | C | D | E | F | G | H |
|---|---|-------------------|-----------------------|--|-------------|---|---|
| Grant Summary | | | | | | | |
| This tab should be completed for each grant within the program. If additional tabs are needed, copy into the worksheet. | | | | | | | |
| Grant information coversheet | | | | | | | |
| Program title | | | | Passed through | | | |
| Contract number(s) | | | | CFDA number | | | |
| Granting period | | | | Revenue account | | | |
| Program managers | | | | | | | |
| Grant agreement understanding | | | | | | | |
| Instructions for additional grants | | | | | | | |
| | | Date of agreement | Applicable regulation | Amount | Other notes | | |
| Initial grant agreement: | | | | \$ - | | | |
| Amendment #1: | | | | - | | | |
| Amendment #2: | | | | - | | | |
| Amendment #3: | | | | - | | | |
| Total amount of grant: | | | | \$ - | | | |
| Grant budget | | | | | | | |
| | | | Budget | Actual | Variance | | |
| Salaries and benefits | "ABH Allowable CostsAct, Avail" tab | \$ - | \$ - | \$ - | - | | |
| General disbursements | "I. Procurement & Debarment" tab | - | - | - | - | | |
| Equipment purchases | "E. Equip. & Prop Mgmt" tab | - | - | - | - | | |
| Loan distributions | "J. Program Income" tab | - | - | - | - | | |
| Payments to program participants | "E. Eligibility" tab | - | - | - | - | | |
| Subrecipient payments | "M. Subrecipient Monitoring" tab | - | - | - | - | | |
| Indirect costs | "A. Allowable Costs & Activities" tab | - | - | - | - | | |
| Total grant budget | | \$ - | \$ - | - | - | | |
| Check figure (should be zero) | | | | | | | |
| Other questions | | | | | | | |
| | | Response | | If your response is "yes," then please click on the following: | | | |
| 1. Are grant funds received on an advance basis? | | | | "C. Cash Management" tab | | | |
| 2. Are grant funds received on a reimbursement basis? | | | | "C. Cash Management" tab | | | |
| 3. Is a match (cost sharing) required? | | | | "G01. Matching" tab | | | |
| 4. Are there specific earmarking requirements for this program? (i.e., no more than 10 percent of funds may be used to cover admin costs) | | | | "G03. Earmarking" tab | | | |
| 5. Is program income collected for the federal program (i.e., tenant rent, fees, donations)? | | | | "J. Program Income" tab | | | |
| 6. Are there specific financial/performance reporting requirements for the grant? | | | | "I. Reporting" tab | | | |
| 7. Are there additional special provisions applicable to the grant program? | | | | "N. Special Provisions" tab | | | |
| 8. Has the compliance supplement for this program been reviewed for additional requirements? | | | | | | | |
| Client Instructions PUM Grant Summary COSO Framework ABH. Allowable CostsAct, Perf C. Cash Management E. Eligibility F. Equip & Real Prop Mgr | | | | | | | |



Program Understanding and Internal Control Workbook

C. Cash Management

[Back to "Grant Summary" tab](#)

How often are funds requested? (weekly, monthly, quarterly, "as needed," etc.)

Are the requests done manually or electronically?

Please detail requests or advances below for the grant period:
(Note: Ensure that all grants in the major program are documented)

| Date | Amount | For time period: |
|------|--------|------------------|
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |

Control objectives. To provide reasonable assurance that the (1) drawdown of federal cash is only for immediate needs, (2) reimbursement is requested only after costs have been incurred, (3) states comply with applicable Treasury agreements, and (4) recipients limit payments to subrecipients for immediate cash needs.

Control activities

Provide a description of the policies and procedures in place to provide reasonable assurance that the draw down of federal cash is only for immediate needs and limits payments to subrecipients for immediate cash needs:

Considerations:



Program Understanding and Internal Control Workbook

| L. Reporting | | | | |
|---|--------------|----------------------|-----------------------|-----------------|
| Back to "Grant Summary" tab | | | | |
| <p>What are the specific financial reporting requirements for the federal program? How often is the report required (monthly, quarterly, annually)? (Note: Ensure that all grants in the major program are documented)</p> | | | | |
| | <i>Grant</i> | <i>Time interval</i> | <i>Type of report</i> | <i>Preparer</i> |
| Financial reporting 1: | | | | |
| Financial reporting 1: | | | | |
| Financial reporting 1: | | | | |
| <p>What are the specific performance reporting requirements for the federal program? How often is the report required (monthly, quarterly, annually)? (Note: Ensure that all grants in the major program are documented)</p> | | | | |
| | <i>Grant</i> | <i>Time interval</i> | <i>Type of Report</i> | <i>Preparer</i> |
| Performance reporting 1: | | | | |
| Performance reporting 1: | | | | |
| Performance reporting 1: | | | | |
| <p>Control objectives. To provide reasonable assurance that reports of federal awards submitted to the federal awarding agency or pass-through entity include all activity of the reporting period, are supported by underlying accounting or performance records, and are fairly presented in accordance with program requirements.</p> | | | | |
| <p>Control activities Provide a description of the policies and procedures in place to provide reasonable assurance that reports of federal awards submitted to the federal awarding agency or pass-through entity include all activity of the reporting period, are supported by underlying accounting or performance records, and are fairly presented in accordance with program requirements:</p> | | | | |
| | | | | |
| <p><i>Considerations:</i></p> | | | | |



CLA Grant Compliance Resource Center

<http://www.claconnect.com/resources/tools/resources-to-ease-the-burden-of-grant-compliance>



QUESTIONS?



Thank you!

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Principal, Grant Compliance Services

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