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*DEPARTMENT OF ADMINISTRATION
Office of Grant Procurement, Coordination and Management*

Grant Policy Manual

Introduction

The policies in this manual represent best practices statewide. These “best practices” were gathered in consultation with state, local and nonprofit agencies statewide, and with communication with counterparts from other states.

The policies in this manual serve several purposes; to create efficiencies, reduce audit findings, decrease risk as a recipient of Federal funds, enhance competitiveness with other states, and standardize procedures for Federal and state funded programs.

This is a living document with possible continuous revisions to policies and procedures as well as its organization.

Organization

Information common to all policies and procedures is found in the General Information section, including applicability and common definitions. Definitions are organized in alphabetical order.

Each policy and procedure has a numerical number beginning with 088- which is the identifying agency number for the Office of Grant Procurement, Coordination and Management, Grant Office for short. The second two digits are given sequentially to the policy and procedure as it is developed by the Grant Office.

The standard format of a policy and procedure includes the following:

1. Authority
 - 1.1. Federal
 - 1.2. State
2. Background
3. Implementation Procedures
 - 3.1. General
 - 3.2. Purpose
 - 3.3. Procedures

Revision Table

The Grant Office provides tables organized in a “crosswalk” manner to show revisions of the policies and procedures found in this manual. The tables are organized into the two phases of a grant lifecycle, Pre-Award and Post-Award. When a policy is revised, a table will be created and placed in the appropriate phase based on the content of the policy.

Forms and Templates

The forms and templates in this section are samples and related documentation supporting the procedures and policies. These are also considered part of the Policy Manual which is a living document and subject to change.

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General Information

Applicability

The policies in this manual apply to all executive branch agencies, boards, committees, councils, authorities and task forces making grants.

The procedures set forth in this manual supersede all procedures previously issued, except when current existing state agency policy is stricter.

Definitions

Activity

It is a clear and specific step that must be taken to reach the objective.

Advance Payment

The Uniform Guidance [2 CFR 200.3](#) defines advance payment as a payment that a Federal awarding agency or pass-through entity makes by any appropriate payment mechanism, including a predetermined payment schedule, before the nonfederal entity disburses the funds for program purposes.

Adverse Opinion

States whose financial statements do not fairly present the financial position, results of operation, and changes in financial position, in conformity with generally accepted accounting principles.

Allocable Costs

The term allocable costs is defined by [2 CFR 200.405](#) as:

“(a) A cost is allocable to a particular Federal award or other cost objective if the goods or services involved are chargeable or assignable to that Federal award or cost objective in accordance with relative benefits received. This standard is met if the cost:

- (1) Is incurred specifically for the Federal award;
- (2) Benefits both the Federal award and other work of the nonfederal entity and can be distributed in proportions that may be approximated using reasonable methods; and
- (3) Is necessary to the overall operation of the nonfederal entity and is assignable in part to the Federal award in accordance with the principles in this subpart.

(b) All activities which benefit from the nonfederal entity's indirect (F&A) cost, including unallowable activities and donated services by the nonfederal entity or third parties, will receive an appropriate allocation of indirect costs.

(c) Any cost allocable to a particular Federal award under the principles provided for in this part may not be charged to other Federal awards to overcome fund deficiencies, to avoid restrictions imposed by Federal statutes, regulations, or terms and conditions of the Federal awards, or for other reasons. However, this prohibition would not preclude the nonfederal entity from shifting costs that are allowable under two or more Federal awards in accordance with existing Federal statutes, regulations, or the terms and conditions of the Federal awards.

(d) Direct cost allocation principles. If a cost benefits two or more projects or activities in proportions that can be determined without undue effort or cost, the cost must be allocated to the projects based on the proportional benefit. If a cost benefits two or more projects or activities in proportions that cannot be determined because of the interrelationship of the work involved, then, notwithstanding paragraph (c) of this section, the costs may be allocated or transferred to benefitted projects on any reasonable documented basis. Where the purchase of equipment or other capital asset is specifically authorized under a Federal award, the costs are assignable to the Federal award regardless of the use that may be made of the equipment or other capital asset involved when no longer needed for the purpose for which it was originally required. See also §§ [200.310](#) Insurance Coverage through [200.316](#) Property trust relationship and [200.439](#) Equipment and other capital expenditures.

(e) If the contract is subject to CAS, costs must be allocated to the contract pursuant to the Cost Accounting Standards. To the extent that CAS is applicable, the allocation of costs in accordance with CAS takes precedence over the allocation provisions in this part.”

Allowable Costs

Under [2 CFR 200.403](#), allowable costs are defined as follows:

“Except where otherwise authorized by statute, costs must meet the following general criteria to be allowable under Federal awards:

(a) Be necessary and reasonable for the performance of the Federal award and be allocable thereto under these principles.

(b) Conform to any limitations or exclusions set forth in these principles or in the Federal award as to types or amount of cost items.

(c) Be consistent with policies and procedures that apply uniformly to both federally-financed and other activities of the nonfederal entity.

(d) Be accorded consistent treatment. A cost may not be assigned to a Federal award as a direct cost if any other cost incurred for the same purpose in like circumstances has been allocated to the Federal award as an indirect cost.

(e) Be determined in accordance with generally accepted accounting principles (GAAP), except, for state and local governments and Indian tribes only, as otherwise provided for in this part.

(f) Not be included as a cost or used to meet cost sharing or matching requirements of any other federally-financed program in either the current or a prior period. See also § [200.306](#) Cost sharing or matching paragraph (b).

(g) Be adequately documented. See also §§ [200.300](#) Statutory and national policy requirements through [200.309](#) Period of Performance of this part.

(h) Be net of any rebates or credits.

Audit

An official financial examination of an organization's or individual's accounts or financial situation. – *Merriam-Webster*

Audit Finding

[2 CFR 200.5](#) defines audit finding as “deficiencies which the auditor is required by § [200.516\(a\)](#) to report in the schedule of findings and questioned costs.”

Auditee

[2 CFR 200.6](#) defines an auditee as “any nonfederal entity that expends Federal awards which must be audited under Subpart F Audit Requirements of this part.”

Auditor

[2 CFR 200.7](#) defines an auditor as “a public accountant or a Federal, state, local government, or Indian tribe audit organization, which meets the general standards specified for external auditors in generally accepted government auditing standards (GAGAS). The term auditor does not include internal auditors of nonprofit organizations.”

Award

[2 CFR 200.38](#) defines a Federal award is, “depending on the context, in either paragraph (a) or (b) of this section.

(a)(1) The Federal financial assistance that a nonfederal entity receives directly from a Federal awarding agency or indirectly from a pass-through entity, as described in §[200.101](#) Applicability; or

(2) The cost-reimbursement contract under the Federal Acquisition Regulations that a nonfederal entity receives directly from a Federal awarding agency or indirectly from a pass-through entity, as described in §[200.101](#) Applicability.

(b) The instrument setting forth the terms and conditions. The instrument is the grant agreement, cooperative agreement, other agreement for assistance covered in paragraph (b) of § [200.40](#) Federal financial assistance, or the cost-reimbursement contract awarded under the Federal Acquisition Regulations.

(c) Federal award does not include other contracts that a Federal agency uses to buy goods or services from a contractor or a contract to operate Federal Government owned, contractor operated facilities (GOCOs).

(d) See also definitions of Federal financial assistance, grant agreement, and cooperative agreement.”

Cash Match

A contribution made by the recipient of a grant or by third parties from their own funds (general revenue). A cash match contribution is only applied to a match requirement once it is expended on a cost or activity identified in the approved scope of work.

Catalog of Federal Domestic Assistance (CFDA) Number

A unique number assigned to Federal programs to track funding distributed nationally. It consists of five digits. The first two digits identify the Federal agency and the last three refer to the program under that agency.

Closeout

As defined in [2 CFR 200.16](#) closeout means the process by which the Federal awarding agency or pass-through entity determines that all applicable administrative actions, and all required work of the Federal award have been completed and takes actions as described in [§200.343](#).

Cognizant Agency

The definition under [200 CFR 200.18](#) of a cognizant agency for audit is “the Federal agency designated to carry out the responsibilities described in [§200.513](#) Responsibilities, paragraph (a). The cognizant agency for audit is not necessarily the same as the cognizant agency for indirect costs. A list of cognizant agencies for audit may be found at the FAC Web site.”

For Cognizant agency for indirect costs [2 CFR 200.19](#) states “Cognizant agency for indirect costs means the Federal agency responsible for reviewing, negotiating, and approving cost allocation plans or indirect cost proposals developed under this part on behalf of all Federal agencies. The cognizant agency for indirect cost is not necessarily the same as the cognizant agency for audit. For assignments of cognizant agencies see the following:

- (a) For *IHEs*: [Appendix III to Part 200](#) —Indirect (F&A) Costs Identification and Assignment, and Rate Determination for Institutions of Higher Education (IHEs), paragraph C.11.
- (b) For *nonprofit organizations*: [Appendix IV to Part 200](#)—Indirect (F&A) Costs Identification and Assignment, and Rate Determination for Nonprofit Organizations, paragraph C.2.a.
- (c) For *state and local governments*: [Appendix V to Part 200](#)—State/Local Government-wide Central Service Cost Allocation Plans, paragraph F.1.
- (d) For *Indian tribes*: [Appendix VII to Part 200](#)—States and Local Government and Indian Tribe Indirect Cost Proposal, paragraph D.1.”

Competitive Grant

A competitive grant is a grant that is awarded through an application process in which multiple grant applications are solicited through a Notice of Funding Opportunity (NoFO) and evaluated by the state

agency. In a competitive grants process, grants are awarded to those applicants that most closely meet the selection criteria identified by the awarding agency based on the availability of grant funds. These grants are also known as discretionary funds, providing funds for fixed known periods of time. The funding is slated for specific projects or the delivery of specific services or products.

Conflict of Interest

In consultation with the Nevada Commission on Ethics, conflict of interest as defined by the Ethics in Government Law essentially consist of conflicts between official duties and private interests, which include financial interests and relationships with certain persons (family/household members, employers, business affiliates, and other substantially similar relationships). The Commission has interpreted these conflicts to extend to the interests of organization in which a person serves in a fiduciary role (i.e., volunteer or compensated member of board of directors).

Contract

Under [2 CFR 200.22](#), a contract means “a legal instrument by which a nonfederal entity purchases property or services needed to carry out the project or program under a Federal award. The term as used in this part does not include a legal instrument, even if the nonfederal entity considers it a contract, when the substance of the transaction meets the definition of a Federal award or subaward.”

Contract for Services

A contract for services is defined in [NRS 333.700](#) as follows:

“Except as otherwise provided in [NRS 333.705](#), an agency may contract for the services of a person as an independent contractor. Except as otherwise provided by specific statute, each such contract must be awarded pursuant to this chapter.

An independent contractor is a natural person, firm or corporation who agrees to perform services for a fixed price according to his, her or its own methods and without subjection to the supervision or control of the other contracting party, except as to the results of the work, and not as the means by which the services are accomplished.”

Contractor

Under [2 CFR 200.23](#), contractor means “an entity that receives a contract as defined in § [200.22](#).”

Note: The terms “vendor” and “contractor” may be used interchangeably. In 2014, the Uniform Guidance replaced the term “vendor” with “contractor.” The State Controller uses the term “vendor” to indicate a person with whom the state will complete a fiscal transaction for goods or services. Vendors include, but are not limited to, state employees, local government agencies, tribes, private business, nonprofits, etc. Currently, a vendor must register with the State Controller to complete such a transaction.

Cooperative Agreement

[2 CFR 200.24](#) defines cooperative agreements as written below.

“*Cooperative agreement* means a legal instrument of financial assistance between a Federal awarding agency or pass-through entity and a nonfederal entity that, consistent with [31 U.S.C 6302-6305](#).

(a) Is used to enter into a relationship the principal purpose of which is to transfer anything of value from the Federal awarding agency or pass-through entity to the nonfederal entity to carry out a public purpose authorized by a law of the United States (see [31 U.S.C. 6101\(3\)](#)); and not to acquire property or services for the Federal Government or pass-through entity's direct benefit or use;

(b) Is distinguished from a grant in that it provides for substantial involvement between the Federal awarding agency or pass-through entity and the nonfederal entity in carrying out the activity contemplated by the Federal award.

(c) The term does not include:

(1) A cooperative research and development agreement as defined in [15 U.S.C. 3710a](#); or

(2) An agreement that provides only:

(i) Direct United States Government cash assistance to an individual;

(ii) A subsidy;

(iii) A loan;

(iv) A loan guarantee; or

(v) Insurance.”

Deficiency in Internal Control over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance in a timely basis.

Direct Cost

“A direct cost is a cost identified with a particular grant, contract, project function or activity. Examples of a direct cost are: consultant services, travel of (direct labor) employees, materials, supplies and equipment purchased directly for use on a specific grant or contract, communication costs such as long-distance telephone calls identifiable with a specific award or activity.” *U.S. Department of Education*

Direct Cost Base or Base

The term “Base” refers to the accumulated direct costs (usually (a) total direct salaries and wages with or without fringe benefits or (b) total direct costs exclusive of any extraordinary or distorting expenditures) used to distribute indirect costs to individual Federal awards. The direct cost base selected should result in each award bearing a fair share of the indirect costs in reasonable relation to the benefits received from those costs.

Types of Direct Cost Distribution Base:

1. Modified Total Direct Costs (MTDC) – excludes capital expenditures and distorting items such as pass-through funds, major Subcontractors, etc. For nonprofit entities, MTDC includes the first \$25,000 of subgrants/Subcontracts, while the remaining portion of Subgrants/Subcontracts over \$25,000 is excluded.
2. Total Direct Salaries and Wages excluding Fringe Benefits (S&W).
3. Total Direct Salaries and Wages, including Fringe Benefits (SWF).

Disclaimer Opinion

This type of opinion indicates that the auditor was unable to express an opinion due to: a limitation on the audit scope, an auditor's independence conflicts, or an inability to obtain reasonable assurances about the outcome of uncertainties.

Draw Down

A Draw Down is the process used by state agencies to request reimbursement of Federal grant expenditures from the Federal awarding agency.

Employer Identification Number (EIN)

An EIN is a nine-digit number (for example, 12-3456789) assigned to employers, sole proprietors, corporations, partnerships, estates, trusts, certain individuals, and other entities for tax filing and reporting purposes. *Internal Revenue Service*

Evaluation

Evaluation is the systematic collection and analysis of information about the characteristics and outcomes of programs and projects as basis for judgement, to improve effectiveness, and/or inform decisions about current and future programming.

Evaluation Criteria

In a competitive grant process, the evaluation criteria are standards by which the applications/proposals will be evaluated. These are based on both the programmatic requirements and the ability of the applicant to carry out the proposed activities. The criteria may include but are not limited to: project need, project sustainability, soundness of approach, and applicant's risk level.

Executive

[2 CFR 170.320](#) defines executive as "officers, managing partners, or any other employees in management positions."

Federal Audit Clearinghouse (FAC)

[2 CFR 200.36](#) defines FAC as "the clearinghouse designated by OMB as the repository of record where nonfederal entities are required to transmit the reporting packages required by Subpart F—Audit Requirements of this part. The web address of the FAC is: <https://harvester.census.gov/facweb/> or [FAC.](#)"

Federal Award

Defined by [2 CFR 200.38](#), Federal award means, "depending on the context, in either paragraph (a) or (b) of this section.

(a)(1) The Federal financial assistance that a nonfederal entity receives directly from a Federal awarding agency or indirectly from a pass-through entity, as described in [§200.101](#) Applicability; or

(a)(2) The cost-reimbursement contract under the Federal Acquisition Regulations that a nonfederal entity receives directly from a Federal awarding agency or indirectly from a pass-through entity, as described in [§200.101](#) *Applicability*.

(b) The instrument setting forth the terms and conditions. The instrument is the grant agreement, cooperative agreement, other agreement for assistance covered in paragraph (b) of [§ 200.40](#) Federal financial assistance, or the cost-reimbursement contract awarded under the Federal Acquisition Regulations.

(c) Federal award does not include other contracts that a Federal agency uses to buy goods or services from a contractor or a contract to operate Federal Government owned, contractor operated facilities (GOCOs).

(d) See also definitions of Federal financial assistance, grant agreement, and cooperative agreement.

Financial Assistance

[2 CFR 200.40](#) defines Federal financial assistance as written below.

“(a) *Federal financial assistance* means assistance that nonfederal entities receive or administer in the form of:

- (1) Grants;
- (2) Cooperative agreements;
- (3) Non-cash contributions or donations of property (including donated surplus property);
- (4) Direct appropriations;
- (5) Food commodities; and
- (6) Other financial assistance (except assistance listed in paragraph (b) of this section).

(b) For [§ 200.202](#) Requirement to provide public notice of Federal financial assistance programs and Subpart F—Audit Requirements of this part, *Federal financial assistance* also includes assistance that nonfederal entities receive or administer in the form of:

- (1) Loans;
- (2) Loan Guarantees;
- (3) Interest subsidies; and
- (4) Insurance.

(c) *Federal financial assistance* does not include amounts received as reimbursement for services rendered to individuals as described in §[200.502](#) Basis for determining Federal awards *expended*, paragraph (h) and (i) of this part.”

Goal

Goal means the end toward which effort is directed, or something that you are trying to do or achieve.

Grant

A Grant is a transfer of anything of value from the Federal awarding agency or pass-through entity (PTE) to the nonfederal entity to carry out a public purpose authorized by a law of the United States (see [31 U.S.C. 6101\(3\)](#)); and not to acquire property or services for the Federal awarding agency or pass-through entity’s direct benefit or use.

