



2012 OVW Financial Grants Management Guide

U.S. Department of Justice

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Foreword

The Office on Violence Against Women (OVW), a component of the U.S. Department of Justice, provides national leadership in developing the nation's capacity to reduce violence against women through the implementation of the Violence Against Women Act (VAWA). Created in 1995, OVW administers financial and technical assistance to communities across the country that are developing programs, policies, and practices aimed at ending domestic violence, dating violence, sexual assault, and stalking. Currently, OVW administers three formula grant programs and 18 discretionary grant programs, which were established under VAWA and subsequent legislation.

The Grants Financial Management Division (GFMD) provides policy guidance and support services for the Office on Violence Against Women in all matters related to financial grants management of its programs. The major responsibilities include pre- and post-award financial grant processing, financial grants management technical assistance, and grants financial management training to grantees and program staff.

This guide is intended to be used by our grant recipients as a resource of information to assist in the everyday management of OVW grants. This guide should be used in conjunction with OVW program guidance and the applicable rules and regulations for Federal grants management.

Since this is the first version of OVW's Financial Grants Management Guide, we welcome any comments on the content or suggestions for future improvements. The OVW Grants Financial Management Division staff is available to assist you with questions and may be reached at 1-888-514-8556 or OVW.GFMD@usdoj.gov. We look forward to hearing from and meeting you during the course of your grant period.

Thank you,

Donna J. Simmons
Associate Director

Contents

PART I: GENERAL INFORMATION	8
Chapter 1: Use of the Guide	8
DIRECT RECIPIENTS	8
SUBRECIPIENTS	8
CONTRACTORS	8
Chapter 2: Resources	9
OMB CIRCULARS/CODE OF FEDERAL REGULATIONS (CFR)	9
OFFICE OF THE INSPECTOR GENERAL (OIG) FRAUD HOTLINE	9
OTHER AVAILABLE RESOURCES	10
Chapter 3: Conflicts of Interest	12
CODES OF CONDUCT	12
APPEARANCE	12
PRIOR APPROVAL	13
PART II: PRE-AWARD REQUIREMENTS	14
Chapter 1: Application Process	14
PROGRAM ANNOUNCEMENTS	14
ELIGIBLE RECIPIENTS	14
DUN & BRADSTREET DATA UNIVERSAL NUMBERING SYSTEM (DUNS)	17
CENTRAL CONTRACTOR REGISTRATION (CCR)	18
ASSURANCES AND CERTIFICATIONS	18
SEAT BELT USE BY GOVERNMENT CONTRACTORS, SUBCONTRACTORS, AND GRANTEES	22
TEXT MESSAGING WHILE DRIVING	22
Chapter 2: Application Review	23
REVIEW OF APPLICATION FOR FEDERAL ASSISTANCE (SF 424)	23
FINANCIAL ANALYSIS	24
Chapter 3: Conditions of Award and Acceptance	26
FEDERAL OBLIGATION PROCESS	26
TYPES OF FINANCIAL ASSISTANCE: GRANT OR COOPERATIVE AGREEMENT	26
AWARD DOCUMENT	27
ACCEPTANCE OF AWARD AND CONDITIONS	27
AUTOMATED CLEARING HOUSE (ACH) ENROLLMENT	28
PART III: POST AWARD REQUIREMENTS	30
Chapter 1: Managing Federal Funds	30
ACCOUNTING SYSTEM	30
TOTAL COST BUDGETING AND ACCOUNTING	30
COMMINGLING OF FUNDS	31
RECIPIENT AND SUBRECIPIENT ACCOUNTING RESPONSIBILITIES	31
SUPPLANTING	32
Chapter 2: Payments	33
PAYMENT METHOD	33
WITHHOLDING OF FUNDS	34
CASH MANAGEMENT IMPROVEMENT ACT OF 1990	34
INTEREST EARNED	35
Chapter 3: Period of Availability of Funds	36
OBLIGATION OF FUNDS	36
PERIOD OF AVAILABILITY	36
LIQUIDATION OF FUNDS	36
AWARD EXTENSION CRITERIA	36

Chapter 4: Matching or Cost Sharing	38
DEFINITION OF MATCH	38
TYPES OF MATCH	38
MATCH REQUIREMENTS	38
SOURCE AND TYPE OF FUNDS	41
TIMING OF MATCHING CONTRIBUTIONS	42
WAIVER OF MATCH	42
STOP PROGRAM MATCH REQUIREMENTS	42
Chapter 5: Program Income	44
PROGRAM INCOME	44
ACCOUNTING FOR PROGRAM INCOME	44
USE OF PROGRAM INCOME	45
EXAMPLES OF PROGRAM INCOME	45
Chapter 6: Adjustments to Awards	47
BUDGET CHANGES	47
PROGRAMMATIC CHANGES	47
GRANT ADJUSTMENT NOTICES	48
NOTIFICATION	49
Chapter 7: Property and Equipment	50
ACQUISITION OF PROPERTY AND EQUIPMENT	50
LOSS, DAMAGE, OR THEFT OF EQUIPMENT	50
PROPERTY STANDARDS	50
INSURANCE COVERAGE	50
REAL PROPERTY	51
EQUIPMENT	51
SUPPLIES AND OTHER EXPENDABLE PROPERTY	52
INTANGIBLE PROPERTY	53
Chapter 8: Allowable Costs	54
ALLOWABILITY OF COSTS	54
REASONABLE COSTS	54
ALLOCABLE COSTS	55
COMPOSITION OF COST	55
HIGHLIGHTED ITEMS OF COSTS	56
Chapter 9: Conference Costs Guidelines	61
CONFERENCE PLANNING COSTS	61
FOOD AND BEVERAGE COSTS	61
PRIOR APPROVAL REQUIREMENTS	62
CONFERENCE REPORTING	62
Chapter 10: Subawards of Discretionary Project-Supported Effort	64
Chapter 11: Procurement	65
PROCUREMENT STANDARDS	65
CODES OF CONDUCT	65
COMPETITION	65
PROCUREMENT PROCEDURES	66
COST AND PRICE ANALYSIS	67
PROCUREMENT RECORDS	67
CONTRACT ADMINISTRATION	67
CONTRACT PROVISIONS	68
Chapter 12: Reporting Requirements	69
BACKGROUND	69
FEDERAL FINANCIAL REPORTS (FFR or SF-425)	69
PROGRESS REPORTS	70

AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009 (RECOVERY ACT)	
SECTION 1512 REPORTS	71
FEDERAL FUNDING ACCOUNTABILITY AND TRANSPARENCY ACT OF 2006 (FFATA)	71
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Chapter 13: Retention and Access Requirements for Records	72
RETENTION OF RECORDS	72
RETENTION PERIOD	72
MAINTENANCE OF RECORDS	73
ACCESS TO RECORDS	73
Chapter 14: Termination	74
Chapter 15: Enforcement	75
Chapter 16: Costs Requiring Prior Approval	76
PROCEDURES FOR REQUESTING PRIOR APPROVAL	76
COSTS REQUIRING PRIOR APPROVAL	76
Chapter 17: Unallowable Costs	78
ALCOHOLIC BEVERAGES	78
BONUSES OR COMMISSIONS	78
COSTS INCURRED OUTSIDE THE PROJECT PERIOD	78
COMPENSATION OF FEDERAL EMPLOYEES	78
ENTERTAINMENT COSTS	78
FUNDRAISING	78
LOBBYING	79
TRAVEL OF FEDERAL EMPLOYEES	79
Chapter 18: Indirect Costs	80
APPROVED PLAN AVAILABLE	80
NO APPROVED PLAN	80
ESTABLISHMENT OF INDIRECT COST RATES	80
DISTRIBUTION BASES	81
COST ALLOCATION PLANS—CENTRAL SUPPORT SERVICES	82
APPROVING RATES FOR SUBRECIPIENTS	82
PART IV: AFTER THE AWARD REQUIREMENTS	83
Chapter 1: Closeout	83
CLOSEOUT PROCEDURES	83
INITIATION OF THE CLOSEOUT PROCESS	83
REFUND OF FEDERAL GRANT MONIES AND/OR PROGRAM INCOME AT CLOSEOUT	84
FAILURE TO REMIT FUNDS OWED	85
LATER ALLOWANCES AND ADJUSTMENTS	85
Chapter 2: Audit Requirements	86
AUDIT THRESHOLD	86
AUDIT OBJECTIVES	86
AUDIT REPORTING REQUIREMENTS	87
DUE DATES FOR AUDIT REPORTS	87
AUDIT SUBMISSION REQUIREMENTS	87
FAILURE TO COMPLY	88
RESOLUTION OF AUDIT REPORTS	88
AUDIT CONFIRMATION REQUESTS	88
AUDIT COMPLIANCE	88
TOP 10 AUDIT FINDINGS	89
AUDIT OF SUBRECIPIENTS	89
TECHNICAL ASSISTANCE	89
FULL-SCOPE AUDITING	90

COMMERCIAL (FOR-PROFIT) ORGANIZATIONS _____	90
DISTRIBUTION OF AUDIT REPORTS _____	90
OIG REGIONAL OFFICES _____	91
PART V: THE AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009 (Recovery Act) _____	92
Chapter 1: Background _____	92
BACKGROUND _____	92
THE RECOVERY ACT PROGRAMS ADMINISTERED BY OVW _____	92
Chapter 2: ARRA Reporting Requirements _____	94
REPORTING REQUIREMENTS FOR THE RECOVERY ACT _____	94
TECHNICAL REQUIREMENTS _____	94
DELEGATING REPORTING REQUIREMENTS UNDER THE RECOVERY ACT _____	95
KEY REPORTING TIMEFRAMES _____	96
SPECIAL REPORTING REQUIREMENTS FOR PRIME RECIPIENTS _____	97
DATA QUALITY REQUIREMENTS _____	97
GLOSSARY OF TERMS _____	98
APPENDIX I – AUTOMATED CLEARINGHOUSE (ACH) FORM _____	102
<i>http://www.ojp.usdoj.gov/funding/forms/ach_vendor.pdf</i> APPENDIX II – FEDERAL FINANCIAL REPORT (FFR or SF 425) _____	102
APPENDIX II – FEDERAL FINANCIAL REPORT (FFR or SF 425) _____	103

PART I: GENERAL INFORMATION

Chapter 1: Use of the Guide

HIGHLIGHTS OF CHAPTER:

Direct Recipients
Subrecipients
Contractors

This Guide is intended to be used for the administration of Federal award programs administered by the Office on Violence Against Women (OVW) in conjunction with the provisions of the Office of Management and Budget (OMB) circulars and government-wide common rules applicable to grants and cooperative agreements, program guidelines, application kits, special conditions, terms and conditions, regulations and statutes.

This document is provided for the use of all recipients and their subrecipients of Federal grant programs administered by OVW. This Guide is to serve as a reference of information to assist in the everyday financial management and grants administration of OVW grant programs. Users of this Guide may include administrators, financial management specialists, grants management specialists, accountants, and auditors. These individuals are to use the Guide as their financial policy reference in executing their duties under agency-funded programs and projects. Additionally, the document is structured to serve as a training manual for new employees. Specific organizations and individuals that are to use this Guide include:

DIRECT RECIPIENTS

Formula and discretionary recipients shall adhere to the provisions of this Guide. Programmatic and technical requirements for formula and discretionary recipients are contained in the program guidelines.

SUBRECIPIENTS

Subrecipients of OVW awards may also use this Guide as a reference in administering their subaward. The OMB circulars and government-wide common rules specific to the subrecipient organization type should also apply.

CONTRACTORS

This Guide is not for the direct use of contractors. However, direct recipients should ensure that monitoring of organizations under contract to them is performed in a manner that will ensure compliance with their overall financial management requirements.

Chapter 2: Resources

HIGHLIGHTS OF CHAPTER:

OMB Circulars/Code of Federal Regulations (CFR)
 Office of the Inspector General (OIG) Fraud Hotline
 Other Available Resources

This Guide incorporates by reference the provisions of OMB circulars/CFRs and government-wide regulations and agency-specific regulations governing grants and cooperative agreements. These circulars and common rules include the following:

OMB CIRCULARS/CODE OF FEDERAL REGULATIONS (CFR)

Administrative Requirements:	
28 CFR Part 66	Grants and Cooperative Agreements with State and Local Governments (formerly known as OMB Circular A-102)
28 CFR Part 70	Uniform Administrative Requirements for Grants and Agreements With Institutions of Higher Education, Hospitals and Other Non-Profit Organizations (formerly known as OMB Circular A-110) (2 CFR Part 215)
Cost Principles:	
2 CFR Part 220	Cost Principles for Educational Institutions (formerly known as OMB Circular A-21)
2 CFR Part 225	Cost Principles for State, Local, and Indian Tribal Governments (formerly known as OMB Circular A-87)
2 CFR Part 230	Cost Principles for Non-Profit Organizations (formerly known as OMB Circular A-122)
Audit Requirements:	
OMB Circular A-133	Audits of States, Local Governments, and Non-Profit Organizations
Code of Federal Regulations (CFR):	
Title 28	Judicial Administration

OFFICE OF THE INSPECTOR GENERAL (OIG) FRAUD HOTLINE

Grantees must promptly refer any credible evidence or allegations of fraud, waste, and abuse regarding grant funds to the Department of Justice Office of the Inspector General (OIG). Potential fraud, waste, abuse or misconduct should be reported to the OIG by:

Mail: Office of the Inspector General
 US Department of Justice
 Investigations Division
 950 Pennsylvania Avenue, N.W.
 Room 4706
 Washington, DC 20530

Email: oig.hotline@usdoj.gov

Phone: 1-800-869-4499

Or fax: 202-616-9881

Additional information is available on the DOJ OIG website at www.usdoj.gov/oig.

OTHER AVAILABLE RESOURCES

- Central Contractor Registration (CCR) - the application process also involves an updated and current registration by the applicant with [ccr.gov](http://www.ccr.gov). Eligible applicants must confirm CCR registration at <http://www.ccr.gov>
- Department of Health and Human Services, Financial Management, Division of Cost Allocation -- for information on Indirect Cost Rate Proposals <http://rates.psc.gov/>
- Dun & Bradstreet (D&B) <http://www.dnb.com/us/> -- applicants must provide a Data Universal Numbering System (DUNS) number with their application. A DUNS number may be obtained at no cost by calling the dedicated toll-free DUNS number request line at 1-866-705-5711 (U.S. and U.S Virgin Islands), 1-800-234-3867 (Alaska and Puerto Rico) or at <http://fedgov.dnb.com/webform>
- Electronic Code of Federal Regulations (e-CFR) – for electronic access to information produced by the Federal government visit <http://ecfr.gpoaccess.gov/cgi/t/text/text-idx?c=ecfr&tpl=%2Findex.tpl>
- Excluded Parties List System (EPLS) – Information regarding entities debarred, suspended, proposed for debarment, excluded or disqualified under the nonprocurement common rule, or otherwise declared ineligible from receiving Federal contracts, certain subcontracts, and certain Federal assistance and benefits can be found at www.epls.gov
- Federal Audit Clearinghouse – for submission of OMB Circular A-133 audits at <http://harvester.census.gov/sac/>
- Grants Management System (GMS) <https://grants.ojp.usdoj.gov> – website used to view award documents and to submit grant adjustment notices, progress/program reports, and quarterly financial reports (SF 425)
- Grants.gov – to find and apply for grant opportunities visit <http://www.grants.gov>.
- Office of Justice Programs (OJP) –
 - GMS Help Desk -- for password issues, please call (888) 549-9901
 - Procurement Procedures - for guidance on procurement under DOJ grants visit http://www.ojp.usdoj.gov/funding/pdfs/procurement_procedures.pdf

- Office of Management and Budget – for information on government-wide grants management policy visit http://www.whitehouse.gov/omb/grants_default
- Office on Violence Against Women (OVW) <http://www.ovw.usdoj.gov/> –
 - Grants Financial Management Division – for grants financial management questions and technical assistance, via email at OVW.GFMD@usdoj.gov or via phone at 1-888-514-8556
 - Grants Management System (GMS) Support – for technical assistance (other than password issues) using the Grants Management System via email at OVW.GMSSupport@usdoj.gov or call 866-655-4482
 - Post Award Instructions – for information on accepting your grant award, payment requests, reporting and closing out awards visit <http://www.ovw.usdoj.gov/docs/post-award.pdf>
 - Program Reference Guide – for assistance in applying for OVW grant programs at <http://www.ovw.usdoj.gov/docs/resource-guidebook.pdf>
 - Program Solicitations -- <http://www.ovw.usdoj.gov/closed-solicitations.htm> and <http://www.ovw.usdoj.gov/open-solicitations.htm>
 - Progress Reporting -- for more information on progress reporting and sample reporting forms, please visit the VAWA Measuring Effectiveness Initiative Website at <http://muskie.usm.maine.edu/vawamei/>
- Regulations.gov – online resource for US Government regulations from nearly 300 agencies is available at <http://www.regulations.gov>

Chapter 3: Conflicts of Interest

HIGHLIGHTS OF CHAPTER:

Codes of Conduct
Appearance
Prior approval

Personnel and other officials connected with agency-funded programs shall adhere to the following requirements:

CODES OF CONDUCT

Recipients and subrecipients should maintain a written code of standards of conduct governing the performance of their employees engaged in the award and administration of grants, subawards, and contracts. No employee, officer or agent shall participate in selection, or in the award or administration of a subaward, contract or hiring decision supported by Federal funds if a conflict of interest, real or apparent, would be involved. Such a conflict would arise when the employee, officer or agent, an immediate family member, a partner, or an organization which employs, or is about to employ, any of the above, has a financial or other interest in the firm or individual selected. Individuals shall recuse themselves from being personally involved with these types of decisions.

The recipient's or subrecipient's officers, employees or agents will neither solicit nor accept gratuities, favors or anything of monetary value from current or potential contractors and employees and parties to subagreements. Grantees and subgrantees may set minimum rules where the financial interest is not substantial or the gift is an unsolicited item of nominal intrinsic value. The standards of conduct must provide for disciplinary actions to be applied for violations of such standards by the grantee's and subgrantee's officers, employees, or agents, or by contractors or their agents.

APPEARANCE

Recipients and subrecipients of OVV funds will avoid using grant award funds in a manner which might result in or create the appearance of the following:

- Using his or her official position for private gain;
- Giving preferential treatment to any person;
- Losing complete independence or impartiality;
- Making an official decision outside official channels; or
- Affecting adversely the confidence of the public in the integrity of the Government or the program.

For example, when a recipient of Federal funds makes subawards under any competitive process and an actual conflict or an appearance of a conflict of interest exists, the person for whom the actual or apparent conflict of interest exists should recuse himself or herself not only from reviewing the application for which the conflict exists, but also from the evaluation of all competing applications.

PRIOR APPROVAL

It is a conflict of interest for a current or former board member of a nonprofit organization to receive consulting fees or contracts from Federal grants to organizations of which the person serves as a member of the board, unless approved in advance by OVW.

A recipient must notify OVW in writing of its decision to hire an individual to fill a grant-funded position, or to receive, or otherwise derive direct financial gain from, a sub-grant or contract that is made with grant award funds, where the individual is either an immediate family member or business partner of an official or employee of the grantee.

PART II: PRE-AWARD REQUIREMENTS

Chapter 1: Application Process

HIGHLIGHTS OF CHAPTER:

Program Announcements
Eligible Recipients
Dun & Bradstreet Data Universal Numbering System (DUNS)
Central Contractor Registration (CCR)
Assurances and Certifications
Seat Belt Use by Government Contractors, Subcontractors, and Grantees
Text Messaging While Driving

PROGRAM ANNOUNCEMENTS

OVW releases program announcements or solicitations for each of its programs that provide a brief description of the funding opportunity and other important information. These announcements can be found at the OVW (<http://www.ovw.usdoj.gov/open-solicitations.htm>) and Grants.Gov (www.grants.gov) websites. A compilation of government-wide assistance programs may be found in the Catalog of Federal Domestic Assistance (CFDA) at www.cfda.gov. These websites will provide you, at minimum, a link to the full application kit and online application system.

The following types of information can be found in the program guidance/solicitation packages for each specific program:

- Deadlines (Letters of Intent, Registration, Application)
- Eligibility
- Program Specific Information (Award Period, Award Amount, Scope, Unallowable Activities)
- Performance Measures
- How to Apply
- What an Application Must Include
- Selection Criteria
- Review Process
- Additional Requirements
- Application Checklist

ELIGIBLE RECIPIENTS

The following chart is intended to assist potential applicants identify OVW grant programs for which they are eligible to apply. Please review the program solicitations for more specific detail on eligibility. It is very important that applicants review this information carefully. Applications that are submitted by non-eligible entities will be removed from further consideration during the initial review process.

