



GOVERNOR'S
OFFICE OF
FEDERAL
ASSISTANCE

**NEVADA GOVERNOR'S OFFICE OF
FEDERAL ASSISTANCE (OFA)
Nevada Grant Manual**

The intent of this manual is to provide guidance related to federal grant processes and to direct readers to reliable, authoritative sources of information. The OFA understands this manual is not all inclusive and expects it to serve as general assistance for administering grants within the State of Nevada.

This manual was revised and published May 2023 and replaces all previous versions of this guide. If a change or correction is needed, contact grants@ofa.nv.gov. Helpful links and references are provided at the end of this document, see Appendix A.

REVISION AND REVIEW RECORD

The revision and review record tracks the published versions of the Nevada Grant Manual, and any updates or corrections made between Nevada Grant Manual full revisions. The intention is to provide the State of Nevada with the most accurate and up to date resources.

Please contact the Nevada Governor’s Office of Federal Assistance (OFA) at grants@ofa.nv.gov for any questions or concerns.

Date of Revision Review	Section of Revision Review	Summary of Revision Review
2018	Entire Document	Version 1 published
2023	Entire Document	Version 2 published



TABLE OF CONTENTS

Revision and Review Record	i
Table of Tables	iii
Table of Figures.....	iii
The Office of Federal Assistance (OFA)	1
Federal Assistance Notification Form.....	1
Intergovernmental Review/Single Point of Contact (SPOC) Requirement.....	1
Federal Grant Discovery.....	2
OFA Notice of Funding Opportunities.....	3
The OFA Website	3
Training and Technical Assistance.....	3
Federal Funding Source	4
Regulations and Guidance for the Administration of Grants	5
Federal Regulations for the Administration of Grants.....	6
State of Nevada ReQUIREMENTS for the Administration of Grants.....	7
Starting the Process of Administering Grants.....	8
Cognizant Agency.....	14
Purpose of an Audit.....	14
Audits within the grant management lifecycle.....	14
Types of Audits	15
Preparing for an Audit.....	16
Audit Findings.....	17
Concluding the Audit.....	18
The Lifecycle of a Grant	19
Grants Management Lifecycle Table of Contents.....	20
Pre-Award Phase.....	21
Award Phase.....	36
Post-Award Phase.....	38
Monitoring Phase	46
Closeout Phase.....	47
Conclusion	48
Appendix A	49
Nevada Grant Manual Acronyms Glossary.....	52



TABLE OF TABLES

Table 1: USDR Features and Benefits.....	2
Table 2: Uniform Guidance Table of Contents (2 CFR 200).....	6
Table 3: State Administrative Manual (SAM) & Statute (NRS) Grant Reference.....	7
Table 4: Methods for Indirect Costs.....	13
Table 5: Federal Award Distinctions Summary.....	24
Table 6: Federal Procurement Required Provisions Quick Key.....	25
Table 7: Conflict of Interest Quick Key.....	27
Table 8: Differences Between a Subrecipient and a Contractor.....	32
Table 9: Activities Involved in the Review of A Subrecipient Fiscal Report.....	44
Table 10: Reasons for Closeout.....	47

TABLE OF FIGURES

Figure 1: Simplified Federal Spending Lifecycle.....	4
Figure 2: Grants Management Lifecycle.....	19
Figure 3: Pre-Award Phase 1 & 2.....	21
Figure 4: Post-Award Phase 1&2.....	38
Figure 5: Components of Monitoring Phase.....	46



THE OFFICE OF FEDERAL ASSISTANCE (OFA)

The Governor's Office of Federal Assistance (OFA) was established on July 1, 2022, as per the provisions of NRS 223.460-498. The primary objective of the OFA is to extend support to Nevada stakeholders in matters related to federal grants. Additionally, the OFA provides administrative support to the Nevada Advisory Council on Federal Assistance (NACFA).

The OFA's vision and mission is to support our stakeholders in obtaining, increasing, and maximizing federal assistance. The OFA does this by reducing barriers through inclusive, collaborative, comprehensive and centralized support for Nevada stakeholders.

OFA undertakes various initiatives to enhance the federal dollars received by Nevada. OFA provides the following support to stakeholders across Nevada including state government, local government, tribal government, and nonprofits:

- Federal Assistance Notification Form (FANF)
- Intergovernmental Review/Single Point of Contact (SPOC)
- Federal Grant Discovery
- OFA Notice of Funding Opportunities (NOFO/RFP)
- OFA Website
- Training and Technical Assistance

FEDERAL ASSISTANCE NOTIFICATION FORM

Per U.S. Executive Order 12372, Nevada Revised Statute 223.480, Nevada State Administrative Manual 3000, and the Nevada Grant Office Policy Manual, state agencies are required to report to the OFA at each step of the federal grant award lifecycle, including federal grants the agency intends to apply for, received, amended, closed and subawarded. Use the Federal Assistance Notification Form (FANF) located on the OFA website to comply. This form also complies with the State of Nevada Grant Policy Single Point of Contact (SPOC) 088-GP 04 Intergovernmental Review of Federal Programs requirements. If an Intergovernmental Review is required for a federal grant opportunity it will be stated in the Federal Notice of Funding Opportunity.

INTERGOVERNMENTAL REVIEW/SINGLE POINT OF CONTACT (SPOC) REQUIREMENT

U.S. Executive Order 12372 Intergovernmental Review of Federal Programs (EO 12372) was issued to foster intergovernmental partnerships and strengthen federalism by relying on state and local processes for the coordination and review of proposed federal financial assistance for direct development. This order allows each state to designate an entity to perform this function. Most federal government grant opportunity announcements will refer to the states and territories administering this program as the single point of contact (SPOC).

The OFA is designated as Nevada's single point of contact (SPOC) for compliance with EO 12372. The OFA reviews specific applications for federal and state financial assistance for direct development, planning, reporting, and other activities requiring intergovernmental coordination. The review process is a way to:

- collect and convey the views of the state, regional, and local officials to federal funding agencies,
- minimize duplication of effort and conflicting actions,
- identify and address potential inconsistencies among state, regional, and local plans and objectives,
- facilitate resolution of concerns before the implementation of the activity,



- promote development of consistent policies, goals, and objectives, and
- encourage state agencies to comment on state and federal activities.

Upon deciding to pursue a funding opportunity, notify the OFA of the intent to apply. The Federal Assistance Notification Form (SPOC and 088-GP 04) can be found at <https://ofa.nv.gov>.

FEDERAL GRANT DISCOVERY

The OFA, in partnership with the team at US Digital Response (USDR), has customized the ability to automate the discovery and identification of federal grant opportunities and potential partnerships for the State of Nevada. The tool compiles grant opportunities for entities searching for federal grants in a more efficient and effective way. This tool is free and user friendly.

TABLE 1: USDR FEATURES AND BENEFITS

USDR Features	Benefits
Saved Keywords and Eligibility Preference	The tool saves an entity’s keyword and eligibility preferences which will provide a list of grant opportunities from the Grants.gov database populated on the dashboard and sent directly to the preferred inbox.
Email Notification	The tool provides email notifications of federal grant opportunities according to saved preferences. These opportunities are sent directly to the registered entity’s inbox, allowing for easier identification of opportunities that align to need. Timely updates provide for more time to plan, build, and create a stronger federal application.
Bookmarks and Highlights	Bookmarking and highlighting provide flexibility and assistance with tasks, such as: assigning team members specific opportunities, alerting team members of upcoming close dates, assisting in prioritizing opportunities, as well as providing awareness to potential partnerships.
Collaboration and Partnerships	Utilizing the bookmarks feature allows for easier identification of potential collaborators and partnerships in federal grants. This provides visibility and encourages teamwork, breaks down silos, and strengthens federal grant applications.
Sorting and Filtering	The tool offers a variety of sorting and filtering features, which creates a targeted, tailored, and relevant list of opportunities specifically customized for the searching entity.
Export to CSV	The ability to export and share federal opportunities increases capacity within an entity.
Singular Platform	One platform creates statewide visibility for all registered users.
Federal Grant Support	This tool is not only for grant writers and grant managers, but also grant supporters. User features may be leveraged to assist in identification of champions and letters of support to strengthen federal grant applications.
Data Collection	The tool may be utilized to analyze and collect data and assist in seeking out new ways to assist Nevada in increasing federal funds.

To access this innovative tool, visit *Grant Discovery* on the OFA website and choose *Request Access* under the *Resources* section. All interested stakeholders will be provided with login credentials and access to the cloud-based tool and its various features.



OFA NOTICE OF FUNDING OPPORTUNITIES

The OFA identifies potential sources of grant funding to create, support and sustain many types of programs that benefit Nevadans. A state agency with pass-through funding and available subawards may submit the subaward opportunity by filling out the Notice of Funding Opportunity (NOFO) form on the OFA website. Once submitted and reviewed, the subaward opportunity will be listed on the OFA website on the *Grant Opportunities* page. When looking for subaward opportunities visit the OFA website's *Grant Opportunities* page to assist in a search.

THE OFA WEBSITE

The OFA website is regularly updated with resources such as:

- Available federal and state grant opportunities (NOFO/RFP)
- Email newsletter signup
- Free trainings and materials
- Forms and templates
- Frequently asked questions (FAQs)
- Guidance on grant discovery
- USDR grant identification tool
- NACFA meeting schedule and minutes
- Nevada Grant Matching Program

TRAINING AND TECHNICAL ASSISTANCE

The OFA provides training and technical assistance to its stakeholders statewide. The OFA offers grant training online and in person, as available. OFA staff of experienced grant analysts provide direct personal technical assistance for federal grant questions from its stakeholders. OFA staff will research and analyze all questions asked and will provide a detailed response, containing information which aligns to the specific regulatory authority requirements.

For more information on upcoming training or to request technical assistance, please visit OFA's website <https://ofa.nv.gov> or email grants@ofa.nv.gov.

Remainder of page left blank for formatting.



FEDERAL FUNDING SOURCE

The federal government is funded primarily by (1) individual income tax, (2) corporate tax and (3) Social Security tax.

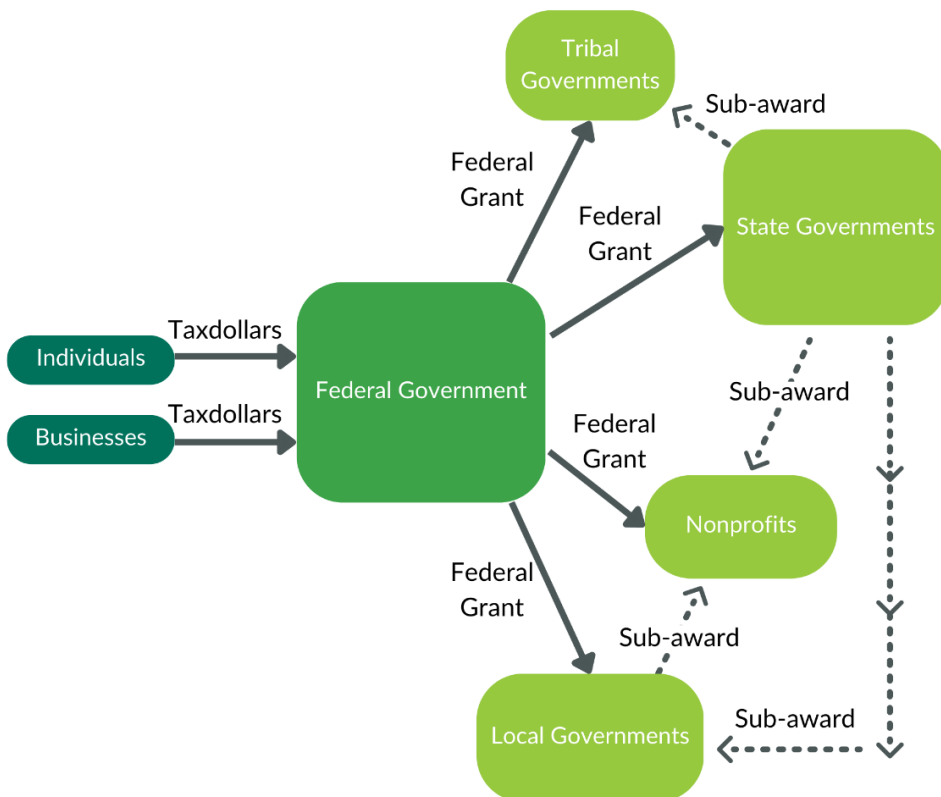
Figure 1 below provides a visual on the flow of tax dollars through federal grants to federally-recognized tribal governments, state governments, nonprofits, and local governments. It also highlights the benefits of entity grant proposal alignment to national objectives.

Additionally, federal awards may pass through state governments as subawards to entities such as tribal governments, local governments, and nonprofits. Although these federal funds are passed through the state and/or local governments, they remain federal funds. State-funded grants provided to federally recognized tribal governments, nonprofits, or local governments differ from federal grants.

When reading and reviewing the processes provided as a guide in this manual, it is important to keep in mind the individual entity's role, responsibilities, and requirements. These can differ depending on the federal grant opportunity and the entity. The first step in grant management is to know one's role.

FIGURE 1: SIMPLIFIED FEDERAL SPENDING LIFECYCLE

Federal Spending Lifecycle



REGULATIONS AND GUIDANCE FOR THE ADMINISTRATION OF GRANTS

The largest portion of funding administered by state agencies is awarded through federal sources. This guide targets those activities required by state agencies to apply, receive, subaward or implement, close, and sustain federal awards supporting programs benefitting Nevada’s population. For consistency, and to maintain good management practices, state agencies awarding funding generated through state legislative directives must follow the methodologies described for federal funds.

Federal agencies must abide by regulations described in the Code of Federal Regulations (CFR). State agencies, by accepting federal awards, agree to meet the requirements described in these regulations. As pass-through entities (PTEs), state agencies may add or modify the existing federal requirements for subawards. However, to comply with federal mandates, agencies may only make requirements more restrictive, they may not be less restrictive.

Remainder of page left blank for formatting.



FEDERAL REGULATIONS FOR THE ADMINISTRATION OF GRANTS

In 2014, the U.S. Office of Management and Budget (OMB) combined and codified the multiple documents known as circulars for administering and managing federal grant funds into the Code of Federal Regulations (CFR) title 2, section 200 (2 CFR 200). This new super circular, known as the Uniform Guidance (UG), is applicable to all funding received after December 2014. The OFA recommends that any entity considering applying for federal grant funds review the UG to become familiar with federal requirements. The UG Table of Contents is shown below. The link can be found in Appendix A of this document. In addition to UG requirements, each federal agency may apply regulations specific to its program authority and the intent of individual funding appropriations as mandated by U.S. Congress.

TABLE 2: UNIFORM GUIDANCE TABLE OF CONTENTS (2 CFR 200)

Subpart A	Acronyms and Definitions (2 CFR 200.0-200.1)
Subpart B	General Provisions (2 CFR 200.100-200.113)
Subpart C	Pre-Federal Award Requirements and Contents of Federal Awards (2 CFR 200.200-200.216)
Subpart D	Post-Federal Award Requirements (2 CFR 200.300-200.346)
Subpart E	Cost Principles (2 CFR 200.400-200.476)
Subpart F	Audit Requirements (2 CFR 200.500-200.521)
Appendix I	Full Text of Notice of Funding Opportunity
Appendix II	Contract Provisions for Non-Federal Entity Contracts Under Federal Awards
Appendix III	Indirect (Facilities and Administrative (F&A)) Costs identification and Assignment, and Rate Determination for Institutions of Higher Education (IHEs)
Appendix IV	Indirect (F&A) Costs Identification and Assignment, and Rate Determination for Nonprofit Organizations
Appendix V	State/Local Government-wide Central Service Cost Allocation Plans
Appendix VI	Public Assistance Cost Allocation Plans
Appendix VII	States and Local Government and Indian Tribe Indirect Cost Proposals
Appendix VIII	Nonprofit Organizations Exempted from 2 CFR Subpart E of Part 200
Appendix IX	Hospital Cost Principles
Appendix X	Data Collection Form (Form SF-SAC)
Appendix XI	Compliance Supplement
Appendix XII	Award Term and Condition for Recipient Integrity and Performance Matters



STATE OF NEVADA REQUIREMENTS FOR THE ADMINISTRATION OF GRANTS

Although not codified into one single statute, several Nevada Revised Statutes direct state agencies in the management and administration of grant funds. Similar to federal agencies, state agencies will apply regulations and requirements to grant funding based on the program authority and the legislative intent when the law came into effect.

