

Grants Management and Compliance

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Facilitator Introduction

- Assistant City Manager, City of Goldsboro, NC
- Previously employed as the Director of Grants Management at eCivis, Inc., a grants application software.
- Previously employed with the City of Raleigh, NC, as the Intergovernmental Relations/Grants Manager; helped secure and manage millions in grants (ARRA) and earmarks
- 12 years of local government experience



Training Road Map

- The Grant Lifecycle (pre-award, post award)
 - Grants management & Compliance (federal and non-federal)



Schedule

- 9:15 a.m. – 10:00 a.m. - Let's Get Started
- 10:00 – 10:10 a.m. Break
- 10:10 – 11:00 a.m. – Wrap up



Ground Rules

- Take responsibility for your own learning...
- Be willing to listen
- Be willing to share thoughts and ideas...
- Hold sidebar conversations to a minimum so as not to distract others
- Honor time frames...
- Set cell phones to off or vibrate
- Parking lot issues and follow-up



By the end of the training...

- Understand the full grant life cycle
 - Proposal development – looking at the process
- Become familiar with the responsibilities of a grants manager
 - Federal, state, foundation and corporate grants



Grant Writing Resources

- Grant Writing Resources:
 - “Grant Writing for Dummies” by Dr. Beverly Browning
 - eCivis.com for Grants Professional Services – can contract with eCivis
 - Local community colleges often offer cheap classes
 - Ed2go.com – offers several online grant writing classes for under \$200.00
 - City/County/Nonprofit can collaborate to hire someone locally – some contractors will provide a class for free to get the exposure to potential clients



What is a grant?

An award of financial assistance from a Federal/State agency to a recipient to carry out a public purpose of support of stimulation authorized by a law of the United States/State.



What a grant is NOT!!!

- ❑ FREE Money!!!
- ❑ Competitive grants aren't the same as Pell grants!





The Current Grants Climate...

- Very competitive at all levels (state, federal, foundations/corporate)
- Many funders are ONLY funding organizations that they know
- The Federal government allocates roughly \$654 billion to 26 agencies with 900 plus grant programs. That accounts for 26% of all state and local funding.



The Current Grants Climate

- Agencies are under pressure to prove that their programs meet objectives.
- No more earmarks or “pork barrel” projects



Projects & Grants

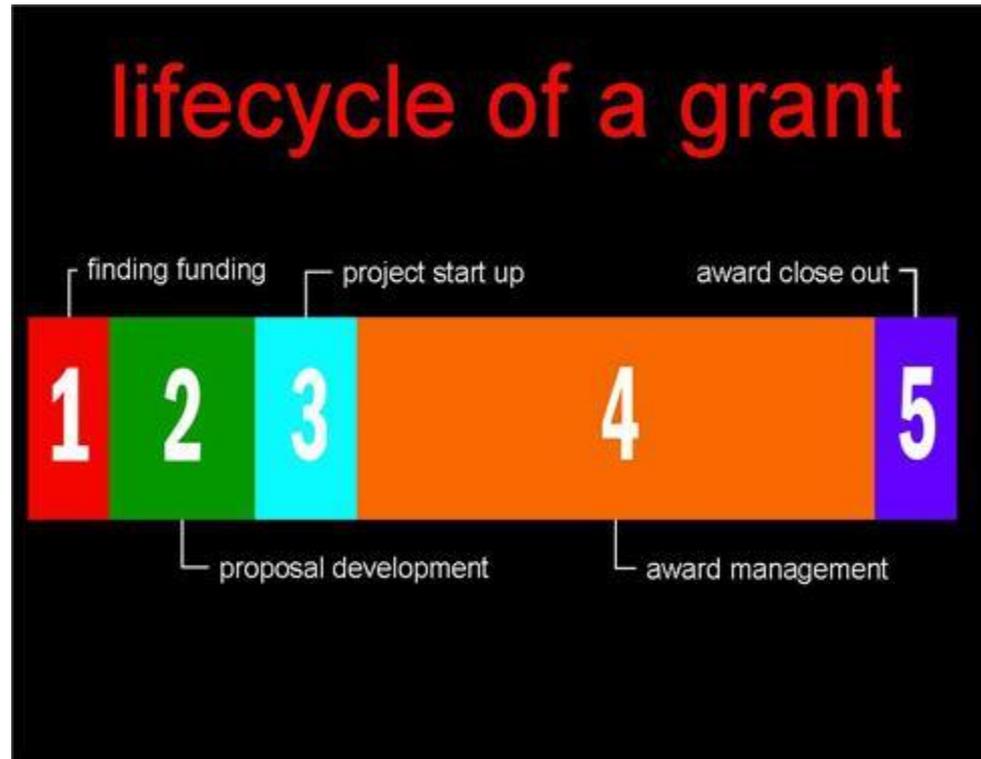
...are like snowflakes.