	Eligible Applicants
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OVW Grant Program	States and Territories	Indian Tribal Government	Unit of Local Government	Courts	Nonprofits, Victim Services Organizations	State and Territorial Coalition	Tribal Coalition	Other
Abuse in Later Life Program	X	X	X		X	X	X	
Campus Grant Program								Institutions of Higher Education
Culturally and Linguistically Specific Services for Victims Program								Community-based programs
Disability Grant Program	X	X	X		X	X	X	
Grants to Encourage Arrest Policies and Enforcement of Protection Orders	X	X	X	X				
Legal Assistance for Victims Grant Program		X			X	X	X	Organizations not acting in a governmental capacity (e.g. law schools)
Rural Grant Program	X	X	X		X	X	X	Must propose to serve a statutorily defined rural area
Sexual Assault Services Program (SASP): Formula Grants to States and Territories	X							

OVW Grant Program	States and Territories	Indian Tribal Government	Unit of Local Government	Courts	Nonprofits, Victim Services Organizations	State and Territorial Coalition	Tribal Coalition	Other
SASP: Grants to Culturally Specific Programs					X			
State Coalitions Grant Program						X		
STOP Formula Grant Program	X							
Safe Havens: Supervised Visitation Grant Program	X	X	X					
Transitional Housing Grant Program	X	X	X		X	X	X	Community-based organizations, including local housing and homelessness programs
Grants to Tribal Domestic Violence and Sexual Assault Coalitions Program							X	Individuals and organizations proposing to create tribal coalitions
Grants to Indian Tribal Governments and Sexual Assault Services Program		X						Designees of tribal governments
Children and Youth Exposed to Violence Program	X	X	X		X	X	X	Community-based organizations

OVW Grant Program	States and Territories	Indian Tribal Government	Unit of Local Government	Courts	Nonprofits, Victim Services Organizations	State and Territorial Coalition	Tribal Coalition	Other
Court Training and Improvements Program				X	X			
Engaging Men and Youth Program					X	X	X	Community-based organizations
Services to Advocate for and Respond to Youth Grant Program	X				X			Community-based organizations
Services, Training, Education and Policies to Reduce Sexual Assault, Domestic Violence, Dating Violence, and Stalking in Secondary Schools Grant Program								1) Public, Charter, Tribal, or Nationally Accredited Private Middle or High Schools; 2) Schools administered by the Department of Defense; 3) Groups of middle and/or high schools (2 or more); or 4) School Districts

DUN & BRADSTREET DATA UNIVERSAL NUMBERING SYSTEM (DUNS)

All grant applicants must have a DUNS number when applying for Federal grants and cooperative agreements. Organizations may receive a DUNS number at no cost by calling the toll-free DUNS number request line at 1-866-705-5711. Additional information can be found at <http://www.dnb.com/us/>. Individuals who apply for grant awards or cooperative agreements from the Federal Government are exempt from this requirement.

CENTRAL CONTRACTOR REGISTRATION (CCR)

Effective 2009, all current and potential grant recipients that apply for assistance from the Federal Government must register with the CCR database using their DUNS number. The CCR is the primary registrant database for the U.S. Federal Government and registrants are required to complete a one-time registration. Registrants must update or renew their registration at least once per year to maintain an active status. The CCR collects, validates, stores, and disseminates data in support of agency acquisition missions, including Federal agency contract and assistance awards. The term "assistance awards" includes grants, cooperative agreements, and other forms of Federal assistance. Registrants can access the CCR homepage at <http://www.ccr.gov>.

ASSURANCES AND CERTIFICATIONS

Recipients are required to comply with several certification and assurance requirements as a condition of receiving Federal funding.

Civil Rights

Applicants must assure and certify that they comply, and assure the compliance of their subrecipients, with all applicable civil rights nondiscrimination requirements as set forth on the OJP Assurances Form 4000/3 (Attachment to Standard Form [SF] 424).

In the event that a Federal or State court or Federal or State administrative agency makes a finding of discrimination after a due process hearing on the grounds of race, color, national origin, sex, or disability against a recipient of Federal funds, or any subgrantee or contractor of that recipient, a copy of such findings must be forwarded to OJP, Office for Civil Rights (OCR).

All recipients and their subrecipients must also provide OCR with an Equal Employment Opportunity Plan, if required to maintain one, where the award is \$500,000 or more.

Lobbying, Debarment and Drug-Free Workplace

In order to comply with the certification and assurance requirements provided in the common rules for lobbying, drug-free workplace, and suspension and debarment (so that recipients do not have to sign three certifications), they have been combined into OJP Form 4061/6, entitled "Certifications Regarding Lobbying; Debarment, Suspension and Other Responsibility Matters; and Drug-Free Workplace Requirements".

Lobbying Certification - This certification must be submitted prior to recommendation for or against an award. U.S. Department of Justice's (DOJ) codification of the government-wide common rule for restrictions on lobbying, 28 CFR Part 69, provides guidance on requirements that recipients shall meet in order to receive Federal funds. (See also discussion on Lobbying; Part III: Post Award Requirements, Chapter 16: Unallowable Costs).

The following restrictions on lobbying are applicable to all recipients and subrecipients (in addition to the restrictions imposed by recent revisions to 18 United States Code [U.S.C.] 1913). Interim Final Guidance for New Restrictions on Lobbying was published in the Federal Register in December 1989. The Lobbying Disclosure Act of 1995

included amendments that have an impact on the guidance provided in 1989. Per 31 U.S.C. 1352, the restrictions on lobbying are as follows:

- No federally appropriated funds may be expended by the recipient of a Federal award, cooperative agreement, or contract to pay a person for influencing or attempting to influence an officer or employee of any agency, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with any of the following covered Federal actions: the awarding of any Federal contract; the making of any Federal grant; the entering into of any cooperative agreement; and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, or cooperative agreement.
- Each person who requests or receives from an agency an initial Federal contract, award, or cooperative agreement (including subcontracts, subawards, and contracts under cooperative agreements) exceeding \$100,000 shall file with that agency a certification regarding lobbying. The certification shall be submitted to the agency making the award. Each person is certifying that:
 - He/she has not made and will not make any payment for a lobbying activity.
 - If any non-Federal funds have been paid or will be paid to any person, he/she will complete and submit a “Disclosure of Lobbying Activities” form (Disclosure Form).
 - The language of this certification will be included in his/her award documents for all subawards at all tiers (including subcontracts, subawards and contracts under awards, and cooperative agreements), and all subrecipients shall certify and disclose accordingly.
 - Each person, if applicable, shall submit the Disclosure Form to the agency making the award. The recipient or subrecipient is responsible for reporting lobbying activities of its employees if the employee’s tenure is less than 130 working days within 1 year immediately preceding the date of the recipient’s or subrecipient’s application or proposal submission.
 - A subrecipient who requests or receives Federal funds exceeding \$100,000 shall be required to file with the agency making the award a certification and a Disclosure Form, if applicable. All certifications shall be maintained by the agency making the award and all Disclosure Forms shall be forwarded from tier to tier until received by the Federal agency making the award. That agency shall forward all Disclosure Forms to the awarding agency. The Disclosure Form shall contain the following information:
 - Name and address of reporting entity;
 - Federal program name;
 - Federal award number;
 - Federal award amount; and
 - Name and address of lobbying registrant.
- Each person shall file a Disclosure Form at the end of each calendar quarter in which there occurs any event that requires disclosure or that materially

affects the accuracy of the information contained in any Disclosure Form previously filed by such persons. Examples of such events are:

- A cumulative increase of \$25,000 or more in the amount paid or expected to be paid for influencing or attempting to influence a covered Federal action;
- A change in the person(s) or individual(s) influencing or attempting to influence a covered Federal action; or
- A change in the officer(s), employee(s), or member(s) contacted to influence or attempt to influence a covered Federal action.
- Penalties and enforcement of lobbying restrictions shall be as follows:
 - Any person who makes an expenditure prohibited by the New Restrictions on Lobbying shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such expenditure.
 - Any person who fails to file or amend the Disclosure Form to be filed or amended, if required, shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

In summary, the common rule for lobbying requires that recipients and their subrecipients certify they will comply with the lobbying common rule. This requirement is only for awards exceeding \$100,000. (See Part III, Chapter 16: Unallowable Costs, for cost restrictions relating to lobbying).

Debarment and Suspension Certification - This certification must be completed prior to recommendation for or against an award. The government-wide common rule for debarment and suspension, 2 CFR 180, provides guidance on requirements that recipients shall meet in order to receive Federal funds. DOJ's implementation of the common rule is found at 2 CFR 2867.

- 1) Title 2 of the CFR Part 180 provides that executive departments and agencies shall participate in a system for debarment and suspension from programs and activities involving Federal financial and nonfinancial assistance and benefits. Debarment or suspension of a participant in a program by one agency has government-wide effect. It is the policy of the Federal Government to conduct business only with responsible persons, and these guidelines will assist agencies in carrying out this policy.
- 2) Most grantees will use OJP Form 4061/6. Certifications must be completed and submitted by recipients of discretionary awards to the awarding agency's program offices during the application stage. State formula recipients are exempt from submission of this certification but are responsible for monitoring subrecipient submissions of the lower tier certification (OJP Form 4061/1) and for maintaining them at the State level.
- 3) Certification Regarding Debarment, Suspension, Ineligibility, and Voluntary Exclusion — Lower Tier Covered Transactions (OJP Form 4061/1 or like form). This requirement includes persons, corporations, etc., that have critical influence on or substantive control over the award. The direct recipient will be responsible for monitoring the submission and maintaining the official subrecipient certifications.

In summary, the debarment and suspension common rule requires that both recipients and their subrecipients certify they will comply with the debarment and suspension common rule. Subcontractors are not required to certify if their subaward is less than \$100,000.

Drug-Free Workplace Certification - This certification must be submitted prior to recommendation for or against an award. The government-wide common rule for drug-free workplace, 28 CFR Part 83, provides guidance on requirements that recipients shall meet in order to receive Federal funds.

28 CFR Part 83 implements the statutory requirements of the Drug-Free Workplace Act of 1988. All recipients receiving awards from any Federal agency shall certify to that agency that they will maintain a drug-free workplace. A recipient who is an individual shall certify to the agency that his or her conduct of award activity will be drug free. If a recipient makes a false certification, the recipient is subject to suspension, termination, and debarment.

- 1) The State agency responsible for administering the block/formula award shall submit a drug-free workplace certification to the awarding agency and shall be responsible for obtaining a drug-free workplace certification from each State agency that is subawarded funds. Subrecipients that are not State agencies are not required to submit a drug-free workplace certification.
- 2) A recipient is required to make the required certification for each award. The one exception to this rule is that a recipient which is a State, including a State agency, may elect to make a single annual certification to each awarding agency from which it obtains awards, rather than making a separate certification for each award or workplace. Only one such annual certification needs to be made to each Federal agency which will cover all of that State agency's workplaces.
- 3) There are two different certifications: one for individuals and one for organizations. The individual recipient certifies that he or she will not engage in the unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance in conducting any activity with the award. The organizational recipient certifies that it will provide a drug-free workplace by:
 - a) Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the recipient's workplace and specifying the actions that will be taken against employees for violation of such prohibition.
 - b) Establishing a drug-free awareness program to inform employees about:
 - i) The dangers of drug abuse in the workplace;
 - ii) The recipient's policy of maintaining a drug-free workplace;
 - iii) Any available drug counseling, rehabilitation, and employee assistance programs; and
 - iv) The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace.
 - c) Making it a requirement that each employee to be engaged in the performance of the award be given a copy of the employer's statement about drugs in the workplace.
 - d) Notifying the employee that, as a condition of employment under the award, the employee will:
 - i) Abide by the terms of the statement; and

- ii) Notify the employer of any criminal drug statute conviction for a violation occurring in the workplace not later than 5 calendar days after such conviction.
- e) Notifying the awarding agency within 10 calendar days after receiving notice from an employee or otherwise receiving actual notice of such conviction.
- f) Taking one of the following actions, within 30 calendar days of receiving notice, with respect to any employee who is so convicted:
 - i) Taking appropriate personnel action against such an employee, up to and including termination; or
 - ii) Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency.
- g) Making a good faith effort to continue to maintain a drug-free workplace.

In summary, the drug-free workplace common rule requires that ONLY direct recipients of Federal awards certify they will comply with the drug-free workplace common rule. There is no dollar threshold for certification.

Standard Assurances

An authorized representative of the applicant organization must also assure and certify compliance with all applicable Federal statutes, regulations, policies, guidelines, and requirements outlined in the Standard Assurances (OMB Approval # 1121-0140).

SEAT BELT USE BY GOVERNMENT CONTRACTORS, SUBCONTRACTORS, AND GRANTEES

Pursuant to 23 U.S.C. 402 and 403, and 29 U.S.C. 668, each recipient agency of Federal contracts, subcontracts, and grants shall encourage adoption and enforcement of on-the-job seat belt policies and programs for its employees, contractors, and subrecipients when operating company-owned, rented, or personally owned vehicles.

TEXT MESSAGING WHILE DRIVING

Pursuant to Executive Order 13513 of October 1, 2009, "Federal Leadership on Reducing Text Messaging While Driving", all DOJ recipients and subrecipients are encouraged to adopt and enforce policies that ban text messaging while driving a vehicle when performing work funding under DOJ grant programs. Beginning in Fiscal Year 2010, all grant awards include a special condition informing grantees of this Order.

Chapter 2: Application Review

HIGHLIGHTS OF CHAPTER:

Review of Application for Federal Assistance (SF 424)
Financial Analysis

OVW is required to review applications in order to assure that awards issued meet certain legislative, regulatory, and administrative requirements. OVW follows the requirements stipulated in the administrative requirements for grants and agreements that are codified at 28 Code of Federal Regulations (CFR) Parts 66 and 70.

REVIEW OF APPLICATION FOR FEDERAL ASSISTANCE (SF 424)

An examination of the Application for Federal Assistance (SF-424) is conducted to determine:

1. Type of Applicant – This information is used to determine eligibility for the program. Examples include State Government, Individual, Not-for-profit with 501C3 Status or Private Institution of Higher Education.
2. Legal Name – This legal name is reviewed and used to determine if the applicant organization is a current DOJ recipient or a new applicant.
3. Organizational DUNS – OVW verifies that the applicant's DUNS is registered and active within the CCR and the organization's registration matches the application and DOJ records (for current recipients).
4. Address –The address is reviewed together with the Legal Name and DUNS number to determine if the applicant is a current DOJ grantee or a new applicant.
5. EIN/Vendor No. – If it is determined that the applicant organization is a new applicant, then in coordination with OJP, OVW will assign the organization an "OJP Vendor Number" for administrative purposes only. This number is used to track awards, payments, and reports in DOJ's accounting and grant systems. The OJP Vendor Number can be found on the grant award document in box 1A and may or may not match the organization's EIN.
6. Applicant Federal Debt (OMB Circular A-129) - OVW holds recipients accountable for any overpayment, audit disallowances, or any other breach of award that results in a debt owed to the Federal Government. The Debt Collection Improvement Act of 1996 states that if, after written notification, grantee payments continue to be delinquent, the debt will be referred to a collection agency or Department of the Treasury for further action. The awarding agency shall apply interest, penalties, and administrative costs to a delinquent debt owed by a debtor pursuant to the Federal Claims Collection Standards and OMB Circular A-129, Policies for Federal Credit Programs and Non-Tax Receivables. The SF-424 includes a question about whether there is Federal debt. That question applies to the organization requesting the financial assistance, not the person who signs the application as the authorized representative of the organization. Categories of debt include delinquent audit disallowances, loans, and taxes.

7. Intergovernmental Review of Federal Programs - If the State has established a process for the review of Federal programs and activities eligible under Executive Order 12372 and a particular program has been selected for review by the State, applicants for the program must submit a copy of their application to the State "single point of contact" (SPOC) prior to or at the same time that the application is submitted to OVW. Information on the Intergovernmental Review (SPOC List) may be found at http://www.whitehouse.gov/omb/grants_spoc.
8. Authorized Representative - OVW verifies that the individual listed as the Authorized Representative on the application is authorized to apply for and accept awards on behalf of the applicant organization.

FINANCIAL ANALYSIS

OVW's policy is to provide assurance that awards are only for allowable, allocable, necessary and reasonable costs. Applicants must possess the responsibility, financial management, fiscal integrity, and financial capability necessary to adequately and appropriately administer Federal funds. The analysis of project applications includes:

1. Budget Review –
 - a. Perform a cost analysis of the project budget included in the application that is under consideration for funding by OVW. Cost analysis includes obtaining cost breakdowns, verifying cost data, and evaluating specific items of cost to determine the necessity, reasonableness, allowability, allocability, and appropriateness of the proposed cost as it relates to the proposed project. The form and extent of such an analysis will be determined by OVW.
 - b. Verify if the program has a match requirement. If so, make sure that the match requirement has been met.
 - c. Verify that programmatic budgetary requirements have been met (for example, OVW-mandated training and technical assistance costs have been included in the budget).
 - d. If applicable, verify current indirect cost rate agreement is approved for use on Federal assistance awards. If an applicant has budgeted for indirect costs but does not have an approved rate, they must submit an indirect cost proposal to their cognizant Federal agency.
2. Financial Capability – Determine the adequacy of the applicant's accounting system and operations to ensure that Federal funds, if awarded, will be expended in a judicious manner. This information is used by OVW to assess the applicant's ability to appropriately manage OVW funds.
 - a. Applicants are required to respond to the Financial Accounting Practices questions, as instructed in the individual program solicitations.
 - b. When the applicant is a nonprofit, nongovernmental entity and has had no grant history with OVW or the Office of Justice Programs (OJP) within the last three years, an Accounting System and Financial Capability Questionnaire must be completed by the applicant and submitted along with a copy of the organization's most recent financial statements.
 - c. Review A-133 Data Collection Forms to determine audit opinion and/or applicable audit findings.

3. Fiscal Integrity - Determine that the applicant organization has a history of responsible handling of Federal funds.
 - a. Verify timely submissions of the Federal Financial Report (FFR or Standard Form 425)
 - b. Verify compliance with government-wide audit requirements (if applicable).
 - c. Verify timely submission of programmatic/progress reports.

4. High Risk - OVW, in coordination with the Office of Justice Programs and the Community Oriented Policing Services (COPS) Office, maintains a list of "high risk" organizations. An organization may be designated as high risk if the grantee: 1) has a history of unsatisfactory performance; 2) is not financially stable; 3) has an accounting system that does not meet the standards set forth in 28 CFR 66.20 (standards for financial management systems); 4) has not conformed to the terms and conditions of previous awards; 5) is otherwise not responsible; 6) has an open single audit report or Office of the Inspector General (OIG) audit report recommendations that have been open for more than a year, whereby an adequate corrective action plan has not been submitted by the grantee to OJP and/or OVW; 7) is not responsive to requests from OJP/OVW to address open single audit or OIG grant audit report recommendations; 8) has significant noncompliance issues that were identified through the normal grant administration process (i.e., financial or programmatic monitoring); 9) is subject to an OIG investigation where grant noncompliance issues were noted that require corrective action; 10) is listed on the list of grantees that are currently barred from receiving funding from the Office of Community Oriented Policing Services; and/or 11) was referred to the Department of Treasury under the Treasury Offset Program, for collection of grant funds owed DOJ.

Additional restrictions or conditions may be included on awards to grant recipients that are designated as high risk.

5. Excluded Parties List System (EPLS) - Verify that the applicant organization is not excluded or disqualified from receiving Federal contracts, certain subcontracts, and certain Federal financial and nonfinancial assistance and benefits, pursuant to the provisions of 31 USC 6101, note, E.O. 12549, E.O. 12689, 48 CFR 9.404, and each agency's codification of the Common Rule for Nonprocurement suspension and debarment. <https://www.epls.gov/>.

Chapter 3: Conditions of Award and Acceptance

HIGHLIGHTS OF CHAPTER:

Federal Obligation Process
Types of Financial Assistance: Grant or Cooperative Agreement
Award Document
Acceptance of Award and Conditions
Automated Clearing House (ACH) Enrollment

FEDERAL OBLIGATION PROCESS

After an award has been signed by OVW, the amount of the award is considered an obligation of the Federal government and is recorded as such in its accounting system. Appropriated funds are thereby reserved against the award until all monies are expended by the recipient and subrecipient or, in the case of non-utilization of funds within statutory or other time limits, appropriated funds would revert to OVW through deobligation of the unused balance.

On the award date, the award recipient is notified of award approval. Once the award has been accepted, in order to receive payment of funds, the recipient must be in compliance with award conditions enumerated in the award document. In addition, they must be in compliance with all reporting requirements. All grantees are required to submit Federal Financial Reports (SF-425) for each grant on a quarterly basis for the life of the grant. Also, Progress Reports are required on a semi-annual basis for discretionary grants and on an annual basis for formula awards. Funds will not be disbursed if reports are delinquent.

NOTE: If the award date is after the begin date of the award project period, the grantee may be required to submit the current SF-425 report(s) prior to being able to process a payment request.

TYPES OF FINANCIAL ASSISTANCE: GRANT OR COOPERATIVE AGREEMENT

For each award that is issued, OVW must decide on the appropriate award instrument. Grants and cooperative agreements are used when the primary purpose is to accomplish a public purpose of support or stimulation authorized by Federal statute. The difference between these two types of assistance is that in the case of a cooperative agreement, OVW will have “substantial involvement” with the recipient in carrying out the activities outlined in the agreement including input, guidance and direction in the day to day planning, development and implementation of the project.

Contracts are used when the primary purpose is to obtain property or services for the direct benefit or use of the Federal Government.

AWARD DOCUMENT

After completion of the internal review process, the applications designated for approval are formally awarded through the issuance of an award. This document includes:

- Name and address of recipient
- Grantee IRS/Vendor number
- Project Title
- Award Number
- Project/Budget Period
- Award Date
- Amount of Federal funds
- Method of Payment
- Terms and conditions, as appropriate, that the recipient/subrecipient must meet if the award is accepted.

