

# Wednesday's News You Can Use

## Grants Management / OMB Grant Reform



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# Learning Objectives

At the end of this session, you will be able to:

- Discuss types of grant funding and funding sources
- Identify best practices for establishing an effective grants policy
- Understand and apply grant management techniques and helpful recordkeeping tools
- Identify and understand the change to OMB's uniform administrative requirements, cost principles, and new single audit requirements (2 CFR 200)

# Definition of a Grant

- A contribution of assets (usually cash) from one governmental unit or organization to another. The contributions are typically for specific purposes and require distinctive reporting.

# Funding Sources / Types of Grants

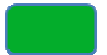
- Funding Sources
  - Federal / State / Local
  
- Types of Grants
  - Direct / Pass-through
  - Operating / Capital
  - Project / Formula
    - Two distinguishing factors



# Benefits of Effective Grants Management

- Repeat Funding
- Successful Audits

What do you mean  
I have to give it  
back??



# Characteristics of Effective Grants Management

- Reactionary vs Proactive
  - A check comes into finance and you have to call around to the departments to find out what it is for.
  - Finance reviews the grant prior to placement on the agenda for Council/Commission for approval.
- Centralized vs Decentralized
  - Pros and Cons

# Establishing a Grants Policy

## GFOA's Best Practices

- Grants identification and application
- Strategic alignment
- Funding analysis
- Evaluation prior to renewal or continuation
- Administrative and operational support

# Strategies and Forms Used in Practice

- Grant Profile Form
- Quarterly and Annual communication with departments
- Annual financial reporting and audit
  - SEFA preparation



# Grant Profile Form

- Grant application
  - Complete grant profile form when grant application goes to the Board or Council
  - Three sections
- Grant approval
  - Update grant profile form

## GRANT PROFILE

TO BE COMPLETED BY DEPARTMENT RECEIVING GRANT:

Grant Title: <u>Transportation Enhancement Program</u>	Funding Agency: <u>Department of Transportation</u>	Pass-through Agency: <u>Georgia Department of Transportation</u>
Contract No.: <u>CSTEE-0009-00(028); PI#0009028, PI#0010651</u>	ARRA Funding: <u>No</u>	Grant Manager: <u>Michael Smith</u>
CFDA No.: <u>20.205</u>	Start Date: <u>04/23/2009</u> End Date: <u>12/31/2015</u>	Federal: <input checked="" type="checkbox"/> State: <input type="checkbox"/> Local/Private: <input type="checkbox"/>
Program/Project: <u>Dunwoody Village Parkway</u>	Agency Program Contact:	Agency Financial Contact:
Contact: <u>Angela Alexander</u>	Contact: <u>Jaime Esteban Carrillo</u>	
Phone: <u>404-631-1000</u>	Phone: <u>404-635-2947</u>	
Fax: <u>404-631-1844</u>	Fax: _____	
Email: <u>aalexander@dot.ga.gov</u>	Email: <u>jcarrillo@dot.ga.gov</u>	
Award Amount (incl. multi-years): <u>840,000.00</u>	Matching Amount: <u>210,000.00</u>	

TO BE COMPLETED BY GRANTS ADMINISTRATOR/ASSISTANT OR CITY CLERK'S OFFICE:

Application	Agenda #	Date	Resolution	Comments
		<u>02/23/2009</u>	<u>2009-02-18</u>	<u>Phase 1 \$500k</u>
Contract		<u>12/14/2009</u>		<u>Kimley-Horn design \$148k</u>

Amendments:

Action	Agenda #	Date	Notes
IGA w/ MARTA		04/29/2010	Approve \$275k from MARTA (\$225k City & \$500k Federal)
Phase 2		10/04/2011	Approve MOU with GDOT, Phase 2 \$340k
Combine Phases		03/27/2012	Confirmation from GDOT that phases/projects were combined
Real Property Agmt		10/04/2012	Real Property Agreement with GDOT
Construction MOU		09/05/2013	Approve MOU with GDOT, Construction
Approve Contract		10/28/2013	Approve DVP Construction Contract
Notice of Award		12/09/2013	Notice to GDOT of Award to Johnson Landscape
Extension		12/09/2013	Notice to GDOT of Award to Johnson Landscape

TO BE COMPLETED BY GRANT ADMINISTRATOR/ASSISTANT:

Revenue Account: <u>250.4001.331300.09</u>	Expenditure Account: <u>250.4001.541400.09</u>
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Project Number: \_\_\_\_\_

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# Grant Profile Form – Section 1