Each is unique.



The Lifecycle of a grant...





Types of Grant Funding

- Federal Funding
 - Formula and Block Grants
 - Discretionary Funding
 - Pass-Through Funding
 - Continuation Funding
- State Funding
- Private and Corporate Foundations



Pre-Award Planning

- Any organization applying for grants should have policies and procedures in place FIRST:
 - Grants management policies – outlining the process from application to grant closure and audits
 - Who approves the application, the City Manager and/or the Council?
 - How does the organization handle match requirements?
 - Grant application approval process/form:
 - Who signs – Finance, Budget, Department Heads, centralized grants manager?



Pre-Award Planning continued...

- Strategic grants management planning
 - Yearly planning to outline the grants that will be sought
 - Can be accomplished during budget season
- Someone in every organization should know what's going on with every grant at a high level
 - A centralized grants management office is best practice.



Pre-Award Planning continued...

- Grant writing training and grants management training should be implemented before applying for new funding.
- Grants management should be a major consideration during the full grant life cycle...not just after a grant is awarded.



Selecting Projects...Best Practices

- Align project goals and strategic initiatives
- Identify stakeholders and their project roles
- Communicate project plans to stakeholders
- Secure organizational approvals



Project Purpose

- Define the purpose of your project.
- What specific goals will be set to reach the desired objective?
- Is it appropriate to fund this project with a grant?
- Define how the project addresses a need.
 - What is the public purpose the project will address?



Project Purpose

- Assemble all relevant documentation:
 - Demographic data, statistics, master plan – these support the existence of this need.
 - House regularly used documents in the organization library in eCivis T&R or on a share drive or website.
- What change is expected once the project is underway or complete?
- What population(s) will be impacted?



Project Purpose...

- What is the mission of your organization?
- Are the project goals compatible with the organization's mission?
- Identify the resources (e.g. funds, staff, facilities, equipment, technology) and timeline for reaching project goals:
 - Always want to consider whether there are other funds already allotted for this project?



Why is this important?

- Organizations should never chase grant dollars
- One should never design a project to fit a funders requirements!





Finding Grants...

- eCivis Grant Network Research – www.eCivis.com
- Grants.gov - www.grants.gov
- The Foundation Center -
<http://foundationcenter.org/>
- The Federal Register
- Catalog of Federal Domestic Assistance:
<https://www.cfda.gov/>



Additional Sources

- Federal agency or State websites
- List-serves
- For-fee internet grant sites
- State Legislature or Congressional Staff
 - Many nonprofits and governments are not using this resource.
- Grant Program Officers
 - Developing relationships with these officers is imperative.



Additional Sources

- Reference Librarians
- State League Staff – NC League of Municipalities
- Professional Organization Staff – ICMA, APA
- Governmental Affairs Staff in your organization
 - Organizations should develop their state and federal legislative agenda
- Board Members of Foundations



Grant Research Tips

- Start early – 12 months to 18 months in advance
- Plan ahead
- Use your network of colleagues to stay aware of trends
- Know the grantor's priorities
- Search terms matter – vary them
- Broaden your search
- Be creative and organized in your approach



Deciding to Apply: Factors to Consider

- The next step is to make the decision about whether to apply for the grant. At this point, it is important to consider:
 - Eligibility requirements for the grant,
 - Whether the project fits the grant program exactly
 - Likelihood of receiving an award,
 - Application requirements outlined in the **NOFA**,
 - Match requirements
 - Internal review process – ROI definition (Best Practice)
 - How time spent on application will impact other projects.



