

Welcome to the 2012 OVC Discretionary Grantee Orientation Series: Financial and Legal Responsibilities



November 29, 2012

The material presented during today's webinar session will be available on the OVC Web site in two weeks.

Please Note:

Participants will remain on mute throughout the session.

The session will be recorded.

The session will begin shortly.



Facilitator:

Sharron Chapman
Lead Victim Justice
Program Specialist
Office for Victims of Crime





Agenda

- Welcome and Introduction
- Message from Deputy Director
- Identifying and classifying costs
- Conference planning, costs, and reporting
- Financial reports
- Top 10 audit findings
- Key legal issues
- Other legal requirements
- Closing and additional Q&A



Presenters

- Shelby Jones Crawford, OVC
- Michael Williams, OCFO
- Charles Moses, OGC
- Kristopher Brambila, OGC



Learning Objectives

- Grantees will be able to identify the four basic types of costs and classify costs.
- Grantees will learn the conference approval process, conference guidelines and reporting requirements.
- Grantees will learn how to submit a financial report.

Learning Objectives (continued)



- Grantees will learn the difference between a grant and cooperative agreement.
- Grantees will learn where to find the legal requirements applicable to OJP awards.
- Grantees will learn the basic rules about lobbying, faith-based organizations, human subject protection, and conflicts of interest that apply when using OJP funding.



Webinar Tools

- **Chat Box:** Please use the chat box to submit questions during the orientation session.
- **Quiz:** Please respond to the quiz questions posed during the orientation session.
- **Feedback Box:** Please respond to feedback questions posed by the presenters during the orientation session.

** All participants will remain on mute throughout the entire orientation session*



Message from:

Shelby Jones Crawford
Victim Justice Program Specialist
Office for Victims of Crime



Presenter:

Michael Williams
Special Assistant
Office of the Chief
Financial Officer





2012 OVC Discretionary Grantee Orientation Series

Grant Financial Management



Identifying and Classifying Costs



Four Basic Types of Costs

- Allowable costs
- Unallowable costs
- Costs not authorized
- Costs deemed excessive or unreasonable



Four Basic Types of Costs

Allowable Costs - costs that are necessary, reasonable, allocable, not prohibited under State/local laws or regulations. Costs must conform to any limitations set forth in Federal laws, and comply with the terms and conditions of the Federal award.



Four Basic Types of Costs

Unallowable Costs - costs not allowed under Federal programs include, but are not limited to lobbying, land acquisition, fund raising, entertainment, contingencies, and alcoholic beverages.



Four Basic Types of Costs

Costs not authorized - costs are not authorized when there is no consent from the awarding agency to incur costs, not included in the approved budget, or occurs before or after the grant award period.



Four Basic Types of Costs

Costs deemed excessive or unreasonable - when its nature and amount exceeds that which would be incurred by a prudent person when the decision was made.



Code of Federal Regulations Major Provisions

CLASSIFICATION OF COSTS



Classification of Costs

DIRECT COSTS, generally include:

- Costs identified specifically with an activity
- Salaries and Wages (including holidays, sick leave, etc.) for direct labor employees
- Travel of direct labor employees
- Material/supplies purchased directly for use on a specific project



Classification of Costs

Indirect costs generally are costs not readily identifiable with a particular grant or contract such as:

- Maintenance of buildings
- Telephone expense
- Supplies
- Depreciation
- Rental expense



Classification of Costs

INDIRECT COSTS RATES:

- Provisional indirect costs rates adjusted to actual (retroactive adjustment)
- Predetermined rates (not normally subject to adjustment)
- Fixed rates (with rollover or carry forward adjusted in future period)
- Implements cognizant Federal agency concept



Questions





Conference Planning, Costs, and Reporting

Planning, Approving, & Reporting Conference Costs



- Reason for Policy
- Conference Definition
- Conference Guidelines
- Cost Categories
- Approval Levels
- Reporting Requirements



Planning, Approving, & Reporting Conference Costs

- Reason for Policy:
 - ✓ Ensure stewardship over Federal Funds
 - ✓ Department core missions are supported

Planning, Approving & Reporting Conference Costs



➤ Conference Definition: a pre-arranged event with designated participants and/or registration, a published substantive agenda, and scheduled speakers or discussion panels on a particular topic.