The *State Administrative Manual (SAM)* is a compilation of policy statements to guide the internal operations of state government. Policies are based on statute or other approved regulations.

Table 3 below lists the sections found in SAM related to grants and the applicable statutes.

TABLE 3: STATE ADMINISTRATIVE MANUAL (SAM) & STATUTE (NRS) GRANT REFERENCE

Description	SAM Section	NRS
Grant Application with Information Technology Components	1624	N/A
Acceptance of Grants and Contracts (with Public Works involvement)	1910	341.121
Internal Controls	2416	NRS 353A.020 NRS 353A.025
Agency Review/Evaluation and Biennial reports	2418	353A.025
Work Program Revisions (with IFC approval)	2524	353.220 353.263
Work program to receive federal block grants	2524 2526	353.220 353.335 353.337 241
Authority to Accept Gifts and Grants (less than \$150,000 do not require Interim Finance Committee (IFC) approval or by expeditious action)	2526	353.335 353.337 241
Statewide Cost Allocation Plan (SWCAP)	2546	N/A
Stale Claims (for grant funds)	2622	353.097
Grant Requirements	3000	NRS 232.225 NRS 353.245
Purchasing: State General Provisions	0300, 1500	NRS 333
Purchasing: Local Governments General Provisions	0300, 1500	NRS 332



STARTING THE PROCESS OF ADMINISTERING GRANTS

Step 1: Review Nevada Revised Statutes to Confirm Agency's Authority to Administer Grants

To begin the process of administering grants, it is necessary that specific language be included in the state statute that created the agency. This authorizing language can provide the agency with authority to apply for, receive, administer, and distribute grants within its jurisdiction. An agency may be authorized for some or all of these tasks, depending on the legislative intent behind the agency's creation.

Step 2: Establish Internal Controls

Most state agencies function as pass through entities (PTEs), meaning they receive federal funding and then distribute the majority of funds as subawards to other state agencies, local agencies, tribal governments, and nonprofit organizations. Whether administering state funds or federal funds, internal controls play a critical role in the prevention of risk, fraud, and audit findings. State agencies receiving federal awards are federally mandated to establish internal controls (2 CFR 200.303). Internal controls are also required by NRS 353A.025, Nevada Administrative Code (NAC) 353A.100, and SAM 2416.

To develop internal controls, the OFA recommends reviewing the *Self-Assessment Questionnaire* found on the Governor's Finance Office (GFO) website (link provided in Appendix A).

Step 3: Establish Internal Policies and Procedures to Administer Grant Funds

Policies and procedures support compliance with fiscal and program audit requirements by providing clear step-by-step guidance on how to perform a certain task. Both are critical in establishing consistency and efficiency in the successful management and administration of grants. The OFA offers several overarching grant administration policies in its policy manual, which can be found on the OFA website. Each state department may also have its own established policies and procedures required for the administration and management of grants within its divisions and/or bureaus. When establishing new policies and procedures for an agency, the OFA recommends using the department's established format. These process guidelines are essential to the successful administration of federal and state funds. Keep in mind that policies and procedures at the local level can be more stringent than the policies and procedures of the federal or state level, but may not be more lenient.

Step 4: Determine Indirect Cost Rate and Cost Allocation Plan (as applicable)

There are two ways to charge to a grant, either as a direct cost or an indirect cost (IDC). An IDC is charged through an indirect cost rate, which must be determined. ***Per 2 CFR 200.412 there is no universal rule for classifying certain costs as either direct or indirect.*** Note that rules for different non-federal entities vary and should be referenced within 2 CFR 200 appendices. The guidelines referred to within this manual align to 2 CFR 200 Appendices V, VI and VII for state and local governments.

Indirect Cost

Indirect costs, also known as Facilities & Administrative (F&A) costs, represent business expenses that are necessary for the general operation of the organization *but* are not readily identified with a particular grant, contract, project function, or activity. Indirect costs are referred to as Facilities and Administrative costs because major institutions such as the Nevada System of Higher Education (NSHE) and other large nonprofit organizations must classify their indirect costs into one of the two categories. It is important to understand the true full cost of service to maximize federal funding and the entity's budget. Indirect costs are sometimes referred to as costs that can be applied to central support departments or overhead costs. Examples of typical indirect costs can include departments such as finance, accounting, human resources, information technology and/or the facility's heating and air conditioning. These costs occur in the management of a grant.



Note that some administrative costs, such as clerical and support staff, may instead be treated as a direct cost if the following conditions are met (2 CFR 200.413(c)):

1. The services are essential and provide direct benefit to the funded project.
2. The position can be specifically identified with the funded activity or project.
3. The costs are budgeted as direct charges or have a prior written approval from the awarding agency.
4. Costs are not otherwise recovered through an indirect cost rate.

Per 2 CFR 200.1 and 2 CFR 200.414, indirect costs or otherwise indirect Facilities & Administrative (F&A) costs are “incurred for a common or joint purpose benefitting more than one **cost objective**, and not readily assignable to the cost objectives specifically benefitted, without effort disproportionate to the results achieved.” To facilitate equitable distribution of indirect expenses to the **cost objectives** served, it may be necessary to establish a number of pools of indirect costs.

According to 2 CFR 200.1, **cost objective** means a program, function, activity, award, organizational subdivision, contract, or work unit for which cost data are desired and for which provision is made to accumulate and measure the cost of processes, products, jobs, capital projects, etc. A cost objective may be a major function of the non-federal entity, a particular service or project, a federal award, or an indirect (Facilities & Administrative (F&A)) cost activity, as described in subpart E of this part. See also the definitions of final cost objective and intermediate cost objective in this section.

Expressly Unallowable Costs

IDC that are unallowable are found in 2 CFR 200 Subpart E, 2 CFR 200.420. Common examples of unallowable indirect costs include alcoholic beverages, bad debts, contributions, entertainment costs, fundraising and lobbying.

Unsupported Costs

To be allowable, all direct and indirect costs must be supported by source documentation which clearly demonstrates purpose of the cost incurred.

Indirect Cost Rate

An indirect cost rate is a fair and convenient practice to determine what proportions of indirect cost each program should allow. An indirect cost rate represents the ratio between the total indirect expenses and some direct costs, after excluding unallowable costs. An indirect cost rate treats indirect costs equally through an applied percentage that is charged to a programmatic function.

An indirect cost rate is established through a federally approved indirect cost rate proposal and supporting documentation that is submitted by a state agency. Uniform Guidance (UG) allows any non-federal entity that has yet to receive a negotiated indirect cost rate to elect to charge a *de minimis* rate of 10 percent of modified total direct costs (MTDC), which may be used indefinitely. If a non-federal entity chooses to charge the 10 percent *de minimis* rate, then the non-federal entity must use this rate consistently for all federal awards until such time as the non-federal entity chooses to negotiate a rate. There are some non-federal entities that are exempt from charging the 10 percent *de minimis* rate. This information is provided in 2 CFR 200.414(f).

Per 2 CFR 200 Appendix VII.d(b) requires state agencies receiving federal awards totaling more than \$35 million to develop an indirect cost rate plan and submit it to their cognizant federal agency for approval. Agencies receiving less than \$35 million and having no previously approved indirect cost rate may use the 10 percent *de minimis* rate for all federal awards. Whether the state agency determines either to use an indirect cost rate plan or to use the *de minimis* 10 percent, it must document how the determination was made. This determination must be applied consistently and continuously to all federal grant funds received by the state agency.



Types of Indirect Rates

Under OMB guidelines, there are four types of indirect cost rates:

1. **Final rate** means an indirect cost rate applicable to a specified past period which is based on the actual costs of the period. A final rate is not subject to adjustment.
2. **Fixed rate** means an indirect cost rate which has the same characteristics as a predetermined rate, except that the difference between the estimated costs and the actual costs of the period covered by the rate is carried forward as an adjustment to the rate computation of a subsequent period.
3. **Predetermined rate** means an indirect cost rate, applicable to a specified current or future period, usually the organization's fiscal year. The rate is based on an estimate of the costs to be incurred during the period. A predetermined rate is not subject to adjustment.
4. **Provisional rate or billing rate** means a temporary indirect cost rate applicable to a specified period which is used for funding, interim reimbursement, and reporting indirect costs on federal awards pending the establishment of a final rate for the period.

Reference 2 CFR Appendix IV, C.1 for the full definitions of the indirect cost rates.

Establishing an Indirect Cost Rate

The indirect cost rate is important as it affects grant-related activities such as:

- the development of budgets for all federal grant proposals/applications,
- the reconciliation and fiscal reporting of awarded funds,
- the reimbursement for administrative and facility (F&A) costs of the entity administering the award, and
- the process and potential of audit findings and requirements.

Any organization being awarded a cost reimbursable grant and who may also have more than one source of funding, including but not limited to direct federal funding, needs to have an indirect cost rate. It is needed for the management of information and to be in compliance with federal regulations 2 CFR 200 subpart E-Cost Principles, Appendix IV, or the Federal Acquisition Regulation (FAR), whichever is applicable per the entity's grant.

For subawards, the Pass-Through Entity (PTE) and the subrecipient must determine the indirect cost rate used to finalize and approve the budget before the completion of the subaward agreement. The established indirect rate impacts the following post-award activities concerning subawards such as:

- the reconciliation of fiscal reporting and awarded funds,
- the reimbursement for administrative and facility costs of the subrecipient,
- the monitoring, which includes a review of indirect cost documentation, and
- the potential of single audit findings.

Honoring Current Federally Negotiated Indirect Cost Rates

When subawarding, a grantor must honor or accept the subgrantees' current federally negotiated and approved indirect cost rate, if approved and negotiated from its cognizant federal agency. A subrecipient may also choose to charge indirect costs using a *de minimis* or choose not to charge any indirect costs. Note that a consistent approach is required, direct and indirect costs should remain the same and not changed from one grant to another.



Negotiating an Indirect Cost Rate

All grant funding notices need to include an agency's policy on indirect cost rate reimbursement, matching, or cost share. To charge an indirect cost, a grant recipient must have a negotiated indirect cost rate agreement (NICRA) or elect to use the 10% *de minimis* rate (see 2 CFR 200.414(f)). To negotiate a rate a recipient must submit a proposal to their cognizant agency for review and approval. A non-federal entity may elect to use a *de minimis* in lieu of a negotiated rate.

A recipient that does not have a current negotiated indirect cost rate is eligible to claim the indirect *de minimis* rate. The *de minimis* rate may be used indefinitely, but no longer may be used once an approved federally negotiated indirect cost rate is in place. State and local governments that receive more than \$35 million in direct federal funding may not use the indirect *de minimis* rate. Review 2 CFR 200 Appendix VII for eligibility requirements.

A *de minimis* rate is an indirect cost rate of 10% of Modified Total Direct Costs (MTDC). 2 CFR 200.1 defines MTDC as all direct salaries and wages, applicable fringe benefits, materials and supplies, services, travel, and up to the first \$25,000 of each subaward (regardless of the period of performance of the subawards under the award). MTDC excludes equipment, capital expenditures, charges for patient care, rental costs, tuition remission, scholarships and fellowships, participant support costs and the portion of each subaward in excess of \$25,000. Other items may only be excluded when necessary to avoid a serious inequity in the distribution of indirect costs, and with the approval of the cognizant agency for indirect costs.

When applying the *de minimis*, costs must remain consistent, as either direct or indirect. An entity may not charge a cost as both. Once a *de minimis* is elected it must be used consistently for all federal awards (2 CFR 200.414(f)).

Do I have to prove actual indirect costs in excess of 10% MTDC?

No, grantees may elect the *de minimis* rate without having to prove actual indirect costs.

How do I demonstrate consistent treatment of direct versus indirect if I do not identify actual indirect costs?

When electing the *de minimis* rate, it should only be applied to modified total direct costs or costs that are typically direct costs. A *de minimis* rate does not apply to costs that are indirect, such as payroll. The *de minimis* rate is also not applied to excluded costs such as equipment, capital expenditures, participant support costs, rental costs, tuition reimbursement, scholarships, and fellowships, etc.

*Can a grantee conducting a single function elect to charge the *de minimis*?*

No, the *de minimis* rate is only used to pay for overhead costs that are not directly charged to federal awards. A single function is a direct charge that can be tied directly to the federal award. If the entity can directly track and charge to that federal award, it would not be considered an indirect cost. If all costs are charged directly, the recipient must not also charge the *de minimis* rate.

Using Indirect Cost Rates via a Negotiated Indirect Cost Rate Agreement (NICRA) to meet Federal Match Requirements

With the challenges of finding and maximizing match dollars, it is important to understand how the match requirement can be fulfilled through a NICRA using indirect cost. This example will show what a negotiated indirect cost rate agreement (NICRA) can do for an agency. Please note that direct and indirect costs must be treated consistently, and the same rules apply.



For example: If the match requirement is 25% on a \$1,000,000 grant, the required match would be \$250,000. The organization may use direct cost to fulfill this match requirement. If the indirect cost rate in this example was 22%, \$220,000 would be the amount of indirect costs of a \$1,000,000 grant.. The difference needed is \$30,000 to fulfill the match requirement.

$$\begin{aligned} &25\% \text{ Match Percentage} \times \$1,000,000 \text{ Grant} = \$250,000 \text{ Required Match} \\ &22\% \text{ NICRA} \times \$1,000,000 \text{ Grant} = \$220,000 \text{ Indirect Cost that can be used as match} \\ &\$250,000 \text{ Required Match} - \$220,000 \text{ Indirect} = \$30,000 \text{ Direct} \end{aligned}$$

Thus an agency can use \$220,000 for direct expenses that can increase in spending towards this grant OR toward a new matching grant.

Cost Allocation Plans (CAP)

When it is difficult for an entity to tie expenses directly or indirectly to a federal award, a cost allocation plan may be necessary to justify expenses as direct or indirect. Cost allocation plans were created to ensure that federal funds are used solely for the programs designated. Allocation means the process of assigning a cost, or group of costs, to one or more cost objectives. Grantees with several funding sources may find a cost allocation plan, also known as CAP, useful to ensure that the programs bear its appropriate share of costs. The purpose of a CAP is to ensure costs benefitting multiple funding sources are distributed fairly among each fund source and based on the benefits received.

$$\text{Both indirect cost rates and cost allocation plans identify and allocate indirect costs.}$$

An entity may be required to prepare a CAP, when the time and effort within an agency is difficult to measure or track, and instead must *approximate* the level of effort that certain function supports within an agency. A CAP will treat a supporting function separately and provide a targeted method to allocate costs. A CAP will also identify the non-indirect costs or administrative costs that are incurred in support of many programs (an administrative cost is charged in support of the operation of programs that are distinct from indirect costs and must be identified and reported as a condition of receiving a grant).

