



Preparing for Post Award: What you Need to Know

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Grant lifecycle



Post Award



Post Award

- Compliance is the
 - Establishment,
 - Enforcement and
 - Monitoring of controls (technical, operational, management and compensation) that
 - Verify and validate that, internal and external requirements are being met



Components of compliance

Requirements

- ✓ Laws
- ✓ Regulations
- ✓ OMB circulars,
- ✓ Grant Terms and Conditions
- ✓ Grants Application

Internal Controls

- ✓ Policies
- ✓ Processes
- ✓ Procedures
- ✓ Tools
- ✓ Segregation of duties
- ✓ Ensuring compliance

Change

- ✓ Organizational change
- ✓ Approved grant changes,
- ✓ Changes to grant requirements
- ✓ Other changes outside of your control

2 CFR 200 Uniform Guidance

- **OMB Supercircular 2 CFR 200 Uniform Guidance**
 - The official set of rules and regulations for federal grants that created uniform administrative requirements, cost principles, and audit requirements for federally funded awards.
 - A sub-awardee must comply with 2 CFR 200, and the onus is on the pass-thru entity to ensure that their subawardees are in compliance through the use of sub-awardee monitoring.



Poll Question 1

- ▶ When was the last update to the 2 CFR Part 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards?
 - ▶ Yesterday
 - ▶ July 1, 2014
 - ▶ March 1, 2023

Post Award- Best Practices

- ▶ The goal in post-award is to achieve continuous compliance with all requirements, resulting in allowable activities, practices, and expenditures, through an approach that is:
 - ▶ Proactive
 - ▶ Efficient
 - ▶ System/process driven
 - ▶ Thorough
 - ▶ Unified with grant requirements
 - ▶ Fully integrated into your organization, recognizing the necessity of a team approach



Post Award- Best Practices

- ▶ Achieving grant compliance = allowable costs and consistent practices.
- ▶ Understanding your role in the grants management process.
 - ▶ Direct Recipient
 - ▶ Pass thru entity
 - ▶ Subawardee (subrecipient)
- ▶ Develop policies that prevent unallowable costs and require that these are followed.
- ▶ Understand effective financial reporting and documentation processes, and ensure systems are in place.

Post Award- Best Practices

- ▶ **Spend the money and track your expenditures.**
 - ▶ Finance is the cornerstone of grants management. (Spend all of the funds- foundation funders and the feds do not want their money back.)
- ▶ **Do what you said you are going to do and track your activities.**
 - ▶ (ACHIEVE YOUR OUTCOMES)- don't propose something you can't achieve.)
- ▶ **Communicate with the funder (program office, foundation execs, etc.).**
 - ▶ (Good or bad- always keep open lines of communication.)

Post Award- Best Practices

Post-Award Work

- ▶ Program Reporting
- ▶ Financial Reporting
- ▶ Reimbursement Requests (Invoicing)
- ▶ Drawing Funds Down
- ▶ Watching the Burn Rate
- ▶ Monitoring
- ▶ Close-Out Activities



Grant Budget and Cost Allowability

- ▶ What are your allowable costs?
- ▶ Cost (expenditures) must be Reasonable, Allocable, and Necessary to the project, and must comply with the funding statute and agency requirements.
- ▶ Federal Standards of Allowability:
 - ▶ Allocable to the award under the provisions of the applicable cost principles.
 - ▶ Necessary and reasonable for proper and efficient performance and administration of the grant or cooperative agreement

Grant Budget and Cost Allowability

▶ **Allocable 200.405**

- ▶ A cost is allocable to a particular Federal award or other cost objective if the goods or services involved are chargeable or assignable to that Federal award or cost objective, in accordance with relative benefits received.

▶ **Reasonable 200.404**

- ▶ A cost is reasonable if, in its nature and amount, does not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision was made to incur the cost.

▶ **Necessary 200.405**

- ▶ Ordinary and necessary for the operation of the non-Federal entity or the proper and efficient performance of the Federal award.

