

**Financial Grants Management**

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**Session Outline**

Grants Management Roles  
Small Counties  
Large Counties

Grants Management Records

New Application Requirements  
Grants.gov  
CCR Filings and DUNS Numbers

Single Audit Requirements  
Federal (A-133 Audits)  
Texas Single Audit  
Effects of ARRA Funds

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**Grants Management Roles**

- Roles
  - Planning
    - Can the county effectively manage grants?
    - Does the county have a reliable financial management system to handle the internal controls, such as budgeting, accounting, recordkeeping, reporting, payroll and timekeeping?
    - Does the county have sound support system for procurement, legal, and human resources?
    - Can the county maintain the required data to meet grant reporting requirements?
    - Will you have sub-grantee? If so, who will monitor them?
    - How will the county handle the cash flow? Will the county need to get an advance, request reimbursements monthly or quarterly?
    - Can the county handle matching funds requirements? Cash and/or in-kind?

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## Grants Management Roles

- Roles-continued
  - Grant seeking -Application Process
    - Does the county have the ability to research and seek out grants?
    - What is the process to apply for grants for the county?
    - Does the grant have matching requirements?
    - Does the county have the proper departments involved in the process? Program department, budget, financial, human resources and legal?
    - Can the county do what they propose in the application? Legally and Ethically?

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## Grants Management Roles

- Roles-continued
  - Budget and Compliance
    - Can the county ensure that the expenditures are in compliance with the award, budget, federal, state and local law?
    - Who is responsible for reporting? Program/ performance and financial?
    - Who handles the disputes?

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## Grants Management Roles

- Roles-continued
  - Evaluation, Audit and Closeout
    - Who is responsible for assuring that grants funds are being used to meet expected outcomes? Both internal and external?
    - Who determines whether these grants needs to be audited or just monitored?
    - Who closes all the obligations in the grant period?
    - If funds are received in advance, who returns unexpended funds? Who handles return of interest, if needed?
    - Who submits or prepares final reports? Program/ performance and financial?
    - Who is responsible for record retention?

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### Grants Management Roles

- **Small Counties**-Most functions handled by the department who will use the funds or perform the duties. Several items that need to be remembered:
  - Is the county able to achieve the grant purposes?
  - Will the grant require a county to have an audit done although it is not required by the Single Audit Act OMB-133 or the State Single Audit Act?
  - Will there be clear separation of duties?

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### Grants Management Roles

- **Large Counties**- Usually have enough staff and departments to assure the separation of duties. They usually have larger accounting, human resources and legal departments. Although that can work against them if there is a lack of communication and cooperation between the departments.
  - They need to make sure that they are working together: recipient, human resources and accounting.
  - Usually larger counties will be required to have outside single audits performed.

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### Grants Management Records

Grant records to keep on hand to help with future reporting, audits or monitor visits:

1. The application.
2. The Award-including any special conditions.
3. A list of contact people, including federal, state and local contacts.
4. The budget as awarded and any subsequent amendments.

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### Grants Management Records

- 5. **Any guidelines that the agency provides, whether program and/or financial!**
- 6. Determine the funding sources; federal, state, local and/or foundation.
- 7. If the grant is federal funds, look up CDFA (Catalog of Federal Domestic Assistance) number and see if there are any special requirements.
- 8. Keep a copy of all certifications made: such as salary, suspension and debarment certifications, equal opportunity and drug free work place.
- 9. Inventory records.

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### New Application Requirements

- Most Federal Agencies require that you register with the web site [www.grants.gov](http://www.grants.gov). Public Law 106-107 Federal Financial Assistance Management Act of 1999.
- In order to apply for grants you must register with the CCR (Central Contractor Registration). You will need to have a DUNS (Data Universal Numbering System) Number which is assigned by Dun & Bradstreet, Inc.