An indirect cost rate may comply with federal regulations when staff perform various duties in support of the entire agency. If an agency has multiple divisions, programs, and funding sources, support functions are usually specialized and will require a targeted allocation method to allocate costs across only those programs that are being supported, and to maximize funding. Whichever targeted allocation method an entity chooses to use to ensure that each program is paying only its fair share should be the simplest, most straightforward way of allocating a type of cost. Complex and highly detailed methods should be avoided when a simple one will achieve the objective. Methods, rules, or formulas that use percentages or fractions of cost items are acceptable. For example, allocating staff costs could be as simple as tracking the percentage of time attributed to a funding source over a set period of time and then using that justification throughout the period of performance for that grant. Each agency should consider its individual needs and determine the appropriate methodology in choosing how to collect and charge indirect, be sure to be consistent, reasonable, and fair in treatment of costs.



TABLE 4: METHODS FOR INDIRECT COSTS

Methods	User	Purpose
Indirect Cost Rate	Agencies that allocate centralized activities (indirect costs)	To allocate indirect costs to benefitting programs and/or grants
Central Services CAP	State Administrative Agencies Agencies that allocate centralized activities (indirect costs) to direct programs (at agency and/or divisional levels)	To allocate indirect costs to other state agencies To allocate indirect costs benefitting programs and/or grants
Public Assistance CAP	State agencies designated as public assistance agencies in federal law Local agencies operating in a state-supervised system	To allocate indirect costs benefitting programs and/or grants To identify non-service costs, administrative costs in support of public assistance To identify direct and service costs used in cost reimbursement processes
Public Assistance/Full Cost CAP	State, county, municipal, tribal, and/or nonprofit agencies that support public assistance program and/or have varied funding sources State, county, and other agencies that identify administrative costs claimed to federal programs	To allocate indirect costs benefitting programs and/or grants To identify non-service costs, administrative costs in support of public assistance To identify direct and service costs used in cost reimbursement processes



COGNIZANT AGENCY

A cognizant agency is the responsible federal agency for a specified purpose.

For assignments of cognizant agencies see the following:

- Institutions of Higher Education-Appendix III to Part 200
- Nonprofit organizations-Appendix IV to Part 200
- State and local government-Appendix V to Part 200
- Indian tribes-Appendix VII to Part 200

A list of cognizant agencies for audit can be found on the Federal Audit Clearinghouse (FAC) website.

Cognizant Agency for Indirect Costs

A cognizant agency for indirect costs means the federal agency responsible for reviewing, negotiating, and approving cost allocation plans or indirect cost proposals developed on behalf of all federal agencies. The cognizant agency for indirect cost is not necessarily the same as the cognizant agency for audit.

Cognizant Agency for Audit

The role of a cognizant agency for audit is to provide oversight of audits for federally funded programs. Unless OMB designates a specific agency for the role, the cognizant agency is the agency that provides the predominate amount of direct funding to a non-federal entity that expends more than \$50 million a year in federal awards. If direct funding represents less than 25% of the total expenditures by the non-federal entity, then the federal agency with the predominant amount of total funding will be designated for the role. The cognizant agency must carry out the responsibilities described in 2 CFR 200.513(a).

PURPOSE OF AN AUDIT

The purpose of an audit is to provide assurance to the federal government that a non-federal entity has adequate internal controls in place and is in compliance with program requirements. The goal of the audit process is reducing future noncompliance through strong corrective action plans.

Audits are essentially the feedback mechanism to review the effectiveness of an entity's operation and established internal controls. Audits contribute to improved financial stewardship and recipient performance excellence. Auditors look at past performance and events with the intention of improving future performance and events. Audits are critical in providing objective, skilled, and impartial technical advice that should result in recommendations to improve an entity's operations and internal controls.

Federal awarding agencies and PTEs use audits to assess risk when making award decisions, when developing risk-based monitoring plans, and when determining appropriate site visits. Federal awarding agencies and PTEs are responsible for following up on findings related to their awards and subawards, respectively. Reference 2 CFR 200.501-521 for more compliance assistance regarding audits.

AUDITS WITHIN THE GRANT MANAGEMENT LIFECYCLE

Within the grant management lifecycle, audits typically occur annually, with the financial statement audit linked to the recipient's fiscal year end. Additionally, if the recipient is subject to the Single Audit Act, they would undergo a single audit at that time.



It is important to note that audits can occur at any time during the grants management lifecycle. These audits may be done by federal awarding agencies and PTEs. Recipients' internal auditors may examine grant projects at any time, as well. The type of audit required will vary by the type of entity and the amount of federal funds expended. A grant recipient agrees to fiscal, program, and general administration requirements upon accepting an award. The objective of an audit is to review the administration of funds as well as any cost-sharing or matching funding to ascertain whether the recipient has:

1. Established an accounting system with adequate internal fiscal management controls. The accounting system should be fully accountable to track revenues, expenditures, assets, and liabilities. It should also provide reasonable assurance that all federal financial assistance programs managed within the organization is in compliance with applicable laws and regulations.
2. Prepared financial statements and they are fairly presented in accordance with Generally Accepted Accounting Principles (GAAP) or Generally Accepted Government Auditing Standards (GAGAS) as applicable.
3. Prepared the Schedule of Expenditures and they are fairly stated in relation to the auditee's financial statements as a whole.
4. Submitted financial reports that contain accurate and reliable financial data that comply with the terms of applicable agreements.
5. Expended federal funds in accordance with the terms of applicable agreements and any provision of federal law or regulation that could materially affect the financial statement or awards tested, including testing for the allowability of costs.

TYPES OF AUDITS

Financial audits are mandated under the Single Audit Act. Grant and cooperative agreement recipients will frequently encounter this type of audit. The federal government uses a financial audit to provide assurance that entities receiving substantial federal funds have been timely, accurate, and have fairly reported the financial position and results of operations. Auditors review to ensure that the federal funds used follow funding requirements as mandated by UG and the Single Audit Act. Financial audits must be conducted in accordance with Generally Accepted Government Auditing Standards (GAGAS) which differs from Generally Accepted Auditing Standards (GAAS) due to the additional requirements that the auditor must follow when performing the audit (2 *CFR* 200.514(a)).

Single audits (Subpart F audits) are required for all non-federal entities that expend \$750,000 or more in federal funds, except when an eligible entity elects to have a program-specific audit per *CFR* 200.501(c). A single audit includes an auditor report that summarizes the non-federal entity's financial statements, internal controls, and compliance with laws and regulations. If an entity expends less than \$750,000 in federal funds during its fiscal year, it is exempt from federal audit requirements for that year. However, a federal agency, a PTE, or the Government Accountability Office (GAO), can request records for review or audit at any time. A PTE may choose to use an auditor or to monitor its subrecipients that are exempt from the Single Audit Act. A PTE may charge federal awards for the cost of agreed-upon procedure engagements to monitor subrecipients (in accordance with 2 *CFR* 200, subpart D, 200.331-333). If the PTE chooses to do so, it must ensure that the audits are conducted in accordance with GAGAS attestation standards. The audits are paid for and arranged by the PTE and limited in scope to the following types of compliance requirements: activities allowed or unallowed; allowable costs/cost principles; eligibility; and reporting per 2 *CFR* 200.425(c).

Program-specific audits only review an individual federal program and financial statements for the federal program (unlike the single audit which reviews an entity's financial statements and federal programs). When a non-federal entity expends federal awards under only one federal program, and the program's statutes, regulations, or



the terms and conditions of the federal award do not require an entity-wide financial statement audit, the auditee may elect to have a program-specific audit. The purpose of program specific audits to eligible recipients is to save time, effort, and cost for both the recipient and the third-party auditor. The non-federal entity should take considerations and make the decision to request this type of audit carefully. The program-specific audit is not necessarily easier (see 2 CFR 200.507 for more information).

Additionally, it is important to note the following:

- A. For research and development grants, an auditee cannot elect a program-specific audit *unless* all the federal awards were received from the same federal agency, or the same federal agency and PTE, and the program specific audit was approved in advance (2 CFR 200.507(c)).
- B. The Higher Education Act of 1965 requires schools receiving student financial aid to undergo an annual single audit, these schools cannot request a program-specific audit.
- C. For some federal programs, the OMB publishes a program-specific auditing guide in Part 8 of the Compliance Supplement. If the guide is available, the auditor must follow that guide and GAGAS. If the guide is not available, the auditor and auditee will have the same responsibilities for the federal program as they would have for a major program in a single audit.

Agreed-upon procedures audit costs can only be charged to federal awards if the agreed-upon procedure engagement is conducted in accordance with GAGAS; paid for and arranged by the PTE; and limited in scope to an audit of activities allowed or unallowed, allowable costs and cost principles, eligibility, and reporting. The auditor will issue findings based upon specific procedures developed by the auditor and auditee in advance. The PTE may use agreed-upon procedure audits to monitor subrecipients who are exempt from the requirement of the Single Audit Act and Subpart F, 2 CFR 200.425(c).

PREPARING FOR AN AUDIT

The auditee is responsible to procure and arrange for the audit and prepare appropriate financial statements, including the schedule of expenditures of the federal award in accordance with 2 CFR 200.510. The auditee will promptly follow up on findings and take corrective action per 2 CFR 200.511 (b) and (c), respectively, and provide the auditor with access to all documentation required for the auditor to perform the duties required. Procurement for audit services must follow the procurement rules in the UG at 2 CFR 200.317-200.327, as applicable. Requests for proposal (RFP) must include a clear statement of the objects and scope of the audit and request a copy of the audit organization's peer review report, 2 CFR 200.509(a). It is suggested to evaluate proposals on the availability and responsiveness to the request by staff, current and relevant experience, qualifications and technical abilities of the staff, the results of external quality control reviews, and price.

Best practices include, but are not limited to:

- experience in conducting a single audit,
- fulfilling GAGAS, *Continuing Professional Education*, and *Independence Requirements*,
- references from past single audit requirements, and
- efforts made using either small businesses, minority owned firms, or women owned businesses.

It is important to note restrictions in 2 CFR 200.509(b)(c) as well as fulfill the requirements listed in 2 CFR 200 Subpart F.



Knowing what auditors look for greatly assists auditees in preparing for the audit. Auditors will be looking for current and written policies and procedures and looking to see if those policies and procedures are being followed with applicable guidance. Most auditor reviews begin with the award document information, followed by federal regulation, state and local laws, and lastly, internal policies and procedures. Next, auditors will utilize the mandatory *Compliance Supplement* (2 CFR 200 Appendix XI) to identify the compliance requirements that must be considered when performing single audits under the OMB Uniform Administrative Requirement, cost principles, and the UG.

Auditors will look up the program number to be audited and review the following requirements.

- A) Activities Allowed or Unallowed
- B) Allowable Costs/Cost Principles
- C) Cash Management
- D) [Reserved]
- E) Eligibility
- F) Equipment Real Property Management
- G) Matching, Level of Effort, Earmarking
- H) Period of Performance
- I) Procurement, Suspension, and Debarment
- J) Program Income
- K) [Reserved]
- L) Reporting
- M) Subrecipient Monitoring
- N) Special Tests and Provisions

Most federal programs have the same generic compliance requirements, but not all. At times, there can be unique and specific requirements. While criteria for determining eligibility may vary by program, the auditor may utilize the *Agency Program Requirements*, and/or *Clusters of Programs* sections provided in the *Compliance Supplement*. Additional information regarding programs, statues, and regulations governing its administration, may also be utilized.

AUDIT FINDINGS

An audit finding is a deficiency which the auditor is required to report in the schedule of findings and questioned costs. When an auditor makes a finding, that finding must be reported in sufficient detail and clarity for the auditee to prepare a corrective action plan. The report should be clear enough for the auditee to take corrective action and for the federal agency, as well as the PTE, to be able to arrive at a management decision. Each audit finding must include a reference number to allow for easy follow up. Common audit findings include, but are not limited to:

- Incomplete or inaccurate Schedule of Expenditures of Federal Awards (SEFA)
- Poor cash management
- Unallowable costs charged to the grant program
- Poor subrecipient monitoring
- Proper procurement processes not followed
- Lack of proper documentation
- Program serving ineligible participants
- Progress reports and/or fiscal reports not submitted in a timely manner
- Improper reconciliation
- Co-mingling of funds



First, if prior audit findings existed, the auditor will follow up on the prior findings. Next, the auditor will conduct their review, followed with an exit conference in which they will share preliminary results. This allows for confirmation, recommendations, reasonableness, and allows for the participants to correct any potential errors. The auditor will then create a draft audit report for review and comment by responsible officials, including corrective actions planned (if applicable) which allows for a complete, fair, and objective report. At this time, the auditee has the opportunity to respond to the report prior to the final report. Lastly, the final report is written.

CONCLUDING THE AUDIT

Once the audit is complete, the auditee will receive the final report. The report will contain any findings, conclusions, recommendations, as well as any recommended corrective actions. The auditee will need to perform any corrective actions and report the result of the audit to the Federal Audit Clearinghouse (FAC). The report must be submitted to the FAC within 30 calendar days after receipt, or 9 months after the end of the audit period, whichever is earlier. Late submission to the FAC will result in disqualification as a low-risk auditee. All federal agencies, pass-through entities (PTEs), and others, must obtain a copy of the report package through the FAC. Exceptions exist for Indian tribes and/or tribal organizations (Indian Self-Determination, Education and Assistance Act (ISDEAA) and 25 U.S.C.450 (b)(i). Review and follow 2 CFR 200.512-517.

A management decision is an evaluation and written proclamation by the federal awarding agency or PTE regarding the effectiveness of the audit finding and the corrective action plan. An appeal process exists for the auditee. There is a timetable in the management decision for follow up. The cognizant agency for audit is responsible for coordinating findings that affect more than one federal agency and program. The federal awarding agency will issue a management decision for federal awards made to non-federal entities. The PTE is responsible for issuing a management decision for findings that relate to federal award made to subrecipients. The federal awarding agency and PTE have up to six months after the report is uploaded and accepted by the FAC to issue this decision (2 CFR 200.521). The audit concludes with one of two processes: the resolution of the reports themselves, or the cooperative resolution approach which promotes and encourages communication between federal and non-federal entities.

Remainder of page left blank for formatting.



THE LIFECYCLE OF A GRANT

FIGURE 2: GRANTS MANAGEMENT LIFECYCLE



Grants Management Lifecycle

The grants management lifecycle consists of a comprehensive series of events from pre-award to closeout. The lifecycle consists of five main steps noted in the figure above. Established internal controls exist throughout the grant lifecycle and audits can occur at any time. Specific to state agencies, the OFA Federal Award Notification Form (FANF) will also be submitted several times during the cycle (per NRS 223.480).

Remainder of page left blank for formatting.