Grant Agreement

The Federal definition of a grant agreement under [2 CFR 200.51](#) is “a legal instrument of financial assistance between a Federal awarding agency or pass-through entity and a nonfederal entity that, consistent with [31 U.S.C. 6302, 6304](#):

(a) Is used to enter into a relationship the principal purpose of which is to transfer anything of value from the Federal awarding agency or pass-through entity to the nonfederal entity to carry out a public purpose authorized by a law of the United States (see [31 U.S.C 6101\(3\)](#)); and not to acquire property or services for the Federal awarding agency or pass-through entity's direct benefit or use;

(b) Is distinguished from a cooperative agreement in that it does not provide for substantial involvement between the Federal awarding agency or pass-through entity and the nonfederal entity in carrying out the activity contemplated by the Federal award.

(c) Does not include an agreement that provides only:

(1) Direct United States Government cash assistance to an individual;

(2) A subsidy;

(3) A loan;

(4) A loan guarantee; or

(5) Insurance.”

Grant Agreement Attachments and Exhibits:

Grant agreement attachments and exhibits are documents that are attached to, and become part of, the grant agreement. Attachments and exhibits must be referenced in the grant agreement language to be considered a part of the grant agreement.

Indirect Cost

Indirect costs represent the expenses of doing business that are not readily identified with a particular grant, contract, project function or activity but are necessary for the general operation of the organization and the conduct of activities it performs. Cost allocation plans, or indirect cost rates are used to distribute those costs to benefiting revenue sources. Examples of indirect costs are: utilities, accounting or legal expenses, and rent. *U.S. Department of Education*

Indirect Cost Rate

A tool for determining the proportion of indirect costs each program should bear. It is the ratio (expressed as a percentage) of the indirect costs to a direct cost base.

Indirect Cost Rate Agreements, Types of

According to the US Department of Labor:

1. **Provisional** – “a temporary indirect cost rate that is applied to a limited time period that is used until a “Final” rate is established for the same period. Provisional rates can be used for funding, interim reimbursement, and reporting of indirect costs on Federal awards. They must be finalized by submitting an “Indirect Cost Rate Proposal for a Final Rate” once the actual costs for the specified time period are known and can be verified through audited financial statements.”
2. **Final** – “an indirect cost rate applicable to a specific time period that is based on actual, allowable costs of that period. Once established, a final, audited rate cannot be adjusted.”
3. **Predetermined** – “an indirect cost rate that applies to a specific current or future time period (usually the organization’s fiscal year). Except under very unusual circumstances, a predetermined rate cannot be adjusted. Predetermined rates may be used with cooperative agreements and grants only. They may not be used for Federal contracts due to legal constraints. Predetermined indirect cost rates may be negotiated for periods of up to 2–4 years.”
4. **Fixed (Fixed Carry-Forward)** – “is an indirect cost rate that applies to a specific current or future time period (usually the organization’s fiscal year). It is subject to later adjustment. Initially, the fixed rate is based on estimated costs for a set, future time period. When the actual costs for that period become available, a carry forward adjustment is used. A carry forward adjustment is the amount required to reconcile the difference between the estimated costs and the actual costs incurred for the agreed-upon time period.”

Indirect Cost Negotiation Agreement

An indirect cost negotiation agreement is a document that formalizes the negotiation process for an indirect cost rate.

Indirect Cost Pool

The indirect cost pool is the accumulated costs that jointly benefit one or more programs or other cost objectives. Indirect cost pool expenditures typically include: administrative salaries and fringe benefits associated with overall financial and organizational administration; operation and maintenance costs for facilities and equipment; and payroll and procurement services.

Indirect Cost Rate Proposal

Defined by [2 CFR 200.57](#) Indirect Cost Rate Proposal means the documentation prepared by a nonfederal entity to substantiate its request for establishment of an indirect cost rate as described in [Appendix III](#) for Part 200 – Indirect (F&A) Costs Identification and Assignment, and Rate Determination for Institutions of Higher Education (IHEs) through [Appendix VII](#) for Part 200 – States and Local Government and Indian Tribe Indirect Cost Proposals, and [Appendix IX](#) for part 200 – Hospital Cost Principles.

In-Kind Match

A non-cash contribution of value provided by the recipient of a grant or by third parties (nonfederal for Federal awards) for accomplishing the project approved by the awarding entity. It is the calculated value of personnel, goods, and services including direct and indirect costs.

Instrument

A formal legal document (such as a deed, bond, or agreement) – *Merriam-Webster*

Job Number

Is a one to eight-character alpha/numeric code. All transactions involving Federal funds require a job number, in which the first 5 characters must be the CFDA program number, and the 6th and 7th characters must be the last two digits of the Federal fiscal year in which the grant was awarded. The 8th character, if needed to identify several grants under the same CFDA number in the same Federal fiscal year, should be alphabetic. *Office of the State Controller, Accounting Policies and Procedures*

Legal Instrument

A legal instrument is a formal legal document (such as a deed, bond, or agreement), per *Merriam Webster*.

Legislatively Mandated (state funded grants)

A mandatory order or requirement under statute or regulation. For example, a state agency receives the fees from the sale of special license plates then grants the funds to eligible first responder entities on an annual cycle.

Major Program

The definition of major program found in [2 CFR 200.65](#) is “a Federal program determined by the auditor to be a major program in accordance with [§200.518](#) Major program determination or a program identified as a major program by a Federal awarding agency or pass-through entity in accordance with [§200.503](#) Relation to other audit requirements, paragraph (e).”

Management Decision

The evaluation by the Federal awarding agency or pass-through entity of the audit findings and corrective action plan and the issuance of a written decision as to what corrective action is necessary.

Maintenance of Effort (MoE)

As defined by *31 CFR 205.2* maintenance of effort means a requirement that the state spend at least a specified amount of state funds for Federal assistance program purposes.

Material Noncompliance

In the absence of a definition of material noncompliance (in the governmental audit requirement) a material noncompliance is failure to follow compliance requirements or a violation of prohibitions included in the applicable compliance requirements. This failure results in noncompliance that is quantitatively or qualitatively material, either individually or when aggregated with other noncompliance, to the affected government program.

Material Weakness in Internal Control over Compliance

A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the entity's annual or interim financial statements will not be prevented or detected on a timely basis.

Match or Cost Share

The definition of match or cost share found in [2 CFR 200.29](#) is the portion of project costs not paid by Federal funds (unless otherwise authorized by Federal statute)." Match is made in the form of cash or in-kind MoE contributions.

Monitoring

To watch, keep track of, or check usually for a special purpose. - *Merriam-Webster*

Monitoring Visit

A monitoring visit involves both state agency staff (and/or contractors) and the grantee. It occurs before final payment is made. It may be conducted on-site or by telephone. The purpose of monitoring visits is to review and ensure progress against the grant's goals, to address any problems or issues before the end of the approved period of performance or budget period.

Notice of Funding Opportunity (NoFO)

A Notice of Funding Opportunity (NoFO) is a document that notifies grant seekers of the prospect of a grant and includes information about the grant process, requirements, selection criteria, and timelines.

Notice of Grant Award (NoGA)

A formal, legally binding notification issued by the funding entity that an award is offered in response to a submitted proposal/application. When a receiving entity accepts the award, by signing the grant agreement or drawing down funds, it becomes legally obligated to carry out the full terms and conditions of the grant. As an award recipient of Federal funds, the receiving entity is subject to Federal statutory and regulatory requirements. Funding entities provide notification via the following means:

1. Electronic notification – Any electronic means of communication (email, fax, etc.) used to formally notify prime recipients about awards.
2. Paper notification – A hard copy of the formal document sent through the United States Postal Service or other private delivery company.

Objective

An objective is a concrete, measurable, time-defined milestone on the way to achieving a goal.

Pass-Through Entity (PTE)

[2 CFR 200.74](#) defines pass-through entity as “a nonfederal entity that provides a subaward to a subrecipient to carry out part of a Federal program.”

Perceived Conflict of Interest

A perceived conflict of interest is any situation in which a reasonable third party will conclude that a real or potential conflict in duties or loyalties exists.

Performance Goal

Uninform Guidance [Section 200.76](#) defines performance goal as “a target level of performance expressed as a tangible, measurable objective, against which actual achievement can be compared, including a goal expressed as a quantitative standard, value, or rate. In some instances (e.g. discretionary research awards), this may be limited to the requirements to submit technical performance reports (to be evaluated in accordance with agency policy).”

Performance Management

Performance management is a process of linked activities that aim to ensure goals are being met in the most efficient and productive way possible. Within organizations, performance management attempts to drive efficiency of operations by aligning internal and external activities with the organization’s objectives. It is how the strategy in place is managed.

Performance Measure

A quantifiable indicator used to assess how well an organization or business is achieving its desired objectives. - *Business Dictionary*.

Perceived Conflict of Interest

A perceived conflict of interest is any situation in which a reasonable third party would conclude that a real or potential conflict in duties or loyalties exists.

Performance Management

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Performance Measure

A quantifiable indicator used to assess how well an organization or business is achieving its desired objectives. - *Business Dictionary*

Potential Conflict of Interest

A potential conflict of interest exists when an applicable party has a relationship, affiliation, or other interest that could create an inappropriate influence if the person is called to make a decision or recommendation affecting one or more of those relationships, affiliation or interests.

Program

A set of activities or projects that are typically implemented by several parties over a specified period of time.

Project

A project is temporary in that it has a defined time for beginning and ending, and therefore defined scope and resources. A project is unique in that it is not a routine operation, but a specific set of operations designed to accomplish a specific goal(s). – *Project Management Institute*

Qualified or Modified Opinion

This means that the auditor has taken exception to certain accounting applications or was unable to establish the potential outcome of an uncertainty that could have a material effect on the financial statements. A qualified or modified opinion includes an “except for” clause or similar wording along with a separate explanation of the reason for the qualification. It is meant to call attention to an issue that prevented the auditor from issuing an unqualified or unmodified opinion.

Reasonable Costs

Under [2 CFR 200.404](#), “a cost is reasonable if, in its nature and amount, it does not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision was made to incur the cost. The question of reasonableness is particularly important when the nonfederal entity is predominantly federally-funded. In determining reasonableness of a given cost, consideration must be given to:

- (a) Whether the cost is of a type generally recognized as ordinary and necessary for the operation of the nonfederal entity or the proper and efficient performance of the Federal award.
- (b) The restraints or requirements imposed by such factors as- sound business practices; arm's-length bargaining; Federal, state, local, tribal, and other laws and regulations; and terms and conditions of the Federal award.
- (c) Market prices for comparable goods or services for the geographic area.
- (d) Whether the individuals concerned acted with prudence in the circumstances considering their responsibilities to the nonfederal entity, its employees, where applicable its students or membership, the public at large, and the Federal Government.

(e) Whether the nonfederal entity significantly deviates from its established practices and policies regarding the incurrence of costs, which may unjustifiably increase the Federal award's cost.”

Recipient or Prime Recipient

Under [2 CFR 200.86](#), recipient means “a nonfederal entity that receives a Federal award directly from a Federal awarding agency to carry out an activity under a Federal program. The term recipient does not include subrecipients. See also [§200.69](#) Nonfederal entity.”

Reconciliation

Reconciliation is an accounting process that uses two sets or records to ensure figures are accurate and in agreement. It is the key process used to determine whether the money leaving an account matches the amount spent thereby ensuring the two values are balances at the end of the recording period.

Request for Proposals (RFP)

[Nevada Revised Statutes \(NRS\) 333.020.8](#) defines a request for proposals as “a written statement which sets forth the requirements and specifications of a contract to be awarded by competitive selection. For this manual the term is specific to contract procedures required by the Purchasing Division.”

Review Criteria

In a competitive grant process, the review criteria are standards by which the applications/proposals will be evaluated. These are based on both the programmatic requirements and the ability of the applicant to carry out the proposed activities. The review criteria may include but are not limited to: project need, project sustainability, soundness of approach, and applicant’s risk level.

Significant Deficiency

A deficiency, or combination of deficiencies, in internal control over financial reporting that is less severe than a material weakness, yet important enough to merit attention by those responsible for the oversight of the registrant’s financial reporting.

Single Audit

A single or program-specific audit conducted for the entity’s fiscal year when the entity’s Federal expenditures during its fiscal year total \$750,000. The audit must be conducted in accordance with the provisions of [2 CFR 200 Subpart F - Audit Requirements](#).

Single Point of Contact (SPOC)

State agency designated by Governor to comply with the [Executive Order 12372](#) requirement of intergovernmental review of Federal programs by reviewing proposals/applications for Federal grants from state and local government agencies, and nonprofits prior to submission.

Source Documentation

Records that adequately identify the details of the transaction related to authorization, obligations, assets, expenditures, and income of grant funded activities.

Standardized Scoring System

The standardized scoring system is a rating system that assesses how well each application/proposal conforms to each of the selected criterion. Grant applications are assigned a score for each criterion based upon the extent to which they meet the standard. Scores for each criterion are tallied to arrive at a cumulative score for each application/proposal. Criteria should be weighted based on its importance to the success of the program. The most important criteria to the success of the grant program should be weighted more than other criteria.

State Agency

As defined by [NRS 353C.020/218G.030](#), “state agency means all offices, institutions, bureau, board, commission, department or division of the Executive Department and the Judicial Department of State Government.”

State Clearinghouse

Department of Conservation and Natural Resources, Division of State Lands is the Single Point of Contact (SPOC) for National Environmental Policy Act (NEPA) proposals statewide. Pursuant to NEPA, Federal agencies must consult with the State and other agencies whenever a project or policy initiative is proposed on public lands. The Clearinghouse ensures that pertinent State agencies and other local governments are notified about the projects and then provides their comments back to the Federal agencies to help facilitate the consultation process.

Subaward

Subaward is defined in [2 CFR 200.92](#) as “an award provided by a pass-through entity to a subrecipient for the subrecipient to carry out part of a Federal award received by the pass-through entity. It does not include payments to a contractor or payments to an individual that is a beneficiary of a Federal program. A subaward may be provided through any form of legal agreement, including an agreement that the pass-through entity considers a contract.”

Subrecipient

Under [2 CFR 200.93](#), “subrecipient means a nonfederal entity that receives a subaward from a pass-through entity to carry out part of a Federal program; but does not include an individual that is a beneficiary of such program. A subrecipient may also be a recipient of other Federal awards directly from a Federal awarding agency.”

Uniform Guidance (UG)

Uniform Guidance refers to [Title 2: Grants and Agreements of the Code of Federal Regulations, Part 200 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards](#).

Unqualified or Unmodified Opinion

This term means that financial statements are fairly presented in the auditor’s opinion, are free of material misstatements, and have been prepared in accordance with generally accepted accounting principles.

Unobligated Balance

Under [2 CFR 200.98](#) “unobligated balance means the amount of funds under a Federal award that the nonfederal entity has not obligated. The amount is computed by subtracting the cumulative amount of the nonfederal entity’s unliquidated obligations and expenditures of funds under the Federal award from the cumulative amount of funds that the Federal awarding agency or pass-through entity authorized the nonfederal entity to obligate.”

Vendor

Vendors are individuals or entities from which state agencies procure goods and services to carry out a project or program.

Note: The terms “vendor” and “contractor” may be used interchangeably. In 2014, the Uniform Guidance replaced the term “vendor” with “contractor.” The State Controller uses the term “vendor” to indicate a person with whom the state will complete a fiscal transaction for goods or services. Vendors include, but are not limited to, state employees, local government agencies, tribes, private business, nonprofits, etc. Currently, a vendor must register with the State Controller to complete such a transaction.

088- 001 Subaward vs. Contract Determination

Federal

[2 Code of Federal Regulations \(CFR\) §200.330](#)

State

[Nevada Revised Statute \(NRS\) 333](#)

[State Administrative Manual \(SAM\) § 0300](#)

[State Administrative Manual \(SAM\) § 3022](#)

Background

A state agency functioning as a pass-through entity must determine what type of instrument (subaward agreement vs. procurement contract) is necessary to achieve the goals outlined in the proposed grant project under the specific notice of funding opportunity. The instrument that will be used for the distribution of funds must be determined during the process of developing the budget for the proposed project to properly categorize costs.

The use of either instrument (subaward agreement vs. procurement contract) is based on the relationship between the state agency and the entity(ies) selected for funding. Many characteristics may be applicable to both types of instruments/relationships; in cases where uncertainty exists, agencies need to use their best judgment. Documenting the process for determining the relationship, and consistently applying the process, provides consistency and transparency. Since compliance with requirements for each type of relationship is based on the substance of the relationship, regardless of the instrument, documenting how determinations are made results in improved compliance. Improving compliance strengthens the success of program(s) thereby making Nevada more competitive for funding at a national level.

This policy applies to all funding passed-through, whether funds distributed are Federal or state (legislatively mandated). It also applies to direct awards which the prime recipient is implementing the project.

Implementation Procedures

General

Regardless of the source(s) of funding (Federal or legislatively mandated state funds), the policies and procedures for making the determination about the use of the proper instrument is the same and essential to preventing audit findings. State agencies must consistently document and apply the process used for determining the type of relationship, so that in cases where uncertainty exists, the decision taken is founded on best judgment.

If the proposed project receives an award, the implementation process is dependent on the instrument identified in the approved budget. A contract will require additional steps before implementation as

compared to a subaward agreement. And a subaward agreement requires careful monitoring of subrecipients for the duration of the award. These additional requirements for each type of instrument bear no weight on the decision for their use. Nevada does not allow a choice of instrument grounded on the avoidance of either additional steps or compliance requirements.

Not using the proper instrument to implement an awarded project does not ease the legal or monitoring requirements and will result in audit findings.

Purpose

The intent of this policy is to support state agencies in implementing successful programs by providing a tool to document how the agency determined to use the specific type of instrument (subaward agreement vs. procurement contract) to distribute grant funds.

Procedure

Use form 088-GP 07 to classify the characteristics of the relationship between the state agency and the entity(ies) that will implement the proposed project.

When the checklist is inconclusive in respect to the type of relationship (subrecipient vs. contractor), the state agency must make a decision founded on judgement. Make sure proper documentation is recorded demonstrating the process used to make the decision.

If the proposed project is awarded, follow the established process for the chosen instrument.

1. For a contract follow the [State Administrative Manual \(SAM\) Section 0300](#)
2. For a subaward follow the [State Administrative Manual \(SAM\) Section 3022](#)

Contact the Grant Office to clarify any questions about determining the relationship between the awarding entity and the potential subrecipient.

