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# El Camino College

# Introduction to Grants Administration

THOMPSON INFORMATION SERVICES

Karen Norris, Managing Editor

April 2016

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# Grants Administration Overview

## Warm Welcome

- Introductions
- Presentation
  - Two days
  - Six modules/three a day
  - Q&A



# Grants Administration Overview

## Considerations

- El Camino College receives federal funding through prime awards and subawards.
- El Camino College subawards or contracts to partners, vendors, subrecipients
- El Camino College is responsible for oversight.
  - Pre-award processes
  - Post-award and close-out processes
  - Compliance and performance



# Grants Administration Overview

## Workshop Intent

El Camino College seeks to develop the knowledge and skills that permit its employees to exercise leadership in their current positions.



# Grants Administration Overview

## Anticipated Outcomes

Participants will be able to:

- Apply eight grant management processes that increase effective management.



# Grants Administration Overview

## Anticipated Outcomes

- Use three federal priorities, seven selection criteria for program grants and two standard criteria for research grants to increase accountability and performance.
- Recognize challenges that arise and how to assess risk and integrity.



# Grants Administration Overview

## Anticipated Outcomes

- Follow key federal guidelines, compliance regulations and legislative authorities to address technical and program performance, including the uniform grant guidance.
- Better prepare for implementation of the uniform grant guidance.



# Grants Administration Overview

## Course Outline

- Module 1: Intro to grants administration
- Module 2: Legislation, OMB guidelines
- Module 3: Program Performance
- Module 4: Financial Performance
- Module 5: Subrecipient Performance
- Module 6: Audit/Fraud, Waste and Abuse



# Grants Administration Overview

## Daily Agenda

- Three modules a day
- Three activities a day (one per module)
- Q & A



# Grants Administration Overview

## Overview of Online Subscription

- Components – what's included
- Screen navigation
- Search functions



# Grants Administration Overview

## Daily Agenda

Any Questions?  
Let's get started.



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**El Camino College  
Introduction to Grants Management  
Day 1, Module 1  
Tabs 100, 200, 300, 400**

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# Module 1: Introduction to Grants

## Module 1

### Introduction to Grants



# Module 1: Introduction to Grants

## Objectives

- Raise awareness about the scope of federal awards.
- Develop an understanding of the grants lifecycle.
- Review eight common problem areas and potential solutions through key processes that increase effective grants administration.



# Module 1: Introduction to Grants

## Agenda

- Scope of federal awards
- Grants lifecycle
- Eight processes for effective grants management



# Module 1: Introduction to Grants

## Anticipated Outcomes

After Module 1, attendees will have gained an increased awareness of:

- The number and total amount of federal awards
- Four components of the grants lifecycle
- Eight processes for effective grants management



# Module 1: Introduction to Grants

## MODULE 1: Scope of Awards

Tab 101

"I can make more generals,  
but horses cost money."

*Abraham Lincoln*



# Module 1: Introduction to Grants

## Funding Trends - Steep Rise in Federal Grants

- 1960: \$7 billion
- 1980: \$24 billion
- 1990: \$91 billion
- 2000: \$200 billion
- 2010: \$600 billion



# Module 1: Introduction to Grants

## Funding Trends

- 2,000 Federal grant programs in CFDA
- \$600 billion federal grants
- \$480 billion or 75 percent go to pass-through entities (state, tribal, territorial governments)
- Pass-through entities subaward and/or contract



# Module 1: Introduction to Grants

## Federal Grants to States in FY 1950

\$2.5 billion

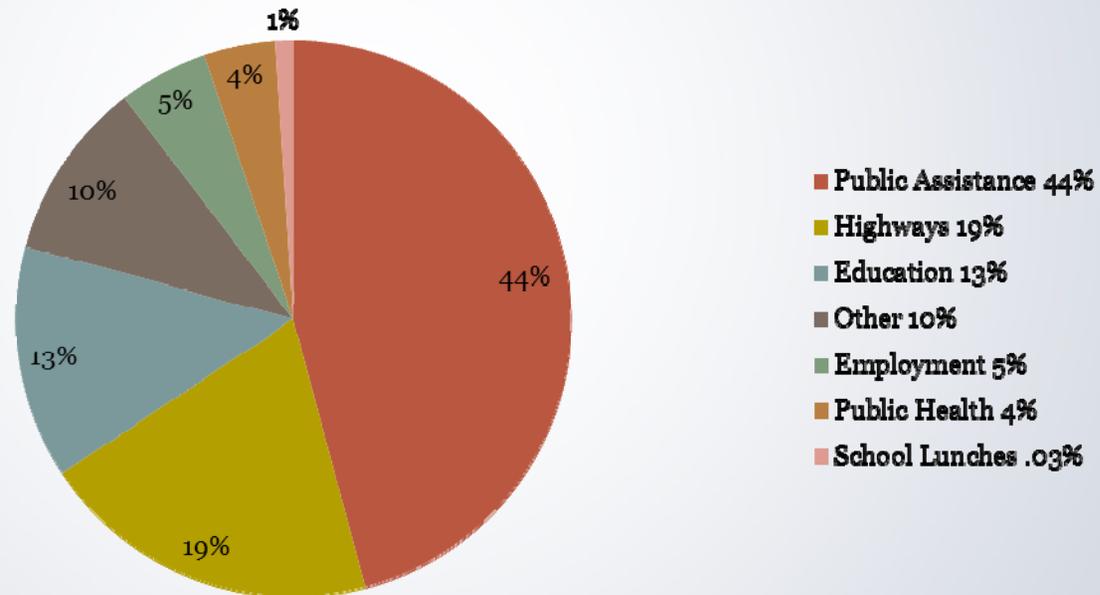
- \$1.1 billion public assistance (or 44 percent)
- \$470 million highways (or 19 percent)
- \$323 million education (or 13 percent)
- \$239 million other (or 10 percent)
- \$135 million employment (or 5 percent)
- \$110 million public health (or 4 percent)
- \$75 million school lunches (or .03 percent)



# Module 1: Introduction to Grants

## Federal Grants to States (OMB)

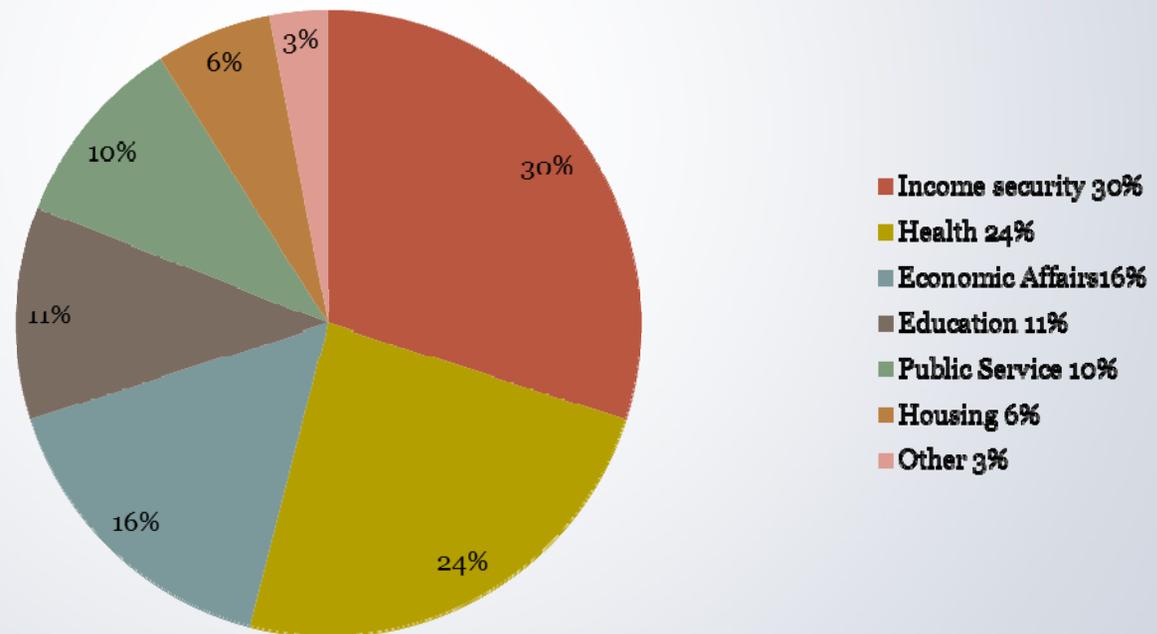
**1950**



# Module 1: Introduction to Grants

## Federal Grants to States (GAO)

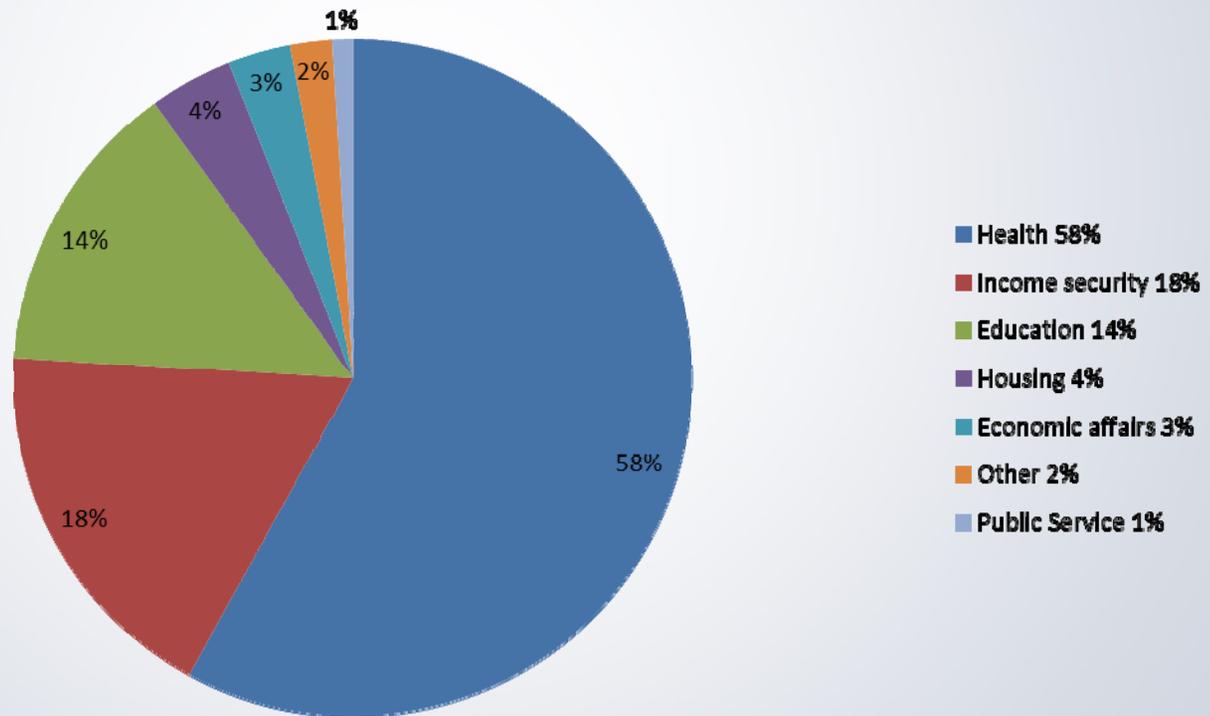
1980



# Module 1: Introduction to Grants

## Federal Grants to States (GAO)

2010



# Module 1: Introduction to Grants

## El Camino College Funding for FY 2016

- \$17.2 million in federal loans (ED/Pell)
- \$1.9 million in federal grants
- \$120,000 in federal contracts (DOJ)
- \$0 in subawards

*Source: USAspending.gov*



# Module 1: Introduction to Grants

## Top Federal Awarding Agencies to California

- \$63.8 billion total federal funds to CA
- \$23.5 billion SSA
- \$16.3 billion CMS
- \$4.4 billion ED
- \$3.3 billion HHS/ACF
- \$2.7 billion VA (VA benefits)

*Source: USAspending.gov*



# Module 1: Introduction to Grants

## Top California Subrecipients

- \$5.6 billion to Los Angeles County
- \$2 billion to San Diego County
- \$1.9 billion to Orange County
- \$1.5 billion to Riverside County
- \$1.2 billion to San Bernardino County

*Source: USAspending.gov*



# Module 1: Introduction to Grants

## General Federal Grant Programs

- More than half the \$600 billion goes to HHS
- HHS up from 4 percent in 1950 to 58 percent in 1980
- Education, Housing also top funding



# Module 1: Introduction to Grants

## Findings: \$600 Billion in Federal Awards

- 2009: \$110 billion in improper payments
- 2010: \$125 billion in improper payments
- 2011: \$115 billion in improper payments
- Annually: More than \$100 billion
- Payments in error over a three-year period:
  - \$180 million to 20,000 individuals who were dead
  - \$230 million in benefits to 14,000 fugitive or jailed felons who were not eligible



# Module 1: Introduction to Grants

## MODULE 1: Grants Lifecycle

Tab 410

Tab 200

Tab 300

“Time is what we want most, but  
what we use worst.”

*William Penn*



# Module 1: Introduction to Grants

## Grants Lifecycle

- Pre-award
- Award
- Post-award
- Close-out



# Module 1: Introduction to Grants

## Grants Lifecycle

- Federal perspective
- Applicant perspective
- Pass-through perspective



# Module 1: Introduction to Grants

## Pre-award: Federal Perspective

- Authorizing statute
- Gov't Performance Results Improvement Act
- Grants Program Office ( § 200.203)
  - Prepare timetable
  - Identify program goals
  - Select award instrument (grant, cooperative agreement, fixed amount, contract)
  - Prepare guidance and technical requirements
  - Create, post Notice of Funding Availability (NOFA)



# Module 1: Introduction to Grants

## Pre-award: Federal Perspective

- Grants Program Office
  - Conduct technical assistance work sessions
  - Receive applications
  - Screen applications
  - SAM.gov, excluded parties, completeness of application, errors
  - Conduct merit reviews of *proposal*
  - Conduct risk and integrity reviews of *applicant*
  - Funding recommendations by authorizing official



# Module 1: Introduction to Grants

## Pre-award: Applicant Perspective

- Identify needs, define program
- Prospect, review funding announcements
- Identify an opportunity
  - Check eligibility
  - Assess scope and number of awards
  - Identify matching requirements
  - Select partner organizations, as appropriate
  - Ensure compliance with registries – SAM.gov, Grants.gov or other electronic system such as NSF Fastlane



# Module 1: Introduction to Grants

## Pre-award: Applicant Perspective

- Seek approval to submit
- Prepare application
- Obtain internal reviews
- Gather signed support letters from partners
- Obtain authorized representative signature
- Complete electronic submission



# Module 1: Introduction to Grants

## Pre-award: Pass-Through Perspective ( § 200.331)

- As applicants, prepare applications to federal agencies
- As prime recipients, announce subaward opportunities and review submissions from second-tier applicants



# Module 1: Introduction to Grants

## Award: Federal Perspective

- Select recipients, send notifications
- Obligate funds in payment system
- Prepare, sign Notice of Grant Award (NGA)
- Send NGA/award agreement to recipients
- Negotiate, as appropriate
  - Award amount
  - Amended budget
  - Amended program



# Module 1: Introduction to Grants

## Award: Grantor Perspective

- Typical NGA contains ( § 200.210)
  - Grant award number (universal award ID number)
  - Statutory authority, regulations
  - Name of recipient organization
  - Name of PI/PD
  - Approved budget period with start and end dates
  - Future periods with start and future end dates
  - Amount of federal funds for the budget period
  - Amount of matching or cost sharing, as appropriate



# Module 1: Introduction to Grants

## Award: Federal Perspective

- Timelines and deliverables
- Sub-budgets for each objective
- Need to tie financial spending to objectives
- Level of risk, integrity
- Specific conditions ( § 200.207)



# Module 1: Introduction to Grants

## Award: Recipient Perspective

- Review NGA
  - Program review
  - Finance review
  - Leadership review and authorized signature
- Transmit executed documents to grantor
- Set up the new project
  - Assign account codes and project name
  - Load project into the accounting system
  - Create project file



# Module 1: Introduction to Grants

## Award: Pass-Through Perspective

### Prime recipients

- Sign, return award doc. to federal agency
- Approve and transmit subawards docs.
- Conduct “kick off” meetings (generally)
- Communicate expectations of performance, deliverables, timelines, risk assessment



# Module 1: Introduction to Grants

## Post-Award: Federal Perspective

- Monitor recipient performance ( § 200.301)
  - Financial performance
  - Program performance
- Maintain records of communication
- Conduct site visits
- Collect and review reports
- Re-evaluate risk, integrity, as appropriate
- Awards continuation periods, as appropriate



# Module 1: Introduction to Grants

## Post-Award: Recipient Perspective

- Conduct project activities
- Expend funds consistent with project budget
- Submit progress and financial reports
- Maintain records of communication
- Prepare for site visits
- Submit amendment requests, as needed



# Module 1: Introduction to Grants

## Post-Award: Pass-Through Perspective ( § 200.330-.332)

- Implement the awarded project, expends funds and submit reports to the grantor
- Monitor subrecipients, reviews reports and conduct site visits
- Re-evaluate risk, alert subrecipients of deficiencies, facilitate corrective action
- May conduct “annual subawardee” meetings with subrecipients



# Module 1: Introduction to Grants

## Closeout: Federal Perspective ( § 200.343)

- Confirms programmatic commitments and administrative requirements have been met
- Conducts a financial review
- Makes adjustments or final disallowances
- Collects certifying papers from awardees
- Closes the project in the payment systems
- Returns any residual funds to Treasury



# Module 1: Introduction to Grants

## Closeout: Recipient Perspective

- Complete all programmatic commitments and administrative requirements
- Submit final report to grantor
- Transmit certifying papers to grantor
- Close the project in its local accounting system to prevent further charges against the project



# Module 1: Introduction to Grants

## Closeout: Pass-Through Perspective

- Complete its own project activities
- Ensure subrecipients complete activities
- Conduct final reviews of subrecipients, collects final reports and completes final payments
- Close down project accounts



# Module 1: Introduction to Grants

## MODULE 1: Eight Key Processes

Tabs 220, 230,  
320, 420, 441,  
461, 464, 465

“Your net worth to the world is usually determined by what remains after your bad habits are subtracted from your good ones.”

