Grants Administration 101

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Today's Goals

1. Understand the grants lifecycle and how a grant is created.

2. Understand the applicable of the statutory, regulatory, and administrative policies and procedures that govern federal grants.

3. Explore common grants administration topics and how they relate to Infrastructure Investment and Jobs Act (IIJA) and Consolidated Appropriations Act (CAA) grant programs.
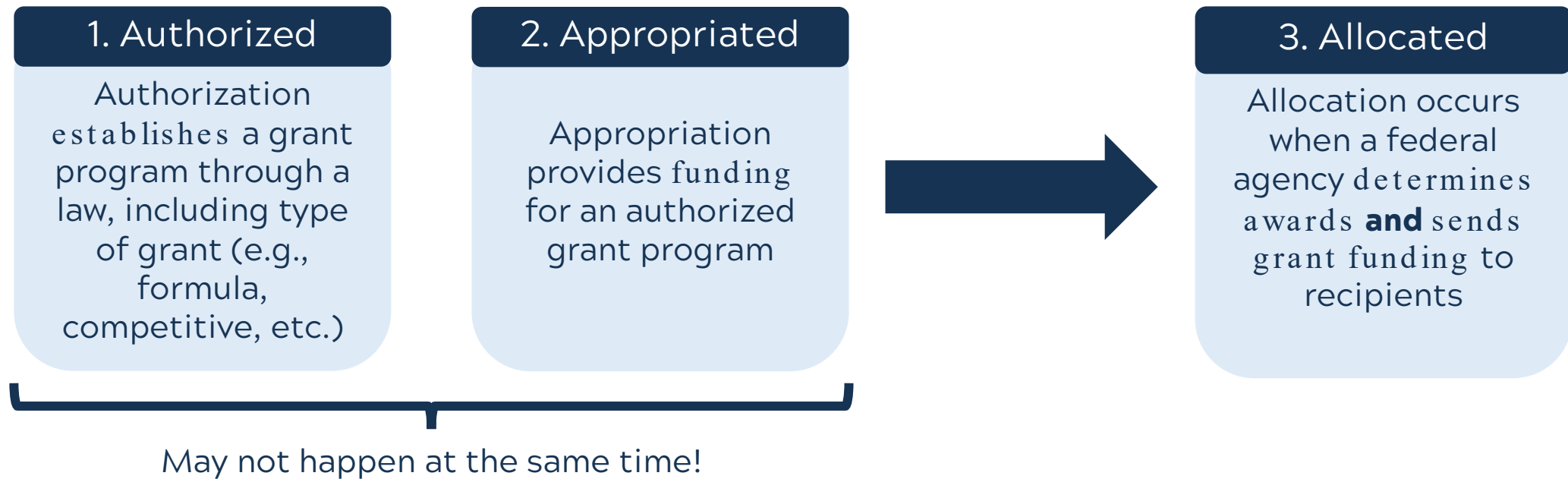
4. Answer any remaining questions.

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Grants 101

What is a Grant?

A grant is a form of federal financial assistance which provides funding to a recipient to carry out public services and/or specific goals identified in a law. Unlike a loan, no repayment is required.

HOW ARE GRANTS CREATED?

1. Authorized

Authorization establishes a grant program through a law, including type of grant (e.g., formula, competitive, etc.)

2. Appropriated

Appropriation provides funding for an authorized grant program

3. Allocated

Allocation occurs when a federal agency determines awards **and** sends grant funding to recipients

May not happen at the same time!

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Grant Lifecycle

There are four unique stages to the federal grant lifecycle, each with specific grants administration activities.

Pre-Award

↓

Award

↓

Post-Award

↓

Closeout
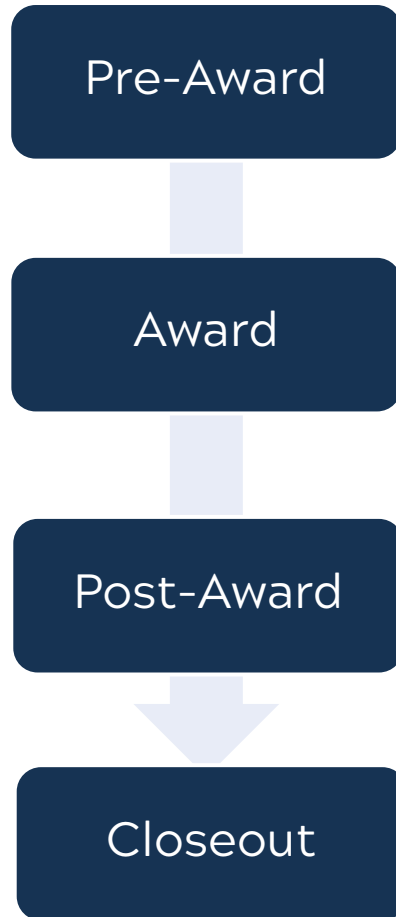
PRE-AWARD

- Includes: Administrative preparation, Notice of Funding Opportunity (NOFO) development, application review