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### Single Audit Requirements

- Federal OMB Circular A-133-"Audits of States, Local Governments, and Non-Profits Organizations"
  - Placed in to law July 5, 1996 .
  - OMB Circular A-128 "Audits of States and Local Government" issued in 1985, was rescinded as a result of the consolidation of audit requirements under Circular A-133.
  - A change in 1996 was that the audit requirement limit was raised from \$25,000 to \$300,000.
  - In 2005 the audit requirement limit was increased to \$500,000.
  - Circular A-133 Compliance Supplement became effective on June 30, 1996. This changed the audit approach from Risk-Based Approach to Determining Major Programs.

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### Single Audit Requirements

#### What are Federal Awards?

Federal Awards are federal financial assistance and federal cost-reimbursement contracts that non-federal entities receive directly from federal awarding agencies or indirectly from pass-through entities. For example: grants, loans, loan guarantees, cooperative agreements and donated surplus property.

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### Single Audit Requirements

#### The Schedule of Expenditures of Federal Awards

The Schedule of Expenditures of Federal Awards is a report that is sent to the Federal Clearinghouse along with the data collection form. It includes:

List of Federal awards by Federal agency.

The related CFDA (Catalog of Federal Domestic Assistance) number.

The contract or grant number.

The amount of expenditure.

**Note:** This list should also include funds received as a sub-recipient.

The Schedule should also include any audit findings (prior and current) and corrective action plans.

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### Single Audit Requirements

- Report submission should be done within the 30 days after receipt of the auditor’s report or 9 months after the end of the audit period .
- The schedule of Federal Expenditures should be submitted along with the Data Collection Form through the Federal Audit Clearinghouse. This is now done online at: <http://harvester.census.gov/sac/>.

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### Single Audit Requirements

Independent auditors - Are required to follow the GAGAS (Yellow Book). Must determine whether the Financial Statements are presented fairly in conformity with GAAP and the Schedule of Federal Expenditures is presented fairly in relation to the Financial Statements.

Auditors are to determine Type A Awards (Low risk) or Type B Awards (High Risk or Major Programs). The determination of Type of Awards is a calculation set by the OMB A-133 and the amount of expenditures in the fiscal year, except if the agency states that their awards will always be considered Major, such as ARRA (American Recovery and Reinvestment Act). They use the CFDA number located in the OMB Circular A-133 Compliance Supplement for allowable activities, costs, matching and other activities.

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### Single Audit Requirements Texas Single Audit

- State of Texas Single Audit Circular
  - "**State award**" means **state** financial assistance and **state** cost-reimbursement contracts that local governments receive directly from **state** awarding agencies or indirectly from pass-through entities. State awards do not include federal awards as defined in OMB Circular A-133 (whether the federal awards are passed through a state agency or received directly from a federal agency).

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### Single Audit Requirements Texas Single Audit

- Entities that expend \$500,000 or more in a year in **state** awards shall have a single or program-specific audit conducted for that year in accordance with the provisions of this *audit circular*.
- Entities can choose to do two Schedules of Expenditures, one federal and one state or combine both in one report.

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## Single Audit Requirements ARRA Funds

- The Federal government has added more reporting requirements usually monthly. The programmatic reporting has changed and are now requiring metrics and evaluation.
- They have a “Buy American” Provision.
- Also include Wage Rate requirements referred to as “Davis-Bacon.”

Note: Prime recipients are responsible for sub-recipients and contractors. All guidelines and provisions flow to sub-recipients and contractors.

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County of El Paso Schedule of Expenditures of Federal and State Awards Year Ended September 30, 2009				
Federal Grantor/Pass-Through Grantor Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Federal Expenditures 2008-2009	State Expenditures 2008-2009
<b>Federal Expenditures</b>				
U. S. Social Security Administration				
Social Security Incentive Payment	96.008		\$ 21,200	
<b>Total U.S. Social Security Administration</b>			<b>21,200</b>	
U.S. Election Assistance Commission				
Passed-Through State Department of				
<b>*Texas Office of the Secretary of State</b>				
General HAVA Compliance	90.401	78546	\$ 6,849	\$ 360
HAVA Polling Place Accessibility	93.617	77916	\$ 1,000	
<b>Total U.S. Election Assistance Commission</b>			<b>\$ 7,849</b>	<b>\$ 360</b>
U.S. Department of Health and Human Services Administration				
<b>Substance Abuse and Mental Health Services Administration</b>				
65th District Expanded Family Drug Court Program	93.243	5 H179 TH1438-03	\$ 156,228	
Border Children's Mental Health Collaborative	93.104	5 U79 NM54478-06	\$ 457,331	
<b>Administration on Aging</b>				
National Hispanic Council On Aging	93.048	90AM2906-02	\$ 3,488	
Passed-Through State Department of				
<b>*Texas Department of Human Services:</b>				
Social Services Block Grant-Home Delivered Meals	93.667	UCN 10N1493	\$ 1,253,414	