- Grant Administrative details

## GRANT PROFILE

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Grant Title:	<u>Transportation Enhancement Program</u>	Funding Agency:	<u>Department of Transportation</u>
Contract No.:	<u>CSTEE-0009-00(028); PI#0009028, PI#0010651</u>	Pass-through Agency:	<u>Georgia Department of Transportation</u>
CFDA No.:	<u>20.205</u>	Federal: <input checked="" type="checkbox"/>	State: <input type="checkbox"/> Local/Private: <input type="checkbox"/>
Program:	<u>Highway Planning and Construction</u>	ARRA Funding:	<u>No</u>
Project:	<u>Dunwoody Village Parkway</u>	Cluster:	<u>Yes</u>
Start Date:	<u>04/23/2009</u>	End Date:	<u>12/31/2015</u>
Grant Manager:	<u>Michael Smith</u>		
Agency Program Contact		Agency Financial Contact	
Contact:	<u>Angela Alexander</u>	Contact:	<u>Jaime Esteban Carrillo</u>
Phone:	<u>404-631-1000</u>	Phone:	<u>404-635-2947</u>
Fax:	<u>404-631-1844</u>	Fax:	<u></u>
Email:	<u>aalexander@dot.gov</u>	Email:	<u>jcarrillo@dot.ga.gov</u>
Award Amount (incl. multi-years):	<u>840,000.00</u>	Matching Amount:	<u>210,000.00</u>

# Grant Profile Form – Section 2

- Grant Milestones

**TO BE COMPLETED BY GRANTS ADMINISTRATOR/ASSISTANT OR CITY CLERK'S OFFICE:**

	Agenda #	Date	Resolution	Comments
Application	_____	02/23/2009	2009-02-18	Phase 1 \$500k
Contract	_____	12/14/2009	_____	Kimley-Horn design \$148k

Amendments:

Action	Agenda #	Date	Notes
IGA w/ MARTA		04/29/2010	Approve \$275k from MARTA (\$225k City & \$500k Federal)
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Notice of Award		12/09/2013	Notice to GDOT of Award to Johnson Landscape
Extension		12/09/2013	Notice to GDOT of Award to Johnson Landscape

# Grant Profile Form – Section 3

- Grant Accounting details

TO BE COMPLETED BY GRANT ADMINISTRATOR/ASSISTANT:

Revenue Account: 250.4001.331300.09      Expenditure Account: 250.4001.541400.09

Project Number: \_\_\_\_\_

	Revenue	Cumulative		Expenditure	Cumulative
2014	474,645.79	474,645.79	2014	840,000.00	840,000.00
2015		474,645.79	2015		840,000.00
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2017		474,645.79	2017		840,000.00
2018		474,645.79	2018		840,000.00
2019		474,645.79	2019		840,000.00
Total	474,645.79		Total	840,000.00	
Remaining A/R	365,354.21	365,354.21	Remaining		-

# Grant Profile Form – Populates SEFA

## GRANT PROFILE

### TO BE COMPLETED BY DEPARTMENT RECEIVING GRANT:

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CFDA No.:	<u>20.205</u>	Federal:	<u>X</u> State: _____ Local/Private: _____
Program:	<u>Highway Planning and Construction</u>	ARRA Funding:	<u>No</u>
Project:	<u>Dunwoody Village Parkway</u>	Cluster:	<u>Yes</u>
Start Date:	<u>04/23/2009</u> End Date: <u>12/31/2015</u>	Grant Manager:	<u>Michael Smith</u>
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Contact:	<u>Angela Alexander</u>	Contact:	<u>Jaime Esteban Carrillo</u>
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### SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED DECEMBER 31, 2014

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Agency or Pass-through Grantor Number	Total Expenditures
<b>U.S. DEPARTMENT OF TRANSPORTATION</b>			
Passed through Georgia Department of Transportation			
Highway Planning and Construction	20.205	PI#0010666; PI#0010853	784,286
Highway Planning and Construction	20.205	PI#0012876	7,254
Highway Planning and Construction	20.205	PI#0012615	16,420
Highway Planning and Construction	20.205	PI#0009028	500,000
Highway Planning and Construction	20.205	PI#0010651	340,000
Highway Planning and Construction	20.205	PI#0012875	117,029
Passed through Georgia Department of Natural Resources			
Recreational Trails Program	20.219	NRT-11(10)	100,000
Total Highway Planning and Construction Cluster			1,864,989
Total U.S. Department of Transportation			1,864,989

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Total Highway Planning and Construction Cluster			<u>1,864,989</u>
Total U.S. Department of Transportation			<u>1,864,989</u>



