**WorkforceGPS**

**Transcript of Webinar**

**SCSEP Virtual Conference Bridging Workforce & Aging:**

**A Coordinated & Collaborative Partnership**

**Grant Management Essentials**

**Day 1, Tuesday, December 11, 2018**

*Transcript by*

*Noble Transcription Services*

*Murrieta, CA*

JON VEHLOW: Hey now and welcome to today's webinar. My name is Jon Vehlow and I'm here if you need anything technically speaking. Hopefully you won't need to hear too much from me, but if you do have any questions, please let us know in that chat at the bottom left-hand side of your screen. That chat window is also where we'd like you to introduce yourself now. We want to know who is joining us today, even if you joined us for Session 1, please introduce yourself for Session 2.

So please go ahead and type into that chat your name, the name of your organization, where you're located in the country, how many are joining you today, and if you're attending in a group. You may also use that chat box to ask our presenters any questions you may have during the webinar. You'll also notice that we have a copy of today's presentation – Session 1's presentation – an additional file uploaded into the file share window. You can download that at any time throughout today's webinar.

So again, if you haven't already done so or if you are just joining us, please go ahead and introduce yourself in that welcome chat – which is not up – one second, here – we got to put that chat back up. Here we are. Please introduce yourself in that welcome chat there. We'll have that chat up again throughout today's webinar where you can type in your questions or comments at any time. Welcome to "Session 2, Grant Management Essentials."

So without further ado, I'd like to kick things off to our moderator today, Susanna Troxler workforce analyst, Office of Workforce Investment, Older Workers Unit, Susanna?

SUSANNA TROXLER: Great. Thank you, John. Hello everyone and thank you so much for joining us for this Grant Management Essentials session. We're very excited about the content today. We have two very, very knowledgeable subject matter experts here with us from our Office of Grants Management. Debbie Strama works on grant management policy, and she will give us an essential overview of key federal grants and financial management topics.

Avery Malone escape closeout resolution specialist, and he's going to take us on a deep dive into the closeout process. At the end of this session, you're going to have a better understanding of key financial and grant management requirements and processes, and those will include – Sorry, give me one second. There are a couple here.

The standards for financial and program management using the 9130 for financial reporting, procurement standards, match requirements, subrecipient management and oversight, how to prepare for closeout, the elements of the grant closeout package, and common issues which can delay your closeout.

I will now pass it over to Ms. Debbie Strama. Debbie, please take it away.

DEBBIE STRAMA: All right. Thank you, Susanna. So the first few things that I'll be talking about is uniform guidance. Hopefully, everyone is familiar with uniform guidance. It is also known as the circular on steroids, the Supercircular. A few years ago, the Office of Management and Budget had consolidated and streamlined eight different circulars that were out there that discussed and covered the federal cost principles, the federal administrative requirements, the single audit requirements, and the audit resolution practice.

And so with the next slide you will notice and see that the, the uniform guidance is all found under Title 2 CFR Part 200 and the exceptions that were approved by only for the Department of Labor under the same Title, too but under chapter 2900.

So what does it mean for you as a state agency or as a nonprofit running a SCSEP program? If you have policies and procedures in place that still refers to OMB Circulars, such as A-87, A-133, A-122, those should be updated by this time to reflect the new requirements under 2 CFR 200 and the DOL requirements under 2 CFR 2900. So if you have not received a copy or if you're not familiar with the uniform guidance, you can find that on the the websites or on the internet at ecfr.gov.

All you have to do is click on – or query the system by title or by check. So moving on to talk a little bit about the way our funding process works. Oftentimes, we hear from constituents or grantees saying, the acts, whether Older Americans Act or the WIOA act, they may have specified a certain level of funding in that particular statute and then when it comes time to go to their appropriation and the Congress approves the budget, the amount is different.

So what happens to that? So what this means for organizations that run grants on behalf of the federal government is there's a few things to consider. So the authorization gives us the right, or gives the federal agency the authority to award grants under a particular statute. That appropriation identifies the amount of money or the level of funding that we can use at the Department of Labor for that particular project or program.

So I just wanted to highlight that just in case there is a situation where you may see a proposed budget for the Department of Labor specify a certain dollar amount, but when it finally gets approved by Congress, the amount may have changed. And so if it does change, the amount that we turn to is what has been in the appropriation or in the final congressional record. As we're moving on, the one other thing I'd like to highlight is when the Office of Management and Budget had consolidated all the eight different circulars and placed them under one single roof or under 2 CFR 200, they allowed federal agencies to submit proposals or exceptions.

So these exceptions were needed in order to continue to conduct business as we had done in the past or under the old circulars. So for the Department of Labor, we had submitted a proposal, I think, for 24 exceptions and we received approval for 22 exceptions. And so what does that mean for SCSEP grantees? One thing in particular, for all of these agencies under, or any agency that received the federal award, they have an option of reporting using using a cash-based or an accrual-based accounting system.

However, for the Department of Labor, we expect that all of our grant recipients report on an accrual basis. And we felt that this was an important provision that was needed. And that is why it is an exception to the rule. And so when you're looking at the uniform guidance and you see that provision regarding financial reporting, it says that you can report on a cash or an accrual basis but then you have to turn to 2 CFR 2900 where it specifies that all DOL grant recipients must report on an accrual basis.

The next slide talks about the nonfederal entity. And here I just wanted to point out that there is a significant change with one of our exceptions. Under the uniform guidance for profit agencies and foreign entities are not covered under 2 CFR 200. However, again we had asked for an exception through the Office of Management and Budget and we received and were approved for that exception to extend coverage of the interim guidance to for profit organizations and foreign entities.

And this was an important exception that was needed for Department of Labor grant recipients because we had a division in under the Department of Labor that deals with foreign governments and issues grants out to foreign governments to help with child trafficking.

