



**Office of Budget
and Management**

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Expanding Grant Capacity: Keys to Effective Financial Grants Management

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Today's Topics

- Financial Considerations
- Grants Management Essentials
- Key Grant Financial Management Concepts
- Grants Accounting
- Single Audit
- Federal Funding and Transparency Act Reporting
- Locating and Applying for Grant Opportunities



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Where is the world's largest ball of twine?

3



What are the strings?



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Program versus Financial

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Financial Considerations

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Factors to Consider

- Direct and Indirect Costs
- Capacity
- Reporting
- Match
- Cash Flow
- Sustainment



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Grants Management Essentials

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What defines a federal award?

Federal financial assistance that a non-federal entity receives directly from a federal awarding agency or indirectly from a pass-through entity.

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Federal financial assistance can be in the form of:



Grants



Direct appropriations



Loans or loan guarantees



Cooperative agreements



Food commodities



Interest subsidies



Non-cash contributions



Other financial assistance



Insurance



Discretionary vs. Mandatory Grants



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Block Grants



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Hierarchy of Grant Requirements

- United States Constitution
- Federal Statutes
- Federal Regulations
- Executive Orders
- OMB Policies
- Agency and Other Specific Guidance

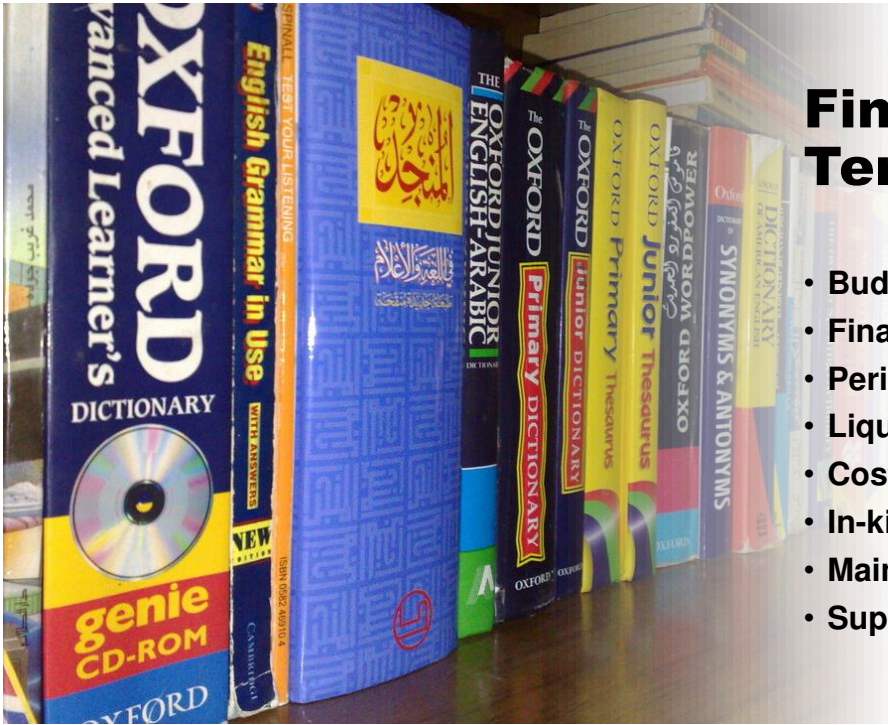


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Key Grant Financial Management Concepts

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- Budget period
- Financial obligation
- Period of performance
- Liquidation period
- Cost sharing or matching
- In-kind match
- Maintenance of effort
- Supplanting

Be familiar with what **types of expenditures** are allowed.

Know the **budget period, period of performance, and liquidation period.**

Be aware if your grant has a **match** or **maintenance of effort** requirement.



Additional Key Concepts



Documentation and
record retention



Interest and
program income



Transfers to other
entities **may create a
subrecipient
relationship**



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Program Income

Includes but is not limited to:

- income from fees for services
- use or rental of property acquired
- sale of commodities or items fabricated
- license fees and royalties
- principal and interest on loans



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Determining Relationships



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Determination Makes a Difference

