



Accountability and Grants Management: Connecting the Dots



PLENARY SESSION

Financial Management and Accountability



*U.S. Department of Labor, ETA, Region 4
Discretionary Grantee Training Conference
March 1-2, 2011*

WHAT THIS SESSION COVERS

- **Regulatory Guidance**
 - Regulatory hierarchy
 - What rules apply to your organization
- **Financial Accountability**
 - 11 specific areas of financial accountability



REGULATORY HIERARCHY

- The LAW
- The Solicitation for Grant Award/Grant Agreement
- The Code of Federal Regulations (CFR - WIA)
- Federal Costs Principles and Administrative Requirements
- Federal Agency's policy guidance (TEGLs, TENs, etc.)
- Grantee's policy and procedures

OMB CIRCULARS and FEDERAL REGULATIONS APPLICABILITY

Department of Labor - ETA Grantees

Nature of Grantee/Subgrantee	OMB Circulars			DOL Regulations
	Federal Audit Requirements	Federal Cost Principles	Uniform Administrative Requirements	Uniform Administrative Requirements
State/Local, & Indian Tribal Governments	A-133	A-87 Now 2 CFR 225	A-102	29 CFR Part 97
Institutions of Higher Education		A-21 Now 2 CFR 220	A-110	
Non-Profits		A-122 Now 2 CFR 230		
Hospitals		45 CFR Part 74		
For-Profits		Per program or grant agreement	48 CFR Part 31 (FAR)	Per program or grant agreement

FINANCIAL ACCOUNTABILITY

- Accounting System
- Cash Management
- Compensation/Fringe Benefits
- Cost Policies
- Participant/Program Services
- Procurement

FINANCIAL ACCOUNTABILITY

- Matching and Leverage Resources
- Financial Reporting
- Record Retention
- Monitoring
- Audits

Accounting System

- Budget Controls and Modifications
 - Frequency of comparison of expenditures to budget
 - Procedures for requesting modifications
 - Process for prior approvals when required
- Chart of Accounts
 - Funding
 - Grant and organizational needs
 - Costs principles
 - GAAP requirements

Accounting System (cont'd)

- Receivables and Payables
 - Approvals
 - Documentation
- Credit Card Use
 - Distribution
 - Approvals
 - Limitations
 - \$ amounts
 - Services/products

Cash Management

- Petty Cash (if applicable)
 - Documentation
 - Approval requirements
 - Fund amount
 - Replenishment procedures
 - Reconciliation frequency
 - Periodic surprise count

Cash Management (cont'd)

- Drawdown Procedures
 - Frequency
 - Forecasting Methodology
 - Requisition/Approval process
- Bank Reconciliation
 - Frequency
 - Responsible party
 - Approval procedures

Cash Management (cont'd)

- Program Income
 - Activities
 - Accounting process
- Interest Income
 - Accounting process



Compensation and Fringe Benefits

- Payroll and Time Distribution
 - Time sheets (completion and approvals)
- Fringe Benefits Package
- Vacation and Leave
- Pension
- Severance Package (if any)
 - Normal - as indirect cost
 - Abnormal/Mass – prior cognizant agency approval
 - Golden parachute – not allowable
- Bonuses/Incentive Pay (if any)



Cost Policies

- Allowable Costs
- Indirect Costs
- Cost Allocation Plans
- Cost Limitations Tracking

Participant/Program Services

- Supportive Services
 - Transportation
 - Child Care
 - Medical
 - Clothing
 - Other
- Incentives/stipends
- Training (ITAs, refunds, etc.)

Procurement/Purchasing

- Methods
- Written Code of Conduct
- Written Protest Policies
- Closeout
 - Grants
 - Contracts



Matching Costs and Leveraged Resources

- Matching Costs – additional non-Federal resources expended to further the grant objectives.
- Leveraged Resources – all resources used by the grantee to support grant activity & outcomes:
 - Includes both allowable match and other costs which supports the outcomes of grant activity
 - Resources must be expended on allowable costs

Matching Costs Vs. Leveraged Resources

Matching Costs:

- Required by law
- Recorded in budget
- If not met, may result in disallowed costs
- Primary component in program designed
- Can not be modified

Leveraged Resources:

- In Grant Agreement
- Not recorded in budget
- Must be expended for allowable costs
- Intended to support program services
- Could be modified by Grant Officer



Matching Share

Cash Match:

- Cash donation from any source
- Must be used for allowable services

In-Kind Contributions:

- Not paid for by grantee or subgrantee
- Applied to allowable services or costs
- Must determine reasonable value
 - 29 CFR 97.24(b)(7)
 - 29 CFR 95.23(c-h)

In-kind Contributions

- Personnel services
 - Volunteers or paid non-grantee staff
- Services
- Equipment & Supplies
- Space
- Valuation requirements
 - Must be documented

Matching And Leveraged Resources

- Only non-Federal funds
- Applicable to allowable activities
- Meet allowable cost principles
- Cash must be supported by accounting system
- Support for value of 3rd party contributions must be verifiable from grantee's records or be maintained by the grantee

Matching Share

- Source documentation
 - Books of account
 - Available for audit & review
- Support for 3rd party contributions
 - Verifiable from subgrantee records or
 - Maintained by grantee
 - Methods used to value in-kind

Financial Reporting

- Submit within 45 days after quarter ends
- On accrual basis
- Complete and accurate
- Administration costs is line with cost limits
- Reports should be readily traceable to general ledgers/books of account/reconciling worksheets

Record Retention

- 3 years from date of submission of final expenditure report, except
 - In case of litigation, claim, or audit (until resolved)
 - Real property for 3 years after disposition
 - Indirect cost rates proposals
 - If submitted, 3 years from date of submission
 - If not submitted, 3 years from end of FY covered by proposal

Monitoring

- Schedule
 - How Determined?
 - Risk Based?
- Reporting
- Resolution
- Appeals
- Hearings

Audits

- Audit Completion and Tracking
- Audit Resolution
- Appeals
- Debt Collection



Questions?





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THANKS!

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