So if you are working with organizations that are considered subrecipients and they happen to be commercial for-profit organizations, you need to let them know that they have to adhere to 2 CFR 200. So if you have a contract or agreement with them in place, please make sure that that provision is contained or that you amend that agreement to ensure that they adhere to 2 CFR 200.

And again, this is only applicable to Department of Labor grant recipients. Next slide. Next slide. OK. So at this time, I don't know if there's any question that has come up on the board. No? OK. So since we have a lot of slides to go through and we'll keep moving ahead.

So the next one is Standards for Financials and In-Program Management. And here and the next slide, the items that are highlighted or in bold are things that have changed, especially if you're an organization that it has worked with grants prior to the implementation of the uniform guidance. You will notice on your – the new set of rules that there's an expanded section on performance measurement.

And so the government realize there is an important – it is important to tie out with financial accountability of your grant with performance. You cannot have great performance in a program without having sound fiscal procedures in place. The next highlighted item is internal control. We always knew that internal control was an integral feature of any grant operation. Here, we're just specifying that in the uniform guidance that it is important for all aspects of your grant operation to consider internal controls with managing the dollars of a federal grant.

The next one with payments, the new feature here is that we now allow for the recovery of improper payments. So if it had been where do you discover that you may have overpaid a contractor, overpaid a subrecipient, or a participant and you need to recover those dollars, it is considered and improper payment. Certain reasonable and allowable costs can be incurred and paid for using grant dollars. Another key change is related to the cost sharing and match.

And so with the SCSEP program, we do have a match requirement. And so the big and significant change here is that with matched, the only time you can report matched to us when it's actually expended. And so if you're working with partners, organizations that make a commitment to provide, say $10,000 towards the fulfillment of the SCSEP program, it cannot be reported to us until it is actually expended on our program.

The next big change is the revision of budget and program plan. So there are significant changes in the way grant modifications and budget modification go through the grant officers. And so I'll go into greater detail in a few slides later on. OK. So the next slide, the standards in which you should have a financial management system in place has not changed. So we expect that any accounting system or MIS system that you're operating should accurately track all of the dollars being spent on this program.

So it's not only the dollars that you receive from our payment management system, but it's the dollars that you hand out to your participants, or to your subrecipients, and it should track it by expenditures, obligations, and any liabilities. Additionally, your accounting records needed to have sufficient detail so that at any given time, you can tell us that a particular expenditure is against a particular program year or fiscal year. Internal controls: we always expected that there would be internal controls in place in your operation.

Budget controls is something that we've always expected that you install some measures so that you don't run into a situation towards the end of a program year or fiscal year where you've exhausted all of your admin dollars or you've not met the participant wages and fringe benefit, that there is something that you can do prior to that time to mitigate that possibility or problem. In terms of allowable costs, you should have enough policies and procedures in place to ensure that all the case managers working out in the field offices are only approving costs that are allowable to this program.

And source documentation, this is something, as an auditor, we want to make sure that is on file. So if we go out and visit you or visit your subrecipient, that you have enough source documentation to prove that that cost is an allowable, reasonable cost to the SCSEP program. And of course cash management, we want you to minimize the cash on hand when from the time that you request the cash from the payment and financial system to the time it's actually being disbursed to your participant, to your subrecipient.

So what are some things that you need to consider when implementing the SCSEP grant against the uniform guidance? Some of the things that you need to consider – next slide? Oh, OK – is making sure that not only are the fiscal staff familiar with the in the uniform guidance that the program staff are, that your MIS system is able to track the dollars by grant year, by grant award.

And then one other thing that is included as part of this webinar is the QSAP – it is the Quick Start Action Planner – that identifies action items that you should consider when evaluating whether or not your policies and procedures are up to date and reflect in the most current requirements of the uniform guidance.

So it's a checklist and it looks at things such as your equipment policies, your subrecipient management oversight responsibilities. So take a look at that QSAP and compare it against your existing policies and procedures and then also share it with your subrecipients. OK. So a few other things to consider. And these next few slides, and not only do we help hold you to the requirements found in the grant agreement, but any other provision that is required and that is contained in the grant agreement such as the national policy requirements.

So we do have a salary limitation imposed on many of the grants that we manage here at the Department of Labor. So none of the staff, whether they work 100 percent on the program or a portion of their time can exceed the executive level 2 salary limits that are posted on the Office of Personnel Management. So additional information can be found in your grant agreement regarding the salary limits.

Additionally, if, as you know, when you submit a grant application, you should file and register with the SAM system. That is the system of award management. One thing you need to make sure is that once you register, you need to also make sure that that record or that registration is updated to reflect the current signatories of your organization. So if there's been a change in the chief-elected official or the administrative head, that that should be updated at that time. In terms of performance management, we expect that there is some kind of correlation between what you're achieving related to the performance goals and the money you spent.

Moving on to the next slide. So we took a few other things that did change with the uniform guidance. We expect – and this is in the highlighted or bold sections – that your accounting system or any kind of MIS system that you're managing or using to manage the SCSEP program, can track the dollars by the catalog of federal domestic assistance title and number.

It needs to be tracked by the grant number and the year and the name of the organization if you happen to issue the money out to subrecipients. In addition to that, there should be written procedures on the way you make payments to not only subrecipients and contractors but to participants. And you should also have written procedures in place for staff persons that identify what may be an allowable cost to the program.

And what is specifically unallowable for the purposes of operating this program. Next slide. And so I talked earlier about internal controls. And so internal controls, you know, covers every facet of an organization. And what we expect that happens with internal controls is there's a proper segregation of duties in place. That one individual is not responsible for all parts of that process or transaction.

And then, if you are looking to enhance your internal controls, some of those things that you can look to as reference tool is the green book or the standards for internal controls that the federal government uses or the COSO Internal Control Integrated Framework. And so it gives you some idea of what to look at and what areas or what areas of your operation are more vulnerable, than others for misuse and mishandling of any grant dollars. Again, with payments, we enhanced – the OMB allows for the recovery of improper payments. And one other change here is the returning of interest income. So that threshold had increased to $500 annually.

