Office of Budget and Management

Expanding Grant Capacity: Keys to Effective Financial Grants Management

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Today's Topics

Financial Considerations

Key Grant Financial Management Concepts

Grants Accounting

Single Audit

Federal Funding and Transparency Act Reporting

Best Practices

Where is the world's largest ball of twine?

What are the strings?

Program versus Financial

Financial Considerations

Factors to Consider

- Direct and Indirect Costs
- Capacity
- Reporting
- Match
- Cash Flow
- Sustainment

Key Grant Financial Management Concepts

Financial Terminology

- Budget period
- Financial obligation
- Period of performance
- Liquidation period
- Cost sharing or matching
- In-kind match
- Maintenance of effort
- Supplanting

Post Award Key Concepts

Be familiar with what **types of expenditures** are allowed.

Know the **budget period, period of performance, and liquidation period.**

Be aware if your grant has a **match** or **maintenance of effort** requirement.
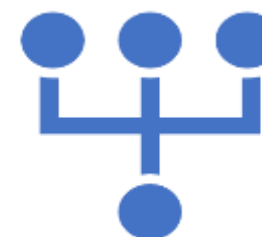
Additional Key Concepts

Documentation and record retention

Interest and program income

Transfers to other entities **may create a subrecipient relationship**

Program Income

Includes but is not limited to:

- income from fees for services

- use or rental of property acquired

- sale of commodities or items fabricated

- license fees and royalties

- principal and interest on loans

Determining Relationships

Subrecipient → Beneficiary → Contractor

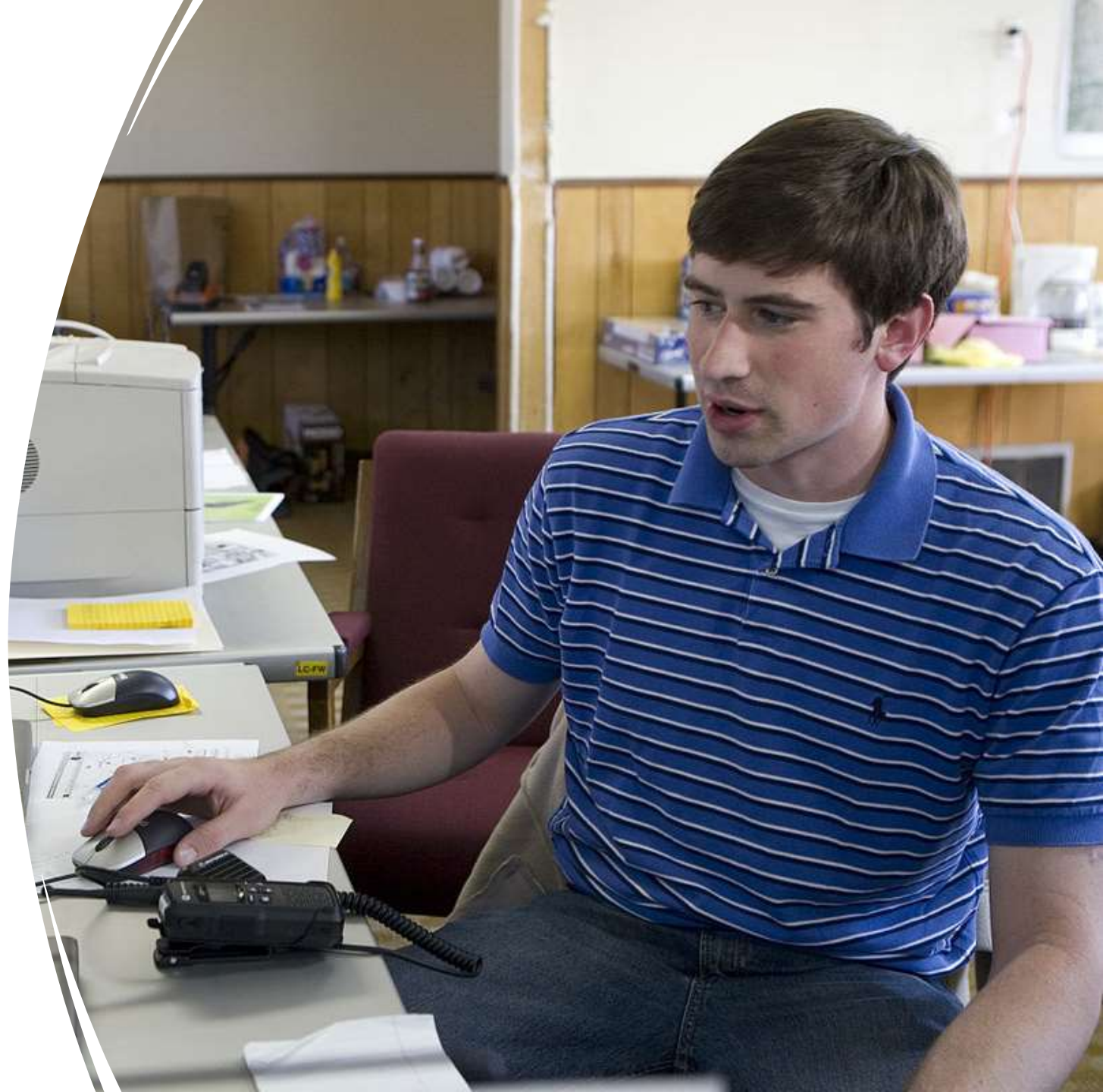# Determination Makes a Difference

Contractor

Goods or services are procured following a procurement method

Subrecipient

Pass-through responsibilities apply

Beneficiary

Requirements are limited

Pass-through Responsibilities (2 CFR 200.332)

- Award notice

- Review audits and follow up on issues

- Evaluate subrecipient's risk of noncompliance

- Monitor the activities and use of funds

Allowability of Costs (2 CFR 200.403)

- Necessary and reasonable
- Allocable
- Conforming to limitations or exclusions
- Consistent with policies and procedures
- Costs are treated consistently
- Not included as a match or cost-share
- Adequately documented
- Incurred during the budget period

Supplement versus Supplant

Cash Management

- Minimize time between receipt of federal funds and disbursement

- Requires written procedures

Key Concepts to Remember

DRAW FUNDS FOR IMMEDIATE NEEDS

DISBURSE FUNDS TIMELY!

PROCESS GRANT PAYMENTS VIA EFT

Personnel Costs

Personnel costs directly charged should ensure appropriate documentation.

Salaries of administrative and clerical staff normally are treated as indirect.

Indirect costs must either have an approved rate or use the de minimis rate.

What is the cost to administer a grant program?

Direct Costs + Indirect Costs = Total Program Cost

Indirect Costs

Direct versus Indirect Cost

Direct Cost	Indirect Cost
Directly traced to program	Not directly traced or easily assigned
Cost because of program	Incurred for a common purpose

What can be included in an indirect rate?

Human Resource Costs

IT Costs

Accounting Costs

Purchasing Costs

Management Costs

Oversight Costs
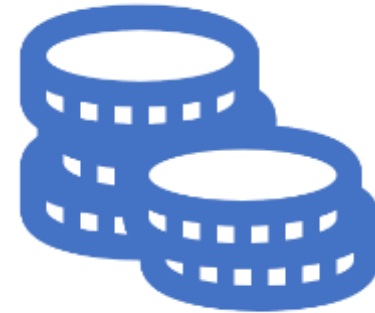
Building Costs

What is NOT included in the rate?

- Executive Governance Costs

- Board Costs

- Executive Management

Indirect Cost Rate Options

Negotiate an indirect cost rate

Use de minimis rate of 10% modified total direct cost

Who approves my rate?

COGNIZANT AGENCY

PASS-THROUGH ENTITY (PTE)

Grant Accounting

Do Not Commingle

Financial Management
2 CFR 200.302 (b)

- Identification

- Accurate, current, and complete

- Effective internal controls and accountability

- Budget versus Actual

- Written procedures for federal payment and allowability

Single Audit

Assistance Listings

- SAM.gov | Assistance Listings
- Provides descriptions of programs and requirements

Schedule of Expenditures of Federal Awards

Name of the federal grantor

Program title of the federal award

Assistance listing number (ALN) for each award

Unique number assigned by federal or state grantor

Current year expenditures

Subrecipient expenditures (if applicable)

