



Grant Modification

U.S. DEPARTMENT OF LABOR
EMPLOYMENT AND TRAINING ADMINISTRATION

**ARRA GREEN JOB AND HEALTH
CARE / EMERGING INDUSTRIES
NEW GRANTEE POST AWARD
FORUM**

JUNE 15-16, 2010 | SAN FRANCISCO, CA

Mod or No Mod

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Grant Modification

- **Purpose – Provide guidance on modifying grants and outline the modification process**
- **Objective – Enable grantees to develop and submit approvable modification requests**



OVERVIEW

- Modification Types
- Game Scenarios
- Modification Procedures



Common Modification Types

- Administrative Change (legal address)
- Signatory Official Change
- Key Personnel
- Budget Realignment
- Equipment Purchase
- Statement of Work Change



Grant Modification

Mod or No Mod ?



How The Game Is Played

- 3 Teams – select to select a team spokesperson
- Object – to determine whether a scenario requires a Modification or Not
- Process – given a stated definition, each team will be given a few moments to read the scenario, apply the definition and determine if a modification is needed or not & provide rationale for your answer choice



TEAM # 1

This question deals with the...

- ⦿ *THE STATEMENT OF WORK*



Definition

Statement of Work Change

- **STATEMENT OF WORK**

Is the section of your grant proposal that contains an overview of the project design and its component parts such as information about the target group, services provided including the work, phase-out, and evaluation plans

- **STATEMENT OF WORK CHANGE**

Is a significant change in the type of work to be performed under the grant



SCENARIO #1

- You are a local community college with a Health Care grant award to train 100 participants to become **Registered Nurses (RN)**. You have three years to accomplish your stated goal. Six months into the project, you discovered that some of the students find it difficult to cope with the reading and math required for the RN training and you wish to add a remedial reading and math component to the project to address the need.



Team 1

Answer Choice MOD or No Mod?

- Modification required
 - Rationale
- No Modification required
 - Rationale
- And the Survey Says....



Answer “Modification”

- Explanation:
- *Changing a training component specified in the grant proposal is considered a change to the Statement of Work. Prior Grant Officer (GO) approval must be obtained for any revision to the statement of work for a project*



TEAM # 2

○ This question deals with...

○ BUDGET LINE ITEM FLEXIBILITY



Budget Line Item Flexibility

- Any change in the amounts budgeted for wages, salaries, fringe benefits, and indirect costs must receive prior approval from the GO. An increase or decrease of more than 20 percent to any other single line item also requires GO approval. The 20% rule applies to cumulative changes made during the life of the grant.



SCENARIO #2

- Your organization has received an Emerging Industries grant for \$1,000.

The original budget set aside \$100 for supplies. However, you promptly needed to increase the supplies budget by an extra \$10 to account for inflation. Now you find that you will need to boost the budget by an extra \$12 to cover the cost of recycled printer paper.



Team 2

Answer Choice MOD or No Mod?

- Modification required
 - Rationale
- No Modification required
 - Rationale
- And the Survey Says....



Answer “Modification”

- Explanation:
- An increase or decrease of more than 20% to any other line item requires GO approval. The 20% rule applies to *cumulative* changes made during the life of the grant
- $\$10 + \$12 = 22\%$ *cumulative* change to the Supplies budget line



TEAM # 3

This question deals with...

- ⦿ EQUIPMENT PURCHASES



Equipment Defined

- Tangible, non-expendable personal property having a useful life of more than one year and an acquisition cost of \$5,000 or more per unit costs.



SCENARIO #3

- You are the Project Coordinator for an organization that was just awarded an Energy grant. After careful planning concerning the training capacity requirements for your project, you have set aside supply funds for the purchase of four (4) laptop computers at a cost of \$800 each. Now, however, you discover that the board certification needed for your training project now mandates the use of a software program that must run on a LAN system. You do a little shopping on the Internet and are relieved to find out that, along with the procurement of the laptops, you can purchase the additional docking stations & and software for only an additional \$1,800.



Answer Choice MOD or No Mod?

- Modification required
 - Rationale
- No Modification required
 - Rationale
- And the Survey Says....



Answer “Modification”

- Prior ETA approval is needed for any equipment purchase with a per unit acquisition cost of \$5,000 or more and a useful life of more than one year.

In the scenario above, the four computers and the network server are dependent on one another in order for the network to function according to the Board's certification mandate. Therefore, since all of the components of the network have to be used for the purpose intended (to provide the trainee certification course) they are considered in total as a unit of equipment. And since the cost of all components of the network unit is at least \$5,000, prior ETA approval is needed.



Grant Modification Procedure

Key Points to Remember

- ⦿ **Required by regulations**
- ⦿ **Prior approval needed**



Grant Modification Procedure

- **Grantee**

- **Determine mod or no mod**
- **Discuss changes with FPO**
- **Grantee submits necessary paperwork**
- **FPO reviews and initiates process**
- **Grant Officer approval**



Grant Modification Procedures

- Modification requests required for:
 - ⦿ Any change in the scope or objective of the project/program
 - ⦿ Any change in a key person specified in the application or award document
 - ⦿ Change in Partners/subrecipients as stated in the grant agreement



Grant Modification Procedures

- Modification requests required for:
 - Increase or decrease in Personnel, Fringe Benefits, or Indirect Costs line items
 - Any change exceeding 20% budget flexibility in all other line items
 - Equipment purchase
 - Incorporate indirect costs rate agreement into grant award



Grant Modification Procedures

- Modification request format:
 - Letterhead with original signature
 - Justification
 - Revised copy of the Budget Form SF-424A (if applicable)
 - Revised Narrative (if applicable)
 - Send to FPO



Grant Modification Procedures

- **FPO**

- Review the proposed request
- Determine if modification is in best interest of Government
- Clarify justification and rationale with grantee
- Compose recommendation letter and forward request for Grant Officer approval



Grant Modification Procedures

- Once submitted
 - ⦿ Typically 30 days to complete
- Once approved
 - ⦿ Grantee will receive approval letter



Grant Modification Procedure

Key Points to Remember

- ⦿ **Required by regulations**
- ⦿ **Prior approval needed**



THANK YOU!