088-002 Indirect Costs Rate and Indirect Cost Rate Agreement

Authority

Federal

[2 Code of Federal Regulations \(CFR\) § 200.414 Indirect \(F&A\) costs](#)

State

[State Administrative Manual \(SAM\) § 3020](#)

Background

Though it is tempting to ignore the nuances of the accounting principle differentiating direct and indirect costs, spending more time correctly allocating costs for a project has several benefits:

1. Improves transparency,
2. Avoids audit findings,
3. Reduces the risk as a recipient of Federal awards, and
4. Increases the recovery of indirect costs

Determining the correct rate for indirect costs for an entity is paramount prior to submitting proposals for Federal funding. The entity will need to decide whether to use the current approved indirect cost agreement rate, the 10 percent de minimis rate, or request and negotiate a rate. The rate is requested and negotiated with the assigned cognizant Federal agency. This will take time, documentation, and perseverance on behalf of the applicant entity.

Before beginning the development of a budget for a Federal proposal, verify with your agency's fiscal team that a current and approved indirect cost rate agreement document is filed for your state agency. Contact the Grant Office with any questions.

Please read the helpful Frequently Asked Questions from the U.S. Department of Labor found at the end of this policy!

This policy applies to all Federal funding. It applies to state funding (legislatively mandated) when directed by the authorizing language of the program.

Implementation Procedures

General

The following quote from [2 CFR 200.412](#) is an excellent explanation about the classification of costs as well as the intent and importance of the classification as it relates to grants. It also shows the need to

determine the indirect costs, the indirect cost rate, and to confirm the existence of a documented direct cost rate agreement for the agency when building a budget for a proposal.

Classification of Costs– There is no universal rule for classifying certain costs as either direct or indirect (Facilities and Administration (F&A)) under every accounting system. A cost may be direct with respect to some specific service or function, but indirect with respect to the Federal award or other final cost objective. Therefore, it is essential that each item of cost incurred for the same purpose be treated consistently in like circumstances either as direct or indirect (F&A) cost to avoid possible double-charging of Federal awards. Guidelines for determining direct and indirect (F&A) costs charged to Federal awards are provided in this subpart. [2 CFR Part 200, Subpart E – Cost Principles](#).

Purpose

To provide direction on how to obtain an approved indirect cost rate and guidance about the indirect cost rate agreement, its negotiation, and when the 10 percent de minimis rate is applicable.

Procedures

Documentation of the methodology used to determine the indirect cost rate is essential to the negotiation process. For your reference, below is Figure 088-GP Figure 1 Determining the Use of Indirect Cost Rate Agreement which provides a visual presentation of the below written procedure to determine whether the entity needs to take the appropriate action in applying an indirect cost rate to proposal(s).

1. Does the agency have a copy or documentation of the currently approved (must not be expired) “FINAL” Indirect Cost Rate with its Cognizant Federal Agency?
 - 1.1. If *yes*, use the approved rate for all proposals.
 - 1.2. If *no*, does the agency have a copy or documentation of the currently approved (must not be expired) “Provisional Rate” with its Cognizant Federal Agency?
 - 1.2.1. If *yes*, use the approved provisional rate for all proposals until the request for a FINAL is submitted and approved.
 - 1.2.2. If *no*, does the agency have a copy or documentation of the currently approved (must not be expired) “Predetermined Rate” with its Cognizant Federal Agency?
 - 1.2.2.1. If *yes*, use the approved predetermined rate for the applicable time period for grants and cooperative agreements only.
 - 1.2.2.2. If *no*, has the agency previously received a negotiated indirect cost rate (expired or not)?
 - 1.2.2.2.1. If *yes*, a new indirect cost rate must be negotiated by submitting the appropriate documentation to the appropriate Cognizant Federal Agency for indirect costs - see the definition of cognizant agency above.

1.2.2.2.2. If *no*, use the 10 percent de minimis rate, or negotiate a rate by submitting the appropriate documentation to the appropriate Cognizant Federal Agency for indirect costs.

For additional supporting information about Indirect Cost Rate and the various types of Indirect Cost Agreements used by Federal Agencies, the Grant Office includes useful Frequently Asked Questions from the U.S. Department of Labor Contact in 088-GP Figure 2 FAQ for Indirect Cost Rate.

Please contact the Grant Office for support related to indirect costs.

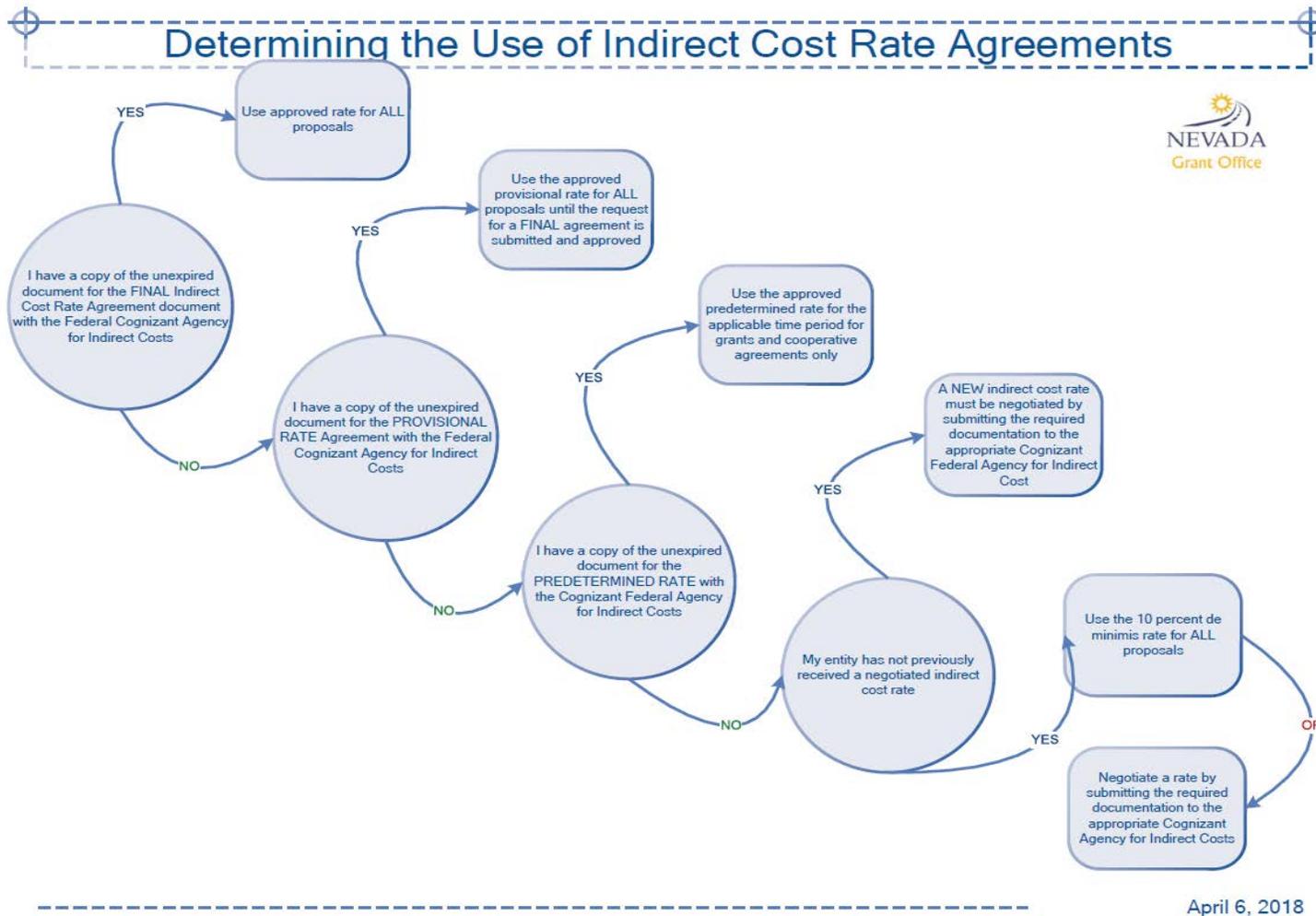


Figure 1 088-GP Figure 1 FAQ for Indirect Cost Rate

Indirect Cost Rate Frequently Asked Questions

1. Is there a guide for Indirect Cost Rate determination?

- 1.1. “A Guide to Indirect Cost Rate Determination” is available on the U.S. Department of Labor (DOL) website: <https://www.dol.gov/oasam/boc.dcd/>

2. Who needs an Indirect Cost Rate?

- 2.1. Any organization being awarded cost-reimbursable grants and contracts and/or having more than one source of funding (including direct Federal funding) needs an Indirect Cost Rate.

3. Why do I need an Indirect Cost Rate?

- 3.1. Your organization needs an indirect cost rate for: management information, to comply with Federal regulations, close-out purposes, and for audit documentation.

4. Where can I find information on the applicable cost principles?

- 4.1. [2 CFR PART 200—UNIFORM ADMINISTRATIVE REQUIREMENTS, COST PRINCIPLES, AND AUDIT REQUIREMENTS FOR FEDERAL AWARDS](#)
- 4.2. 2 CFR 200 Frequently Asked Questions: <https://www.dol.gov/oasam/boc/2CFRFAQs.pdf>

5. What type of direct cost (distributions) base should my organization select?

- 5.1. The distribution base chosen should result in each award bearing a proportionate share of the indirect costs relative to the benefits received from those costs. For example, if several of your programs and grants do not pay salaries, then it might not be a good idea to use total salaries and wages as the direct cost base. If you do, those programs paying most of the salaries and wages would bear a larger, disproportionate share of the indirect costs. In this situation, it might be more appropriate to use modified total direct costs (exclusive of unusual or distorting expenditures). Please consult the Grant Office (grants@admin.nv.gov) if you need additional guidance.

6. What is considered adequate documentation to support the salaries and wages of personnel included in the indirect cost pool?

- 6.1. Federal regulations require that employee salaries and wages be properly documented and approved. The required documentation includes:
 - 6.1.1. **Salary and Wage Certifications:** Used when employees are expected to work on a single Federal award or cost objective during the period being certified. The certifications should be:
 - 6.1.1.1. Prepared at least semi-annually, and

6.1.1.2. Signed by the employee or supervisory official with first-hand knowledge of the employee's work.

6.1.2. **Personnel Activity Reports or equivalent documentation** is required for employees who work on multiple activities, that is:

6.1.2.1. More than one Federal award, or

6.1.2.2. A Federal and a nonfederal award, or

6.1.2.3. An indirect and a direct cost activity, or

6.1.2.4. Two or more indirect activities with different cost allocation bases, or

6.1.2.5. An unallowable activity and a direct or indirect cost activity.

6.1.3. **Personnel Activity Reports or equivalent documentation** must meet the following criteria:

6.1.3.1. Prepared at least monthly;

6.1.3.2. Signed by the employee;

6.1.3.3. Account for the total activity for which each employee is being compensated; and,

6.1.3.4. Reflect an after-the-fact distribution of the work that has actually been completed by each employee.

6.1.3.5. **Note:** The cognizant agency has the right to approve substitute systems for allocating salaries and wages in place of activity reports. Substitute systems may include random sampling that meets acceptable statistical sampling standards, case counts, or other quantifiable measures of employee effort. They may accept sampling that does not fully comply with sampling standards provided that the amounts involved are minimal or would result in a lower cost.

7. Should fringe benefits be allocated between direct and indirect costs?

7.1. Fringe benefits are allowable, provided such costs are absorbed by all organization activities in proportion to the relative amount of time or effort actually devoted to each.

8. Are fundraising and lobbying costs allowable?

8.1. No – Federal regulations specifically list fundraising and lobbying costs as unallowable.

9. Can we include all depreciation expenses in the indirect cost pool?

9.1. Yes – but only if these depreciation expenses are related to assets used by indirect-related personnel (i.e., accounting, human resources, etc.) and are purchased with nonfederal

dollars. Depreciation related to assets used by direct personnel should be direct-charged.

9.2. For assistance with interpretation and clarification on cost principles, please contact:

- State agency fiscal team
- Grant office grants@admin.nv.gov
- The state agency's Cognizant Federal Agency for indirect costs

9.3 A great resource is the Indirect Cost Services:

Phone: 916-930-3803

Email Submission Form: <https://www.doi.gov/ibc/contactus/ibcfeedback>

9.4 For further clarification, you may also contact the Office of Management and Budget (OMB) directly. Address your request to:

Office of Federal Financial Management

Office of Management and Budget (OMB)

725 17th Street NW, Room 6026

Washington, DC 20503

Phone: 202-395-3993 (main office) - [OMB - Website](#)

10 We are a small entity and receive less than \$750,000 in Federal funding thus not required to file a single audit. What do I need to provide as a support since there is no audit report?

10.1 For nonprofit entities: a copy of IRS Form 990. If Form 990 has not been filed yet, then a copy of the profit & loss statement.

10.2 For all other entities: a copy of the general ledger, trial balance, or profit & loss statement that shows summarized expenditures by cost elements such as salaries, fringes, supplies, travel, etc.

11 Where can I find Indirect Cost Training?

11.1 Grant office, or

11.2 Cognizant Federal agency.

12 We have never filed for an indirect cost rate proposal with Indirect Cost Services, what do I need to submit?

12.1 Contact the appropriate cognizant agency for indirect costs (see the definition of Cognizant Federal Agency above). The following list presents some documents that will support the request. This is not a complete list; your cognizant agency will provide the appropriate and complete list.

- 12.2 Most recent audited financial statement.
- 12.3 Past 3 years' SEFA schedule (Schedule of Expenditure of Federal Awards).
- 12.4 For the current period, the Federal agency that provides the most direct funding.
- 12.5 Period(s) an indirect cost rate is needed

13 Which agency should approve my indirect cost rate(s) and issue a Negotiation Agreement?

- 13.1 Your Cognizant Federal Agency for indirect cost is responsible for negotiating your indirect cost rate and issuing the appropriate Negotiation Agreement. Unless specifically assigned by OMB, the Federal agency with the preponderance of direct funding is normally your cognizant agency for indirect costs.

14 What is the period of time that an indirect cost rate agreement covers?

- 14.1 The Cognizant Federal Agency determines the time period covered by an Indirect Cost Rate agreement.

15 When a pass-through entity (PTE) uses Federal and nonfederal funds to make a subaward, is the indirect cost rate applicable to only the portion of Federal funds awarded or to the total award?

- 15.1 Federal Uniform Guidance, including Section [200.331\(a\)\(4\)](#), ONLY applies to Federal funds as specified in the terms and conditions of the Federal awards.

The Grant Office team is available to assist with any question about indirect costs.

088-003 State Agency Required Grant Notifications

Authority

Federal

[Executive Order 12372, 3 Code of Federal Regulations](#)

[Intergovernmental Act of 1968](#)

[Demonstration Cities and Metropolitan Development Act of 1966](#)

[National Environmental Policy Act of 1969 Section 102\(2\)\(c\)](#)

[2 CFR 200.308 Revision of budget and program plans](#)

State

[Nevada Revised Statutes \(NRS\) 353.245 and 353.335](#)

[Nevada Revised Statutes \(NRS\) 232.225](#)

[State Administrative Manual \(SAM\) §2500](#)

[State Administrative Manual \(SAM\) 3008, 3014, 3016, and 3024](#)

Background

Statutory requirements involve the approval of changes to approved budget by the legislature. Because this body convenes only every two years, a smaller committee, the Interim Finance Committee (IFC), was formed to take care of approvals during the period between the assembling of the full legislative body.

The result is that whenever a state agency is approved to receive Federal funds in the form of a grant, it must process the appropriate documentation for the approval of the IFC. The process involves notifications to other state agencies supporting the IFC and fiscal procedures.

Notification to the Grant Office is included in the state statutory requirements ([Nevada Revised Statutes \(NRS\) 232.225](#)). To comply with Federal mandates, notification to the State Clearinghouse is mandated by Executive Order in 1989.

Implementation Procedures

General

Notification to state agencies (Governor's Finance Office, assigned Fiscal Analyst at Legislative Council Bureau (LCB), etc.) requires submission of completed documentation. The Grant Office recommends reviewing the website for the intended state agency for the latest procedure, point of contact, and forms.

Purpose

Provide guidance about required or procedural notification to state agencies for the proper administration, management and processing of grants.

Procedure

Required Notifications

Pre-Award Notifications for State Grants (Legislatively Mandated)

State agencies distributing state generated funds (legislatively mandated) to state and/or local governmental agencies, and nonprofits will make the following notifications as applicable:

1. Controller's Office: the completion and submission of the Job Number Maintenance form to the State Controller. The form ensures the creation of a unique job number. The job number is required to track fiscal transactions linked to the state grant. Email: grants@controller.state.nv.us
2. State Clearinghouse: when the proposal involves public lands and National Environmental Policy Act. Email: nevadaclearinghouse@lands.nv.gov
3. Grant Office: The Grant Office will support the awarding state agency with its efforts of distribution, reaching a wider audience, and increasing collaboration. Notification is easy, email the completed form 088-GP 06A to grants@admin.nv.gov. The Grant Office will also update the current listing of state agencies offering grants. In their website. [Grant Office](#).

Post-Award Notifications for State Grants (Legislatively Mandated)

In the instance that the state agency is reverting grant funding (unobligated balance), the Nevada Grants Office must be notified immediately upon making the determination that funds will not be used or at minimum 90-days prior to the end of the period of performance of the grant. [Nevada Revised Statutes \(NRS\) 232.225](#). It is easy to comply, just send the completed form 088-GP 06 to grants@admin.nv.gov. The Grant Office will coordinate with potential partners to expend the funds within the scope of the program and its approved budget whenever possible.

