



## **Crafting Effective Grants Policies and Procedures**

**2024 Hub Summit**

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# Introductions

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# Agenda

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- ✓ What is Grants Policy?
- ✓ Why is it Important?
- ✓ How to Implement Policies and Procedures
- ✓ Key Resources

## What is Grants Policy?

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- **"... guidance to staff as it relates to associated processes and procedures in order to maximize the benefits and minimize the risks."** - Government Finance Officers Association
- Federal Grants Policy vs. Organization's Grants Policy
  - Uniform Guidance - Office of Management and Budget
  - State Laws and Regulations

## Why is Grants Policy Important?

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- Federal Awards = Scrutiny
- Audit Repercussions

Ultimately, the auditor executing your Single Audit can only tell your story using the materials and documentation available, so the onus is on your organization to create and maintain this documentation of everything ranging from procurement to salaries.

- Warren Averett Accounting



## Why is Grants Policy Important?

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- Federal Awards = Scrutiny
- Audit Repercussions
- Risk Assessment – Grantor Evaluation

# Risk Assessment

#	Question	Points	Assessment – Yes; No; N/A (select from drop down)	Score (1=yes)	Comments
1	Has the applicant managed federally funded grant programming in the last 24 months?	1		0	
2	Was the applicant subject to a financial statement audit in the last 24 months, and had no findings? If any findings, list the number and details.	1		0	
3	Was the applicant free of any audit findings received within the past 5 years? If no, how many, and nature of finding(s).	1	2		Was the applicant subject to a financial statement audit in the last 24 months, and had no findings? If any findings, list the number and details.
4	Does the applicant have the capacity to manage and implement federal regulations including 2 CFR 200 and other specific federal regulations pertaining to items such as (segregation of duties, cash handling, contracting procedures, and personnel and travel policies). (2 CFR 200.303 - Internal Controls)	1		0	
5	Have key staff been instrumental in the funds process or generally remained stable in the past year?	1	9		Does the applicant have documented procurement policies in alignment with the procurement regulations of 2 CFR Part 200?
6	Has the applicant's financial or grant management system (technology or other) remained unchanged in the last 12 months? If changes were made, please explain in the comments section.	1			
7	Does the applicant's accounting system segregate expenditures by funding source? (Per 2 CFR 200.302, system must be sufficient to permit the preparation of reports and tracing of funds.)	1	11		Does the applicant have a Conflict-of-Interest Policy in place and is it documented?
8	Has SAM.gov been checked to determine that the applicant is not debarred, suspended, or does not show delinquent federal debt in Sam.gov? (2 CFR 200.214)	1			
9	Does the applicant have documented procurement policies in alignment with the procurement regulations of 2 CFR Part 200?	1		0	
10	Does the applicant maintain central file locations for all grants, loans or other types of financial assistance?	1		0	
11	Does the applicant have a Conflict-of-Interest Policy in place and is it documented?	1		0	

## Why is Grants Policy Important?

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- Federal Awards = Scrutiny
- Audit Repercussions
- Risk Assessment – Grantor Evaluation
- Grant Agreement Negotiations – Ex. Hydrogen Hub



## How to Implement Policies and Procedures?

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**Rely on Existing Resources**



## Pre-award Considerations

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- Notification Requirement
- Procurement
- Financial Review/Funding Analysis
- Understanding Grant Terms and Conditions

# COMPLIANCE RESOURCE LIBRARY

## Job Aids by Grant Phase

(\*) - Job Aid Appears in Multiple Phases 

### PRE-AWARD

Need Assessment/Planning & Preparation

### AWARD

Procurement and Contracting/Sub-Awards

### POST-AWARD

Implementation, Reporting and Monitoring

### CLOSE-OUT

Closeout Processes/Final Reporting/Audit

# Procurement Resources



## Public Procurement – Introduction and First Steps

### Public Procurement Definition

Public procurement is the process local, state, and federal government agencies use to acquire necessary goods and services through purchases from for-profit and not-for-profit businesses. Public procurement laws and regulations *must be followed to ensure taxpayer money is properly spent, and goods/services responsibly purchased.*

### Public Procurement Policy

Federal regulations require that documented procurement procedures be in place, consistent with State, local, and tribal laws and regulations, and *must conform to (be the same or stricter than) the standards identified in the Uniform Guidance -- 2 CFR 200.317 through 200.327, [Electronic Code of Federal Regulations \(eCFR\)](#).*

A public procurement policy *describes the process and defines the legal requirements of purchasing goods and services* from suppliers, vendors, and contractors. Purchasing is based on pre-negotiated fair prices and a pre-determined set of terms.

[Office of Procurement and Contracts | Kansas Department of Administration \(ks.gov\)](#)

# Award and Post Award Considerations

- Federal Regulations: Davis-Bacon, National Environmental Policy Act (NEPA), Civil Rights Act, Build America Buy America (BABA)
- Allowable Costs
- Conflicts of Interest
- Pass-Through/Subrecipient Monitoring



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### CONFLICT OF INTEREST DISCLOSURE FORM (HF

Per 2 CFR 200.112, the non-federal entity must disclose in writing any potential conflict of interest involving any officer or director of the non-federal entity, any officer or director of any agency or pass-through entity in accordance with applicable Federal regulations. (\*This is a template for you to review and modify as needed. It is for informational purposes only.)

A potential or actual conflict of interest exists when commitments and obligations are compromised by material interests, or relationships (especially economic relationships) that are not disclosed.

This Conflict of Interest Form should indicate whether \_\_\_\_\_ (grant, pass-through entity staff choosing subrecipient, etc.) has an economic interest in \_\_\_\_\_ (participating in subrecipient selection, participation in procurement process).

Any personal, business, or volunteer affiliations that may give rise to a conflict of interest should be disclosed. Relevant Federally and organizationally established financial conflicts must be abided by. Individuals with a conflict of interest in \_\_\_\_\_ (participating in subrecipient selection, participation in procurement decisions).

Date	_____
Name	_____
Position	_____



### Subrecipient, Beneficiary or Contractor Classification Checklist

The Uniform Guidance (effective December 26, 2014) implemented new definitions of Contractor and Subrecipient. With the Coronavirus Relief Funds and ARPA State and Local Fiscal Recovery Funds, there is a need to distinguish between the definitions and roles of subrecipient, contractor, and beneficiary when they become evident. *Generally, determination of the relationship with an external entity is verified through review of the proposal, budget, and other related documents.* When the relationship remains unclear, this form can be used to provide assistance in making an accurate determination and provide documentation of the decision made.

#### Definitions:

##### Subrecipient (2 CFR Part 200.1):

Subrecipient means an entity, usually but not limited to non-Federal entities, **that receives a subaward from a pass-through entity to carry out part of a Federal program;** but does not include an individual that is a beneficiary of such award. A subrecipient may also be a recipient of other Federal awards directly from a Federal awarding agency. (The State of Kansas uses the 55xxxx account code series for payment to subrecipients.)

**Beneficiary:** A beneficiary is traditionally an individual who is the end user of the assistance (the individual needing the benefit). (Examples include recipients of scholarships, Medicaid claims/medical benefits)

## Resource Summary

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- [Office of Recovery: Job Aids by Phase](#)
- [KS Office of Procurement and Contracts](#)
- [Davis Bacon](#) – Dept. of Labor
- [Uniform Guidance](#) – National Archives
- State and Federal Agency Websites
- Other Cities
- Grant Readiness Checklist
- Capacity Extension Team

Questions?





**Thank you**