AWARD

- Includes: Notice of Award, award agreement paperwork

POST-AWARD

- Includes: Implementation, monitoring, reporting

CLOSEOUT

- Includes: Final financial and programmatic reporting, return of remaining funds

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Common Terms

Federal, state, local, tribal, and territorial governments will often use different grant terms that have the same meaning. These terms, for the most part, can be used interchangeably.

Recipient	=	Grantee/Awardee
Subaward	=	Subgrant
Subrecipient	=	Subgrantee
Subrecipient	≠	Subcontractor

Are there any questions on these terms, or other related grants terms?

Grants Administration Overview

What Makes Up Grants Administration?

Grants administration comprises several *programmatic* **and** *financial* activities that typically can be broken down into three categories.

Policies & Procedures

- Provides the "rules" governing the grant

- Details allowable vs. unallowable costs

- Provides Standard Operating Procedures (SOPs) for activities like drawdowns, unfunded grant actions, etc.
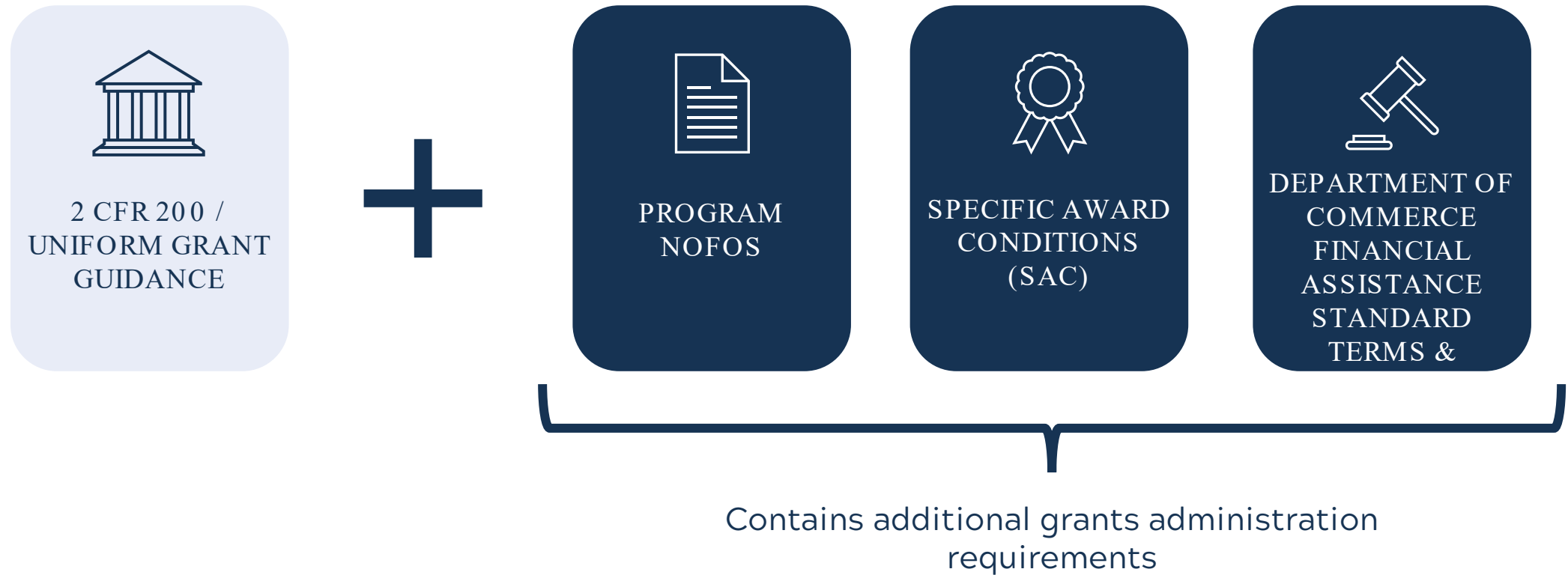
Monitoring & Oversight

- Includes activities that oversee financial and programmatic progress of the grant

- Ensures federal funds are being spent in a reasonable, allowable way

Reporting Compliance

- Includes standard Federal Financial Reports (SF-425) and programmatic reporting

- May also include program specific milestones/reporting requirements

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Who Else Decides the Rules?