*Benjamin Franklin*



# Module 1: Introduction to Grants

## What Happens Next?

- Federal reviews are done.
- Pass-through reviews are done.
- Recipients and subrecipients are selected.
- Award docs are prepared and mailed.
- You receive the award docs.

*Can you spend the money?*



# Module 1: Introduction to Grants

## 1. Award Processing

- Who receives the award at the nonfederal entity?
  - Program Manager/Principal Investigator
  - Finance Office
  - Grants Office
  - Authorized Organization Representative

*Can you spend the money?*



# Module 1: Introduction to Grants

## Nonfederal Entities Must:

- Read the award documentation carefully.
- Seek collaboration between program and finance.
- Note dates and amounts on the award docs.
  - Does the budget need to be revised?
  - Does the timeline need to be revised?
  - Do revisions need to be negotiated?
  - Does the revision need approval?

*Can you spend the money?*



# Module 1: Introduction to Grants

## How Nonfederal Entities Accept an Award

- Generally, Grants Office
  - Checks if authorized signature is required
  - Obtains authorized signature
  - Returns signed copy back to funding agency

*Can you spend the money?*



# Module 1: Introduction to Grants

## 2. Who Sets Up the Project?

- Program Manager
  - Creates program file
  - Contacts the Finance Office
- Finance Office
  - Assigns grants accountant to project
  - Loads project into the financial system
  - Assigns project account code

*Can you spend the money?*



# Module 1: Introduction to Grants

## Project Name

- Sounds simple, but consistency can be a challenge
  - Project manager name
  - Finance office name
  - Department name
  - Grant office name
  - Public affairs office name
  - Funding agency name
  - Similar name to another grant



# Module 1: Introduction to Grants

## Account Codes

- Grants accountant
  - Assigns account codes
  - Loads the project into the financial system
  - Gives codes to program manager

*Can you spend the money?*



# Module 1: Introduction to Grants

## 3. Spending Funds: Ground Rules

- Charge to project codes NOT department codes
- Spend within defined time period
- Charge allowable, allocable, necessary and reasonable costs
- Spend within defined budget
  - Do not under spend and return funds
  - Do not over spend and create a financial burden



# Module 1: Introduction to Grants

## Spending Funds: Partners and Agreements

- Written agreements
  - Memorandum of Understanding (MOU)
  - Contract agreement
  - Subaward agreement
- Guidance from general counsel



# Module 1: Introduction to Grants

## Spending Funds: New Personnel

- Hiring new staff
  - Work with HR
  - Create position description
  - Allow time to advertise, interview, hire
- Seek approval from funding agency for new hires in key positions



# Module 1: Introduction to Grants

## Hiring Challenges

- It takes longer than anticipated:
  - Hiring delays create project delays.
  - Will more time be needed to complete activities?
  - Should the project timeline be modified?
  - Is an amendment needed to extend the project end date?



# Module 1: Introduction to Grants

## Existing Personnel

- Check release time regulations
- Be alert how time is charged or recorded
  - Charge time to project?
  - Contribute or donate time to project?
  - Time and effort reporting a frequent audit finding
  - New time and effort reporting requirements under the uniform guidance



# Module 1: Introduction to Grants

## Time Entry

- If some time is charged to the grant
  - Grant hours = grant project code
  - Regular hours = department code
- If all time is charged to the grant
  - All hours = grant project code
  - Clarify benefits and retirement
  - What happens to position when grant ends?



# Module 1: Introduction to Grants

## Activity #1

### Time & Effort Worksheet



# Module 1: Introduction to Grants

## Procurement Routines

- Program Managers
  - Label paperwork with account codes and project name
  - Follow Procurement Office guidelines
  - Uniform guidance procurement provisions ( § 200.317-.326)
- Grants Accounting, Accounts Payable
  - Confirm funds are available in the grant budget
  - Process payments to contracts, subawards
  - Seek reimbursement from granting agency



# Module 1: Introduction to Grants

## Procurement Routines

- Select the method of procurement (micropurchase, small purchase, sealed bid, competitive or noncompetitive)
- Announce, review, document bids
- Sole source – new rules
- Equipment
  - Coordinate with IT
  - Identify long-term impacts, e.g., maintenance agreements



# Module 1: Introduction to Grants

## Grantee Procurement Process

1. • Program Manager requests a purchase
2. • Procurement produces purchase order
3. • Accounts Payable releases payment when billed
4. • Finance Office seeks reimbursement from grantor

***Tip:* Label all paperwork with grant codes!**



# Module 1: Introduction to Grants

## Tracking Expenses

- Grants Accounting
  - Access to financial system
  - Produces reports for grant managers
  - Produces reports for granting agencies
- Program Managers
  - Reconcile reports from Grants Accounting
  - Avoid under-spending or over-spending



# Module 1: Introduction to Grants

## Best Practices for Nonfederal Entities

- Establish contacts in collaborating offices: program, HR, procurement, general counsel
- Spend within budget and time period
- Label all paperwork: project account name, codes



# Module 1: Introduction to Grants

## 4. Changes by Amendments ( § 200.308)

- Types of amendments
  - No-cost extension of time
  - Budget
  - Scope of work
  - Project personnel
- Grantor approval generally required

*Amendments offer an opportunity to modify the original terms of the award agreement*



# Module 1: Introduction to Grants

## No-Cost Extension Amendment

- Need more time, not more funds
- Commonly approved up to 12 additional months
  - Personnel – delayed hiring process
  - Rescheduling
  - Consultant availability
  - Bid process



# Module 1: Introduction to Grants

## Budget Amendment

- Budget modifications usually follow other changes
- Two common budget revisions
  - Carry-over request
  - Reallocation request



# Module 1: Introduction to Grants

## Other Common Amendments

- Add/delete
  - Key personnel
  - Consultants
  - Contractors



# Module 1: Introduction to Grants

## 5. Progress and Financial Reporting

- Progress and annual reports ( § 200.301)
- Financial reports ( § 200.327)
  - The key to reimbursement
- Timing of reports
  - Noted in award documentation
  - Monthly, quarterly, annually



# Module 1: Introduction to Grants

## Coordination of Reports

- Progress reports must match financial reports
  - Reimbursement of funding
  - Audit
  - Expenses/costs must related to program activities
- Annual reports
  - Continuation funding
  - Close-out



# Module 1: Introduction to Grants

## Reporting Considerations

- Privacy, protection of human subjects
- Special compliance requirements
- Institutional Review Board
- Evaluation and assessment, performance
- Historical and demographic data
- Reports from partners
- Personally Identifiable Information (PII)
- Subrecipients submit audit reports to FAC
- Tribal exception for FAC



# Module 1: Introduction to Grants

## 6. Continuation Periods

- Is the project a one-year project?
- Is the project a multi-year project?



# Module 1: Introduction to Grants

## One-Year Project

- Can close out the project after 12 months  
or
- Need more time with no additional funding
  - Amend the project with a carryover request
  - Obtain grantor approval



# Module 1: Introduction to Grants

## Multi-year Projects

- Begin the next cycle with additional funding
  - Continuation application or annual report
  - New budget for the additional funding
  - If funds are carried over from prior period, take care to spend older funds first.

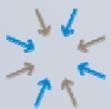


# Module 1: Introduction to Grants

## 7. Closeout Routines ( § 200.343)

- Obtain guidance from HR if positions terminate
- Complete purchase orders
- Prepare final reports
- Complete any contract agreements
- Complete subaward agreements
- Close the project in accounting system

*Each granting agency provides a specific number of days for closeout.*



# Module 1: Introduction to Grants

## 8. Record Retention ( § 200.344)

- Uniform guidance indicates three years after receipt of final report.
- Issues can extend retention period (program income, open audit findings)
- Recovery audits possible after closeout during record retention period.
- Follow archiving procedures



# Module 1: Introduction to Grants

## Closing Remarks

- Careful management of a restricted project is essential for success.
- Terms, conditions, requirements must be met.
- Implementing a grant project is an accomplishment!
- It takes a team.



# Module 1: Introduction to Grants

## MODULE 1: SHARING Q&A

“The nicest thing about not planning is that failure comes as a complete surprise rather than being preceded by a period of worry and depression.”

*Sir John Harvey-Jones*



# Module 1: Introduction to Grants

## Final Comments

- Keep in mind the scope of awards
  - \$600 billion federal awards
  - \$480 billion to pass-through entities such as state, tribal and territorial governments
  - \$100 billion improper payments



# Module 1: Introduction to Grants

## Final Comments

- Plan for performance at each stage of the lifecycle
  - Pre-award
  - Award
  - Post-award
  - Closeout and audit



# Module 1: Introduction to Grants

## Final Comments

- Monitor eight key processes to promote effectiveness
  - Award processing
  - Project set up
  - Spending funds
  - Amendments
  - Reporting
  - Continuation periods
  - Closeout
  - Records retention



# Module 1: Introduction to Grants

## Final Comments

- Sharing
- Q & A



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**El Camino College**  
**Key Legislation & OMB Uniform Guidance**  
**Day 1, Module 2**  
**Tabs 100, 200, 400**

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# Module 2: Legislation, OMB Guidance

## Module 2

- Key Federal Legislation
- Upcoming Developments
- OMB Uniform Guidance



# Module 2: Legislation, OMB Guidance

## Objectives

- Explore federal legislation that impacts federal awards (grants, cooperative agreements, fixed amount awards, contracts).
- Develop an understanding of federal requirements about performance, transparency and accountability.



# Module 2: Legislation, OMB Guidance

## Agenda

- Past and current legislation
- Upcoming Developments
- OMB uniform guidance and performance



# Module 2: Legislation, OMB Guidance

## Anticipated Outcomes

After Module 2, attendees will have gained an increased awareness of:

- Past and current legislative actions relating to grants
- Upcoming developments
- Highlights of the uniform grant guidance relating to performance, transparency and accountability



# Module 2: Legislation, OMB Guidance

## MODULE 2: Key Federal Legislation

Tab 101

Tab 231

Tab 464

“History is a relentless master.  
It has no present, only the past  
rushing into the future.”

*John F. Kennedy*



# Module 2: Legislation, OMB Guidance

## Past Legislation

- 1862: First grant – Can you guess!



# Module 2: Legislation, OMB Guidance

## Past Legislation

- 1862: First grant – Morrill Act
  - 1857 – Justin Smith Morrill, Senator from Vermont
  - 1857 – Proposed agricultural colleges
  - 1859 – Passed Congress
  - 1861 – Vetoed by President Buchanan
  - 1862 – Added military tactics, engineering
  - 1862 – President Lincoln signed into law
  - 1890 – Extended to southern states



# Module 2: Legislation, OMB Guidance

## Past Legislation

- 1935: Federal Register Act
- 1937: Amended Federal Register Act
  - Established the Code of Federal Regulations
- 1939: First C.F.R. published
- 1946: Administrative Procedures Act



# Module 2: Legislation, OMB Guidance

## Past Legislation

- 1921 and 1950: Budget and Accounting Act
- 1968: OMB Circular A-87
- 1977: Fed Grant and Cooperative Agr Act
  - Distinguished between grants and contracts
  - Established criteria for the legal instrument



# Module 2: Legislation, OMB Guidance

## Past Legislation

- 1980s: Block grants from 48 single programs
- 1984: Single Audit Act, OMB Circular A-133
- 1999: Federal Financial Assistance Management Improvement Act, Pub. L. 106-107, grants.gov
  - 2002 Grants.gov established
  - eGrants Initiative



# Module 2: Legislation, OMB Guidance

## More Recent Legislation

- 2006: FFATA
  - Fed Funding Accountability & Transparency Act
  - Pub. L. 109-282
- 2008: FAPIIS
  - Federal Awardee Perf. and Integrity Info. System
  - Pub. L. 110-417
- 2009: ARRA, RATB and ROC
  - American Recovery and Reinvestment Act
  - Pub. L. 111-5



# Module 2: Legislation, OMB Guidance

## More Recent Legislation

- 2010: IPERA
  - Improper Payments Elimination & Recovery Act
  - Pub. L. 111-204
- 2011: COFAR
  - Council on Financial Assistance Reform
  - M-12-01
- 2011: GATB
  - Gov't Accountability and Transparency Board
  - EO 13576



# Module 2: Legislation, OMB Guidance

## More Recent Legislation

- 2012: IPERIA
  - Improper Payments Elim Recvy Improvement Act
  - Pub. Law 112-248
- 2014: DATA Act
  - Digital Accountability and Transparency Act
  - Pub. L. 113-101
- 2015: Duncan Hunter Section 872 Revision
  - FAPIIS extended from federal contracts to grants
  - Pub. L. 110-417



# Module 2: Legislation, OMB Guidance

## Legislation

Why do you think there has been so much recent legislative activity about federal grants?



# Module 2: Legislation, OMB Guidance

## Review of Funding

- \$600 billion in federal assistance awards
- \$100-125 billion improper payments annually
- \$1 out of \$6 improperly paid

*OMB goal to reduce improper payments, fraud, waste and abuse*



# Module 2: Legislation, OMB Guidance

## Review of Recent Legislation

- 2006 FFATA
- 2008 FAPIIS
- 2009 ARRA, RATB and ROC
- 2010 IPERA
- 2011 COFAR
- 2012 IPERIA
- 2014 DATA Act
- 2015 Duncan Hunter Act, Section 872



## Module 2: Legislation, OMB Guidance

### Federal Funding Accountability and Transparency Act (FFATA) 2006

Increasing demand for information and data accuracy:

- Public website about awards over \$25,000
  - [www.USAspending.gov](http://www.USAspending.gov)
- Transparency – where tax dollars are spent
- Establishes subrecipient reporting requirements



## Module 2: Legislation, OMB Guidance

### Federal Awardee Performance and Integrity Information System Act (FAPIIS) 2008

- Database for awards over \$500,000
- Business qualifications of grant recipients
- Information about integrity and performance
- Access to CCR (SAM) and Excluded Parties List
- Criminal convictions, suspensions, debarments



## Module 2: Legislation, OMB Guidance

### American Recovery and Reinvestment Act (ARRA) 2009

- Stimulus funding economic downturn
- Sunset Sept. 30 2013, waivers to 2015
- Performance posted on website
- RATB requests Universal Award ID
- Work to improve inconsistent award data
- Work to improve performance
- ROC conducts data analytics



## Module 2: Legislation, OMB Guidance

### Improper Payments Elimination and Recovery Act (IPERA) 2010

- Reduce \$125 billion improper payments via recovery audits
- \$50 billion target in 2012, recovered \$47 billion
- Federal agencies held accountable for federal funds
- Established [paymentaccuracy.gov](http://paymentaccuracy.gov), federal reporting



## Module 2: Legislation, OMB Guidance

### Council on Financial Assistance Reform (COFAR) 2011

- COFAR and OMB reform federal grants
- Consolidate eight separate grants circulars
  - Strengthen oversight
  - Address ongoing emerging risks
  - Reduce administrative burden
  - Reduce improper payments, waste, fraud and abuse



## Module 2: Legislation, OMB Guidance

### Improper Payments Elimination and Recovery Improvement Act (IPERIA) 2012

- Expands IPERA of 2010
- OMB establishes annual recovery targets for agencies
- Federal agencies report high-risk programs
- Federal agencies report to their OIGs and describe actions taken or planned to recover improper payments



## Module 2: Legislation, OMB Guidance

### Digital Accountability and Transparency Act (DATA) Act 2014

- Treasury Department takes lead, with OMB
- Open, machine-readable formats
- All agencies use common data elements
- Expand FFATA, USAspending.gov
- Improve data and information collections
- Detect, prevent and recover improper payments
- ROC or an operations center like the ROC



## Module 2: Legislation, OMB Guidance

### Duncan Hunter Act, Section 872 Revision to Uniform Guidance

- Pre-award risk reviews must include FAPIIS integrity data
- Criminal, civil, administrative proceedings
- Record of prior performance
- Must submit mandatory disclosures
- FAPIIS migrates to SAM.gov
- Data retained for five years



# Module 2: Legislation, OMB Guidance

## MODULE 2: Upcoming Developments

Tab 231

“If past history was all there was to the game, the richest people would be librarians.”