And so with anything that is returned back to the federal government, it should be returned using electronic means. So it would be like through [inaudible] updates, through the payment management system. So with the next slide. I'll go into greater detail about my posturing a match. I have a few slides later on in the presentation. With program income, but we expect any program income or anytime you use grant funds to generate revenue, we consider that program income.

And that program income, then, you must be returned to the program by providing additional program services. You cannot use the money for unrestricted purposes or you cannot use the monies to reduce cost. For the purposes of an ETA program or SIPA program, it is expected that you provide an additional program services. So on the next slide. So what the next slide is the revision of any budget for any modification to your grant. Here's some of the significant changes.

So if at any time, there is a change in your budget that goes – that exceeds 10 percent of the total budget that you have to come in for grant approval. And with our exceptions, you can submit that modification at least 30 days before that action becomes approved. It must be in writing and the only approval that is honored is through the grant officer and not the federal project officer.

Period of performance. Here we specify that there is – that anything you have – we specify a period of performance in the grant agreement. A period of performance that is outlined in any agreement you have with subrecipients should coincide with the same period of performance that we hold you accountable for. OK, so moving on – I don't know if there's any questions?

MS. TROXLER: Don't see any in the chat right now. If anyone has a question for Debbie, please feel free to enter it. But I think for now, we don't see any come up. We're going to move onto the next slide. OK? OK. OK, so let me give you a quick poll for Debbie. Just quickly a little poll. What is a 9130? Go ahead and enter your answer here. We've got a versatile premium amplifier, an ETA financial report, or quarterly narrative progress report. OK. Looks like ETA financial report is pulling ahead.

We're at about 86 percent now and we've got a couple folks choosing one of the other ones, as well. Great. And at 88 percent – 89 percent – 90 percent. I think have all come to a consensus that it is ETA financial reports and that is the correct answer. Thanks everyone. Debbie, let me turn it back over to you after that brief interlude.

MS. STRAMA: All right. OK. So as Susanna had indicated the quarterly financial report that must be submitted for SCSEP grant is the 9130. So if you are a multi-funded program, you may be responsible for submitting a form called a SF-425. For the purposes of our program, the 9130 needs to be submitted and it needs to be submitted electronically. So with the implementation of the WIOA program and uniform guidance, we did make some modifications to the 9130. And I'll just talk a little bit about some of the changes that were made to the 9130 and then highlight some key deadlines that should be considered.

So the one thing we expect is the accrual reporting. So if you are operating on a cash system, we expect that you're maintaining some subsidiary Excel worksheet or something like that to include accruals when you're reporting. So we don't expect you to completely disband your current system to come up with a new accrual system, but there should be some modifications, some considerations to capture those accruals when reporting back to us. Some other key things is that we do require those reports to be submitted 45 days after the end of the quarter. I know, at times, we have given extensions.

So when those extensions do happen, you'll see something posted to our webpage on those extensions. And then just to keep in mind, that there are two reports that need to be completed at the end of the period of performance. One is the final 9130, which is separate and unique from the close- out 9130. So the final 9130 that's submitted through the e-reporting system and then closeout 9130 this submitted through the closeout package system. And so those are two different deadlines for those.

The final is 45 days, and the closeout is 90 calendar days. And so what has changed with the SCSEP program? Well, let's go with the things that haven't changed. So the things that haven't changed is there is still a unique 9130 for the SCSEP Program. And what we did for the SCSEP program is we worked with the program office and we just simply updated the instructions that are contained in the field related to reporting the cost of administration at headquarters and at local offices and that the instructions for other enrollee expenditures had also changed.

MS. TROXLER: Thanks, Debbie. Before we move off of this slide, I see we have a question in the chat box. "Should the final 9130 match the closeout 9130?"

MS. STRAMA: In most situations it should. However, we know because there's a time lag between submitting a final one and a closeout one may be extended if sometimes it's not feasible, but where possible, yes, we would like the final and closeout to mirror one another.

MS. TROXLER: Thank you, Debbie.

MS. STRAMA: OK. All right. So then moving on, "Has there been any change to the cost limitation related to the SCSEP program as it relates to administrative costs?" And so the percentages have not changed as you see in this slide.

So I guess that's the next polling question. So what is the administrative cost limitation for - or what is the cost limitation for administrative cost? Hopefully, no one's answered number 6. I don't know.

All right. So good. It seems to me that you guys are looking at the grant agreement. You're looking at the FOA and all of the different TEGLs that we post out there specifying the rates.

MS. TROXLER: Really quickly. Debbie, we have one more 9130 question. I think it should be a pretty simple one, "Who is responsible for submitting the 9130?"

MS. STRAMA: OK. So who is responsible for submitting the 9130? Normally, it's two people that you identify at your agency. So it's a two-level system. So one has to submit information and then someone – we expect that is in a different position or is in a supervisory position – then goes in after the submission to certify that information. So we would expect, hopefully it's somebody that is familiar with the financial accounting system – or the MIS system – that captures and collects the expenditure data.

MS. TROXLER: Thank you.

MS. STRAMA: OK. So moving on with administrative costs. "So where do you find – what does it mean to or what is included in administrative cost?" So SCSEP has a definition for administrative costs and as you see on the screen right there, the actual citations as to where to find the definition for administrative costs. It's limited to 13.5 percent unless receive a – is it a waiver?

LILIANNE: A request.

MS. STRAMA: A request. And again, so that request is only honored and approved if you received a letter from the grant officer. And Lilianne here has noted that the maximum you could receive is 15 percent.

OK. "So where can you find additional information on the financial reporting system and the changes we posted?" All of the changes that you could see a crosswalk between all the different programs, the different 9130s that we have out there as well as the other you data elements are on our website.