All federal grants must operate under the Uniform Guidance. However, federal grants may also have additional administration requirements that are unique to each program.

2 CFR 200 / UNIFORM GRANT GUIDANCE

+

PROGRAM NOFOS

SPECIFIC AWARD CONDITIONS (SAC)

DEPARTMENT OF COMMERCE FINANCIAL ASSISTANCE STANDARD TERMS &

Contains additional grants administration requirements

What Is the Uniform Guidance?

Title 2 of the Code of Federal Regulations (CFR) Part 200, also known as the Uniform Guidance, provides a governing set of standards applicable to all federal grants for compliance.

The Uniform Guidance:

- Was created to **streamline various, separate federal financial assistance policies** into one cohesive rule set that all agencies and recipients must follow

- Establishes requirements for all stages of the grants management lifecycle (for both federal granting agency and recipients)

- Establishes a set of cost principles for determining allowable, allocable, and reasonable costs incurred by federal grant recipients

- Provides federal agencies with policies for collecting and submitting information on federal financial assistance programs to the Office of Management and Budget (OMB) and the public

When creating grants administration policies and procedures, **recipients should review the Uniform Guidance for core requirements, regulations, and expectations.**

Different programs may use different versions of the Uniform Guidance depending on when funds were allocated.
To determine which version of the Uniform Guidance please refer to your award terms and conditions

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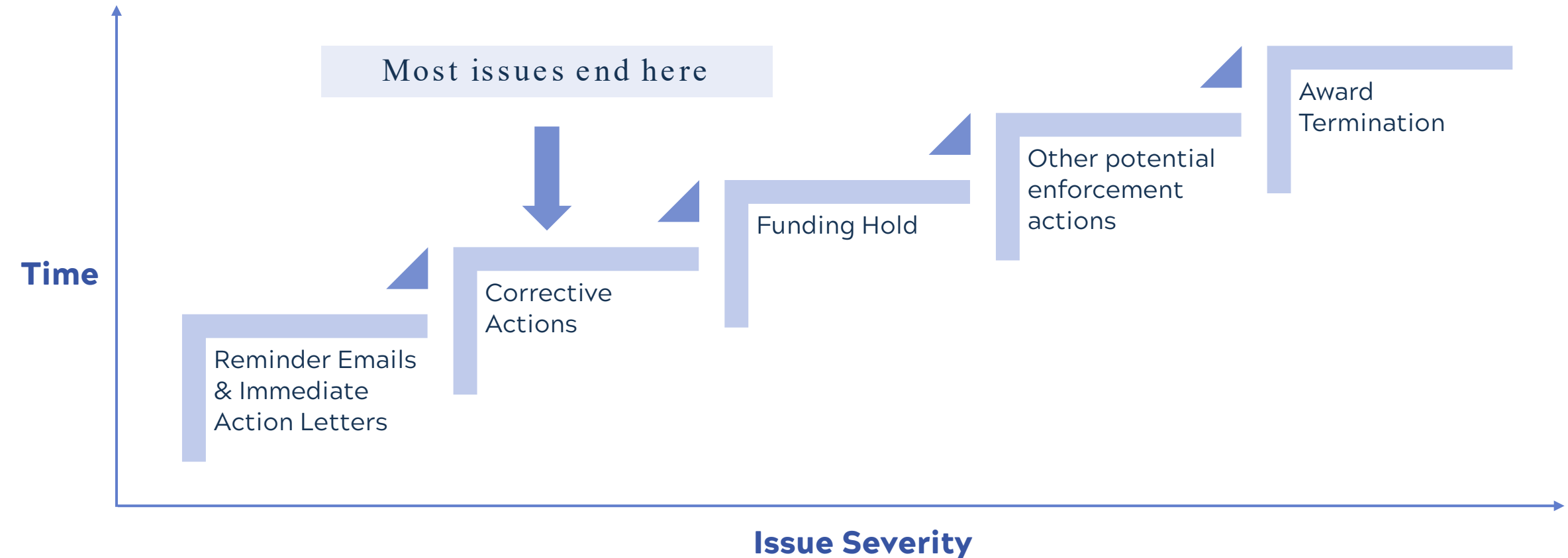# Why is Grants Administration Important?