Grant Budget and Cost Allowability

- ▶ A few things about your grant expenditures:
 - ▶ Must directly impact goals and objectives of the grant.
 - ▶ Can not exceed budget amounts.
 - ▶ Budget deviations will usually require amendments.
- ▶ Questions to ask:
 - ▶ Do we need this to meet the grant's needs?
 - ▶ Is this the least amount I could spend and meet the grant needs?
 - ▶ Would I feel comfortable defending this purchase to an auditor?

Grant Budget and Cost Allowability

Un-Allowable Costs

- ▶ Alcoholic Beverages
- ▶ Bad Debts
- ▶ Certain travel costs- i.e., flying first class
- ▶ Entertainment
- ▶ Fund Raising
- ▶ Fines and penalties
- ▶ Lobbying Costs



Allowable Costs

- ▶ Equipment
- ▶ Salaries and Wages
- ▶ Consulting Services
- ▶ Books and Periodicals
- ▶ Auditing Services
- ▶ Maintenance and repair costs
- ▶ Conference Costs- Meals*
- ▶ Supplies
- ▶ Travel



Grant Budget and Allowability

▶ **Factors Affecting Allowability of Costs:**

- ▶ Be consistent with policies and procedures that apply uniformly to both federal-financed and other activities of the non-Federal entity.
- ▶ In general: Conform to any limitations or exclusions; consistent treatment between direct and indirect cost; and be adequately documented.



Poll Question 2

- ▶ Which of these is NOT an Allowable Cost?
 - ▶ Consultant Services
 - ▶ Entertainment
 - ▶ Supplies

Reporting

- ▶ Program and Financial Reporting
 - ▶ Timely and Sufficient Reporting and Reimbursement
 - ▶ ON-TIME Reporting is KEY!
 - ▶ Upcoming Reporting Deadlines- Create your calendar
 - ▶ Gather data and info prior to report deadline



Financial Reporting

- ▶ Financial Reporting
 - ▶ Standard reports for most federal grants
 - ▶ SF-424
 - ▶ SF-425
 - ▶ In order to determine the deadlines for reporting you must read your grant agreement.



Financial Reporting

▶ **Backup Documentation**

- ▶ General ledger reporting showing salary/fringes employer payments and all other grant related expenditures **OR**
- ▶ Payroll Detail reporting showing the employer payments
- ▶ Timesheets or Effort Certification Reports
- ▶ Copies of ALL invoices and checks to grant related expenditures

Financial Reporting

- ▶ **Monitoring Spending- “Burn Rate”**
- ▶ **Critical step- do not wait until the last minute to spend all your funds**
- ▶ Ensure that costs are consistent with the project schedule and incurred between the start and stop dates of the project.
- ▶ Discover any errors in your budget, encumbrances, or expenditures. Errors can be caused by a service department, an end user, or a system-generated issue.
- ▶ Confirm the availability of project funds as needed.
- ▶ Avoid overspending, which may cause a deficit and limit further spending.
- ▶ Verify that corrections and cost transfers have been made in a timely manner.
- ▶ Maintain good documentation for an audit if one should occur in the future.

Grant Closeout

- ▶ Best practice is 60 days before- Get a head start!
- ▶ The closeout step is where the grant process ends.
- ▶ In order to complete a closeout, you, the award recipient, must submit the final financial and programmatic reports. According to the OMB Uniform Grants Guidance 200.343.
- ▶ The recipient must submit all financial, performance, and other reports required under the grant within 90 days after the grant award expires or terminated. The awarding agency will review these reports to ensure compliance with all the grant terms and conditions as well as to make sure you spend all the funds appropriately.

Best Practices

- ▶ Do what you say you are going to do.
- ▶ Spend the money the way in which you proposed in your grant application.
- ▶ Make sure you have the system and policies in place for financial and program data reporting.
- ▶ Track funding and program outcomes/data.
- ▶ When in doubt or having a challenge- call the funder ASAP.

Questions?

