

Grants Management

TGFOA 2019 Fall Conference



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Agenda

- Grants Management Overview
- Grants Policies
- Grants Oversight Committee
- Grants Administration
- Federal Award Considerations



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What is grants management?

Grant Management Process

- Pre-Award Phase Award Phase Post-Award Phase



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What is grants management?

Managing a grant typically involves:

- Adhering to the terms & conditions of the grant
- Fulfilling:
 - Specific compliance requirements
 - Project/program reporting requirements
 - Financial reporting requirements
- Accounting for grant revenues and expenditures
- Following specific closeout procedures (as outlined by the grantor)
- In some cases, monitoring other parties that receive grant resources



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Why do we need grants management?

- Failure to meet the specialized requirements of a grant (or grants) can result in negative consequences:
 - Could lose or be forced to return some or all of the resources awarded
 - May limit future grant opportunities with your grantor
 - In the most severe cases, could face criminal prosecution
- Failure to properly manage the pre-award phase can result in other unintended consequences for the grantee (government):
 - Future financial commitment
 - Cash flow or budgetary issues



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Why do we fail to properly manage grants?

Normally, a failure to meet all grant requirements is not intentional. Instead, the problem is often caused because all appropriate parties within the government are **not aware** of all the requirements or are **not aware** of the requirements at the appropriate time (GFOA).



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Best Practices

Government Finance Officers Association (GFOA)



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GFOA Grants Policy Recommendations

Grants identification and application

- Provide advance notice to appropriate authority, such as the finance department
- Review/evaluate the effects on the government before application

Strategic alignment

- Is the grant consistent with the government's mission, strategic priorities, and/or adopted plans?
- Are we only applying because the grant offers "free" money?

Funding analysis

- Multi-year cost/benefit analysis and cash flow planning
- What costs will the government ultimately be responsible for funding (matching or other)?

Evaluation prior to renewal or grant continuation

- Overall approach to grant renewals
- Measurable outcomes

Administrative and operational support

- Identify the individual/department responsible for carrying out the grant and making sure that proper resources are available to support that grant.
- Project plans, training, systems/policies



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Grant Oversight Committee

In addition to the establishment of a grants policy, GFOA recommends that governments create a grant oversight committee.

- An oversight committee should:
 - Be centralized and meet regularly
 - Analyze grants before they are applied for, accepted, renewed, or continued
 - Determine whether application, acceptance, renewal, or continuation are appropriate
 - Oversee adherence to the grants policy adopted by the government



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Grants Administration

Processes for managing grants throughout the grant lifecycle



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Grants Administration

To be successful in grants management, governments must establish processes for the administration of grants that promote awareness of grant requirements throughout the life of each grant.

- Operational Management
- Financial Management
- Internal Controls
- Communication
- Reporting



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Operational Management

- Monitor terms and conditions of the grant
- Establish projects plans and timelines
- Assign responsible parties for implementation of plan
- Provide necessary training
- Address personnel or other specific issues related to grant compliance requirements
- Maintain proper systems to support grants



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Financial Management

Budgeting Process

Cash Flow Planning

Cost/Benefit Analysis



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Internal Controls

- Document grant procedures
- Maintain internal controls over accounting, financial reporting, and program administration
- Maintain internal controls to identify and adhere to Federal* and State compliance requirements
- Consider the level of program risk (e.g., high, medium, low) when establishing internal controls

* Uniform Guidance contains specific internal control requirements for Federal Awards



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Communication

WHO?

WHAT?

WHEN?



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Reporting

- Maintain a comprehensive list of reporting requirements and a reminder system for meeting the reporting deadlines
- Develop a methodology for the preparation of specialized reports
- Develop an approval process for certifying specialized reporting
- Develop a process to aggregate all of the information needed for the schedule of expenditures of federal awards, if applicable
- Understand audit requirements related to grants



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Federal Awards

Additional Considerations for Federal Grants



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Additional Considerations for Federal Grants

Uniform Guidance

- Issued by the U.S. Office of Management and Budget (OMB)
- Part 200 of Title 2 of the Code of Federal Regulations (2 CFR 200)
- Pertains to Federal awards

Single Audit

- Required for "non-Federal entities that expend \$750,000 or more in a year in federal awards"



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Key Terms

Federal award (2 CFR 200.38)	Pass-through entity (2 CFR 200.74)	Subaward (2 CFR 200.92)	Contract (2 CFR 200.22)
Federal financial assistance that non-Federal entities receive directly from Federal awarding agencies or indirectly from pass-through entities	A non-Federal entity that provides a Federal award to a subrecipient to carry out a Federal program	A "subaward" is for the purpose of carrying out a portion of a Federal award and creates a Federal assistance relationship with the subrecipient	A "contract" is for the purpose of obtaining goods and services for the non-Federal entity's own use and creates a procurement relationship with the contractor



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Requirements for Pass-through Entities

Pass-through entities must (2 CFR 200.331):

- Clearly identify subaward information to subrecipients
- Comply with FFATA Subaward Reporting System (<https://www.frsr.gov>) requirements for awards over \$25,000 (only for direct grants from the Federal government – not typical for local governments)
- Evaluate subrecipient risk
- Consider imposing specific conditions on subrecipients based on risk
- Monitor subrecipient activities in response to identified risks



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Subrecipient Monitoring

If you have subrecipients, you have a big responsibility in terms of monitoring.

Considerations:

- If you are in local government, is it worth it to take on the responsibility of subrecipient monitoring?
- Have you carefully evaluated subrecipient risks?
- Could you administer the grant (Federal award) yourself, rather than passing the funds through to another government or agency?



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Other Compliance Issues

- Grant documentation
- Schedule of Expenditures of Federal Awards (SEFA) and Data Collection Form
- Procurement standards
- Corrective action plans for single audit findings



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Summary

- Communication is key to efficient and effective grants management
- Planning needs to begin before the grant application process
 - Matching funds or other own-source funding required
 - Cash flow funding
 - Long-term cost/benefit analysis
- Federal Awards
 - Require additional considerations and documentation
 - Carefully assess risks of subrecipients and monitoring responsibilities before passing federal awards through to other entities



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Certified County Finance Officer Program

CTAS, in conjunction with the Tennessee Comptroller of the Treasury, will begin the 2020 class of the Certified County Finance Officer (CCFO) program in January 2020.

The CCFO program is comprised of 11 one-day classes consisting of:

- The Government Environment
- County Budgeting
- Internal Control and Audit
- Governmental Accounting I & II
- Cash Management & Grants Management
- Debt Management
- Payroll/Benefits & Pensions
- Purchasing & Risk Management
- Financial Reporting I & II

Enrollment for the 2020 CCFO Class ends October 31, 2019
To apply for enrollment, please visit <https://appa.ctt.tn.gov/CCFO>



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