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County of El Paso Schedule of Expenditures of Federal and State Awards Year Ended September 30, 2009				
Federal Grantor/Pass-Through Grantor Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Federal Expenditures 2008-2009	State Expenditures 2008-2009
<b>Texas Department of Criminal Justice</b>				
Reimbursement of Offender Transportation	N/A			\$ 39,053
<b>Total Texas Department of Criminal Justice</b>			<b>\$ -</b>	<b>\$ 39,053</b>
<b>Texas Department of Health and Human Services Commissions</b>				
District Attorney Food Stamp Fraud	N/A			\$ 44,078
DCMHQ Military Assistance	N/A			\$ 19,144
<b>Total Texas Department of Health and Human Services Commissions</b>			<b>\$ -</b>	<b>\$ 63,222</b>
<b>TOTAL FEDERAL AND STATE FINANCIAL ASSISTANCE</b>			<b>\$ 15,407,932</b>	<b>\$ 13,103,803</b>
<b>Federal Funds Expended</b>			<b>\$ 15,407,932</b>	
<b>State Funds Expended</b>			<b>\$ 13,103,803</b>	
<b>Total Funds Expended</b>			<b>\$ 28,511,735</b>	
Note:				
Special Revenues- Grants Exhibit B-30 Total Expenditures			\$ 27,225,432	
Plus Funds received through General Fund			\$ 5,989,500	
Plus Funds received through Special Revenues			\$ 474,589	
Less Non-Federal or State Funding Sources			\$ 5,177,786	
<b>TOTAL FEDERAL AND STATE FINANCIAL ASSISTANCE</b>			<b>\$ 28,511,735</b>	

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### Single Audit Requirements ARRA Funds

- ARRA funds are always considered Major Programs.
- ARRA funds (American Recovery and Reinvestment Act) must meet certain basic ideals:
  - Accountability --Public benefits of funds are reported clearly, accurately and in a timely manner. Funds must be tracked with CFDA numbers and accounted for separately whether recipient or sub-recipient.
  - Transparency --Recipients and usage of all funds must be transparent to the public. Must be reported in the Schedule of Expenditures of Federal Awards even if the CFDA number is the same as other funds received. The ARRA funds are to be noted separately. Recipients must require their sub-recipients to properly report ARRA funds.
  - Congressional Sensitivity --Funds are used for authorized purposes.

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### Single Audit Requirements ARRA Funds

- Potential penalties of noncompliance:
  - Findings for recovery.
  - Debarment or suspension.
  - Termination of Federal Funding.
  - Subjection to Fraud Investigation.
    - Any and all may apply.

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### Web Sites

- [www.recovery.gov](http://www.recovery.gov) American Recovery and Reinvestment Act
- [www.cfda.gov](http://www.cfda.gov) Catalog of Federal Domestic Assistance
- [www.Whitehouse.gov](http://www.Whitehouse.gov) Office of Management and Budget
- [www.grants.gov](http://www.grants.gov) Grants.gov
- [www.bpn.gov/ccr](http://www.bpn.gov/ccr) Central Contractor Registration
- [www.dnb.com](http://www.dnb.com) Dun and Bradstreet, Inc.
- <http://harvester.census.gov/sac/> Federal Audit Clearinghouse
- [www.gao.gov](http://www.gao.gov) GAO US Government Accountability Office
- <http://governor.state.tx.us/grants> Office of the Governor –grants

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