Deciding to Apply: Factors to Consider

- Your Goals vs. Grantor's Goals and Priorities
- Project Funding Requirements vs. Average Grant Award
- Reporting Requirements
 - Sometimes the strings that come with the grant lessens its appeal
- The Competition
 - How many grants will be awarded across the nation? If only 5 applications from around the nation will be funded is it worth it?



Special Considerations & Priorities

- Are there any special eligibility terms that make you more or less likely to be awarded?
 - Locality
 - Targeted demographics
 - Previous history with granting organization
 - Designated area such as an Empowerment Zone
 - Quality relationships with Board Members or high level officials
 - Relationship building is important – local governments could learn from nonprofits in this area.



Deciding to Apply: Factors to Consider

- Letter of Intent (required or optional)
- Funding Amounts
- Due date and timeline
- Make SURE you're eligible before applying...read the fine print...if there's any doubt call the program officer.



Historical & Future Funding of Grant Program

- Explore the likelihood of your project being funded
 - Similarity of your project to previously funded projects
 - Greater similarity, higher chance of success
 - eCivis GNR has a library of previously funded
 - Can also request previously funded applications from the funding organization/agency...foundations/corporation do not have to comply to information requests



Something Often Forgotten

- Collaboration!
 - City & County
 - City/Nonprofit (colleges & universities also)
 - City of Raleigh received Bill Gates dollars
 - City and regional Council of Government (COG)
 - City departments should never compete – funders do not like to see duplicate apps from same organization
- Funders want collaboration now more than ever!
 - Spreads their resources around – more impact!
 - More constituents served



Will Award Fund Entire Project

- If the award does not cover the entire project consider multiple project phases and other funding sources
 - Be prepared for this – happens quite often in this current environment, particularly with foundations
- Be sure to factor project costs and application development/compliance costs into award amount decision
- Availability of future funding



Time to Prepare Quality?

- Honest review of the lead grant writers calendar
 - Calculate number of applications in process
- Honest review of schedule of staff assisting with data collection, project description, etc.
- Decide which programs to apply for by weighing the program requirements against the needs and capacity of your organization.



Is the Application Complex?

- Short versus long/detailed versus general
- Availability of required information
- Development of team to complete application process
 - Don't want to waste time, especially if you're paying a grant writer!
- Status of relationship with stakeholders and collaborating non-profit organizations.



Gathering Application Resources

- Organizational charts
- Most recent annual report
- Federal/state single audit report or 990
- Budget documents for project/match
- Cost estimates of detailed costs (if available)



Gathering Application Resources

- List of stakeholders
- Policies regarding travel, personnel, purchasing, property
- READ the announcement thoroughly – administrative denial.



Decision Points Tip:

- Document your decision process – your go or no go!





Grant Submission: Finally!

- Grants.gov for most federal grants
 - Requires a signup can take several days
 - DO not wait until the last day to submit...tech difficulties!
 - Some agencies have their own sites and don't use grants.gov
- State grants have their own process
- Foundations and Corporations have their own processes:
 - Email submission/Website upload



Scenario 1 – You WIN!!!

- Host grant award review meeting to review offer letter:
 - Who needs to attend?
 - Grant writer – will they be involved beyond the writing stage?
 - Project/Program manager
 - ALL stakeholders
- Everyone needs to clearly understand the requirements of the grant:
 - Did you get full funding? How will partial funding impact the project?



Administrative Considerations

- What expenses does the grant cover?
- Matches required
- Who is the contact person for the funder and who is your program director at your agency?
- What are the start and end dates?
- What is the method of payment: electronic transfer, reimbursement, upfront payment (rare nowadays)



Other Considerations:

- Are there particularly restrictive requirements in the fine print that you didn't see in the NOFA?
- Did something change in your organization?
 - Did a major person from your stakeholder team leave the organization?
 - Did your match source dry up?
- Does the grant have to be accepted by the board or City Council/County Commission?
- What's the process for amending the budget to accept the grant?