Footnote disclosures

OMB Compliance Supplement

Auditor Road Map

[2023 Compliance Supplement – 2 CFR Part 200 Appendix XI (May 2023) (whitehouse.gov)](#)

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
10.000 (no matrix)												
10.500	Y	Y	N	N	N	Y	Y	N	N	Y	Y	N
10.511	Y	Y	Y	N	Y	Y	N	N	N	Y	N	N
10.512	Y	Y	Y	N	Y	Y	N	N	N	Y	N	N
10.514	Y	Y	Y	N	N	N	N	N	N	Y	Y	N
10.515	Y	Y	Y	N	N	N	N	N	N	Y	Y	N
10.516	Y	Y	Y	N	Y	N	N	N	N	Y	Y	N
10.517	Y	Y	Y	N	Y	N	N	N	N	Y	Y	N
10.520	Y	Y	Y	N	Y	N	N	N	N	Y	Y	N
10.521	Y	Y	Y	N	Y	N	N	N	N	Y	Y	N
10.542	Y	N	N	Y	N	N	N	Y	N	Y	N	N
10.551/10.561 (SNAP Cluster)	Y	Y	N	N	N	Y	N	Y	N	N	Y	Y
10.553/10.555/10.556/ 10.559/10.582 (Child Nutrition Cluster)	Y	Y	N	Y	N	N	N	Y	N	Y	N	Y

OMB Compliance Supplement

Common Audit Issues

Procurement Pitfalls

Federal Funding Accountability and Transparency Act (FFATA)

What is FFATA?

Federal Funding Accountability and Transparency Act (FFATA) was signed on September 26, 2006

www.USASpending.gov

What are the FFATA requirements?

2 CFR Chapter 1, Part 170

Report *sub-awards* greater than or equal to $30,000 by the end of the following month

What needs reported?

- Name of entity
- Award amount and date
- Funding agency and federal award identification number (FAIN)
- Assistance listing number
- Program source
- Description of the purpose of funding action
- Location of the entity
- Place of performance
- Unique entity identifier and its parent; and
- Executive compensation

- 80% or more of annual gross revenues from the federal government and >$25M

AND

- Compensation information is not available through reporting to the securities and exchange commission (SEC)

What is the criteria for reporting executive compensation?

Federal Funding Accountability and Transparency Act Subaward Reporting System (FSRS) at https://www.fsrs.gov/

How do you report?

Factors to Consider

- http://www.zip-codes.com/ is used as the source of the Congressional District look-up table

- The unique entity identifier (UEI) must be active in the System for Award Management (SAM.gov)

Challenges of FFATA

Obtaining the necessary information

Identifying who is responsible for reporting

Developing a trigger to report

System can be cumbersome

- Understand the strings
- Be a part of the program!
- Consider reporting and close-out from the beginning
- Consider technology options
- Don't wait to reconcile and monitor use of funds

Tips for Success

Final Thoughts

The Ohio Grants Partnership

Our mission is to maximize the value of grant funding by strengthening accountability, transparency, collaboration, fiscal integrity, and utilize innovation to maximize efficiencies.

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Grants.ohio.gov

Office of Budget & Management

Visit the OBM website to find monthly financial reports, budget information, and more.

Helpful Tips for Applying

Review these helpful tips to ensure your grant application is completed properly.

Find Current Opportunities

View State of Ohio Funding Opportunities available to potential grant recipients.

Grant Related Resources

Code of Federal Regulations (Uniform Guidance)

https://ecfr.io/Title-02/cfr200_main

System for Award Management

https://sam.gov/SAM/

Federal Acquisition Regulations

https://www.acquisition.gov/browse/index/far

Federal Funding Accountability and Transparency Act Subaward Reporting System (FSRS)

https://www.fsrs.gov/

USASpending.gov

https://www.usaspending.gov/#/

Pandemic Response Accountability Committee

https://pandemic.oversight.gov/

Other Helpful Resources

Grants.gov

Home | GRANTS.GOV

Ohio Department of Transportation

https://www.transportation.ohio.gov/programs/local-funding-opportunities#page=1

U.S. Dept of Transportation – DOT Navigator

https://www.transportation.gov/dot-navigator?adlt=strict

BIL Launchpad

https://billaunchpad.com/

THANK YOU

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