Pre-Award Notifications for Federal Proposal/Application

1. To comply with the Executive Order 12372 Intergovernmental Review also known as Single Point of Contact (SPOC). immediately upon making the determination to complete a proposal for money, equipment, materials or services, every state agency must notify the Grant Office of their intent to apply by emailing the form 088-GP 04 to grants@admin.nv.gov (see policy #088-004 – Single Point of Contact (SPoC)/Intergovernmental Review):
2. If the proposal includes the following activities, notification to the State Clearinghouse is a requirement. Send notices to email nevadaclearinghouse@lands.nv.gov.
 - 2.1. Public land transfers,
 - 2.2. Military activities,
 - 2.3. Direct development projects, and
 - 2.4. Major development projects requiring environmental impact analysis.

When submitting a grant proposal for money, equipment, material or services, every state agency must file the proposal with the Governor's Finance Office ([NRS 353.335](#)), the Fiscal Analysis Division of the Legislative Counsel Bureau (LCB) ([NRS 353.245](#)), and notify the Grant Office.

- Notify the Grant Office by completing form 088-004 and sending it via email to the Grant Office email: grants@admin.nv.gov.
- Notify the Budget Analyst at the Governor's Office of Finance assigned to the applicant's state agency. See [Budget Analyst Assignments of State Agencies](#) for specific emails.
- Notify LCB Fiscal Analysis Division at fiscal@lcb.state.nv.us

When a Federal agency approves a proposal/application (in whole or in part) the awarded state agency must notify the Grant Office ([Nevada Revised Statutes \(NRS\) 232.225](#)), the Governor's Finance Office ([NRS 353.335](#)) and the Fiscal Analysis Division of the Legislative Counsel Bureau ([NRS 353.245](#)). Also, it is necessary to complete and submit to the State Controller a Job Number Maintenance Form KTLOPS-35. Submit the form to grants@controller.state.nv.us The form can be found here—[Job Number Maintenance Form](#)

Post-Award Notifications for Federal Awards

Notify the Nevada Grants Office ([Nevada Revised Statutes \(NRS\) 232.225](#)), grants@admin.nv.gov; and when applicable, the State Clearinghouse, nevadaclearinghouse@lands.nv.gov, the Budget Analyst at the Governor's Finance Office ([NRS 353.335](#)) assigned to the applicant's state agency about changes approved by the Federal awarding agency to the original approved:

- Budget,
- Budget period, and/or
- Performance period

Click here to see [Budget Analyst Assignments of State Agencies](#). Send the information to the Fiscal Analysis Division of the Legislative Counsel Bureau ([NRS 353.245](#)) at fiscal@lcb.state.nv.us; and the Controller's Office is notified at grants@controller.state.nv.us

2. When requesting reimbursement from the Federal awarding agency, notify the State Treasurer at OSTCrecit@NevadaTreasurer.gov.
3. In the instance that the state agency is reverting grant funding (unobligated balance), the Grant Office must be notified ([Nevada Revised Statutes \(NRS\) 232.225](#)) by sending the completed form 088-GP 06 to grants@admin.nv.gov.

Please contact the Grant Office with any questions related to grant notifications.

088-004 ~ Single Point of Contact (SPoC)/ Intergovernmental Review

Authority

Federal

Presidential Executive Order 12372

State

[State Administrative Manual \(SAM\) 3000](#)

Background

In October 1968, the United States Congress passed the Intergovernmental Cooperation Act in an attempt to improve relationships between the Federal agencies and state, local and regional government entities, and private agencies by requiring the coordination of planning and programming efforts. The intent of the Act was to reduce duplication of effort and avoid conflicting effort within a state while facilitating orderly growth and development consistent with state, local and regional objectives.

The Office of Management and Budget issued *Circular A-95* in July 1969, later revised, to implement:

1. The provisions of *Section 201 and Title IV of the Intergovernmental Cooperation Act* by calling for the establishment of state, regional and metropolitan clearinghouses to aid in the coordination of projects involving Federal grant dollars, providing for gubernatorial review and comment on federally required State plans, and establishing the project notification and review system which allows the Clearinghouse to review and comment on applications being made for Federal dollar;
2. *Section 204 of the Demonstration Cities and Metropolitan Development Act of 1966* which calls for the review of Federal loan or grant requests for assistance in carrying out open-space land projects or for the planning of construction of hospitals, airports, libraries, water supply and distribution facilities along with water development and land conservation projects within a metropolitan area
3. *Section 102(2)(C) of the National Environmental Policy Act of 1969 and regulations of the Council on Environmental Policy* which call for the review and comment of certain Federal or federally-assisted projects by state and local agencies responsible for environmental standards

Through its years of implementation, the *Circular A-95* review process became cumbersome, ineffective and, in general, ignored by the Federal agencies. President Reagan implemented his philosophy of "New Federalism" whereby reliance on states making their own decisions according to their needs was emphasized. One of the results of "New Federalism" was a complete rethinking of *Circular A-95* review process.

On July 14, 1982, President Reagan instituted the Intergovernmental Review Process of Federal Programs by signing *E. O. 12372*. The *Circular A-95* rules remained in effect until Federal agencies issued new rules under the Executive Order.

On June 24, 1983, Federal agencies published final rules implementing *E. O. 12372* and listed which programs were covered under the Executive Order. The rules no longer referred to the State Clearinghouse but rather to a Single Point of Contact (SPoC) for each state.

This policy is applicable to all entities who determine to complete proposals/applications for Federal funding requiring Intergovernmental Review of Federal Programs, that is E.O. 12372.

Implementation Procedures

General

The Intergovernmental Review has two objectives:

1. Increase collaboration
2. Ensure applications align with current local, regional, and state strategies

To fulfill the first objective of increasing collaboration, the Grant Office encourages all entities to submit their request for Intergovernmental Review *immediately* upon making the determination that a proposal/application will be developed. In this instance, the Grant Office tracks proposals/applications and notifies any entity about other applications for the same funding source.

The Presidential Executive Order (EO) includes all types of Federal assistance (grants, cooperative agreements, contracts, reimbursable agreements, etc.) discretionary (competitive) and formulary. The latter may or may not require the completion of a formal application.

The second objective is accomplished by the Grant Office staff after reviewing the proposed project summary/abstract. Based on the results of the review, it will respond to the applicant and if applicable, provide comments to the point of contact found in the Notice of Funding Opportunity (NoFO).

Entities applying for Federal funds request the Intergovernmental Review of Federal Programs by submitting a completed form 088-GP 04 to the Grant Office via email to grants@admin.nv.gov. The Grant Office will reply within five (5) working days.

For requests made prior to the submission of the fully completed proposal/application, the Grant Office response is used to complete Question 19 of the SF-424 form.

The EO requirements differ based on whether the proposal/application originates from a state agency, an institution of higher education, private, nonprofit, or local government entity as explained below.

State Agencies

All state agencies must go through the Intergovernmental Review process regardless of whether the Federal program is covered under the Presidential Executive Order.

Institutions of Higher Education, Private, Nonprofit, or Local Government entities

Institutions of higher education, private, nonprofit or local government entities are required to go through the Intergovernmental Review process only for those programs covered by the Presidential Executive Order. Requests for proposals are usually published in the Federal Register specifying *E. O. 12372 requirements* including information about SPoC.

Purpose

The general purpose of the Intergovernmental Review process is to:

1. Ensure compliance with Federal and state statutes, and state and local plans,
2. Determine impact on current and future state budgets,
3. Maximize use of Federal funding by avoiding duplication of effort in the application for and use of Federal funds.
4. Increase partnerships,
5. Encourage coordination and collaboration,
6. Reduce the instances in which Nevada entities compete with one another;

Procedure

1. The Grant Office responds to notifications within five (5) working days of receiving the notice.
2. Upon the entity's determination to develop a proposal/application for Federal funding (formulary or competitive), notify the Grant Office by providing the completed 088-GP 04 via email to grants@admin.nv.gov.
3. The Grant Office will reply and log the entity's information and begin tracking possible partnerships. It will respond to the notification with a request for the fully completed application when ready.
4. The Grant Office assigns a State Application Identifier (SAI) number to all compliant SPoC. Please contact the Grant Office if a Federal agency requires the SAI number.
5. Noncompliant requests for Intergovernmental Review of Federal Programs will receive the appropriate response.
6. Only after its review of the fully completed application will the Grant Office will provide comments to the assigned point of contact found in the NoFO within the required 60-days, as appropriate and applicable.

Notify the Grant Office of the outcome of the submitted application.

1. If successful send an electronic copy of the Notice of Grant Award (NoGA) or the documents approving the funds via email grants@admin.nv.gov as soon as it is received.
2. When unsuccessful, upon receipt, please send the electronic copy of the notice of non-approval via email to grants@admin.nv.gov. The Grant Office also tracks these application results and the team is available to jointly review notes provided by the evaluators and provide technical assistance

Contact the Grant Office with any questions about compliance with Intergovernmental Review of Federal Programs requirements.

088-005 Developing a Notice of Funding Opportunity for Subawards

Authority

Federal

2 Code of Federal Regulations (CFR) § [200.203](#), § [200.521](#), and [Appendix I to Part 200](#)

State

[State Administrative Manual \(SAM\) § 3022](#)

Background

This policy is applicable to awards distributed by state agencies in a competitive or non-competitive process using:

1. State generated funds (legislatively mandated)
2. Federal pass-through funds

State agencies prepare announcements to notify interested parties about the availability of grant funds for a specific program. The announcement contains information about the program, application, review criteria (competitive distribution or not), administrative and reporting requirements, state points of contact. It is essential to publicize these announcements as broadly as possible for maximum reach and collaboration among potential grant seekers.

Note that the withdrawal of a publicized announcement by a state agency requires the following actions:

1. The distribution of a written justification for the withdrawal. The state agency will make the same efforts to broadly publicize the justification as it did for the announcement
2. If applicable, notification in writing to entities who submitted a proposal/application

Implementation Procedures

General

State agencies must establish written procedures that allow competitive grants to be awarded equitably in an open and transparent environment.

Purpose

The purpose of this policy is to describe the steps and provide required information for the preparation and publication of a Notice of Funding Opportunity (NoFO).

Procedure

The appropriate state agency staff creates the NoFO for publication as soon as possible upon receiving the NoGA. The state agency provides a realistic span of time for potential subrecipients to develop effective competitive proposals. Communication between state agencies and applicants is imperative for the success of the state program. State agencies must communicate changes made to the NoFO, especially in scheduled events such as submittal deadline, evaluation meeting, estimated date of award. The NoFO content clearly communicates, at minimum, the following essential information:

1. The funding authority for the grant
2. A description of the grant program
3. The state's goals and priorities in making the grant,
4. Eligibility requirements for applicants
5. A statement on whether partners and collaboration are encouraged
6. Grant outcome expectations and reporting requirement
7. Deadlines and timelines for each step in the application and award process (e.g. if a letter of intent is required or not)
8. Amount of award money and its purposed allocation
9. Selection criteria and weight
10. Detailed information of the template and formatting styles of the application
11. General information on the review process and composition of the review committee
12. Requirements for in-kind or matching funds
13. Information of the single point of contact (SPoC)
14. A statement highlighting when grant application will become public data
15. Identification of the objectives and work product of the grant
16. Information about special conditions or specific requirements from the state or Federal program
17. Expected date for awards

A sample NoFO is available at the Grant Office, please contact us at grants@admin.nv.gov.

The following steps present tasks the pass-through entity will accomplish by when announcing a funding opportunity.

1. Publicizing the Notice of Funding Opportunity at minimum means posting it on the state agency's website. Other options include but are not limited to: an existing email listserv, distribution of hard copy via regular mail, telephone calls, webinars, and workshops to potential grant seekers. Additionally, several Federal programs also require the posting of a notice in the local newspaper(s).

The Grant Office will distribute NoFOs via several email distribution listings. As appropriate, the Grant Office will also add the awarding state agency to its list of state agencies providing state funds. The recipients of the listserv include state and local government agencies, as well as nonprofit, private businesses, and tribal entities. These lists are available at the [Grant Office](#).

2. Closing of the request for proposal involves the tracking of submitted proposals (see sample form 088-GP 08), ensuring submitted proposals are fully completed and if applicable, processing these submitted applications to the review panel or the state representative with authority for final distribution. This includes the compilation of the executed appropriate conflict of interest form(s).
3. For competitive subawards, evaluating the submitted proposals means gathering the panel members, coordinating the evaluation process, ensuring no conflict of interest takes place (see grant Policy #088-007 Conflict of Interest) and listing the ranked proposals for a potential award (See Policy #088-008 Subaward Competitive Review Criteria). State agencies should recruit and utilize community-based evaluators with expertise in the field of the related program. Also, the Grant Office compiled a listserv of potential reviewers and offers its support in the formation of evaluation panels. Develop a scoring tool tailored to the agency and to the requirements of the grant to aid the evaluator. It is important for transparency that scores submitted by evaluators are not changed. However, individual funding allocation may be adjusted with justification. It is also pivotal that all evaluators are able to participate in the evaluation process equitably. Preserve all documentation about the evaluation process. For competitive subawards, the funding recommendation is based on the highest scoring proposals/applications first. Finally, during the allocation process, the Director is the final authority.
4. The following tasks are necessary prior to issuing the agreement (check Policy #088-009 Issuing a Subaward Agreement) for funds.
 - 4.1. Perform a risk assessment of the potential subrecipients as required by [2 CFR 200.331\(b\)](#) – see policy 088-006 Subrecipient Risk Assessments.
 - 4.2. Confirm the subrecipient is registered with the State Controller as a vendor. Registration of the subrecipient with the Controller as a vendor is necessary to perform and track fiscal transactions with the state. Review the Controller's "Vendor Manual Edition for Agency Use" and/or "Accounting Policies and Procedures" and/or the "User Manual for Payment Vouchers" at [Controller User Manuals](#) to learn about vendor registration.

The Grant Office staff is available to respond to any questions and assists with forms, review, and development of any grant related process.

088-006 Subrecipients Risk Assessment

Authority

Federal

2 Code of Federal Regulations (CFR) § [200.205](#), [331](#), [519](#), and [520](#)

State

[State Administrative Manual \(SAM\) §3022](#)

Background

Whether receiving Federal funds and acting as a pass-through entity (PTE) or distributing state funds (legislative mandated) for competitive grants, the state agency is responsible for evaluating each subrecipient's risk of noncompliance with Federal and state statutes, regulations, and terms of the subaward for purposes of determining the appropriate subrecipient monitoring.

This policy applies to funds distributed by a state agency whether the source of funds is Federal or legislatively mandated.

Implementation Procedures

General

The NoFO must include the criteria used by the PTE to evaluate the risk of noncompliance by the applicant/potential subrecipient before issuing a grant agreement (e.g. administrative, reporting, monitoring and closing requirements)

Purpose

Establish basic criteria in the evaluation of applicants/potential subrecipients using a reliable method for the evaluation.

Procedure

Establish a policy, procedure and internal controls for state agency staff to evaluate applicants/potential subrecipient's entity before issuing a grant agreement.

The policy and procedure must be communicated with applicant organizations to notify them of requirements.

Sharing the results of the risk assessment provides the foundation for a corrective action plan. The corrective action plan may include technical assistance, training, etc. for the affected applicant entity.

1. A sample customizable template is available from the Grant Office which includes the basic risk assessment criteria. See form 088-GP 11.
2. If developing a different template, it must contain at minimum the following basic criteria:
 - 2.1. The completion of a review by the PTE staff using the Federal System for Administration website [SAM.gov](https://www.sam.gov) for suspension or debarment of the applicant/potential subrecipient's organization from a state, local government, or private or nonprofit. Document the results of this search.
 - 2.1.1. If the applicant/potential subrecipient's organization is suspended or debarred, they may not be eligible to apply – consult with the state agency program manager to determine eligibility and/or existing special conditions if selected.
 - 2.2. The review by PTE staff via the Federal Award Performance and Integrity Information System [FAPIIS.gov](https://www.fapiis.gov) to verify information about the applicant/potential subrecipient's organization when the proposal/application involves issuing the subaward as a contract.
 - 2.2.1. If the applicant/potential contractor has derogatory information, they may not be eligible to apply – consult with the state agency program manager to determine eligibility and/or existing special conditions if selected.
 - 2.3. To show compliance with the requirements to review, print the search results from SAM.gov and FAPIIS ensuring that the document is timestamped. Then file with the risk assessment document
 - 2.4. History of performance comprises at least the following criteria:
 - 2.4.1. Submission of accurate and timely required reports
 - 2.4.2. Timely response to information requests
 - 2.4.3. Adhered to the schedule found in the project milestones for previous awards
 - 2.4.4. Adhered to budgetary allocations for previous awards
 - 2.4.5. The goals presented in the proposal/application align with the state agency's goals for the funding program and the entity's strategic plan
 - 2.5. Quality of management and ability to meet management standards. The following criteria are necessary to meet specific Federal requirements. See [2 CFR 200](https://www.ecfr.gov/current/title-49/chapter-I/subchapter-B/part-200).
 - 2.5.1. Does the NoFO have complex program requirements?
 - 2.5.2. Does the NoFO require matching funds?
 - 2.5.3. The complexity of the reporting requirements,

- 2.5.4. Will the subrecipient's organization subcontract the activities?
- 2.5.5. Has the subrecipient's organization successfully managed similar programs (scope, size and funding source)?
- 2.5.6. Does the subrecipient's organization have documented policies and procedures for:
 - 2.5.6.1. Conflict of interest,
 - 2.5.6.2. Civil rights,
 - 2.5.6.3. Internal controls,
 - 2.5.6.4. Financial management,
 - 2.5.6.5. Other policies and procedures necessary for the program?
 - 2.5.6.6. Did the subrecipient's organization experience any of the following changes within the last year?
 - 2.5.6.7. Key personnel in the immediate management of this program?
 - 2.5.6.8. Did it lose accreditation or licenses?
 - 2.5.6.9. Did it experience changes to its:
 - 2.5.6.9.1. accounting,
 - 2.5.6.9.2. payroll,
 - 2.5.6.9.3. administration,
 - 2.5.6.9.4. technology, or
 - 2.5.6.9.5. reporting systems
 - 2.5.6.9.6. its organizational structure
- 2.5.7. Is the subrecipient's organization able to segregate indirect costs when applicable?
- 2.5.8. Does its economic conditions support the proposed project?
- 2.5.9. Does it have stable political conditions?
- 2.6. Financial stability includes the following criteria:
 - 2.6.1. Audit finding in the past three years,
 - 2.6.2. The organization is more than three years old

- 2.6.3. The amount requested is less than \$25,000 – low risk
- 2.6.4. The amount requested is greater than \$250,000 – high risk
- 2.7. Other criteria to evaluate specific risks to the program.
- 2.8. A certification block that confirms the assessment was conducted, dated, and signed by the person who completed the assessment.
- 3. The results of the risk assessment must be part of the evaluator’s scoring sheet and considered accordingly.