And additionally, we issued a TEGL – TEGL 2-16 – that goes into greater detail on those data fields. The financial reporting deadlines have not changed. Just, if you look at the next side, we have May 15th, August 14th, November 14th, and February 14th as the deadlines. So these may be different deadlines than the ones that you have for your quarterly progress report. For the next graphic, I just wanted to highlight the very bottom square is our new section and it's on indirect costs.

And so if you have in an approved indirect cost rate or if you have been approved to use the de minimis rate, you will have to fill out Section 13 when you submit a final 9130. Again, that section is only completed when you're submitting a final 9130.

OK. So with the next slide here, we're just – I guess throughout my presentation I've highlighted cost-sharing in the match requirements. And here again with the changes in our 2 CFR 2900 exception, as well as, in the instructions that are contained in each of the 9130s, that we expect match to be recorded when it's expended. It's no longer we – we no longer accept match if it's just been donated and it has yet to be expended on the program.

So the area in which you report the match has not changed. That you will see when you open up the e-reporting system that there is count for federal share of reporting or for cost and then there's another column for recipient share.

And this is where you report your match. Moving on with accruals and obligations, I just wanted to highlight here that we still expect you to report on accruals and this is extremely important, especially as we get towards the end of a program year or fiscal year. If it so happens where the Congress is looking closely at a particular program, they may be looking and may request expenditure reports, obligation reports from us, and we would have to share that information with them.

And so I think the low spending amount or low obligations amount, that may warrant or may trigger them to consider a – some kind of revision. And so this is why it's so important to include accruals when you're reporting on the 9130. The next section is on the indirect costs. Again, this is just – this is from the hard copy form, so you're not going to see this actual – when you open up the e-reporting system, it's not going to look that way. But again this is just for reporting and actually the last statement should be reporting indirect expenses only when you submit a final report.

And so this is only for agencies that have a – an approved indirect cost rate or using a de minimis rate. If you are responsible – or if you had in an approved white cap or statewide cost allocation plan, you would now have to report that information here. We have, I think, cues on our website regarding this new section. So if you need additional information or if you have additional questions, you can turn to that web page for those answers. OK.

And so the next question is just again, the accounting records. We expect that any expense being reported back to us meets the basic guidelines of reasonable, applicable, and allowable. So there should be enough documentation to support that justification. Moving on to the next section, is undetermined standards. So so I need to – procurement standards. And so procurement standards here with the uniform guidance, it has identified the different types of procurement methods that must be considered depending on the amount of money you're going to be spending.

So there's a thing called a micro-purchase simplified acquisition threshold and what needs to be done when you're hiring professional services. The one thing that has not changed is states can continue to use their own procurement procedures that you would use for other or state dollars. And so that has not changed. The next slide, please.

Contract provisions. You want to make sure that any contract you have in place includes the 10 contractual provisions that are found in Appendix 2. And so that is very important to us. And so it's similar to what you would see at the back of your grant agreement. We have special clauses and conditions and so many of those special clauses and conditions are coming from Appendix 2 the uniform guidance.

OK. And so let's get going. Let's go ahead into match. So with match – match is an expense being incurred using nonfederal dollars. And so this is something that should be reported back by the grant recipients and it should be related to achieving a program objective or meet some kind of program goals.

And so what is match here? Is it an instrument used to spark a fire? Is it a nonfederal share of costs that the grantees are required to contribute? Is match a dating website? Is match a contest which people or teams compete against? Or, is it all of the above? So we thought about this answer and originally we said, oh, it's only match that is related to the nonfederal share of costs, but in fact it is something that we use to start a campfire and make s'mores with, and it is a dating website – you guys should be familiar with that – and it's a contest which people compete against.

And so yes, it is all of the above. But for the purposes of this webinar, we're only going to talk about match as it's related to the nonfederal share of cost.

MS. : A lot of choices there.

MS. STRAMA: Yeah. And so thanks for the little icebreaker. And so match. We expect – it is a commitment that commitment when you received that grant award. And so this is one of the things that you need to be monitoring and looking at throughout the period of performance. You should not be waiting until the very last quarter of that grant to determine whether or not you've met the match. And the match is being encouraged – you should be reporting it back to us on the 9130 report. And so here, the minimum – next slide, please.

The minimum is that it needs to be – you need to at least report back to us 10 percent. So if you have not reported at least 10 percent of expenditures coming from nonfederal funds and we reached closeout, my friend Avery, in closeouts, may have some questions and you may receive a call from him about what's going on with that and you may be subject to returning a portion of your funds if you have not met the match.

And so moving on with the next slide. What is the basic criteria? So we expect match to be treated the same as if it was a cost that would have been incurred and paid for using federal dollars. And so it's needs to meet and same level of standards that we would treat any costs to the program. And so it needs to be in an allowable cost. And so it can't be cost to a post that office Christmas party.

It cannot be a cost to help buy the executive director's new car as a retirement gift. It needs to be tied to achieving your program objectives and meeting a goal of the program. Next slide please. And so we have a variety of different match. So we expect that there is a cash match or impact match. And so this is weird. If you receive an actual donation, we expect that you expend those dollars towards the SCSEP program or – Mitchie, next slide – or in-kind contributions. This is where there's a donation of space or property and things like that. And the uniform guidance is clear on how to value that in-kind contributions.

Those cannot be based on a determination from the donor. They can't say, oh, I feel like the space I'm donating you is worth a million bucks. Please record that $1 million as a match. It has to be based on reasonable, fair market pricing measures and those are – all can be found in uniform guidance. And so continuing on with match, there's a variety of different types of match. It comes to the form of personnel services can be in the form – next slide, Mitchie – it can be in the form of volunteer services, supervisory services.