Other Considerations:

- If grant needs to be accepted by your governing board – what are the deadline dates?
 - Agenda cutoffs – important to understand this process!
- How quickly do you have to let the funder know whether or not you're accepting the award?
 - 30 days usually the standard – may differ



Other Considerations

- Will you require budget changes?
 - If so, negotiate with funder and retain approval documents
- Be aware of math and other errors on the funders part – be sure to point these things out **BEFORE** signing the grant award notice



Additional Considerations:

- If you accept the award:
 - Who needs copies of the executed contract? (City Clerk=hardcopy, ED, who else?)
 - Where do you store them?:
 - eCivis Tracking and Reporting system
 - Intranet site/Shared drive



Another Option: Refusing the Grant

- Any reasons not to accept? Class?
- If so, what's the process to refuse a grant in your organization? Discussion Time.



Scenario 2: You DO NOT WIN!!!

- Review the reasons for denial
- Advise stakeholders
- Ask grantor for a copy of your scored application...always! Then review it for reasons!
- Ask for a copy of the winning proposal – records request from local, state and federal grantors
- eCivis has a library of PFA's in GNR – review before you apply as well...



Grant Accepted...Now What?

- Implementation/Kick-off meeting – who attends?
 - Project/Program Manager
 - Centralized Grants Manager, Grant Analyst
 - Program/Department staff
 - External Stakeholders or Collaborators
- Detailed review of the grant award agreement/contract



Grant Accepted...Now What?

- Collaboration – team members should convene regularly throughout the process.
- Possible grantor training – many grantors require post-award training for grantees. Project manager should determine who on the team needs to attend.
- Team cross training – necessary for succession. If a key member leaves the staff – who will manage the grant?
 - Programmatic staff needs to understand the financial side as well.



Beginning the Project

- Send a thank you note to funder
- Use eCivis T&R to set up the project or buy a binder and begin documentation
- Publicize the award (internally and externally)
 - Sometimes this is required...ARRA well known example
- Proceed with hiring procedures...HR needs to know position is grant funded
- Set up grant account in accounting system
- Set up any necessary sub-contract agreements



NEW PHASE OF GRANT LIFECYCLE

- POST AWARD: and now the REAL FUN begins!
Never seen anyone quite this happy!!!





Getting Started

When does grants management begin?

□ Possible Answers:

- During grant implementation?
- Once I'm contacted by the agency after the grant is completed
- When I have a problem with implementation
- Before the award is signed



Grant File Setup

- eCivis Tracking and Reporting or binder – include:
 - RFP/NOFA proposal guidelines
 - The proposal and submission forms
 - The award letter (Grant Award Notice)
 - The executed grant agreement and budget!!! (it's a contract)
 - Thorough review the “terms and conditions”
 - Contract amendments and modifications!!!



Grant File Setup

- Supply and inventory
- Procurement and vendor selection
- Personnel time and effort worksheets
- Evaluation forms and data
- Quarterly reports
 - Narrative, documents completion of program activities
 - Financial, documents budget expenditures
 - FSRS reporting (FFATA) more later...



Grant File Setup

- Correspondence
 - Letters from funder
- Other necessary sections – did I forget anything?



Typical Grants Management Steps

- All Pre-Award, including application, etc. completed
- Grant award notification
- Compare award w/application
 - Scope/budget
- Approving body accepts (City Council/Board)
- Contractual procedures
- Kick-Off meeting:
 - Meet w/key project managers
 - Deadlines, responsibilities, etc.



Typical Grant Management Steps

- Reporting (fiscal/programmatic)
 - Timely submittal, approvals
 - Internal: Billings, reimbursement claiming
 - Necessary drawdown
 - Justification for any delays
 - Amendments, Formal modifications
- Close-Out
 - Final report
 - Ownership
 - Record Keeping



Typical Grants Management Steps

- Resolve account
- Final site visit
- Post-meeting: Close-out meeting 2-3 months prior to close
- Post-Close Out Requirements



Grant managers should...