As always, the Grant Office is available to answer questions about evaluating risk for existing, new, or potential subrecipients.

088-007 Conflict of Interest

Authority

Federal

Title 2 of the Code of Federal Regulations (CFR) Section [200.112 Conflict of Interest](#)

State

[Nevada Revised Statutes \(NRS\) Chapter 281A Ethics in Government State Administrative Manual \(SAM\)](#) (*revisions in progress*)

Background

The Federal Office of Management and Budget developed the Uniform Guidance (UG) in 2013, becoming effective in December of 2014. It encompasses and codifies the guidelines for grants previously called “Circulars” and includes new requirements for nonfederal entities receiving Federal grants. The Uniform Guidance is found in [Title 2 of Subpart A of the Code of Federal Regulations \(CFR\)](#).

[CFR 2 Section 200.112](#) states that the Federal awarding agency must establish conflict of interest policies for Federal awards. The nonfederal entity must disclose in writing any potential conflict of interest to the Federal awarding agency or pass-through entity in accordance with applicable Federal awarding agency policy.

To comply with this requirement, Nevada state agencies must document any conflict of interest in the established grant processes and report it in accordance with the specific Federal agency policy.

One of the grant processes for state agencies distributing Federal or state (legislatively mandated) funds is to hold an evaluation of competitive applications. The evaluation is generally done via a group of experts in the program funded by the grant. This requires the evaluators to also disclose any conflict of interest whether potential or perceived due to the individual reviewer or the organization the reviewer represents.

Non-competitive awards require the completed disclosure of Conflict of Interest disclosure form from person with authority to determine final distribution.

This policy applies to all funding passed-through whether funds distributed are Federal or state (legislatively mandated).

Implementation Procedures

General

To meet the Federal mandates for Federal funds, state agencies must carefully review the Federal awarding agency’s conflict of interest policy and address any requirements.

Prior to processing, state agencies must ensure that participating individuals have no conflict of interest.

Note that subawards from state agencies which are non-competitive require the completion of form 088-GP 02-A from the person authorized to make the final distribution.

Purpose

The general purpose of the Conflict of Interest policy and procedure is to:

1. Avoid and address conflict of interest, whether potential, actual or perceived
2. Ensure successful Federal audits of state programs
3. Maintain current status with Federal agencies of low-risk recipient of Federal funds
4. Ensure compliance with federal, state statutes, and local codes

Procedures

1. To avoid potential conflict of interest, agencies may consider including questions in the Request for Proposal process to identify how potential subrecipients manage conflicts of interest. This may include information about their conflict of interest policies and procedures.
2. All state employees and state officers and expert individuals involved in the state's subaward process must complete and sign a conflict of interest disclosure form for each program requiring evaluation and ranking of proposals. The Conflict of Interest Disclosure form must include a field where the employee or participating individual must identify the third party with which the actual, potential or perceived conflict of interest is recognized. The reason for the conflict of interest is not necessary.
3. State staff or expert individuals involved in the grant process must act immediately upon any suggestion, inquiry, or indication that a conflict of interest exists at any point of the grant process. Upon identification of the person(s) involved, refer such matters to the appropriate agency or grant program personnel (supervisor, Request for Proposal point of contact) for additional discussion to identify and mitigate any potential conflicts. When a conflict involves the employee's immediate supervisor, grant program manager, or point of contact for the NoFO, the employee or expert individual should contact the next supervisor above, the agency's director, or the Nevada Commission on Ethics.
4. When determined that an actual, potential or perceived conflict of interest exists, as defined by this manual or other related law, follow the applicable actions below to avoid or mitigate the conflict:
 - 4.1. Reassign duties associated with the particular grant to another employee or second party
 - 4.2. Require the state employee or second party to excuse themselves from the discussion or decision about the particular proposal/award affected by the conflict, including avoiding discussions about it with other employees or second parties

- 4.3. Ensure all internal parties involved in the particular grant process must be made aware that an actual, potential or perceived conflict is disclosed and evaluated, even when it does not merit reassigning the employee or second party
- 4.4. The potential subrecipient may be disqualified from eligibility for the grant
- 4.5. A current subrecipients grant agreement may be terminated
- 4.6. The subrecipient is disqualified from subsequent state grant awards if determined that it improperly failed to disclose a known organizational conflict of interest or misrepresented information regarding such conflict
- 4.7. Allow the subrecipient to propose the exclusion of tasks that create a conflict
- 4.8. If appropriate, ask the subrecipient to submit an organization conflict of interest avoidance or mitigation plan
- 4.9. Make all information available to all subrecipients and/or potential subrecipients to eliminate appearance of favoritism
5. Meeting minutes, documents or records kept regularly as part of the grant process must show any disclosed conflicts of interest and their resolution
6. A supervisor cannot participate in the evaluation process when supervising a majority of the individuals taking part in the evaluation.

Use form 088-GP 01 for evaluators and Form 088-GP 01-A for state employees/officers authorized to award grant funds.

Please contact the Grant Office with concerns about managing a conflict of interest situation not addressed in this policy.

088-008 Subaward Competitive Review Criteria

Authority

Federal

[2 Code of Federal Regulations \(CFR\) § 200.202-207](#)

State

[State Administrative Manual \(SAM\) § 3000](#)

Background

Unless otherwise stated, funding provided by Federal or state funding (legislatively mandated) sources requires the state agency perform as the pass-through entity (PTE) to distribute funding to other state, local, tribal, and/or nonprofit entities. The method for allocation is generally done through a competitive Notice of Funding Opportunity (also known as a Request for Proposal (RFP), or Request for Applications, or Grant Guidance, or Grant Announcement) asking potential subrecipients to submit proposals/applications. Once received, the proposals/applications are reviewed and ranked by a group of subject matter experts. Final allocation is made based on the ranking and justification from the awarding entity. This policy does not apply to noncompetitive distribution of subawards.

The intent of this policy is to provide state agencies with basic information necessary to establish a standardized ranking process for competitive proposals. The PTE must include additional specific requirements to match the criteria found in the Federal/state Notice of Funding Opportunity (NoFO).

This policy applies to all funding passed-through in a competitive process whether funds distributed are Federal or state (legislatively mandated).

Implementation Procedures

General

Documenting the procedure and criteria used in determining the allocation of funds is essential in providing support for the final decision taken by the PTE. Standardization of the procedure will assist the potential applicants in developing a proposal and the reviewers in ranking the proposals. An added benefit is that the PTE can consider the risk posed by the applicant in implementing the proposed project, geographic distribution, service to special populations, etc., during this review/ranking process and document all considerations for transparency purposes. Preserve evaluation materials as they are considered public record.

Purpose

The purpose of the Competitive Review process is to:

1. Impartially allocate federal/state funding to potential subrecipients

2. Ensure compliance with federal/state regulations and local codes and policies
3. Provide documented support for the final distribution decision

Procedure

1. Review Criteria are selected and weighted according to their importance to the purpose of the grant program before the NoFO is written and circulated. All criteria and additional considerations (e.g. example, geographic distribution, risk posed by subrecipient, service to special populations, needs of the community served, capability to implement the project)-must be identified with their respective priority or weight in the NoFO.
2. The NoFO describes the selection criteria and their relative weight in the standardized ranking system.
3. Agency staff develops an application/proposal evaluation sheet that facilitates the scoring process, which is used by all reviewers. To score applications/proposals with the highest degree of precision, use a numeric (quantitative) scoring system.
4. The state awarding agency coordinates and conducts a review meeting or conference call with the review team to discuss each application/proposal and their score.
5. After a proposal/application evaluation scores are finalized, state agency staff incorporates the scores into a final funding recommendation for the consideration and final approval of the state agency's representative with authority to distribute the funding.
6. The Director of the awarding agency has final authority for allocation of awards.
7. An appeal process for subrecipients is strongly recommended.

Form 088-GP 03 Proposal Evaluation Final is a template for evaluating proposals available at the Grant Office. Please contact the Grant Office for assistance with any award/subaward procedures.

088-009 Issuing a Grant Agreement

Authority

Federal

[2 Code of Federal Regulations \(CFR\) § 200.330-332](#)

State

[State Administrative Manual \(SAM\) § 3022](#)

Background

This policy is for Federal and state (legislatively mandated), competitive, formula, single and sole source grants. It applies to all executive branch agencies, boards, committees, councils, institutions, authorities and task forces with statutory authority to make grants.

Implementation Procedures

General

The development of a standard package of forms containing the required and other necessary information simplifies the process of issuing the award while clearly identifying the purpose of the award. This in turn will allow the awarding agency to better track, revise, monitor, and report on the expected outcomes.

Purpose

Ensure that every grant agreement used for a subaward clearly identifies the subrecipient and includes the required information.

Procedure

Develop policy, procedure, and internal controls to issue, update, and approve grant agreements.

Remember that the subrecipient cannot expend awarded funds prior to having the completed grant agreement package signed by the authorized representative from the subrecipient entity, as well as the awarding state agency. This also applies to state agencies receiving a subaward.

The policy, procedure, and internal controls are as follows:

1. Confirm the form used to issue grant agreements contains the following required information. Note that the assigned Deputy Attorney General for the state agency must review and approve the grant agreement package before its official use.

- 1.1. Subrecipient name and unique entity identifiers (EIN & DUNS number)

- 1.2. Grant Award Identification Number and award date
 - 1.3. Subaward performance period (start and end date)
 - 1.4. Amount of funds obligated/committed, Federal and nonfederal, to the subrecipient
 - 1.5. Name of the awarding agency or PTE
 - 1.6. Contact information for the awarding agency or PTE
 - 1.7. Catalogue of Federal Domestic Assistance (CFDA) number and name of the program if Federal funding is involved
 - 1.8. Indirect cost rate (if applicable)
 - 1.9. Certification of non-Suspension and Debarment (SAM.GOV and/or FAPIIS as applicable)
 - 1.10. Specific scope of work
 - 1.11. Performance evaluation measures
 - 1.12. Financial and program reporting requirements
 - 1.13. Information about how grant payments will be made (reimbursement or advances) with source documentation
 - 1.14. Closeout terms and conditions (e.g., 40 days for final reports)
 - 1.15. Standard language and assurances, including but not limited to clauses regarding liability, data practices and intellectual property, contracting and bidding requirements that include use of targeted vendors, Worker's Compensation, and provisions concerning Federal funds when applicable.
 - 1.16. If lengthy grant requirements are incorporated into the grant agreement by reference, it should be done in such a manner that the requirements can be easily identified and located by the subrecipient.
2. When the Pass-Through Entity (PTE) has documented and determined the risk posed by a subrecipient requires additional specific conditions, it can impose such conditions but must clearly communicate them to the subrecipient in the grant agreement package. These conditions may include, but are not limited to:
 - 2.1. Reimbursement of expenses only (i.e. no advances of funds)
 - 2.2. More frequent monitoring
 - 2.3. More specific financial reporting

2.4. Additional approvals for expenditures such as travel

2.5. Additional technical or management assistance by the awarding agency or PTE.

3. Once the package is completed, ensure a second staff member reviews it for accuracy before issuing it to the subrecipient.
4. Issue the grant agreement package to the selected subrecipient for execution (completion and signatures as necessary). This may be done electronically via email or fax if a currently approved policy and procedure for electronic signatures is in place.
5. Compile and review the completed and executed grant agreement package. Incomplete subaward packages must be returned for completion.
6. Ensure the appropriate authorized representative for the state agency or PTE signs the necessary and appropriate forms to fully complete the grant agreement before releasing funds.
7. Any changes made to the terms of the grant agreement must be made via a fully-executed amendment or other legally-approved method.

The Grant Office team is available to support your efforts in issuing grant agreements. As the awarding agency, if you do not have or use a standard package of forms containing the required information, please contact the Grant Office at grants@admin.nv.gov.

088-010 Federal Funding Accountability and Transparency Act (FFTA)

Authority

Federal

Public Law 10-282, as amended by section 6202(a) of Public Law 110-252
Title 2 of the Code of Federal Regulations, Part 1, Section 170

State

[State Administrative Manual \(SAM\) § 3022](#)

Background

The Federal Funding and Accountability and Transparency Act (FFTA) legislation, *Public Law 109-282*, requires information on Federal awards to be made available to the public via a single, searchable website called [USA Spending](#).

The FFTA Subaward Reporting System (FSRS) is the reporting tool for the use of Federal recipients (in this instance, state agencies functioning as a PTE) to capture and report subaward and executive compensation data about their first-tier subawards meeting the FFTA reporting requirements.

This policy is applicable to Federal awards passed-through to local, tribal, private, and nonprofit entities.

Implementation Procedures

General

Any state agency that receives funds as prime recipient and subawards them to a subrecipient or contractor for an amount greater than \$25,000 is required to report the transaction within 30 days of the written obligation using the web-reporting site [FSRS.gov](#). This website contains user guides and training videos.

Purpose

This policy assists state agencies with compliance in reporting subawarded Federal funding.

Procedure

1. Establish policy, procedure and internal controls for staff to ensure timely and correct reporting under the FFTA.
2. The policy and procedure should contain, at minimum, the following steps.
 - 2.1. Before the deadline of 30 days from issuing a subaward in an amount greater than \$25,000:
 - 2.1.1. To register for the first time with FSRS follow the process below:

- 2.1.1.1. Go to [FSRS.gov.https://www.fsrs.gov/](https://www.fsrs.gov/)
 - 2.1.1.2. Click on the *awardees* link.
 - 2.1.1.3. Click the *register* button on the right-hand side of the page under new recipient.
 - 2.1.1.4. Follow the on-screen directions to register for a new account. You will need the DUNS number for your state agency. To activate your account, you will receive an email validation message.
- 2.1.2. For previously registered users, log in and begin completing reports for subawards meeting the following conditions:
- 2.1.2.1. Mandatory (formulary) and discretionary (competitive) grants
 - 2.1.2.2. Subawards and executive compensation greater than \$25,000
 - 2.1.2.3. If the initial subaward is less than \$25,000 but through amendments, the total subaward exceeds \$25,000. It is subject to the reporting requirement the date it exceeds the \$25,000 cap
 - 2.1.2.4. If the initial subaward is greater than \$25,000 but through amendments, the total subaward is reduced below the \$25,000 cap, it continues to be subject to the reporting requirement

Please contact the Grant Office with questions about reporting under FFTA, also the team is available to support entities in developing policies, procedures, and internal controls.

088-011 Amending a Grant Agreement

Authority

Federal

[2 Code of Federal Regulations \(CFR\) § 200.308](#)

State

[State Administrative Manual \(SAM\) § 3022](#)

Background

Because fully executed grant agreements and grant agreement amendments are legally binding documents, it is the policy of the state to document changes to a grant agreement using a fully executed grant agreement amendment. Grant agreements may be amended only when the purpose of the amendment is similar to the purpose of the grant agreement, and when the duties of the recipient are within the scope of the approved original request for proposal. Use a grant agreement amendment whenever there are changes to the originally approved obligation, compensation or the expiration date. Grant agreement attachments and exhibits may also be revised as part of an amendment.

This policy applies to all funding whether the grant agreement is for a Federal or state (legislatively mandated) award.

Implementation Procedures

General

The requirement of amending grant agreements by means of a fully executed amendment document applies to all grant agreements as follows:

1. Grant agreements received by a prime recipient from a Federal awarding agency.
2. Grant agreements issued by a PTE to subrecipients using a Federal award.
3. Grant agreements issued by a state agency to subrecipients from state generated funds (legislatively mandated).

Purpose

The intent of this policy is to ensure state agencies whether acting as a prime recipient, PTE, or distributing state generated funds (legislatively mandated) establish policies, procedures, and internal controls to track, approve, and document amendments to grant agreements.

Procedure

All amendments must be numbered sequentially and approved in the same manner as the original grant agreement.

For grant agreements issued by a PTE to subrecipient using Federal or state (legislatively mandated) funds:

Establish a policy, procedure and internal controls to handle grant agreement amendments from subrecipients. The policy, procedure, and internal controls must address a deadline for the state agency to respond to the requested amendment.

The following steps show a basic process for reviewing, and approving or disapproving such amendments.

1. Use a standard template to process requests from subrecipients to amend original grant agreements. See sample form 088-GP 10.
2. Templates customized by state agencies must include the basic fields found in form 088-GP 10. Ensure the grant amendment template clearly indicates what is being added, deleted or changed and that it provides a reasonable justification for the requested change.
3. The grant amendment template originates at the subrecipient level. A completed form or template is submitted for approval to the subrecipient's assigned program manager at the awarding state agency/PTE. The program manager may request attachments as backup documentation for the requested changes.
4. The awarding state agency/PTE's program manager reviews the request and determines if it is approvable based on the program requirements. Take questions regarding the approvability of a requested amendment up the chain of command within the agency. If questions remain, the Grant Office is available to provide technical assistance.
5. Once the request is approved/denied, the form is signed and dated following the established policies, procedures and internal controls, which should include informing the subrecipient of the decision, and the proper filing of the approved grant amendment for documentation purposes.

For grant agreements issued by a Federal agency to the state as a prime recipient or PTE:

1. Establish a policy, procedure and internal controls to handle grant agreement amendment requests to Federal agencies. Note that the process to request such amendments varies by Federal agency.
2. To ensure the use of the correct template and process when requesting an amendment, it is strongly recommended that state agencies communicate the desired amendment to the assigned program manager at the Federal awarding agency.