It can be in the form of a donation of equipment or space. With the unrecovered or unclaimed match, the one provision I want to highlight here is, in order to use or recognize that match you first have to receive grant officer approval. In the next slide, we've talked about donated space because there's a difference between donated space and outright donation of a building.

And so please, you would have to turn to the uniform guidance as to the different criteria and the difference between lending space for a given period of time versus extending or offering the title to a building, that those two things are treated differently.

In terms of – next slide – we talk about – if we could just go on to – wow. I have a lot of questions. If we could just skip to the documentation slide. It's like four slides back. So with documentation for a match, we expect that there is sufficient source documentation to prove that that match that you reported back to us did in fact support the program.

So it is important that you know, if it's related to personnel, that a time sheet or some kind of record that would normally be used to track that person's time or their salary is maintained for the purposes of match. And the same thing is true for equipment or for space.

How is the value of that space or equipment determined? OK, so – next slide – here we just identify that the one thing – these are all the different standards. There is a higher level of documentation needed for match. And so there's, the uniform guidance goes into significant detail about that documentation. And, as I had indicated before, the documentation needs to be verifiable. It is expected as a grant recipient that you have access to that information or you get copies of that information.

OK. And so moving on to the subrecipient management. I have seven minutes left before I hand it over to Avery. I wanted to talk a little bit about the importance of subrecipient monitoring and management. One significant new piece in the uniform guidance is subrecipient monitoring and management.

And so it's important that if you are a grant recipient who passes down money into a separate subrecipient, and the subrecipient is responsible for achieving a performance goal or performance measure or is helping you run this program, that you are providing some oversight in the ways they manage and operate that program.

So that there's an expectation that you were doing some oversight of that organization. So the oversight can be in the form of a desk review. It can be in the form of an onsite review. It could be in the – reviewing their reimbursements or their invoices. It could be reviewing their single audit, in reviewing their policies and procedures to ensure that they're managing that program – they are managing that – those grant funds, in that they're managing those dollars consistent with the requirements found in the grant agreements that are found in the Act and then any other requirements that you are held applicable to, that they are also held applicable to.

So with subrecipient management, we want to make sure that you – when you do hand out money to subrecipient, that you track those dollars based on the program year and the CFDA number and other things that are tied to that grant award. Because, eventually, those costs get rolled up into your schedule of expenditures of federal awards. And so that is the financial statements that auditors look at when a single audit is completed.

The other thing to consider is the risk. There should be some risk assessment conducted prior to issuing those dollars out. If you know that this organization does a great job in reaching out to the older worker, but they've also been struggling with you know, high staff turnover, if they've been struggling with a number of audit findings, what can you do to ensure that you minimize the risk of misuse of those dollars at that agency?

And so if you want to continue to work with them, what measures, what's special conditions do you need to install to monitor their progress, to monitor their compliance with the provisions of this grant? And so you can install measures, you could identify those measures, or those requirements in that agreement. Next item please, or next slide? And so some things to consider.

So we expect – it's similar to what we do here at the Department of Labor – we do a risk assessment before awards are issued out to grant recipients. We expect that there's some kind of assessment done before we issue out ones to the subrecipients. So that you're looking at prior experience, you're looking at past performance, you're looking at turnover and staff, you're looking at past monitoring or audit, audit findings or audit reports – because that gives you an indication of whether or not you're going to successfully achieve the goals of the program.

And so again, we hope that you're working with responsible subrecipients and if there's a risk that they may not be in compliance, that you put in measures in a timely fashion, that you monitor their progress and correcting those weaknesses, so that, at the end of the grant or period of performance, that they have achieved those results and that they spent those monies correctly.

And so the next few slides is, with subrecipient management, we do expect the grant recipient to conduct monitoring. And so it is not enough to get a copy of their audit report. You should be conducting some additional monitoring of that organization, doing some the desk reviews or site visits to make sure that everything is up to par in terms of reaching the right set of clients, that they're deeming these individuals eligible, that the documentation is there, and that any services or payments made to participants is consistent with the provisions contained in the law or the uniform guidance.

Next slide. So we expect that, if – we want everybody to be successful in achieving the program goals that were outlined in your grant agreement. And the only way to make that possible is making sure that your subrecipients are doing their job.

And so this is where periodic check-ins – looking at them and touching bases with them on a periodic basis – will shed some light, will give you an indication of whether or not they are on the right path of achieving good performance. And if they're not, then this is where you can mitigate that issue or put a corrective action in place so that they could get back on track.

Next slide. So, in summary, as it relates to grants management, we hope that this fiscal staff with the program staff, because the – it's not enough to have documentation of every dollar being spent. You could spend $1 million of our money, but if you've only achieved 5 percent of your program goals, that isn't enough to say that it's been successful.

Doing periodic check-ins at your field offices, your local offices, and with your subrecipients is important to make sure that they're aware of where you stand and where they stand in terms of budget limitations and in budget and other budget categories. And if there's any changes or extensions needed with a modification or your indirect cost rate needs to be or is up for renewal, that you submit that package in time so that you have in an approved rate before the end of the period – before the end of the period – the period of performance has ended.

And then lastly, making sure that you open or maintain an open dialogue with your regional office, your federal project officer, or with the national office to make sure that everyone is fully aware of any successes or challenges you may be facing in managing the program. So I know that was a lot to be said in a little less than an hour.

If you want to hear more about uniform guidance requirements, if you want to learn the specific requirements and changes with things such as financial reporting or go delve deeper in what it means to do a desk review or site visit of a subrecipient, you can go to our community page on the WorkforceGPS website.

And if you click on communities, it's under grant application and management. And this is where you would find a whole bunch of professionally narrated modules on all of the topics you see in this slide here. And if you need – or if you have additional questions, you can feel free to reach out to me. And then, the next slide is just the link itself.

And then, so, I have my e-mail there. So I'd be more than happy to answer questions about a grant management requirement but not so much on the match dating site.