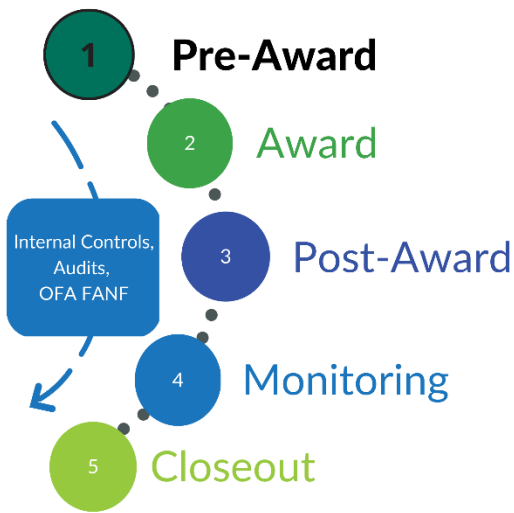


GRANTS MANAGEMENT LIFECYCLE TABLE OF CONTENTS

Pre-Award Phase _____	21
Developing a Project Idea _____	22
Research Funding _____	22
Federal Standards for Procurement Contracting _____	24
Conflict of Interest _____	27
Before Developing the Proposal/Application _____	27
Evaluation of a Funding Opportunity _____	28
Single Point of Contact (SPoC) _____	30
State Clearinghouse _____	30
Developing the Application _____	31
Subaward vs. Contract Determination _____	31
Writing the Narrative _____	32
Building a Budget _____	33
Submitting the Application _____	34
Federal Application Denial _____	34
Award Phase _____	36
Receiving the Notice of Grant Award (NOGA) _____	36
State Budget Authority and Interim Finance Committee Approval _____	37
Post-Award Phase _____	38
State Controller Notification and Requesting a Job Number _____	38
Prime Recipient Responsibilities _____	39
Prime Recipient Single Audit Requirement _____	39
Distribution of Subawards _____	39
Prime Recipient Reporting _____	40
Methods of Payments to Subrecipients _____	41
Project Change Requests for Prime Recipients _____	42
Draw Downs from Federal Funding Sources _____	42
Auditing Subrecipient Reports _____	43
Prime Recipient Certification of Subrecipient Single Audit _____	43
Subrecipient Responsibilities _____	44
Subrecipient Fiscal Reports _____	44
Subrecipient Performance Reports _____	44
Subrecipient Project Change Requests, Budget Amendments, and Extension Requests _____	45
Subaward Closeout _____	45
Monitoring Phase _____	45
Prime Recipient Monitoring _____	46
Subrecipient Monitoring _____	46
Closeout Phase _____	47
Prime Recipient Closeout of Subawards _____	47
Prime Recipient Closeout _____	48



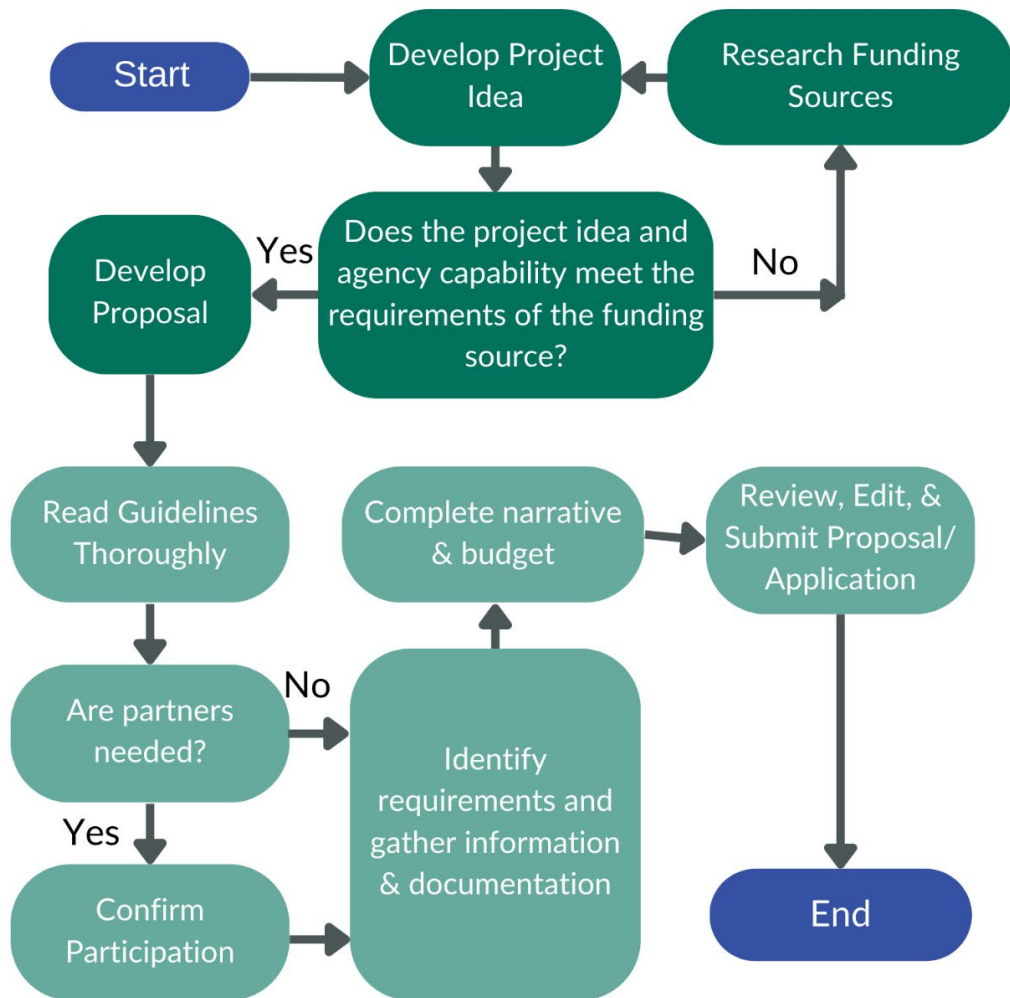
PRE-AWARD PHASE



When digging into the pre-award phase, entity eligibility should be considered. Not every state agency has the NRS authority to receive and distribute certain federal or state funds as subawards. State agencies with NRS authority to receive and distribute federal or state funds in the form of a grant begin with the subaward process. Additionally, the State Administrative Agency (SAA) is the only entity eligible to apply for certain federal grants. Contact the SAA to determine if eligibility is permissible by a specific agency.

FIGURE 3: PRE-AWARD PHASE 1 & 2

Pre-Award 1
Research & Development



Pre-Award 2
Develop Proposal



Developing a Project Idea

The development of a project is based on the needs, gaps in service, or challenges within a program. Clearly identify the purpose of the project in need of funding. The goals of a project are driven by:

- Federal focus
- Governor directives
- Department director leadership
- Program administrator oversight
- Agency strategic plan

Start with the agency's programmatic strategic plan. Identify which activities will move the project forward and the costs associated with such activities; do not change or create programs solely for funding purposes. Determine the problem, gap, or need, and prepare a possible solution along with two alternatives. The method, timeline, capability, staffing levels, and any potential partners will play a part in determining whether to apply and to complete the proposal/application.

Research Funding

Establish internal and/or departmental guidelines or procedures for determining which funds to pursue.

Listed below are some common resources for grant writers:

- Grants.gov (federal)
- Register with federal and state agency individual websites, subscribe to their listservs
- OFA website
- Google search
- Foundation Directory (subscription fee)
- Grant Station (subscription fee)

When seeking grant opportunities, search for those with similar priorities that match the needs of the programs managed by the agency, and make sure to identify, describe, and document the need or proposed activity for which funding is sought.

Funding Sources: Foundations, Corporations, and Government

Foundations can be private, community, or corporate. Private foundations can be family or independent foundations, such as the Bill and Melinda Gates Foundation and the National Science Foundation. Most private foundations are categorized as independent. A community foundation or civic association, such as the Rotary Club, is locally based, raises its own money, and returns the money as grants to organizations within a small geographic boundary. Corporate foundations are independent and listed on the corporation's webpage as corporate philanthropy. These grants are competitive and many having rolling deadlines, meaning the applications are accepted throughout the year. Others may restrict application acceptance to once or twice a year.

When researching foundations, first consider foundations located within the state, then look at national foundations. **Corporate foundations** often grant funds only to communities where the company conducts business. Foundations usually list the geographic areas they serve on their websites. When writing a proposal to corporate foundations, describe how the activity will benefit the funder and how it will align with projects they typically fund. Choose foundations with missions, focus areas, and program priorities that closely align to the entity program and/or proposed activity.

Foundations usually award grants for a specific reason:

- Purpose (e.g., building funds, program support, operation costs, etc.)
- Population (e.g., youth, homeless, elderly, etc.)
- Type of organization (e.g., nonprofit, small business, etc.)
- Specific geographic area (e.g., neighborhood, city, county, or state)



Through corporate giving programs and annual donation campaigns, **corporations** such as Wal-Mart, local casinos, and home improvement stores collect funds from employees. Often, corporations fund projects through in-kind services and sponsorships; these contributions result in an improved public image, better products, happier or healthier employees, or lower costs. Corporations usually target specific projects and fund them through marketing or divisional budgets. When seeking this form of funding in absence of a corporate contact, start with the marketing or communications office.

Government funding sources (federal, state, and sometimes local agencies) award funds to increase or to enhance existing services. Congressional and legislative fund authorization and restrictions placed on the method of distribution can affect the amount of available dollars.

Types of Federal Funding

Formula Grant

This type of grant distributes money according to an established plan prescribed by law or administrative regulation for continuing activities not confined to a specific project. These awards are based on statistical criteria (usually based on census data) for specific types of work. The authorizing legislation determines the statistical criteria and amount of funds to be distributed.

Project Grant

Grants awarded through a competitive process are known as **discretionary** funds. These grants fund specific projects or the delivery of specific services or products over fixed, known periods of time.

Direct Payments for Specified Use

These payments provide financial assistance directly to individuals, private firms, and other private institutions to encourage or to support a particular activity. Usually, this kind of funding assistance is tied to a condition based on the performance of the receiving individual. These may be tax credits, rent payments, and scholarships, etc.

Direct Payments with Unrestricted Use

Direct payments or unrestricted use funding provide direct financial assistance to beneficiaries who satisfy eligibility requirements and do not impose restrictions on how the money is spent. Examples of this type of assistance are retirement, pension payments, and compensatory programs.

Federal Award Relationship Distinctions

Federal funding is awarded to the state, or pass-through entity, as one of three types of awards: (1) procurement contract, (2) grant or (3) cooperative agreement

Federal agencies use **procurement contracts** and various forms of financial assistance, including grants and cooperative agreements, for transferring funds to organizations to achieve the federal agency's authorized mission. Many differences between procurement contracts and grants exist.

Grants advance a public purpose and supports a specified activity. **Contracts** are used for the direct benefit of the government to purchase or acquire goods or services. The distinction between grants and **cooperative agreements** is a bit more complicated and revolves around the presence or absence of substantial federal involvement.

For research-related activities, substantial involvement is likely to be found when a federal employee is actively assisting, guiding, coordinating, or participating in the project.



Substantial involvement most commonly takes the form of either (1) managing the allocation of resources between sub-projects, sites, or institutions, or (2) being actively involved in the conduct of the research. Normal oversight and stewardship are not considered substantial involvement.

Table 5 below is based on the Federal Grant and Cooperative Agreement Act of 1977 (P.L. 95-224, 31 U.S.C 6301 et seq.) which guides government agencies in distinguishing between contracts, cooperative agreements, and grants, as well as use of the federal funds.

TABLE 5: FEDERAL AWARD DISTINCTIONS SUMMARY

Type of Award	Federal Grant and Cooperative Agreement Act of 1977 Summary
Procurement Contract 31 U.S.C. 6303	An executive agency shall use a procurement contract as the legal instrument reflecting a relationship between the United States Government and a state, a local government, or other recipient when— (1) the principal purpose of the instrument is to acquire (by purchase, lease, or barter) property or services for the direct benefit or use of the United States Government; or (2) the agency decides in a specific instance that the use of a procurement contract is appropriate.
Grant 31 U.S.C. 6304	An executive agency shall use a grant agreement as the legal instrument reflecting a relationship between the United States Government and a state, a local government, or other recipient when— (1) the principal purpose of the relationship is to transfer a thing of value to the state or local government or other recipient to carry out a public purpose of support or stimulation authorized by a law of the United States instead of acquiring (by purchase, lease, or barter) property or services for the direct benefit or use of the United States Government; and (2) substantial involvement is not expected between the executive agency and the state, local government, or other recipient when carrying out the activity contemplated in the agreement.
Cooperative Agreement 31 U.S.C. 6305	An executive agency shall use a cooperative agreement as the legal instrument reflecting a relationship between the United States Government and a state, a local government, or other recipient when— (1) the principal purpose of the relationship is to transfer a thing of value to the state, local government, or other recipient to carry out a public purpose of support or stimulation authorized by a law of the United States instead of acquiring (by purchase, lease, or barter) property or services for the direct benefit or use of the United States Government; and (2) substantial involvement is expected between the executive agency and the state, local government, or other recipient when carrying out the activity contemplated in the agreement.



Federal Standards for Procurement Contracting

The UG contains strict requirements regarding procurement as well as guarding against conflicts of interest that can occur when purchasing goods or services under federally funded grants and agreements. It is important to note that states (such as Nevada, as well as other non-federal entities) may have more stringent policies and procedures (as allowable) that a Prime Recipient, pass through entity, or subawardee will need to be compliant with when executing procurement practices. Each non-federal entity must have documented policies and procedures outlining their requirements and will be held to those standards (see 2 CFR 200.317 - 2 CFR 200.327).

According to the UG appendix II to part 200, Contract Provisions for Non-Federal Entity Contracts Under Federal Awards:

“In addition to other provisions required by the federal agency or non-federal entity, all contracts made by the non-federal entity under the federal award must contain provisions covering the following, as applicable” (see Table 6 below):

TABLE 6: FEDERAL PROCUREMENT REQUIRED PROVISIONS QUICK KEY

Provision	Appendix II to Part 200 Section	Applicability
A	Legal/Contractual/Administrative Remedies for Breach of Contract	Greater than Simplified Acquisition Threshold (SAT-\$250,000)
B	Termination for Cause and Convenience	Greater than \$10,000
C	Equal Employment Opportunity	Construction Work
D	Davis-Bacon Act	Construction Work
D (cont'd)	Copeland “Anti-Kickback Act”	Construction Work Greater Than \$2,000
E	Contract Work Hours and Safety Standards Act	Greater than \$100,000 + mechanics or laborers
F	Rights to Interventions Made Under a Contract or Agreement	Greater than \$100,000+ mechanics or laborers
G	Clean Air Act and Federal Water Pollution Control Act	Greater than \$150,000
H	Debarment and Suspension	Greater than \$25,000
I	Byrd Anti-Lobbying Amendment	Greater than \$100,000, Certification required for all contracts greater than \$100,000
J	Procurement of Recovered Materials	2 CFR 200.323
K	Prohibition on Certain Telecommunication and Video Surveillance Services or Equipment	2 CFR 200.216
L	Domestic Preferences for Procurements	2 CFR 200.322



State of Nevada Procurement Assistance, Training, and Resources

It is important to note that the most restrictive regulations are what must be followed by an entity. For example, a state agency must follow the federal regulations as well as the state regulations beyond the federal contract guidelines established in 2 CFR 200.

For assistance with State of Nevada specific contracts and procurement rules (addressed in NRS 332, 333) or joinders (addressed in NRS 332.195, 2 CFR 200.318, and 2 CFR 200 Appendix II) the OFA recommends contacting the Department of Administration, Purchasing Division.

Subrecipients must also follow the terms of their award per the PTE as well as their own entities/local/internal procedures and guidelines for procurement that may be more, not less, restrictive than the federal regulations.

A State of Nevada Purchasing Officer is assigned to each state department and can assist with implementing a contract funded by a grant. Know the entity's procurement and contracting requirements. Additionally, the Nevada State Purchasing Division offers a free Nevada Certified Contract Manager Training (NVCCM), which is required pursuant to the State Administrative Manual for State of Nevada employees whose responsibilities include soliciting quotes/proposals from vendors or managing agency contracting activities. Once certified, a Basic Purchasing (BP) request may be made to gain access to NevadaEPro as well as access to the Budget Divisions Contract Entry Tracking System (CETS) for contract submission. Recertification is required every two years.

Specific to procurement and contracting, be sure to utilize the many resources provided on the Nevada State Purchasing website.