✓ Meetings

✓ Symposium

✓ Retreats

✓ Training Activity

✓ Seminars



Conference Guidelines

- Cooperative agreement recipients and Contractors must seek and obtain OJP's prior written approval for each event/conference held with OJP funds.



Conference Guidelines

- Requests must be submitted to OJP 120 calendar days in advance of the earliest of start date of the conference, deadline for signing conference-related contracts, or obligation of funds for conference costs (except for minimal costs required to assemble and submit the approval request).



Conference Guidelines

- All cooperative agreement and contract recipients must complete the **Conference and Event Submission Form**. Each submission must contain all the applicable information to assist in a thorough review. The recipient must provide justification where required by the form. All supporting documentation should be embedded and included within the spreadsheet file.



Cost Categories

1. Conference Meeting Space (including rooms for break out sessions)
2. Audio-Visual Equipment and Services
3. Printing and Distribution
4. Meals
5. Refreshments
6. Meals and Incidental Expense (M&IE)
7. Lodging



Cost Categories

8. Transportation – Common Carrier
9. Local Transportation (rental car, taxi, POV)
10. Logistical Planner
11. Programmatic Planner
12. External Trainers/Instructors/Presenters
13. Other Costs (detail separately)
14. Indirect Costs



Approval Levels

Threshold Amounts	
Component Head/Principal Deputy	\$100,000 or less
Assistant Attorney General/Administration	All refreshments and use of external conference planners, conference space and audio visual that exceed the cost thresholds
Assistant Attorney General/Administration	Predominantly internal conferences held in non-federal facilities regardless of the cost.
Deputy Attorney General	More than \$100,000 through \$500,000
Attorney General	More than \$500,000



Approval Levels

Threshold Limitations

Logistical Conference Planner: Limited to \$50 for each attendee, not to exceed \$8,750. Any estimated cost above this threshold must be justified in writing and specifically approved by the Assistant Attorney General/Administration.

For example, if the number of attendees at a two day conference is 100, the maximum cost allowed for a logistical planner is \$5,000 (\$50 X 100 attendees). Logistical planning costs anticipated to exceed this amount will require additional justification and approval prior to incurring the costs.



Approval Levels

Threshold Limitations

Programmatic Conference Planner: Limited to \$200 for each attendee, not to exceed \$35,000. Any estimated cost above this threshold must be justified in writing and specifically approved by the Assistant Attorney General/Administration.

For example, if the number of attendees at a two day conference is 100, the maximum cost allowed for a programmatic planner is \$20,000 (\$200 X 100 attendees). Programmatic planning costs anticipated to exceed this amount will require additional justification and approval prior to incurring the costs.



Approval Levels

Threshold Limitations

Conference space and A/V equipment: Limited to \$25 per day per attendee, not to exceed \$20,000. Any estimated cost above this threshold must be justified in writing and specifically approved by the Assistant Attorney General/Administration.

For example, if the number of attendees at a three day conference is 100, the maximum cost allowed for conference space and A/V equipment is \$7,500 ($\$25 \times 3 \text{ days} \times 100 \text{ attendees}$). Conference space and A/V equipment costs anticipated to exceed this amount will require additional justification and approval prior to incurring the costs.



Reporting Requirements

- Conferences that cost the Department more than \$20,000 must be reported
- Post reports are no longer submitted in GMS, they are submitted on the same form as the conference request.



Reporting Requirements

Cooperative agreement recipients and contractors must submit the conference and event submission form with the following information:

- The prior approval amounts compared to the actual costs.
- Explanation of all variances greater than 10% and \$1,000.



Reporting Requirements

When a prior approval amount exceeds \$20,000, OJP expects a post event report. If the actual costs are less than \$20,000, please either file the report with the actual costs or notify your program manager or OJP point of contact that a report is not required.