Since federal grant funds come directly from taxpayer money, many stakeholders have a vested interest in ensuring grantees are good stewards of their award money.

Grants admin activities ensure an award is on track and that no laws or regulations are being broken

How is Grants Administration Enforced?

Grants administration enforcement falls on a spectrum and can include a variety of activities.

Most issues end here

Reminder Emails & Immediate Action Letters

Corrective Actions

Funding Hold

Other potential enforcement actions

Award Termination

Time

Issue Severity

Note: Enforcement strategies also depend on how the authorizing law **and** NOFO were written.

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Key Federal Roles & Responsibilities

While NTIA administers IIJA and CAA programs, the administration also partners with other federal agencies to assist in grants management.

- NTIA partners with the **National Institute of Standards and Technology (NIST)** and the **National Oceanic and Atmospheric Administration (NOAA)** to manage IIJA and CAA grant activities.

- In addition to NIST and NOAA, grantees use the **U.S. Department of Treasury's** Automated Standard Application for Payments (ASAP) system to draw down funds.

Federal Program Officers (FPOs)	Grants Officers and Grants Specialists
✓ Monitor and oversee work conducted under an award, compare the actual accomplishments with the goals and objectives established in the award	✓ Oversee the business management and administrative aspects of grants
✓ Provide programmatic guidance and technical assistance to recipients	✓ Ensure that each award complies with applicable statutes, regulations, Office of Management and Budget (OMB) guidance, Executive Orders, and Department of Commerce (DOC) policies
✓ Review and evaluate reports, including financial, performance, and technical for consistency with the approved project	✓ Ensure recipient's compliance with Specific Award Conditions (SACs)
✓ Communicate with Grants Officers and Grants Specialists to ensure collaborative grant administration	✓ Approve awards and amendments

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Policies & Procedures

Policies and Procedures Overview

Established and approved policies and procedures are fundamental to grants management as they create a consistent understanding of expectations between NTIA, recipients, and subrecipients.

Example policies and procedures may include:

- Procurement Policy

- Record Retention Policy

- Subgrantee Selection Policy

- Time Tracking Policy

- Fraud, Waste, and Abuse Policy

- Payroll Policy

Good grants administration involves developing policies and procedures for both internal (e.g., internal controls) **and** external (e.g., subrecipients monitoring) use.

Policies and Procedures Compliance

Documented policies, processes, and procedures not only support state/territory activities, but also help ensure the recipient is compliant with federal requirements.

Federal Requirements Can Include:

Allowability, Allocability, and Reasonability

Policies and procedures must ensure and document that recipient costs are allowable, allocable, and reasonable as defined in 2 CFR 200 Subpart E.

Environmental & National Historic Preservation

Environmental regulations stated in the award conditions, and within their timeframes, must be fulfilled. This includes meeting the National Environmental Policy Act (NEPA) requirements.

Build America, Buy America Act

Policies and procedures should ensure compliance with the Build America, Buy America (BABA) Act, which established a domestic content procurement preference for all federal financial infrastructure assistance obligated after May 14, 2022. The Buy America preference requires that all iron, steel manufactured products, and construction materials used in covered infrastructure projects are produced in the United States.