# Communication with Departments

- Quarterly and Annual
  - Grant profile form
  - Grant accounting activity details
- Understand Compliance Supplement
  - [https://www.whitehouse.gov/sites/default/files/omb/assets/OMB/circulars/a133\\_compliance/2014/dot.pdf](https://www.whitehouse.gov/sites/default/files/omb/assets/OMB/circulars/a133_compliance/2014/dot.pdf)

# Compliance Supplement

March 2014

Highway Planning and Construction Cluster

DOT

## DEPARTMENT OF TRANSPORTATION

CFDA 20.205 HIGHWAY PLANNING AND CONSTRUCTION (Federal-Aid Highway Program)  
 CFDA 20.219 RECREATIONAL TRAILS PROGRAM  
 CFDA 23.003 APPALACHIAN DEVELOPMENT HIGHWAY SYSTEM

### I. PROGRAM OBJECTIVES

The objectives of the Highway Planning and Construction Cluster are to (1) assist States in the planning and development of an integrated, interconnected transportation system important to interstate commerce and travel by constructing and rehabilitating the National Highway System (NHS), including Interstate highways and most other public roads; (2) provide aid for the repair

### GRANT PROFILE

**TO BE COMPLETED BY DEPARTMENT RECEIVING GRANT:**

Grant Title:	Transportation Enhancement Program	Funding Agency:	Department of Transportation
Contract No.:	CSTEE-0009-00(028); PI#0009028, PI#0010651	Pass-through Agency:	Georgia Department of Transportation
CFDA No.:	20.205	Federal:	<input checked="" type="checkbox"/> X State: <input type="checkbox"/> Local/Private: <input type="checkbox"/>
Program:	Highway Planning and Construction	ARRA Funding:	<input type="checkbox"/> No <input checked="" type="checkbox"/> Yes
Project:	Dunwoody Village Parkway	Cluster:	<input checked="" type="checkbox"/> Yes
Start Date:	04/23/2009	End Date:	12/31/2015
Agency Program Contact		Grant Manager:	Michael Smith
Contact:	Angela Alexander	Agency Financial Contact	
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Total Highway Planning and Construction Cluster			1,864,989
Total U.S. Department of Transportation			1,864,989



# OMB Grant Reform

- The Office of Management and Budget (OMB) issued in December 2013 its Super Circular or Omni Circular titled “Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards”

# OMB Grant Reform

- This Circular combines 8 previous OMB Circulars:
  - A-122 Cost Principles for Non-Profit Organizations
  - A-87 Cost Principles for State, Local and Indian Tribal Governments
  - A-21 Cost Principles for Educational Institutions
  - A-110 Uniform Administrative Requirements for Grants and Agreements with Higher Education, Hospitals and other Non-Profits

# OMB Grant Reform

- This Circular combines 8 previous OMB Circulars (continued):
  - A-102 Grants and Cooperative Agreements with State and Local Governments
  - A-89 Federal Domestic Assistance Program Information
  - A-133 Audits of States, Local Governments and Non-Profit Organizations
  - A-50 Audit Follow-Up

# OMB Grant Reform

- This Circular has many compliance changes that will impact you accounting for federal awards:
  - Conflict of interest policy
  - Changes in procurement requirements.  
Recommended to comply with COSO and new Green Book (Comptroller General)
  - Changes in sub-recipient monitoring
  - Internal control requirement changes

# OMB Grant Reform

- This Circular has many compliance changes that will impact you accounting for federal awards (continued):
  - Updates to indirect and direct costs
  - Changes in time and effort reporting
  - New guidance on salaries and benefits allowed
  - Guidance for allocation of self funded insurance

# OMB Grant Reform

- The award process for federal grants also changes as the federal government is shifting its focus toward results rather than compliance.
- This change in guidance also means more emphasis on internal controls.

# OMB Grant Reform

- This Circular applies to federal awards made on or after December 26, 2014. Existing awards before this date will continue under the requirements of that award.

# OMB Grant Reform

- Single Audit Changes:
  - Audits under these new requirements will begin with December 31, 2015 year-ends.
  - The threshold has been raised from \$500,000 to \$750,000.
  - The coverage requirement for major programs tested has decreased to 40% and 20% for low risk auditees.



# OMB Grant Reform

- The requirements of the new circular can be found at
  - <https://www.federalregister.gov/articles/2013/12/26/2013-30465/uniform-administrative-requirements-cost-principles-and-audit-requirements-for-federal-awards>

# Questions???



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