The award document constitutes the operative document obligating and reserving Federal funds for use by the recipient in execution of the program or project covered by the award. An award recipient must formally accept the award. If the recipients fail to affirm their timely utilization of the award by accepting WITHIN 45 DAYS from the date of the award, the obligation may be terminated. Correspondence concerning the award should refer to the designated award number shown on the award document.

All awards will include terms and conditions that include requirements concerning compliance with this Guide and compliance with the audit requirements. A number of other standard or special conditions may be attached to the award. Recipients are urged to carefully review and understand all terms and conditions of the award prior to award acceptance. Failure to comply with these terms and conditions may result in disallowance of costs and recovery of funds and/or suspension or termination of funds and/or award.

ACCEPTANCE OF AWARD AND CONDITIONS

Notification of award approval is sent by e-mail. The individuals identified in the application as the Point of Contact and the Authorizing Official will receive an e-mail through the OJP Grants Management System (GMS). GMS automatically issues the notifications at approximately 9 p.m. Eastern Standard Time on the award date. The notification provides information on how to access and view the award documents in GMS and provides instruction on how to accept the award.

To accept the award, the recipients must go into the GMS system and designate a Financial Point of Contact (FPOC). The designation of the FPOC must be completed in the GMS system before the award acceptance documents can be printed. The FPOC will be responsible for the financial administration of the award. The FPOC may be the same as the Program Point of Contact (PPOC) or may be a separate individual designated by the recipient. OVW grantees requiring assistance may contact OVW GMS Support at 1-866-655-4482 or OVW.GMSSupport@usdoj.gov. Once the FPOC has been designated, grant recipients should:

- 1) Print and read the award document carefully.
- 2) Have the award document signed and dated by the Authorized Recipient Official designated in the application to indicate full acceptance of all terms, and conditions. The name of this person is preprinted on the award document. An electronic signature will not be accepted.

NOTE: If the name of the person accepting the award is not the name preprinted on the award document, a Grant Adjustment Notice (GAN) must be submitted in GMS by the grant recipient to explain the reason for the change of authorized representative. If the authorized recipient official has changed, do not alter the preprinted name in box 18 of the Agreement. A grant adjustment notice (GAN) will have to be initiated in GMS to notify OVW of this change. Grantees have the capability to initiate a GAN by logging into GMS at <https://grants.ojp.usdoj.gov> and selecting the GAN tab. The only type of adjustment that may be submitted prior to accepting an award is a “change of authorized representative” GAN. The award acceptance document will be REJECTED if it is signed by anyone other than the Authorizing Official named on the award document unless a GAN has been approved.

- 3) The Authorized Official should also initial the bottom right corner of each page of the special conditions to signify agreement.
- 4) The signed award document and the special conditions should be submitted to the OVW Grants Financial Management Division (GFMD), using one of the following methods:
by e-mail to OVW.Acceptance@usdoj.gov or
by FAX to 1-202-514-7045.

Select only one of these submission options to avoid duplicate submissions. The original signed award document should be retained by the award recipient in their official file for the award.

If an awardee does not accept the award and all the terms and special conditions, the awardee should contact its OVW Program Manager to determine if modifications are needed, or if the award should be closed and funds deobligated. No Federal funds will be disbursed to the awardee until the signed acceptance and special conditions have been received by OVW.

Questions concerning award notification and/or acceptance may be directed to the Grants Financial Management Division, at 1-888-514-8556.

AUTOMATED CLEARING HOUSE (ACH) ENROLLMENT

The ACH Vendor/Miscellaneous Enrollment Form provides banking information used to establish electronic funds transfer. Recipients are required to submit the completed ACH form which must bear the original signature of the authorized official of the recipient's financial institution. The ACH information is used by the U.S. Department of the Treasury to transmit payment data, by electronic means, to the recipient's financial institution. Failure to provide the requested information will delay or prevent the receipt of

payments. The ACH form may be found in Appendix I of this Guide, or you may download it from <http://www.ojp.usdoj.gov/funding/forms.htm> under “Standard Forms.”

If the grant recipient has an active award and current banking information on file for the applicable OJP Vendor Number, then a new ACH form is not required for each new grant. However, if a recipient would like to revise its current banking information, a new ACH form must be submitted.

The completed ACH form, which must include an original signature from an authorized representative of the organization’s financial institution, should be submitted to:

Office of Justice Programs
810 Seventh Street, NW.
Attn: Control Desk, 5th Floor
Washington, DC 20001

PART III: POST AWARD REQUIREMENTS

Chapter 1: Managing Federal Funds

HIGHLIGHTS OF CHAPTER:

Accounting System
Total Cost Budgeting and Accounting
Commingling of Funds
Recipient and Subrecipient Accounting Responsibilities
Supplanting

ACCOUNTING SYSTEM

All recipients are required to establish and maintain accounting systems and financial records to accurately account for funds awarded to them. These records shall include both Federal funds and all matching funds of State, local, and private organizations, when applicable. State recipients shall expend and account for grant funds in accordance with State laws and procedures for expending and accounting for their own funds. Subrecipients of States shall follow the financial management requirements imposed on them by States, which must comply with the requirements OVW has imposed on the States.

Funds specifically budgeted and/or received for one project may not be used to support another without prior written approval of OVW. Where a recipient's or subrecipient's accounting system cannot comply with this requirement, the recipient or subrecipient shall establish a system to provide adequate fund accountability for each project it has been awarded.

Where the conduct of a program or one of its components is delegated to a subrecipient, the direct recipient is responsible for all aspects of the program, including proper accounting and financial recordkeeping by the subrecipient. Responsibilities include the accounting of receipts and expenditures, cash management, maintenance of adequate financial records, and refunding expenditures disallowed by audits.

TOTAL COST BUDGETING AND ACCOUNTING

Accounting for all funds awarded by the Federal agency shall be structured and executed on a "total program cost" basis. That is, total program costs, including Federal funds, State and local matching shares, and any other fund sources included in the approved project budget or received as program income shall be the foundation for fiscal administration, accounting, and audit. Unless otherwise prohibited by statute, applications for funding and financial reports require budget and cost estimates based on total costs.

COMMINGLING OF FUNDS

Generally, OVW does not require recipients to maintain separate bank accounts for funds provided through an award, unless required by a Federal-State agreement or an award term or condition. However, recipients must be able to account for the receipt, obligation, and expenditure of funds awarded on an individual basis. Grant funds must be tracked and accounted for separately from other OVW awards as well as other Federal agency awards. Funds specifically budgeted and/or received for one project may not be used to support another project. Where a recipient's or subrecipient's accounting system cannot comply with this requirement, the recipient or subrecipient shall establish a system to provide adequate fund accountability for each project it has been awarded.

RECIPIENT AND SUBRECIPIENT ACCOUNTING RESPONSIBILITIES

Where the performance of a program or one of its components is delegated to a subrecipient, the direct recipient is responsible for all aspects of the program including proper accounting and financial recordkeeping by the subrecipient. Responsibilities include the accounting of receipts and expenditures, cash management, the maintaining of adequate financial records, and the refunding of expenditures disallowed by audits.

- 1) **Reviewing Financial Operations** - Direct recipients should be familiar with, and periodically monitor, their subrecipients' financial operations, records, systems, and procedures. Particular attention should be directed to the maintenance of current financial data.
- 2) **Recording Financial Activities** - The subrecipient's award or contract obligation, as well as cash advances and other financial activities, should be recorded in the books of the recipient in summary form. Subrecipient expenditures should be recorded on the books of the recipient or evidenced by report forms duly filed by the subrecipient. Non-Federal contributions applied to programs or projects by subrecipients should likewise be recorded, as should any program income resulting from program operations.
- 3) **Budgeting and Budget Review** - The recipient should ensure that each subrecipient prepares an adequate budget on which its award commitment will be based. The detail of each project budget should be maintained on file by the recipient.
- 4) **Accounting for Non-Federal Contributions** - Recipients will ensure that the requirements, limitations, and regulations pertinent to non-Federal contributions are applied.
- 5) **Audit Requirements** - Recipients must ensure that subrecipients have met the necessary audit requirements contained in this Guide (see Part VI, Chapter 2: Audit Requirements).
- 6) **Reporting Irregularities** - Recipients and their subrecipients are responsible for promptly notifying OVW and the Federal cognizant audit agency of any illegal acts, irregularities and/or proposed and actual improper actions. Please notify GFMD at 1-888-514-8556 if any irregularities occur. Illegal acts and

irregularities include conflicts of interest, falsification of records or reports, and misappropriation of funds or other assets.

- 7) Debarred and Suspended Organizations - Recipients and subrecipients must not award or permit any award at any level to any party which is debarred or suspended from participation in Federal assistance programs. For details regarding debarment procedures, see 2 CFR 180, Government-wide Debarment and Suspension (Nonprocurement) and see 2 CFR 2867 for DOJ-specific requirements.
- 8) Bonding – OVW may require adequate fidelity bond coverage where a recipient lacks sufficient coverage to protect the Federal Government interest (see 2 CFR 215.21(d)).

SUPPLANTING

Federal funds must be used to supplement existing funds for program activities and must not replace those funds that have been appropriated for the same purpose. Supplanting will be the subject of application review, as well as preaward review, postaward monitoring, and audit. If there is a potential presence of supplanting, the applicant or grantee will be required to supply documentation demonstrating that the reduction in non-Federal resources occurred for reasons other than the receipt or expected receipt of Federal funds. For certain programs, a written certification may be requested by OVW or recipient agency stating that Federal funds will not be used to supplant non-Federal funds.

Chapter 2: Payments

HIGHLIGHTS OF CHAPTER:

Payment Method
Withholding of Funds
Cash Management Improvement Act of 1990
Interest Earned

PAYMENT METHOD

OVW's direct grant recipients use OJP's Grant Payment Request System (GPRS) to submit payment requests. Grantees must be registered as an FPOC in GMS at <https://grants.ojp.usdoj.gov> before they can register as a drawdown specialist in GPRS. Grantees can access GPRS at <https://grants.ojp.usdoj.gov/gprs>. Payments are electronically deposited to the recipient's account by the U.S. Department of the Treasury using banking information provided on the Automated Clearing House (ACH) form.

The GPRS application is a web-based payment request system that allows grant recipients to submit payment requests via the Internet. This system has replaced OJP's previous payment request system, the Phone Activated Paperless Request System (PAPRS). GPRS maintains the core functionality of PAPRS and includes several new features to enhance recipients' ability to manage awards, such as:

- Secure individual login with audit tracking for each award.
- The ability to submit payment requests at anytime (including during blackout periods).
- The ability to view the status of submitted payment requests.
- The ability to print and export an award's transaction history.

A change that has been introduced with the launch of the GPRS application is that PAPRS packages, which provided funding information and instructions, will no longer be sent via U.S. mail. Instead, once a grant has been awarded, recipients will receive an email with information on funding resources and accessing GPRS.

Recipients are required to submit the completed Automated Clearing House (ACH) electronic funds transfer form bearing the original signature of the authorized official of the recipient's financial institution. The Debt Collection Act of 1996 states that all eligible recipients of Federal payments must receive funds electronically. Recipients are reminded to coordinate with their respective financial institutions for an addendum record which contains payment-related information for their records. In order for a recipient to receive payments requested, a current SF-425 for the grant on which payment is requested must be on file in GMS. If Progress Reports are required for the grant program, the reports must be current or requests for payment will be denied.

Approved requests will be deposited into the grantee's financial institution within 3 - 5 business days of the request. NOTE: In support of the continuing effort to meet the accelerated financial statement reporting requirements mandated by the U.S. Department of the Treasury, the OJP's Office of the Chief Financial Officer will not

process payment requests during the last 4 working days of each month. For this reason, OJP strongly suggests that grantees make payment requests before 10 a.m. eastern standard time, prior to the last 4 working days of each month.

WITHHOLDING OF FUNDS

OVW may withhold draw downs to a recipient organization receiving grant funds by electronic transfer, if the recipient demonstrates any of the following:

- 1) Failure to attain program or project goals or to establish procedures that will minimize the time elapsing between the cash draw downs and expenditure;
- 2) Failure to adhere to guideline requirements or special conditions;
- 3) Improper engagement of awarding and administering subawards or contracts;
- 4) Failure to submit reliable and/or timely reports, including, but not limited to, Federal Financial Reports (SF 425) and Progress Reports; and/or
- 5) Failure to achieve timely financial reconciliation and closeout at the end of the project period of any grant awarded to the recipient organization.

CASH MANAGEMENT IMPROVEMENT ACT OF 1990

Pursuant to the Cash Management Improvement Act of 1990, 31 U.S.C. 6503, States are no longer exempted from payment of interest to the Federal Government for drawing down funds prior to the need to pay obligations incurred. The provisions of 31 U.S.C. 6503(c)(1) require that States pay interest in the event that they drawdown funds before the funds are needed to pay for program expenses.

In order to minimize the amount of cash on hand, grant recipients should request funds based upon immediate disbursement/reimbursement requirements. Funds will not be paid in a lump sum, but rather disbursed over time as project costs are incurred or anticipated. Recipients should time their drawdown requests to ensure that Federal cash on hand is the minimum needed for disbursements/reimbursements to be made immediately or within 10 days.

Fund requests from subrecipients create a continuing cash demand on award balances of the State. The State should keep in mind that excess funds held by subrecipients will impair the goals of effective cash management. All recipients must develop procedures for the disbursement of funds to ensure that Federal cash on hand is kept at a minimal balance.

The OVW Grants Financial Management Division conducts financial reviews to ensure that this requirement is met and that excess cash is not improperly held by recipient organizations. If a recipient determines that it has excess cash on hand, please contact OVW's GFMD for assistance.

INTEREST EARNED

Recipients and subrecipients shall minimize the time elapsing between the transfer and disbursement of funds.

- 1) In accordance with the Indian Self Determination Act, Title U.S.C. 450(j)), tribal organizations SHALL NOT be held accountable for interest earned pending their disbursement by such organizations.
- 2) All local units of government (political subdivisions of a State, including cities, towns, counties and special districts created by State law) shall account for interest earned on Federal funds. Local units of government may keep interest earned on Federal grant funds up to \$100 PER FEDERAL FISCAL YEAR. This maximum limit is not per award; it is inclusive of all interest earned as a result of all Federal grant program funds received per year. Interest earned in excess of \$100, must be remitted to the U.S. Department of Health and Human Services, Division of Payment Management Services, P.O. Box 6021, Rockville, MD 20852.
- 3) Nonprofit organizations shall account for interest earned on Federal funds. Nonprofit organizations may keep interest earned on Federal grant funds up to \$250 PER FEDERAL FISCAL YEAR. This maximum limit is not per award; it is inclusive of all interest earned as a result of all Federal grant program funds received per year. Interest earned in excess of \$250 must be remitted to the U.S. Department of Health and Human Services, Division of Payment Management Services, P.O. Box 6021, Rockville, MD 20852.

Chapter 3: Period of Availability of Funds

HIGHLIGHTS OF CHAPTER:

Obligation of Funds
Period of Availability
Liquidation of Funds
Award Extension Criteria

OBLIGATION OF FUNDS

Obligations are a legal liability to pay, under a grant, subgrant, and/or contract, determinable sums for services or goods incurred during the grant period. This includes, but is not limited to, amounts of orders placed, contracts and grants awarded, services received and similar transactions that require payment by the recipient during the same or a future period.

PERIOD OF AVAILABILITY

The award period is the period of time when Federal funding is available for obligation by the recipient. The recipient may charge to the grant only allowable costs resulting from obligations incurred during the funding period and any pre-award costs authorized by OVW. An obligation occurs when funds are encumbered, such as in a valid purchase order or requisition to cover the cost of purchasing an authorized item on or after the begin date and up to the last day of the grant period of the award. Any funds not properly obligated by the recipient within the grant award period will lapse and revert to OVW for deobligation. The obligation deadline is the last day of the grant award period unless otherwise stipulated. The obligation period is the same as the award period listed on the award document. No additional obligations can be incurred after the end of the grant.

Example: If the award period is 10/1/10 to 9/30/13, the obligation deadline is 9/30/13.

LIQUIDATION OF FUNDS

Grant funds which have been properly obligated by the end of the award period will have 90 days in which to be liquidated (pay the obligations incurred during the grant period). Any funds not liquidated at the end of the 90 day period will lapse and revert to OVW for deobligation, unless a grant adjustment notice extending the liquidation period has been approved. (Example: If the award period is October 1, 2010 to September 30, 2013, the liquidation deadline is December 29, 2013).

AWARD EXTENSION CRITERIA

Requests for a no-cost extension of a grant period must be submitted through the Grants Management System (GMS). Grantees are to use the Grant Adjustment Notice (GAN) module in GMS to request the extension. Extensions may be issued or approved in response to the GAN request. The request for extension must state the need for the

extension (including the additional time requested) and justification to support the request. The extension request must be submitted no later than 30 days prior to the end of the award period.

Generally, only one extension not to exceed 12 months per award will be permitted. A request for an extension of the award period of a program beyond 12 months must be justified by extraordinary circumstances beyond the control of the recipient and subrecipient.

Extension requests will be considered only if the extension criteria established below are met by the recipient at the time the request is submitted to OVW. Modifications of the general extension policy stated above are at OVW's discretion. The criteria for extending the award period include the following:

- 1) Reports - Requests for adjustments will be considered only if the reporting requirements are current.
- 2) Special Conditions - All special conditions attached to the award must be satisfied, except for those conditions that must be fulfilled in the remaining period of the award. This also includes the performance and resolution of audits in a timely manner.
- 3) Justification - A narrative explaining the need for additional time must be submitted with an extension request. Complete details must be provided, including the justification and the circumstances which require the proposed extension. Explain the effect of a denial of the request on the project or program.

NOTE: Award extensions will not be issued merely for the purpose of using unobligated balances.

Chapter 4: Matching or Cost Sharing

HIGHLIGHTS OF CHAPTER:

Definition of Match
Types of Match
Match Requirements
Source and Type of Funds
Timing of Matching Contributions
Waiver of Match
STOP Program Match Requirements

DEFINITION OF MATCH

Match is the dollar amount or value that the grantee or other outside party agrees to contribute to a grant program. The costs that the recipient incurs in fulfilling its matching or cost sharing requirement are subject to the same requirements as the Federal grant funds. Allowable cash or in-kind match must include those costs which are allowable according to the program guidance and in compliance with applicable cost principles (2 CFR Parts 220, 225 and 230) and administrative requirements (28 CFR Parts 66 and 70).

TYPES OF MATCH

- 1) Cash match (also referred to as “hard” match) means the grantee’s non-federal cash outlay including the outlay or money contributed to the grantee or subgrantee by other public agencies, institutions, private organizations and individuals spent for project-related costs.
- 2) In-kind match (also referred to as “soft” match) means the value of non-cash contributions provided by non-Federal third parties. Third party contributions may be in the form of real property, equipment, supplies, and other expendable property and the value of goods and services directly benefiting and specifically identifiable to the project or program.

MATCH REQUIREMENTS

A matching or cost sharing requirement may be satisfied by either or both of the following:

- 1) Allowable costs incurred by the grantee, subgrantee or a cost-type contractor under the assistance agreement. This includes allowable costs borne by non-Federal grants or by other cash donations from non-Federal third parties.
- 2) The value of third party in-kind contributions applicable to the period to which the cost sharing or matching requirements applies.

The following qualifications and exceptions apply:

- 1) Costs borne by other Federal grant agreements - Except as provided by Federal statute, a cost sharing or matching requirement may not be met by costs borne by another Federal grant. This prohibition does not apply to income earned by a grantee or subgrantee from a contract awarded under another Federal grant.
- 2) Cost or contributions counted towards other Federal cost-sharing requirements - Neither costs nor the values of third party in-kind contributions may count towards satisfying a cost sharing or matching requirement of a grant agreement if they have been or will be counted towards satisfying a cost sharing or matching requirement of another Federal grant agreement, a Federal procurement contract, or any other award of Federal funds.
- 3) Costs financed by program income - Costs paid with program income, as defined in 28 CFR 66.25(g)(3) or 70.24 (b)(2), may count towards satisfying a cost sharing or matching requirement if permitted by the OVW program.
- 4) Services or property financed by income earned by contractors - Contractors under a grant may earn income from the activities carried out under the contract in addition to the amounts earned from the party awarding the contract. No costs of services or property supported by this income may count toward satisfying a cost sharing or matching requirement unless other provisions of the grant agreement expressly permit this kind of income to be used to meet the requirement.
- 5) Records - Costs and third party in-kind contributions counting towards satisfying a cost sharing or matching requirement must be verifiable from the records of grantees and subgrantee or cost-type contractors. These records must show how the value placed on third party in-kind contributions was derived. To the extent feasible, volunteer services will be supported by the same methods that the organization uses to support the allocability of regular personnel costs.
- 6) Special standards for third party in-kind contributions -
 - a) Third party in-kind contributions count towards satisfying a cost sharing or matching requirement only where, if the party receiving the contributions were to pay for them, the payments would be allowable costs.
 - b) Some third party in-kind contributions are goods and services that, if the grantee, subgrantee, or contractor receiving the contribution had to pay for them, the payments would have been an indirect cost. Costs sharing or matching credit for such contributions shall be given only if the grantee, subgrantee, or contractor has established, along with its regular indirect cost rate, a special rate for allocating to individual projects or programs the value of the contributions.
 - c) A third party in-kind contribution to a fixed-price contract may count towards satisfying a cost sharing or matching requirement only if it results in:
 - i. An increase in the services or property provided under the contract (without additional cost to the grantee or subgrantee) or
 - ii. A cost savings to the grantee or subgrantee.