That's it for me. I took over two minutes of Avery's time. I will turn it over to Avery and he will talk about closeout.

AVERY MALONE: Well, thank you Debbie. And I'm more than happy to concede any floor time because the information you provided makes my job that much easier. Again, as Debbie said, I'm Avery Malone. I'm a part of the closeout unit in our Office of Grant Management and essentially, you all have been well-fed with information today. I will, basically, follow up on a lot of what Debbie said and just give you some overview of the closeout process and what you need to be looking out for in order to navigate the closeout process in the most efficient manner. From the book.

MS. TROXLER: Thank you Avery. Let's take just a quick second and take a little poll. This is going to be very important for what you're going to be talking about. Are you aware that there is a grant closeout process? Please vote, if you haven't already. OK. Avery. I think it's looking pretty good for you. There's a lot of yes. Folks are very aware. And some people are hoping that they will learn more from this session. And a couple folks are saying they really didn't know that there was such a thing. But I think that's better than our final answer, which is I thought it meant there was a closeout sale at the end of each program here.

MS. MALONE: It's looking pretty good.

MS. TROXLER: Looking pretty good. 82 percent for Yes, I'm very aware. So that's good to know. Thanks for sharing with us where you are in your knowledge on the closeout process. And then Avery, if we could, we got a couple of questions while Debbie was talking. Maybe we can just clear those up real quick so that's not distracting folks as we go through your presentation. One of them was, after submitting the closeout report, we often don't hear back for ETA unless there's a problem? Should we consider that everything is okay if we don't hear back?

MS. MALONE: Well, based on something that Debbie alluded to with regard to dialogue and open lines of communication, I never would tell you not to be proactive and follow up, but if you haven't heard anything back from your resolution specialist after submitting the closeout financial reports and the closeout package document, you're probably in good shape.

MS. TROXLER: Great. Thank you. Avery. And I think there's also a question about whether with the new 9130 form, are there more fields on that form than the old one?

MS. MALONE: So then answer that question simply, yes. It depends on which program that you actually are on for the SCSEP. I see that a follow up question with regards to the new forms versus the old one, but I'm sure we should be able to get you a copy of that.

MS. TROXLER: OK. OK. Great. So I think what Avery is saying is we can look into, I think maybe, Olga had suggested that we send out a screenshot of the old 9130 versus the new one and we will work on seeing whether or not we can do that for you all. So thank you Avery for taking a quick moment to clear up those questions and please, do proceed.

MS. MALONE: Thank you. Thank you. So as we all know, all good things must come to an end. We've arrived at the point of closeout. We're here to ensure that all t's have been crossed and all your i's have been dotted. The closeout unit, falls under the division of Policy Review and Resolution. And again, I like to always start out every presentation mentioning the importance of communication.

Debbie touched on that, and once again, and I just want to reiterate that you may hear me touch on this a couple of times throughout this presentation. If you remember one thing, when in doubt, reach out. That's the closeout way. So the closeout unit is headed be Meron Assefa. She is a supervisor of our unit and the grant officer. I assist her in the support capacity as a grant officer as well. The Division of Policy Review and Resolution is made up of the policy unit and you just heard from Debbie.

Again, the closeout unit and then Ana Malero from our audit resolution unit. Next slide. I'm going to go through this as fast as possible, so please don't be alarmed. I will make sure, again, to touch on all of that I believe is necessary. You have someone who has over 10 years of closeout experience, so, if I do my job properly, you will leave here knowing more about closeout that you ever have.

So preparing closeouts, essentially what you see on the slide up there is mostly what we do prepare for closeout. How you can prepare for closeout, I would say is be mindful of budget overruns, being mindful of whatever statutory or regulatory requirements that you are required to ensure that you addressed and meet, be mindful of any equipment that was purchased with federal reward or funds, ensure that if you have charged any indirect costs, expenditures to your award, that you have indirect cost rate agreements in place to cover those periods for which you are charging those expenditures.

You also want to ensure that your primary financial contacts are updated; whoever will be responsible for submitting your closeout documents. You want to ensure that the e-mail address and phone number of that individual, if it's not on file with us in our e-grant system, you want to make sure that your federal project officer has this information, so they can relay it to the closeout specialists who will be reaching out to you. Next slide, please.

What? I'm sorry. One last thing on this slide, very bottom of the slide, please be mindful not less than 7 days from the period of performance end date, you should have received notification from your resolution specialist. It may go out 30 days in advance, but by the last week of your period of performance, if you have not received anything from the closeout, office, you want to reach out to your federal project officer, or you can reach out to us directly. Again, my e-mail contact information should be in these slides and when in doubt, reach out.

Next slide, please. So closeouts begin – closeout actually begins on the final day of your period of performance. Once your grant award end date arrives the closeout process has begun. On this slide, we're referencing the finances – the quarterly financial report, which your final quarterly financial report should be submitted 45 days after that period of performance end date. How will we know if this is your final report?

In box number 6 of that 9130 form, you should see a little radio button that you can mark yes or no as to whether or not this will be your final report. 15 days out from that final report of submission, you will probably receive a follow-up e-mail from the closeout specialist who's been assigned to your award just to make sure that you are on course to ensure that all of your closeout documents will be submitted within the 90-day time-frame. The grant closeout financial report is due no later than 90 days after the period of performance end date.

Next slide. On day 91, it's essentially when closeout office will begin our reconciliation process, assuming that all closeout documents have been submitted in a timely fashion. We will do our review and barring any issues or items that need to be addressed, you should be in a good place by the next month.

According to the Department of Labor manual series, the closeout unit has one full year to ensure that we closed out your award in accordance with our requirements. This does not mean that you have a full year to submit all closeout documents. Based on the regulations and the award that you signed, the assigned agreement, you have 90 days to submit all the required documentation in order for us to close your grant award.