Planning, Approving, & Reporting Conference Costs

**Conference request for prior
approval:**

BJA: BJAConferenceReport@usdoj.gov

**All other OJP Bureaus and Offices:
OJPConferenceCosts@ojp.usdoj.gov**

Conference post reporting:

OJPConferenceCostReporting@ojp.usdoj.gov



Questions





Financial Withholdings (GANs)



Special Conditions

- Budget not Approved
- Indirect Cost Agreement has Expired
- Delinquent SF 425 Federal Financial Report (FFR)
- Delinquent Audit Report
- Outstanding Debt to the Awarding Agency



Financial Reporting SF 425



Federal Financial Report (SF-425)

- Quarterly Federal Financial Reports are submitted through the Grants Management System (GMS) at <https://grants.ojp.usdoj.gov>.
- Grant recipients will be required to report grant expenditures utilizing the Federal Financial Report Form (SF-425). This form replaced the Financial Status Report (FSR), known as the SF-269.



Federal Financial Report (SF-425)

- Financial information reported on the SF-425 is similar to the SF-269.
- The SF-425 quarterly report must be submitted no later than 30 days after the end of each calendar quarter.



Office of Justice Programs



Welcome to the
Grants Management System

[Click here for Training Material](#)

CLICK HERE



GMS Sign-In

New User? Register Here

LLEBG Sign-In

Home



Grant Management System



Notice: OVC VOCA Administrators. The Annual VOCA performance reports are in GMS. Please review the job aids. The link is: <https://grants.ojp.usdoj.gov/gmsHelp/index.html>

Effective October 27, 2007, all OJP and OVW grantees must submit their financial status reports in OJP's Grants Management System. Directions on how to use the new module can be found at http://www.ojp.usdoj.gov/funding/FSR_User_Manual.pdf

Applicant Sign In

User ID:

Password:

[First Time User?](#)

[Forgotten your password?](#)

NOTICE TO USERS This is a Federal computer system and is the property of the United States Government. It is for authorized use only. Users (authorized or unauthorized) have no explicit or implicit expectation of privacy. Any or all uses of this system and all files on this system may be intercepted, monitored, recorded, copied, audited, inspected, and disclosed to authorized site, Department of Justice, and law enforcement personnel, as well as authorized officials of other agencies. By using this system, the user consents to such interception, monitoring, recording, auditing, inspection, and disclosure at the discretion of authorized site or Department of Justice personnel. Unauthorized or improper use of this system may result in administrative disciplinary action and civil and criminal penalties. By continuing to use this system, you indicate your awareness of and consent to these terms and conditions of use. LOG OFF IMMEDIATELY if you do not agree to the conditions stated in this warning. [Privacy, Security and Disclaimers](#)



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To request assignment and unassignment of awards, please select [Manage Assigned Awards](#).

Award Status:

BJA FY 09 Recovery Act Edward Byrne Memorial Justice Assistance Grant Program State Solicitation

Year	Award Number	Status	Grant Manager	Correspondence	Action
2009	2009-SU-B9-0019	<ul style="list-style-type: none"> Grantee Notified On 04/29/09 Active 	Name: Lawson, Flora Phone:(202) 305-9216 Fax: Other:	2 New Message(s)	Financial Status Reports



FY 09 Recovery Act - Victims of Crime Act (VOCA) Victim Assistance Formula Grant Program

Year	Award Number	Status	Grant Manager	Correspondence	Action
2009	2009-SG-B9-0113	<ul style="list-style-type: none"> Grantee Notified On 04/24/09 Active 	Name: Green, Kisha W Phone:202-616-3573 Fax: 202-514-6383 Other:	3 New Message(s)	Financial Status Reports

FY 09 Recovery Act - Victims of Crime Act (VOCA) Victim Assistance Formula Grant Program

Year	Award Number	Status	Grant Manager	Correspondence	Action
2009	2009-SG-B9-0113	<ul style="list-style-type: none"> Grantee Notified On 04/24/09 Active 	Name: Green, Kisha W Phone:202-616-3573 Fax: 202-514-6383 Other:	3 New Message(s)	Financial Status Reports

FY 09 Recovery Act - Victims of Crime Act (VOCA) Victim Compensation Formula Grant Program

Year	Award Number	Status	Grant Manager	Correspondence	Action
2009	2009-SF-B9-0087	<ul style="list-style-type: none"> Grantee Notified On 04/24/09 Active 	Name: Green, Kisha W Phone:202-616-3573 Fax: 202-514-6383 Other:	3 New Message(s)	Financial Status Reports