Below is a list of common resources pertaining to procurement and contracting for the State of Nevada:

Purchasing Division Website

- Nevada State Purchasing Subject Matter Experts or Assigned Purchasing Officer
- Contracting Toolbox
- NVCCM Listserv
- NevadaEPro

Nevada Revised Statutes

- Chapter 277 Cooperative Agreements: State Counties, Districts & Other Public Agencies
- Chapter 281A Ethics in Government
- Chapter 332 Purchasing: Local Governments
- Chapter 333 Purchasing: State
- Chapter 334 Purchasing: Generally
- Chapter 333A State Performance Contract for Operating Cost-Savings Measures
- Chapter 414.0345 Emergency Purchases (approved by Purchasing Administrator)

Nevada Administrative Code

- 333 Purchasing
- 333.114 Emergency Purchases (approved by Purchasing Administrator)

State Administrative Manual

- 0306 thru 0312 Cooperative Agreement
- 0322(2) State Agencies Contract Manager Certification

Additional

- Deputy Attorney General
- Budget Analyst (Budget Office)
- Contract Flow Chart with Thresholds (link in Appendix A)
- RFP Timeline Estimator (link in Appendix A)
- Risk Management
- Past Contracts
- Web Searches
- Networking Groups
- Procurement IQ



Conflict of Interest

Pertaining to ethics in government law, conflict of interest consists of conflicts between official duties and private interests, which include financial interests and relationships with certain persons (family/household members, employers, business affiliates, and other substantially similar relationships). These conflicts extend to the interests of organization in which a person serves in a fiduciary role (eg., volunteer or compensated member of board of directors).

TABLE 7: CONFLICT OF INTEREST QUICK KEY

Conflict of Interest Topic/Resource	Regulation/Guidance
Ethics in Government	Nevada Revised Statutes 281A.420 Nevada Administrative Code 281A <i>Requirements regarding disclosure of conflicts of interest and abstention from voting because of certain types of conflicts; effect of abstention on quorum and voting requirement.</i>
General Federal Conflict of Interest	2 CFR 200.112 <i>The federal awarding agency must establish conflict of interest policies for federal awards. The non-federal entity must disclose in writing any potential conflict of interest to the federal awarding agency or pass-through entity in accordance with applicable federal awarding agency policy.</i>
Nevada Grant Policy Manual	Conflict of interest disclosure and subawards, competitive review criteria closeout.
Nevada State Administrative Manual	State Administrative Manual 3022(3.) <i>State and federal regulations require the disclosure of conflict of interest for evaluators participating in the process of ranking competitive proposals. For non-competitive grant programs, the person with authority to determine the final distribution must provide a conflict-of-interest disclosure.</i>
State Administrative Agency (SAA)	CFR 94.104 <i>SAA's have sole discretion to determine which organizations will receive funds, and in what amounts, subject to the requirements of VOCA, this subpart, and the provisions in the DOJ Grants Financial Guide relating to conflicts of interest. SAA's must maintain a documented methodology for selecting all competitive and non-competitive sub-recipients.</i>

Before Developing the Proposal/Application

Planning is important in order to meet established deadlines. Registration and/or renewals on the following websites should be established well in advance. For example, SAM.gov requires renewals annually and can be renewed up to 30 days in advance with proper documentation. Some registrations may take several weeks to complete. To apply for federal grants within Grants.gov, one must be provided with expanded privileges within the



SAM.gov roles assigned. A request can be made to the administrator to gain that access. It is important to note that SAM.gov and Grants.gov are connected, and an entity should register with both links provided in Appendix A.

If required, create an account with the grant management software utilized by the awarding agency.

Federal grants require the completion of the proper certifications and assurances, internal administration, and budget review activities. Most federal agencies require the submission of grant applications online at Grants.gov. Even if applying via U.S. mail, registering for a username on Grants.gov is necessary unless the federal agency requires access to a specific portal for submission of the proposal/application.

Once the Grants.gov registration process is in progress, an Authorized Organization Representative (AOR) will be established. The OFA strongly recommends appointing a second AOR. This will provide a backup user capable of submitting on behalf of the organization. Changing the AOR name may take several days; plan accordingly.

It is highly recommended that one utilizes the training resources and step-by-step instructions provided by SAM.gov to renew, update, and manage roles. In some cases, notarized letters and/or legal documents may be required to make necessary updates within SAM.gov. It is also advised to have more than one point of contact listed in SAM.gov.

Evaluation of a Funding Opportunity

Most funding opportunities will include an announcement of specific application criteria. For federal funding, this announcement is called a Notice of Funding Opportunity (NOFO). Read the NOFO in its entirety to determine if an agency meets the basic requirements to apply for funds. A successful grant application will need to show that the proposal meets evidenced-based criteria.

For an entity to know whether a grant opportunity is a good fit for its organization, it is important to consider various indicators when researching grants and whether an entity is well positioned to develop and apply for a grant opportunity.

These indicators include but are not limited to the following: existing relationships, potential collaborators, level of external and internal support, capacity of an organization, alignment to existing work, sustainability, and availability of resources.

Conducting a grant fit check can help ensure application readiness and alignment of grant opportunity to an entity. Below is an example of how an organization can rubric an opportunity under consideration. The OFA provides a fillable *Grant Fit Check* template located under *Grant Resources* on the OFA website.

Remainder of page left blank for formatting.



GRANT FIT CHECK 1: SCORE CRITERIA

Score Criteria										
Poor Fit			Partial Fit					Strong Fit		
0	1	2	3	4	5	6	7	8	9	10

With 11 indicators and a max score of 110, a score of about 65 would indicate that the rubriced grant is a partial fit. Anything below 40 should be taken into special consideration.

Note that indicators can be altered to reflect those specific to an organization's need, mission, vision, and goals.

GRANT FIT CHECK 2: RUBRIC

Indicators		Score Criteria										Score
		0	1	2	3	4	5	6	7	8	9	
1	Previous relationship or connection with the funder?	No previous relationship			Existing relationship with funder, unknown level of support				Existing and positive relationship with funder with some level of support			
2	Support - is there support by stakeholders and/or the governing body for the grant program, internal processes, and coordination timing?	Limited support			Varying support identified with partial documentation				Support identified with documented support from stakeholders (e.g. letters of support, resolutions, meeting minutes, etc.)			
3	Does the opportunity fit the organization's current mission and priorities?	No alignment, low priority, and impact			Moderate alignment, related to priority and moderate impact				High alignment, high priority, and impact			
4	Does this opportunity fit the need? (clearly documented community or internal need)	Anecdotal, qualitative information			Some documented data				Multiple qualitative and quantitative data			
5	Administrative capacity - what is the level of staff experience?	No experience			Some experience				Extensive experience			
6	Partnerships - are there existing relationships or partners being funded by the same funder?	No identified partners			Potential partners or collaborators identified				Existing and identified relationships with partners and collaborators			
7	Staff time and commitment - does the organization have administrative and program capacity to effectively oversee grant related activities?	No time			Minimal time, requires reallocation of staff and resources to support grant activities				Adequate time to effectively oversee and complete grant activities			



8	Sustainability - is this program sustainable once awarded funding is exhausted?	No generation of revenue or future funding identified	Potential sources of future funding identified to cover some costs	Future sources of funding identified to cover all costs	
9	Organizational resources - what is the investment of resources (e.g., match, space, and staff)?	Requires significant investment of resources	Requires some investment of resources	Requires minimal or no match or investment of resources	
10	Operational versus programmatic - does this support organizational advancement and align with goals?	No support to general operating processes	Provides mix support	Provides mix support with organizational advancement	
11	Timing - can the organization meet the grant application deadline with a successful proposal for grant funding?	No time	Responding requires realigning priorities and staff time	Adequate time	
Notes				Total Score	

Single Point of Contact (SPOC)

If the decision has been made to apply for a federal grant, the next step is to notify the OFA. According to U.S. Executive Order 12372, this information must be communicated to the OFA. For Nevada state agencies, NRS 223.480 (effective July 1, 2022) reinforces the requirement to communicate to the OFA not only the intent to apply, but also the receipt of a grant and any unexpended portions thereof. The single point of contact (SPOC) also known as the Federal Assistance Notification Form (FANF) (088-GP 04) is located on the OFA’s website.

If it is determined that the NOFO meets the needs of the project, pay close attention to all criteria noted. Due to the large volume of applications received, the funding entity will not review the content of grant applications that do not meet the technical criteria (e.g., number of pages, formatting, required attachments, etc.). Most NOFO’s will include a checklist of items that must be included in the submission.

If it is determined that the NOFO does not meet the needs of the project, refer to the list of funding resources in this document to locate another potential funding opportunity.

Remainder of page left blank for formatting.



State Clearinghouse

Authorized by gubernatorial executive order in 1989, the State Clearinghouse, within the Department of Conservation and Natural Resources (DCNR), Division of State Lands, exists to inform executive branch agencies of significant federal projects and policy initiatives that affect our state. The Nevada State Clearinghouse is the single point of contact (SPOC) for National Environmental Policy Act (NEPA) proposals statewide. Pursuant to NEPA, federal agencies must consult with the state and other agencies whenever a project or policy initiative is proposed on public lands. The Clearinghouse ensures that pertinent state agencies and other local governments are notified about the projects and then provide comments back to the federal agencies to help facilitate the consultation process.

Contact:

Nevada Division of State Lands
901 S. Stewart Street Ste. 5003
Carson City, NV 89701-5246

<https://clearinghouse.nv.gov/> or nevadaclearinghouse@lands.nv.gov
(775) 684-2723

Developing the Application

The following is a recommended approach to developing and completing an application for a grant project.

Gather demographics, statistics, and reports to support the project. The collected data will assist in identifying gaps or needs. The gaps and/or needs will provide ideas for one or more projects. When several projects are identified, the Notice of Funding Opportunity (NOFO) requirements will provide guidance as well as the *Grant Fit Check* to the best choice. Creating alignment will result in a stronger application.

These requirements include but are not limited to:

- Collaboration
- Partnerships
- Match/cost share
- Reporting and evaluation requirements
- Criteria used to rank submitted applications
- Capacity for grant management
- Period of performance (POP)

Next, develop goals and objectives that can be utilized in the grant application. A quick way to develop effective goals is by using the SMART acronym. SMART stands for: Specific, Measurable, Attainable, Relevant, and Time-bound.

Subaward vs. Contract Determination

Before writing the applications' project narrative, the entity should have a thorough understanding of the program and the players needed to execute such a program, including potential contractors or subrecipients.

Subrecipient is defined in UG 2 CFR 200.93 as:

a non-federal entity that receives a subaward from a pass-through entity (PTE) to carry out part of a federal program; but does not include an individual that is a beneficiary of such program. A subrecipient may also be a Prime Recipient of other federal awards directly from a federal awarding agency.



The most important factor in determining whether to fund either a contract or subaward within the application is the substance of the relationship between the PTE and the receiving entity. The relationship determines the mechanism for the awarding process, which needs to be determined before developing a grant application. Below is a table of criteria that can be used to help determine whether or not the relationship is that of a subrecipient or a contractor. For more details, reference the Nevada Grant Policy Manual and 2 CFR 200.331.

TABLE 8: DIFFERENCES BETWEEN A SUBRECIPIENT AND A CONTRACTOR

Subrecipient	Contractor
Carries out a portion of a federal award and creates a federal assistance relationship with the subrecipient	Obtains goods or provides services for the non-federal entity and creates a procurement relationship
Determines who is eligible to receive federal assistance	Provides goods/services within normal business operations
Measures performance to determine if the federal program objectives were met	Provides similar goods/services to many different purchasers
Responsible for programmatic decision-making	Normally operates in a competitive environment
Responsible for adherence to program requirements specified in the federal award	Provides goods/services ancillary to federal program
Utilize federal funds to carry out the program for the benefit of the public as specified in the award/statute, etc.	Not subject to compliance requirements as a result of the agreement but may have other requirements related to state procurement rules

The characteristics listed above may not be present in all cases, and the PTE will need to use judgement in classifying each agreement as a subaward or procurement contract.

Writing the Narrative

The grant writer or program manager will most likely write the narrative for the application, and budget staff will formulate the budget and write the budget narrative. Because these critical parts of the application may be prepared by different people, it is important to ensure the project narrative and budget support each other and explain the project in a unified, consistent manner. Be sure to explain technical terms within the application; a layperson should be able to understand what the proposed project is going to accomplish.

Before developing the application, become familiar with the scoring criteria (or competitive review criteria) and the application evaluation process. Use the criteria to guide which parts of the application to emphasize. If Section A is worth five points and Section B is worth 20, Section B should receive more time, research, and word count, giving the most attention to the sections worth the most points. When competitive bonus points are available, be sure to include the information required to secure those additional points.

It is becoming more common for federal agencies to ask about sustainability of programs after the federal funding ends. One way to address sustainability is with data used in the development of the application, such as gap analysis, state statutory requirements, success of the program, and impact to the community. The data collection may also be used to support a state agency’s budget request when presenting its budget to legislators. To demonstrate impact to the community and the success of the program, data must be collected during and after the



implementation of the proposed project. Make sure to include the language necessary in the narrative to justify the budgeted costs for data collection.

When evaluating an application, the evaluator is assessing the likelihood of the project being successfully completed, and the likelihood that the grant will be managed according to federal and state compliance. To aid this assessment, an application should incorporate descriptions of the qualifications of key personnel and the agency's capability to administer and manage the grant. Include any strategic planning, evidence-based similarities, and studies that lend credibility to the process and desired outcome.

Include time for proper editing and review. It is recommended that the application submission checklist (if provided), is utilized as well as seeking an objective party for editing to ensure the specifics of the proposed project are included. Proper grammar, consistency, technical terminology, and other required information should be verified. The grant writer or program manager should be familiar with the Notice of Funding Opportunity (NOFO) and raise questions about content that might be missing or is not clear.

Building a Budget

First, look at the program and understand the elements that need to be included within the budget and ensure that these elements are reflected in the application project narrative as well as the budget narrative. Ask key questions, such as:

Will people need to be hired? Will equipment need to be purchased? What supplies will be needed? Is match required? What sources will be utilized to meet the match? Are there indirect costs? Do we have an indirect cost agreement? Will cellphones be needed? Does the project utilize existing staff?

When developing the budget, consider all the elements that will be charged to the grant, add them to the budget and be sure to align the budget with the application project narrative and budget narrative. Missing budget elements required to execute the project will result in future challenges.

Next, determine the key persons within the department that will assist in building a strong and accurate budget. This may be individuals that are subject matter experts on the programmatic as well as fiscal aspects of the grant in which the department is seeking. These key personnel assist in researching the cost of executing the project. A best practice is to make a list of all the elements needed to execute the grant. Be sure to allow for plenty of time to build the budget.

Additionally, determine the following:

- If the proposed project requires action by partners - contact the people who have authority to make commitments on behalf of partner agencies in a timely manner.
- If this is a contract or subaward - Table 8 above can assist in this determination.
- If an independent third-party evaluation process required - if so this may be included in applications' budget.
- If travel costs are required and/or permitted by the federal agency—budget accordingly.
- If sustainability is to be addressed per the federal grant opportunity - demonstrate how the project will be sustained and if there exists funding need beyond what the federal grant opportunity may provide.
- If data collection is required and a cost is associated with the data collection - demonstrate the funding need beyond what federal grant opportunities may provide.



Lastly, begin the budget build. Resources, training videos, and the budget build manual can be located on the Governor's Finance Office (GFO) website; reference Appendix A.

Submitting the Application

Before submitting the application, check to see if an Intergovernmental Review is required for the grant opportunity. This requirement would be located in the Notice of Funding Opportunity (NOFO), as applicable. Reference U.S. Executive Order 12372, for compliance on this requirement. OFA maintains a *Compliance FAQs* page regarding specific compliance questions on their website.

Do not wait until the day the grant is due to submit the application.