Every program is subject to its own unique set of requirements. Always refer to the award's terms and conditions, SACs, and other award documentation to understand the award's exact requirements and how to comply.
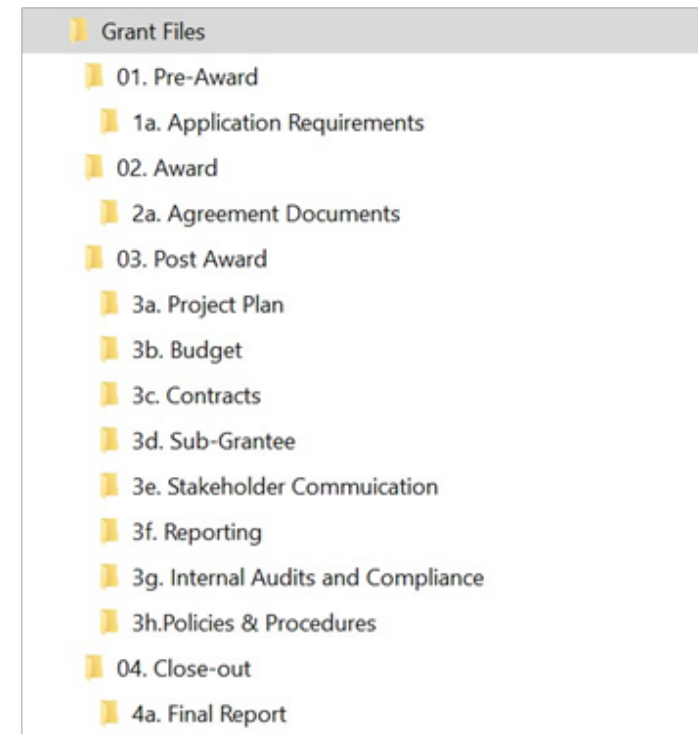
Creating a Grant File

Maintaining an organized grant file can **minimize grantee risk while improving the efficiency** of grant-related activities, such as reporting and information requests.

Why is Documenting Policies and Procedures Important?

- Proper policy documentation allows for an effective compliance management system that maintains consistency throughout the grant's lifecycle

- Documenting processes helps prepare a grantee for potential audits where historical decisions need to be explained

- Organized and documented policies will help recipients quickly and easily provide requested documents to NTIA during monitoring

📁 Grant Files
- 📁 01. Pre-Award
  - 📁 1a. Application Requirements
- 📁 02. Award
  - 📁 2a. Agreement Documents
- 📁 03. Post Award
  - 📁 3a. Project Plan
  - 📁 3b. Budget
  - 📁 3c. Contracts
  - 📁 3d. Sub-Grantee
  - 📁 3e. Stakeholder Commuication
  - 📁 3f. Reporting
  - 📁 3g. Internal Audits and Compliance
  - 📁 3h.Policies & Procedures
- 📁 04. Close-out
  - 📁 4a. Final Report

Monitoring & Oversight

Monitoring & Oversight Requirements

For each program, grantees are required to adhere to both 2 CFR 200 requirements and requirements outlined in the program NOFO, SACs, terms and conditions, and other program-specific guidance documents such as policy notices.

"[Eligible Entities must] Develop monitoring plans, subject to the approval of the Assistant Secretary, which may include site visits or desk reviews, technical assistance, and random sampling of compliance requirements."

Capacity NOFO

Recipients are responsible for monitoring the activities and expenditures of subrecipients (sometimes referred to as 'subawards' or as 'subgrants') and vendors, and are responsible for ensuring that all solicitation documents reflect activities within the scope of the TBCP."

Tribal Broadband Connectivity Program NOFO

"...NTIA shall...develop monitoring plans, subject to the approval of the Assistant Secretary, that may include site visits or desk reviews, technical assistance, and random sampling of compliance requirements."

Middle Mile NOFO

"Throughout the BEAD Program, NTIA will conduct ongoing monitoring of an Eligible Entity's progress against its plans and ensure that the requirements of the Infrastructure Act are met. Eligible Entities will be required to comply with reporting requirements and monitor subgrantee compliance."

BEAD NOFO

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Types of Monitoring

Monitoring for each grant program may include site visits, desk review, and/or quarterly conference calls

Quarterly Conference Call (Virtual)

A Quarterly Conference Call is an effective tool for monitoring of all grant recipients. It is intended to promote effective programmatic monitoring and assessment of program activities and play an important role in reducing fraud, waste, and abuse.

Desk Review (Virtual)

Desk reviews focus on the relevant documentation and financial systems surrounding a grant program. Typically conducted virtually, desk reviews facilitate and produce an evaluation of the recipient's capacity to manage their award and may serve as a preliminary step prior to a site visit.

Site Visit (In-person)

Site visits typically occur at the recipient's office or program location and provide an opportunity for the federal award agency to meet with key personnel, program partners and review the capacity, performance, and compliance of the recipient.

Site visits allow NTIA access to the offices and facilities, documentation, financial records, physical assets, written policies and procedures, audit compliance records, and internal controls. All recipients are eligible to participate in a site visit.

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Monitoring Outcomes

FPOs conduct monitoring and oversight throughout the grant lifecycle, from award through closeout.