- d) The values placed on third party in-kind contributions for cost sharing or matching purposes will conform to the rules in the succeeding sections of this part. If a third party in-kind contribution is a type not treated in those sections, the value placed upon it shall be fair and reasonable.

The following should be considered in determining the valuation of donated goods and services -

1) Donated Services –

- a) Volunteer services - Unpaid services provided to a grantee or subgrantee by individuals will be valued at rates consistent with those ordinarily paid for similar work in the grantee's or subgrantee's organization. If the grantee or subgrantee does not have employees performing similar work, the rates will be consistent with those ordinarily paid by other employers for similar work in the same labor market. In either case, a reasonable amount for fringe benefits may be included in the valuation.
- b) Employees of other organizations - When an employer other than a grantee, subgrantee, or cost-type contractor furnishes free of charge the services of an employee in the employee's normal line of work, the services will be valued at the employee's regular rate of pay exclusive of the employee's fringe benefits and overhead costs. If the services are in a different line of work, paragraph (c)(1) of this section applies.

2) Donated supplies, loaned equipment or space –

- a) If a third party donates supplies, the contribution will be valued at the market value of the supplies at the time of donation.
- b) If a third party donates the use of equipment or space in a building but retains title, the contribution will be valued at the fair rental rate of the equipment or space.

3) Donated equipment, buildings, and land - If a third party donates equipment, buildings, or land, and title passes to a grantee or subgrantee, the treatment of the donated property will depend upon the purpose of the grant or subgrant, as follows:

- a) Awards for capital expenditures - If the purpose of the grant or subgrant is to assist the grantee or subgrantee in the acquisition of property, the market value of that property at the time of donation may be counted as cost sharing or matching,

- b) Other awards - If assisting in the acquisition of property is not the purpose of the grant or subgrant, then the following applies:

- i. If approval is obtained from OVW, the market value at the time of donation of the donated equipment or buildings and the fair rental rate of the donated land may be counted as cost sharing or matching. In the case of a subgrant, the terms of the grant agreement may require that the approval be obtained from the Federal agency as well as the grantee. In all cases, the approval may be given only if a purchase of the equipment or rental of the land would be approved as an allowable direct cost. If any part of

the donated property was acquired with Federal funds, only the non-federal share of the property may be counted as cost-sharing or matching.

- ii. If approval is not obtained under paragraph (e)(2)(i) of this section, no amount may be counted for donated land, and only depreciation or use allowances may be counted for donated equipment and buildings. The depreciation or use allowances for this property are not treated as third party in-kind contributions. Instead, they are treated as costs incurred by the grantee or subgrantee. They are computed and allocated (usually as indirect costs) in accordance with the cost principles specified in Sec. 66.22, in the same way as depreciation or use allowances for purchased equipment and buildings. The amount of depreciation or use allowances for donated equipment and buildings is based on the property's market value at the time it was donated.

Appraisal of real property - In some cases it will be necessary to establish the market value of land or a building or the fair rental rate of land or of space in a building. In these cases, the Federal agency may require the market value or fair rental value be set by an independent appraiser, and that the value or rate be certified by the grantee. This requirement will also be imposed by the grantee on subgrantees.

SOURCE AND TYPE OF FUNDS

Cash match (hard) may be applied from the following sources:

- 1) Funds from States and local units of government that have a binding commitment of matching funds for programs or projects.
- 2) Funds from the following:
 - a) Housing and Community Development Act of 1974, 42 U.S.C 5301, et seq. (subject to the applicable policies and restrictions of the U.S. Department of Housing and Urban Development).
 - b) Appalachian Regional Development Act of 1965, 40 U.S.C. 214.
- 3) Equitable Sharing Program, 21 U.S.C §881(e) (current guidelines developed by the DOJ Asset Forfeiture Office apply). Forfeited assets used as match from the Equitable Sharing Program would be adjudicated by a Federal court.
- 4) Funds contributed from private sources.
- 5) Program income and the related interest earned on that program income generated from projects, provided they are identified and approved by OVW prior to making an award.
- 6) Program income funds earned from seized assets and forfeitures (adjudicated by a State court, as State law permits).

- 7) Funds appropriated by Congress for the activities of any agency of a tribal government or the Bureau of Indian Affairs performing law enforcement functions on tribal lands.
- 8) Sources otherwise authorized by law.

When authorized by Federal legislation, Federal funds received from other assistance agreements may be considered as grantee or subgrantee cash contributions

TIMING OF MATCHING CONTRIBUTIONS

Matching contributions need not be applied at the exact time or in proportion to the obligation of the Federal funds. However, the full matching share must be obligated by the end of the period for which the Federal funds have been made available for obligation under an approved program or project. Time-phased matching may be required by OVW on awards to nongovernmental recipients.

NOTE: The most common error found during the final financial reconciliation of a grant at closeout is the failure to properly report matching funds. The full matching share provided (both cash and in-kind) must be reported on the final Federal Financial Report (SF 425) submitted at the end of the grant period. If the matching share is not reported, OVW will assume that the grantee did not meet the required match and if necessary will initiate collection of a cash match from the grantee.

WAIVER OF MATCH

In accordance with 48 U.S.C. §1469a, OVW, in its discretion, may and does waive any requirement for matching funds under \$200,000 otherwise required by law to be provided by the certain insular areas. This waiver applies to ALL awards made to American Samoa, Guam, U.S. Virgin Islands, and Northern Mariana Islands.

STOP PROGRAM MATCH REQUIREMENTS

There is a 25% match requirement imposed on grant funds under the STOP Formula program. A grant made under this program may not cover more than 75 percent of the total costs of the project being funded. Grantees must identify the source of the 25 percent non-Federal portion of the project costs and how match funds are used. Grantees may satisfy the required match with either cash or in-kind services.

Exception: VAWA 2005, as amended, created a new provision eliminating match in certain circumstances and providing for waivers of match in other circumstances. Specifically, 42 U.S.C. § 13925 (b)(1) provides:

No matching funds shall be required for any grant or subgrant made under this Act for—

- any tribe, Territory, or victim service provider; or
- any other entity, including a State, that—

- Petitions for a waiver of any match condition imposed by the Attorney General or the Secretaries of Health and Human Services or Housing and Urban Development; and
- Whose petition for a waiver is determined by the Attorney General or the Secretaries of Health and Human Services or Housing and Urban Development to have adequately demonstrated the financial need of the petitioning entity.

Note: This provision does not relieve the State from providing the full 25 percent match unless the State requests and receives a waiver. For more information, please contact your OVW Program Manager or consult OVW's Web site at http://www.ovw.usdoj.gov/docs/FAQ_FINAL_nov_21_07.pdf for Frequently Asked Questions on STOP Formula Grants.

The following provisions apply to match requirements:

- A State may use its discretion to require some or all of its subgrantees (except victim services organizations and Indian Tribal governments) to meet the match requirement, in whole or in part. OVW encourages States to consider the ability of subgrantees to meet match requirements when deciding whether and how much of the match to pass on; however, the State remains responsible to satisfy the match requirement.
- Funds or in-kind resources used as match must be directly related to the project goals and objectives.

Chapter 5: Program Income

HIGHLIGHTS OF CHAPTER:

Program Income
Accounting for Program Income
Use of Program Income
Examples of Program Income

PROGRAM INCOME

Program income means gross income received by the grantee or subgrantee directly generated by a grant supported activity, or earned only as a result of the grant agreement during the grant period. "During the grant period" is the time between the begin date and the end date of the award reflected on the award document and any award extensions. Program income may only be used for allowable program costs.

Grantees may earn income to defray program costs. Program income includes income from fees for services performed, from the use or rental of real or personal property acquired with grant funds, from the sale of commodities or items fabricated under a grant agreement, and from payments of principal and interest on loans approved to be made with grant funds. Except as otherwise provided in the Department regulations or the terms and conditions of the award, program income does not include interest on grant funds, rebates, credits, discounts, refunds, etc., or interest earned on any of them.

ACCOUNTING FOR PROGRAM INCOME

Grantees and subgrantees must maintain records which adequately identify the source and application of program income. Program income must be reported on the Federal Financial Report (SF 425). Costs incident to the generation of program income may be deducted from the gross income to determine program income provided that these costs have not been charged to the grant.

Unless provided otherwise in the award terms and conditions or Departmental regulation, recipients will have no obligation to the Federal Government regarding program income earned after the end of the project period.

The Federal portion of program income must be accounted for up to the same ratio of Federal participation as funded in the project or program. For example:

- 1) A project funded with 100 percent Federal funds must account for and report on 100 percent of the total program income earned. If the total program income earned was \$20,000, the recipient must account for and report the \$20,000 as program income on the Federal Financial Report.
- 2) A project funded with 75 percent Federal funds and 25 percent non-Federal funds and the total program income earned by the grant was \$100,000, \$75,000

must be accounted for and reported, by the recipient, as program income on the Federal Financial Report.

USE OF PROGRAM INCOME

Program income must be used for the purposes of and under the conditions applicable to the award. If the cost is allowable under the Federal grant program, then the cost would be allowable using program income. Program income earned must be used to pay for program activities before an organization may request additional funds or drawdowns.

Unless specifically directed by OVW, program income may be used in accordance with one of the following methods:

(1) *Deduction method* - Ordinarily program income shall be deducted from total allowable costs to determine the net allowable costs. Program income shall be used for current costs unless the Federal agency authorizes otherwise. Program income which the grantee did not anticipate at the time of the award shall be used to reduce the Federal agency and grantee contributions rather than to increase the funds committed to the project.

(2) *Addition* - When authorized, program income may be added to the funds committed to the grant agreement by the Federal agency and the grantee. The program income shall be used for the purposes and under the conditions of the grant agreement.

(3) *Cost sharing or matching* - When authorized, program income may be used to meet the cost sharing or matching requirement of the grant agreement. The amount of the Federal grant award remains the same.

EXAMPLES OF PROGRAM INCOME

- Sale of property and equipment – Proceeds from the sale of property or equipment acquired under the program. Such transactions must be in accordance with 28 CFR 66.31 and 66.32 or 28 CFR 70.32 and 70.34.
- Royalties – If specifically identified in the grant agreement, income from royalties and license fees for copyrights, patents, inventions or other works developed under the program may be treated as program income.
- Registration/Tuition Fees – Fees charged for attendance at trainings and conferences supported by Federal funds may be treated as program income. These types of program income shall be treated in accordance with disposition instructions set forth in the project's terms and conditions.
- Membership Fees - When an organization receives membership fees and its only source of income is Federal grant funds, the membership fees will generally be considered program income. Where non-member income is received and used to provide services to members in addition to the federally funded services, membership income may be considered program income in proportion to the amount of Federal and non-Federal funds received. However, to the extent that membership fees were received by the

organization prior to the receipt of Federal grant funds, or are used to provide services to members that are separate and distinct from grant-funded services, the membership fees need not be reported as program income.

Chapter 6: Adjustments to Awards

HIGHLIGHTS OF CHAPTER:

Budget Changes
Programmatic Changes
Grant Adjustment Notices
Notification

Grant recipients are permitted to make limited changes to their projects; however, certain changes may require prior approval from OVW. All requests for programmatic and/or administrative changes must be submitted in a timely manner by the recipient. Requests for changes by a subrecipient must be submitted to the grantee for approval. If the revision requested by the subrecipient would result in a change to the grantee's approved project and require prior approval from OVW, then the grantee must obtain prior approval from OVW before approving the subrecipient's request. All requests for changes to the approved award shall be carefully reviewed by the applicable authority for both consistency with this Guide and their contribution to the project goals and objectives.

BUDGET CHANGES

The budget is the financial expression of a project or program and relates to the performance for program evaluation purposes. Recipients are required to report deviations from approved budgets and must request prior approval for the following:

- For federal awards that exceed \$100,000, cumulative transfers among approved cost categories in excess of ten percent of the current total approved budget
- Transfer of amounts budgeted for indirect costs to absorb increases in direct costs, or vice versa
- Transfer of funds allotted for training allowances (direct payment to trainees) to other expense categories
- Contracting out, subgranting (if authorized by law) or otherwise obtaining the services of a third party to perform activities which are central to the purposes of the award. This does not apply to purchase of supplies, material, equipment or general support services. Example: authorizing use of a subcontractor or other organization that was not identified in the original approved budget, or contracting for or transferring of grant-supported efforts
- Revisions which involve specific costs for which prior written approval is required under the applicable OMB cost principle

PROGRAMMATIC CHANGES

Recipients may make limited program changes to the approved project however certain post-award changes require prior approval by OVW. Prior approval is required for the following:

- Change in the scope or objective of the project or program (even if there is no associated budget revision)
- Change in key personnel specified in the application or grant agreement

- The absence for more than three months or a 25 percent reduction in time devoted to the project by the approved project director or principal investigator
- Changes to the project and budget period

GRANT ADJUSTMENT NOTICES

A Grant Adjustment Notice (GAN) is used to document any programmatic, administrative, or financial change, modification, adjustment, or correction associated with a grant award. Recipients must submit their requests through the GAN module in the Grants Management System (GMS). For further assistance, visit the GMS Training Web site: <http://www.ojp.gov/gmscbt>.

Grant recipients can initiate a GAN for the following situations:

- 1) Budget Modifications – Budget revisions should be submitted in the same budget format required in the original application, reflect the entire project budget (not just the changes), and be accompanied by a narrative justification explaining the proposed revisions.
- 2) Change of Grantee's Authorized Signing Official and/or Official's Contact Information - Changes to the person who is responsible for authorizing and signing official documents, (such as award documents, Progress Reports, Standard Form 424 documents, etc.). These changes include name, address, phone number, e-mail address, FAX number, cell phone number, title, etc.
- 3) Change of Grantee's Contact Name or Key Staff and/or Contact Information - Changes to the information for main contacts or key staff. These changes specifically include name, address, phone number, e-mail address, FAX number, cell phone number, title, etc.
- 4) Changes to the Scope of the Grant - Changes in scope, duration, activities, or other significant areas. These changes specifically include:
 - a) Altering programmatic activities;
 - b) Affecting the purpose of the project;
 - c) Changing the project site;
 - d) Changes to the organization with primary responsibility for implementation of the grant, contracting out, sub-granting, (if authorized by law) or otherwise obtaining the services of a third party to perform activities which are central to the purpose of the award; and
 - e) Changes in scopes that affect a grantee's budget, which must follow the budget modifications GAN procedures.
- 5) Changes to the project period - Change to the grant or liquidation period. A grantee may request a no cost extension within the last 90 days of the project period but no later than 30 days prior to the award end date. The request for an extension should be no more than 12 months beyond the original end date. A request for extension beyond the 12 month end date requires justification of extraordinary circumstances.
- 6) Mailing Address Change - Change to the organization's mailing address
- 7) Organization Name Change - Change to the organization's name.

- 8) Program Office Approvals - This type of GAN is used for any change, adjustment, modification, correction, or approval not covered under any of the previously listed types of adjustments. Examples of specific activities that requires a Grant Adjustment Notice:
- a) Compensation for individual consultant services in excess of \$650 per 8-hour day, or \$81.25 per hour;
 - b) Reports, products, publications, implementation plans, etc; and
 - c) "Costs Allowable with Approval of Awarding Agency" identified in 2 CFR 220, 225 and 230.

Grant recipients will not be allowed to make adjustments to Grant Manager Assignment and Program Office approval. Grant recipients will not have access to remove any Special Conditions. All Special Conditions must be removed by the Grant Manager or the Grants Financial Management Division.

For general information concerning the online processing of GANs, GMS staff will be available by e-mail at OVW.GMSSupport@usdoj.gov or call 866-655-4482.

NOTIFICATION

Recipients must give prompt notification through the GAN module in GMS to OVW of events or proposed changes which may require an adjustment/notification. In requesting an adjustment, the recipient must set forth the reasons and basis for the proposed change and any other data deemed helpful for OVW to review.

Chapter 7: Property and Equipment

HIGHLIGHTS OF CHAPTER:

Acquisition of Property and Equipment
Loss, Damage, or Theft of Equipment
Property Standards
Insurance Coverage
Real Property
Equipment
Supplies and Other Expendable Property
Intangible Property

ACQUISITION OF PROPERTY AND EQUIPMENT

Recipients and subrecipients are required to be prudent in the acquisition and management of property with Federal funds. Expenditure of funds for the acquisition of new property or equipment when suitable property required for the successful execution of projects is already available within the recipient or subrecipient organization will be considered an unnecessary expenditure.

LOSS, DAMAGE, OR THEFT OF EQUIPMENT

Recipients and subrecipients are responsible for replacing or repairing property which is willfully or negligently lost, stolen, damaged, or destroyed. Any loss, damage, or theft of the property must be investigated, and fully documented, and made part of the official project records.

PROPERTY STANDARDS

Property standards found in 28 CFR Parts 66 and 70 govern the management and disposition of property obtained for projects supported by a Federal award. OVV requires recipients to observe these standards and will not impose additional requirements unless required by a Federal statute. Recipients and subrecipients may use their own property management standards and procedures provided their standards are at least as stringent as the Federal requirements.

INSURANCE COVERAGE

Recipients and subrecipients must, at a minimum, provide insurance coverage for equipment obtained with Federal funds equivalent to that coverage of property owned by the recipient. Insurance for Federally-owned property is not required unless stated in the terms and conditions of the award.

REAL PROPERTY

Real property means land, including land improvements, buildings, structures and appurtenances thereto, but excludes movable machinery and equipment. Generally OVW programs do not permit the purchase of real property with grant funds.

EQUIPMENT

Equipment means tangible, nonexpendable, personal property having a useful life of more than one year and an acquisition cost of \$5,000 or more per unit. A grantee should use its own definition of equipment provided that such definition would at least include all equipment defined above.

Title – Title to equipment acquired by a recipient or subrecipient with Federal funds vests with the recipient subject to the limitations outlined in 28 CFR Parts 66 and 70.

Use - States will use, manage, and dispose of equipment acquired under a grant by the State in accordance with State laws and procedures. Other grantees and subgrantees are required to comply with the following guidelines:

- 1) Equipment shall be used by the grantee or subgrantee in the program or project for which it was acquired as long as needed, whether or not the project or program continues to be supported by Federal funds. When no longer needed for the original program or project, the equipment may be used in other activities currently or previously supported by a Federal agency.
- 2) The grantee or subgrantee shall also make equipment available for use on other projects or programs currently or previously supported by the Federal Government, providing such use will not interfere with the work on the project or program for which it was originally acquired. First preference for other use shall be given to other programs or projects supported by OVW. User fees should be considered if appropriate and treated as program income.
- 3) The grantee or subgrantee must not use equipment acquired with grant funds to provide services for a fee to compete unfairly with private companies that provide equivalent services, unless specifically permitted or contemplated by Federal statute.
- 4) When acquiring replacement equipment, the grantee or subgrantee may use the equipment to be replaced as a trade-in or sell the property and use the proceeds to offset the cost of the replacement property, subject to the approval of OVW.

Management requirements - Procedures for managing equipment (including replacement equipment), whether acquired in whole or in part with grant funds, until disposition takes place will, as a minimum, meet the following requirements:

- 1) Property records must be maintained that include a description of the property, a serial number or other identification number, the source of property, who holds title, the acquisition date, acquisition cost of the property, percentage of Federal participation in the cost of the property, the location, unit acquisition cost, use and condition of the property, and any ultimate disposition data including the date of disposal and sale price of the property.
- 2) A physical inventory of the property must be taken and the results reconciled with the property records at least once every two years.

- 3) A control system must be developed to ensure adequate safeguards to prevent loss, damage, or theft of the property. Any loss, damage, or theft shall be investigated.
- 4) Adequate maintenance procedures must be developed to keep the property in good condition.
- 5) If the grantee or subgrantee is authorized or required to sell the property, proper sales procedures must be established to ensure the highest possible return.

Disposition - When original or replacement equipment acquired under a grant or subgrant is no longer needed for the original project or program or for other activities currently or previously supported by a Federal agency, disposition of the equipment will be made as follows:

- 1) Items of equipment with a current per-unit fair market value of less than \$5,000 may be retained, sold or otherwise disposed of with no further obligation to OVW.
- 2) Items of equipment with a current per unit fair market value in excess of \$5,000 may be retained or sold and OVW shall have a right to an amount calculated by multiplying the current market value or proceeds from sale by OVW's share of the equipment.
- 3) In cases where a grantee or subgrantee fails to take appropriate disposition actions, OVW may direct the grantee or subgrantee to take excess and disposition actions.

Right to transfer title - OVW reserves the right to transfer title to the Federal Government or a third part named by OVW when such a third party is otherwise eligible under existing statutes. Such transfers shall be subject to the following standards:

- 1) The property shall be identified in the grant or otherwise made known to the grantee in writing.
- 2) OVW shall issue disposition instructions within 120 calendar days after the end of the Federal support of the project for which it was acquired. If the OVW fails to issue disposition instructions within the 120 calendar-day period the grantee shall follow the normal disposition guidelines.
- 3) When title to equipment is transferred, the grantee shall be paid an amount calculated by applying the percentage of participation in the purchase to the current fair market value of the property.

SUPPLIES AND OTHER EXPENDABLE PROPERTY

Supplies means all tangible personal property other than "equipment" as defined above.

Title – The title to supplies and other expendable property vests in the recipient upon acquisition.