Just as a note, we are now under a new Act that was passed by Congress called the GONE Act – Grant Oversight and New Efficiency Act. They want to ensure that we are closing our own awards in a timely fashion. If, for whatever reason, an award extends beyond the one-year time-frame that we are required to by our Department of Labor standards, and exceeds or enter into anything beyond that, Congress now requires us to report on all grant rewards that are open. So for our best interests and for yours, we want to make sure that your organization's name does that make this list. Next slide, please.

So just a few deadlines that you want to keep in mind. Again, you have 90 days to submit all closeout documents. So for example here, if your award expires on June 30th, 2018, then the closeout process begins 45 days from June 30th, which would bring it to around August 14. You should have submitted the final form in the 9130 report.

Another 45 days out, which would be the entire 90 days – September 30th – the closeout 9130 report should be submitted. Another note to be mindful of, if you have not drawn down all funds that you were entitled to on this award by that 90th day, the subaccounts in PMS that you accessed will be locked.

That doesn't mean that you won't have access to any funds that you are entitled to. It just means that you will have to go through a process to provide documentation to the closeout unit as to why the lag in the draw-down. Next slide. This is just an example of a notification that you will receive upon entering or preparing for the closeouts. This notification will go out, again, no later than 7 days prior to your period of performance end date.

Just a few things that I would point your attention to: the very first sentence in this notification should list your grant award number, as well as the period of performance end date. If those are correct or if there's an issue, by all means, reach out to our office and let us know and we will follow up and look into that. If you go midway into this correspondence notification, you should see a blue link. That link will bring you to the reporting area for the closeout documents submission, and finally at the very bottom of the page, the last statement, inquiries should be directed to the resolution specialists.

Now it's not listed here, but this area will give you your resolution specialist's name, the phone number, at well as their e-mail contact. Next slide, please. As part of the closeout notification that you will receive, two e-mails will go out, the one we just saw, and a follow-up e-mail will come including the end user manual. This will contain an attachment that will help you to navigate the closeout system in order to have submit your closeout document.

Next slide, please. Elements of the grant closeout package. These documents are the basic documents that are submitted into the totality of the closeout package itself. So we have, as we spoke, the final quarterly 9130 financial report in addition to the closeout 9130 financial report.

The grantee's detailed statement of cost. This is a form in which you will provide information related to the approved budget amounts that you were given, as well as it will provide a column for you to list the actual expenditure amount in relation to those approved amounts.

The grantees release form you submit to provide us with information regarding the final expenditure amount that you are entitled to under this award, and it will release the government from any further obligations due. The government property inventory clarification form: this form is to be filled out and it has two sections to it.

There's a section that says, no, you did not purchase any property with federal funds, or yes you did, and the requirement for property, in this particular case, we're looking for items with a fair market value at the time of closeout of $5,000 or greater per item. We also have the NICRA, which is negotiated indirect cost rate agreement. We will be looking for a copy of that.

If you charge indirect cost rate, or indirect cost expenditures to your award, and we will also ask you for an indirect cost rate calculation breakdown, and that is usually in a very simplistic format of the base times the rate for each year in which expenditures were charged to the award.

Please be mindful that you must have an approved indirect cost rate agreement for every year that you are charging indirect cost to our award. The grantee's assignment of refunds or rebates and credits is your attesting to the fact that any funds that you received as refunds or rebates based off of something that you may have gotten a discount for, you will return to the Department of Labor and not keep it for yourself.

The grantees closeout tax certification is the certification form that again, you're attesting to the fact that you have paid attention to all tax requirements within the locality or the county or city that you are operating the award in. Next slide, please.

Again, we'd just like to reiterate for the purpose of clarity, the fact that there are 2 different 9130 forms that you will be required to submit at the point of closeout. You have your final quarterly financial report and you have your closeout financial reports. So just keep in mind those are two separate forms. I'm not going to spend a lot of time that.

If you have questions, by all means, you may reach out. Next slide. So there's an example of your final quarterly 9130 report and what I would draw your attention to here is the fact that in circuit amount of that should be line 10f which is a federal expenditure – share of expenditures. If you notice on this particular slide, under line 10a and 10b, which is the cash receipts and cash disbursements of funds, meanings the funds that you've drawn down from the HHS payment management system and the funds that you've actually dispersed to your contractors or whatever expenditures that you had to cover, in this particular slide, you'll notice that 10a and 10b do not equal what the federal share of expenditure amount displays on this.

As been said, there are times when the final quarterly 9130 report will reflect the exact same amount on the closeout 9130 report. But however, if that is not the case, do not be alarmed. We do understand since this is done on an accrual basis, you may report expenditures that you haven't yet drawn down those funds. That's what the closeout 9130 report is for. You can make your adjustments on the closeout 9130 report.

Next slide. So here's a closeout 9130 financial report, and as you can see, once you get to this report, all 3 of those line items must reconcile. Lines 10a, cash receipts; Line 10b, cash disbursements; and Line 10e, federal share of expenditures.

Those all must equal the same amount. Next slide. Repetition is key. So again, final version closeout 9130 report, see my example. There are two different reports. We will ask that you ensure that you have submitted both. If the resolution specialist reaches out to you and says that you have not submitted your closeout 9130 report, chances are you've submitted the final, but have yet to go back into the system to submit the closeout 9130 report. Just a key reminder, you will not have access to the closeout 9130 report until you submit and certify your close – and your final 9130 report.

Again, the closeout report is only accessible after the submission of the final 9130. Next slide. So we just wanted to present the form just to see – so you can see both of them side-by-side to again, reiterate that they are two distinct forms. Next slide, please.

And because we're running short on time – thank you, sir – the indirect costs, as Debbie mentioned on your final 9130 reports, you are able to input the indirect costs that you are charging to our award because closeout will close on provisional rate, which normally is the rate you receive prior to being issued a final rate, you may not be able to make an adjustment if your final rate comes in during the closeout period.