088-012 Allowability of Costs

Authority

Federal

[2 Code of Federal Regulations \(CFR\) § 200.400-475, Subpart E, Cost Principles](#)

State

[State Administrative Manual \(SAM\) § 3000](#)

Background

The prime recipient or pass-through entity (PTE) is responsible for the proper administration of the grant award in a manner consistent with underlying agreements, program objectives, and the terms and conditions of the Federal and state funds (state legislatively mandated grants).

Generally Accepted Accounting Principles (GAAP) and Generally Accepted Government Auditing Standards (GAGAS) must be adhered to when administering grants to avoid fraud, waste, and abuse. Both GAAP and GAGAS require developing and carrying out effective policies, procedures, and internal controls.

This policy applies to all grants whether funds are Federal or state (legislatively mandated).

Implementation Procedures

General

Review and update policies, procedures and internal controls on a regular schedule. Provide training to ensure proper execution by staff involved in any part of the administration of grants. Develop and implement policies, procedures, and internal controls, including:

1. Auditing fiscal and programmatic reports for appropriate documentation prior to reimbursement.
2. A schedule for monitoring subrecipients fiscally and programmatically.
3. Confirming and monitoring the existence and execution of appropriate internal policies, procedures, and internal controls within the subrecipient organization.

Purpose

To ensure and provide awareness that ALL expenditures for grants meet the three requirements listed below, and to reduce audit findings and fraud, waste and abuse in the administration of grants.

1. Allowable

2. Reasonable
3. Allocable

Procedures

1. As state agency receiving or subawarding grant funds, establish policy, procedure, and internal controls to develop, approve, review, and revise policies, procedures, and internal controls related to the internal administration of grants. This is applicable to the subrecipient organization and the awarding state agency.
2. Establish a procedure to ensure costs for Federal and nonfederal activities are accounted for separately. Use Federal job numbers obtained from the State Controller's Office.
3. Create and use a guide/manual to present program, fiscal, and monitoring requirements to potential subrecipients.
4. As a state agency receiving or subawarding grant funds, establish certifications and assurances supporting proper management of grant funds by subrecipients and internally for your agency.
5. Establish policies, procedures, and internal controls for the review and audit of subrecipients':
 - 5.1. Fiscal reports
 - 5.2. Programmatic reports
6. Establish policies, procedures, and internal controls to monitor internal expenditures related to all grants (Federal and state/legislatively mandated).
7. Establish policies, procedures and internal controls to monitor subrecipients for the following administrative activities:
 - 7.1. GAAP
 - 7.2. GAGAS
 - 7.3. Policies
 - 7.4. Procedures
 - 7.5. Internal controls
8. Establish policies, procedures, and internal controls to reconcile, document, and track draw-downs for Federal funds and state funds.
9. Create a policy and procedure for staff to report fraud, waste, and abuse to the Governor's Office of Finance confidentially through its hotline or via email.

9.1. Hotline – (775) 687-0150

9.2. Email – iaudits@finance.nv.gov

Please contact the Grant Office for samples of policies, procedures, and internal controls, or to ask for assistance in developing and customizing these for your program.

088-013 Fiscal Reports (Prime & Subrecipient)

Authority

Federal

[2 Code of Federal Regulations \(CFR\) § 200.327 thru 332](#)

[2 Code of Federal Regulations \(CFR\) § 200.333 thru 337](#)

State

[State Administrative Manual \(SAM\) § 3022](#)

Background

For prime and subrecipients, the awarding agency monitors progress and expenditures for awards through various programmatic and financial reporting procedures, as well as using performance metrics per the grant agreement. These monitoring procedures are necessary to maintain transparency and to prevent fraud and abuse.

This policy is applicable to Federal funding received by a state agency and legislatively mandated state programs (state funded grants). The reporting for a prime award will vary for legislatively mandated funds based on the statutory requirements.

Implementation Procedures

General

Most grant funds provide payment for expenditures on a reimbursement basis. Reimbursement requires the submission of a set of documents. The set includes correct and complete documentation to back up all expenditures made to implement the approved project, and the accurately completed reimbursement request, also known as fiscal report.

The awarding agency processes the reimbursement request/fiscal report only after staff reviews and audits the submitted documentation. Exceptions exist, and certain programs allow advances on awarded funds and/or the reimbursement without the immediate review and audit of the reimbursement request/fiscal report. When delayed review and audit of the reimbursement request/fiscal report is acceptable, a method must be put into effect enabling the awarding agency to reconcile unallowable expenses after the reimbursement process but before closure of the subaward.

For your reference, the following are best practices used by successful programs in fiscal reporting.

1. The awarding agency typically has a staff (program manager) designated to each grant/award which will work with the recipient throughout the life of the grant. This program manager will review

reports and conduct site visits. We recommend building an effective line of communication with this staff member. It is better to prevent issues by talking to the program manager assigned to the grant/award to clarify grant terms or expectations than it is to submit a report and wait for problems to be identified and recourse initiated.

2. Carefully reading the reporting requirements in the NoGA will avoid noncompliance. The specific reporting requirements, schedules, and systems vary for each grant program. Programs with provisions for evaluation of projects will have additional reporting requirements. Check to confirm if provisions include the use of specific Federal internet portals for reporting purposes.
3. Most state agencies functioning as a PTE use the subrecipient's fiscal report as a request for payment/reimbursement.
4. A successful program provides a guide/manual in the award package for use by subrecipients detailing procedures for reporting, reimbursement, grant agreement amendments, and inquiries about the approved budget for their award. The guide/manual increases compliance, and, reduces errors and disagreements.
5. For programs including match provisions, ensure match contributions by the subrecipient meet the same criteria of the expenditures (allowable, allocable, reasonable, and necessary for accomplishing the project).

Purpose

To support the implementation of successful grant programs with best practice processes in completing thorough, consistent, and prompt review/audit of appropriate expenditures made by subrecipients.

Procedure

Subrecipient Fiscal Reporting

Develop policies, procedures, and internal controls to guide staff in processing subrecipient fiscal reports and the payment/reimbursement.

The guide must include but is not limited to the following topics.

1. The necessary instructions for reporting.
2. The consequences for noncompliance. Very clearly communicated
3. *The method, (e.g., electronic or hard-copy), deadlines and frequency of reporting by subrecipients. The PTE is authorized to increase the frequency of reporting when the risk posed by a subrecipient increases.
4. *The tools, such as templates and forms, to support the activities of processing fiscal reports submitted by subrecipients.

5. The timeframe for staff to process payment/reimbursement cannot exceed 30 days from receipt of the request.
6. A timeframe for staff to complete the review/audit of reimbursement requests/fiscal reports received from the subrecipient.
7. The requirement to include the CFDA number and the name of the Federal program in the payment document (must be printed on the document).
8. *The process for subrecipients to request time extensions for submission of reports.
9. The verification that the expenses were incurred during the Federal award's period of performance/budget period for the award.
10. The assurance that expenditures are necessary and reasonable. That is, they do not exceed what a prudent person would do under the circumstances (at the time the decision was made to incur the cost) for accomplishing the program objective.
11. The validation that expenditures are allowable. See [2 CFR 200.420-475](#)
12. The confirmation that the reported expenses are consistent with the entity's fiscal policies and procedures. That is, do not apply different policies and procedures for expenditures which are financed by the award.
13. The confirmation that the expenditures are not paid by the Federal/state Government under another Federal/state award.
14. The confirmation that the expenditures are provided in the approved budget.
15. The verification that payments to contractors are eligible and if applicable, that the fees do not exceed the cap.
16. The verification that expenditures do not count Federal/state time, space or resources. For example, use of Federal/state facilities or employees unless specifically approved).
17. *The inquiries/requests by staff for a subrecipient to revise or provide additional information when errors are found. Including a timeframe for subrecipients to respond to the inquiry/request.
18. *The reporting of match/cost share by subrecipient when required.
19. The verification that match/cost share expenditures meet the same criteria as the awarded funds. For example, these are allowable, reasonable, necessary, etc.
20. *The request by the subrecipient for modifications/amendments to the original approved budget.
21. *The processing by staff of requests for modifications/amendments to the original approved budget. Including a timeframe for responding to the subrecipient.

22. * *When the relationship shifts from prime and subrecipient to Federal and Prime recipient, revise these topics accordingly.*

Upon receipt of the subrecipient's reimbursement request/fiscal report, an agency must conduct an audit of the source documentation included in the reimbursement request. Once the audit and reconciliation are satisfactory, it prepares and completes the required budget information to process the reimbursement. Programs allowing delayed audit of fiscal reports follow the same process for auditing and must establish policies, procedures, and internal controls for reconciliation of disallowed expenditures prior to closing the award.

The audit of fiscal reports requires but is not limited to the corroboration of the following items:

1. Timeliness of the report.
2. Mathematical correctness.
3. Reconciliation with previous reports and approved limits for budget categories.
4. Confirming the expense is reasonable.
5. The expense is allocable to the award from which it is being requested.
6. Verifying the expenditures are eligible and allowable within the scope of the awarded project.
7. Confirming that sufficient source documentation is present to show the subrecipient:
 - 7.1. Initiated the purchase/request for service (purchase order),
 - 7.2. Received the appropriate supplies/equipment (invoice from vendor), and
 - 7.3. That the subrecipient made the correct payment.
8. A subrecipient travel policy must be used for reimbursement if it is more restrictive than state policy. In this case, the policy is part of the source documentation. Sufficient source documentation for travel includes:
 - 8.1. Documented approval by supervisory authority,
 - 8.2. Documented compliance with the [State Administrative Manual \(SAM\)](#) Section 0200,
 - 8.3. Ensure the reimbursement agrees with the Federal General Services Agency (GSA) rates and regulations (time/distance and duration of travel) for the destination or the subrecipient's reimbursement policies. Apply the stricter policy.
 - 8.4. Copies of documentation for lodging, transportation and parking costs.

Contact the team at the Grant Office for support in developing the subrecipient fiscal reporting guide. See sample form 088-GP 013 for use by the subrecipient for reporting expenditures. Also available is a sample of an amendment template. See form 088-GP 013-A.

Prime Recipient Fiscal Reporting

Develop policies, procedures, and internal controls to guide staff in processing subrecipient fiscal reports to compile necessary data for the completion of required Federal reports and draws for Federal reimbursement. Legislatively mandated state programs must follow statutory reporting requirements as applicable.

The guide for the state agency staff must include but is not limited to the topics found in the Subrecipient Fiscal Reporting section and those listed below. Revise topics in the Subrecipient Fiscal Reporting section that are asterisked (*) to reflect the change in relationship from prime recipient and subrecipient to awarding Federal agency and the prime recipient state agency. In case of legislatively mandated programs, these may not apply.

1. Assignment of authority to sign and certify accuracy and completeness of reimbursement requests/fiscal reports submitted to the Federal awarding agency.
2. When applicable, redundancy in access to reporting Federal portals and directions to support the activities related to such access.
3. Verification of compliance with submitting timely reports as required. This includes any statutorily required reporting for state legislatively mandated programs.
4. Ensuring the mathematical correctness of the report.

Contact the Grant Office team for support in developing a guide for reporting.

088-14 Performance Reports (Prime & Subrecipient)

Authority

Federal

[2 Code of Federal Regulations \(CFR\) § 200.328](#)

[2 Code of Federal Regulations \(CFR\) § 200.333-337](#)

State

[State Administrative Manual \(SAM\) § 3022](#)

Background

For prime and subrecipients, the awarding agency monitors progress and expenditures for awards through various programmatic and financial reporting procedures as well as using performance metrics per the grant agreement. These monitoring procedures are necessary to maintain transparency and monitor progress.

Performance reports reflect the activities accomplished in reaching the approved objectives. They highlight progress and community impact. Performance reports may include compliance data ensuring activities meet Federal and state regulations.

This policy applies to Federal funded grants. It also applies to state programs with a legislative mandate authorizing the distribution of funds through grants.

Implementation Procedures

General

1. When designing your program's performance reports, consider the following are best practices used by successful programs for reporting performance.
2. The awarding agency typically has a staff (program manager) designated to each grant/award which will work with the recipient throughout the life of the grant. This program manager will review reports and conduct site visits. We recommend building an effective line of communication with this staff member. It is better to prevent issues by talking to the program manager assigned to the grant/award to clarify grant terms or expectations than it is to submit a report and wait for problems to be identified and recourse initiated.
3. Carefully review the grant award (NoGA)/grant agreement package for performance reporting terms and conditions to become familiar with specific reporting requirements, schedules, and access to specific internet portals/systems. Programs with provisions for evaluation of projects will have

additional reporting needs. For legislatively mandated grants, reviewing the statute authorizing the program is a must to develop reporting requirements.

4. PTEs are responsible for the oversight, operation, compliance, and performance activities associated with Federal funds it distributes to subrecipients.
5. A successful program provides a guide/manual for subrecipients with detailed information about the procedures for reporting performance. The guide/manual increases compliance and reduces errors and disagreements. These requirements must be included in the NoFO when soliciting proposals.
6. Consider the deadlines for Federal/state reports, and plan deadlines and frequency of reports from subrecipients to allow the gathering of information necessary to complete such reports.
7. The awarding agency sets the frequency of performance reports required from the recipient/subrecipient with authority to increase the frequency due to a growing risk posed by the subrecipient.

Purpose

To support the implementation of successful grant programs with best practice processes in documenting activities. This includes reporting in a thorough and consistent manner which delineate progress, hindrances, and solutions related to approved goals.

Procedure

Develop policies, procedures, and internal controls to guide staff in processing subrecipient performance report. For Federal awards, the processing of a subrecipient performance report includes an analysis to gather data in support of the completion of Federal reports. The analysis of subrecipient reports for funding distributed under a state legislative mandate is also necessary to ensure compliance with statutory requirements.

Subrecipient Performance Reporting

The guide for staff to process performance reports must include but is not limited to the following topics.

1. The necessary instructions for reporting to the awarding agency
2. The consequences for noncompliance. Very clearly communicated
3. *The tools (such as templates and forms to support the activities of performance reports submitted by subrecipients)
4. *A timeframe for staff to review the performance review and address issues with the subrecipient
5. The verification that reported activities are consistent with approved goals and objectives

6. The confirmation that reported activities occurred during the award's period of performance/budget period
7. The confirmation activities for one program are not included for any other Federal award
8. *The subrecipient request for grant agreement amendments to the original approved scope of work and/or key personnel.
9. The timeframe for staff to respond to grant agreement amendment requests.
10. *The inquiries by staff to ask questions about performance reports to the subrecipient. This includes the timeframe for the subrecipient to respond to staff's inquiry

Prime Recipient Performance Reporting

Develop policies, procedures, and internal controls to guide staff in processing performance reports from subrecipients and compile necessary data for the completion of required Federal or statutory reports.

The guide must include at least but is not limited to those found in the Subrecipient Performance Reporting section and those listed below. Note that topics above with an asterisk (*) require revision to reflect the relationship of prime recipient and Federal awarding agency vs. the prime recipient and subrecipient.

1. Tools (such as templates and forms to support the activities of processing performance reports).
2. Assignment of authority to sign and certify accuracy and completeness of performance reports submitted to the Federal awarding agency or in preparation of reports under a state statutory requirement.
3. When applicable, redundancy in state agency staff for access to reporting Federal portals, and directions to support the activities related to such access.
4. A procedure to ensure compliance with timely report submission as required.
5. For Federal awards, a procedure including timeframe for responding to inquiries regarding performance reports from the awarding Federal agency
6. A method to confirm the activities reported incurred during the Federal award's period of performance/budget period.
7. A way to confirm activities reported for one program are not included for any other Federal award.
8. A procedure to ensure activities are not paid by the Federal Government under another Federal award.
9. A method to confirm the activities are provided in the approved scope of work.

10. A method to check subrecipient's monitoring of contractors.
11. A method for staff to process subrecipients requests for grant agreement amendments to the original approved grant agreement.
12. A timeframe for staff to process and approve the subrecipient requests for grant agreement amendments.

Performance report forms and methods of submission vary by Federal agency. For legislatively mandated funds, confirm the statutory requirements for reporting to state entities such as a legislative committee.

Contact the Grant Office team for support in developing a guide for reporting.

088-015 Monitoring Subrecipients

Authority

Federal

[2 Code of Federal Regulations \(CFR\) § 200.327 to 332](#)

[2 Code of Federal Regulations \(CFR\) § 200.317 to 326](#)

State

[State Administrative Manual \(SAM\) § 3022](#)

Background

A state agency acting as a pass-through entity of Federal funds or distributing legislatively mandated awards is responsible for the following tasks:

1. Informing subrecipients of applicable Federal and state requirements related to the subaward.
2. Monitoring the activities of a subrecipient for compliance with Federal and state requirements.
3. Ensuring subrecipients meet Federal and state audit requirements.
4. Ensuring the subrecipients' performance expectations meet the activities approved in the subaward.

Monitoring provides an indication of progress against goals and indicators of performance, reveals whether desired results are occurring, and confirms whether implementation is on track. In general, the awarding agency's objective in monitoring is to support the subrecipient in achieving the goals of the approved project with full compliance of all requirements. The support may include technical assistance, training, etc.

Implementation Procedures

General

Monitoring also builds rapport between the state agency and the subrecipient. An effective monitoring visit may cover topics including but not limited to: statutory compliance, challenges faced by the subrecipient, amendments made to the grant agreement, the funding program, program outcomes, subrecipient policies and procedures, subrecipient governance, and training and technical assistance needs.

Purpose

The purpose is to provide state agencies administering grants, whether Federal or state (legislatively mandated) a guide to basic requirements and processes for monitoring its subrecipients.