Contractor

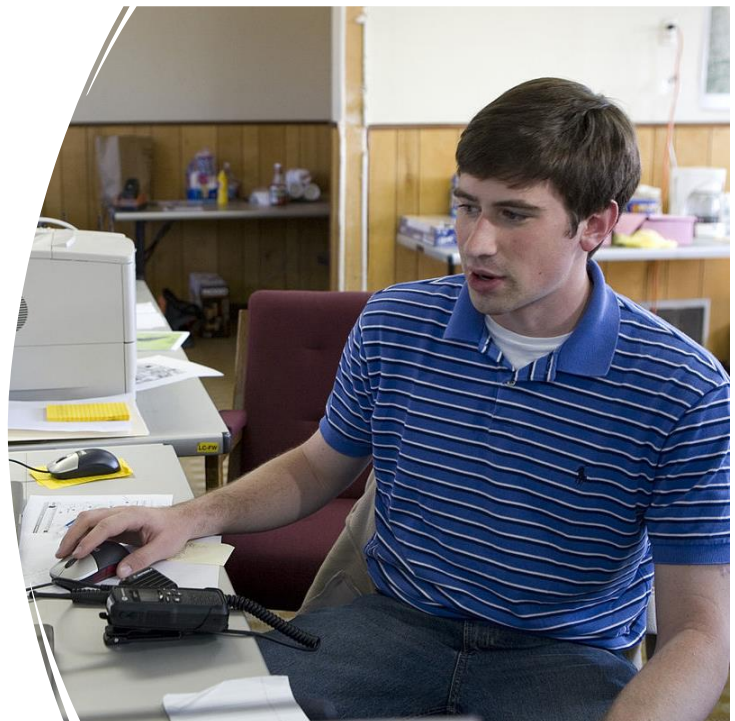
Goods or services are procured following a procurement method

Subrecipient


Pass-through responsibilities apply

Beneficiary

Requirements are limited



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Pass-through Responsibilities (2 CFR 200.332)

- Award notice
- Review audits and follow up on issues
- Evaluate subrecipient's risk of noncompliance
- Monitor the activities and use of funds

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Allowability of Costs (2 CFR 200.403)

- Necessary and reasonable
- Allocable
- Conforming to limitations or exclusions
- Consistent with policies and procedures
- Costs are treated consistently
- Not included as a match or cost-share
- Adequately documented
- Incurred during the budget period



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Supplement versus Supplant

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Cash Management

- Minimize time between receipt of federal funds and disbursement
- Requires written procedures

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Key Concepts to Remember



DRAW FUNDS FOR
IMMEDIATE NEEDS



DISBURSE FUNDS
TIMELY!



PROCESS GRANT
PAYMENTS VIA EFT

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Personnel Costs



Personnel costs directly
charged should ensure
appropriate documentation.



Salaries of administrative and
clerical staff normally are
treated as indirect.



Indirect costs must either have
an approved rate or use the de
minimis rate.



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What is the cost to administer a grant program?

Direct Costs + Indirect Costs = Total Program Cost

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Indirect Costs

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Direct versus Indirect Cost

Direct Cost	Indirect Cost
Directly traced to program	Not directly traced or easily assigned
Cost as a result of program	Incurred for a common purpose

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**What can
be included
in an
indirect
rate?**

Human Resource Costs

IT Costs

Accounting Costs

Purchasing Costs

Management Costs

Oversight Costs

Building Costs

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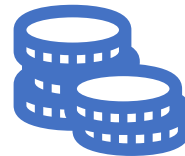


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Indirect Cost Rate Options



Negotiate an indirect cost rate



Use de minimis rate of 10%
modified total direct cost

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Who approves my rate?



COGNIZANT AGENCY



PASS-THROUGH ENTITY
(PTE)

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Grant Accounting

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Do Not Commingle

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Financial Management 2 CFR 200.302 (b)

- Identification
- Accurate, current, and complete
- Effective internal controls
- Budget versus Actual
- Written procedures for federal payment and allowability



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Recognizing Grant Receivables/Revenue

Formula grants

- When eligibility requirements are met.

Expenditure-driven grants

- When qualifying expenditures are incurred

Governmental funds defer revenue until amounts are **available**



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Single Audit



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Assistance Listings

- [SAM.gov | Assistance Listings](https://sam.gov)
- Provides descriptions of programs and requirements

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Schedule of Expenditures of Federal Awards

Name of the federal grantor

Program title of the federal award

Assistance listing number (ALN) for each award

Unique number assigned by federal or state grantor

Current year expenditures

Subrecipient expenditures (if applicable)

Footnote disclosures

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OMB Compliance Supplement

Auditor Road Map

[2023 Compliance Supplement – 2 CFR Part 200 Appendix XI \(May 2023\) \(whitehouse.gov\)](#)