Warren Buffet



# Module 2: Legislation, OMB Guidance

## DATA Act

- Federal agencies must
  - Create agency regulations
  - Consolidate and streamline awardee reporting
  - Standardize data elements
  - Create universal award ID
- HHS Pilot
- Open, machine readable reporting formats
- Data analytic center



## Module 2: Legislation, OMB Guidance

### FAPIIS ( § 200.212, Appendix XII)

- Federal agencies must
  - Create agency regulations
  - Review and report in FAPIIS
- Determinations – if an award is denied for risk and/or integrity, the nonfederal entity is determined as “not qualified”
- Five-year posting in FAPIIS that can impact all federal awards decisions during this time
- Appeals process, correction of errors



# Module 2: Legislation, OMB Guidance

## MODULE 2: Uniform Guidance

Tabs 230, 231,  
240, 422, 440,  
451, 457, 465,  
466, 469

“The most terrifying words  
in the English language are:  
I’m from the government and  
I’m here to help.”

*President Ronald Reagan*



# Module 2: Legislation, OMB Guidance

## Organization of the Uniform Guidance (2 C.F.R. Part 200)

- Subpart A: Definitions (1-99)
- Subpart B: General Provisions (100s)
  - Exceptions
  - Applicability (for-profits)
  - Conflict of interest
  - Mandatory disclosures



# Module 2: Legislation, OMB Guidance

## Organization of the Uniform Guidance (2 C.F.R. Part 200)

- Subpart C: Pre-Award (200s)
- Subpart D: Post-Award/Administrative Requirements (300s)



# Module 2: Legislation, OMB Guidance

## Organization of the Uniform Guidance (2 C.F.R. Part 200)

- Subpart E: Cost Principles (400s)
- Subpart F: Audit Requirements (500s)
- Appendices I-XII
  - Pre-award notices
  - Indirect costs
  - Compliance supplement
  - FAPIIS



# Module 2: Legislation, OMB Guidance

## Organization of the Uniform Guidance (2 C.F.R. Part 200)

Let's look at key sections of the guidance that impact performance.



# Module 2: Legislation, OMB Guidance

## Pre-Award Performance

- Federal agency may approve new strategies for innovative program designs that improve cost-effectiveness and generate positive outcomes ( § 200.102)
- Federal agency must design and execute a merit review process for applications ( § 200.204)



# Module 2: Legislation, OMB Guidance

## Pre-Award Performance

- New fixed amount award category focuses on performance. There is no federal review of actual costs ( § 200.102)
- Six standard data elements to be provided in notices of funding opportunities ( § 200.203)



## Module 2: Legislation, OMB Guidance

### Award and Post-Award Performance

- Federal agency must note performance goals and outcomes intended to be achieved in award agreements ( § 200.210)
- Performance goals must be associated with a timeline for accomplishment ( § 200.210)



# Module 2: Legislation, OMB Guidance

## Post-Award Performance

- Federal agency must require the recipient to relate financial data to performance accomplishments ( § 200.301)
- Recipient performance should be measured in a way to improve program outcomes ( § 200.301)



# Module 2: Legislation, OMB Guidance

## Post-Award Performance

- Performance reporting should reflect recipient progress and identify promising practices to build evidence upon which future federal agency awarding decisions are made ( § 200.301)



## Module 2: Legislation, OMB Guidance

### Post-Award Performance

- New fixed-amount awards up to \$150,000 will reduce compliance requirements (no government review of actuals for reimbursement) in favor of meeting performance outcomes ( § 200.301)
- Recipients must protect personally identifiable information ( § 200.303)



# Module 2: Legislation, OMB Guidance

## Post-Award Performance

- Procurement transactions (A-110 vs. A-102) must reflect full and open competition to ensure contractor performance and eliminate unfair competitive advantage ( § 200.318)
- Nonfederal entity must have written procurement procedures ( § 200.318)



# Module 2: Legislation, OMB Guidance

## Post-Award Performance

- To ensure objective contractor performance and eliminate unfair competitive advantage, contractors that develop or draft specifications, requirements, statements of work, and invitations for bids or requests for proposals must be excluded from competing for such procurements ( § 200.319)



# Module 2: Legislation, OMB Guidance

## Post-Award Performance

- The nonfederal entity must have a written method for conducting technical evaluations of the proposals received and for selecting recipients ( § 200.319)



# Module 2: Legislation, OMB Guidance

## Post-Award Performance

- Nonfederal entities must monitor activities under federal awards to assure compliance and performance expectations are being achieved.
- Monitoring by the nonfederal entity must cover each program, function or activity ( § 200.328)



# Module 2: Legislation, OMB Guidance

## Post-Award Performance

- Nonfederal entities must submit performance reports using OMB-approved governmentwide standard information collections ( § 200.328)
  - Comparison of actual accomplishments to objectives
  - Reasons why goals were not met
  - Additional information about any cost over-runs or high unit costs



# Module 2: Legislation, OMB Guidance

## Post-Award Performance

- Recipients encouraged to use open and machine-readable formats for data ( § 200.335)
- Nonfederal entities should seek prior approval from the federal awarding agency under 22 circumstances ( § 200.407)



# Module 2: Legislation, OMB Guidance

## Post-Award Performance

- Time and effort reporting must now account for 100 percent of time for grant and nongrant activities ( § 200.430)



## Module 2: Legislation, OMB Guidance

### Closeout Performance ( § 200.343)

- Nonfederal entities must submit final reports within 90 days after the end date
- Federal awarding agencies or pass-through agencies should complete all closeout actions no later than one year after receipt of all required final reports



# Module 2: Legislation, OMB Guidance

## Closeout Performance

- Closeout does not affect ( § 200.344):
  - The right of the federal agency to audit, examine and disallows costs during the record retention period, which is three years after receipt of the final report ( § 200.333)
  - The obligation of the nonfederal recipient to return funds due



## Module 2: Legislation, OMB Guidance

Let's look at key sections of the guidance that impact risk.



# Module 2: Legislation, OMB Guidance

## Pre-Award Risk and Integrity

- Federal agencies to review applicant risk and integrity prior to making an award ( § 200.205)
- Federal agencies must comply with guidelines on suspension and debarment ( § 200.205)



# Module 2: Legislation, OMB Guidance

## Pre-Award Risk and Integrity

- Federal agencies must have a framework for evaluating the risks posed by applicants before an award ( § 200.205)
  - Financial stability
  - Quality of management system
  - History of performance
  - Audit reports
  - Applicant ability to implement program



# Module 2: Legislation, OMB Guidance

## Activity #2

### Risk Assessment



# Module 2: Legislation, OMB Guidance

## Pre-Award Risk and Integrity

- Federal agencies to impose specific conditions to mitigate potential risks of waste, fraud and abuse before making an award ( § 200.207)
- Federal agencies to determine if nonfederal entity is “not qualified” for a federal award and post determination in FAPIIS for five years ( § 200.212)



# Module 2: Legislation, OMB Guidance

## Pre-Award Risk and Integrity

- Pass-through entities to consider risks associated with subawards ( § 200.331)
- Federal responsibilities flow down to pass-through entities ( § 200.101), other recipients and subrecipients unless a program statute or federal agency regulation states otherwise



# Module 2: Legislation, OMB Guidance

## Pre-Award Risk and Integrity

- Pass-through agencies are responsible for establishing requirements for for-profit subrecipients including pre-award audits, monitoring and post-award audits ( § 200.501)



# Module 2: Legislation, OMB Guidance

## Post-Award Risk

- New required certification that authorized organizational representatives of recipient entities must sign indicating that any false, fictitious or fraudulent information or the omission of any material fact may subject them to criminal or civil penalties, appearing to make them personally responsible ( § 200.415)



## Module 2: Legislation, OMB Guidance

### Post-Award Risk

- Internal control, previously discussed in the audit circular, is now moved forward as part of administrative requirements to enable grantees to better structure internal controls earlier in the process ( § 200.303)
- New mandatory disclosure that nonfederal entity must disclose in writing any fraud, bribery or gratuity violations (gift policy)( § 200.113)



## Module 2: Legislation, OMB Guidance

### Audit Risk ( § 200.513)

- Federal agencies required to create a new position or designate an existing position as a single audit accountable official to provide oversight of audits and implement audit risk metrics with the goal to reduce improper payments and improve federal program outcomes



# Module 2: Legislation, OMB Guidance

## Audit Risk( § 200.513)

- Duties of single audit accountable official:
  - Ensure completed audits and reports
  - Provide technical advice
  - Issue management decisions
  - Monitor recipients
  - Use cooperative audit resolution to improve outcomes and corrective actions
  - Develop a baseline, metrics and targets to track over time federal agency's process, effectiveness and accountability



# Module 2: Legislation, OMB Guidance

## Integrity and Business Ethics

- Definitions in Appendix XII
- Mandatory disclosures
- Integrity reviewed for awards of \$150,000 or more



# Module 2: Legislation, OMB Guidance

Steps That Can Be Taken  
To Address Performance



# Module 2: Legislation, OMB Guidance

## Steps to Take

- Protect allowable costs
- Update policies and regulations
- Recognize new representations and certifications
- Address risk measurement and integrity concerns



# Module 2: Legislation, OMB Guidance

## Protect Allowable Costs

- New requirements
  - Procurement methods ( § 200.320)
  - Conflict of interest ( § 200.112)
  - Indirect costs ( § 200.414)
  - Time and effort ( § 200.430)
  - Program income ( § 200.307)
  - Travel ( § 200.474)
  - Prior written approvals ( § 200.407)



# Module 2: Legislation, OMB Guidance

## Protect Allowable Costs

- 55 items of cost – some are new
  - Family friendly categories
  - Social media advertising
- Review 55 cost principles and note what's new



# Module 2: Legislation, OMB Guidance

## Protect Allowable Costs

- Update internal policies and regulations to protect allowable costs
  - Add new costs to policies
  - Revise language (procurement – competitive and noncompetitive bids)



## Module 2: Legislation, OMB Guidance

### Update Policies and Regulations

- Federal agencies must update agency regulation to reflect uniform grant guidance
- Nonfederal recipient entities must update internal policies to protect allowable costs, start with review of cost principles and revised administrative procedures



## Module 2: Legislation, OMB Guidance

### Update Policies and Regulations

- Uniform grant guidance requires written policies.
- Written policies strengthen internal controls ( § 200.303).



## Module 2: Legislation, OMB Guidance

### Update Representations and Certifications Implement Mandatory Disclosures

- Recognize new nonfederal recipient certification ( § 200.415)
- Have attorney review for possible personal liability in addition to organizational liability



## Module 2: Legislation, OMB Guidance

### Update Representations and Certifications Implement Mandatory Disclosures

- Mandatory disclosures ( § 200.113)
- Conflict of Interest ( § 200.112) requires nonfederal entities to disclose to federal agencies any instances of conflict of interest or relevant violations of federal criminal law.
- Failure to make required disclosures can result in remedies ( § 200.338)



# Module 2: Legislation, OMB Guidance

## Address Risk Measurement

- Federal agencies
  - Single audit accountable official position
  - Risk assessment framework/matrix
  - Data analytics
  - Reduce high-risk grantees
  - Remedies to reduce fraud, waste and abuse – update regulation, define length of time, be prepared to initiate



# Module 2: Legislation, OMB Guidance

## Address Risk Measurement

- Nonfederal entities
  - Pre-award: address ability to address risk
  - Post-award: reporting to address risk
  - Audit: correct audit findings quickly
- Attend to the high-risk grantee list
  - Federal agencies to reduce number of high-risk grantees



# Module 2: Legislation, OMB Guidance

## In Summary

- Transition from compliance to performance, requires benchmarks and measurement
  - Address level of risk
  - Data in reports and audits
  - New certifications and mandatory disclosures
  - Accountability, evidence
  - Reduce fraud, waste and abuse



# Module 2: Legislation, OMB Guidance

## In Summary

- Doesn't define how
- Includes more flexibility
- Agencies and recipients must show good faith effort to address concerns
- Recipients must reasonably assure (internal controls)



# Module 2: Legislation, OMB Guidance

## Comments for Module 2

- Sharing
- Q & A



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**El Camino College  
Pre-Award/Program Performance  
Day 1, Module 3  
Tabs 200, 400**

**THOMPSON INFORMATION SERVICES  
Karen Norris, Managing Editor**

April 2016

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# Module 3: Pre-Award Performance

## Module 3

### Pre-award/Program Performance

- Proposal Review - Merit Criteria
- Applicant Review - Risk and Integrity Criteria
- Pre-Award Performance Strategies



# Module 3: Pre-Award Performance

## Objectives

- Recognize and understand three federal priorities and seven selection criteria for program grants and two selection criteria for research grants.
- List indicators of risk and integrity for applicants
- Identify pre-award performance strategies that impact post-award performance and accountability.



# Module 3: Pre-Award Performance

## Agenda

- Proposal merit reviews
  - Three federal priorities
  - Seven selection criteria for programs
  - Two selection criteria for research
- Applicant risk and integrity reviews
- Pre-award performance strategies that impact post-award



# Module 3: Pre-Award Performance

## Anticipated Outcomes

After Module 3, attendees will have gained an increased awareness of:

- The differences among absolute, competitive and invitational priorities
- Scoring protocols merit reviews.
- Risk and integrity assessments for applicant reviews
- Pre-award performance strategies



# Module 3: Pre-Award Performance

## MODULE 3: Federal Priorities

Tab 220

“But seriously, I think overall in the scheme of things, winning an Emmy is not important. Let's get our priorities straight. I think we all know what's really important in life - winning an Oscar.”

*Ellen DeGeneres*



# Module 3: Pre-Award Performance

## Federal Priorities

- Absolute
- Competitive
- Invitational



# Module 3: Pre-Award Performance

## Absolute Priorities

- Always present in proposal guidelines.
- Must be addressed.
- Proposal will not be considered without it.
- Limit the competition to a defined need.
- Briefly stated – sometimes one sentence.



# Module 3: Pre-Award Performance

## Competitive Priorities

- May or may not be present in guidelines.
- Optional.
- Provide additional points for certain interests.
  - Programs that serve at-risk populations.
  - Programs that serve veterans.
- Importance of competitive priorities varies with each proposal.



# Module 3: Pre-Award Performance

## Invitational Priorities

- Generally present, but optional.
- Described with great detail.
- No points earned.
- Applicants invited to address certain topics.
  - Innovation.
  - Programs based on national model.
- Importance increases if tied scores or too many qualifying proposals for available funding.



# Module 3: Pre-Award Performance

MODULE 3:  
Federal  
Selection  
Criteria

Tab 230

Tab 410

“If winning isn't everything, why do they keep score?”

Vince Lombardi



# Module 3: Pre-Award Performance

## Merit Criteria ( § 200.204)

- Determine how the application will be scored.
- Point values for each criteria.
- Seven common criteria for program grants.
  - Points may vary from proposal to proposal.
  - Order may vary from proposal to proposal.
- Can form outline for the proposal narrative.
- Listed on reviewer score sheet.



# Module 3: Pre-Award Performance

## Selection Criteria for Program Grants

- Meeting the purpose of the authorizing statute
- Extent of need
- Plan of operation
  - Objectives
  - Activities
  - Timeline
- Quality of key personnel



# Module 3: Pre-Award Performance

## Selection Criteria for Program Grants

- Budget and cost effectiveness
  - Direct costs
  - Indirect costs
- Evaluation plan
  - Who is responsible for evaluation against merit criteria
- Adequacy of resources
  - Matching or in-kind contributions
  - Existing facilities, equipment, other assets



# Module 3: Pre-Award Performance

## Criteria 1: Meeting the Purpose

- Does the proposal address the absolute priority?
- Is language present from the authorizing statute?
- Is there a correlation between the purpose of the applicant's mission and the absolute priority?
- Is there a focus on anticipated outcomes rather than funding?
- How would the project create change?



# Module 3: Pre-Award Performance

## Criteria 2: Extent of Need

- What are the local needs?
- Do the needs reflect the absolute priorities?
- Is there documented data or statistics?
- What change can be measured?
- Are there literature citations or authorities?
- Was there a needs assessment?
  - SWOT analysis
  - Strengths Weaknesses Opportunities Threats



# Module 3: Pre-Award Performance

## Criteria 3: Plan of Operation

- Are there clear project goals and objectives?
  - Goals can be broader in scope
  - Objectives should be measurable
- Are there activities to address each objective?
- Are there methods or strategies?
- Is there a timeline?
- Is there a management plan?



# Module 3: Pre-Award Performance

## Criteria 4: Quality of Key Personnel

- Who is responsible?
  - Qualifications and prior experience?
  - Time dedicated on the project?
- One-two page resumes may be included in appendix.
- Include position description if staff unknown
- What happens to positions after the end date?



# Module 3: Pre-Award Performance

## Criteria 5: Budget

- Is the project a good investment?
- Will the investment of funds make a difference?
- Are there existing resources to support costs?
- Do requested costs match the narrative?
- Are requested costs allowable costs?
- What is sustainable after the project ends?



# Module 3: Pre-Award Performance

## Criteria 6: Evaluation

- What will be evaluated?
- Who will be responsible for the evaluation?
- What methods will ensure timely collection of data?
- What instruments will be used?
- Is there baseline data?
- Should surveys, interviews, and meeting records be used?
- Is a third-party evaluator required?



# Module 3: Pre-Award Performance

## Evaluation

- What assessment tools will be used?
- Is there existing instrumentation or does it need to be developed?
- Is data routinely measured?
- What will change once measured?
- Can the change be sustained?