- Know and follow Office of Management and Budget Rules, if federal grant – know rules for state and foundation grants
- Document and retain required information
- Exercise good record keeping communication and personnel management skills
- Be honest, ethical and law abiding
- Ensure compliance with ALL grant agreements



Grants management...the short version

**“If it isn’t documented, it didn’t
happen!”**



Purpose of Effective Grants Management

- Accountability
- Program goals accomplished
- Agency performance goals – specifically...
 - To assess adequate progress of program
 - Compliance with grant terms, laws and regulations
 - Federal funds expended as budgeted
 - Recent uptick in federal monitoring visits, especially HUD
 - Increased public scrutiny – saw this with ARRA



Best Practice Tip

Create a “mini-contract” between compliance and implementation staff.





Assign Leaders

- Avoid chasing multiple staff for information that you need
- Assign a lead compliance staff member
- Assign a lead implementation staff member
- These staff are the key in the project and are ultimately responsible for all deadlines.
- Also consider an internal review process for reporting
- Clearly define ALL internal roles and responsibilities



Office of Management and Budget

OMB

- The Office of Management and Budget oversees and coordinates the Federal government's administration and procurement, financial management, information and regulatory policies.

<http://www.whitehouse.gov/omb>



Know the OMB Circulars

- Administrative Rules
 - State/local governments – OMB Circular A-102
 - Nonprofit organizations – 2 CFR, Part 215 (old A-110)
 - Educational Institutions – 2 CFR, Part 215 (old A-110)
- Cost Principles
 - State/local government – 2CFR, Part 225
 - Nonprofits – 2 CFR, Part 230
 - Colleges/universities – 2 CFR, Part 220
- Audits for everyone – OMB Circular A-133



A-133 Audits

- All entities – whether a university, government agency or a nonprofit organization – follow the same OMB circular regarding auditing. These rules require a specific type of audit (called an A-133 audit or a federal single audit) for all entities that spend \$500,000 or more of federal funds in a fiscal year. This will change to \$750,000 on December 26, 2014. New Omni Circular from the Office of Management and Budget.



More on Administrative Rules

- These circulars define processes and policies that organizations must follow while managing federal grants. Details are located in...
 - A-102 – State and local governments
 - 2 CFR Part 215 (for universities and nonprofits)



Non-Federal Grants Management

The process of grants management when dealing with foundations, corporations and awards provided by local tax dollars is similar to that of federal grants management except you do not have to abide by Office of Management and Budget rules.



Budget Management

- Budgetary controls should include regular monitoring of grant budgets to actual year-to-date and current period expenditures
 - Grant spending should be adequately distributed over the four quarters of the project year.
- Any unexpected budget variations should be discussed with the team and necessary adjustments should be made to the budget.
- Budgetary controls will ensure compliance with the law and regulations of the grant.



General Budget Administration Tips

- Keep in touch with funding agency throughout the project
- Meet with staff and budget staff regularly
- Review expenditures on a monthly basis
- Use financial system or a binder system to maintain records or grant activities and budget expenditures
- **Under the so called “10% rule” minor budgetary reallocations are allowed. Anything over that will require a written approval from the budget management officer. Program officer can’t approve.**



Budget and Program Changes

- When do you need approval?
 - Before you spend...
- Who do you get approval from?
 - Grantor representative with signing privileges
- Who gets approval?
 - Perhaps you, but it needs to be signed by a representative of your agency with signing privileges



Changes that require prior approval

- Changes in project scope or objectives
- Changes in key personnel
- Transfer of funds allotted for training allowances to other categories
- Transfer or contracting out of any work (not including supplies, material, equipment, or general support services)
- Budget line items shifts above the allowable percentage



Financial Management Basics

- Financial management is not just for the finance types – everyone on the project has a responsibility
- Financial reporting can be completed timely and accurately
- Grant expenditures are tied to the grant
- Source documentation is readily available to provide an “audit trail”
- Cash is managed effectively