Procedure

Conduct a monitoring visit at minimum once every 12 months:

1. State agencies issuing grant agreements must document a monitoring plan (including policies, procedures, and internal controls) to ensure subrecipients are complying with:
 - 1.1. Fiscal requirements and use awards for authorized purposes
 - 1.2. Program requirements and are achieving program goals
 - 1.3. Reporting requirements both fiscal and programmatic
 - 1.4. Any other requirements imposed by the awarding agency
2. The plan must contain:
 - 2.1. Standard tools such as checklist for activities
 - 2.2. Templates
 - 2.3. Training and awareness for staff and subrecipients
 - 2.4. Communication strategies and methods to include deadlines
 - 2.5. Methodology to develop a mutually agreed scope and strategy with subrecipients
 - 2.6. How to incorporate a risk assessment and add a timeline for completion of ongoing monitoring and financial reconciliation during the performance/budget period and before final payment is made
 - 2.7. How to outline a specific plan to monitor and reconcile agency subawards over \$25,000 during the performance/budget period and before final payment is made
 - 2.8. A financial reconciliation procedure with a defined frequency. This involves reconciling a subrecipient's request for reimbursement/payment for a given period with supporting documentation for that request (e.g. such as purchase orders, receipts and payroll records., etc., and communication process with the subrecipient to solve questions about any portion of the fiscal reporting process).
 - 2.9. The agency's standards for source documentation – standards must meet the basic needs for confirming reconciliation and ensure expenditures are allowable, allocable, reasonable and within the period of performance.
 - 2.10. A process for determining samples of documentation for expenditures. Note that the sample amount must be detailed and its calculation justified. A common practice is to base the sample amount on the result of the subrecipient's risk assessment - the higher the risk, the larger the sample.

- 2.11. A detailed procedure about the review of subrecipient contract transactions to ensure the subrecipient followed the correct procurement requirements and appropriate documentation exists. Check [2 CFR 200.317 thru 326](#) for detailed procurement requirements for recipients, PTEs, and subrecipients.
- 2.12. A procedure for performance measurement with defined frequency for reports. This involves the receipt, review, and communication with subrecipient for clarifications when necessary.
- 2.13. A method and deadline for communicating the monitoring tool prior to the monitoring visit to the affected subrecipient.
- 2.14. A method and deadline for communicating the results of the monitoring activity to the affected subrecipient.
3. State agencies identify which grants require a monitoring visit, the frequency of the visits, where the monitoring visits will take place, and which agency employees/contractors will participate.
4. State agencies schedule monitoring visits giving subrecipients adequate notice and preparation time. State agencies advise grantees on how to prepare for the monitoring visit and financial reconciliation, the format for the visit and which grantee staff member(s) will be involved in the visit. Staff should review all financial and progress reports previously submitted before the monitoring visit takes place.
5. State agencies conduct and document monitoring visits and financial reconciliations. Documentation is kept in the grant file and is used by the state agency to inform and improve:
 - 5.1. Future applications,
 - 5.2. Notice of funding opportunities,
 - 5.3. Training,
 - 5.4. Existing processes, and
 - 5.5. Technical assistance.

Please contact the Grant Office with any questions about monitoring, templates and currently used policies, procedures, and a few internal controls are available for your reference and use.

088-016 Review of Subrecipient Single Audit Report

Authority

Federal

[2 Code of Federal Regulations \(CFR\) § 200.500 – Subpart F – Audit Requirements](#)

[2 Code of Federal Regulations \(CFR\) § 200.331](#)

State

[State Administrative Manual \(SAM\) § 3022](#)

Background

State agencies with authority to pass-through Federal funding to other entities become subject to the responsibility of monitoring subrecipients for compliance with applicable Federal and state requirements for grants.

Uniform Grant Guidance, Subpart F – Audit requirements requires all nonfederal entities that expend \$750,000 or more in Federal funds during their fiscal year to have a single audit conducted for that year. Guidance on determining Federal awards expended is provided in [2CFR200.502](#).

For those organizations not subject to the single audit requirements, records must still be available and complete for review or audit by appropriate officials or representatives of the Federal agency, pass through entity, and Government Accountability Office (GAO). These organizations must have financial and compliance audits and to ensure that there is no conflict of interest or appearance of conflict of interest. These audits must be conducted by qualified individuals who are:

1. organizationally
2. personally, and
3. externally independent from those who authorize the expenditure of Federal funds

Compliance with the review of single audit reports (SAR) for subrecipients is one of the most important requirements. The importance is due to the significance of the information extracted from the SAR for other compliance matters.

This policy applies to all Federal funding passed-through by a state agency.

Implementation Procedures

General

When reviewing single audits for subrecipients consider the following:

1. The Employer Identification Number (EIN) is the factor used to determine the expenditures for an entity. For example, a county's sheriff's office may not expend the required \$750,000 but it is linked to the county by using the same EIN. Therefore, the sheriff's office must submit the necessary fiscal information to the county for the county to prepare their single audit report.
2. State agencies fall under the state EIN. The State Controller's Office provides a form with fiscal data for state agencies managing grants. The administering state agency reviews the form, confirms and signs the form certifying its correctness. The form is submitted electronically to the Controller's Office. The state Controller's Office manages exceptions to the electronic submission of the form and will notify the affected state agency as appropriate. The State Controller's Office will notify all state agencies about the availability of the forms and works with each representative to coordinate revisions as necessary. The forms are found on the intranet website [Single Audit Report Forms and Instructions](#).

Purpose

To support state agencies in the development of policies, procedures and internal controls that guide grant staff in properly reviewing single audit reports for the applicable subrecipients.

Procedure

State Agency Functioning as Prime Recipient

Develop policies, procedures and internal controls to ensure the following activities are carried out by staff managing subawards. This will ensure compliance and reduce audit findings for the agency and the state.

1. Always include a Pre-Award certification template/form in notice of funding opportunities (NoFOs) about the requirement to comply with the single audit. A template (NoFO Single Audit Cert) is available as part of this policy. See form 088-GP 08.
2. Review of the single audit reports submitted by subrecipients as follows.
 - 2.1. Staff must review single audit reports for all subrecipients at least once annually.
 - 2.2. Use the Federal Audit Clearinghouse website [FAC](#), or request a hard/electronic copy. Uniform Guidance ([UG](#)) [§200.512](#) requires the uploading of single audit reports for all entities meeting the single audit requirement to the Federal Audit Clearinghouse. See [FAC](#). The report must be uploaded 30 days after receipt of the report by the entity, or 9 months after the end of the

audit period. When subrecipients do not upload single audit reports to the FAC, they are required to provide the pass-through entity with a hard copy.

2.3. The following sections of the single audit report contain the data requiring review. Use the definitions in the Definitions section of this manual to decide if issuing a management decision is necessary.

2.3.1. Independent Auditor's Report – look for unmodified/unqualified opinions for a positive review in this section. This section affects all programs audited.

2.3.2. Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards (Yellowbook). - No deficiencies identified is best in this section. This section affects all programs audited.

2.3.3. Independent Auditor's Report on Compliance for Each Major Program; and Report on Internal Control over Compliance. – No findings issued in this section is the optimum result. Follow up is necessary for any finding of material noncompliance.

2.3.4. Schedule of Findings and Questions Costs - Review the findings and costs in this section. Of high concern are findings of questioned costs exceeding five percent of the total Federal awards expended during the audit period.

3. Create a template/form to issue management decisions for findings as appropriate. A form/template is part of this policy. See form 088-GP 015A.

3.1. Write a management decision letter when the review of the subrecipient's single audit report reveals concerns with findings in the agency's program. If deficiencies in internal controls (which affect all programs) are found, consider coordinating the writing of the management decision letter with other state agencies funding the same subrecipient.

3.2. The following steps constitute a general guide on how to write a management decision letter

3.2.1. A formal letter with reference to the finding(s). The auditors are required to number the findings with a format that includes the audit year (YYYY-#). The letter must also include:

3.2.2. Whether the audit finding is sustained by the state agency.

3.2.3. Reasons for the decision to, or not, sustain the finding.

3.2.4. Expected auditee actions such as:

3.2.4.1. Repay disallowed costs

3.2.4.2. Make financial adjustments

3.2.4.3. Other action

3.2.5. If an appeal process is recommended

4. Develop a template/form to track the following information:
 - 4.1. When, who, and which single audit reports were reviewed.
 - 4.2. When, who, and what management decisions were issued to which subrecipient.
 - 4.3. When, how, and who followed-up on all the management decision issued.
 - 4.4. Document corrective action taken by subrecipient and confirm it is completed within six months.

A form/template for tracking is part of this policy. See form 088-GP 15B.

5. Develop a process, policies and internal controls to compile and reconcile Federal award information to complete the Controller's required template.

The Grant Office offers a workshop for grant management staff about the review of single audits.

088-017 Performance Management & Evaluation

Authority

Federal

[2 Code of Federal Regulations \(CFR\) § 200.301](#)

[2 Code of Federal Regulations \(CFR\) § 200.331](#)

[Appendix XII of 2 CFR 200](#)

State

[State Administrative Manual \(SAM\) § 3022](#)

Background

A state agency acting as a pass-through entity for Federal funds or distributing legislatively mandated awards is responsible for the following tasks:

5. Informing subrecipients of applicable Federal and state requirements related to the subaward.
6. Monitoring the activities of a subrecipient.
7. Ensuring subrecipients meet Federal and state audit requirements.
8. Ensuring the subrecipients' performance expectations meet the activities approved in the subaward.

The pass-through entity is responsible for measuring the performance of subrecipients in a way that will help improve program outcomes, share lessons learned, and spread the adoption of promising practices. It must provide subrecipients with clear performance goals, indicators and milestones to allow the understanding of the subrecipients' progress and facilitate identification of promising practices, build evidence to support the program and future decisions. This responsibility is a collaborative effort with the subrecipient which results in performance management.

Evaluation as defined in this manual is best used to answer questions about what actions work best to achieve outcomes, how and why these were or were not achieved, the unintended consequences and what adjustments are needed to improve execution. This is a powerful tool that best informs all grant personnel about decision-making.

This policy is applicable to all grants distributed through or by state agencies (Federal and legislatively mandated) as well as those implemented by a state agency.

Implementation Procedures

General

Performance management in the case of grants is having a policy to consistently and collaboratively comply with Federal and state regulations in ensuring subrecipients achieve the approved performance goals.

The Grant Office strongly recommends implementing a process to evaluate subawards as well as prime awards. The results will support future program decisions by determining program gaps and changes to operational processes.

Purpose

This policy is intended to support the implementation of successful administration of grant programs in the state by providing an outline of best practices in performance management and evaluation.

Procedure

Performance Management:

1. Develop and establish policies, procedures, and internal controls for subrecipient to submit:
 - 1.1. Program progress reports.
 - 1.2. Financial reports to validate expenditures.
 - 1.3. Requests for extension in the submission of reports.
 - 1.4. Requests for technical assistance.
 - 1.5. Requests for amendments to the original grant agreement.
2. Create and implement a policy, procedure, and internal controls for the pass-through entity to:
 - 2.1. Determine intervention with or termination of a subaward.
 - 2.2. The process staff will follow to review submitted reports, financial and progress/programmatic.
 - 2.3. The process staff will follow to communicate with subrecipient when questions or concerns arise.
 - 2.4. The process staff will follow to withhold reimbursement/payment for past-due reports (financial and progress/program).
3. The pass-through entity must:
 - 3.1. Detail the grant reporting requirements in the grant agreement.

- 3.2. Outline the schedule for the submission of progress/program and financial reports in the grant agreement.

Evaluation

A plan is necessary to identify existing evidence and the critical gaps that need to be filled to inform decision making and build knowledge. The three main reasons for evaluating a project are listed below.

1. Evaluate to understand and strengthen program effectiveness.
2. Evaluate to test the effects of pilot projects, innovations, or delivery models.
3. Evaluations to improve the performance of organizations or operating models.

The team at the Grant Office is available to support your efforts in building the necessary policies, procedures, and internal controls for Performance Management and in developing an Evaluation plan.

088-018 State Agency Federal Draw Downs

Authority

Federal

[2 Code of Federal Regulations \(CFR\) 200.35](#)

State

[Nevada Revised Statute \(NRS\) 353.1467](#)

[Nevada Revised Statute \(NRS\) 353.250](#)

[State Administrative Manual \(SAM\) § 2602](#)

[State Administrative Manual \(SAM\) § 3022](#)

Background

Federal agencies manage grant award payments on a reimbursement basis. Draw down is the term used for the payment of Federal funds to a prime recipient reimbursing the documented expenditures incurred during the reporting period. Drawdowns or draws, are typically requested by the PTE through the Federal Payment Management System (PMS); however, the process may vary according to the Federal awarding agency. Detailed payment/draw information is found in the NoGA and [2 CFR200.305](#) also provides the detailed requirements for payments from the Federal agencies to nonfederal entities.

This policy is applicable to all awards received from a Federal source.

Implementation Procedures

General

State agencies must send notification to the Treasurer's Office detailing their Federal draw requests. The Treasurer's Office completes the tasks necessary to draw Federal funds into the state account for most of the state agencies. Draws are processed by completing the Treasurer's Office Draw Request Form found at the Treasurer's Office Intranet site at <http://intranet.nevadatreasurer.gov>, creating a "CR" in the state's fiscal system "Advantage" and placing it on "hold." The Treasurer's Office will access the appropriate Federal portal and perform the draw. Once funds are confirmed in the State's bank account, the Treasurer's Office will release the CR in Advantage. Releasing the CR document in Advantage posts the revenue funds to the state agency's budget account.

State agencies performing the draw directly with their funding Federal agency are required to submit an Incoming Funds Notification form and "CR" placed in "held" status alerting the Treasurer to the revenue. Once funds are confirmed in the State's bank account, the Treasurer's Office will release the CR in

Advantage. Releasing the CR document in Advantage will post the revenue funds to the state agency's budget account.

The state agency must retain all records related to draws for audit purposes.

Purpose

Establish and execute policies, procedures, and internal controls when requesting a draw. The Grant Office recommends reviewing the latest version of the Controller's [Accounting Policies and Procedures](#), to support the endeavor of creating new guidance documents for draws.

Procedure

1. Establish policies, procedures, and internal controls to guide staff in requesting payment (also known as reimbursement) from all the Federal agencies funding the state agency.
2. The guiding document(s) must include but are not limited to:
 - 2.1. A process for the compilation of all the backup documentation for all fiscal expenditures within a specified period of time, but no less than quarterly. This compilation includes subrecipients' fiscal reports which are necessary to summarize the expenditures and reconcile the prime award.
 - 2.2. A method for the reconciliation of expenditures for the prime award.
 - 2.3. Process for the preparation of the required Federal report(s).
 - 2.4. When applicable, a procedure for accessing the designated Federal reporting portal to submit the fiscal report or for submitting as instructed by the awarding Federal agency.
 - 2.5. A method for documenting all draw transactions for audit purposes.
 - 2.6. The procedure and method of notifying the Treasurer's Office.
 - 2.7. A process to address accumulation of interest for Federal funds.

The Grant Office team is available to assist with the development of guidance documents for draws.

088-019 Closeout (Prime & Subrecipient)

Authority

Federal

[2 Code of Federal Regulations \(CFR\) § 200.16](#)

[2 Code of Federal Regulations \(CFR\) § 200.333 to 337](#)

[2 Code of Federal Regulations \(CFR\) § 200.343 to 345](#)

State

State Administrative Manual (SAM) § 3022

Background

This phase of the grant has two components that although separate are linked through subawarding. The first component is the closeout of subawards as activities are completed or at the end of the performance period. The second component is the closeout of the entire prime award. Subawards with pending items must be resolved before the closeout of the prime award. Pending issues may include the reallocation of funds de-obligated by subrecipients when the period of performance allows.

Note that [2 C.F.R. 200.343](#) states that the nonfederal entity must submit all required reports within 90-calendar days after the end of the period of performance and includes details about the processes for the payment and collection of applicable funds.

When the receiving state agency is implementing the proposed project and no subawards exist, closing the prime award requires fiscal reconciliation and completion of all related program and administrative activities, including draws for Federal payments/reimbursements. The requirement to submit all reports within the 90-calendar day time frame of the end of the period of performance applies.

This policy is applicable to Federal awards received by a state agency. It is also applicable to legislatively mandated grants distributed by state agencies. The exceptions are the draws for Federal payment/reimbursement whereby the final reports do not require submission to a Federal agency.

Implementation Procedures

General

The prime award closeout requires two essential tasks when subawards exist (if there are no subawards only task two is necessary). If subawards exist, the first task is the fiscal reconciliation of all subawards and PTE administering costs against state and Federal records. The second task is the submission of programmatic data, which includes a formal written request to the awarding Federal agency for closure

of the prime award. The Federal awarding agency will either approve or request additional information. Once approval is attained, the state agency will follow the established policies, procedures, and internal controls to process a draw down for the final reimbursement from the Federal awarding agency. At the same time, notify the Governor's Finance Office at budget@finance.nv.gov and the Controller's Office at grants@controller.state.nv.us about the closure. Confirm the notice includes information identifying the award.

Purpose

Provide a guidelines and best practices for closing processes of prime and subawards whether the awards support projects implemented directly by the state agency or distributed to subrecipients to implement projects.

Procedure

Subaward Closing

Establish policies, procedures, and internal controls to guide grant staff in the closing of subawards. Remember that the state agency as PTE is responsible for recovery of costs disallowed by the awarding Federal agency. The guide must include at minimum, but is not limited to the following topics:

1. Confirmation of the completion of all applicable administrative actions and all mandatory work required by the subaward. This includes accounting of real and personal property acquired with grant funds (see *2 CFR 200 343* for additional details).
2. Templates for use in communication with subrecipient, compilation of data, and reports.
3. The reconciliation of expenditures to ensure these are allowable, allocable, and reasonable.
4. The disallowance, recovery, and/or corrections of costs by the PTE. Include collection of any amount applicable.
5. The frequency and method of communication with the subrecipient (email, letters, telephone etc.).
6. A schedule of deadlines for responses to inquiries from the subrecipient and vice versa responses from the subrecipient to PTE inquiries.
7. The clear communication of consequences of noncompliance with grant requirements by the subrecipient.
8. The submission by subrecipients of a final fiscal and/or programmatic report.
9. When the final reports are required, ensure to request the submission of the final reports take place timely and within the period identified in the subaward documentation. For example, within 60 days.
10. The extension of the period allowed for closing a subaward.