Use – Recipients must not use supplies acquired with Federal funds to provide services to non-Federal outside organizations for a fee that is less than private companies charge for equivalent services, unless specifically authorized by Federal statute as long as the Federal government retains an interest in the supplies.

Disposition - If there is a residual inventory of unused supplies exceeding \$5,000 in total aggregate fair market value upon termination or completion of the award, and if the supplies are not needed for any other federally sponsored programs or projects, the grantee or subgrantee may retain the supplies for use on non-Federal sponsored activities or sell them, but must, in either case, compensate OVW for its share.

INTANGIBLE PROPERTY

Intangible property and debt instruments means, but is not limited to, trademarks, copyrights, patents and patent applications and such property as loans, notes and other debt instruments, lease agreements, stock and other instruments of property ownership, whether considered tangible or intangible.

Recipients may copyright work that is subject to copyright and was developed, or for which ownership was purchased, under an award. OVW reserves a royalty-free, nonexclusive, and irrevocable license to reproduce, publish or otherwise use, and to authorize others to use, for Federal Government purposes: the copyright in any work developed under a grant, subgrant, or contract under a grant or subgrant; and any rights of copyright to which a grantee, subgrantee or a contractor purchases ownership with grant support. Recipients are subject to the applicable regulations governing patents and inventions.

Additionally, in response to a Freedom of Information Act (FOIA) request for research data relating to published research findings produced under an award that were used by OVW in developing an agency action that has the force and effect of law, OVW shall request and the recipient shall provide within a reasonable amount of time, the research data so that it can be made public through the procedures established under FOIA.

Chapter 8: Allowable Costs

HIGHLIGHTS OF CHAPTER:

Allowability of Costs
Reasonable Costs
Allocable Costs
Composition of Costs
Highlighted Items of Cost

ALLOWABILITY OF COSTS

There are several factors affecting allowability of costs. To be allowable under Federal awards, costs must meet the following general criteria:

- 1) Be necessary and reasonable for proper and efficient performance and administration of Federal awards and the specific grant program under which an award has been made.
- 2) Be allocable to Federal awards under the applicable provisions of 2 CFR Parts 220, 225 or 230.
- 3) Be authorized or not prohibited under State or local laws or regulations.
- 4) Conform to any limitations or exclusions set forth in these principles, Federal laws, terms and conditions of the Federal award, or other governing regulations as to types or amounts of cost items.
- 5) Be consistent with policies, regulations, and procedures that apply uniformly to both Federal awards and other activities of the governmental unit.
- 6) 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.
- 7) Except as otherwise provided, be determined in accordance with generally accepted accounting principles.
- 8) Not be included as a cost or used to meet cost sharing or matching requirements of any other Federal award in either the current or a prior period, except as specifically provided by Federal law or regulation.
- 9) Be the net of all applicable credits.
- 10) Be adequately documented.

REASONABLE COSTS

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 organizations are predominately federally-funded. In determining reasonableness of a given cost, consideration shall be given to:

- 1) Whether the cost is of a type generally recognized as ordinary and necessary for the operation of the organization or the performance of the Federal award.

- 2) The restraints or requirements imposed by such factors as: Sound business practices; arm's-length bargaining; Federal, State and other laws and regulations; and, terms and conditions of the Federal award.
- 3) Market prices for comparable goods or services.
- 4) Whether the individuals concerned acted with prudence in the circumstances considering their responsibilities to the organization, its employees, the public at large, and the Federal Government.
- 5) Significant deviations from the established practices of the organization which may unjustifiably increase the Federal award's cost.

ALLOCABLE COSTS

- 1) A cost is allocable to a particular cost objective if the goods or services involved are chargeable or assignable to such cost objective in accordance with relative benefits received.
- 2) All activities which benefit from the organization's indirect cost, including unallowable activities and services donated by third parties, will receive an appropriate allocation of indirect costs.
- 3) Any cost allocable to a particular Federal award or cost objective may not be charged to other Federal awards to overcome fund deficiencies, to avoid restrictions imposed by law or terms of the Federal awards, or for other reasons.
- 4) Where an accumulation of indirect costs will ultimately result in charges to a Federal award, a cost allocation plan will be required.

COMPOSITION OF COST

The total cost of Federal awards is comprised of the allowable direct cost of the program, plus its allocable portion of allowable indirect costs, less applicable credits.

There is no universal rule for classifying certain costs as either direct or indirect 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 be treated consistently in like circumstances either as a direct or an indirect cost. Guidelines for determining direct and indirect costs charged to Federal awards are provided in the applicable cost principles.

Direct costs are those that can be identified specifically with a particular final cost objective. Typical direct costs chargeable to Federal awards are:

- Compensation of employees for the time devoted and identified specifically to the performance of those awards.
- Cost of materials acquired, consumed, or expended specifically for the purpose of those awards.
- Equipment and other approved capital expenditures.
- Travel expenses incurred specifically to carry out the award.

Any direct cost of a minor amount may be treated as an indirect cost for reasons of practicality where such accounting treatment for that item of cost is consistently applied to all cost objectives.

HIGHLIGHTED ITEMS OF COSTS

The cost principles establish principles and standards for determining costs of grants, contracts and other agreements. Failure to mention a particular item of cost is not intended to imply that it is unallowable. Rather, determination as to the allowability in each case should be based on the treatment or principles provided for similar or related items of cost.

Personnel

Compensation for personnel services are allowable to the extent that they are reasonable, conform to the organization's established policies, and are supported by sufficient documentation. Charges made to Federal awards for personal services (including, but not limited to salaries, wages, and fringe benefits), whether treated as direct or indirect costs, will be based on payrolls documented in accordance with the generally accepted practice of the organization and be approved by a responsible official(s) of the organization.

Charges to OVW grants for compensation of employees of recipient organizations are limited to 110 percent of the maximum salary payable to a member of the Federal Government's Senior Executive Service at an agency with a certified SES Performance Appraisal System for that year. This information can be found on the Office of Personnel Management website (www.opm.gov).

When recipient employees work solely on a specific grant award, no other documentation is required. However, after-the-fact certifications that the employee is working 100 percent of their time on the grant award must be prepared no less frequently than every 6 months, and must be signed by the employee and supervisory official having firsthand knowledge of the work performed.

Where salaries apply to the execution of two or more grant programs, cost activities, project periods, and/or overlapping periods, proration of costs to each activity must be made based on time and/or effort reports. These reports should: reflect an after-the-fact distribution of the actual activity of each employee; account for the total activity of each employee; be prepared at least monthly; coincide with one or more pay periods; and be signed by the employee. These reports should also be reviewed and approved on a regular basis by a supervisory official having first-hand knowledge of the work performed. The approving official should document the review and approval by signing or initialing each employee's time and/or effort report. In cases where two or more grants constitute one identified activity or program, salary charges to one grant may be allowable after written permission is obtained from OVW.

Overtime payments are allowable only to the extent that payment for such services is in accordance with the policies of the organization and have the approval of OVW. The overtime premium should be prorated among the jobs and not be charged exclusively to the Federal award.

Charges for time of employees assigned to assistance programs may be reimbursed to the extent they are directly and exclusively related to the award or proper for inclusion in the indirect cost base. In no case is dual compensation allowable.

Fringe Benefits

Fringe Benefits, both in the form of regular compensation paid to employees (ex. Vacation or sick leave) and in the form of employer contributions or expenses (ex. Social Security, employee insurance, or worker's compensation), are allowable costs provided such benefits are in accordance with established written organization policies.

Travel

Travel costs are the expenses for transportation, lodging, subsistence and related items incurred by employees who are in travel status on official business. These costs are considered reasonable and allowable to the extent that the travel costs do not exceed charges normally allowed by the organization in its regular operations as the result of the organization's written travel policy. OVW reserves the right to determine the reasonableness of an organization's policies. If a recipient does not have a written travel policy, the recipient must abide by the Federal travel regulations. The current Federal travel policy and per diem rate information is available at the GSA Web site <http://www.gsa.gov>.

Consultants/Contracts

Costs of professional and consultant services rendered by persons who are members of a particular profession or possess a special skill, and are not officers or employees of the organization, are allowable subject to the limitations outlined in 2 CFR Parts 220, 225 and 230.

Meetings and conferences

The costs of meetings and conferences, **the primary purpose of which is the dissemination of technical information**, are allowable. This includes cost of transportation, rental of facilities, speakers' fees, and other items incidental to such meetings and conferences. For guidance on conference costs, refer to Chapter 9: Conference Costs.

For OVW-funded contracts for events that include 30 or more participants (both Federal and non-Federal), lodging costs for any number of attendees requiring lodging must not exceed the maximum allowance of up to 25 percent greater than the applicable locality lodging portion of the Federal per diem rate. The Federal rates are found at <http://www.gsa.gov/portal/category/21287>.

- 1) Refreshments - Refreshments include light food and drink served during break time, such as coffee, tea, milk, juice, soft drinks, donuts, bagels, fruit, pretzels, cookies, chips, or muffins. The cost of these items, plus any hotel service costs, cannot exceed 23 percent of the locality meals and incidental expenses (M&IE) rate per attendee per day. For example, if the M&IE rate for a particular location is \$54 per person per day, then the total refreshments costs cannot exceed \$12.42 (\$54 x 23%) per attendee per day.
- 2) Meals - The cost of any meal provided, plus any hotel service costs, cannot exceed 150 percent, without prior approval by OVW, of the locality M&IE rate per meal per

attendee. For example, if lunch will be provided in a locality with a \$49/day M&IE rate, the lunch rate will be \$13. Therefore, the cost of the lunch provided at the conference cannot exceed \$19.50 (\$13 x 150%) per attendee.

All conference attendees must ensure that the provided meal is deducted from their claimed M&IE; in this example, the recipient would deduct \$13 from the amount of M&IE claimed for the lunch provided.

Publication and Printing

These costs include the costs of printing (including the processes of composition, platemaking, press work, binding, and the end products produced by such processes), distribution, promotion, mailing, and general handling. Publication costs also include page charges in professional publications.

Printing shall be construed to include and apply to the process of composition, platemaking, presswork, binding, and microfilm; the equipment, as classified in the tables in Title II of the Government Printing and Binding Regulations, published by the Joint Committee on Printing, Congress of the United States, and as used in such processes; or the end items produced by such processes and equipment. Pursuant to the Government Printing and Binding Regulations, no project may be awarded primarily or substantially for the purpose of having material printed for the awarding agency. The Government Printing and Binding Regulations allow:

1. Issuance. The issuance of a project for the support of non-Government publications, provided such projects were issued pursuant to an authorization of law, and were not made primarily or substantially for the purpose of having material printed for the awarding agency.
2. Publications by Recipients/Subrecipients. The publication of findings by recipients/subrecipients within the terms of their project provided such publication is not primarily or substantially for the purpose of having such findings printed for the awarding agency.

Duplication

A requirement for a recipient/subrecipient to duplicate less than 5,000 units of only one page, or less than 25,000 units in the aggregate of multiple pages, of its findings for the awarding agency will not be deemed to be printing primarily or substantially for the awarding agency (e.g., 5,000 copies of 5 pages, etc). For the purpose of this paragraph, such pages may not exceed a maximum image size of 10¾ by 14¼ inches.

Production

A requirement for a recipient/subrecipient to produce less than 250 duplicates from original microfilm will not be deemed to be printing primarily or substantially for the awarding agency. Microfilm is defined as one roll of microfilm 100 feet in length or one microfiche.

Publication

Publication shall be construed as the initiation of the procurement of writing, editing, preparation of related illustration material, including videos, from

recipients/subrecipients, or the internal printing requirements of the recipient/subrecipient necessary for compliance with the terms of the project. However, individuals are authorized to make or have made by any means available to them, without regard to the copyright of the journal and without royalty, a single copy of any such article for their own use.

Project Directors are encouraged to make the results and accomplishments of their activities available to the public. A recipient/subrecipient who publicizes project activities and results shall adhere terms and conditions of the award as well as the following:

1. Responsibility for the direction of the project activity should not be ascribed to OVW. The publication shall include the following statement: The opinions, findings, and conclusions or recommendations expressed in this publication/program/exhibition are those of the author(s) and do not necessarily reflect the views of the Department of Justice or the Office on Violence Against Women.” The receipt of OVW funding does not constitute official recognition or endorsement of any project. A separate application for Official Recognition may be filed with OVW.
2. All materials publicizing or resulting from award activities shall contain an acknowledgement of OVW assistance. An acknowledgement of support shall be made through use of the following or comparable footnote: “This project was supported by Award No. _____ awarded by the Office on Violence Against Women.”
3. A recipient/subrecipient is expected to publish or otherwise make widely available to the public, as requested by OVW, the results of work conducted or produced under an award.
4. All publication and distribution agreements with a publisher shall include provisions giving the Federal Government a royalty-free, nonexclusive, and irrevocable license to reproduce, publish, or otherwise use and to authorize others to use the publication for Federal Government purposes
5. Unless otherwise specified in the award, the recipient/subrecipient may copyright any books, publications, films, or other copyrightable material developed or purchased as a result of award activities. Copyrighted material shall be subject to the same provisions of the Federal Government.

The recipient/subrecipient shall submit a publication and distribution plan to OVW before materials developed under an award are commercially published or distributed. The plan shall include a description of the materials, the rationale for commercial publication and distribution, the criteria to be used in the selection of a publisher, and, to assure reasonable competition, the identification of firms that will be approached. Prior approval of this plan is required for publishing project activities and results when Federal funds are used to pay for the publication.

Rental/Space Costs

Rental costs are generally allowable costs under OVW programs. Applicants should list square footage and cost per square foot in the budget. The amount must be based on the space that will be allocated to implement the OVW project, not the costs of the entire rental space. Rental costs are not allowable for property owned by the applicant or if the applicant has a financial interest in the property. In this case only the costs of ownership, including maintenance costs, insurance, depreciation, utilities, etc, are allowable costs.

The applicant must indicate in the budget narrative whether or not they own the space that will be rented.

Indirect Costs

Indirect costs are those costs incurred for a common or joint purpose benefiting more than one cost objective, and not readily assignable to the cost objectives specifically benefitted, without effort disproportionate to the results achieved. Indirect cost pools should be distributed to benefitted cost objectives on bases that will produce an equitable result in consideration of relative benefits derived. Direct costs of minor amounts may be treated as indirect costs. A cost may not be allocated to an award as an indirect cost if any other cost incurred for the same purpose, in like circumstances, has been assigned to an award as a direct cost. Unless specifically prohibited in the program guidance for an OVW program, indirect costs are generally allowable costs.

Chapter 9: Conference Costs Guidelines

HIGHLIGHTS OF CHAPTER:

Conference Planning Costs
Food and Beverage Costs
Prior Approval Requirements
Conference Reporting

This chapter provides guidelines and policies on conference planning, minimization of costs, and conference cost reporting. These guidelines have been established to assist OVW grant and cooperative agreement award recipients in the planning of meetings and conferences. These guidelines are intended to help minimize the cost of conferences that are funded with OVW funds. Included in these guidelines is information that will assist recipients in planning a conference and establish limits on the allowable costs of food and beverages at conferences. Also, we have provided information on the recently implemented DOJ approval process for DOJ sponsored meetings and conferences as well as on the conference cost reporting that takes place after a conference has been held.

The policy applies to all OVW award recipients, including recipients of grants, cooperative agreements, and contracts. However, only recipients of cooperative agreements and contracts need to obtain prior approval of and report on their conferences, meetings, and events and any meals or refreshments provided at those events. Grant recipients are still responsible for following the guidelines contained herein; however, they do not need to seek and receive prior approval. All award recipients are subject to monitoring and should maintain all necessary documentation to support any conference costs, or food and beverage expenses. Recipients are encouraged to identify alternative training methods (ex. webinars, teleconferences, etc.), acquire lower cost locations and venues, and avoid the appearance of extravagant spending.

CONFERENCE PLANNING COSTS

Conference planning requires fiscal prudence and the amounts to be spent on conferences must be considered “reasonable.” All grantees are asked to review conference planning costs and to ensure, wherever possible, grantees avoid situations where the conference planning costs are not absolutely critical or exceed reasonable and necessary levels. In order to be sure that the lowest cost location option is selected, it is helpful to obtain several cost estimates before making a decision.

Cooperative agreement recipients are required to track any time and activities spent on planning conferences separate from time and activities spent on substantive matters. Cooperative agreement recipients will include this information in the required conference reporting.

FOOD AND BEVERAGE COSTS

OVW funding may not be used to purchase food and/or beverages for any meeting, conference, training, or other event, except if one of the following applies:

- The location of the event is not in close proximity to food establishments. Again, it should be a priority to try to secure a location near reasonably priced and accessible commercial food establishments.
- If not serving food will significantly lengthen the day or necessitate extending the meeting to achieve meeting outcomes.
- If a special presentation at a conference requires a plenary address where there is no other time for food to be attained; or
- Other extenuating circumstances which necessitate the provision of food.

No OVW funding may be used to purchase food and/or beverages for meetings, trainings, etc., unless OVW approves it due to the circumstances mentioned above. Grantees that have already contracted to provide such services should make every effort to renegotiate such contracts to avoid these expenditures. Of particular concern are refreshment breaks and breakfasts. Both should be eliminated to the extent possible. Only one refreshment break a day is allowable under these guidelines, and the cost of this one refreshment break may not exceed 11.5% of the General Services Administration (GSA) locality Meals and Incidental Expenses (M&IE) rate. However, DOJ strongly prefers that such costs fall well below 11.5%. Events with two refreshment breaks in one day are not allowable. This restriction does not apply to water provided at no cost, but does apply to any and all other refreshments, regardless of the size or nature of the meeting. Additionally, this restriction does not impact direct payment of per diem amounts to individuals in a travel status under their organization's travel policy.

Further, while previous food and beverage policies allowed grantees to charge meal expenses to the grant for up to 150% of the GSA locality M&IE rate per meal per attendee, we are strongly encouraging grantees to stay at or below 100% of the applicable per diem rate for any meal provided, including any hotel service costs.

PRIOR APPROVAL REQUIREMENTS

Cooperative agreement recipients must complete and submit the "Conference and Events Approval Form" to OVW for review and approval prior to entering into a contract for any meeting, conference, training, or other event. Recipients should contact their program specialist with questions about the prior approval process.

CONFERENCE REPORTING

If you have received a cooperative agreement award and you hold or sponsor a conference, meeting, retreat, seminar, symposium, training activity, or similar event funded under the cooperative agreement, you must submit a report through the GMS Event Planning and Reporting Link within 45 days after the end of the event. The following information is to be included in the report:

- Name of event
- Event dates
- Location of event
- Number of Federal attendees
- Number of non-Federal attendees
- Cost of event space, including rooms for breakout sessions
- Cost of audiovisual services
- Other equipment costs (e.g., computer fees, telephone fees, etc.)

- Cost of printing and distribution
- Cost of meals provided during the event
- Cost of refreshments provided during the event
- Cost of event planner
- Cost of event facilitators
- Any other costs associated with the event

Additionally, you must itemize and report the following costs, which are paid for or reimbursed with cooperative agreement funds, for any attendee (including participants, presenters, and speakers):

- Meals and incidental expenses portion of per diem
- Lodging
- Transportation to/from event location (e.g., common carrier, privately owned vehicle [POV])
- Local transportation (e.g., rental car, POV) at event location
- Lodging

These reports are submitted through the Grants Management System (GMS) and are reviewed by your program manager.

Chapter 10: Subawards of Discretionary Project-Supported Effort

None of the principal activities of a project may be funded to another organization without specific prior approval from OVW. Where the intention to enter into an agreement for principle activities is known at the time of application, the approval may be considered given, if these activities are funded as proposed.

All such arrangements must be formalized in a contract/memorandum of understanding (MOU) or other written agreement between the parties involved. The contract, MOU or agreement must, at a minimum, include:

- 1) Activities to be performed;
- 2) Time schedule;
- 3) Project policies;
- 4) Flow-through requirements that are applicable to the subrecipient;
- 5) Other policies and procedures to be followed;
- 6) Dollar limitation of the agreement;
- 7) Signatures of authorized representatives from all parties entering into the agreement;
and
- 8) Cost principles to be used in determining allowable costs.

Many OVW programs require applicant/grantee organizations to collaborate with MOU partners on their projects. In cases where the agreement reflects a true MOU relationship and **not** a contract for the procurement of goods or services, then sole-source justification and approval is not required for agreements that exceed \$100,000.

The contract, MOU or other written agreement should not affect the primary recipient's overall responsibility for the duration of the project and accountability to OVW. The primary recipient is responsible for monitoring the subrecipient and ascertaining that all fiscal and programmatic responsibilities are fulfilled.

Chapter 11: Procurement

HIGHLIGHTS OF CHAPTER:

Procurement Standards
Codes of Conduct
Competition
Procurement Procedures
Cost and Price Analysis
Procurement Records
Contract Administration
Contract Provisions

PROCUREMENT STANDARDS

The procurement standards outlined in 28 CFR 66.36 and 28 CFR 70.40-70.48 set forth procedures and guidelines to be used by recipients in the procurement of supplies or other expendable property, equipment, real property and other services with Federal funds. These standards are intended to ensure that materials and services are obtained in an effective manner and in compliance with provisions of applicable Federal statutes and executive orders. No additional procurement standards will be imposed by OVW unless specifically required by Federal statute, executive order or approved by OMB.

When procuring property or services under a grant, recipients shall follow the same policies and procedures used for procurement with their non-Federal funds provided that the procurement complies with applicable laws and the standards set in 28 CFR 66.36 and 70.44.