Financial Management Basics

- Communication is provided to the Finance office and the Grants Office, if there is one.
- Sub-grantees are monitored successfully
- Audits can be completed easily without findings



Practical Financial Management TIPS

- Financial systems should be set up so that information is easily retrieved, understood and reported.
- Records should include:
 - Executed grant agreements (incl. grant budget)
 - Sub-agreements
 - Authorizations
 - Obligations
 - Un-obligated balances
 - Assets



Practical Financial Management TIPS

- Records list continued:
 - Liabilities
 - Expenditures
 - Program Income
 - Cost sharing (in-kind, cash, donations)
 - Determination of value – interest should be supported by receipts, invoices, canceled checks
 - Payroll records
 - Timesheets
 - Inventory records



Practical Financial Management TIPS

- Records list continued:
 - Construction and inspection reports
 - Permits
 - Engineering reports
 - All capital project documents



Time and Effort Reporting

- Document your time and effort in either hours or percentages or both
- Have monitoring process in place, and make sure signatures are compliant
- Avoid lack of or missing timesheets
- Account for total activity of employees
- Record time at least monthly and based on “after-the-fact” evidence



Purchasing with Grant Funds

- ❑ Prepare requisitions and purchase order prior to making purchases
- ❑ Pay consultants off of invoices
- ❑ Always compare the purchase amount with the requisition and purchase order
- ❑ Know your agency's limits for limited purchase orders versus fair bid purchases
- ❑ Often best to avoid large purchases at the end of a grant



Tracking Purchasing Expenditures

- Use a real-time grants tracking system linked with the financial system
- Track with spreadsheet
- Use calendaring tools such as Gantt charts or project management software
- Organized binders showing budgets and deadlines



Failure to Comply

- Could be deemed high risk – which leads to additional grants being audited
- Could lead to suspension or termination of the current grant award or withholding of future awards
- Could require grant funds to be provided only on a reimbursable basis



Evaluation

- Evaluating a grant program is a necessary part of grant management.
 - Helps improve the quality of the programs
 - A number of grant programs now require that evaluations be conducted on a regular basis.
- The purpose of evaluations are to:
 - Guarantee that you're complying with federal/state law, regulation or policy.
 - Provide the administrators and staff of a grant program with feedback to improve performance



Evaluation

- Assess the extent to which the grant program achieves its objectives that was stated in the grant application and
 - Identify exemplary grant programs or exemplary components of grant programs for appropriate dissemination.
- Can be determined via an internal or external evaluation process with the external evaluator approved by the Program Officer.



Evaluation

- External evaluations can be funded through the grant if costs were included in the approved budget.



A-133: What is Audited

- The auditor selects the programs to be audited. Auditors should examine federal funding for the following:
 - Matching documentation
 - Time and effort documentation
 - Internal procedures review
 - Written funds management procedures
 - Eligibility documentation
 - <http://harvester.census.gov/sac/>



Minimizing Auditor Issues

- Maintain good files
- Don't authorize use of grant funds for prohibited expenditures
- Do a budget expenditure check every month
- Look closely at your cost share documentation
- Have the documents ready for the auditor in the binder or provide access for them in eCivis T&R
 - Website: <http://harvester.census.gov/sac/>



Unannounced Audits

- Agents from the US Office of Inspector General can conduct external audits
- Triggered by an anonymous complaint
- Sometimes following up on negative information in a report or in a newspaper
- Can appear unannounced!!!



Final Thoughts

- Read and understand the award terms and provisions and revisit award notification frequently throughout the grant management period
- Make sure all staff members are familiar with provisions, regulations, and program policies and procedures
- Ensure supporting documentation is present



Resources...

- http://www.grants.gov/aboutgrants/agencies_that_provide_grants.jsp - link to a list of the 26 federal grant making agencies.
- The Grant lifecycle: taken from Vanderbilt University
<https://www4.vanderbilt.edu/oor/gcm/training/public-classdisplay.php?ClassID=0034>



Resources...

- www.whitehouse.gov/omb



Thanks for coming!!

□ Questions