Next slide. The limitation of accrued expenditures. Just be mindful, at the point of close out, your grant has officially expired. You cannot occur any new expenditures at this point in time, so the only thing you are allowed to liquidate are the accrued expenditures that were incurred during the period of performance. No new obligations. And as a reminder, any staff time that it's used to complete the closeout process, you are not allowed to charge any of that as direct charges to the grant award seeing as this is after the period of performance.

Next slide. I should be wrapping up. Just a reminder, again, your administrative cost limit is something that closeout will review it and ensure that you have adhered to it and in its rate at – and I take most of you all are, I guess, at 13.5 percent, so we just wanted to bring that to the forefront.

Next slide. Then our cost rate agreement is the document that we will be asking you for if you are requiring that we reimburse it, but indirect cost that you have charged for the award. Be mindful that this – we want a copy of your signed agreement. If you – we will go on provisional rate in closeout.

However, if you receive your final rate, and again, you are unable to adjust the financial report to demonstrate that, the closeout resolution specialist will provide you a form which it will give you a template as to how you can submit a copy to was through e-mail.

Next slide. This is just an example of the property certification form again. If you a check in the areas that you have a purchased property with a fair market value of $5,000 or greater, we will ask for certain documentation at the closeout point to see how you intend to use this property moving forward. If you intend to dispose of it, and in any case once you submit this form, we will give you further instructions as to how you should go about this.

Next slide. Match requirement. Just a quick note on the match requirement: under the SCSEP awards, I believe, your match requirement is 10 percent of the total cost. If you do not need that at the point of closeout, as Debbie mentioned, you will be receiving a notification from the closeout resolution specialists. If we are unable to resolve this issue by identifying other charges, then we may have to go into a process where we will begin a determination to disallow cost based on a match award not being met.

Next slide. This is just listing of your statutory and regulatory requirements. Under this particular program, again, we have to match the administrative costs. The wage and benefits, about 75 percent of the grant award should be used for those purposes. If you use less than 75 percent, please ensure that you have a waiver and provide us a copy of that waiver. Come the point of closeout – next slide – I know we're at the time, so I'm trying to rush through these – this is where you want to get.

The bread and butter right here – submission confirmation letter. This is the confirmation that you have submitted your closeout 9130 financial reform.

Next slide. OK, now this is the bread and butter, the primary settlement letter. This is what you're waiting on. Right here? This is pretty much closeout's way of letting you know, at this point in time, you have fulfilled all the requirements of what's necessary in order to wrap your grant award for close and with this in hand, you should be pretty much good to go.

There are some special items in their exceptions that even after closeout, if something comes up in the later audit, the government still is entitled to come back to you. So again, just keep this for your records. And at this point in time you should have successfully completed closeout. Next slide.

Close-out action. Liquidated accrued expenditures. You submitted all your closeout reports, you refund any obligated funds or cash back to us that you're not entitled to, you've accounted for all property.

Next slide. Common misunderstandings. Again, we spoke about that on the 9130. Lines 10a, 10b, and 10e on the closeout 9130 need to match. Make sure you complete the equipment form correctly. These are minor issues that a lot of grantees run into, but our specialists are well-trained, very experienced, and if you encounter any of these, again, just keep in communication with them.

They will be able to guide you through the process. Next slide. These are common issues that delay closeout. Again, communication, please respond to any requests that are sent to you. Refunds do sometimes delay the closeout process. We are moving toward electronic submission of refunds.

So that is definitely the best way to ensure that there's as minimal time as possible that lapses from once you send the refund to when we can actually follow through the closeout. Equipment disposition. Anyone in 9130 issues, indirect cost issues, determination letters – if they have to be issued, that would definitely, definitely prolong the closeout process. Next slide.

Again, just the refunds, the main ways that you should refund money is if you have access to the PMS account that you were drawing down from, you should be able to return the funds directly through that system. Our – in the event that those are closed to you, there is the new pay.gov portal that you can use. And again, a specialist can provide you with further information if this becomes an issue.

Next slide. Frequently Asked Questions: Does marking yes on box 6 of the final 9130 trigger closeout? No. The period of performance end date triggers the closeout. Grant ends June 30th, 2019, when the grantee needs to submit the final 9130 and the closeout 9130? When the grant ends, you have 45 days from the final quarterly submission date. So if your quarter end date was June 30th, then the 45 days for your final quarterly 9130 would be August 14th, and the 90-day period for the closeout 9130 would be September 30th.

The last time you will be able to draw down funds will be the 90-day cut off mark, which will be September 30th.

Next slide. And I hope I didn't run through that too fast, but if there's any questions.

MS. TROXLER: Thank you so much. Avery. I think we need your wrap up for today. Just that we have one question in the queue that we're going to research a little bit. I think that's from Christina. So we will look into that question and get back to you on it.

Avery, thank you so much. Debbie, thank you so much. We really appreciate you bringing your expertise and experience to this very, very important subject. So thank you so much for being with us. We really appreciate it and we may have some follow-up questions for you, so be ready.

MS. MALONE: I'm ready.

MS. TROXLER: OK, thanks, everyone. We've got another session starting at 3:00 PM Eastern, so we will be back in just a couple moments. Thank you so much for your continued engagement. We really appreciate you.

MR. VEHLOW: All right. Thank you everybody and you'll see a feedback window. And you can let us know what you thought of today's webinar. Please take a second now to share your thoughts, what you liked or what we can improve on. There's also an additional topics window where you can let us know what you'd like to hear in future webinars are.

Just to remember, a recording for today's session as well as transcript and executive summary will be made available on WorkforceGPS in about two business days. So again, we want to thank our presenters today and with that have a wonderful day and we'll see you soon if you're joining for Session 3. Thank you.

(END)