It is strongly recommended that agencies submit an application **three days** in advance to account for potential technical difficulties. Grants may not be submitted after the deadline for any reason. When submitting via Grants.gov, the Authorized Organization Representative (AOR) may submit grants on behalf of an organization and should receive confirmation emails. It may take a few days to receive confirmation. If the emails are not received within a two-day business period, contact Grants.gov.

When submitting through other means, such as agency-specific portals, make sure to request and/or print written correspondence confirming the successful submission of the application whenever possible.

As the Prime Recipient of a federal award, use the standard form 424 (SF-424) (located on Grants.gov) to notify the points of contact at the Legislative Council Bureau (LCB) and the Governor's Finance Office (GFO). State agencies must submit the Federal Assistance Notification Form (FANF) on OFA.nv.gov.

Federal Application Denial

In the event a federal grant application submitted is denied, entities may request a formal debrief. This debrief will provide essential information that is useful and may be leveraged to secure future federal awards.

According to 48 CFR 15.506(a)(1):

"An offeror, upon its written request received by the agency within 3 days after the date on which that offeror has received notification of contract award in accordance with 15.503(b), shall be debriefed and furnished the basis for the selection decision and contract award."

At a minimum, the debriefing information shall include:

1. Governmental evaluation of the significant weakness or deficiencies in the offeror's proposal, if applicable.
2. The overall evaluated cost or price (including unit prices), and technical rating, if applicable, of the successful offeror and the debriefed offeror, and past performance information on the debriefed offeror.
3. The overall ranking of all offerors, when any ranking was developed by the agency during the source selection.
4. A summary of the rationale for award.
5. For acquisitions of commercial products, the make and model of the product to be delivered by the successful offeror.
6. Reasonable responses to relevant questions about whether source selection procedures contained in the solicitation, applicable regulations, and other applicable authorities were followed.



Common mistakes that result in federal unawards include, but are not limited to:

- Benefit cost calculation/ratio rejection,
- National alignment to entity program is unclear,
- Lack of following directions,
- Budget is unclear,
- Entity did not meet reporting requirements, and
- High competition with limited funding.

It is highly encouraged to learn from prior denials to refine future applications in an effort to achieve future approval. Requesting the federal debrief can assist in strengthening an entities ability to receive federal grant awards. The OFA encourages gathering this feedback and trying again.

State Agency Specific Requirements for Submission

NRS 223.480 states the following:

State agencies are required to inform the Office (OFA) of any application for or receipt of grant and any unexpended portions thereof. [Effective July 1, 2022.] In addition to any other requirement concerning applying for or receiving a grant, a state agency shall notify the Office (OFA), on a form prescribed by the Office (Federal Assistance Notification Form, FANF) of:

1. Any grant for which the state agency applies.
2. Any grant which the state agency receives.
3. The amount of any portion of any grant received by the state agency that the state agency determines will be unexpended by the end of the period for which the grant was made.

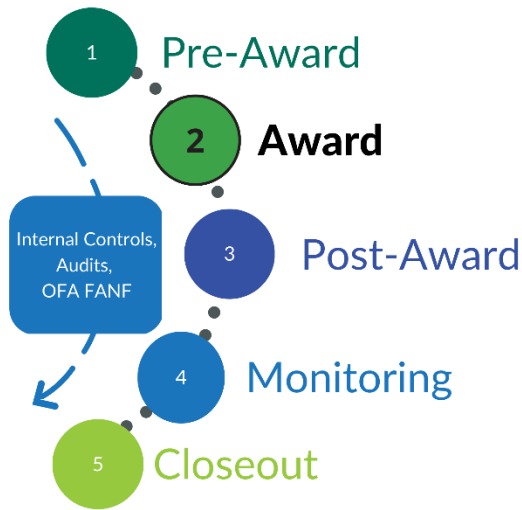
Additionally, SAM 3000 and the Grant Office Policy Manual reinforce this requirement.

To comply with the above requirements, complete the Federal Assistance Notification Form (FANF) located on the OFA website. This form is also known as the Single Point of Contact (SPOC). See 088-004 in the Nevada Grant Policy Manual (located on OFA's website). This form also complies with Intergovernmental Review federal program requirements.

Remainder of page left blank for formatting.



AWARD PHASE



The award phase begins with receiving the Notice of Award (NOA), negotiating the details when necessary, and bringing the funds into the state fiscal system (Figure 4 below). This can occur simultaneously.

Receiving the Notice of Grant Award (NOGA)

This stage leads to the completion of award acceptance documents and other related activities tied to the state budget process. The term used to identify the Prime Recipient of the award depends on the funding source issuing the award. For consistency with federal terminology, this manual utilizes the terms Prime Recipient and Pass-Through Entity (PTE) to identify the entity receiving the award directly from the funding source.

Once the final award decisions are made, the awarding federal agency provides an official notice to the Prime Recipient/PTE. The official notice is called a Notice of Award (NOA) or Notice of

Funding Award (NOFA). The Notice of Grant Award (NOGA) is the term PTE’s use when issuing subawards. Below is a list of some common components of an award:

- CFDA Number (XX.YYY)
- Unique Entity Identification (UEI)
- Federal Award Identification Number (FAIN)
- Period of Performance
- Award amount
- Program Contacts
- Assurances
- Budget
- Cost Allocation
- Terms and Special Conditions
- Indirect Cost Rate
- Memorandum of Understanding (MOU)

It is extremely important to thoroughly read and understand all the requirements of the award document. If applicable, carefully review internet links cited within the document. Contact the awarding entity to clarify and resolve questions before accepting the award. Acceptance of the award means that the awardee agrees to comply with all the terms and conditions within the award. It is also important to include in all subawards, the grant provisions, all applicable federal statutes, regulations and guidelines, and any amendments. The Prime Recipient or PTE is responsible for the efficient and effective administration of the federal award through the application of sound management and fiscal policies. This responsibility makes it imperative to understand all aspects of the award obligations completely and fully prior to submitting the acceptance documentation. When all parties have signed the award, the award is considered fully executed.

Once the award has been accepted, the next step toward implementation is a meeting with all grant participants, for example fiscal, programmatic, and administrative staff to discuss the award, define the roles and responsibilities, and resolve any perceived barriers to implementation.



Entities should note that any interpretation of the regulation or policy is resolved in the below order of precedence, with each subsequent policy or regulation having the ability to be more restrictive but not less restrictive than the source of policy/regulation preceding it.

The order of precedent is as follows:

1. Federal appropriation language
2. Code of Federal Regulations (CFR)
3. Executive Orders, Office of Management and Budget (OMB), and Uniform Guidance (UG)
4. Notice of Funding Opportunity (NOFO)
5. Awarding agency's regulations, special conditions, and provisions
6. Approved grant application including assurances, certifications, attachments, and pre-award negotiations
7. State and local policies and procedures

State Budget Authority and Interim Finance Committee Approval

State agencies have specific processes for acceptance of federal awards and require proper budget authority. A state agency may not incur expenditures without approval. Partnership with the entity's assigned Budget Analyst and/or the Governors Finance Office is beneficial and encouraged to ensure that each step of the process is done in compliance with state regulations.

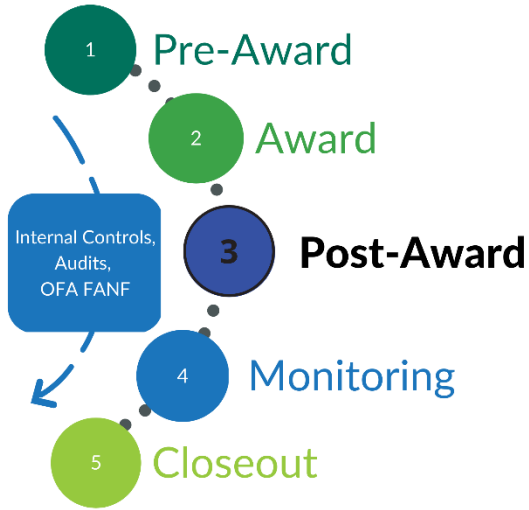
Changes to existing budget authority are completed through a work program (WP) request. The OFA recommends reviewing the latest version of NRS 353.335 and NRS 353.220 to confirm exceptions for processing a WP based on the amount and purpose of the grant. The NOGA information and the submitted application will assist in the completion of the WP document. Partner with the assigned Budget Analyst and/or the Governor's Finance Office for assistance with the completion of the WP. The procedure for processing a WP varies from agency to agency, make sure to follow the established policies, procedures, and internal controls.

The Nevada Interim Finance Committee (IFC) of the Legislative Council Bureau (LCB) approves the WP allowing the increase in the agency's budget authority for the award. Utilize the IFC Approval Determination Tool located under the documents tab by choosing forms on the Governor's Finance Office website. For additional guidelines regarding required IFC approval and thresholds please reference: NRS 353.220, NRS 353.262, the Appropriations Act, AB20 (2015 Legislative Session), or contact the Budget Division.

Remainder of page left blank for formatting.



POST-AWARD PHASE

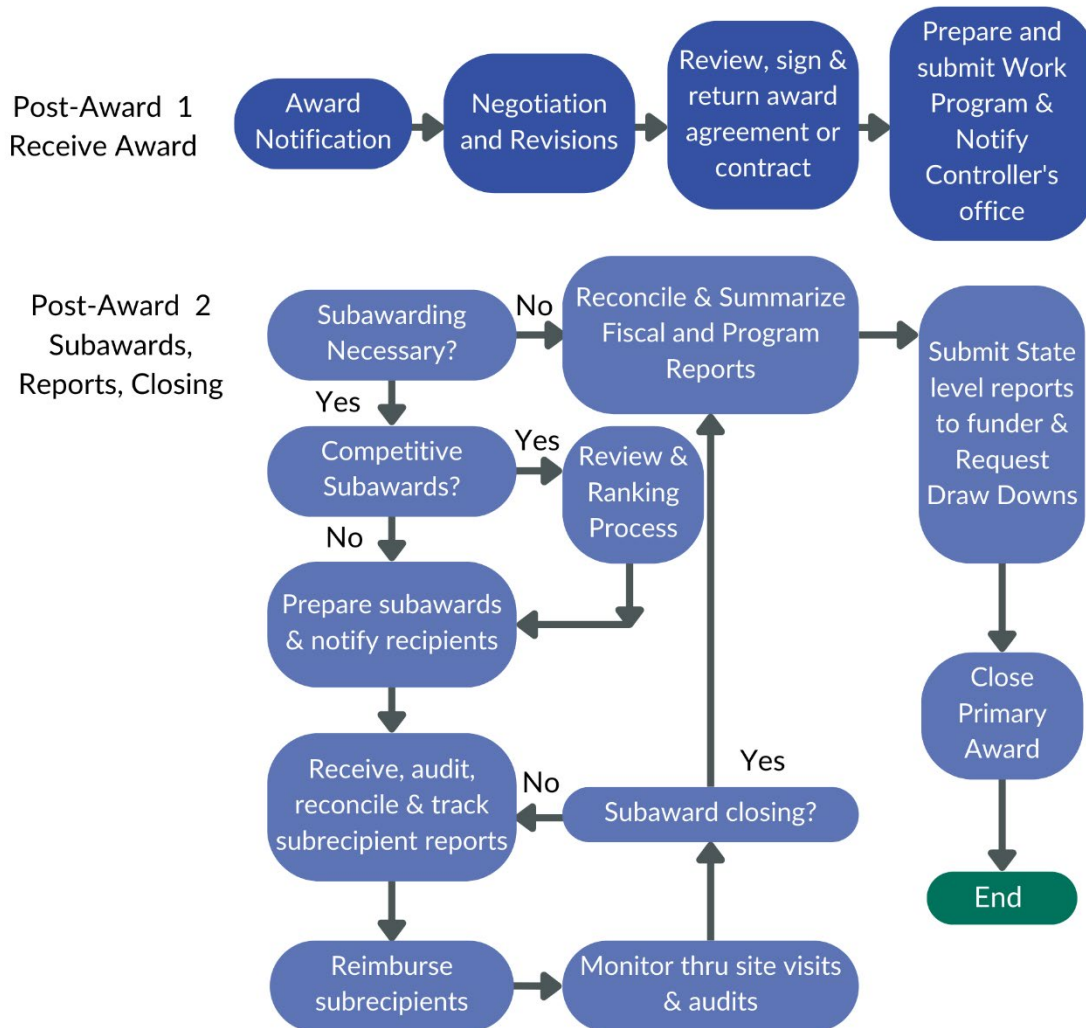


The post-award phase of the grants management cycle is where the project itself begins to be executed, tracked, and reimbursed (unless set up as an advance payment). This is when the federal dollars begin to work for the state. The first step is to establish a job number.

State Controller Notification and Requesting a Job Number

A job number allows grant award transactions to be tracked within the receiving state agency's budget. To request a job number, complete a job maintenance form using the State Controller's Office form and established process. The OFA recommends contacting the State Controller's Office for the latest version of this form and the office's financial user manuals for details on how to complete the form correctly.

FIGURE 4: POST-AWARD PHASE 1&2



Prime Recipient Responsibilities

Prime Recipient Single Audit Requirement

Title 2 of the Code of Federal Regulations, 2 CFR 200.501, states that an organization must conduct a single audit when it expends \$750,000 or more in federal funds during its fiscal year. The state meets this requirement every year and prepares a single audit annually. In preparation for the state's single audit, the Controller requires each agency to complete the Controllers Single Audit Report Forms (SARFS) annually. The SARF reports are based on the job number associated with the federal award. The reports are provided in electronic and hard copy. This is dependent upon the exemptions and whether the award is considered a major program.

The certification of the accuracy of the data found on the form is necessary to process the information and prepare the Single Audit for the state. This process is the reason for providing notification to the Controller about any approved revisions to the federal award such as time extensions and total amounts of the existing award. Find the latest instructions for SARFs at Controller's Single Audit and Financial Reporting.

The Controller manages many single audit activities including:

- Treasury State Agreement and Memorandum of Agreement (MOA) for Major Programs,
- State agency corrective action for audit findings, and
- Single audit inquiries from the auditor.

Distribution of Subawards

Many state agencies in Nevada function as a PTE or Prime Recipient distributing awarded funding to subrecipients for implementation. Two options are open to a state agency when subawarding to subrecipients:

- A. As a PTE, the agency may distribute the funds to subrecipients through a competitive process for implementation. The award may or may not allocate a percentage of the funds for administering the subaward.
- B. As a PTE, the agency may distribute funds to subrecipients in a non-competitive manner. The award document will indicate if any percentage of the total amount awarded may be used to administer the subaward.

Under option A, the state agency receives an award to support other entities (i.e., state agencies, local and tribal governments, and nonprofits) that will enhance, execute, or pilot a program. These other entities (the potential subrecipients) must compete for the funding. In this case, the state agency will create a Notice of Funding Opportunity (NOFO) and distribute it to potential subrecipients, they should also submit the opportunity via the *NOFO Form* on OFA.nv.gov to share out the opportunity. OFA recommends that sample NOFO's are referenced from Grants.gov, as they provide the most current format for NOFO's.

When all the proposals (also called applications) are received, the state agency will evaluate and rank each proposal based on a set of criteria. This evaluation is generally done through a committee, board, or panel with subject matter expertise related to the program.

Under option B, the state agency receives an award to support other entities (i.e., state agencies, local and tribal governments, and nonprofits) that will enhance, execute, or pilot a program. These other entities, the subrecipients, receive a subaward. The subrecipients and distribution of funds are pre-determined in the federal grant application and are executed in a non-competitive manner through a variety of ways. This could be calculated via a formula, via equal distributed amounts, or pre-negotiated amounts.