## Module 3: Pre-Award Performance

### Criteria 7: Adequate Resources

- Are existing resources available?
- What can be contributed ?
- Do resources remain available after the project ends?
- Can resources contribute to sustainability?
- Voluntary cost sharing or matching may be considered



# Module 3: Pre-Award Performance

## Selection Criteria for Research Grants

- Intellectual merit
- Broader impacts



# Module 3: Pre-Award Performance

## Research Criteria: Intellectual Merit

- The intellectual merit criterion encompasses the potential to advance knowledge.
- All proposals should have the potential to advance knowledge in one field or across different fields.
- Activities can reflect original or revised concepts.



## Module 3: Pre-Award Performance

### Research Criteria: Broader Impacts

- The broader impacts criterion encompasses the potential to benefit society and contribute to desired societal outcomes.
- Demonstrating broader impacts requires evaluation.
- Reviewers will look for metrics and impact compared to the resources required.



# Module 3: Pre-Award Performance

## Merit Review Hints

- Total the points for all criteria combined.
- Write more detail for sections with greater points.
- Create an outline for the narrative based on the merit criteria.
- Use bold subheads for each merit criteria so reviewers can more easily find and score them.
- Reviewer score sheets will follow the merit criteria.



# Module 3: Pre-Award Performance

## Federal Reviewer Score Sheet

FUND FOR THE IMPROVEMENT AND REFORM OF SCHOOLS AND TEACHING  
TECHNICAL REVIEW FORM

SCHOOL-LEVEL PROGRAM (CFDA NO. 84.211A)  
SCHOOLS AND TEACHERS PROGRAM (CFDA NO. 84.211B)

APPLICANT \_\_\_\_\_

APPLICATION NO. **R211** \_\_\_\_\_

SELECTION CRITERIA	MAXIMUM POINTS	ASSIGNED POINTS
I. Need for the Project	15	_____
II. Plan of Operation	20	_____
III. Quality of Key Personnel	10	_____
IV. Educational Value	20	_____
V. Budget and Cost Effectiveness	10	_____
VI. Evaluation Plan	10	_____
VII. National Significance	15	_____
Competitive Preference	25	_____
<b>TOTAL:</b>	<b>125</b>	_____

OVERALL COMMENTS:

Strengths:

Weaknesses:

Reviewer's Name (PRINT) \_\_\_\_\_ Phone ( ) \_\_\_\_\_

Signature: \_\_\_\_\_ Date \_\_\_\_\_

Reviewer Score Sheet



# Module 3: Pre-Award Performance

## Activity #3

### Proposal Review



# Module 3: Pre-Award Performance

## MODULE 3: Pre-Award Risk and Integrity Reviews

Tab 231

“Denial ain’t just a river in Egypt.”

*Mark Twain*



# Module 3: Pre-Award Performance

## Pre-Award Reviews

- Review of proposals
  - Merit
- Review of applicant
  - Risk
  - Integrity



# Module 3: Pre-Award Performance

## Merit Reviews

- Uniform guidance provisions
  - § 200.204
  - Appendix I
- It's all about the proposal
- If the proposal is denied...
  - Disappointing, but denial is limited to the one proposal
  - No risk to other future applications
  - No risk to the applicant



# Module 3: Pre-Award Performance

## Risk and Integrity Reviews

- Uniform guidance provisions
  - § 200.205, § 200.207, § 200.212
  - Appendix XII
- It's all about the applicant
- If the applicant is denied...
  - Denial can extend to all federal funds
  - Determination is posted in FAPIIS for five years
  - Potential long-lasting adverse impacts to applicant organization



# Module 3: Pre-Award Performance

## Steps to Address Risk Pre-Award

- Do Not Pay and Excluded Parties List
  - Reference in proposal narrative
  - Indicate the applicant organization is not on the lists
  - Indicate no partners or contractors are on the lists
- If the applicant is on the lists
  - Do not apply
  - Correct the deficiency
  - Avoid FAPIIS determination



# Module 3: Pre-Award Performance

## Steps to Address Risk Pre-Award

- If any partners or contractors are on the lists
  - Do not engage them in the proposal effort
  - Select another partner or contractor
  - Avoid FAPIIS determination



# Module 3: Pre-Award Performance

## Steps to Address Risk Pre-Award

- Financial stability
  - Reference in proposal narrative
  - Describe financial systems
  - Describe financial capabilities if awarded federal funds such as separation of federal funds from local funds
  - Describe tracking, monitoring and financial reporting capabilities
  - Provide reasonable assurance



# Module 3: Pre-Award Performance

## Steps to Address Risk Pre-Award

- Quality of management systems
  - Reference in proposal narrative
  - Describe organizational structure
  - Describe checks and balances
  - Confirm existing written policies and procedures
  - Clarify reporting and record retention capabilities
  - Describe ability to detect and correct deficiencies



# Module 3: Pre-Award Performance

## Steps to Address Risk Pre-Award

- History of Performance
  - Reference in proposal narrative
  - List prior federal awards, amounts, award ID numbers
  - Indicate successful performance
  - Provide examples of sustainability



# Module 3: Pre-Award Performance

## Steps to Address Risk Pre-Award

- Reports and Audit Findings
  - Reference in proposal narrative
  - Confirm timely reporting
  - Confirm status of outstanding audit findings
  - Correct deficiencies or provide corrective action plan
  - Consider not applying if extensive and persistent audit findings exist
  - Avoid FAPIIS determination



# Module 3: Pre-Award Performance

## Steps to Address Risk Pre-Award

- Applicant ability to implement
  - Reference in proposal narrative
  - Describe ability to implement regulations
  - Describe ability to comply with applicable laws and requirements
  - Provide example from prior successful award



# Module 3: Pre-Award Performance

## Steps to Address Risk Pre-Award

- Rating of low, moderate or high risk
  - Know your rating
  - Reference it in proposal narrative
- If moderate or high risk
  - Provide steps being taken to mitigate risk
  - Describe how elevated risk is unrelated to the current initiative
  - Note any specific conditions being addressed



# Module 3: Pre-Award Performance

## Steps to Address Integrity Pre-Award

- Integrity concerns
  - Criminal proceedings
  - Civil proceedings
  - Administrative proceedings
- Mandatory disclosures
  - Disclose, as appropriate
  - Describe steps being taken to correct deficiencies
  - Describe if unrelated to the current initiative
  - Seek advice from legal counsel, as appropriate



# Module 3: Pre-Award Performance

## Steps to Address Integrity Pre-Award

- Gifts and gratuities
  - Provide written policy if donations, major gifts and fund raising campaigns are incorporated into business practices (nonprofits, hospitals, institutions of higher education)
  - Avoid any misunderstanding about gratuity violations



# Module 3: Pre-Award Performance

## Steps to Address Integrity Pre-Award

- Administrative proceedings
  - Audit findings do not count
  - Audit appeals do count
  - May want to reconsider pursuing appeals
  - Appeals hearings affect FAPIIS determinations



# Module 3: Pre-Award Performance

## Steps to Address Integrity Pre-Award

- To apply or not to apply
  - Integrity concerns may warrant postponing proposal submissions until the deficiencies are corrected
  - Seek audit and legal advice for guidance
  - Avoid poor FAPIIS determinations
  - Developing protocol – degree of federal agency response unknown at this time



# Module 3: Pre-Award Performance

## Award with Elevated Risk

- If awarded with elevated risk, no FAPIIS “not qualified” determination.
- Specific Conditions ( § 200.207) may include:
  - No advance payments
  - Evidence of performance for each stage
  - Additional financial reporting
  - Additional program reporting
  - Additional monitoring
  - Additional prior approvals



# Module 3: Pre-Award Performance

## Award with Elevated Risk

- When specific conditions ( § 200.207) are made:
  - Reflected in the award terms and conditions
  - Reason why necessary
  - What action must occur to remove condition
  - Time allowed to complete
  - Appeal process
  - Removal of specific condition once deficiency is corrected
  - Updated award agreement



# Module 3: Pre-Award Performance

## MODULE 3: Pre-Award Strategies that Impact Post- Award

Tab 420

Tab 451

Tab 452

"It's stunning to me what kind of an impact even one person can have if they have the right passion, perspective and are able to align the interest of a great team."

*Steve Case*



# Module 3: Pre-Award Performance

## Pre-Award Strategies To Benefit Post-Award

- Program Performance
  - Mission and GPRMA goals
  - Sustainability
  - Partners
  - Short-, mid- and long-term goals
- Financial Performance
  - Budget worksheets
  - Internal controls



# Module 3: Pre-Award Performance

## Pre-Award Strategies To Benefit Post-Award

- Pass-through and Subrecipient Performance
  - Award agreements
  - Indirect costs



# Module 3: Pre-Award Performance

## Mission and GPRMA

- Applicants should research funder mission statement or strategic plan.
  - Links in solicitation packages
  - Agency website
- Information provides insights into advancements, priorities and societal benefits that are of most interest.



# Module 3: Pre-Award Performance

## Context and Mission

- Do you know your own organization's mission statement?
- What are national or state trends for similar organizations, priorities?
- What is the potential impact of the project or initiative?



# Module 3: Pre-Award Performance

## Sustainability

- Lasting change
- Impact
- Long-term outcomes
- Capacity building



## Module 3: Pre-Award Performance

### Lasting Change

" ... we support efforts to make systemic and lasting change through new laws, policies, and programmes. We believe in the power of advocacy by the people who will benefit by it. Atlantic seeks to strengthen leaders and institutions, because doing so is the best insurance of a vibrant movement for social equality and justice that will endure long after we have made our last grant." ...The Atlantic Philanthropies



# Module 3: Pre-Award Performance

## Partners

- Do partners add strength to the project?
- Do partners bring risk to the project?
- Are partners contributing resources?
- Are partners receiving resources?
- Will the partnership continue beyond the grant period?
- Are any partners high risk?



# Module 3: Pre-Award Performance

## Goals

- Short, mid- and long-term goals
  - Short – within 12 months
  - Mid – up to three years
  - Long – beyond three years
- Anticipated outcomes
- Objectives in the proposal become the deliverables and results in the award agreement ( § 200.210)



# Module 3: Pre-Award Performance

## Outputs and Outcomes

- Goals lead to outputs and outcomes
- Outputs
  - What is produced?
  - Number of workshops, number of attendees
  - Did the outputs achieve the desired outcomes?
- Outcomes
  - What has changed?
  - Benefits, deliverables and results
  - Increased knowledge, more diverse workforce



# Module 3: Pre-Award Performance

## Financial Performance: Budget Worksheets

- Budget worksheet for entire project
- Budget worksheet for each year
- Sub-budget worksheet for each objective
  - Indicate resources for program activities
  - Identify expenditures for program activities
  - Supports reporting post-award



# Module 3: Pre-Award Performance

## Internal Controls

- Five components
  - Control environment
  - Risk Assessment
  - Control Activities
  - Communication
  - Monitoring Activities



# Module 3: Pre-Award Performance

## Internal Controls

- Proposals should include verbiage about internal controls
  - Provide reasonable assurance
  - Describes capacity to manage federal funds, if awarded
  - Not usually a merit review criteria
  - Insert – budget narrative, plan of operation, prior performance, quality of key personnel, others



# Module 3: Pre-Award Performance

## Understand the Award Agreement

- Award instruments
  - Grant award
  - Cooperative agreement
  - Fixed amount award
  - Subaward
  - Contract



## Module 3: Pre-Award Performance

### Indirect Costs ( § 200.414)

- Requirements for indirect (F&A) cost rate proposals and cost allocation plans are in Appendices III–VII ( § 200.414(e)).
- Nonfederal entities that have never received a negotiated indirect cost rate, may elect to charge a *de minimis* rate of 10 percent of modified total direct costs (MTDC) which may be used indefinitely ( § 200.414(f)).



# Module 3: Pre-Award Performance

## Indirect Costs ( § 200.331(a)(4))

- Requirements for pass-through entities
- Pass-through entities must:
  - Accept negotiated indirect cost rate unless program statute indicates otherwise
  - If no approved indirect rate, either:
  - Negotiate a rate OR
  - Assign the *de minimis* rate to eligible subrecipients



# Module 3: Pre-Award Performance

## MODULE 3: Pre-Award Summary

“Perseverance is failing 19 times and succeeding the 20th.”

*Julie Andrews*



# Module 3: Pre-Award Performance

## In Summary

- Three federal priorities
- Seven selection criteria for programs
- Two selection criteria for research
- Importance of applicant risk and integrity
- New pre-award strategies can support post-award requirements



# Module 3: Pre-Award Performance

## Final Comments

- Sharing
- Q & A



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**El Camino College  
Financial Performance, Post-Award  
Day 2, Module 4  
Tabs 300, 400**

**THOMPSON INFORMATION SERVICES  
Karen Norris, Managing Editor**

April 2016

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# Module 4: Post-Award Performance

## Module 4

### Financial Performance Post-Award



# Module 4: Post-Award Performance

## Objectives

- Raise awareness of financial issues related to allowable costs and changes in the uniform guidance
- Discern the difference between mandatory and voluntary cost-sharing and matching, and how to handle these costs.
- Recognize steps to take through the amendment process when plans change.
- Prepare for closeout processes as part of effective financial performance



# Module 4: Post-Award Performance

## Agenda

- Allowable costs
- Matching and in-kind costs
- Amendments
- Closeout



# Module 4: Post-Award Performance

## Anticipated Outcomes

After Module 4, attendees will have gained an increased awareness of:

- Protecting allowable costs
- Applying cost sharing or matching requirements
- Three ways to forward an amendment request
- Risks after closeout and what to expect



# Module 4: Post-Award Performance

## MODULE 4: Protect Allowable Costs

Tab 317

Tab 422

Tab 441

“Once, during Prohibition, I was forced to live for days on nothing but food and water.”

*W.C. Fields*



## Module 4: Post-Award Performance

Protect allowable costs.

Internal policies may need revision to better align with the uniform grant guidance and to protect allowable costs.



## Module 4: Post-Award Performance

Attend to differences between uniform guidance and program statute or agency regulation.

Example: Equipment ( § 200.439) is allowable under the uniform guidance, but may not be allowable under the program.  
Follow the most restrictive provision.



# Module 4: Post-Award Performance

## Other Considerations for Costs

Allowable, Allocable, Reasonable, Necessary



## Module 4: Post-Award Performance

### Equipment ( § 200.413, § 200.439)

- General purpose equipment is unallowable, except with prior written approval
- Special purpose equipment, including computers and mobile devices, are allowable as direct costs under \$5,000, and with prior written approval if more than \$5,000.
- Follow provisions and allowable costs for
  - Disposal, ownership, vesting title, insurance



## Module 4: Post-Award Performance

### Materials and Supplies ( § 200.453)

- Computing devices under \$5,000 are allowable, charged as materials for devices that are essential and allocable, but not solely dedicated, to the performance of the federal award.
- Computing equipment charged as supplies may not need to follow disposal, inventory and ownership provisions, check with granting agency.



# Module 4: Post-Award Performance

## Advertising and public relations ( § 200.421)

- Advertising is not allowable, except for:
  - Hiring of personnel, including social media
  - Procurement of goods and services for the grant
  - Disposal of scrap, as applicable
  - Program outreach (raise awareness)



# Module 4: Post-Award Performance

## Donations ( § 200.434)

- Value of donated goods or services is not reimbursable, either as direct or indirect costs.
- Value of donated goods or services may be used to meet cost sharing or matching requirements



## Module 4: Post-Award Performance

### Meals ( § 200.423) and Alcoholic Beverages ( § 200.432)

- Meals are not allowable, except for
  - Travel and subsistence
  - Example: costs associated with approved attendance at conferences
- Alcoholic beverages are not allowable



# Module 4: Post-Award Performance

## Lobbying ( § 200.450)

- Lobbying and costs incurred to influence are not allowable
- Federal assurances and certifications
- Requests directed at public officials
  - May raise awareness
  - May not influence
  - May not seek support or seek action



# Module 4: Post-Award Performance

## Travel ( § 200.474)

- Federal travel thresholds may differ from local
- Seek audit advice for applicability
- Revise or create local travel policy
  - Mileage reimbursement
  - Hotel costs



# Module 4: Post-Award Performance

## Memberships, Subscriptions ( § 200.454)

- Cost of memberships in professional associations and costs of subscriptions are allowable
  - Check if allocable
  - Obtain approval, as needed



# Module 4: Post-Award Performance

## Training ( § 200.472)

- The cost of training and education provided for employee development is allowable.
  - Check if allocable
  - Obtain approval, as needed



## Module 4: Post-Award Performance

### Participant Support Costs ( § 200.456, § 200.75)

- Participant support costs are allowable.
- Require prior approval of the federal agency.



# Module 4: Post-Award Performance

## Pre-Award Costs ( § 200.458)

- Costs incurred prior to effective date of the award where necessary for timely and efficient performance
- Costs that would have been allowable after the date.
- With prior approval of the federal agency
  - Example: delayed processing of continuation award



# Module 4: Post-Award Performance

## Advisory Councils ( § 200.433)

- Costs for committees and advisory councils are unallowable unless authorized by statute, the federal awarding agency or as an indirect cost.