CODES OF CONDUCT

Recipients must maintain written standards for code of conduct covering the performance of employees engaged in the review, award and administration of contracts. No employee, officer or agent shall participate in the selection, award or administration of a contract supported by Federal funds if a real or apparent conflict of interest would be involved. A conflict would arise when the employee, officer or agent any member of his or her immediate family, his or her partner, or an organization which employs or is about to employ any of the parties indicated above, has a financial or other interest in the firm selected for an award. The employees, officers and agents shall neither solicit nor accept gratuities, favors or anything of monetary value from contractors, potential contractors or parties to subagreements. However, recipients may set minimum rules where the financial interest is not substantial or the gift is an unsolicited item of nominal value.

COMPETITION

All procurement transactions shall be conducted in a manner so as to provide, to the maximum extent practical, open and free competition. Recipients must be alert to actual or potential organizational conflicts of interest or noncompetitive practices among contractors that may restrict or eliminate competition or otherwise restrain trade. In order to ensure objective contractor performance and eliminate unfair competitive advantage,

contractors involved in developing or drafting specifications, requirements, statements of work, and/or requests for proposals for a proposed procurement shall be excluded from competing for such procurements. Awards should be made to the bidder or offerer whose bid or offer is responsive to the solicitation and is most advantageous to the recipient, price, quality and other factors considered. Solicitations should clearly outline all requirements that the bidder must fulfill in order for the bid to be evaluated by the recipient. Any and all bids may be rejected when it is in the recipient's interest to do so.

Certain situations that may be considered restrictive of competition include:

- Placing unreasonable requirements on firms in order for them to qualify to do business;
- Requiring unnecessary experience or excessive bonding;
- Noncompetitive pricing practices between firms or between affiliated companies;
- Noncompetitive awards to consultants that are on retainer contracts;
- Organizational conflicts of interest;
- Specifying "brand name" products instead of allowing "an equal" product; and
- Any arbitrary action in the procurement process.

Procurement by noncompetitive proposals (sole source procurement) is procurement through solicitation of a proposal from only one source or after solicitation of a number of sources that competition is determined to be inadequate. Noncompetitive procurement may only be used when award of a contract is infeasible under small purchase procedures, sealed bid or competitive proposals and the following circumstances apply:

- The item is available from only a single source;
- The need for the required procurement will not permit a delay resulting from competitive solicitation;
- OVW has authorized noncompetitive proposals; or
- After solicitation of a number of sources that competition has been determined to be inadequate.

All sole source procurements in excess of \$100,000 require prior approval from OVW. The request for approval should include the following information:

- 1) Description of the program and what is being procured.
- 2) Explanation of why it is necessary to contract noncompetitively, including expertise of the contractor, management, responsiveness, knowledge of the program, experience of the contractor personnel, and results of a market survey that to determine competition availability (or why a survey was not completed).
- 3) Discussion of time constraints.
- 4) Description of uniqueness or other reasons that support the case for sole source procurement; and
- 5) A declaration that this procurement action is in the best interest of the agency.

PROCUREMENT PROCEDURES

All recipients must establish written procurement procedures. These written procedures must, at a minimum, cover the following:

- 1) Recipients avoid purchasing unnecessary items;

- 2) When appropriate, a lease versus purchase analysis should be completed to determine the most economical and practical procurement for the Federal government; and
- 3) Solicitations should provide for the following: include a clear and accurate description of the technical and functional requirements for the material, product or service, requirements for the bidder to fulfill, "brand name or equal" descriptions that bidders must meet, acceptance of metric system where feasible, and preference for products or services that conserve natural resources and protect the environment.

Recipients should make positive efforts to utilize small businesses, minority-owned firms and women's business enterprises. Information on opportunities should be made available and include time frames for purchases and contracts that encourage participation by these types of organizations.

The type of procurement instrument used (ex. fixed price contract, cost reimbursement contracts, purchase orders, etc.) may be determined by the recipient and must be appropriate for the particular procurement and for promoting the best interest of the program or project. The "cost-plus-a-percentage-of-cost" method of contracting must not be used.

Contracts should only be made with responsible contractors who possess the potential ability to perform successfully under the terms and conditions of the proposed procurement. Consideration must be given to contractor integrity, record of past performance, financial and technical resources or accessibility to other necessary resources. Recipients must not make awards to any party which is debarred, suspended, or is otherwise excluded from receiving an award or ineligible from receiving an award under Executive Orders 12549 and 12689 (2 CFR Part 180).

COST AND PRICE ANALYSIS

Recipients must perform some form of cost or price analysis for every procurement action and it must be documented in the procurement files. The method and degree of analysis is dependent on facts surrounding the particular procurement. As a starting point, recipients should make independent estimates before receiving bids or proposals. Price analysis may be accomplished in various ways, including the comparison of price quotes submitted, market prices and similar information, together with discounts. Cost analysis is the review and evaluation of each element of cost to determine reasonableness, allocability and allowability.

PROCUREMENT RECORDS

Procurement records and files should be maintained that include the rationale for the method of procurement, selection of contract type, the basis for contractor selection or rejection, justification for lack of competition when competitive bids or offers are not obtained, and the basis for the award cost or price.

CONTRACT ADMINISTRATION

A system for contract administration must be maintained to ensure that contractors conform with the terms, conditions and specifications of the contracts and to ensure adequate and timely follow up of all purchases. Recipients must evaluate contractor performance and document whether contractors met the terms, conditions and specifications of the contract.

CONTRACT PROVISIONS

In addition to provisions that define a sound and complete agreement, recipients must include the contract provisions as required by the applicable administrative requirements in 28 CFR 66.36(i) or 70.48, as well as any provisions included in the terms and conditions of the OVW Federal award agreement.

Chapter 12: Reporting Requirements

HIGHLIGHTS OF CHAPTER:

Background

Federal Financial Reports (FFR or SF-425)

Progress Reports

American Recovery and Reinvestment Act of 2009 (Recovery Act) Section 1512 Reports

Federal Funding Accountability and Transparency Act of 2006 (FFATA)

BACKGROUND

OVW requires award recipients to submit both financial and program reports. These reports describe the status of the funds, the status of the project, a comparison of actual accomplishments to the objectives, the reason(s) goals have not been met, and/or other pertinent information. The specific requirements, reporting periods and submission deadlines are detailed in the program guidance and/or terms and conditions of the award.

Future awards, fund drawdowns, and modification approvals may be withheld if financial and program reports are delinquent. When Federal Financial Reports or Progress Reports are delinquent, an automatic hold is placed on grant funds in the payment system until the delinquent reports have been submitted. Also, OVW may, at its discretion, prohibit or restrict funds for any new awards for OVW programs or delay processing any Grant Adjustment Notices that release funds or retire special conditions until the grantee is in administrative/financial compliance with the reporting requirements by submitting all outstanding reports.

FEDERAL FINANCIAL REPORTS (FFR or SF-425)

OVW requires direct grant recipients to report on a quarterly basis using the Federal Financial Report or SF 425. This form replaces the Financial Status Report or SF 269a. A copy of the FFR is available in Appendix II of this guide. Quarterly Federal Financial Reports (FFR) should be submitted online through the Grants Management System (GMS). OVW grantees are required to designate and approve at least one Financial Point of Contact (FPOC) in GMS before they can file the FFR. An FPOC must be registered and approved by the Grant Point of Contact through GMS at <https://grants.ojp.usdoj.gov>.

The FFR contains the cumulative expenditures and unliquidated obligations incurred for the grant as well as program income and indirect costs. The award recipients will report program outlays and revenue on a cash or accrual basis in accordance with their accounting system.

Federal Financial Reports are due no later than 30 days after the end of the calendar quarter for the entire period of the award. The final report must be submitted no later than 90 days following the end of the grant period. Grantees are encouraged to submit the FFR as soon as the quarter ends to avoid delays in processing and access to grant funds.

The due dates for submission of Federal Financial Report are:

Reporting Period:	Due by:
January 1 - March 31	April 30
April 1 - June 30	July 30
July 1 - September 30	October 30
October 1 - December 31	January 30

Failure by a recipient to submit the SF-425 on time will result in an automatic freeze on funds, may affect future awards, will cause a Grant Adjustment Notices (GANs) to withhold funds, and may lead to the suspension and/or termination of the award. If an SF-425 is delinquent, GMS will automatically send an email notifying the recipient that funds have been frozen. Once the recipient submits the overdue financial report, GMS will automatically generate a GAN to release funds. Please note that the release of funds can take several days to process through the grant and financial systems.

For assistance on what information you should be reporting in the FFR, you may contact the OVW Grants Financial Management Division at 1-888-514-8556 or OVW.GFMD@usdoj.gov. For technical assistance in completing your report in GMS, please contact 1-866-655-4482 or OVW.GMSSupport@usdoj.gov.

PROGRESS REPORTS

Under the Government Performance and Results Act (GRPA) and VAWA 2000, grantees are required to collect and maintain data that measure the effectiveness of their grant-funded activities.

Each grant program's progress reporting form reflects the different statutorily authorized activities that grantees perform, and collects uniform information on victims served, demographics, and common activities that occur across grant programs. These progress report forms provide OVW with comprehensive data regarding grantee activities and are used for Congressional reporting, OVW's outreach strategy, and other performance-related data reporting.

OVW grantees are required to submit semi-annual or annual progress reports through the GMS. All OVW awards contain a special condition on the award requiring recipients to comply with the submission of these progress reports.

Semi-annual progress reports must be submitted within 30 days after the end of the reporting periods, which are June 30, and December 31, for the life of the award. Generally annual progress reports for Formula grant programs are due by March 30 for the prior year. OVW may opt, by special condition to the award, to combine the first report into the subsequent reporting period. For example, if the begin date on the award is June 1, OVW may opt to receive the first report 30 days after the December 31 reporting period.

For more information on progress reporting and sample reporting forms, please visit the VAWA Measuring Effectiveness Initiative website: <http://muskie.usm.maine.edu/vawamei/index.htm>

AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009 (RECOVERY ACT) SECTION 1512 REPORTS

In addition to the normal reporting requirements, Section 1512 of the American Recovery and Reinvestment Act requires recipients of such awards to submit quarterly reports, which require both financial and programmatic data. The reports are submitted through www.federalreporting.gov. Reports are due within 10 calendar days after the end of each calendar quarter. Below is the timeline for important dates associated with the Section 1512 reports; the dates are subject to change without notice, so please check often for updates.

Reporting Period:	Due by:
January 1 - March 31	April 10
April 1 - June 30	July 10
July 1 - September 30	October 10
October 1 - December 31	January 10

The Office of Management and Budget frequently releases updated guidance which can be found at <http://www.recovery.gov/FAQ/Pages/RecipientReporting.aspx> or on www.federalreporting.gov.

FEDERAL FUNDING ACCOUNTABILITY AND TRANSPARENCY ACT OF 2006 (FFATA)

For awards made after October 1, 2010, recipients (other than individuals) of awards of \$25,000 or more, consistent with the Federal Funding Accountability and Transparency Act of 2006 (FFATA), will be required to report award information on any first-tier subawards totaling \$25,000 or more. In certain cases they may also be required to report information on the names and total compensation of the five most highly compensated executives of the recipient and first-tier subrecipients. Each entity must ensure that it has the necessary processes and systems in place to comply with the reporting requirements should it receive funding.

It is expected that reports regarding subawards will be made through the FFATA Subaward Reporting System (FSRS), found at <https://www.fsrs.gov>. Additional guidance on reporting will be provided in the near future by OVW and/or the Office of Management and Budget (OMB).

Please note also that applicants should anticipate that no subaward may be made to a subrecipient (other than an individual) unless the potential subrecipient acquires and provides a Data Universal Numbering System (DUNS) number.

Chapter 13: Retention and Access Requirements for Records

HIGHLIGHTS OF CHAPTER:

Retention of Records
Retention Period
Maintenance of Records
Access to Records

RETENTION OF RECORDS

Recipients and subrecipients are required to retain all financial records, supporting documents, statistical records, and all other records pertinent to the award in accordance with the requirements set forth 28 CFR 66.42 and 70.53, as applicable. This requirement extends to all records required to be maintained by OMB administrative requirements, program regulations, grant agreement and conditions, and any records otherwise reasonably considered as pertinent to the program regulations or grant agreement. Examples of records would include books of original entry, source documents supporting accounting transactions, the general ledger, subsidiary ledgers, personnel and payroll records, cancelled checks, and related documents and records. Source documents include copies of all awards, applications, and required recipient financial and narrative reports. Personnel and payroll records shall include the time and attendance reports for all individuals reimbursed under the award, whether they are employed fulltime or part-time. Time and effort reports are also required for consultants, as well as justification of consultant rates in accordance with market value.

RETENTION PERIOD

All records pertinent to an award must be maintained for a period of three years from the date of submission of the final expenditure report. In cases where litigation, a claim, or an audit is initiated prior to expiration of the three year period, records must be retained until completion of the action and final resolution of issues or the end of the three year period, whichever is later. Records for real property and equipment acquired with Federal funds must be maintained for three years after the final disposition. In order to avoid duplicate recordkeeping, OVW may make arrangements with recipients to retain any records which are needed for joint use. When the records are transferred to OVW, the three year retention requirement is not applicable to the recipient.

Indirect cost proposals, cost allocation plans, and their supporting documentation (including indirect cost rate computations or proposals, cost allocation plans, and any similar accounting computations of the rate at which a particular group of costs is chargeable) shall also be retained for three years. For proposals submitted for negotiation, the retention period begins on the date of submission. For indirect cost proposals that are not required to be submitted to OVW, the retention period begins at the end of the fiscal year (or other accounting period) covered by the proposal, plan or other computation.

In some cases grantees must report on program income earned after the period of grant support. Where there is such a requirement, the retention period for the records pertaining to the earning of income starts from the end of the grantee's fiscal year in which the income is earned.

Retention is required for purposes of Federal examination and audit. Records may be retained in an automated format. State or local governments may impose record retention and maintenance requirements in addition to those prescribed.

MAINTENANCE OF RECORDS

Recipients are permitted to substitute copies of original records for the original records. This may include photocopies of the original record or digitally scanned and stored copies of the original record. Recipients are also obligated to protect records adequately against fire or other damage. When records are stored away from the recipient's principal office, a written index of the location of records stored should be on hand and ready access should be assured.

ACCESS TO RECORDS

OVW, the US Department of Justice, the DOJ Office of the Inspector General, the Comptroller General of the United States, or any of their authorized representatives, have the right of timely and unrestricted access to any books, documents, papers, or other records of recipients which are pertinent to the award, in order to make audits, examinations, excerpts, transcripts or copies of such documents. This right also includes timely and reasonable access to recipients' personnel for the purpose of interview and discussion related to such documents. The right of access must not be limited to the required retention period but shall last as long as the records are retained.

Unless required by statute, OVW will not place restrictions on recipients that limit public access to records of recipients that are pertinent to an award, except when OVW can demonstrate that such records must be kept confidential and would have been exempted from disclosure pursuant to the Freedom of Information Act (FOIA) if the records had belonged to OVW.

However, only under extraordinary and rare circumstances would such access include review of the true name of victims of a crime. When access to the true name of victims of a crime is necessary, appropriate steps to protect this sensitive information must and will be taken by the recipient and OVW. Any such access, other than under a court order or subpoena pursuant to a bona fide confidential investigation, must be approved by the OVW Director.

In addition, under 42 USC 13925 (b)(2), OVW grantees and subgrantees may not disclose identifying information about victims served with VAWA funds without a written, informed, time-limited release from the victim. Such a release may not be a condition of receiving services.

Chapter 14: Termination

Awards may be terminated in whole or in part only if the following applies:

1. By OVW, if a recipient materially fails to comply with the terms and conditions of the award;
2. By OVW with the consent of the recipient, in which case the two parties must agree upon the termination conditions, including the effective date and, in the case of partial termination, the portion to be terminated; or
3. By the recipient upon sending to OVW written notification setting forth the reason(s) for such termination, the effective date, and, in the case of partial termination, the portion to be terminated. However, if OVW determines in the case of partial termination that the reduced or modified portion of the grant will not accomplish the purposes for which the grant was made, it may terminate the grant in its entirety.

A project which is prematurely terminated will be subject to the same requirements regarding audit, recordkeeping, and submission of reports as a project which runs for the duration of the project period. Refer to 28 CFR Part 18 for appeal rights in event of a proposed termination.

Chapter 15: Enforcement

If a recipient materially fails to comply with the terms and conditions of an award, including civil rights requirements, whether stated in a Federal statute, regulation, assurance, application, or notice of award, OVW may take one or more actions, as appropriate in the circumstances. This authority also extends to the recipient agency.

- 1) Temporarily withhold cash payments pending correction of the deficiency by the recipient or more severe enforcement action by OVW;
- 2) Disallow (that is, deny both use of funds and any applicable matching credit for) all or part of the cost of the activity or action not in compliance;
- 3) Wholly or partly suspend or terminate the current award;
- 4) Withhold further awards for the project or program; and
- 5) Take other remedies that may be legally available.

In taking an enforcement action, OVW will provide the recipient an opportunity for hearing, appeal, or other administrative proceeding to which the recipient is entitled under any statute or regulation applicable to the action involved.

Costs of a recipient resulting from obligations incurred by the recipient during a suspension or after termination of an award are not allowable unless OVW expressly authorizes them in the notice of suspension or termination or subsequently. Other recipient costs during suspension or after termination which are necessary and not reasonably avoidable are allowable if the following applies:

- 1) The costs result from obligations which were properly incurred by the recipient before the effective date of suspension or termination, are not in anticipation of it, and in the case of a termination, are noncancellable; and
- 2) The costs would be allowable if the award were not suspended or expired normally at the end of the funding period in which the termination takes effect.

The enforcement remedies identified above, including suspension and termination, do not preclude a recipient from being subject to debarment and suspension under Executive Order No. 12549 and 12689 and the DOJ implementing regulations.

Chapter 16: Costs Requiring Prior Approval

HIGHLIGHTS OF CHAPTER:

Procedures for Requesting Prior Approval
Costs Requiring Prior Approval

Certain costs as outlined in the provisions of the OMB Cost Principles (2 CFR Parts 220, 225, and 230) require prior written approval. Where prior approval is required by the applicable cost principles, OVW will be the approval authority for all direct recipients. Where prior approval is required for subrecipients, authority will be vested in the recipient unless specified as being “retained by OVW”.

PROCEDURES FOR REQUESTING PRIOR APPROVAL

Requests for prior approval submitted to OVW must include an explanation to justify the allowability. The request may be submitted:

- 1) Through inclusion in the budget or other components of an award or application; or
- 2) Through GMS as a Program Office Approval Grant Adjustment Notice or Budget Modification Grant Adjustment Notice. The costs should be specifically identified as part of a prior approval request when combined with a budget modification.

COSTS REQUIRING PRIOR APPROVAL

The following costs are examples of costs that require prior approval. This list is not intended to be all inclusive. Please refer to the applicable cost principle to determine if a cost requires prior approval.

- 1) Pre-agreement Costs – Pre-agreement or pre-award costs are those incurred prior to the effective date of the award directly pursuant to the negotiation and in anticipation of the award where such costs are necessary to comply with the proposed delivery schedule or period of performance. Such costs are allowable only to the extent that they would have been allowable if incurred after the date of the award and only with the written approval from OVW.
- 2) Proposal Costs - Unless specifically outlined in program guidance as allowable without prior approval, direct costs to projects for preparing proposals for potential Federal awards require prior approval. Generally OVW does not approve these costs.
- 3) Consultant Rates - Consultant rates that exceed \$650 for an 8-hour day, or \$81.25 per hour (excluding travel and subsistence costs) require prior approval from OVW. Prior approval requests require additional justification. Compensation for individual consultant services is to be reasonable and consistent with that paid for similar services in the marketplace and consistent with the individual’s experience and expertise. Consideration will be given to compensation including fringe benefits for those individuals whose employers do not provide such benefits. An 8-hour day may

include preparation, evaluation, and travel time in addition to the time required for actual performance. Please note, however, that this does not mean that the rate can or should be \$650 for all consultants. Rates should be developed and reviewed on a case-by-case basis and must be reasonable and allowable in accordance with OMB cost principles. Approval of consultant rates, in excess of \$650 a day, that are part of the original application with appropriate justification and supporting data will be approved on a case-by-case basis.

- 4) Organization costs – Organization costs for non-profit organizations (as described in 2 CFR Part 230), including incorporation fees, brokers' fees, attorneys, accountants, etc. in connection with the establishment or reorganization of an organization are allowable only with prior approval of OVW.
- 5) Foreign Travel - Direct charges for foreign travel costs are allowable only when the travel has prior approval from OVW. Foreign travel is defined as any travel outside of Canada, Mexico, the United States and its territories and possessions. However, for organizations located in foreign countries, the term "foreign travel" means travel outside that country. Each separate foreign trip requires prior approval.

NOTE: Indirect charges for foreign travel are allowable without prior approval from OVW when: (a) included as part of a federally approved indirect cost rate; and (b) such costs have a beneficial relationship to the project.

Chapter 17: Unallowable Costs

HIGHLIGHTS OF CHAPTER:

Alcoholic Beverages
Bonuses or Commissions
Costs Incurred Outside the Project Period
Compensation of Federal Employees
Entertainment Costs
Fundraising
Land Acquisition
Lobbying
Travel of Federal Employees

ALCOHOLIC BEVERAGES

The costs of alcoholic beverages are unallowable.