[Financial Status Reports](#)

[FSR Correspondence](#)

Financial Status Report Handbook

*Required

Report Number: 3

[FSR Details](#)

[Previously Submitted Reports](#)

 FEDERAL FINANCIAL REPORT (Follow form instructions)	
1. Federal Agency and Organizational Element to Which Report is Submitted	U.S. Dept. of Justice Office of Justice Programs (OJP)
2. Federal Grant or Other Identifying Number Assigned by Federal Agency (To report multiple grants, use FFR attachment)	2009-XX-XX-1234
3. Recipient Organization (Name and complete address including Zip code)	Smallville Police Department 123 Main Street Nicetown, USA 12356
4a. DUNS Number	808591127
4b. EIN	02-6002618
5. Recipient Account Number or Identifying Number (To report multiple grants, use FFR attachment)	<input type="text"/>
* 6. Final Report	<input type="radio"/> Yes <input checked="" type="radio"/> No
* 7. Basis of Accounting	<input checked="" type="radio"/> Cash <input type="radio"/> Accrual
8. Project/Grant Period From: (Month, Day, Year)	03/01/2009
To: (Month, Day, Year)	02/28/2013
9. Reporting Period End Date (Month, Day, Year)	03/31/2010

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10. Transactions			
	Previously Reported	This Period	Cumulative
(Use lines a-c for single or multiple grant reporting)			
Federal Cash (To report multiple grants, also use FFR Attachment):			
a. Cash Receipts			
b. Cash Disbursements			
c. Cash on Hand (line a minus b)			
(Use lines d-o for single grant reporting)			
Federal Expenditures and Unobligated Balance:			
d. Total Federal funds authorized			\$500000.00
* e. Federal share of expenditures	\$2000.00	\$17000.00	\$19000.00
* f. Federal share of unliquidated obligations			\$5000.00
g. Total Federal share (sum of lines e and f)			\$24000.00
h. Unobligated balance of Federal funds (line d minus g)			\$476000.00

Recipient Share:

* i. Total recipient share required			\$ 3500.00
j. Recipient share of expenditures	\$ 2000.00	\$ 500.00	\$ 2500.00
k. Remaining recipient share to be provided (line i minus j)			\$ 1000.00

Program Income:

l. Total Federal program income earned			\$ 400.00
m. Program income expended in accordance with the deduction alternative			
n. Program income expended in accordance with the addition alternative			\$ 400.00
o. Unexpended program income (line l minus line m or line n)			\$ 0.00

 * 11. Indirect Expense

a. Type of Rate	b. Rate	c. Period		d. Base	e. Amount Charged	f. Federal Share
		From	To			
Provisional	10.0 %	01/01/2012	12/31/2012	\$ 9000.00	\$900.00	\$900.00
Not Applicable					\$0.00	\$
Provisional						
Predetermined						
Final						
Fixed						
g. Totals					\$900.00	\$900.00

12. Remarks: Attach any explanations deemed necessary or information required by Federal sponsoring agency in compliance with governing legislation.

10/30/2009 #3

12. Remarks: Attach any explanations deemed necessary or information required by Federal sponsoring agency in compliance with governing legislation.

13. Certification: By signing this report, I certify that it is true, complete, and accurate to the best of my knowledge. I am aware that any false, fictitious, or fraudulent information may subject me to criminal, civil, or administrative penalties. (U.S. Code, Title 218, Section 1001)

* Prefix	Mr
Prefix (Other)	
* First Name	John
Middle Initial	
* Last Name	Doe
Suffix	Select Suffix
Suffix (Other)	
* Title	Chief Financial Officer
* Telephone (Area code, number and extension)	(555) 555 - 8090 Ext.
* E-mail Address	jdoe@smallvile.gov
Date Report Last Submitted	10/25/2009

14. Agency use only

OJP Vendor Number	912345678
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Attachments:

None

Actions:



Audit Trail:



[Financial Status Reports](#)

[FSR Correspondence](#)

**Financial Status
Reports Handbook**

Your Financial Status Report has been successfully submitted. You will be able to modify and re-submit this FSR until the next Reporting Period End Date has passed. However, you can log in any time to view the information.