## Module 4: Post-Award Performance

### General Costs of Government ( § 200.444)

- General costs of government are unallowable
  - Travel costs ( § 200.474) are allowable
- Costs for direct services under a program may be allowable
- Costs for administrative oversight of federal grants may be allowable
- Obtain approval from federal agency



# Module 4: Post-Award Performance

## Audit Services ( § 200.425)

- Costs for single audits are allowable
- Costs for audits not associated with a single audit are not allowable
  - Pass-through entities may charge costs for an agreed-upon procedures engagement to monitor subrecipients that do not qualify for a single audit
  - Pass-through entities may charge this cost to their prime award



# Module 4: Post-Award Performance

## Spending Funds - Procurement ( § 200.317-326)

- States follow same procurement standards as they use for nonfederal funds
- Nonfederal subrecipients have changes to address, states must monitor
- Procurement follows language from OMB A-102 rather than OMB A-110



# Module 4: Post-Award Performance

## Procurement

- Five methods of procurement
  - Micro purchase (up to \$3,000)
  - Small purchase (up to \$150,000)
  - Sealed bid
  - Competitive
  - Noncompetitive (sole source)



# Module 4: Post-Award Performance

## Procurement

- Open and free competition
  - Proposal write-ins must now compete
- New provision for micro-purchase
  - Up to \$3,000 (\$2,000 in certain circumstances) do not have to compete
  - Prior local thresholds such as \$10,000 or \$25,000 must revise local policies and procedures



# Module 4: Post-Award Performance

## Procurement

- Creation of proposals, bids
  - Consultants or contractors that help write specs cannot be hired.
- New provisions for sole-source, noncompetitive
  - Only available from one source
  - Public emergency
  - Expressly authorized by pass-through/federal agency after written request
  - After solicitation, competition deemed inadequate



# Module 4: Post-Award Performance

## Procurement

- Written procurement policies will need revision
- Written procurement policies will need to be created
- Based on language from uniform guidance



# Module 4: Post-Award Performance

## Exceptions for For-Profits

- Federal agencies and nonfederal entities must indicate in the award, subaward or contract agreement what subparts or provisions the for-profit must follow
- Subpart B - applicability
  - Subparts A-E may apply to for-profits



# Module 4: Post-Award Performance

## Exceptions for Hospitals

- Hospitals follow the uniform guidance except for cost principles
- Hospitals follow cost principles identified in Appendix IX (45 C.F.R. 75)



# Module 4: Post-Award Performance

## MODULE 4: Cost Sharing and Matching

Tab 463

“When I was young I thought that money was the most important thing in life; now that I am old I know that it is.”

*Oscar Wilde*



# Module 4: Post-Award Performance

## Matching and Cost Sharing ( § 200.306, App. I)

- When required by some grant programs:
  - Match is proportionate to federal contribution
  - Grant guidelines define the amount (20%, 30%)
- Insufficient match will cause
  - Delay in federal reimbursement
  - A proportionate reduction of federal funds
- Recipient and partners (third-party) may contribute



# Module 4: Post-Award Performance

## Allowable Match

- May be cash
- May be in-kind or existing contributions
- May be from recipient, partners, third-parties
- Must be nonfederal sources
  - Cannot use funds from one federal grant to match another federal grant
  - May use funds from a nonfederal grant to match a federal grant



# Module 4: Post-Award Performance

## Keeping Track of Match

- Most common problem with recipient and third-party contributions is lack of documentation
- Match must reflect allowable costs
- In addition to any cash match, prime recipients and subrecipients must show
  - The value of the match
  - How the match was valued



# Module 4: Post-Award Performance

## Required vs. Voluntary Match

- Nonfederal entities must provide required match.
- Nonfederal entities may provide voluntary match.
  - Not expected
  - Not required



## Module 4: Post-Award Performance

### Voluntary Committed vs. Uncommitted Match

- Voluntary committed match has a dollar value
- Voluntary uncommitted match has no dollar value
  - Existing classrooms, facilities, laboratories
  - Resources that can benefit the project but are not valued



# Module 4: Post-Award Performance

## Voluntary Committed vs. Uncommitted Match

- Voluntary match may be presented on the budget form, in the budget narrative or both.
  - If voluntary match is valued and included on the budget form, it becomes required and is subject to audit.
  - If voluntary match is not valued and included in the budget narrative, it remains voluntary and is not subject to audit.



## Module 4: Post-Award Performance

### Voluntary Committed vs. Uncommitted Match

- Federal agencies appear to favor voluntary uncommitted match (no value assigned), not auditable, presented in budget narrative rather than on budget form.
- Some federal agency regulations identify a preference.



# Module 4: Post-Award Performance

## Match and Cost Sharing Special Circumstances

- Some high risk recipients may have additional cost-sharing requirements imposed
- Some high-needs recipients may be exempt from cost-sharing and matching requirements
  - Must be approved in advance
  - Some minority-serving institutions
  - Some high-needs organizations



# Module 4: Post-Award Performance

## MODULE 4: Amendments

Tab 350

“Change before you have to.”

*Jack Welch*



# Module 4: Post-Award Performance

## When Plans Change, Amendments Offer Solutions

- Every funding award is based upon the details described in the proposal and confirmed in the award agreement.
- Once an award is made, what happens if plans change?



# Module 4: Post-Award Performance

## The Fully Executed Agreement

- A legally binding document
- Enforces the terms of the project, as proposed



# Module 4: Post-Award Performance

## Even in the Best Implemented Projects...

Unexpected circumstances can occur

- Key personnel may change
- A bid may come in over or under cost
- A planned conference, event, or activity may be cancelled
- A new opportunity may be found
- More time may be needed to expend funds



## Module 4: Post-Award Performance

Unexpected circumstances create needs that are outside the original terms of the award agreement.

Fortunately, it is possible to amend the terms to better reflect current requirements when plans change.



# Module 4: Post-Award Performance

## What is an amendment?

- An amendment to an agreement is a legal act modifying the commitments initially accepted.
- It allows the parties to modify the agreement at any time during the project period.
- Because it is a legal act, certain procedures and definitions apply.



# Module 4: Post-Award Performance

## Initiating an Amendment

- While either party may do so, it matters which party initiates the amendment.
  - An amendment initiated by the funding agency is usually a notification of a modification, such as a new award period.
  - An amendment initiated by the recipient is usually a request for a modification.



# Module 4: Post-Award Performance

## Recipient Amendment Requests

- May be initiated any time during a project period.
- Seek the amendment before the current period ends.
- Leave enough time to receive a response.



# Module 4: Post-Award Performance

## Recipient Amendment Requests

- Request the amendment in writing.
- Include an authorized signature.
- Obtain a written response with an authorized signature from the grantor.

Consent to the change must be clearly demonstrated.



## Module 4: Post-Award Performance

In general, recipient amendments would neither substantially change the intent of the original agreement, nor request additional funds.



# Module 4: Post-Award Performance

## What Can Be Amended?

Typical amendments include:

- Revision to the project end date – no cost extension
- Revision of the budget – reallocation or carry-over
- Change in project personnel
- Change in contractual services
- Other modifications, as appropriate



# Module 4: Post-Award Performance

## No-Cost Extension

- A need for more time to complete activities
- No additional cost
- Probably the most common amendment

Funding agencies are generally receptive to an extension request as long as it is received in a timely manner and there is no additional cost.



# Module 4: Post-Award Performance

## No-Cost Extension (cont.)

- Commonly approved for an additional 12 months.
- Longer extensions may be considered.
- Justification of the request
  - Personnel issues
  - Rescheduling issues
  - Consultant availability
  - Bid process
  - Manufacturing delays



# Module 4: Post-Award Performance

## Budget Amendment

- Two common budget revisions:
  - Carry-over request
  - Reallocation request

The need to modify a budget generally follows other changes to the program.



# Module 4: Post-Award Performance

## Budget Amendment

- Carry-over request
  - No-cost extension of time also needs to carry-over funds past the original end date so that all funds can be spent.
- Reallocation request
  - Transfer funds out of one budget category into another
  - Unused travel funds, for example, can be transferred to another category to make better use of the funds



# Module 4: Post-Award Performance

## Personnel or Consultants

- Key personnel leaves project.
- New personnel must be added to the project.
- A consultant is added to the project.

The funding agency may wish to approve new hires or consultants.



# Module 4: Post-Award Performance

## Starting an Amendment

- Program managers should start with two conversations.
  - The funding agency program officer
  - An internal office such as Finance, Budget, or Grants
- Gain insight into the level of receptiveness for the modification.
  - Internally
  - Externally



# Module 4: Post-Award Performance

## Submitting an Amendment

- Preliminary conversations
- Prepare the written amendment request
- Obtain an authorized signature.
- Attach an explanation or justification.
- Attach a revised budget, if needed.



# Module 4: Post-Award Performance

## Sample 1: Budget Amendment

Applicant Name:

Application Number:

Please type the information requested below and sign this form.

Please describe in detail the change(s) being proposed to your project.

We propose to reallocate money (intended in our original application to help cover the salary costs for the project coordinator) to maintenance and upkeep of the portrait collection.

### Why is this change necessary?

The funding agency awarded the project but disallowed faculty salary. The transfer of funds will help support the portrait collection



# Module 4: Post-Award Performance

## Sample 1: Budget Amendment (cont)

In addition, three panels in the exhibit have been damaged during the grant period and need to be replaced. Panel covers have become worn and don't adequately protect the panels. The proposed revised budget, below, allocates \$990 for maintenance of the exhibit. The project manager expects to be able to purchase one or two panels, or one panel and a new set of panel covers with this amount.

\$4,737.	Moving Expenses
\$563.	Printing and publication
\$1,840.	Contracted services (storage & handling)
\$240.	Transportation
\$150.	Local travel
\$480.	Refreshments and awards
\$990.	One or two replacement panels; or, one panel and new panel covers





# Module 4: Post-Award Performance

## Sample 1: Budget Amendment (cont)

---

Signature

Print Name

Date

Please sign in blue ink

Mail to: Funding Agency, 999 xxxxx Drive, Anytown, US 20910

For AGENCY Staff Use Only:

Approved By \_\_\_\_\_

Date \_\_\_\_\_

Not Approved \_\_\_\_\_



# Module 4: Post-Award Performance

## Sample 2 – Budget Amendment Form

	Column A Original Budget	Column B Prior Amended (if applicable)	Column C Amendment Request	Column D Revised Budget
Salaries	\$65,000		(\$15,000)	\$50,000
Fringe Benefits	18,200		(4,200)	14,000
Travel	500		2,200	2,700
Equipment	0			
Supplies	1,200		3,000	4,200
Contractual	1,000		14,000	15,000
Other	0			
Total Direct	\$85,900		\$0	\$85,900
Indirect	6,872			6,872
<b>Total</b>	<b>\$92,772</b>		<b>\$0</b>	<b>\$92,772</b>

Funds of \$15,000 for salaries and \$4,200 for associated fringe benefits may be reduced due to delays in the hiring process for the program manager, with a concurrent increase in travel \$2,200, supplies \$3,000, and printing services for brochures \$14,000 to expand dissemination activities, reflecting a transfer of \$19,200 funds.

**Signature of Authorized Representative:**

**Date:**



# Module 4: Post-Award Performance

## Sample 3 – Budget Amendment Form

Description	Original Budget	Requested Change (+/-)	Revised Amount	Rationale
Salaries	\$65,000	(\$15,000)	\$50,000	Reduce funds for hiring delay
Fringe Benefits	18,200	(4,200)	14,000	Reduce associated FB
Travel	500	2,200	2,700	Add conference to support dissemination activities
Equipment	0		0	
Supplies	1,200	3,000	4,200	Increase materials for additional dissemination activity
Contractual	1,000	14,000	15,000	Increase printing services to produce dissemination materials
Other	0		0	
Total Direct	\$85,900	\$0	\$85,900	
Indirect	6,872		6,872	
<b>Total</b>	<b>\$92,772</b>	<b>\$0</b>	<b>\$92,772</b>	<b>No change in budget total</b>
<b>Signature of Authorized Representative:</b>				
<b>Date:</b>				



# Module 4: Post-Award Performance

## Sample 4 – No Cost Extension Amendment

### Grant Details Amendment: No-Cost Extension

Program Name	Technology Challenge Grant
Program Title	Community Technology Centers in Action
Principal Investigator	Dr. John Smith
Institution	Xxxxxx Community College
Award Number	ED – 09 – 98765432-1
Current Start Date	1/1/09
Current End Date	12/31/09
New End Date:	6/30/10
<b>Reason for Requesting New End Date:</b>	
Extension of time at no cost will enable completion of activities.	
<b>Signature of Authorized Representative:</b>	
<b>Date:</b>	



# Module 4: Post-Award Performance

## Sample 4 – Change of Key Personnel

- Xxxx is currently implementing the 5678 Program, under Grant Award #123456789-1 and requests authorization to change the Principal Investigator, Dr. John Smith, to Dr. Susan Jones, through this amendment request. Dr. Smith has accepted a new position with another agency out of state. Dr. Jones has been an exemplary member of the leadership team throughout the project period and would continue to support the project in her expanded role, anticipated 7/1/10. Her resume is attached for your review and approval.

Authorized Signature/Date: \_\_\_\_\_



# Module 4: Post-Award Performance

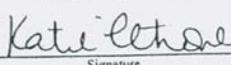
## Approval or Rejection

- The funding agency will review the amendment request, and send a written response or new award document once approved.
- While it is possible the amendment could be rejected, the preliminary conversation with the funding agency should promote concurrence.



# Module 4: Post-Award Performance

## Sample 5: Amendment Approval from Grantor

NSF Subaward Amendment	
Prime Awardee	Subawardee
Institution/Organization ("University") Name: University of Maryland, College Park Address: Office of Research Admin. and Advancement 3112 Lee Building College Park, MD 20742-5141	Institution/Organization ("Collaborator") Name: Montgomery College Address: Office of Business Development and Grants 900 Hungerford Drive, Suite 254 Rockville, MD 20850
Prime Award No. DUE0736975	Subaward No. Z300701
Effective Date of Amendment January 25, 2010	Amendment No. A
<b>Amendment(s) to Original Terms and Conditions</b>	
Modification :	
1. Extends the period of performance through December 31, 2010.	
All other terms and conditions remain the same.	
By an Authorized Official of University	By an Authorized Official of Collaborator
 Signature _____ Date 1/25/10	 Signature _____ Date 5/19/10
Name: Katie Petrone	Name: Hercules Pinkney
Title: Senior Contract Manager	Title: Interim President



## Module 4: Post-Award Performance

### Changes That Do Not Require an Amendment

- Funds can be transferred between budget categories if the amount is below a certain threshold.
- Staff (not key personnel) change.

The conversation with the funding agency and budget office will help determine whether or not an amendment is required.



# Module 4: Post-Award Performance

## Activity #4

## Amendment



# Module 4: Post-Award Performance

## MODULE 4: Closeout

Tab 461  
Tab 466

“If you want a happy ending, that depends, of course, on where you stop your story.”

*Orson Welles*



# Module 4: Post-Award Performance

## Closeout – GAO Report

- \$794 million in expired grant accounts (PMS)
  - \$111 million remained over five years
  - \$9.5 million remained over 10 years
  - \$595 million attributed to 8,260 HHS grants
- \$126 million in expired grant accounts (ASAP)



# Module 4: Post-Award Performance

## Closeout Routines ( § 200.343, § 200.344)

- Undisbursed balances
  - Liquidation period
  - Return of unexpended funds
- Copyright/patents/inventions
- Close project in accounting systems
  - De-obligates funds
  - Prevents future charges against project
- Reduces opportunities for fraud, waste abuse



# Module 4: Post-Award Performance

## Record Retention ( § 200.333)

- Three years retention period after receipt of last report
- Federal and pass-through agencies have right to review records during the retention period
- Disallowances and recovery audits possible during the retention period



# Module 4: Post-Award Performance

## Extension of Record Retention Period

- Closeout and the record retention period can be extended
  - Ongoing audit, claim, litigation started before the end of the three-year retention period
  - Federal or pass-through agency informs nonfederal entity that the period is extended
  - When final disposition of real property or equipment extends beyond record retention period



# Module 4: Post-Award Performance

## Extension of Record Retention Period

- Closeout and the record retention period can be extended
  - When records are transferred, under certain circumstances
  - When program income transactions continue, if required by the award agreement
  - For some indirect cost rate negotiations requiring supporting documentation



# Module 4: Post-Award Performance

## Final Comments

- Sharing
- Q & A



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**El Camino College  
Subrecipient Performance  
Day 2, Module 5  
Tabs 300, 400, 600**

**THOMPSON INFORMATION SERVICES  
Karen Norris, Managing Editor**

April 2016

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# Module 5: Subrecipient Performance

## Module 5

Subrecipient Performance  
Partner Performance  
Contractor Performance



# Module 5: Subrecipient Performance

## Objectives

- Identify the differences between subaward and contract relationships.
- Raise awareness of different monitoring strategies and develop a monitoring workplan.
- Increase knowledge and skills about preparing for audit/site visits.



# Module 5: Subrecipient Performance

## Agenda

- Subaward vs. contract
- Monitoring Strategies
- Audit/site visits



# Module 5: Subrecipient Performance

## Anticipated Outcomes

After Module 5, attendees will have gained an increased awareness of:

- The differences between subaward and contract for selecting the appropriate award instrument.
- Monitoring requirements under key provisions of the uniform grant guidance.
- Preparing for a site visit, including a checklist.



# Module 5: Subrecipient Performance

## MODULE 5: Subawards and Contracts

Tabs 317, 430,  
452, 464, 466,  
469, 603

“A verbal contract isn't worth  
the paper it's written on.”