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Requirement	A	B	C	E	F	G	H	I	J	L	M	N
	Activities Allowed or Unallowed	Allowable Costs/Cost Principles	Cash Management	Eligibility	Equipment Real Property Management	Matching, Level of Effort, Earmarking	Period of Performance	Procurement Suspension & Debarment	Program Income	Reporting	Subrecipient Monitoring	Special Tests and Provisions
Program Number												
10.000 (no matrix)												
10.500	Y	Y	N	N	N	Y	Y	N	N	Y	Y	N
10.511	Y	Y	Y	N	Y	Y	N	N	N	Y	N	N
10.512	Y	Y	Y	N	Y	Y	N	N	N	Y	N	N
10.514	Y	Y	Y	N	N	N	N	N	N	Y	Y	N
10.515	Y	Y	Y	N	N	N	N	N	N	Y	Y	N
10.516	Y	Y	Y	N	Y	N	N	N	N	Y	Y	N
10.517	Y	Y	Y	N	Y	N	N	N	N	Y	Y	N
10.520	Y	Y	Y	N	Y	N	N	N	N	Y	Y	N
10.521	Y	Y	Y	N	Y	N	N	N	N	Y	Y	N
10.542	Y	N	N	Y	N	N	N	Y	N	Y	N	N
10.551/10.561 (SNAP Cluster)	Y	Y	N	N	N	Y	N	Y	N	N	Y	Y
10.553/10.555/10.556/10.559/10.582 (Child Nutrition Cluster)	Y	Y	N	Y	N	N	N	Y	N	Y	N	Y

OMB Compliance Supplement

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Alternative Compliance Examination Engagement (ACEE)

- What is this?
- When does it apply?
- What does it mean for you?

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Common Audit Issues

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Procurement Pitfalls

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Federal Funding Accountability and Transparency Act (FFATA)

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What is FFATA?

Federal Funding
Accountability and
Transparency Act
(FFATA) was signed on
September 26, 2006

www.USASpending.gov

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What are the FFATA requirements?

2 CFR Chapter 1, Part 170

Report **sub-awards** greater than or equal to \$30,000 by the end of the following month



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What needs reported?

Name of entity

Award amount and date

Funding agency and federal award identification number (FAIN)

Assistance listing number

Program source

Description of the purpose of funding action

Location of the entity

Place of performance

Unique entity identifier and its parent; and

Executive compensation

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- 80% or more of annual gross revenues from the federal government and >\$25M

AND

- Compensation information is not available through reporting to the securities and exchange commission (SEC)

What is the criteria for reporting executive compensation?

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Federal Funding Accountability and Transparency Act Subaward Reporting System (FSRS) at <https://www.fsr.gov/>

How do you report?

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Factors to Consider

- <http://www.zip-codes.com/> is used as the source of the Congressional District look-up table
- The unique entity identifier (UEI) must be active in the System for Award Management (SAM.gov)



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Challenges of FFATA



Obtaining the
necessary
information



Identifying who is
responsible for
reporting



Developing a
trigger to report



System can be
cumbersome

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- Collect recipient information as part of the application
- Develop a process
- Utilize the same agency process for all federal grants
- Leverage the spreadsheet upload template

Best Practices

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Tips for Locating and Applying for Grants

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Be Prepared Before You Apply

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Find the Funding Opportunity

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Develop a Strong Application

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Balance the Need to be Concise

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Be Alert to Word Choice and Meaning

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The Ohio Grants Partnership

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The Ohio Grants Partnership

Our mission is to maximize the value of grant funding by strengthening accountability, transparency, collaboration, fiscal integrity, and utilize innovation to maximize efficiencies.

[Learn More](#)

Featured Content

Office of Budget & Management

Office of Budget & Management
Visit the OBM website to find monthly financial reports, budget information, and more.

Helpful Tips for Applying
Review these helpful tips to ensure your grant application is completed properly.

Find Current Opportunities
View State of Ohio Funding Opportunities available to potential grant recipients.

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Grant Related Resources

Code of Federal Regulations (Uniform Guidance)

https://ecfr.io/Title-02/cfr200_main

System for Award Management

<https://sam.gov/SAM/>

Federal Acquisition Regulations

<https://www.acquisition.gov/browse/index/far>

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

<https://www.fsrs.gov/>

USASpending.gov

<https://www.usaspending.gov/#/>

Pandemic Response Accountability Committee

<https://pandemic.oversight.gov/>

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Other Helpful Resources

Grants.gov

[Home | GRANTS.GOV](#)

Ohio Department of Transportation

<https://www.transportation.ohio.gov/programs/local-funding-opportunities#page=1>

U.S. Dept of Transportation – DOT Navigator

<https://www.transportation.gov/dot-navigator?adlt=strict>

BIL Launchpad

<https://billaunchpad.com/>

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