BONUSES OR COMMISSIONS

The recipient or subrecipient is prohibited from paying any bonus or commission to any individual or organization for the purpose of obtaining approval of an application for award assistance. Bonuses to officers or board members of profit or nonprofit organizations are determined to be a profit or fee and are unallowable.

COSTS INCURRED OUTSIDE THE PROJECT PERIOD

Any costs that are incurred either before the start of the project period or after the expiration of the project period are unallowable without written approval from OVW.

COMPENSATION OF FEDERAL EMPLOYEES

Salary payments, consulting fees, or other remuneration of full-time Federal employees are unallowable costs.

ENTERTAINMENT COSTS

Costs of entertainment, including amusement, diversion and social activities and any costs directly associated with such costs (such as tickets to shows or sporting events, meals, lodging, rentals, transportation and gratuities) are unallowable.

FUNDRAISING

Costs of organized fundraising, including financial campaigns, endowment drives, solicitation of gifts and bequests, and similar expenses incurred solely to raise capital or obtain contributions are unallowable. Charges for salaries of time spent by persons engaged in fund raising activities and indirect costs associated with those salaries may

not be charged to the award, however charges for salaries of such persons for time spent performing grant related activities may be charged to the award.

A recipient may also expend funds, in accordance with approved award terms, to seek future funding sources to expand the project, but not for the purpose of raising funds to finance related or complementary project activities.

Nothing in this section should be read to prohibit a recipient from engaging in fundraising activities as long as such activities are not financed by Federal or non-Federal (match) award funds.

LOBBYING

Costs associated with the following activities are unallowable:

- Attempts to influence the outcomes of any Federal, State, or local election, referendum, initiative or similar procedure;
- Establishing, administering, contributing to or paying the expenses of a political party, campaign, political action committee, or other organization established for the purpose of influencing the outcomes of elections; or
- Legislative liaison activities.

All grantees must understand that no federally appropriated funding made available under the grant program may be used, either directly or indirectly, to support the enactment, repeal, modification, or adoption of any law, regulation, or policy, at any level of Government, without the express approval of OVW. Any violation of this prohibition is subject to a minimum \$10,000 fine for each occurrence.

Any question(s) relating to this statute should be submitted in writing to OVW through your program manager.

TRAVEL OF FEDERAL EMPLOYEES

Costs of transportation, lodging, subsistence, and related travel expenses of OVW employees are unallowable charges. Travel expenses of other Federal employees, for advisory committees or other program or project duties or assistance, are allowable if they have been:

- 1) Approved by the Federal employee's department or agency; and
- 2) Included as an identifiable item in the funds budgeted for the project, or subsequently approved by OVW.

Chapter 18: Indirect Costs

HIGHLIGHTS OF CHAPTER:

Approved Plan Available
No Approved Plan
Establishment of Indirect Cost Rates
Distribution Bases
Cost Allocation Plans—Central Support Services
Approving Rates for Subrecipients

Indirect costs are costs of an organization that are not readily assignable to a particular project, but are necessary to the operation of the organization and the performance of the project. The cost of operating and maintaining facilities, depreciation, and administrative salaries are examples of the types of costs that are usually treated as indirect.

APPROVED PLAN AVAILABLE

- 1) OVW may accept any current indirect cost rate or allocation plan previously approved for a recipient by any Federal awarding agency on the basis of allocation methods substantially in accord with those set forth in the applicable cost circulars.
- 2) Where the approved final indirect cost rate is lower than the actual indirect cost rate incurred, recipients may not charge expenses included in overhead pools (e.g., accounting services, legal services, building occupancy and maintenance, etc.) as direct costs.
- 3) Organizations with an approved indirect cost rate, utilizing total direct costs as the base, usually exclude contracts under awards or corporation agreements from any overhead recovery. The negotiation agreement will stipulate that major subcontracts are excluded from the base for overhead recovery. The term subcontract means any contract awarded under the award or corporation agreement.

NO APPROVED PLAN

If a recipient does not have an approved Federal indirect cost rate, funds budgeted for indirect costs will not be recoverable until a rate is approved. A special condition will be added to the award prohibiting drawdown for indirect cost reimbursement until an indirect cost rate has been approved and a GAN has been issued retiring the special condition.

Exception: If OMB has not assigned a Federal agency with cognizance for a local jurisdiction, then the unit of government is not required to submit its indirect cost proposal, unless the new cognizant agency (based on preponderance of Federal dollars) requires a copy of the proposal.

ESTABLISHMENT OF INDIRECT COST RATES

- 1) In order to be reimbursed for indirect costs, a recipient must first establish an appropriate indirect cost rate. To do this, the recipient must prepare an indirect cost rate proposal and submit it to the cognizant Federal agency. The cognizant Federal agency is generally determined based on the preponderance of Federal dollars received by the recipient. Instructions on how to negotiate an indirect cost rate are available at http://www.ojp.usdoj.gov/funding/pdfs/indirect_costs.pdf.
- 2) Local units of government need only submit their cost allocation plans and indirect cost proposals, if specifically requested by their cognizant Federal agency assigned by OMB.
- 3) The proposal must be submitted in a timely manner (within 6 months after the end of the fiscal year) to assure recovery of the full amount of allowable indirect costs. The proposal must be developed in accordance with principles and procedures appropriate to the type of institution involved.
- 4) To support the indirect cost proposal, Federal recipients are responsible for ensuring that independent audits of their organizations are conducted in accordance with existing Federal auditing and reporting standards set forth in OMB Circular A-133. This audit report must be submitted to the cognizant agency to support the indirect cost proposal. After negotiations, the cognizant agency will establish either a provisional, final, or fixed-with-carry-forward indirect cost rate.
- 5) A signed certification from the grantee organization requesting an indirect cost rate must accompany the indirect cost allocation plan. This organization must certify that the indirect cost allocation plan only includes allowable costs.
- 6) Copies of brochures of indirect cost rates describing the procedures that may be involved in the computation may be obtained from the U.S. Superintendent of Documents, U.S. Government Printing Office, Mail Stop: SSOP, Washington, DC 20402-9328. Some of the most commonly requested brochures are:
 - OASC-1 (Rev)—A Guide for Colleges and Universities, Cost Principles and Procedures for Establishing Indirect Cost Rates for Research Awards with the Department of Health, Education and Welfare.
 - OASMB-5 (Rev)—A Guide for Non-Profit Institutions, Cost Principles and Procedures for Establishing Indirect Cost and Other Rates for Awards with the Department of Health, Education, and Welfare.
 - ASMB C-10—A Guide for State, Local, and Indian Tribal Governments, Cost Principles and Procedures for Establishing Cost Allocation Plans and Indirect Cost Rates for Agreements with the Federal Government.

DISTRIBUTION BASES

Generally there are three distribution bases used to distribute indirect costs. They are:

- 1) Modified Total Direct Cost (MTDC) - This base includes all direct costs incurred by the organization with the exception of distorting items such as equipment, capital expenditures, passthrough funds, and each major subcontract or subgrant over \$25,000.
- 2) Direct Salaries and Wages - This base includes only the direct salaries and wages incurred by the organization.
- 3) Direct Salaries and Wages plus Fringe Benefits - This base includes only the direct salary and wages and the direct fringe benefits incurred by the organization.

COST ALLOCATION PLANS—CENTRAL SUPPORT SERVICES

State agencies and local units of government may not charge to an award, the cost of central support services supplied by the State or local units of government except pursuant to a cost allocation plan approved by the cognizant Federal agency. The rate which is to be applied may be on a fixed-with-carry-forward provision.

APPROVING RATES FOR SUBRECIPIENTS

This is the responsibility of the direct recipient. OVW will not approve indirect cost rates beyond the direct recipient level.

PART IV: AFTER THE AWARD REQUIREMENTS

Chapter 1: Closeout

HIGHLIGHTS OF CHAPTER:

Closeout Procedures
Initiation of the Closeout Process
Refund of Federal Grant Monies and/or Program Income at Closeout
Failure to Remit Funds Owed
Later Allowance and Adjustments

CLOSEOUT PROCEDURES

All recipients must submit, within 90 days after the end date of the award, all financial, performance, and other reports that are required by the terms and conditions of the award. However, recipients should start the closeout process as soon as the program is completed and all monies have been spent. This will enable accurate reporting of financial information on the financial statements.

Unless OVW authorizes an extension, recipients must liquidate all obligations incurred under the award not later than 90 calendar days after the end of the award period.

OVW will make prompt payments to the recipient for allowable reimbursable costs under the award being closed out and the recipient must promptly return all balances owed to OVW.

Recipients must account for any real and personal property acquired with OVW funds or received from OVW during the award.

INITIATION OF THE CLOSEOUT PROCESS

The recipient must complete the financial reconciliation and ensure that all programmatic conditions and requirements have been met, and then the recipient can initiate the closeout process. The closeout package is reviewed in GMS by the OVW Program Office. Once approved, the closeout package is submitted to OVW GFMD for financial reconciliation.

If the financial reconciliation process reveals that refunds are due to OVW, the OVW GFMD will contact the award recipient to request the funds owed.

- 1) Cash Reconciliation - The recipient must perform a financial reconciliation at closeout. The total cost of the project must be determined. If there was a requirement for the recipient to provide a share of the project costs, match must be calculated based on the actual total cost of the project. Any match must be reported on the FFR-425 (Federal Financial Report). The recipient should request reimbursement for any funds due to cover expenditures and obligations (incurred prior to the end date

of the grant and liquidated no more than 90 days after end date) at award closeout. The recipient's Federal expenditures (outlays) must be equal to or greater than the cash disbursements from OVW.

- 2) Drawdown of Funds - Recipients should request final drawdown for reimbursement of Federal expenditures made within the approved period in conjunction with the final Federal Financial Report.
- 3) Recipient Closeout Requirements - Within 90 days after the end date of the award or any approved extension thereof (revised end date), the following must be submitted by the recipient to OVW:
 - a) Final Federal Financial Report - This FINAL report of expenditures must have no unliquidated obligations and must indicate the exact balance of unobligated funds. Any unobligated/unexpended funds will be deobligated from the award amount by OVW. Any match requirement must be met by the end of the grant period. Matching contributions must be reported on the final SF-425. Recipients, who have drawn down funds in excess of their Federal expenditures, shall return unused funds to OVW at the same time they submit the final report. (Recipients must report obligations and expenditures at the recipient/subrecipient level.)
 - b) Final Progress Report - This report should be prepared in accordance with instructions provided by OVW.

REFUND OF FEDERAL GRANT MONIES AND/OR PROGRAM INCOME AT CLOSEOUT

All refunds must be submitted to DOJ by check. All checks will be converted into an electronic funds transfer (EFT). The account information from the checks will be scanned and stored. DOJ will debit the account for the amount specified on the check within 24 hours of receipt. The drawdown will be reflected on the remitter's regular account statement. The remitter will not receive a return check from the bank. DOJ will destroy all checks; however, the information on the checks will be stored electronically.

Electronic funds transfer from the remitter's account is faster than normal check processing. If the EFT is returned for insufficient funds, DOJ will process the transfer two more times. DOJ may charge a processing fee for insufficient funds.

NOTE: Furnishing your check information is voluntary, but a decision not to do so may require remitters to make payment by some other method.

If funds must be returned at award closeout, award recipients should remit:

- A check made payable to DOJ referencing the applicable grant award number;
- A cover letter or voucher containing the grant award number for the refund, the unobligated balance, and an itemization of funds (e.g., the amount to be applied to excess payments, interest income, program income, questioned costs and so forth); and
- A copy of the final SF 425 (FFR) report.
- All refund checks and letters should be submitted to:

U.S. Department of Justice
Office on Violence Against Women
ATTN: Grants Financial Management Division (GFMD)
145 N Street, N.E.
Suite 10W

FAILURE TO REMIT FUNDS OWED

Any funds paid to a recipient in excess of the amount to which the recipient is finally determined to be entitled under the terms and conditions of the award constitute a debt to the Federal Government. If not paid within a reasonable period of time, OVW may reduce the debt by making an administrative offset against other requests for reimbursement, withholding advance payments otherwise due to the recipient, or taking other action permitted by law. OVW may refer the debt to the U.S. Department of the Treasury for collection. OVW and Treasury may add fees, interest, and penalties to the original amount of the debt owed.

Failure to remit funds due to DOJ may result in withholding or freezing of funds on all other grants awarded to the grantee organization, and may impact future fiscal integrity reviews affecting future grant applications.

LATER ALLOWANCES AND ADJUSTMENTS

The closeout of a grant does not affect:

- 1) OVW's right to disallow costs and recover funds on the basis of a later audit or other review;
- 2) The grantee's obligation to return any funds due as a result of later refunds, corrections, or other transactions;
- 3) Records retention;
- 4) Property management requirements; and
- 5) Audit requirements.

Chapter 2: Audit Requirements

HIGHLIGHTS OF CHAPTER:

Audit Threshold
Audit Objectives
Audit Reporting Requirements
Due Dates for Audit Reports
Audit Submission Requirements
Failure to Comply
Resolution of Audit Reports
Audit Confirmation Requests
Audit Compliance
Top Ten Audit Findings
Audit of Subrecipients
Technical Assistance
Full-Scope Auditing
Commercial (For-Profit) Organizations
Distribution of Audit Reports
OIG Regional Offices

This chapter establishes responsibilities for the audit of organizations receiving agency funds. The intent of this chapter is to identify the policies for determining the proper and effective use of public funds rather than to prescribe detailed procedures for the conduct of an audit.

AUDIT THRESHOLD

- 1) Non-Federal entities that expend \$500,000 or more in Federal funds (from all sources including passthrough subawards) in the organization's fiscal year shall have a single organization-wide audit conducted in accordance with the provisions of OMB Circular A-133.
- 2) Non-Federal entities that expend less than \$500,000 a year in Federal awards are exempt from Federal audit requirements for that year. However, records must be available for review or audit by appropriate officials including the Federal agency, pass-through entity, and Government Accountability Office.

AUDIT OBJECTIVES

Awards are subject to conditions of fiscal, program, and general administration to which the recipient expressly agrees in accepting the award. Accordingly, the audit objective is to review the recipient's administration of funds and required non-Federal contributions for the purpose of determining whether the recipient has:

- 1) Established an accounting system integrated with adequate internal fiscal and management controls to provide full accountability for revenues, expenditures, assets, and liabilities. This system should provide reasonable assurance that the

organization is managing Federal financial assistance programs in compliance with applicable laws and regulations.

- 2) Prepared financial statements which are presented fairly, in accordance with generally accepted accounting principles.
- 3) Submitted financial reports which contain accurate and reliable financial data, and are presented in accordance with the terms of applicable agreements.
- 4) Expended Federal funds in accordance with the terms of applicable agreements and those provisions of Federal law or regulations that could have a material effect on the financial statements or on the awards tested.

AUDIT REPORTING REQUIREMENTS

Independent auditors should follow the requirements prescribed in OMB Circular A-133. The recipient's books of account must support all amounts reported to OVW. The recipient's financial activity reported to OVW should reconcile to the amounts reported on the grantee's audited financial statements. If there are any differences between the recipient's audited financial statements and the financial activity reported to OVW, the recipient must be able to explain the differences.

If the auditor becomes aware of illegal acts or other irregularities, prompt notice shall be given to recipient management officials above the level of involvement. The recipient, in turn, shall promptly notify the cognizant Federal agency and/or OVW of the illegal acts or irregularities and of proposed and actual actions, if any.

Costs of audits not required or performed in accordance with OMB Circular A-133 are unallowable without prior written approval from OVW. If the grantee did not expend \$500,000 or more in Federal funds during the organization's fiscal year and did not receive prior written approval for audit costs, but contracted with a certified public accountant to perform an audit, these costs may not be charged to the grant.

DUE DATES FOR AUDIT REPORTS

Audits performed in accordance with OMB Circular A-133 are due no later than nine months after the close of each fiscal year during the term of the award.

AUDIT SUBMISSION REQUIREMENTS

The Federal Audit Clearinghouse (FAC) requires all grant recipients to submit Form SF-SAC and the Single Audit Reporting package online utilizing the Internet Data Entry System (IDES). Recipients will use the IDES to:

- 1) Enter form SF-SAC data online;
- 2) Check form SF-SAC data for errors using the "Check Data" feature;
- 3) Upload a PDF copy of the Single Audit Reporting package;
- 4) Certify form SF-SAC electronically using a signature code provided by the IDES; and
- 5) Submit their complete certified form SF-FAC and Single Audit Reporting package to the FAC electronically.

To review the submission requirements and create an online report ID, visit FAC's Web site at <http://harvester.census.gov/fac/collect/ddeindex.html>.

FAILURE TO COMPLY

Failure to have audits performed as required will result in the withholding of new discretionary awards and/or withholding of funds or change in the method of payment on active awards.

RESOLUTION OF AUDIT REPORTS

Timely action on recommendations by responsible management officials is an integral part of the effectiveness of an audit. Each recipient shall have policies and procedures for responding to audit recommendations by designating officials responsible for:

- 1) Following up;
- 2) Maintaining a record of the action taken on recommendations and time schedules for completing corrective action;
- 3) Implementing audit recommendations;
- 4) Submitting periodic reports to the cognizant Federal audit agency on recommendations and actions taken; and
- 5) Providing an audit special condition on all subawards. This special condition contains information, such as the audit report period, required audit report submission date, and name and address of the cognizant Federal agency. The policy of DOJ is not to make new awards to applicants who are not in compliance with the audit requirements. DOJ monitors the audit requirements through its audit tracking system and is responsible for tracking audit reports received through the audit process until the audit has been resolved and closed.

AUDIT CONFIRMATION REQUESTS

Send audit confirmation requests for OVW grant awards to:

Office on Violence Against Women
U.S. Department of Justice
Attention: Grants Financial Management Division
145 N Street, NE
Suite 10W
Washington, DC 20530

Or OVW.GFMD@usdoj.gov

AUDIT COMPLIANCE

Techniques used to determine recipient compliance with Federal requirements when an organization-wide audit has not been conducted include:

- 1) Obtaining audits from recipients that were made in accordance with the “Government Auditing Standards;”
- 2) Relying on previous audits performed on recipients’ operations;
- 3) Desk reviews by program officials of project documentation;
- 4) Project audits by auditors obtained by recipients; and
- 5) Evaluations of recipients’ operations by program officials.

TOP 10 AUDIT FINDINGS

- 1) Financial Reports not submitted timely;
- 2) Accounting procedures need improvement;
- 3) Suspension and Debarment Certifications not obtained;
- 4) Programmatic reporting requirements not met;
- 5) Subrecipients not adequately monitored;
- 6) Fixed assets not adequately monitored;
- 7) Grant management procedures need improvement;
- 8) Segregation of duties not adequate;
- 9) Cash management procedures need improvement; and
- 10) Procurement procedures need improvement.

AUDIT OF SUBRECIPIENTS

When subawards are made to another organization or organizations, the recipient shall require that subrecipients comply with the audit requirements set forth in this chapter.

Recipients are responsible for ensuring that subrecipient audit reports are received and for resolving any audit findings. Known or suspected violations of any law encountered during audits, including fraud, theft, embezzlement, forgery, or other serious irregularities, must be communicated to the recipient.

For subrecipients who are not required to have an audit as stipulated in OMB Circular A-133, the recipient is still responsible for monitoring the subrecipients’ activities to provide reasonable assurance that the subrecipient administered Federal awards in compliance with Federal requirements.

TECHNICAL ASSISTANCE

The DOJ Office of the Inspector General is available to provide technical assistance to recipients in implementing the audit requirements of this chapter where DOJ is the assigned cognizant agency or has oversight responsibilities because it has provided the preponderance of direct Federal funding to the recipient. This assistance is available for areas such as:

- 1) Review of the audit arrangements and/or negotiations;
- 2) Review of the audit program or guide to be used for the conduct of the audit; and
- 3) On-site assistance in the performance of the audit, when deemed necessary, as a result of universal or complex problems that arise. Requests for technical assistance should be addressed to the appropriate DOJ Regional Inspector General’s Office (see listing of regional offices).

FULL-SCOPE AUDITING

In addition to arranging and providing for the organizational, financial, and compliance audits required by OMB Circular A-133, individual recipients and subrecipients are encouraged to provide for additional audit coverage, as deemed appropriate. The additional audit coverage to be provided should be determined based on the circumstances surrounding the particular organization, function, program, or activity to be audited, management needs, and available audit capability.

Additional audit coverage could involve such organizational determinations relating to the following:

- 1) Are resources managed and used economically and efficiently?
- 2) Are desired results and objectives achieved effectively?
- 3) Are the organization's accounting system and system of internal controls acceptable prior to the receipt of awarding agency funds?
- 4) Are the organization's systems and controls adequate to detect fraud, waste, and abuse?

COMMERCIAL (FOR-PROFIT) ORGANIZATIONS

For-profit organizations shall have financial and compliance audits conducted by qualified individuals who are organizationally, personally, and externally independent from those who authorize the expenditure of Federal funds. This audit must be performed in accordance with Government Auditing Standards, 2003 Revision. The purpose of this audit is to ascertain the effectiveness of the financial management systems and internal procedures that have been established to meet the terms and conditions of the award. Usually, these audits shall be conducted annually, but not less frequently than every 2 years. The dollar threshold for audit reports established in OMB Circular A-133, as amended, applies.