In both cases, if the award includes an allocation for indirect/facilities and administrative costs, the best practice is for the PTE to follow established procedures for subawarding and issue a subaward to itself for the indirect costs,



as though it were a subrecipient. Additionally, **in both cases** be sure to have a process for conflict of interest and transparency for compliance.

Prime Recipient Reporting

Most Notice of Grant Awards (NOGAs) define a grant's schedule for required reports, such as the fiscal report and the program report. Submitting timely required reports to the federal awarding agency is critical to maintain one's standing as a low-risk Prime Recipient with federal awarding agencies. Federal agencies may have a portal for the submission of reports. Such portals usually require the Prime Recipient to register for access.

Prime Recipient Fiscal Reporting

Fiscal reports are generally based on the compilation of all subrecipient fiscal reports and eligible and allowable expenditures by the PTE that have been reconciled. The information is prepared and submitted in the format required by the federal awarding agency. This information is then used to complete a reimbursement request (known as a draw down) or advance for funds from the awarding federal agency. The process is repeated according to the schedule presented by the federal awarding agency in the NOGA until the end of the period of performance of the grant. Ensure backup documentation for all expenditures is maintained to support a "no findings" status in future audits.

Prime Recipient Program Reporting

Program reporting involves the gathering of information following the methodology described in the approved application and shows progress toward the project's goals and objectives. The data is first analyzed and then submitted in the format required by the federal awarding agency. The NOGA dictates the required reporting frequency and any additional required data. These reports document the successful progress and completion of activities and provide additional demographic data to support future proposed activities within the state. The demographic data may include, but are not limited to: population served, outcome, total cost, matching funds, partnerships, new collaboration, etc.

Prime Recipient Reporting of Subawards

In accordance with 2 CFR Chapter 1, Part 170 (Reporting Subaward and Executive Compensation Information), Prime recipients awarded a federal grant are required to file a FFATA subaward report by the end of the month following the month in which the prime awardee awards any subgrant equal to or greater than \$30,000. The reporting requirements are as follows:

- This requirement is for both mandatory and discretionary grants awarded on or after October 1, 2010.
- All sub-award information must be reported by the prime awardee.
- For those new federal grants as of October 1, 2010, if the initial award is equal to or over \$30,000, reporting of sub-award and executive compensation data is required.
- If the initial award is below \$30,000 but subsequent grant modifications result in a total award equal to or over \$30,000, the award will be subject to the reporting requirements, as of the date the award exceeds \$30,000.
- If the initial award equals or exceeds \$30,000 but funding is subsequently de-obligated such that the total award amount falls below \$30,000, the award continues to be subject to the reporting requirements of the Transparency Act and this Guidance.

Prime Recipient Reporting of Subcontract Awards

In accordance with Federal Acquisition Regulation clause 52.204-10 (Reporting Executive Compensation and First-Tier Subcontract Awards), prime contractors awarded a federal contract or order are required to



file a FFATA subaward report by the end of the month following the month in which the prime contractor awards any subcontract greater than \$30,000.

Federal Funding Accountability and Transparency Act (FFATA) Reporting

The Federal Funding Accountability and Transparency Act (FFATA) requires a system for awards to be made available to the public via a single, searchable website, to allow Prime Recipient grant Awards and Prime Contract Recipients to report sub-award activity and executive compensation.

This system is called the Federal Subaward Reporting System (FSRS), which is the reporting tool federal prime awardees use to capture and report subawards. The PTE registers at on the FSRS.gov website to then enter the subaward information. The information entered into the website is then displayed on USAspending.gov associated with the prime award, furthering federal spending transparency.

The PTE will need to go to the FSRS.gov website and follow all the steps for registration. The website provides an FSRS Awardee User Guide as well as frequently asked questions (FAQ) to assist PTE's in this process. A reporting timeline for Prime Recipients pertaining to their subawards is also provided on the FSRS website.

Methods of Payments to Subrecipients

The state agency must specify the method and schedule of payments to subrecipients for each grant in the subaward agreement. Subaward payments may not be issued until the funds are encumbered and the subaward agreement is fully executed.

The **reimbursement method** is the preferred method for making grant payments on subawards. Subrecipients' requests for reimbursement must correspond to the line items in the approved grant budget (e.g., personnel costs, indirect costs, equipment costs) and include source documentation for all expenditures. The state's authorized representative or designee is responsible for the review of each request for reimbursement to determine if the expenditures are allowable, allocable, and reasonable. This is measured against the approved grant budget, grant expenditures to date, and the latest grant performance report before approving payment. Subawards with past due performance reports must have a written extension from the PTE before receiving payment.

An **advance payment method** is a type of grant payment in which the PTE pays the subrecipient for costs associated with a grant before the subrecipient incurs any expense. This type of payment, although not recommended, is necessary at times. Through a risk assessment, the PTE making the advanced payment must be confident that the subrecipient will account for the funds and abide by the terms of the subaward agreement. The PTE must take into consideration the subrecipient's past performance and the evaluation of their financial statements. Advance payments require the submission of source documentation and a review of expenditures, just as required in the reimbursement method. Backup documentation for expenditures must be within the subaward period of performance. Written justification and approval of the appropriate authorized representative for the PTE is necessary. All advanced payments require written justification.

When the advance payment method is used, OFA recommends the following:

- Maintain a copy of the fully executed justification in the subaward file.
- Develop policies and procedures to establish the maximum amount of an advance payment.
- Complete a thorough risk assessment and evaluation of past performance.
- Develop a timeline for full reconciliation.
- Identify a financial management representative to assist in the advanced payment process.

With both the reimbursement and advanced payment methods, subrecipients must register with the State Controller's Office as a vendor to receive payments from any state agency (PTE). Please see the Controller Vendor



Services for the most current vendor registration process. In order to process a payment to a subrecipient, a payment voucher (PV) must be completed and process within the Advantage Financial System. Follow the state's budget guidance for the proper coding of payments to the correct expenditure, object code, and job number. For details about payment vouchers, refer to the Nevada Controller's accounting policies and procedures and financial user manuals. PTEs should double check their internal controls, policies, and procedures to ensure the processing of payments are done timely, correctly, and consistently. Always check to ensure current versions of all the Controller's forms for fiscal transactions are utilized.

Project Change Requests for Prime Recipients

Each federal agency has an established procedure for processing changes to the original prime award, and the process is generally outlined in the NOGA. Usually, a written justification for the change is submitted along with the formal approval/signature from the state agency's authorized representative. Most change requests require prior approval before the implementation of any modifications.

The most common changes are made to the budget. However, changes to personnel administering the prime award, the scope of work, or the period of performance may be necessary.

For budget changes, most awarding federal agencies do not require the Prime Recipient to notify or to request approval of a budgetary change if the approved expenditure modification is less than or equal to 10 percent of the total approved budget. However, communicating any necessary change in the original approved prime award to the federal awarding agency's program point of contact is recommended. Follow the instructions in the guidance and/or NOGA for the specific grant as well as appropriate state policy for budgetary changes. Keep a detailed record of all changes to the prime award.

Draw Downs from Federal Funding Sources

Draw down is the term used for the payment of federal funds to a Prime Recipient reimbursing the documented expenditures incurred during the reporting period. Draw downs are typically requested by the PTE through the federal *Payment Management System* (PMS). However, the process may vary according to the federal awarding agency.

Ensure the current policies, procedures, and internal controls are followed when requesting a draw down. The OFA recommends reviewing the most current version of the Office of the State Controller, *Accounting Policy and Procedures Manual* (in Appendix A). State agencies must send notification to the Treasurer's Office detailing their federal draw requests. The Treasurer's Office completes the tasks necessary to draw federal funds into the state account for most of the state agencies. Draws are processed by completing the Treasurer's Office Draw Request Form found at the Treasurer's Office Intranet site, creating a "CR" in the state's fiscal system Advantage and placing it on hold. The Treasurer's Office will access the appropriate federal portal and perform the draw. Once funds are confirmed in the State's bank account, the Treasurer's Office will release the CR in Advantage. Releasing the CR document in Advantage posts the revenue funds to the state agency's budget account.

State agencies performing the draw directly with their funding federal agency are required to submit an Incoming Funds Notification form and Cash Receipt (CR) placed in held status alerting the Treasurer to the revenue. Once funds are confirmed in the state's bank account, the Treasurer's Office will release the CR in Advantage. Releasing the CR document in Advantage will post the revenue funds to the state agency's budget account.

Make sure to retain all records related to draws for audit purposes.



Auditing Subrecipient Reports

To comply with 2 CFR 200.329, Monitoring and Reporting Program Performance, reporting intervals must be no less than annually. Quarterly or semi-annual reports are due within 30 calendar days of the reporting period, and annual reports are due within 90 calendar days of the reporting period. The PTE may adjust the deadlines to be more restrictive to ensure that they are able to make the overall federal report on time. Make sure the timeframes are well documented and tracked. The subaward package should contain the reporting requirements, including deadlines. Requirements for subrecipient reporting and reporting deadlines vary by program, grant award, and by state agency. Generally, the PTE requires the subrecipient to submit both a fiscal and a performance report. Some state agencies require a monthly fiscal report to allow for quick reimbursement of expenditures to subrecipients, but require only a quarterly performance report. Others require both fiscal and performance reports on a monthly basis. When determining deadlines, take into account the due date for PTE reports to allow for compilation, reconciliation, and summarization of subrecipient information. The PTE can leverage up-to-date subrecipient information to demonstrate progress towards goals and the timely submission of reports to the federal awarding agency.

Prime Recipient Certification of Subrecipient Single Audit

Following the direction of 2 CFR Subpart F and the responsibilities of a PTE per 2 CFR 200.332 include:

1. Confirming the subrecipient certifies to meet the single audit requirement as appropriate prior to the subaward.
2. Reviewing the single audit to confirm it is clear of findings or questioned costs.
3. Planning acceptable corrective action for findings or questioned costs.
4. Issuing timely management decisions about any findings as appropriate.
5. Tracking any issued management decisions and the completion of corrective actions.

Remainder of page left blank for formatting.



Subrecipient Responsibilities

Subrecipient Fiscal Reports

The PTE commonly uses a report to reimburse the subrecipient for allocable, reasonable, and consistently treated expenditures. This report is tracked, reconciled, and audited, as summarized by Table 9 below. The type of project determines the backup documentation necessary to meet federal requirements of 2 CFR 200 Subpart D, Post Federal Award Requirements. The PTE can then use the data contained in the subrecipient's fiscal report to complete the state fiscal document (i.e., payment voucher) necessary to process payment to the subrecipient through the state's internal system. The entity's internal controls should dictate the time frame in which payments must be made. Per 2 CFR 200.305, federal regulations require reimbursement within 30 calendar days after receipt of billing, unless there is reason to believe the request is improper and/or noncompliance issues exist. State agencies should closely track reimbursements for each subaward.

Work with the assigned budget liaison for fiscal reporting forms, tools, and proper tracking methods. Consider the collection of necessary data to evaluate the project and statistics to support future grant applications.

TABLE 9: ACTIVITIES INVOLVED IN THE REVIEW OF A SUBRECIPIENT FISCAL REPORT

Action	Purpose
Tracking ensures:	<ul style="list-style-type: none">• Timeliness• Compliance with 2 CFR 200.332, Requirements for PTEs• Meeting state requirements
Reconciliation confirms:	<ul style="list-style-type: none">• Correct balances• Amounts reported match agency and state records• Expenditures do not exceed amount approved in subaward
Auditing certifies expenditures are:	<ul style="list-style-type: none">• Reasonable• Allocable• Treated consistently• In conformance with the subaward• Documented appropriately for a clear audit trail• Mathematically correct
Reimbursing ratifies:	<ul style="list-style-type: none">• Timely payment of approved expenses to subrecipient

Subrecipient Performance Reports

Some federal awarding agencies require subrecipients to report data about the progress made toward the approved goals and objectives, through an entity's web portal. The federal agencies regularly rely upon the PTE to provide technical assistance and support to subrecipients for navigation and registration purposes.

The federal reporting requirements will influence the frequency and content of most performance reports. The PTE may require the subrecipient to provide additional data based upon the goals and objectives of the program, the risk posed by the subrecipient, and the information that may be necessary to evaluate the project and/or to support future grant applications.

The subrecipient progress performance report provides the PTE with essential documentation and updates on the subaward's progress, including but not limited to the following:

- The reaching of the goals stated in the approved award,
- Providing the projects progress and notification of any potential delays,



- Providing communication on potential problems in the projects execution, and
- Providing updates on the significant events that have occurred with the project.

As a best practice, payments/reimbursements to noncompliant subrecipients should be withheld until they meet the agreed-upon schedule for required reports. Of course, the state agency may extend or waive such requirements as long as it is well documented and maintained in the subaward file. When developing the performance report template, consider that the data collected by the Prime Recipient from these reports will support the sustainability of the program, will most likely be reviewed and shared with the federal program officer, and could have the potential to impact future funding as well as risk assessments.

Subrecipient Project Change Requests, Budget Amendments, and Extension Requests

Typically, the federal award will include information regarding the allowability and the maximum allowed project change requests, amendments, and/or extension requests. Additionally, this information should be included within the terms of the award. The PTE may create more restrictive allowed changes to the budget or project and should provide the subrecipient with a specific form for a project change request, which will then be required to be fully executed (signed by the subrecipient and PTE). At times, depending on the changes or percentage of changes, the federal program officer may also need to sign off on the allowability of the changes. The change request form must include the justification/reason for the requested change. **A memo is insufficient to make the changes, as it is not legally binding.** To avoid any liability, it is important that the form be fully executed before the grant agreement expires. Changes must be within the scope of the original subaward.

As a PTE, state agencies ensure all changes are clearly identified and written, properly executed, numbered sequentially, and approved in the same manner as the original subaward grant agreement as well as in compliance with the federal award. Establishing clear internal controls for this process as well as policies and procedures for subrecipients to request changes is critical.

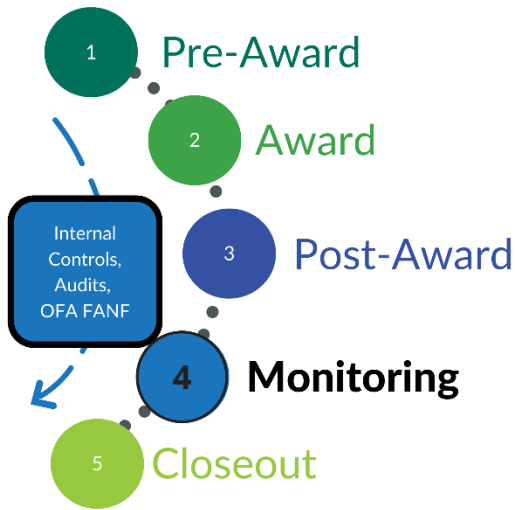
Subaward Closeout

Subrecipients should reference the PTE's provided guidance on the subaward close out process. Such guidance may be included in either the PTE's provided grant manual, the PTE's notice of funding opportunity, and/or the executed award agreement. Typically, the subrecipient will provide to the PTE a final fiscal report (FFR) and progress report with a narrative update within 30 days after the end of the period of performance. It is essential for subrecipients to understand their role versus the Prime Recipient's role in the close out process. Reference 2 CFR 200.344.

Remainder of page left blank for formatting.



MONITORING PHASE



Monitoring is a process allowing for the evaluation of a Prime Recipient or subrecipient to ensure the award or subaward is being administered according to the requirements found in the agreement.

Prime Recipient Monitoring

The Federal Program Officer (FPO) assigned to the Prime Recipient of a federal award will provide technical assistance and oversight of the federal project. The FPO will monitor the Prime Recipient and provide signing authority for proposed changes to project scope or budget adjustments outside of the Prime Recipient’s authority. Additionally, the FPO is a resource for the Prime Recipient throughout the lifecycle of the federal grant, as needed.