11. The record retention requirements for the specific subaward (three years minimum after closure).
12. The management of property purchased with subawarded funds (*2 CFR 200 344*).
13. The final payment/reimbursement to subrecipient.
14. The management of reversion/deobligation of funds by subrecipient.

Primary Award Closing

[NRS 232.225](#) requires state agencies notify the Grant Office (GO) of the amount of any portion of a grant received by the state agency that the state agency determines will be unexpended by the end of the period for which the grant was made. Immediately upon determining funds will be unexpended, and at minimum 90 -days before the end of the period of performance for the award, complete form 088-GP 06A and submit via email to grants@admin.nv.gov. The Grant Office will coordinate with potential partners to use the funds whenever possible.

Establish policies, procedures, and internal controls to guide grant staff in the closing of prime awards. The guide must include at least, but not limited to the following topics:

1. The confirmation of the completion of all applicable administrative actions and all mandatory work required by the Federal grant award.
2. The templates for use in communication, compilation of data, and reports.
3. A procedure to gather, reconcile, record, and maintain backup documentation for closing purposes.
4. The management of unexpended balance to avoid or minimize the amount of funds reverted/deobligated.
5. The notification to the Grant Office of any balance remaining in the award estimated for reversion/deobligation.
6. When applicable, the assurance that subawards are completed and closed before requesting the closure of the primary award.
7. The management of disallowance, recovery and/or corrections of costs by Federal awarding agency including collection.
8. The inventory and accounting of real and personal property acquired with grant funds.
9. The request by staff to the Federal funding agency for a time extension for closing the award when necessary.
10. The method for and frequency of communication with Federal awarding agency.
11. The record retention schedule (three-year minimum per Federal requirements).

12. A schedule to ensure compliance with Federal regulations requiring the submission of the request for closure (90 days after the end date of the performance period of the primary award).

13. The notification to the State Controller's Office about the closure.

Note that closing of a primary award does not affect the disallowance, recovery, and/or corrections of costs by the Federal awarding agency or the property management and records retention responsibilities of the state agency as the PTE ([2 CFR 200.344](#)). This includes collection by the Federal awarding agency of any amount when applicable ([2 CFR 200.345](#)).

The Grant Office team is available to support the development of policies, procedures, and internal controls.

088-20 Match and Maintenance of Effort (MoE)

Authority

Federal

[31 Code of Federal Regulations \(CFR\) § 205.2](#)

[2 Code of Federal Regulations \(CFR\) § 200.306](#)

[2 Code of Federal Regulations \(CFR\) § 200.333](#)

State

State Administrative Manual (SAM) § 3022

Background

A matching requirement is one under which a recipient is required to contribute a portion of total project costs. The Federal agency approves an entire project or program when it enters into an assistance agreement with eligible recipients. When provisions for a match apply, part of the costs of the project or program will be borne by the Federal Government. The additional contribution (which is needed to supply full support for the anticipated costs for the project or program) is the local or nonfederal share. The recipient of assistance is committed to providing the nonfederal share. Both the Federal award and the nonfederal share may be used only for authorized purposes.

The policies behind matching requirements are - first, to ensure Federal matching requirement leverage nonfederal MoE contributions; and second, to assure local interest and involvement through financial participation.

Under a maintenance of effort provision, a state is required as a condition of eligibility for Federal funding, to maintain its financial contribution to a program at the same amount during the project timeline. This ensures that Federal assistance results in an increased level of activity related to the funded program, and that the state does not replace state dollars with Federal dollars over time.

The policies behind maintenance of effort safeguards the commitment of the state to supporting the funded programs in general. Accordingly, maintenance of efforts funds ensure money expended by the state for the funded program generally remain consistent with the purpose of the program.

Matching and maintenance of effort requirements are distinct and meet different policy needs; however, there may be times when the two overlap. For example, matching funds contributed by a state constitute a part of the maintenance of effort provided by a state. However, state funds that support any programs consistent with the purposes of the funded program would also be included in the maintenance of effort calculation. It is important to identify the MoE contributions required for each of these statutory provisions when developing a budget for a proposal/application.

This policy is applicable to Federal awards received by state agencies. Applicability to legislatively mandated programs is dependent on the statutory requirements of the individual program.

Implementation Procedures

General

Read the NoFO carefully, particularly the budget section. This is where match/cost share and MoE requirements are found for the specific grant program. Also, proper documentation by the applicant allows the awarding entity to accept costs for both match and MoE.

The best strategy to demonstrate MoE is to provide a detailed account of current and projected nonfederal revenue sources for the intended program by including a separate table in the budget narrative in the proposal/application package.

Failure to meet MoE commitment results in a loss of funding; the loss is proportionate to the unmet MoE amount. For example, if the recipient meets only 80 percent of the MoE, the Federal funds may be reduced by 20 percent.

A best practice in managing grants is to familiarize staff and partners with requirements for spending match and Federal funds. These requirements are identified in *2 CFR 200* and in the grant program NoFO.

Purpose

Support state agencies in generating successful programs with the capacity to accept the varying requirements for match and/or maintenance of effort.

Procedure

Match/Cost Share for Prime Recipient

Establish policies, procedures, and internal controls to correctly expend, document, and report match including at minimum but limited to the following topics:

1. Tools (such as templates and forms to support documentation of match contributions).
2. A method to verify and document all match.
3. A process to ensure match contributions are consistent with the entity's fiscal policies and procedures. That is, do not apply different policies and procedures for expenditures which are financed by the Federal award.
4. A method to confirm the match contributions were incurred during the Federal award's period of performance/budget period.

5. A way to confirm match contributions for one program are not included for any other Federal award.
6. A method to ensure the match contributions are necessary and reasonable. That is, they do not exceed what a prudent person would do under the circumstances at the time the decision was made to incur the cost for the program objective.
7. A process to determine match contributions are allowable. See [2 CFR 200.420-475 General Provisions for Selected Items of Cost](#).
8. A procedure to ensure match contributions are not paid by the Federal Government under another Federal award. Except where authorized by Federal statute.
9. A way to ensure the match contributions do not count Federal time, space or resources. For example, use of Federal facilities or employees).
10. A method to confirm the match contributions are provided in the approved budget.
11. A process to report in-kind match by third parties.
12. A system to track all match, including that of subrecipients.
13. A method and frequency of reporting match contributions.

Match/Cost Share for Subrecipients

Establish policies, procedures, and internal controls to correctly audit the subrecipient's expenditures, documentation, and reports for required match.

These policies, procedures, and internal controls must address at minimum but not limited to the topics listed for the prime recipient, plus training and technical assistance tools for subrecipients.

Maintenance of Effort

Establish policies, procedures, and internal controls to document and report MoE correctly. These include at least but are not limited to the following topics:

1. Tools (such as templates and forms to support documentation of MoE contributions).
2. Verification and documentation of all MoE activities.
3. Ensuring that MoE contributions are consistent with the entity's fiscal policies and procedures. That is, do not apply different policies and procedures for expenditures which are financed by the Federal award.
4. Confirmation that the MoE contributions were incurred during the Federal award's period of performance/budget period.

5. Confirmation that MoE contributions for one program are not included for any other Federal award.
6. Ensuring that MoE contributions are necessary and reasonable. Meaning they do not exceed what a prudent person would do under the circumstances at the time the decision was made to incur the cost) for accomplishing the program objective.
7. Verification that MoE contributions are allowable. See [2 CFR 200.420-475 General Provisions for Selected Items of Cost](#).
8. Verification that MoE contributions are not paid by the Federal Government under another Federal award (except where authorized by Federal statute).
9. Confirmation that MoE contributions do not count Federal time, space or resources. For example, use of Federal facilities or employees).
10. Verification that the MoE contributions are provided in the approved budget.
11. The reporting and/or certification of MoE timely to the awarding Federal agency.

The Grant Office team is available to support state agencies managing awards with match and/or MoE in developing tools to successfully comply with these requirements.

088-21 State Agency Single Audit Reporting

Authority

Federal

[2 Code of Federal Regulations \(CFR\) 200.500 - Subpart F Audit Requirements](#)

State

[State Administrative Manual \(SAM\) § 3022](#)

[Office of the State Controller Accounting Policies and Procedures](#)

Background

To apply for Federal funds, a state agency provides the state Employer Identification Number (EIN) as part of the information submitted with the proposal/application. The EIN determines the base amount of Federal funds expended by a nonfederal entity. The combined expenditures of more than \$750,000 by all state agencies under the same EIN provides the basis for annually meeting the Federal requirement for the state to perform a single audit. In preparation for the single audit, and to confirm the information about grant awards from each agency, the State Controller's Office relies on the state agency to provide the certification that the information about the grants it manages is correct as reflected at that time in the state system.

Other single audit processes maintained by the Controller's Office include:

1. Treasury State Agreement process and the Memorandum of Agreement for Major Programs.
2. Corrective action responses to single audit findings for not corrected/partially corrected findings.
3. Liaison with audit firm and state agencies for inquiries and responses.
4. Review and adjustment to the Schedule of Expenditure of Federal Awards

This policy applies to all Federal funding passed-through by a state agency. It also applies to direct awards where the prime recipient is implementing the project.

Implementation Procedures

General

The state is responsible for tracking the receipt (draws), expenditures, interest, and reversion of Federal funds. The process relies on a system that uses job numbers and general ledger codes to track transactions for each award. Programs funded by a state legislative mandate also require job numbers.

Purpose

The purpose of this policy is to provide clarity in activities related to the certification of correct information for grants and stress the importance of completing the appropriate form timely and correctly.

Procedure

Establish a workflow to support the activities of completing the appropriate forms for the Controller's Office.

The policies, procedures, and internal controls must cover but is not limited to the following activities.

1. Assignment of responsibility for signing the required certification document(s).
2. Assigning the task of completing forms necessary to complete the different processes, as applicable, maintained by the Controller's Office These include:
 - 2.1. Treasury State Agreement and Memorandum of Agreement for Major Programs
 - 2.2. Corrective action for audit findings
 - 2.3. Certification of grant information for the single audit
 - 2.4. Single audit inquiries
 - 2.5. Maintenance of information for grants in the state system. This requires notification form state agencies to the Controller of the following activities related to grants.
 - 2.5.1. Grant award. Submit a Job Maintenance form requesting the recording of the job number to the Controller. This allows the mandated tracking of transactions in the state fiscal system.
 - 2.5.2. Revisions to grant awards. Make sure to include appropriate identifying information, such as job number, for the activities related to revisions such as:
 - 2.5.2.1. Time extension of an existing award.
 - 2.5.2.2. Changes to the total amount of an existing award.
3. Define a schedule required for timely responses to inquiries from the Controller's Office for all processes. For example, responding within 24 hours of receiving the inquiry.
4. Determine method for assigned staff to communicate with Controller's Office (email, telephone, etc.)
5. Define the process to review the RSW83S Vista Reports posted by the Controller's Office to verify grant information for each Federal award managed by the state agency.

Contact the Controller's Office grants@controller.state.nv.us for specific training and support with any of the above processes. Also, the Grant Office is available to assist with the development of policies, procedures, and internal controls related to grants.

Revisions

The Grant Office will notify and engage stakeholders when making changes to the Policy Manual. The updated revision table will be posted on its website [Grant Office](#).

Revisions to Policy #088-003

Location of Change	Old Language	New Language	Value of Revisions	Revision Effective Date
Procedure, Required Notifications, Pre-Award...(Legislatively Mandated) #3 Grant Office	1. ...form 088-GP 06	form 088-GP 06A	Correction of the form number	07-20-2018
Procedure, Required Notifications, Post_Award...(Legislatively Mandated) #'s 1.1, 1.2, 1.3, and 1.4	2. 1.1 Name of entity with unobligated balance 1.2 Title of the program 1.3 Expiration date for award 1.4 Dollar amount of the unobligated balance	form 088-GP 06	Language presenting information requested deleted and replaced with a form number	07-20-2018
Procedure, Required Notifications, Pre-Award Notifications for Federal Proposal/Application, #1	...emailing the following information...	...emailing the form 088—GP 04...	Language presenting information requested deleted and replaced with a form number	07-20-2018
Procedure, Required Notifications, Pre-Award Notifications for Federal Proposal/Application, 1.1, 1.2, 1.3, 1.4, 1.5, and 1.6	1.1 Name of the applying entity 1.2 Funding Opportunity number 1.3 Code of Federal Domestic Assistance (CFDA) 1.4 Title of the program 1.5 Application deadline 1.6 Application deadline		Language presenting information requested deleted and replaced with a form number	07-20-2018

Location of Change	Old Language	New Language	Value of Revisions	Revision Effective Date
<p>Procedure, Required Notifications, Pre-Award Notifications for Federal Proposal/Application ...When submitting a grant proposal...(NRS 353.245). Notification is made respectively as shown below</p>	<p>Notification is made respectively as shown below.</p> <p>1.1 Please email the grant office email: grants@admin.nv.gov</p> <p>1.2 The Budget Analyst at the Governor’s Office of Finance assigned to the applicant’s state agency. See Budget Analyst Assignments of State Agencies</p> <p>1.3 Please email to the fiscal analyst at fiscal@lcb.state.nv.us</p>	<p>..., and notify the Grant Office.</p> <ul style="list-style-type: none"> Notify the Grant Office by completing form 088-GP 04 and sending it via email to the Grant Office email: grants@admin.nv.gov Notify the Budget Analyst at the Governor’s Office of Finance assigned to the applicant’s state agency. See Budget Analyst Assignments of State Agencies for specific emails. Notify LCB Fiscal Analysis Division at fiscal@lcb.state.nv.us 	<p>Clarification in verbiage and inclusion of form number</p>	<p>07-20-2018</p>
<p>Procedure, Required Notifications, Post-Award Notifications for State</p>	<p>In the instance that the state agency is reverting grant funding</p>	<p>In the instance that the state agency is reverting grant</p>	<p>Add language requiring a</p>	

Location of Change	Old Language	New Language	Value of Revisions	Revision Effective Date
Grants (Legislatively Mandated)	(unobligated balance), the Nevada Grants Office must be notified. Nevada Revised Statutes (NRS) 232.225 . It is easy to comply, just send the completed form 088-GP 06 to grants@admin.nv.gov .	funding (unobligated balance), the Nevada Grants Office must be notified immediately upon making the determination that funds will not be used or at minimum 90-days prior to the end of the period of performance of the grant. Nevada Revised Statutes (NRS) 232.225 . It is easy to comply, just send the completed form 088-GP 06 to grants@admin.nv.gov . The Grant Office will coordinate with potential partners to expend the funds within the scope of the program and its approved budget whenever possible.	time for notifying the Grant Office about the potential reversion of funds	
Procedure, Required Notifications, Post-Award Notifications for Federal Awards	... See Budget Analyst Assignments of State Agencies ; the Fiscal Analysis Division of the Legislative Counsel Bureau (NRS 353.245), fiscal@lcb.state.nv.us ; and the Controller's office, grants@controller.state.nv.us about changes approved by the Federal awarding agency to the original approved: 1. performance period	... assigned to the applicant's state agency about changes approved by the Federal awarding agency to the original approved: <ul style="list-style-type: none"> • Budget, • Budget period, and/or • Performance period 	Clarify language and organize items alphabetically.	07-20-2018

Location of Change	Old Language	New Language	Value of Revisions	Revision Effective Date
	2. budget period 3. budget			
Procedure, Required Notifications, Post-Award Notifications for Federal Awards	<p>When requesting reimbursement from the Federal awarding agency, notify the State Treasurer at OSTCrecit@NevadaTreasurer.gov.</p> <p>In the instance that the state agency is reverting grant funding (unobligated balance), the Grant Office must be notified (Nevada Revised Statutes (NRS) 232.225) by sending the following information to grants@admin.nv.gov.</p> <ol style="list-style-type: none"> 1.1. Name of the entity with unobligated balance 1.2. Funding Opportunity number 1.3. Code of Federal Domestic Assistance (CFDA) 1.4. Title of the program 1.5. Expiration date for the award 1.6. Dollar amount of the unobligated balance 	<p>Click here to see Budget Analyst Assignments of State Agencies. Send the information to the Fiscal Analysis Division of the Legislative Counsel Bureau (NRS 353.245) at fiscal@lcb.state.nv.us; and the Controller's Office is notified at grants@controller.state.nv.us</p> <ul style="list-style-type: none"> • When requesting reimbursement from the Federal awarding agency, notify the State Treasurer at OSTCrecit@NevadaTreasurer.gov. • In the instance that the state agency is reverting grant funding (unobligated balance), the Grant Office must be notified (Nevada Revised Statutes (NRS) 232.225) by sending the completed form 088-GP 06 to grants@admin.nv.gov. 	Formatting, and language clarification to include form number replacing the required information listing.	07-20-2018

Revisions to Policy 088-019 Closeout (Prime & Subrecipient)

Location of Change	Old Language	New Language	Value of Revisions	Revision Effective Date
Procedure, Subaward Closing	<p>NRS 232.225 requires state agencies notify the Grant Office (GO) of the amount of any portion of a grant received by the state agency that the state agency determines will be unexpended by the end of the period for which the grant was made. Complete form 088-GP 06A and submit via email to grants@admin.nv.gov.</p>	<p>NRS 232.225 requires state agencies notify the Grant Office (GO) of the amount of any portion of a grant received by the state agency that the state agency determines will be unexpended by the end of the period for which the grant was made. Immediately upon determining funds will be unexpended, and at minimum 90 -days before the end of the period of performance for the award, complete form 088-GP 06A and submit via email to grants@admin.nv.gov. The Grant Office will coordinate with potential partners to use the funds whenever possible.</p>	Clarifies a time requirement for the notification to the Grant Office. The time requirement allows for coordination of collaboration to use the balance.	

Forms and Templates

Documents and forms cited in this Manual are posted on the [Grant Office](#) website.