*Samuel Goldwyn*



# Module 5: Subrecipient Performance

## Pass-Through Agencies

- \$480 billion or 75 percent of federal funds are awarded to prime recipients (pass-through entities) each year.
- Pass-through entities fund lower-tier organizations through subawards or contracts.
- Roles and responsibilities increase in complexity.



# Module 5: Subrecipient Performance

## Subaward vs. Subcontract

The instrument or written agreement used to accomplish the pass-through award will greatly impact how these funds are monitored and managed.



# Module 5: Subrecipient Performance

## Uniform Guidance Provisions

- Definitions
  - § 200.51 Grant Agreement. A legal instrument of financial assistance between a federal awarding agency or pass-through entity and a nonfederal entity that is used to enter into a relationship to carry out a public good or purpose (31 U.S.C. 6101, 6302, 6304), and not to acquire property, goods or services for its own use or direct benefit.



# Module 5: Subrecipient Performance

## Uniform Guidance Provisions

- Definitions
  - § 200.24 Cooperative Agreement. A legal instrument of financial assistance between a federal awarding agency or pass-through entity and a nonfederal entity that is used to enter into a relationship to carry out a public good or purpose (31 U.S.C. 6101, 6302, 6305) with more federal involvement than a grant agreement, and not to acquire property, goods or services for its own use or direct benefit.



# Module 5: Subrecipient Performance

## Uniform Guidance Provisions

- Definitions
  - § 200.22 Contract. A legal instrument to purchase property, goods or services under a federal award, an acquisitions agreement, for the use or direct benefit of the offeror. The offeror can be a federal agency, pass-through entity, recipient or subrecipient.

Note: No relationship to carry out a public good.



# Module 5: Subrecipient Performance

## Uniform Guidance Provisions

- Definitions
  - § 200.22 Subaward. A legal instrument between a pass-through entity and a subrecipient that is used to enter into a relationship to carry out part of a federal award received by the pass-through entity to perform a public good, and not to acquire property, goods or services for the pass-through entity's own use or direct benefit.



# Module 5: Subrecipient Performance

## Uniform Guidance Provisions

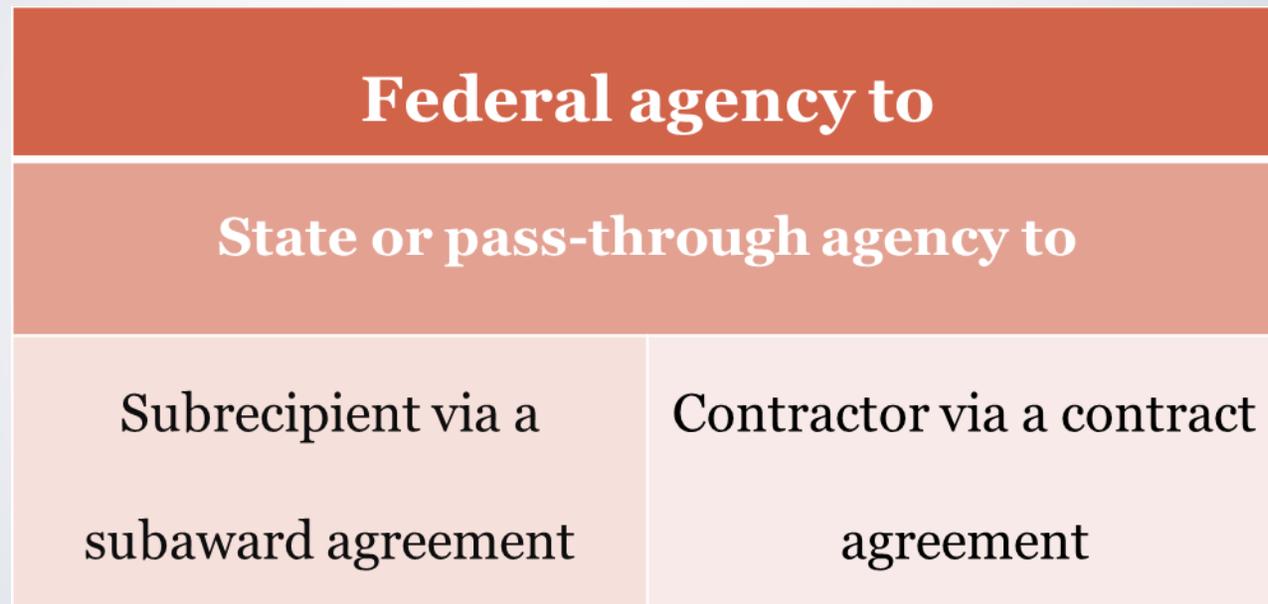
- Issue: "A subaward may be provided through any form of legal agreement, including an agreement that the pass-through entity considers a contract."

Discussion.



# Module 5: Subrecipient Performance

## Flow Down



# Module 5: Subrecipient Performance

## Uniform Guidance Provisions

- Before making subrecipient or contractor determinations, understand the flow down and applicability provisions of the uniform guidance.
- Differences among nonfederal entities.



# Module 5: Subrecipient Performance

## Uniform Guidance Provisions

- Flow down
  - § 200.90 State. State means any state of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, and any agency or instrumentality thereof exclusive of local governments.



# Module 5: Subrecipient Performance

## Uniform Guidance Provisions

- Flow down
  - § 200.101(b) Applicability. The terms and conditions of federal awards flow down to subawards to subrecipients unless a regulation, program statute, or the terms and conditions of the federal award indicate otherwise.
  - Pass-through entities also comply with § 200.330-.332, subrecipient and contractor determinations, pass-through entity requirements and fixed amount subawards.



# Module 5: Subrecipient Performance

## Uniform Guidance Provisions

- Most contractors are for-profits.
  - 200.101(c) Applicability. Federal agencies may apply Subparts A-E of the uniform guidance to for-profits.
- Award agreement, therefore, must indicate if Subparts A-E apply.
- Award agreement should indicate if Subpart F applies, if needed for your own compliance.



# Module 5: Subrecipient Performance

## Subawards and Contracts

Which type of written agreement is best to use?  
A subaward or contract?

It depends on the relationship and the purpose.



# Module 5: Subrecipient Performance

## Subawards and Contracts

- Have more in common today than in the past.
- Share attributes making it difficult to distinguish between them.
- Leads to some confusion about the selection of the appropriate award instrument to use and how best to monitor the obligations that each requires.



# Module 5: Subrecipient Performance

## Determinations

Both subawards and subcontracts are:

- Subject to the authorizing federal statute and appropriation;
- Structured by regulations;
- Competitively awarded (although some subcontracts and some subawards may, on occasion, be a sole-source or set-aside action);



# Module 5: Subrecipient Performance

## Determinations

Both subawards and subcontracts are:

- dependent upon the prime recipient's receipt of a federal award;
- based on a solicitation and a review to select subrecipients or contractors;
- offered to eligible applicants;



# Module 5: Subrecipient Performance

## Determinations

Both subawards and subcontracts are:

- Awarded to responsible parties who are judged best able to perform;
- Governed by terms and conditions.
- Need a written agreement between the prime and second-tier organization



# Module 5: Subrecipient Performance

## Determinations

Both subawards and subcontracts:

- Contain standard elements such as
  - Contact information for an officer of the prime organization
  - An acceptance by the subrecipient
  - Consideration paid based on the subrecipient performance
  - Allowable costs
  - Mutual obligation to comply with the terms and conditions of the award



# Module 5: Subrecipient Performance

## Determinations

The two types of written agreements are often hard to distinguish as they share similar attributes.



# Module 5: Subrecipient Performance

## A Fundamental Difference in Purpose

- Despite these extensive similarities, federal subawards and subcontracts address different fundamental purposes.
  - Grants and cooperative agreements are considered assistance agreements.
  - Contracts are considered service or acquisition agreements.



# Module 5: Subrecipient Performance

## Federal Grant & Cooperative Agreement Act 1977 (U.S.C. 6301-6308)

- A grant is defined as “the transfer of money or property to accomplish a public purpose of support or stimulation as authorized by federal statute.”



# Module 5: Subrecipient Performance

## Subawards

- Accomplish a public purpose;
- Advance a national objective; and/or
- Address a public need.
- Have subrecipients serve as an extension of the prime recipient.



# Module 5: Subrecipient Performance

## Contracts

- Prime recipients that wish to acquire goods or services for their own direct use or benefit (rather than accomplishing a public purpose) would essentially use a procurement instrument.



# Module 5: Subrecipient Performance

## Disclaimer!

Prime recipients or pass-through entities should consult with their legal offices for assistance in creating a subaward or contract agreement.

Next section, parts of a subaward agreement, is not legal advice.  
Please confer with your attorney.



# Module 5: Subrecipient Performance

## Parts of a Subaward Agreement

- Base agreement
- Attachment A: Scope of Work
- Attachment B: Budget
- Attachment C: Reporting



# Module 5: Subrecipient Performance

## Base Subaward Agreement

- Introductory paragraph
  - Names of parties, addresses
  - Agreement made this day of....
- Recitals
  - Whereas, your organization desires to obtain...
  - Whereas, ...has been selected as a subrecipient on the xxx project funded by ... under award number ...
- Articles of the Agreement



# Module 5: Subrecipient Performance

## Base Subaward Agreement

- Articles
  - Term
    - Subject to award number... and grantor approval...
    - Dates
  - Administrative Considerations
    - Where policies of differ (such as travel), the policies of ... shall be applicable to cost incurrences provided such policies comply with the awarding agency regulations.



# Module 5: Subrecipient Performance

## Base Subaward Agreement

- Articles
  - Responsibilities
    - Contractor or subrecipient agrees to ..., incorporated into the Agreement as Attachment A, Attachment B...
  - Compensation
  - Relationship of parties
  - Standards of work
  - Disclosure of information



# Module 5: Subrecipient Performance

## Base Subaward Agreement

- Articles
  - Rebudgeting or Amendments
  - Audit and compliance
    - All costs incurred subject to audit by...
    - Records – access, location, retention
  - Copyright/intellectual property ( § 200.315)
  - Termination ( § 200.339)
    - Without cause
    - With cause



# Module 5: Subrecipient Performance

## Base Subaward Agreement

- Articles
  - Notice
    - Key contact for each party
    - In writing...
  - Indemnification or liability to others
  - Arbitration
  - Entire agreement
  - Governing law



# Module 5: Subrecipient Performance

## Base Subaward Agreement

- Signatories
  - In witness thereof, the parties agree...
  - Signature line for each party
  - Authorized representative



# Module 5: Subrecipient Performance

## Attachment A: Scope of Work

- Objectives
- Activities, tasks or services
- Anticipated outcomes
  - Numbers served
  - Products developed – curriculum, brochures, website
- Timeline
- Key personnel responsible



# Module 5: Subrecipient Performance

## Attachment B: Budget

- Federal budget categories
  - Direct costs
    - Personnel
    - Fringe benefits
    - Consulting/contractual
    - Travel
    - Supplies and materials
    - Equipment
    - Other
  - Indirect costs (if allowed)
- Budget narrative



# Module 5: Subrecipient Performance

## Attachment C: Reporting

- Attachment C: Reporting
  - Timetable
  - Format(s)
  - Coordinate with invoicing process
- Program reports
- Financial reports
- Audit reports



# Module 5: Subrecipient Performance

## Reminder About For-Profits

For subaward or contract agreements, for-profits are not generally subject to single audits or the uniform guidance; however, their performance still affects the prime recipient's or pass-through entity's ability to perform federal program requirements. The prime recipient or pass-through is subject to single audits. If entering into an agreement with a for-profit, a statement about applicability should be included.



# Module 5: Subrecipient Performance

## MODULE 5: Subrecipient Monitoring

Tab 452

“The two most important requirements for major success are: first, being in the right place at the right time, and second, doing something about it.”

*Ray Kroc*



# Module 5: Subrecipient Performance

## Roles and Responsibilities

It is the responsibility of the prime recipient or pass-through entity to monitor progress and ensure subrecipient or contractor performance.



# Module 5: Subrecipient Performance

## Monitoring and Reporting ( § 200.328)

- The prime recipient or pass-through entity is responsible for oversight of the operations of the federal award.
- The prime recipient or pass-through entity must monitor activities to assure compliance with federal requirements and performance expectations.



# Module 5: Subrecipient Performance

## Monitoring and Reporting ( § 200.328)

- Monitoring by the prime recipient or pass-through entity must cover each program, function or activity.
- See § 200.331 requirements for pass-through entities.
- See § 200.101 for applicability and flow down



# Module 5: Subrecipient Performance

## Monitoring and Reporting ( § 200.328)

### Reports must include:

- Comparison of actual accomplishments to the objectives of the federal award.
- A computation of the cost and trend data may be required.
- Reasons why goals were not met, if applicable.
- Additional information including any cost overruns or high unit costs.



# Module 5: Subrecipient Performance

## Monitoring and Reporting ( § 200.328)

### Other important disclosures:

- Problems, delays or issues that will adversely impact objectives, including corrective action plan.
- Favorable conditions that enable early completion, less cost, or other unanticipated benefits.

*Site visits may be needed to address program needs.*



# Module 5: Subrecipient Performance

## Requirements for Pass-throughs ( § 200.331)

- Ensure every subaward is clearly identified, including:
  - Federal award identification number (FAIN)
  - Subrecipient name and DUNS number
  - Federal award date
  - Subaward period of performance
  - Amount of federal funds for the period and total project



# Module 5: Subrecipient Performance

## Requirements for Pass-throughs ( § 200.331)

- Ensure every subaward is clearly identified, including:
  - Amount of federal funds to subrecipient for the action
  - Amount of federal funds planned to subrecipient in total
  - Total amount of federal award
  - Federal project description for FFATA reporting
  - Contact information for pass-through and federal managers



# Module 5: Subrecipient Performance

## Requirements for Pass-throughs ( § 200.331)

- Ensure every subaward is clearly identified, including:
  - CFDA number
  - Identification if research award
  - Indirect cost rate including *de minimis* rate, if applicable



# Module 5: Subrecipient Performance

## Requirements for Pass-throughs ( § 200.331)

- Provide all requirements of the federal award and any of its own additional requirements such as more frequent reporting, as needed.
- Accept the subrecipient's approved indirect cost rate, or if none, negotiate a rate or accept the de minimis rate, if appropriate



# Module 5: Subrecipient Performance

## Requirements for Pass-throughs ( § 200.331)

- Require subrecipients to permit pass-through and auditors access to records.
- Provide procedures for closeout.



# Module 5: Subrecipient Performance

## Requirements for Pass-throughs ( § 200.331)

- Evaluate subrecipient level of risk to determine appropriate level of monitoring:
  - Prior experience with same or similar awards
  - Results of prior audits, particularly single audit
  - New personnel or changed systems
  - Results of any federal monitoring, if subrecipient also receives federal awards directly



# Module 5: Subrecipient Performance

## Requirements for Pass-throughs ( § 200.331)

- Consider specific conditions, as appropriate
- Monitor subrecipients against federal statutes, award terms and conditions and performance goals, including:
  - Review of financial and programmatic reports
  - Follow-up to ensure timely corrective action for deficiencies from reports, audits, on-site reviews



# Module 5: Subrecipient Performance

## Requirements for Pass-throughs ( § 200.331)

- Issue a management decision on audit findings according to ( § 200.521):
  - Communicate audit finding, reasons for the decision, expected auditee action to repay disallowed costs or take other action.
  - Corrective action plan, timetable for follow-up.
  - Description of appeal process.



# Module 5: Subrecipient Performance

## Requirements for Pass-throughs ( § 200.331)

- Verify each subrecipient is audited, as required.
- Consider if results of audits, on-site reviews or other monitoring indicate needed adjustments.
- Consider enforcement action against noncompliant subrecipients ( § 200.338).



# Module 5: Subrecipient Performance

## Fixed-Amount Awards ( § 200.332)

- Prior written approval from the federal awarding agency
- Fixed-amount subawards up to \$150,000 meeting the requirements of § 200.201.
- No monitoring of costs.
- Reimbursement based on results and deliverables



# Module 5: Subrecipient Performance

MODULE 5:  
Site Visits

Tab 452

“An ounce of performance  
is worth pounds of promises.”

*Mae West*



# Module 5: Subrecipient Performance

## Common Procedures to Monitor

- HR and hiring procedures
- Financial procedures
- Progress reporting
- Travel procedures
- Time and attendance procedures

All procedures should be documented locally, and align with federal laws and regulations.



# Module 5: Subrecipient Performance

## Common Data Collection Procedures

- Direct observation
- Personal interviews
- Questionnaires
- Statistical sampling/records
- Subrecipient reports



# Module 5: Subrecipient Performance

## Common Monitoring Activities

- Comparison of actual accomplishments to goals
- Comparison of actual accomplishments to costs
- Review of project outputs
- Review of project outcomes
- Reasons if goals and objectives were not met
- Cost over-runs or low spending activity
- Identification if need for modifications



# Module 5: Subrecipient Performance

## Agency Roles While Monitoring

- Standard monitoring – review reports, site visits
- Involvement – increased exchange for better management
  - Ex: phone calls, desk reviews from remote location
- Intervention – when serious problems arise
  - On-site reviews: can be extensive or highly “focused”



# Module 5: Subrecipient Performance

## Traditional Monitoring Techniques

- Financial status, progress, and close-out reports
- Prior and retroactive approvals of amendments
- Site visits
- Telephone, email, or letter
- Audits and Single Audit Reports\*

\* How many of your subrecipients did the A-133 single audit but are now under the new threshold?



