Session 19: The Mod Process

October 23 at 2:00 p.m. ET
Today’s Presenters

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Today’s Agenda

- ETA’s Perspective
- Modification Types
- Compiling Modification Requests
- Common Errors
- ETA Roles
What is a Grant Modification?

- A grant modification is a formal change to the award package that comprises your grant.
  - ETA may initiate modifications
  - Grantees may submit modification requests for consideration
ETA’s Perspective

- ETA makes modification decisions with the Funding Opportunity Announcement objectives in mind.
  - Is the modification in the spirit & letter of ETA grant requirements?
  - Is the modification necessary to achieve ETA’s return on investment (grant goals and performance measures)?
There are six core modifications:

- Period of Performance Extension
- Budget Realignment
- Equipment Purchase
- Statement of Work Change
- Indirect Cost Rate
- Administrative Change
Compiling Modification Requests

- **Cover Letter**
  - Required for all modification requests
  - Submitted on official organizational letterhead
  - Signed by the grant’s Authorized Representative
  - Provides the **purpose** of the request
  - Explains **why** it is necessary
  - Describes **how** the change(s) will benefit the grant program
  - May include additional requirements, based on the change requested

- **Additional documentation, as appropriate**

**Note:**
- When unsure if a modification is required – consult with your FPO
- Submit initial requests in draft
Budget Realignment

Overview

- Reallocating grant funds between categories of SF-424A
- Required when the amount of transfer exceeds 10% of the total budget (2 CFR 200.308(e))
- Changes within a cost category do not require approval, but FPO must be notified

Required Documents

- Cover letter requesting and justifying the revisions
- Revised budget SF-424A and budget narrative
- Any additional information requested by FPO
Equipment Purchase Request

Overview

- Equipment is a tangible property (or an IT system) with a useful life of more than one year and an acquisition cost of $5000+ per unit
  - Acquisition cost – net invoice price, plus the cost of any modifications, attachments, accessories, needed to make the property usable. Other charges – taxes, installation, transportation, etc. – are included or excluded from acquisition cost depending on recipient’s regular accounting principles.

- Equipment purchases require prior Grant Officer’s approval, even if this equipment is included in the approved SOW and/or budget

- Grantees cannot purchase equipment in the last funded programmatic year of the grant

Required Documentation

- Cover Letter with the following info for each piece of equipment itemized in the request:
  - Item Name
  - Item description and basic specifications;
  - Estimated useful life
  - Item cost, including costs of installing and making it usable
  - Purpose of acquisition: how it will be used to support the grant (reference pages of SOW)
  - Contact name/phone for additional information

NOTE:

- Your FPO may have a template/format for submitting this information
- Do not include quotes, procurement bids, etc. with the request. These documents should be maintained as part of your procurement files.
Statement of Work Change

Overview

- Changes in project scope, activity, location of services, performance goals and measurements, target populations, addition / elimination of partners, etc.

- Consult with your FPO when unsure about the proposed change(s).

Required Documentation

- Cover letter requesting, explaining, and justifying the change(s).

- Revised outcomes table, work plan, and other documents, as needed.

- Addition of new partners must be accompanied by an MOU or an agreement from the new partner.

- Additional information, as requested by ETA and your FPO
Indirect Cost Rate

Overview

- There are several types of modifications related to the indirect cost rate.
- A modification is required to:
  - Incorporate a Negotiated Indirect Cost Rate Agreement (NICRA) or Cost Allocation Plan (CAP) for the first time
  - Replace an expired NICRA or CAP
  - Change the amount of indirect charges on SF-424A to charge the 10% de minimis rate

Required Documents

- A modification to incorporate NICRA or CAP:
  1. Without changes to the budget:
     - Cover Letter requesting the change and noting no changes to the budget
     - Copy of NICRA or CAP, as applicable
  2. With changes to the budget:
     - Cover letter requesting the change and describing the changes to the budget
     - Revised SF-424A and Budget Narrative with calculations for the new amount to be charged to the grant.
- A modification to charge the 10% de minimis:
  - Cover letter requesting the change and demonstrating grantee’s eligibility for charging the de minimis rate
  - Revised SF-424A and Budget Narrative with calculations of the 10% de minimis.
Period of Performance Extension

Overview

- No-cost extension of the period of performance (POP)
- Can be submitted in the last 1/3 of the period of performance
- Grants can be extended for up to 12 months
- No additional policies and limitations
- Grant operations continue as usual during the added period of time
**Period of Performance Extension**

**Cover Letter**

- Include the current performance period and the proposed end date
- Include the remaining amount of federal funds to be expended (as of the request date)

Describe in detail:

- Circumstances, challenges, or problems that created the need for an extension
- Efforts to address challenges and corrective actions that have or are being made
- Activities that can be accomplished by the original end date
- Specific activities that will be accomplished in the extended period of performance

**Supporting Documentation**

- Updated timeline of grant activities
- Table of outcomes to be achieved during the extension.
- Updated budget SF-424A and Budget Narrative
- Any other info requested by ETA
Administrative Charges

Overview

- Administrative Changes are changes to the information on Application for Federal Assistance SF-424:
  - Change of Authorized Representative (A/R)
  - Change of Point of Contact
  - Change of Address
  - Change of grantee organization name
  - Other

Required Documents

- Cover letter specifying the change
  - Changes to the Authorized Representative must be signed either by the outgoing A/R or someone in a position of seniority to the new A/R
  - Can’t be signed by the new A/R
  - A modification is required for an interim A/R

- Revised SF-424 is not required
Common Errors

- ETA understands that:
  - No one is perfect
  - Everyone makes mistakes
  - No one wants to do something twice
  - Navigating all of the rules and procedures is not easy
  - We’re all in this together
Impact of Mod Request Errors

- Errors impact everyone:
  - Extra time spent by grantees and ETA Staff
  - Potential for frustration
  - Corrections made at the expense of other work
  - Longer wait for decisions
  - Potential for negative impact on project services & participants
Common Error Examples

- Not talking with your FPO in advance
- Cover letter is not signed by the Authorized Representative
- Not informing ETA of changes in the grant Point of Contact or Authorized Representative
- Math errors or math inconsistencies in and between the SF-424a and the budget narrative
- No Personnel & Fringe narrative breakouts
Common Error Examples

- Late in the grant requests
- Submitting multiple modification requests when one request could have covered all of the changes at once (or vice-versa)
- Not submitting all of the required supporting documentation
- Lack of clarity
- Requesting to add Indirect Charges without a current, approved Negotiated Indirect Cost Rate Agreement
ETA Roles

- **FPO:**
  - Provides Grantees with Technical Assistance
  - Participates in the review process
  - Provides a recommendation to approve or not
  - Communicates with grantees

- **Regional Office:**
  - Reviews Mod requests
  - Forwards recommended modifications to the Grant Officer
  - Directs FPO to initiate any necessary follow-up with grantee

- **Grant Officer:**
  - Reviews Mod requests
  - Communicates with FPOs
  - Initiates Mod approval notice to the grantee
Thank You!