You will be contacted by OC Customer Service if any other action is required by you.

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Questions





Audit Findings



TOP TEN AUDIT FINDINGS (FY2011)

1. Procedures not documented or need improvement - Accounting.
2. Procedures not documented or need improvement – Internal Controls.
3. Procedures not documented or need improvement - Payroll.
4. Subgrantee monitoring not being conducted.
5. Accounting system inadequate or not effectively utilized to account for grant funds.



TOP TEN AUDIT FINDINGS (FY2011)

6. Procedures not documented or need improvement – Inventory/Fixed Assets.
7. Progress Report not submitted timely.
8. Excess cash-on-hand identified.
9. Suspension and Debarment – verification not performed or not properly documented.
10. Federal Financial Report not accurate (addition/carry-forward, reporting errors, etc.).



Questions



OVERVIEW OF KEY LEGAL ISSUES FOR OVC GRANTS



Charles Moses
Deputy General Counsel



Kristopher Brambila
Attorney-Advisor



MAJOR ISSUES

- Grant v. Cooperative Agreement
- Lobbying
- Faith-based programs
- Human subject protection
- Conflicts of interest
- Conference approval/reporting

Grant v. Cooperative agreement



- Award document (upper-right hand corner) will indicate which type of award; Coop agmts have a “k” in the award number.
- Grant – purpose of public stimulation, little federal involvement
- Cooperative agreement – purpose of public stimulation, substantial federal involvement.

Cooperative agreements



- Joint coordination through periodic discussions of project plan, budget, and activities.
- Recipient is responsible for the day-to-day operation of project.
- OVC is responsible for general oversight and redirection of the project.
- OVC review/approval required for many activities – key personnel selections, consultants, assessments, plans, instruments, manuals, and development of project documents.



LOBBYING

18 U.S.C. § 1913 - Anti-lobbying Act

- 1948 Federal Criminal Code

Federal agencies and employees

- Amended November 2, 2002

Expanded provisions

Expanded to apply to use of appropriated funds by federal fund recipients through 31 U.S.C. § 1352

LOBBYING



Implementation of 18 U.S.C. § 1913 by OMB

Advice to recipients:

Activities to avoid

Sanctions

What **can** you do?



LOBBYING

- Use of Federal Funds Condition

“Recipient understands and agrees that it cannot use any federal funds, either directly or indirectly, in support of the enactment, repeal, modification or adoption of any law, regulation or policy, at any level of government, without the express prior written approval of OJP.”



Questions



FAITH – BASED PROGRAMMING



- Regulations at 28 C.F.R. Part 38
- Condition for Faith-Based Activities:
“The recipient agrees not to use grant funds for inherently religious activities such as worship, prayer, devotional reading or study of sacred texts, or proselytization.”

FAITH – BASED PROGRAMMING



Religious Organizations CAN:

1. Engage in inherently religious activities IF:
 - (a) Separate in time or location
 - (b) Participation by beneficiaries is voluntary
2. Maintain independence, autonomy, religious expression and character:
 - (a) Religious mission
 - (b) Use facilities without removal of symbols
 - (c) Retain name, board character
 - (d) Mission statement

FAITH – BASED PROGRAMMING



Religious Organizations CANNOT:

1. Discriminate against program beneficiaries
2. Use federal money to support inherently religious activities

HUMAN SUBJECTS AND CONFIDENTIALITY



Human Subjects protections

28 CFR Part 46

Confidentiality protections

28 CFR Part 22

When is Part 46 important?



A. Human research – Examples

Collection of or analysis of information obtained from individuals

B. Can include --

Interviews, surveys, focus groups, evaluations

C. If research is involved, general rule - must submit projects to an appropriate Institutional Review Board (IRB) for review and approval

LIMITATIONS ON HUMAN SUBJECTS RESEARCH



1. Informed consent necessary –
voluntary participation
2. Document compliance via
privacy certificate (Part 22)
3. Must maintain confidentiality through
collection, analysis, final disposition
(Part 22)

I don't need IRB or privacy certificates if:



1. Project is not research or statistical collection
2. Collected information is not identifiable to specific individuals



Questions



CONFLICT OF INTEREST

OJP Financial Guide

Part I, Chapter 3



When using grant funds, avoid:

- Using your official position for private gain
- Giving preferential treatment to any person
- Losing complete independence/impartiality
- Making an official decision outside official channels
- Adversely affecting the confidence of the public in the integrity of the government/program

Scenario #1



Your organization has just received a grant from OVC to concentrate on Elder Abuse training for State and local prosecutors. A member of your Board of Directors is an acknowledged expert on Elder Abuse. As the executive director of this organization, may you hire your board member as a consultant to present this training required under your grant with OVC?