DISTRIBUTION OF AUDIT REPORTS

The submission of audit reports for all grantees shall be as follows:

- 1) State and Local Governments, Institutions of Higher Education, and Nonprofit Institutions - Completed audit should not be submitted to OVW (unless requested by an agency official).

All single audit reports must be submitted electronically, rather than in paper format, to the Federal Audit Clearinghouse. There is information on FAC's Web site for grantees submitting their audit reports. Instructions for submitting audit reports are listed at <http://harvester.census.gov/fac/collect/formoptions.html>.

- 2) Commercial Organizations and Individuals - One copy of all audit reports should be mailed to the U.S. Department of Justice, Office of Justice Programs, Office of the

Chief Financial Officer, ATTN: Control Desk, 810 Seventh Street, NW., Room 5303, Washington, DC 20531.

OIG REGIONAL OFFICES

Regional Audit Office	Geographical Area
<p>Atlanta Region (40) Ferris B. Polk, Regional Audit Manager 75 Spring Street, Suite 1130 Atlanta, GA 30323 Phone: 404-331-5928 FAX: 404-331-5046</p>	<p>Alabama, Florida, Georgia, Mississippi, North Carolina, Puerto Rico, South Carolina, Tennessee, and Virgin Islands</p>
<p>Chicago Region (50) Carol S. Taraszka, Regional Audit Manager 500 W. Madison, Suite 3510 Chicago, IL 60661 Phone: 312-353-1203 FAX: 312-886-0513</p>	<p>Illinois, Indiana, Iowa, Kentucky, Michigan, Minnesota, Missouri, Ohio, and Wisconsin</p>
<p>Dallas Region (80) Robert J. Kaufman, Regional Audit Manager 207 S. Houston Street Box 4, Room 275 Dallas, TX 75202 Phone: 214-655-5000 FAX: 214-655-5025</p>	<p>Arkansas, Louisiana, Oklahoma, and Texas</p>
<p>Denver Region (60) David M. Sheeren, Regional Audit Manager 1120 Lincoln Street, Suite 1500 Denver, CO 80203 Phone: 303-864-2000 FAX: 303-864-2004</p>	<p>Arizona, Colorado, Idaho, Kansas, Montana, Nebraska, New Mexico, North Dakota, South Dakota, Utah, and Wyoming</p>
<p>Philadelphia Region (70) Richard A. McGeary, Regional Audit Manager 701 Market Street, Suite 201 Philadelphia, PA 19106 Phone: 215-580-2111 FAX: 215-597-1348</p>	<p>Connecticut, Delaware, Maine, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, and Vermont</p>
<p>San Francisco Region (90) David J. Gaschke, Regional Audit Manager 1200 Bayhill Drive, Suite 201 San Bruno, CA 94066 Phone: 650-876-9220 FAX: 650-876-0902</p>	<p>Alaska, American Samoa, California, Guam, Hawaii, Nevada, Oregon, Trust Territory of the Commonwealth of Northern Mariana Islands, and Washington</p>
<p>Washington Region (30) Troy M. Meyer, Regional Audit Manager 1300 North 17th Street, Suite 3400 Arlington, VA 22209 Phone: 202-616-4688 FAX: 202-616-4581</p>	<p>District of Columbia, Maryland, Virginia, and West Virginia</p>

PART V: THE AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009 (Recovery Act)

Chapter 1: Background

HIGHLIGHTS OF CHAPTER:

Background

The Recovery Act Programs Administered by OVW

BACKGROUND

On February 17, 2009, President Barack Obama signed into law the American Recovery and Reinvestment Act of 2009 (Recovery Act). It was an unprecedented effort to jumpstart our economy, create and save millions of jobs, and make efforts toward addressing long-neglected challenges so our country can thrive in the 21st century.

The Recovery Act places great emphasis on accountability and transparency in the use of taxpayer dollars. Among other things, it creates a new Recovery Accountability and Transparency Board to provide information to the public, including access to detailed information on grants and contracts made with the Recovery Act funds. For additional guidance regarding the Recovery Act and the Transparency Board, refer to the new Web site, <http://www.Recovery.gov>.

The Recovery Act includes \$4 billion to the U.S. Department of Justice for grant funding to enhance State, local, and tribal law enforcement and other criminal and juvenile justice activities that will help to prevent crime and improve the criminal justice system in the United States. While the Recovery Act provides much needed resources for State and local communities, it also supports the creation of jobs.

THE RECOVERY ACT PROGRAMS ADMINISTERED BY OVW

Funding for the following OVW programs was available through the Recovery Act:

- **Tribal Domestic Violence and Sexual Assault Coalitions Program** - The Recovery Act provided OVW with \$2.8 million for the Tribal Domestic Violence and Sexual Assault Coalitions Program to provide much needed resources for organizing and supporting efforts to end violence against Indian women and provide technical assistance to member programs. The award period was 24 months.
- **Indian Tribal Governments Grant Program** - \$20.8 million to decrease the number of violent crimes committed against Indian women, help Indian tribes use their independent authority to respond to crimes of violence against Indian women, and make sure that people who commit violent crimes against Indian women are held responsible for their actions. The award period was 36 months.

- **Transitional Housing** - \$42.6 million was awarded for this program which provides holistic, victim-centered transitional housing services and related support services that move individuals into permanent housing. Grants supported programs that provide assistance to victims of domestic violence, dating violence, sexual assault, and stalking who are in need of transitional housing, short-term housing assistance, and related support services.
- **STOP Formula** - \$139.7 million for the STOP (Services, Training, Officers, Prosecutors) Violence Against Women Formula Grant Program ([STOP Program](#)) which supports a coordinated, multidisciplinary approach to stopping and responding to crimes of domestic violence, dating violence, sexual assault and stalking.
- **Grants to State Sexual Assault and Domestic Violence Coalitions** - \$8.5M to provide federal financial assistance to state coalitions to support the coordination of state victim services activities, and collaboration and coordination with federal, state, and local entities engaged in violence against women activities.

Chapter 2: ARRA Reporting Requirements

HIGHLIGHTS OF CHAPTER:

Reporting Requirements for the Recovery Act
Technical Requirements
Delegating Reporting Requirements Under the Recovery Act
Key Reporting Timeframes
Special Reporting Requirements for Prime Recipients
Data Quality Requirements

REPORTING REQUIREMENTS FOR THE RECOVERY ACT

The recipients of Recovery Act funds must comply with extensive reporting requirements. Quarterly progress reports, which require both financial and programmatic data, will be due within 10 calendar days after the end of each calendar quarter beginning with the July to September 2009 reporting period. However, the report due on October 10, 2009 must also include the cumulative activities and projects funded since the enactment of the Act, or February 17, 2009.

<u>Reporting Periods</u>	<u>Due Dates</u>
July – September	October 10
October – December	January 10
January – March	April 10
April – June	July 10

The report must contain the following information:

- the total amount of Recovery Act funds received from that agency;
- the amount of the Recovery Act funds that were expended or obligated to projects or activities;
- a detailed list of all projects or activities for which Recovery Act funds were expended or obligated, including—
- the name of the project or activity;
- a description of the project or activity;
- an evaluation of the completion status of the project or activity;
- an estimate of the number of jobs created and the number of jobs retained by the project or activity; and
- for infrastructure investments made by State and local governments, the purpose, total cost, and rationale of the agency for funding the infrastructure investment with funds made available under this Act, and the agency point of contact for infrastructure investment issues; and
- detailed information on any subcontracts or subgrants awarded by the recipient to include the data elements required to comply with the Federal Funding Accountability and Transparency Act of 2006 (Public Law 109-282), allowing aggregate reporting on awards below \$25,000 or to individuals, as prescribed by the Director of Office of Management and Budget.

TECHNICAL REQUIREMENTS

Section 1512 of the Recovery Act requires that activity reports on the use of Recovery Act funding be submitted by recipients into the central reporting solution at <http://FederalReporting.gov>. Recipients must be registered as authorized parties prior to submitting or reviewing activity reports on <http://FederalReporting.gov>. Since registration requires that recipients be registered in the CCR database, and that all reporting entities have a valid DUNS number, recipients that do not already meet these requirements are encouraged to register no later than 35 days prior to the end of the quarter. The registration function was available at <http://FederalReporting.gov> beginning August 17, 2009, and the entire process may take up to 8 days. When the Web site registration process has been successfully concluded, the <http://FederalReporting.gov> solution will send a confirmation of registration to the user by email.

There are three methods for submitting reports into the <http://FederalReporting.gov> reporting solution:

- 1) Online data entry – the Web site provides a data entry form which is available at <http://FederalReporting.gov>.

Technical Requirements: a commercial web browser, such as Microsoft's Internet Explorer or Firefox, is required for this option.

- 2) Excel spreadsheet – a Microsoft Excel spreadsheet can be downloaded, opened, completed, and then uploaded to the Web site at <http://FederalReporting.gov>. The spreadsheet is locked to restrict modification and only allows data to be entered in the required fields.

Technical Requirements: Microsoft Office Excel (version 2003 or newer) is required to open and edit the spreadsheet. A commercial Web browser, such as Microsoft's Internet Explorer or Firefox, is required for this option.

NOTE: Modification to the structure of this spreadsheet will result in an invalid submission.

- 3) Custom software system extract in Extensible Markup Language (XML) – a formatted XML system extract. A data dictionary and XML schema is needed for formatting and structuring the XML system extracts. The XML schema, and a service for validating the structure of the XML extracts, will be available on <http://FederalReporting.gov>.

Technical Requirements: A commercial browser, such as Microsoft's Internet Explorer or Firefox, is required for this option.

DELEGATING REPORTING REQUIREMENTS UNDER THE RECOVERY ACT

The prime recipient of all Federal programs identified in Section 1512 of the Recovery Act is responsible for reporting on funded activities and projects in <http://FederalReporting.gov>. However, the prime recipient may choose to delegate certain reporting responsibilities to the subrecipient for those data elements related to subrecipient activities. This delegation must be clearly communicated and closely monitored to avoid mistakes and/or double counting (i.e., whereas both the prime

recipient and the subrecipient separately report on the same activity). The prime recipient is responsible for designing and implementing a process to minimize potential reporting errors and mistakes. This policy should clearly identify which user (prime or subrecipient) is authorized to make corrections during the postsubmission stage.

KEY REPORTING TIMEFRAMES

The Recovery Act requires that prime recipients and delegated subrecipients submit quarterly reports on <http://FederalReporting.gov> not later than the 10th day following the end of each quarter. The initial report is due on October 10, 2009, and should include the cumulative activities and projects funded since the enactment of the Act, or February 17, 2009. The statute requires that reported information will be made available to the public no later than the 30th day after the end of each calendar quarter. Summary statistics for reported data will appear on <http://www.Recovery.gov> and will be marked to indicate their review status: 1) Not reviewed by Federal agency; 2) Reviewed by Federal agency, no material omissions or significant reporting errors identified; or 3) Reviewed by Federal agency, material omissions or significant reporting errors identified.

The timeframe for reporting activities and their sequence is described below:

- During days 1-10 following the end of the quarter, recipients and delegated subrecipients prepare and enter their reporting information. During this period, the data is considered to be in presubmission status until actually submitted. Recipients using the Web-based form will be allowed to store draft versions of their reports online. However, the draft versions will only be available to the individual creating the report. Recipients using the spreadsheet or system extracted XML options may store draft versions outside of the system on recipient-owned computers or workstations. The data will assume the status of "submitted" and conform with Section 1512 reporting requirements only when the reporting entity actually submits it using the Web site functions. Submitted reports will be viewable by the appropriate prime recipient and by the awarding agency. Prime recipients and delegated subrecipients that have not submitted their reports by the end of the 10th day will be considered in noncompliance with the reporting requirements.
- During days 11-21 following the end of the quarter, prime recipients ensure that complete and accurate reporting information is provided prior to the Federal agency comment period beginning on the 22nd day. Prime recipients will perform a data quality review and verify submitted information for all Recovery Act funds for which they are responsible. Additionally, the prime recipient must notify all subrecipients of reporting errors or omissions, and ensure that any data corrections are completed in a timely manner. The prime recipient is responsible for coordinating with subrecipients on any identified data corrections.
- During days 22-29 following the end of the quarter, the Federal agencies can review and comment on the submitted reporting information. Submitted reports will not be editable by the prime recipients or delegated subrecipients during this period, unless the Federal agencies request revisions. The Federal agencies will perform a data quality review and notify the prime recipients and the delegated subrecipients of any data anomalies or questions through the <http://FederalReporting.gov> solution. This notification will unlock the notated report and include instructions from the Federal agencies for any corrections. The original submitter must complete data corrections no later than the 29th day following the end of the quarter.

- No later than 30 days following the end of the quarter, detailed recipient reports are made available to the public on the <http://www.Recovery.gov> Web site. Any data issues identified beyond the date of publication will be corrected or addressed in the next quarterly report.

SPECIAL REPORTING REQUIREMENTS FOR PRIME RECIPIENTS

Prime recipients will be required to enter their Marketing Partner Identification Number (MPIN) from the CCR at the time of reporting submission. The MPIN is a password created by a user in CCR and identifies the submitter as a prime recipient. Prime recipients will not be able to view subrecipient reports until the prime recipient report is submitted using a valid MPIN for the DUNS number associated with the award.

DATA QUALITY REQUIREMENTS

Data quality reviews (i.e., accuracy, completeness, and timely reporting of information) are intended to emphasize and avoid two key data problems: material omissions and significant reporting errors.

Material omission is defined as an instance in which required data is not reported, or the prime recipient or delegated subrecipient fails to report. This type of omission can result in significant risk to the public on the status of a Recovery Act activity or project.

Significant reporting error is defined as an instance in which required data is not reported accurately and such erroneous reporting results in significant risk that the public will be misled or confused by the recipient report in question. Appropriate action should be taken to reduce the risk of significant reporting errors.

GLOSSARY OF TERMS

Accrual Basis is the method of recording revenues in the period in which they are earned, regardless of when cash is received, and reporting expenses in the period when the charges are incurred, regardless of when payment is made.

Administrative Requirements are set forth at 28 CFR Parts 66 for State and local units of government and 28 CFR Part 70 for nongovernmental organizations.

Awarding agency is the Federal Government or the next highest authority, that is, the State agency administering the formula award or the Federal agency administering the discretionary award.

Awards may include funding mechanisms, such as grants, cooperative agreements, interagency agreements, contracts, and/or other agreements.

Break foods consist of coffee, tea, milk, juice, donuts, bagels, pretzels, chips, muffins, cookies, sodas, and fruits or other snack items, and may be served at a training program, a meeting, or a conference.

Breaks are short pauses (generally no longer than 30 minutes) in an ongoing informational program at trainings, meetings, conferences, or retreats.

Budget Period is the period for which a budget is approved for an award. The budget period may be equal to or shorter than the project period for an award, but cannot be longer than the project period.

Cash Basis is the method of reporting

revenues and expenses when cash is actually received or paid out.

Closeout is a process in which the awarding agency determines that all applicable administrative actions and all required work of the award have been completed by the recipient and the awarding agency.

Cognizant Federal agency is the Federal agency that generally provides the most Federal financial assistance to the recipient of funds. Cognizance is assigned by OMB. Cognizant agency assignments for the largest cities and counties are published in the Federal Register. The most recent publication was dated January 6, 1986.

Conference or meeting is a formal event involving topical matters of general interest, (i.e., matters that will contribute to improved conduct, supervision, or management of the agency's functions or activities), to Federal agency and non-Federal agency participants, rather than a routine business meeting primarily involving day-to-day agency operations and concerns. "Meeting" includes other designations, such as a conference, congress, convention, seminar, symposium, training for grantees or contractors, and workshop. See 5 U.S.C. 4110 (1994).

Consultant is an individual who provides professional advice or services.

Contracts are entered into by the awarding agency, recipients or subrecipients, and commercial (profit-making) and nonprofit organizations. With the exception of a few justified

sole-source situations, contracts are awarded via competitive processes to procure a good or service.

Cooperative agreements are awarded to States, units of local government, or private organizations at the discretion of the awarding agency. Cooperative agreements are utilized when substantial involvement is anticipated between the awarding agency and the recipient during performance of the contemplated activity.

Discretionary awards are made to States, units of local government, or private organizations at the discretion of the awarding agency. Most discretionary awards are competitive in nature in that there are limited funds available and a large number of potential recipients.

Domestic travel includes travel within and between Canada and the United States and its territories and possessions.

Equipment is tangible, nonexpendable personal property having a useful life of more than 1 year and an acquisition cost of \$5,000 or more per unit. A recipient/subrecipient may use its own definition of equipment provided that such definition would at least include all equipment defined above.

Federal contractor is a person or entity that contracts with the Federal Government to provide supplies, services, or experimental, developmental, or research work. Entities may include commercial organizations, educational institutions, construction and architect-engineer companies, State and local governments, and nonprofit organizations. See 48 CFR 31.103-105, 31.107-108 (1995).

Federal employees are those persons employed in or under an agency of the

United States Federal Government or the District of Columbia. See 5 U.S.C. 4101 (1994).

Federal grantee means the component of a State, local, or federally recognized Indian tribal government, educational institution, hospital, or a for-profit or nonprofit organization which is responsible for the performance or administration of all or some part of a Federal award. See 2 CFR Part 225, Attachment A and 2 CFR Part 215, Attachment A.

Focus group means a gathering of Federal Government employees to discuss results and improvements of programs in the field. The focus group should follow a prepared agenda, be led by an expert in the subject matter, and serve to educate the Federal employees.

Food and/or beverages retain their common meanings. Food or beverages are considered in the context of formal meals and in the context of refreshments served at short, intermittent breaks during an activity. Beverages do not include alcoholic drinks.

Foreign travel includes any travel outside of Canada and the United States and its territories and possessions. For an organization located in a foreign country, this means travel outside that country.

Formula awards are awarded to the States for programs in accordance with legislative requirements, usually based on population.

Grants are awarded to States, units of local government, or private organizations at the discretion of the awarding agency or on the basis of a formula. Grants are used to support a public purpose.

High risk is a determination made by the awarding agency of a recipient's ability to financially administer Federal project funds. Additional reporting requirements are imposed on high-risk recipients.

Incidental means relating to a formal event where full participation by participants mandates the provision of food and beverages.

Interagency agreements and purchase of service arrangements are usually entered into by two governmental units or agencies. Such funding arrangements are negotiated by the entities involved.

Match is the recipient share of the project costs. Match may either be "in-kind" or "cash." In-kind match includes the value of donated services. Cash match includes actual cash spent by the recipient and must have a cost relationship to the Federal award that is being matched. (Example: Match on administrative costs should be other administrative costs, not other matching on program costs).

Nonexpendable personal property includes tangible personal property having a useful life of more than 1 year and an acquisition cost of \$5,000 or more per unit. A recipient may use its own definition of nonexpendable personal property provided that the definition would at least include all tangible personal property as defined below.

Obligation means a legal liability to pay under a grant, subgrant, and/or contract determinable sums for services or goods incurred during the grant period.

Passthrough is an obligation on the part of the States to make funds available to units of local governments, combinations of local units, or other specified groups or organizations.

Personal property means property of any kind except real property. It may be tangible (having physical existence) or intangible (having no physical existence, such as patents, inventions, and copyrights).

Preagreement costs are defined as those costs which are considered necessary to the project but occur prior to the starting date of the award period.

Prior approval means written approval by the authorized official (the next highest authority except for sole source) evidencing consent prior to a budgetary or programmatic change in the award.

Program income means gross income earned by the recipient during the funding period as a direct result of the award. Direct result is defined as a specific act or set of activities that are directly attributable to grant funds and which are directly related to the goals and objectives of the project. Determinations of "direct result" will be made by the awarding agency for discretionary grants and by the State for block/formula subawards. Fines/penalties are not considered program income. Program income may be used only for allowable program expenses.

Project Period is the period for which implementation of a project is authorized. The project period may be equal to or longer than the budget period for an award, but can not be shorter than the budget period.

Real property means land, land improvements, structures, and appurtenances thereto, excluding movable machinery and equipment.

Reasonable means those costs that a prudent person would have incurred under the circumstances prevailing at the time the decision to incur the cost was made. Costs to consider when making judgments about

reasonableness include the cost of food and beverage, total cost of the event, and costs incurred relative to costs in the geographical area.

Recipient is an individual and/or organization that receives Federal financial assistance directly from the Federal agency.

Stipend is an allowance for living expenses. Examples of these expenses include, but are not limited to, rent, utilities, incidentals, etc.

Subaward is an award of financial assistance in the form of money to an eligible subrecipient or a procurement contract made under an award by a recipient.

Subrecipient is an individual and/or organization that receives Federal financial assistance from the direct recipient of Federal funds. This may include entities receiving funds as a result of block or formula awards.

Supplanting is to deliberately reduce State or local funds because of the existence of Federal funds. For example, when State funds are appropriated for a stated purpose and Federal funds are awarded for that same purpose, the State replaces its State funds with Federal funds, thereby reducing the total amount available for the stated purpose.

APPENDIX I – AUTOMATED CLEARINGHOUSE (ACH) FORM

http://www.ojp.usdoj.gov/funding/forms/ach_vendor.pdf

APPENDIX II – FEDERAL FINANCIAL REPORT (FFR or SF 425)

Form 425 - http://www.whitehouse.gov/sites/default/files/omb/assets/grants_forms/SF-425.pdf

Instructions –
http://www.whitehouse.gov/sites/default/files/omb/grants/standard_forms/SF-425_instructions.pdf