Subrecipient Monitoring

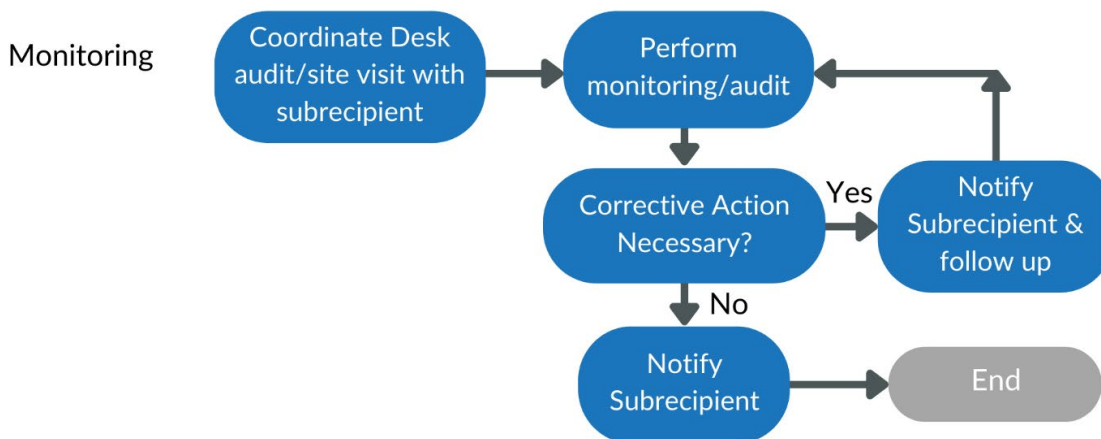
According to 2 CFR 200.328, the non-federal entity (in this case, the PTE) is responsible for overseeing the operations of activities supported by a federal award. The non-federal entity must monitor its activities under federal awards to assure compliance with applicable federal requirements and to ensure performance expectations are being achieved. Monitoring must cover each program, function, or activity.

To meet federal requirements, monitor all subrecipients minimally once every year. The PTE determines if more frequent monitoring is necessary based on compliance and the specific needs of each subrecipient.

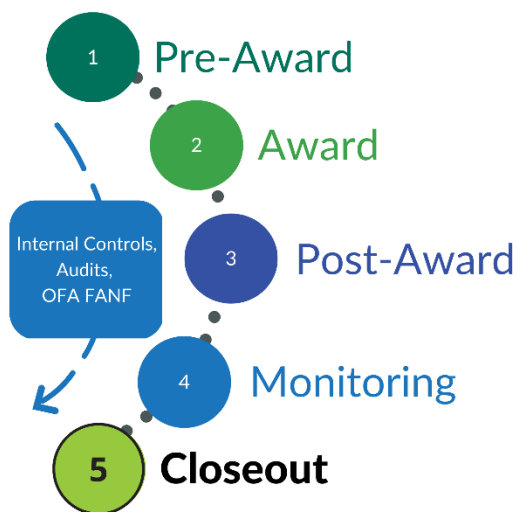
The role of the PTE is to identify potential audit issues, provide technical assistance or training, as well as implementing corrective action plans. The two key elements for monitoring are (1) developing a mutually agreed upon scope and strategy among subrecipients and PTE, and (2) utilizing/providing standard tools and templates, including training and communication methods.

Monitoring generally focuses on the day-to-day management to ensure that the grant is administered properly.

FIGURE 5: COMPONENTS OF MONITORING PHASE



CLOSEOUT PHASE



This stage has two activities that, although separate, are linked through subawarding. **The first activity is the closeout of subawards** as activities are completed or at the end of the period of performance, whichever is first. **The second activity is the closeout of the entire prime award** by the Prime Recipient. Subawards with pending items must be resolved before the closeout of the prime award. Pending items may include the reallocation of funds de-obligated by subrecipients, when the period of performance allows. Note that 2 CFR 200.344 states the non-federal entity must submit all required reports within 90 calendar days after the end of the period of performance and details the process for the payment and collection of applicable funds.

Prime Recipient Closeout of Subawards

Closeout responsibilities differ between the Prime Recipient and the subrecipient. Some of these differences are outlined in 2 CFR 200.344, be sure to understand the specific responsibilities.

TABLE 10: REASONS FOR CLOSEOUT

Reason for Closing	Action
End of period of performance	Follow established program policies and procedures for the normal closeout of subawards.
Completion of project	Timely submission of the final fiscal and/or program report, if applicable. If necessary, submit a formal, written notice requesting closeout.
Mutual agreement by subrecipient and PTE to terminate the award	Either the subrecipient or the PTE may request the closure of a subaward with written justification and advanced notice. The Prime Recipient, in consultation with the subrecipient, determines how much advanced notice is required. The notice must include the justification for the closure and provide direction for program and budget reconciliation.
Noncompliance	If the subrecipient fails to comply with federal, state, or program requirements, termination for noncompliance can be partial or full. Establish an appeal process within the program's guidance to ensure unbiased, objective, and consistent treatment of all subrecipients.

In all circumstances, the Prime Recipient must determine that the subrecipient has completed all applicable administrative actions and all required work is done. The program guidance should include policies, procedures, timelines, and an appeal process for closing subawards.

The closeout process includes reconciling all fiscal reports. The goal is to utilize all funds and limit funds returned to the federal awarding agency. This requires a close relationship with subrecipients who have the ability to expend funds within the prime award's period of performance. Sometimes the subrecipient's project is completed ahead of schedule with remaining funds. Alternatively, sometimes the subrecipient's project is completed at the end of the subaward's period of performance with remaining funds. In both cases, the subrecipient reverts or de-obligates the balance of the subaward. The PTE is responsible for closely monitoring progress reports to anticipate a



potential remaining balance, which should be reallocated when possible. The PTE will issue an amendment to the subrecipient's existing award agreement or issue a new award.

NRS 223.480 mandates that state agencies notify the OFA of reverted federal funds.

Once the final fiscal report is reconciled and the required program information is submitted to the satisfaction of the PTE, the PTE issues a formal letter closing the subaward with a clause regarding the record retention requirements for that specific grant.

The reporting cycle continues until either all subawards are closed, or the prime award's period of performance ends, whichever is first. The PTE may request to extend the prime award's period of performance for the prime award with the approval of the federal awarding agency. These no-cost time extensions of period of performance for prime awards may or may not be allowed. Check the NOGA and contact the federal program officer before taking action.

Prime Recipient Closeout

As defined by 2 CFR 200.1, closeout is the process by which the federal awarding agency or PTE determines that all applicable administrative actions and all required work of the federal award have been completed and takes actions as described in 2 CFR 200.344.

The prime award closeout requires two essential tasks, including (1) fiscal reconciliation of all subawards and PTE administering costs against state and federal records, and (2) submission of programmatic data, which includes a formal written request to the awarding federal agency for closure of the prime award.

The federal awarding agency will reply with the approval or with inquiries for additional information. Once the federal agency approves the closure, follow the state agency's established policies, procedures, and internal controls. At the same time, notify the Controller's Office, Governor's Finance Office, and the OFA about the closure.

Per 2 CFR 200.344, under Closeout, as required by the federal award, the Prime Recipient is responsible to provide all financial, performance, and other required reports within 120 calendar days of the end of the period of performance. A PTE must require close out from its subawarding entities no later than 90 calendar days or less based upon the terms and conditions of the subaward. A PTE should consider these deadlines when preparing policies and procedures as well as subawards.

CONCLUSION

OFA supports stakeholders in obtaining, increasing, and maximizing federal assistance. Additionally, proper management of federal funds allows the State of Nevada to keep awarded funds which enhance programs, services, and overall quality of life for Nevadans. Proper management of awarded federal funds also minimizes potential audit findings and allows Nevada to remain a low-risk Recipient of federal grant funding.

The OFA reduces barriers by providing inclusive, collaborative, comprehensive, and centralized support in obtaining federal dollars. The OFA offers training and support services for statewide grant-related activities and hopes that this guide serves in that effort.



APPENDIX A

Cognizant Agency for Audit/Indirect Cost:

<https://www.dol.gov/agencies/oasam/centers-offices/office-of-the-senior-procurement-executive/cost-price-determination-division/agency-list>

Compliance Supplement: <https://www.whitehouse.gov/?s=Compliance+Supplement>

Data Warehouse of Nevada (DAWN/vpn required): <http://dawn12.state.nv.us:7778/swmenu.htm>

Developing Written Procedures-Self-Assessment Questionnaire (SAQ):

<https://budget.nv.gov/IAudits/About/FinancialMgmt/SAQ/>

Federal Audit Clearinghouse:

website: <https://facweb.census.gov/uploadpdf.aspx>

email: Govs.fac.ides@census.gov

phone: [866-306-8779](tel:866-306-8779)

Federal Grant and Cooperative Agreement Act (1977):

<https://www.govinfo.gov/content/pkg/STATUTE-92/pdf/STATUTE-92-Pg3.pdf>

Foundation Directory:

https://fconline.foundationcenter.org/?gclid=EAlaIqObChMIqOvj9dbE-AIVID6tBh2ihwucEAAYASAAEgIbVPD_BwE

Federal Funding Accountability and Transparency Act (FFATA) Subaward Reporting System (FSRS):

[FSRS - Federal Funding Accountability and Transparency Act Subaward Reporting System](#)

Federal Grant and Cooperative Agreement Act (1977):

<https://www.grants.gov/learn-grants/grant-policies/federal-grant-cooperative-agreement-act-1977.html>

Grants.gov: <https://www.grants.gov/>

Grant Station: <https://grantstation.com/>

Government Accountability Office (GAO): <https://www.gao.gov/>

GAAS: <https://www.gao.gov/search?keyword=GAAS>

GAGAS: <https://www.gao.gov/search?keyword=GAGAS>

Yellowbook: <https://www.gao.gov/yellowbook>

Greenbook: <https://www.gao.gov/greenbook>

Governor's Finance Office (GFO): <https://budget.nv.gov/>

Board of Examiners: https://budget.nv.gov/Meetings/Board_of_Examiners/2023/2023BOE/



GFO Biennial Report on Internal Controls:

<https://budget.nv.gov/IAudits/About/FinancialMgmt/BiennialRpt/>

GFO Budget Kick off presentation and instructions:

<https://budget.nv.gov/StateBudget/Upcoming/>

Interim Finance Committee: <https://budget.nv.gov/Interim-Finance-Committee/>

Governor's Finance Office Budget Build Manual: <https://budget.nv.gov/Documents/Manuals/Instructions/>

Governor's Office of Federal Assistance (OFA): <https://ofa.nv.gov/>

OFA | USDR Federal Grant Discovery Tool: <https://ofa.nv.gov/GrantDiscovery/>

OFA Fillable Grant Fit Check:

https://ofa.nv.gov/uploadedFiles/grantnv.gov/Content/Grant_Resources/Grant%20Fit%20Check%20.pdf

Indirect Cost Negotiations

<https://www.hhs.gov/about/agencies/asa/psc/indirect-cost-negotiations/index.html>

National Grants Management Association (NGMA): <https://www.ngma.org/>

Nevada State Clearinghouse:

Nevada Division of State Lands

901 S. Stewart Street Ste. 5003

Carson City, NV 89701-5246

<https://clearinghouse.nv.gov/> or nevadaclearinghouse@lands.nv.gov

(775) 684-2723

Nevada State Treasurer's Office: <https://www.nevadatreasurer.gov/>

Office of Management and Budget: <https://www.whitehouse.gov/omb/office-federal-financial-management/>

Purchasing Division-Department of Administration: <https://purchasing.nv.gov/>

Classes and Workshops: <https://purchasing.nv.gov/Contracts/ToolBox/#Classes%20and%20Workshops>

Contract Flow Chart:

<https://purchasing.nv.gov/Contracts/ToolBox/#Services%20Contracting%20Process>

Forms and Templates: <https://purchasing.nv.gov/Contracts/ToolBox/#Forms/Templates>

RFP Timeline Estimator:

<https://purchasing.nv.gov/Contracts/ToolBox/#Services%20Contracting%20Process>

State of Nevada Office of the State Controller Accounting Policy and Procedures Manual:

<https://budget.nv.gov/IAudits/Forms/Forms/Resources/>

State of Nevada Office of the State Controller:

website (general): <https://controller.nv.gov/>



website (Intranet/vpn required): scointranet.nv.gov

email: AgencyServices@controller.state.nv.us

email (single audit): grants@sco.nv.gov

phone: 775-684-5750

System for Award Management (SAM.gov): <https://sam.gov/content/home>

Uniform Guidance (2 C.F.R 200, Code of Federal Regulations): <https://www.ecfr.gov/>

U.S. Department of Health and Human Services: <https://www.hhs.gov/>



NEVADA GRANT MANUAL ACRONYMS GLOSSARY

A

AOR - Authorized Organization Representative

B

BOE - Board of Examiners

BP - Basic Purchasing

C

CAP - Cost Allocation Plan

CETS - Contract Entry Tracking System

CFDA - Catalog of Federal Domestic Assistance

CFR - Code of Federal Regulations

CR - Cash Receipt

CSV - Comma-Separated Values

D

DAWN - Data Warehouse of Nevada

DOJ - Department of Justice

E

EO - Executive Order

F

F&A - Facilities and Administration

FAC - Federal Audit Clearinghouse

FAIN - Federal Award Identification Number

FANF - Federal Assistance Notification Form

FAPIS- Federal Awardee Performance and Integrity Information System

FAQ - Frequently Asked Questions

FAR - Federal Acquisition Regulation

FFATA - Federal Funding Accountability and Transparency Act of 2006

FOA - Funding Opportunity Announcement

FPO - Federal Program Officer

FSRS - Federal Subaward Reporting System

G

GAAP - Generally Accepted Accounting Principles

GAGAS - Generally Accepted Government Auditing Standards

GAO - Government Accountability Office

GFO - Governors Finance Office

I

IDC - Indirect Cost

IDCR - Indirect Cost Rate

IFC - Interim Finance Committee

IHE - Institutions of Higher Education

ISDEAA - Indian Self-Determination Education and Assistance Act

L

LCB - Legislative Council Bureau

M

MOA - Memorandum of Assurance

MOU - Memorandum of Understanding

MTC - Modified Total Cost

MTDC - Modified Total Direct Cost

N

NAC - Nevada Administrative Code

NACFA - National Advisory Council on Federal Assistance

NEPA - National Environmental Policy Act

NGMA - National Grants Management Association

NICRA - Negotiated Indirect Cost Rate Agreement

NOA - Notice of Award

NOFA - Notice of Federal Award

NOFO - Notice of Funding Opportunity

NOGA - Notice of Grant Award

NRS - Nevada Revised Statute



NSHE – Nevada System of Higher Education
NVCCM – Nevada Certified Contract Manager

W
WP – Work Program

O
OFA - Office of Federal Assistance
OMB - Office of Management and Budget

P
PII - Personally Identifiable Information
PMS - Payment Management System
POC - Point of Contact
POP - Period of Performance
PTE - Pass-Through Entity
PV – Payment Voucher

R
RFP - Request for Proposal

S
SAA - State Administrative Agency
SAM - System for Award Management
SAQ – Self Assessment Questionnaire
SARFS – Single Audit Report Forms
SEFA – Schedule of Federal Awards
SF - Standard Form
SMART – Specific, Measurable, Attainable, Relevant,
and Time bound
SPoC - Single Point of Contact

U
UEI - Unique Entity Identifier
UG - Uniform Guidance
U.S.C – United States Code
USDR – U.S. Digital Response

V
VOCA – Victims of Crime Act
VPN – Virtual Private Network