# Module 5: Subrecipient Performance

## Signs of Irregularities

- PI who falls below level of effort
- Unreasonably slow progress
- Major re-budgeting (above 25%)
- Non-returned phone calls/emails, late report
- Accidental or intentional



# Module 5: Subrecipient Performance

## Common Reasons for Site Visits

- Moderate- or high-risk subrecipient
- High-cost project
- Complexity
- Agency priority
- Recipient or PI experience
- Length of time since last site visit



# Module 5: Subrecipient Performance

## More Reasons for Site Visits

- Geographic location
- Indicators of problems
- Recipient request
- Renewal of continuation period
- Public visibility of program



# Module 5: Subrecipient Performance

## Site Visit Procedures

- Agency letter to notify recipient of upcoming visit
  - Date
  - Time
  - Agenda
  - Awards and records to review
  - Staff to interview



# Module 5: Subrecipient Performance

## Site Visit Agenda

- Pass-through agency should provide ahead of time
- Subrecipient should be permitted to add any items
- Subrecipient may request an agenda if not initially provided
- Agenda serves as a guideline to plan for the visit



# Module 5: Subrecipient Performance

## Site Visit Opportunities For Subrecipients

- Demonstrate how well the project is progressing
- Identify any areas of weakness that might benefit from granting agency technical assistance
- Demonstrate recipient “best practices” [show off!]



# Module 5: Subrecipient Performance

## Site Visit Checklists

- Checklists vary, but share common components
- Program management
  - Objectives
  - Targets
  - Activities
  - Outcomes to date



# Module 5: Subrecipient Performance

## More About Checklists

- Financial management
  - Procedures
  - Transactions
  - Receipts
  - Purchase orders
  - Absence of co-mingling of funds



# Module 5: Subrecipient Performance

## More About Checklists

- Personnel management
  - Procedures
  - Hiring policies
  - Position descriptions
  - Recruitment
  - Evaluation
  - Professional development



# Module 5: Subrecipient Performance

## More About Checklists

- Subawards or subcontract management
  - Procurement procedures
  - Written policies and procedures
  - Subrecipient handbook
  - Bid process
  - Monitoring processes



# Module 5: Subrecipient Performance

## More About Checklists

- Property and equipment, if applicable
  - Inventory records
  - Maintenance



# Module 5: Subrecipient Performance

## Site Visit Routines

- Review of checklist
- Interviews with recipient staff
  - Program
  - Finance
- Review of records and supporting documentation
  - Project
  - Institution



# Module 5: Subrecipient Performance

## Site Visit Sample Checklist

Requirements	Compliance (Y/N)	Comments
1. Written HR procedures		
2. Cost-sharing/matching		
3. Prior approvals obtained before amendments		
4. Copies of receipts		
5. Evaluation plan in place		
6. General Ledger of transactions		



# Module 5: Subrecipient Performance

## Subrecipient Preparations

- Agency's letter serves as a guideline
- Pre-planning is important
  - Pull files
  - Arrange for copies
  - To avoid surprises, interact with internal auditor early and often before the site visit team arrives



# Module 5: Subrecipient Performance

## Subrecipient Preparations

- Provide access to requested files.
- Provide access to staff.
- Provide office space for meetings, interviews.
- Be considerate of ethics rules and what federal officials are able to accept/not accept in the way of meals, promotional items.



# Module 5: Subrecipient Performance

## Site Visit Schedule

- Entrance conference
- Reviews and interviews
- Exit conference
  - Clarify “next steps” with auditor
- Final Report



# Module 5: Subrecipient Performance

## Site Visit Report

- Purpose of review
- Process
- Findings
- Conclusions and recommendations
- Any follow-up that is required



# Module 5: Subrecipient Performance

## Activity #5

### Site Visit/Audit Checklist



# Module 5: Subrecipient Performance

## Final Comments

- Sharing
- Q & A



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**El Camino College  
Audit  
Waste, Fraud and Abuse  
Day 2, Module 6  
Tabs 200, 300, 400, 500**

**THOMPSON INFORMATION SERVICES  
Karen Norris, Managing Editor**

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# Module 6: Audit/Waste, Fraud & Abuse

## Module 6

### Audit Waste, Fraud and Abuse



# Module 6: Audit/Waste, Fraud & Abuse

## Objectives

- Explore common issues in grants management related to audit.
- Review audit changes in the uniform grant guidance.
- Raise awareness about enforcement and sanctions (remedies).
- Improve accountability by recognizing and addressing waste, fraud and abuse.



# Module 6: Audit/Waste, Fraud & Abuse

## Agenda

- Common issues and audit findings
- Audit changes in the uniform guidance
- Enforcement and sanctions (remedies)
- Waste, fraud and abuse



# Module 6: Audit/Waste, Fraud & Abuse

## Anticipated Outcomes

After Module 6, attendees will have gained an increased awareness of:

- Examples of the most common audit findings and case histories.
- Differences in audit requirements between the OMB circulars and the uniform guidance.
- Enforcement actions, sanctions and remedies.
- Indicators of waste, fraud and abuse.



# Module 6: Audit/Waste, Fraud & Abuse

## MODULE 6: Common Audit Findings and Case Studies

Tabs 350, 441,  
452, 455, 465,  
469

“A fool and his money get a lot of  
publicity.”

*Al Bernstein*



# Module 6: Audit/Waste, Fraud & Abuse

## Review: \$600 Billion in Federal Awards

- \$125 billion in improper payments.
- \$180 million to 20,000 individuals who were dead.
- \$230 million to 14,000 fugitives or jailed felons.

OMB recovered \$47 billion during 2012 with subsequent annual recovery targets for federal agencies, [paymentaccuracy.gov](http://paymentaccuracy.gov).



# Module 6: Audit/Waste, Fraud & Abuse

## Audit

- Federal agencies and pass-through entities are held accountable for federal funds.
  - For their stewardship
  - For reporting the results of that stewardship
  - For publishing the results annually to the public
- Uniform guidance seeks to reduce improper payments, waste, fraud and abuse.



## Module 6: Audit/Waste, Fraud & Abuse

Awarding and receiving grants  
can be risky business.

The greater the risk, the more likely waste,  
fraud and abuse will occur.

Let's look at common audit findings that  
raise risk.



# Module 6: Audit/Waste, Fraud & Abuse

## Time & Effort

- Time and effort reporting must now account for 100 percent of time for grant and nongrant activities ( § 200.430)
- Time & effort reporting must have adequate documentation
  - Timekeeping system
  - Approval signatures



# Module 6: Audit/Waste, Fraud & Abuse

## Allowability of Costs

- Seek prior approval from the federal awarding agency under 22 circumstances ( § 200.407)
- Review 55 cost principles and note what's new
- Update internal policies and regulations to protect allowable costs
  - Add new costs to policies (social media)
  - Revise prior costs with updates (travel – family friendly costs, procurement – competitive and noncompetitive bids)



# Module 6: Audit/Waste, Fraud & Abuse

## Procurement

- Nonfederal entity must have written procurement procedures ( § 200.318)
- The nonfederal entity must have a written method for conducting technical evaluations of the proposals received and for selecting recipients ( § 200.319)



# Module 6: Audit/Waste, Fraud & Abuse

## Procurement

- To ensure objective contractor performance and eliminate unfair competitive advantage, contractors that develop or draft specifications, requirements, statements of work, and invitations for bids or requests for proposals must be excluded from competing for such procurements ( § 200.319)



# Module 6: Audit/Waste, Fraud & Abuse

## Lack of Documentation

- Documentation must support payment for expenses to ensure that they are allowable, allocable, necessary and reasonable ( § 200.403)
  - Receipts
  - Purchase orders
  - Invoices
  - Time records



# Module 6: Audit/Waste, Fraud & Abuse

## Lack of Documentation

- Additional problems with lack of documentation
  - Recipient and partner contributions
  - Cash and in-kind match
  - Allowable costs
  - Procurement



# Module 6: Audit/Waste, Fraud & Abuse

## Audit Documentation

- The uniform grant guidance requires an auditor to retain all audit documentation and reports for a minimum of three years after the date the report(s) are issued to an auditee ( § 200.517(a)).



# Module 6: Audit/Waste, Fraud & Abuse

## Policies and Procedures

- Federal agencies had to update agency regulations to reflect uniform grant guidance
- Nonfederal entities must update local policies to reflect uniform guidance
  - Time and effort ( § 200.430)
  - Procurement ( § 200.317-.326)
  - Indirect costs ( § 200.414)
  - Risk assessments ( § 200.205)
  - Integrity and business ethics ( § 200.201)



# Module 6: Audit/Waste, Fraud & Abuse

## Reporting

- Nonfederal entities must monitor activities under federal awards to assure compliance and performance expectations are being achieved.
- Monitoring by the nonfederal entity must cover each program, function or activity ( § 200.328)



# Module 6: Audit/Waste, Fraud & Abuse

## Reporting

- Nonfederal entities must submit performance reports using OMB-approved governmentwide standard information collections ( § 200.328)
  - Comparison of actual accomplishments to objectives
  - Reasons why goals were not met
  - Additional information about any cost overruns or high unit costs



# Module 6: Audit/Waste, Fraud & Abuse

## Case Histories Audit Appeals and Denials



# Module 6: Audit/Waste, Fraud & Abuse

## Utah - Medicaid Long-Term Care Rates

- Disallowance of \$9.7 million
- HHS Appeals Board
  - State payments to contractors exceeded the applicable upper payment limits
  - State improperly claimed administrative costs
  - State did not have written policies to support what it was paying



## Module 6: Audit/Waste, Fraud & Abuse

### Louisiana – Donation, MOE, Eligibility for TANF

- \$29.4 million disallowed
- Temporary Assistance for Needy Families
- HHS Appeals Board
  - Maintenance of effort compliance
  - British Petroleum (BP) donations could not be counted
  - Unreasonable estimates
  - Unallowable purpose – no documentation that families who received BP funds were eligible under TANF (needy)



# Module 6: Audit/Waste, Fraud & Abuse

## New York - Multiple Medicaid ID numbers

- Office of State Comptroller audit
- \$17.3 million overpaid to NY
  - Duplicate payments to managed care plans, hospitals, clinics
- 9,848 recipients - more than one Medicaid ID
- Half the problems related to newborns
  - Mother's information not cross-referenced to newborn
  - Administrators did not check Welfare Management System



# Module 6: Audit/Waste, Fraud & Abuse

## California - 21st C Community Learning Ctrs

- \$35 million grant award
- Cut-and-pasted survey results, traced signatures
- Sanctions
  - All funds returned
  - Grant writer convicted of mail fraud, forgery and making false statements
  - Possible maximum 35 years in prison



# Module 6: Audit/Waste, Fraud & Abuse

## Indiana – Eligibility, MOE, Partners for TANF

- \$21.6 million disallowed
- HHS Appeals Board
  - Maintenance of effort – hospital charity care
  - Expenditures not allowable under emergency fund
  - No data of family eligibility
  - Third-party providers did not collect information at time of service



# Module 6: Audit/Waste, Fraud & Abuse

## Federal Aviation Administration Airport Improvement Program

- \$1.4 million in improper Recovery Act payments at the airports the OIG reviewed.
- \$900,000 for services that lacked FAA's approval
  - Expenses not eligible for payment from grant funds
  - Payments billed to the wrong grant



# Module 6: Audit/Waste, Fraud & Abuse

## Federal Aviation Administration Airport Improvement Program

- San Francisco International Airport officials improperly sought reimbursement for more than \$832,000 for unapproved taxiway and drainage work and ineligible survey equipment.
- OIG projected about \$24.3 million improper payments nationwide.



# Module 6: Audit/Waste, Fraud & Abuse

## Federal Aviation Administration Airport Improvement Program

- \$4.7 million to Alaska in Recovery Act funds for airport planning and design work between 2004 and 2008, before the Recovery Act (2009).
- Regional offices improperly allowed two grantees to accept single bids without negotiation.



# Module 6: Audit/Waste, Fraud & Abuse

## Activity #6

## Case Study



# Module 6: Audit/Waste, Fraud & Abuse

## What Really Happened Case Study



## Module 6: Audit/Waste, Fraud & Abuse

### Could Better Audits Have Prevented the Lawsuit?

*On June 2, 2011 the Supreme Court decided the case of the Board of Trustees of Leland Stanford Jr. University v. Roche Molecular Systems*

*Case No. 09-1159*



# Module 6: Audit/Waste, Fraud & Abuse

## The Issue:

*Can a university's [Stanford] statutory rights to inventions arising from federally funded research be terminated by an individual inventor who made an agreement with a third party [Roche]?*



# Module 6: Audit/Waste, Fraud & Abuse

## Patents and Inventions

*Who controls the patent rights for inventions resulting from federally-funded projects?*

*In this case, the Supreme Court ruled in favor of the researcher unless grantees are vigilant in protecting their interests.*



# Module 6: Audit/Waste, Fraud & Abuse

## Bayh-Dole Act of 1980

- Establishes the rights of the government, inventors and other parties to inventions developed under federal contracts and assistance awards



# Module 6: Audit/Waste, Fraud & Abuse

## The Case

- In 1988, under a National Institutes of Health grant, a researcher named Mark Holodniy started work at Stanford University
- Among his duties, he worked on a test to assist in the treatment of HIV-infected individuals

*(2011-1988 = 23 years)*



# Module 6: Audit/Waste, Fraud & Abuse

## Agreements

- Holodniy signed a copyright and patent agreement with Stanford to assign his inventions to the university
- Stanford reserved the right to the government to use the invention for governmental purposes



# Module 6: Audit/Waste, Fraud & Abuse

## Agreements

- Stanford also had an agreement with a private laboratory authorizing Stanford researchers to do work at the lab, and Holodniy conducted some work at the lab.
- The lab had Holodniy sign a visitor's confidentiality agreement assigning his rights, title and interest to the lab.



## Module 6: Audit/Waste, Fraud & Abuse

### What Happened?

- After working at the lab and using information obtained there, Holodniy worked with others at Stanford and developed an assay used to test the RNA of individuals with HIV.
- Stanford patented the process, as authorized under the Bayh-Dole Act



## Module 6: Audit/Waste, Fraud & Abuse

### What Happened?

- The private lab was subsequently bought by Roche
- In 1992, Roche began marketing HIV detection kits using the assay, but did not obtain a license from Stanford
- Stanford sued for patent infringement



# Module 6: Audit/Waste, Fraud & Abuse

## What Happened?

- Roche defended, claiming ownership.
- Sanford testified it knew nothing about the visitor agreement Holodniy signed and stated he signed for himself, not on behalf of the university.



# Module 6: Audit/Waste, Fraud & Abuse

## Lower Court

- The case was decided for Stanford by a federal district court in California



# Module 6: Audit/Waste, Fraud & Abuse

## Appeals Court

- The case was overturned and the decision was reversed in the Court of Appeals for the Federal Circuit.
- Stanford appealed.
- The Supreme Court agreed to hear the case.



# Module 6: Audit/Waste, Fraud & Abuse

## Supreme Court

- Ordinarily, the prime recipient of the federal award holds the rights to inventions and patents under the federal award.
- The Supreme Court, however, ruled that Stanford failed to protect its rights, and therefore, Bayh-Dole did not apply.



# Module 6: Audit/Waste, Fraud & Abuse

## MODULE 6: Audit Changes in the Uniform Guidance

Tabs 231, 430,  
437, 451, 455,  
457

“Beware of false knowledge; it is more dangerous than ignorance.”

*George Bernard Shaw*



# Module 6: Audit/Waste, Fraud & Abuse

## Changes to Audit Responsibilities

- For federal agencies ( § 200.513)
- For pass-through entities ( § 200.331)
- Must reassess risk after reporting
- Implement audit-risk metrics
  - Timeliness of report submissions
  - Number of audits without auditor opinion on major programs
  - Number of repeat findings



# Module 6: Audit/Waste, Fraud & Abuse

## Changes to Audit Responsibilities

- Federal single audit accountable official ( § 200.513)
- Cooperative audit resolution ( § 200.25 and § 200.513)

To reduce the number of outstanding audit findings for existing awardees



# Module 6: Audit/Waste, Fraud & Abuse

## Changes to Pre-Award Risk Assessments

- Risk and integrity assessments ( § 200.205)
- Determinations as “not qualified” ( § 200.212)
- Federal Awardee Performance and Integrity Information System (FAPIIS) extended from federal contracts to federal grants.
- Denials for risk and/or integrity are reported in FAPIIS for five years.

To prevent awards to high-risk applicants.