Scenario #2



You sit on the Board of Directors for a national non profit organization which has been selected by OVC to distribute \$500,000 in grant funds via a competitive process. A potential applicant contacts you to see if you would be interested in joining an application for these funds, unaware that you simultaneously sit on the national board of the organization. Can you join in this application and allow this applicant to use your name as an expert affiliated with his grant in attempting to secure grant funding from the organization in a competitive solicitation?

Scenario #3



You ask your OVC grant program specialist to write a letter of recommendation for your organization to qualify for a grant from HHS for work with crack-addicted children. What, if anything, can you expect your OVC grant manager to submit to HHS on your organization's behalf?



Questions



Conference Approval/Reporting



- Heightened scrutiny of conference-related costs due to OIG audit findings, statutory changes, and White House directives.
- Slightly different rules for grants v. cooperative agreements.
- OJP awards: No food or beverages (very few exceptions).

Conference Approval/Reporting



- “Conference” is defined broadly – includes meetings, trainings, retreats, seminars, etc.
- Operational meetings are not conferences – must be small, very low cost, and internal to organization or project partners. (E.g., staff meetings, staging to receive victims from law enforcement operation.)

Conference Approval/Reporting



- Cooperative agreements: All conference costs must receive prior approval. (Budget approval doesn't count.)
- Grants: Prior approval generally not required, BUT cost caps apply (for A/V, facility space, logistical/programmatic planning).

Conference Approval/Reporting



- Prior approval requests should be submitted as far in advance as possible.
- Post-event reporting is similar to previous years.
- Must report everything over \$20k in award funds based on actual expenses within 45 days after the last day of the event.

Other Legal Requirements



- Award documents - conditions, assurances, and certifications
- OJP Financial Guide
- Specific federal law/regulations for that program (e.g., VOCA or the TVPA)
- Cross-cutting federal laws/regulations
- OMB Circulars

Length of OVC Awards



- Time specified in award document
- Year of award plus three additional fiscal years maximum for VOCA-funded projects



Program Income

- Grantees and cooperative agreement recipients may generate program income.
- Program income must be used for allowable purposes under the award.



Recordkeeping

- Obligation under federal law to keep appropriate records of funded activities.
- Often an audit issue - can lead to substantial amounts of questioned costs



Media Conditions

- Practical timelines for review/approval of OVC-funded publications, videos, etc.
- Intellectual property rights – gov't reserves a broad license to use works for gov't purposes.
- Need to obtain appropriate releases.



Questions





Helpful Contacts

- OVC Main Line
 - 202-307-5983
- OCFO Customer Service
 - 1-800-458-0786 or ask.ocfo@usdoj.gov
- Additional Information
 - <http://www.ojp.usdoj.gov/training/training.htm>
 - <http://www.ojp.usdoj.gov/financialguide/index.htm>



Questions



2012 OVC Discretionary Grantee Orientation Series



- Future Webinars
 - Grant Requirements
 - Measuring Success



Grant Requirements

December 13, 2012 2:00 PM – 3:30 PM ET

- Overall grant management
- Progress reports
- Grants Management System
- Resources available through the Office for Victims of Crime (OVC) Training and Technical Assistance Center and the OVC Resource Center.



Measuring Success

January 10, 2013 2:00 PM – 3:30 PM ET

- Performance measures
- Evaluation
- Closeout instructions



Evaluation

Please complete the “Financial and Legal Responsibilities” online evaluation that you will receive via e-mail.

Thank you for your participation in the
2012 OVC Discretionary Grantee Orientation
Session: Financial and Legal Responsibilities.