The benefits and intended outcomes of effective grant monitoring and oversight include:

- Grant recipients comply with the terms and conditions of the award incorporated in post award documents, including any SACs, amendments, and applicable laws and regulations;

- Grant recipients implement projects on schedule and make adequate progress toward achieving identified metrics, milestones, goals, objectives, and planned outcomes;

- Grant recipients meet financial and programmatic reporting requirements, adhere to submission deadlines, and provide accurate information;

- Grant recipients expend federal funds as authorized within the period of performance; and

- Grant recipients mitigate the potential for waste, fraud, and abuse.

Grant Monitoring vs. Auditing

NTIA and the applicable grants officer will monitor grants, and audit when applicable, to ensure compliance with federal regulations and grant terms to avoid and correct any potential issues.

Monitoring

- Includes **both fiscal compliance and programmatic performance**, and through tools such as TA, is intended to guide grantees in best practices.

- **Conducted by FPOs**

- Occurs on a **regular basis.** Recipients will be notified of any monitoring events in advance.

- Types of activities reviewed during a site visit or desk review:
  - Organizational structure and governance
  - Contracts, subrecipient, and procurement policies
  - Financial management policies and procedures
  - Programmatic activities

Auditing

- **Solely focused on fiscal compliance** and not concerned with whether the program achieves its goals, the impact on end users, or the strategic value of one type of expenditure vs. another.

- A Single Audit is required for non-federal entities that expend $1,000,000 or more in federal awards during their fiscal year. This threshold was increased from $750,000 for fiscal years beginning on or after October 1, 2024. Grantees should review their grant terms and conditions for which threshold they are required to meet for a single audit.

- Types of activities reviewed during an audit:
  - Financial statements
  - Internal controls for accounting

- Conducted by auditors, not FPOs

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Reporting

Reporting Overview

Reporting is vital as it allows NTIA to track progress and identify where to provide Technical Assistance, as needed. Reporting is a compliance requirement laid out in 2 CFR 200 and each program NOFO and supplementary guidance documents.

WHY IS REPORTING IMPORTANT?

Helps NTIA Track Progress

Allows NTIA to Identify Need for Technical Assistance

Required for Compliance

Common Types of Reports

Recipients will be required to provide information via a variety of reporting methods. While reporting methods vary from program to program, some types of reports are frequently used.

SF-425

A federal government-wide Standard Form, the SF-425 (Federal Financial Report) is used to submit reports on financial progress and cumulative expenses incurred. SF-425 submission cadence varies from program to program, but, at a minimum, is required semi-annually.

Bi-Annual Report/Semi-Annual Report

Unique to each specific program, Bi-Annual Reports (also called Semi-Annual Reports (SARs)) may assess for progress against programmatic milestones as well as financial information. While exact timing varies, these reports are collected every six months.

Annual Report

Annual Reports are similar to Bi-Annual/Semi-Annual Reports but may be more exhaustive in scope and are only submitted once a year.

Final Closeout Report

Within 120 days of the end of an award's period of performance, recipients must submit all final financial and programmatic reports to their awarding agencies. Final Closeout Reports utilize the SF-425 in addition to other program-specific documents.

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Questions?

Thank You!

Appendix

Acronyms and Key Terms

Acronyms

- AOR - Authorized Organization Representative

- ASAP - Automated Standard Application for Payments

- CAA - Consolidated Appropriations Act

- BEAD - Broadband Equity, **Access**, and Deployment Program

- DE – Digital Equity

- FFR - Federal Financial Report

- FPO - Federal Program Officer

- GO – Grants Officer

- GS – Grants Specialist

- MM - Middle Mile

- NGP – NTIA Grants Portal

- NOAA - National Oceanic and Atmospheric Administration

- NOFO – Notice of Funding Opportunity

- PI/PD – Principal Investigator/Project Director

- PPR - Performance Progress Report

- RAR - Recipient Authorized Representative

- UGA – Unfunded Grant Action

Key Terms

- Auditing: Ensuring compliance with government regulations and evaluating financial information, including expenses paid for with Federal award funds.

- Monitoring: Ensuring compliance with Federal regulations and grant terms to avoid and correct any potential issues.

- No-Cost Extensions: Extend the project period without adding additional funding.

- Supplanting: Using grant funds for project costs that are otherwise covered by other Federal or state funding.

- Supplementing: Using Federal funds to enhance existing state and local funds for program activities.