# Module 6: Audit/Waste, Fraud & Abuse

## Changes to Indirect Costs

- *De minimis* rate ( § 200.414)
- Federal agencies must accept negotiated rate of nonfederal entity unless program statute or regulation states otherwise ( § 200.414)
- Pass-through entities ( § 200.331) must accept negotiated rate of subrecipients, unless statute otherwise, or
  - Negotiate a rate
  - Provide the *de minimis* rate, as appropriate



# Module 6: Audit/Waste, Fraud & Abuse

## Changes to Federal Audit Clearinghouse

- Subrecipients submit audit reports directly to the FAC instead of to their pass-through entities, as was prior protocol ( § 200.503, § 200.512)



# Module 6: Audit/Waste, Fraud & Abuse

## Other Changes to Audits

- Single audit threshold ( § 200.501)
  - \$500,000 prior to Dec. 26, 2014
  - \$750,000 on or after Dec. 26, 2014
- Audit applicability (A-133 or Subpart F)
  - A-133 audit (\$500,000) for fiscal years starting before Dec. 26, 2014
  - Subpart F audit (\$750,000) for fiscal years starting on or after Dec. 26, 2014



# Module 6: Audit/Waste, Fraud & Abuse

## Changes to Audits

- Compliance testing (Appendix XI)
  - 14 tests for awards before Dec. 26, 2014
  - 12 tests for awards on or after Dec. 26, 2014
- Example: FY 2015 (7/1/14-6/30/15)
  - A-133 audit for FY 2015
  - \$500,000 single audit threshold
  - **But...uniform guidance effective date is in the middle of the fiscal year**
  - Awards received before Dec. 26, 2014: 14 tests
  - Awards on/after Dec. 26, 2014: 12 tests



# Module 6: Audit/Waste, Fraud & Abuse

## Areas of Compliance Testing

Note the Award Date (Before or After Dec. 26, 2014)

- Activities allowed or unallowed
- Allowable costs/cost principles
- Cash management
- **Davis Bacon Act/construction (A-133 only)**
- Eligibility
- Equipment and real property management
- Matching, level of effort, earmarking



# Module 6: Audit/Waste, Fraud & Abuse

## Compliance Testing (cont)

- Period of *performance* (prior *availability*)
- Procurement/suspension and debarment
- Program income
- **Real property acquisition & relocation (A-133 only)**
- Reporting (financial, program, special)
- Subrecipient monitoring
- Special tests and provisions



# Module 6: Audit/Waste, Fraud & Abuse

## Internal Control in the Uniform Guidance ( § 200.303)

- Previously under audit in OMB Circular A-133
- Moved forward from audit (Subpart F) in the uniform grant guidance to post-award (Subpart D)

Indicator of importance to attend to internal controls earlier in the grants lifecycle.



# Module 6: Audit/Waste, Fraud & Abuse

## MODULE 6: Enforcement and Sanctions

Tab 316

Tab 466

Tab 572

“Regardless of the sanctions imposed, agencies have not only a right, but a duty to recover public funding.”

*IPERIA*



# Module 6: Audit/Waste, Fraud & Abuse

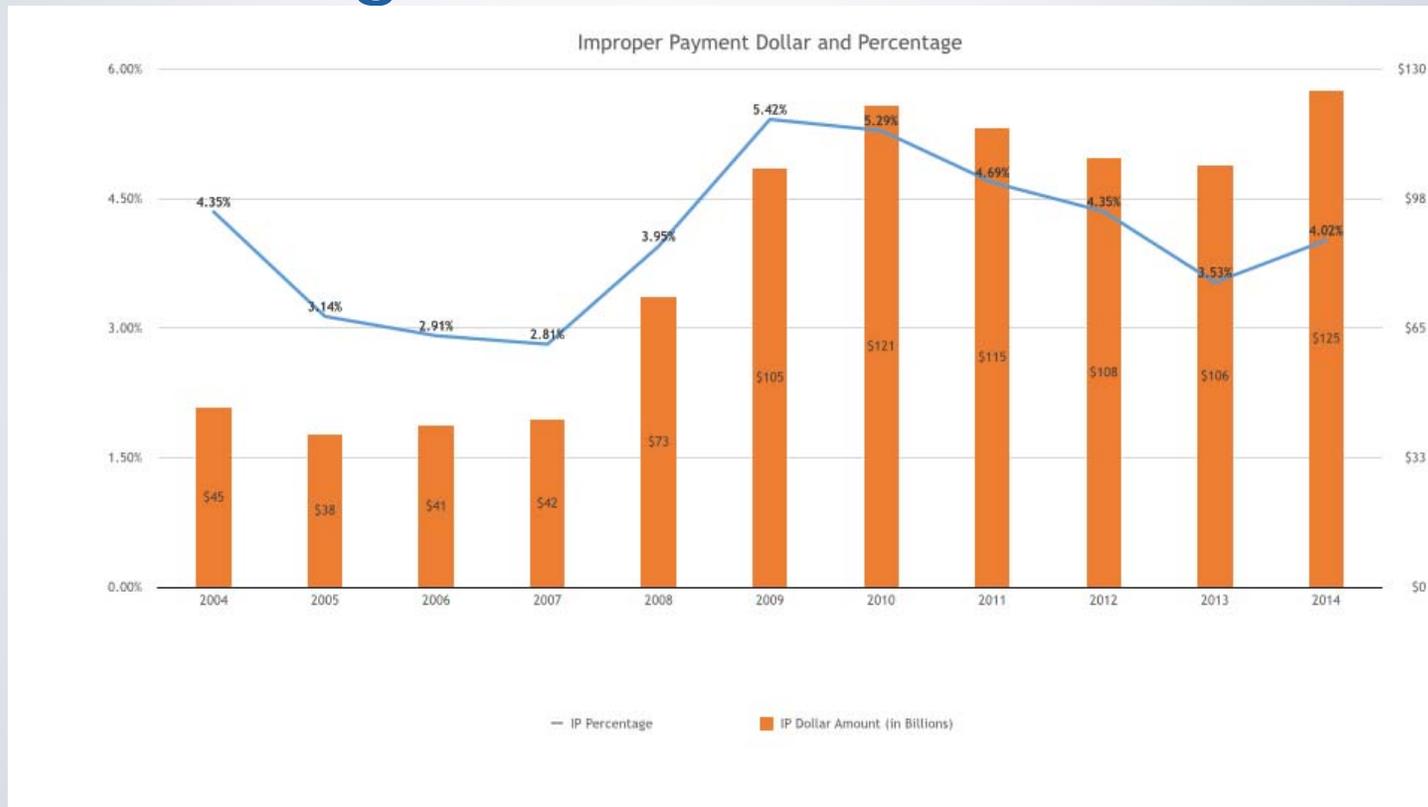
## Revisit IPERIA

- OMB 2012 goal to recover \$50 billion
- OMB recovered \$47 billion
- Annual targets for each federal agency
- [www.paymentaccuracy.gov](http://www.paymentaccuracy.gov)



# Module 6: Audit/Waste, Fraud & Abuse

## Federal Targets

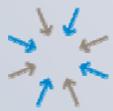


# Module 6: Audit/Waste, Fraud & Abuse

## FY 2014 Overpayments Recaptured

Includes Contracts, Grants, Benefits, Loans, and Other

Agency	Payment Recapture Audits		Overpayments Recaptured Outside of Payment Recaptures	
	Amount Identified	Amount Recovered	Amount Identified	Amount Recovered
Department of Agriculture	\$0.6M	\$0.7M	\$300.5M	\$234.5M
Department of Commerce	\$0.0M	\$0.0M	\$9.4M	\$7.2M
Department of Defense- -Military	\$6.5M	\$2.0M	\$513.2M	\$462.6M
Department of Education	\$74.4M	\$33.8M	\$0.0M	\$0.0M



# Module 6: Audit/Waste, Fraud & Abuse

## Enforcement (Remedies § 200.338)

- Several options to remedy or address wrongdoing and recover funds.
- Actions depend upon level of seriousness
  - Written notification with opportunity to cure
  - Corrective action plan with opportunity to cure
  - Sanctions
  - Litigation
  - Civil penalties
  - Criminal penalties



# Module 6: Audit/Waste, Fraud & Abuse

## Sanctions/Remedies: Minor Violations

- If the violation is not serious, the agency may issue a formal written notification to the recipient
  - Identify the problem
  - Establish a timetable for corrective action



# Module 6: Audit/Waste, Fraud & Abuse

## Sanctions/Remedies: More Serious Violation

- If the recipient fails to respond to corrective action, or if the discovery is more serious, the agency may issue a formal written warning:
  - Identify the problem.
  - Include a timetable for corrective action.
  - Outline the measures the agency will take if the problem is not corrected.



# Module 6: Audit/Waste, Fraud & Abuse

## Sanctions/Remedies for Serious Issues

- Temporarily hold federal reimbursement for the grant, pending corrective action.
- Temporarily hold federal reimbursement for all grants, pending corrective action.
- Disallowing expenditures for unallowable activities.
  - Funds must be returned.
  - Recovery audits.



# Module 6: Audit/Waste, Fraud & Abuse

## More Sanctions/Remedies

- Classifying the recipient as “high risk.”
- Adding special terms and conditions to the grant agreement ( § 200.207).
- Placing contingencies on renewal of funds for subsequent budget periods.
- Refusing to continue a grant under a renewal period.



# Module 6: Audit/Waste, Fraud & Abuse

## More Sanctions/Remedies

- Suspending the grant (during investigation period).
- Terminating the grant.
- Initiating proceedings to suspend and/or debar the recipient from participating in all federal programs.



# Module 6: Audit/Waste, Fraud & Abuse

## More Sanctions/Remedies

- Pursuing recovery of funds:
  - All funds, a penalty deduction, fine
  - Administrative action or through litigation
- Pursuing civil penalties.
- Pursuing criminal penalties.



# Module 6: Audit/Waste, Fraud & Abuse

## Disallowance of Funds

- Funds may be disallowed for the specific cost or all costs pending corrective action.
- Justification may range from recipient error to actual fraud.



# Module 6: Audit/Waste, Fraud & Abuse

## Causes for Disallowance

- If claimed expenses were:
  - Not incurred
  - Incurred for purposes other than intended
  - Incurred outside the grant period
  - Not adequately documented
  - Not within the terms of the grant agreement
  - Lacking required prior agency approval
  - Not properly matched by local funds, if required



# Module 6: Introduction to Grants

## Nonrenewal of Grant

- Failure to submit required reports on time, make satisfactory progress, and/or meet the terms of the current award period.
- Poor management practices to adequately ensure appropriate and efficient use of federal funds.
- Circumstances that indicate continued funding is not in the best interests of the government.



# Module 6: Audit/Waste, Fraud & Abuse

## Suspension and Debarment

- Individuals and organizations can be suspended and/or debarred from doing business with the federal government.
- Suspension is temporary pending investigation, fact-finding and corrective action, as appropriate.
- If warranted, debarment can last up to three years.



# Module 6: Audit/Waste, Fraud & Abuse

## Other Measures

- An employee, not the recipient institution, is the problem:
  - PI or institution must take appropriate corrective action
  - Institution may need to replace offending employee (or partner)



# Module 6: Audit/Waste, Fraud & Abuse

## Recovery of Funds

- Administrative or offset remedies.
- Litigation or legal remedies.
- Civil penalties.
- Criminal penalties.



# Module 6: Audit/Waste, Fraud & Abuse

## Administrative or Offset Remedies

- Most common administrative remedy.
- Reduction in grant payments from another federal source to recover the debt owed by the subject grant.
- Some restrictions:
  - Offset cannot impair the ability of the other grant to perform.
  - Offset should not be used if funds can be recovered from the first grant.



# Module 6: Audit/Waste, Fraud & Abuse

## Litigation or Legal Remedies

- Statute of limitations on actions to recover funds from grants is six years.
- Agencies have six years from the time of “injury” or misuse of funds, or six years from the time of discovery to file a law suit to recover funds.
- Suits usually involve recovery of disallowed costs or loss due to criminal activity by the recipient or its employees.



# Module 6: Audit/Waste, Fraud & Abuse

## Civil Penalties

- Penalty of not more than \$5,000 may be imposed for each claim (some agencies may vary).
- If the government has already reimbursed the recipient for any of the false or fraudulent claim, a further penalty of not more than twice the amount may be assessed.



# Module 6: Audit/Waste, Fraud & Abuse

## Criminal Penalties

- Criminal prosecution is possible in addition to civil penalties.
- State and federal statutes may apply.
- Imprisonment not to exceed five years for the federal offense, plus a possible fine.



# Module 6: Audit/Waste, Fraud & Abuse

## MODULE 6: Waste, Fraud and Abuse

Tab 441

“There is no kind of dishonesty into which otherwise good people more easily and frequently fall than that of defrauding the government.”

*Benjamin Franklin*



# Module 6: Audit/Waste, Fraud & Abuse

## Revisit Recovery Operations Center (ROC)

- Detect and prevent fraud, waste and abuse
  - Law enforcement analysis
  - Software tools
  - Government databases
  - Open-source information
  - Fraud-risk score card
  - Mathematical models for detection
  - Historical data and patterns



# Module 6: Audit/Waste, Fraud & Abuse

## ROC

ROC signaled investigations by Inspectors General and U.S. Attorneys who uncover fraud schemes.

ROC transitioned to Hurricane Sandy funds after ARRA sunset 9/30/13.

ROC transitioned to DATA Act 9/30/15.



# Module 6: Audit/Waste, Fraud & Abuse

ROC

Two ARRA case studies.



# Module 6: Audit/Waste, Fraud & Abuse

## Missouri and Kansas

- \$5 million awarded
- False claims in both proposals
- One bribed VA official with \$20,000 in baseball tickets and entertainment at a “gentlemen’s club”
- One claimed to be a service-disabled veteran with three Silver Stars and three Purple Hearts for service in Viet Nam
  - Member of Missouri National Guard
  - Never left state



# Module 6: Audit/Waste, Fraud & Abuse

## Risk Is Monitored

- ROC detected inconsistencies in reporting
- Triggered investigations
  - Office of the Inspector General for the Department of Veterans' Affairs
  - General Services Administration
  - Small Business Administration
  - Assistant U.S. Attorneys for the State of Kansas and Eastern District of Missouri



# Module 6: Audit/Waste, Fraud & Abuse

## What Happened?

- \$6.8 million in restitution for first award
  - Sentencing up to 30 years
- \$1.5 million in restitution for second award
  - 36 months probation and \$60,000 fine for one individual
  - 24 months prison and \$50,000 fine for another
- 15 months prison for VA official who took bribes



# Module 6: Audit/Waste, Fraud & Abuse

## Prevention of Fraud, Waste and Abuse

- Occurs at every phase of the grant cycle
- A shared responsibility among:
  - Nonfederal entities
  - Federal agencies
  - Program offices
  - Grants offices
  - Oversight offices



# Module 6: Audit/Waste, Fraud & Abuse

## Definitions

Term	Definition
Fraud	The <b><i>intentional</i></b> , unlawful acquisition of benefits (money and services) by committing wrongful acts affecting government programs and operations.
Waste	The <b><i>intentional or unintentional</i></b> , thoughtless or careless expenditure, consumption and mismanagement of government resources.
Abuse	The <b><i>excessive or improper</i></b> use of government resources, including position and authority.



# Module 6: Audit/Waste, Fraud & Abuse

## Categories of Waste, Fraud and Abuse

- Conflicts of interest
- Theft
- Failing to properly support the use of funds



# Module 6: Audit/Waste, Fraud & Abuse

## Conflicts of Interest ( § 200.112)

- Decisions involving grant funds must be free of undisclosed personal and/or organizational conflicts in appearance and in fact.
  - Less than arms-length transactions
  - Subaward decisions
  - Consultants
  - Board members



# Module 6: Audit/Waste, Fraud & Abuse

## Theft - Most Common Criminal Grant Activity

- Embezzlement
  - Taking property or funds over which a person has been entrusted.
  - Premeditated and methodical with intent to conceal.
- Misappropriation
  - To put property or funds over which a person has been entrusted to a wrongful use.
  - Similar to embezzlement



# Module 6: Audit/Waste, Fraud & Abuse

## Fraud Schemes

- Diverting funds to related parties.
- Hiring/contracting with related parties.
- Issuing checks to related parties.
- Submitting bogus/duplicate invoices.
- Paying for personal expenses



# Module 6: Audit/Waste, Fraud & Abuse

## Fraud Schemes

- Hiring fake/ghost employees.
- Providing false information on grant applications and progress reports.
- Using funds for unauthorized and unintended purposes.
- Not fulfilling the grant purposes.



# Module 6: Audit/Waste, Fraud & Abuse

## Indicators of Fraud, Waste or Abuse

- Missing, weak, or inadequate internal controls.
- No training or poor training.
- One person in control/no separation of duties.
- Management over-ride of key internal controls.
- Lack of written policies and procedures.



# Module 6: Audit/Waste, Fraud & Abuse

## More Indicators

- Overly complex organizational structure.
- High turnover rate.
- Co-mingling of grant funds with general funds.
- “Missing” files, reports, data, invoices.
- Missing approval signatures and/or certifications



# Module 6: Audit/Waste, Fraud & Abuse

## More Indicators

- Failure to adhere to terms and conditions.
- Unusual behavior.
- Altered records (photocopied documents can be more difficult to detect).
- Discrepancies between what is reported and what is documented.



# Module 6: Audit/Waste, Fraud & Abuse

## More Indicators

- Poor accounting system.
- Money management problems.
- Living beyond one's means.
- Lack of responsiveness/delays in production of requested documentation.



# Module 6: Audit/Waste, Fraud & Abuse

## Prevention Strategies

- Follow and enforce rules, including grant conditions.
- Commit to open communication, sharing information, and reporting suspicious activities.
- If in doubt:
  - Confer internally
  - Confer with grantor
  - Confer with grantor Inspector General, as appropriate



# Module 6: Audit/Waste, Fraud & Abuse

## Contacts

If you have questions or suspect fraud, waste or abuse, contact:

- Recipient agency ethics officer
- Awarding agency, grants or program office
- Office of the Inspector General (OIG) hotline



# Module 6: Audit/Waste, Fraud & Abuse

## Final Comments

- Sharing
- Q & A

