



**Forest Service**



**PROJECT  
CANOPY**



**GrowSmart**  
M A I N E

## **Grant Training Workshop March, 2015**

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# Grant Workshop Agenda

- Welcome and Introductions
- Project Canopy Overview
- Grant “Rules of the Road”
- Questions, Wrap-up



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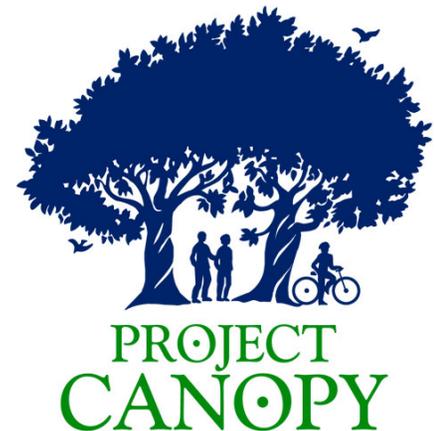
# Welcome and Introductions



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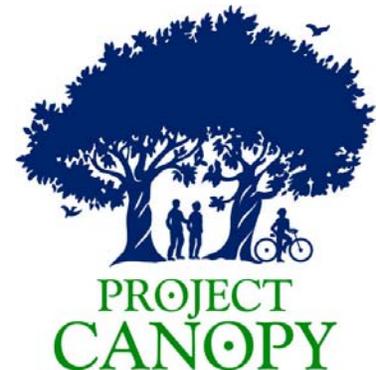
# What is Project Canopy?

- Maine's community forestry program – partnership between Dept. of Agriculture, Conservation, and Forestry's Maine Forest Service and GrowSmart Maine
- Initiated through the 1990 Farm Bill, "America the Beautiful – National Tree Program", providing funding, education & technical assistance to all 50 states



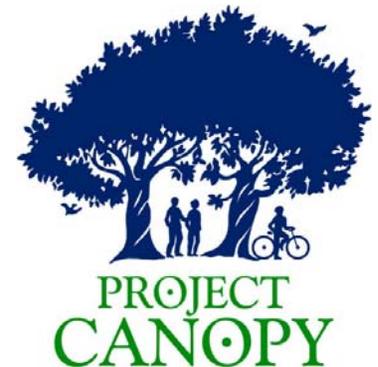
# What does Project Canopy do?

- Clearing house for community forestry services and expertise
- Assists Maine's communities in developing long-term community forestry plans to maximize the benefits trees and forests provide
  - technical assistance
  - Educational programs
  - financial assistance



# How much is available?

- Approximately \$125,000 Available
- Planting and Maintenance
  - \$8000 maximum award
- Planning and Education
  - \$10,000 maximum award



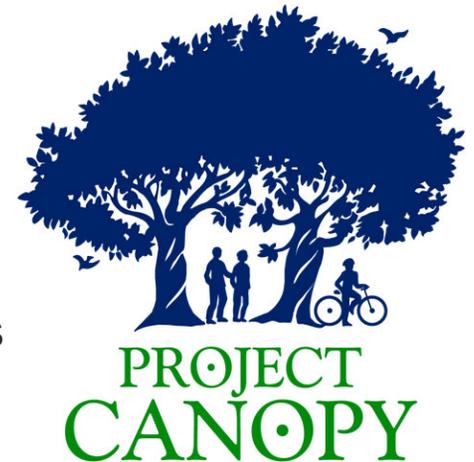
# Project Canopy Grant Basics

- Governments, Non-profit Organizations, Educational Institutions
- 50/50 Matching Grants
- Signed Agreement
- Timeline: 12-18 months (depending on grant category)
- Reimbursement funding



# Project Canopy Grants

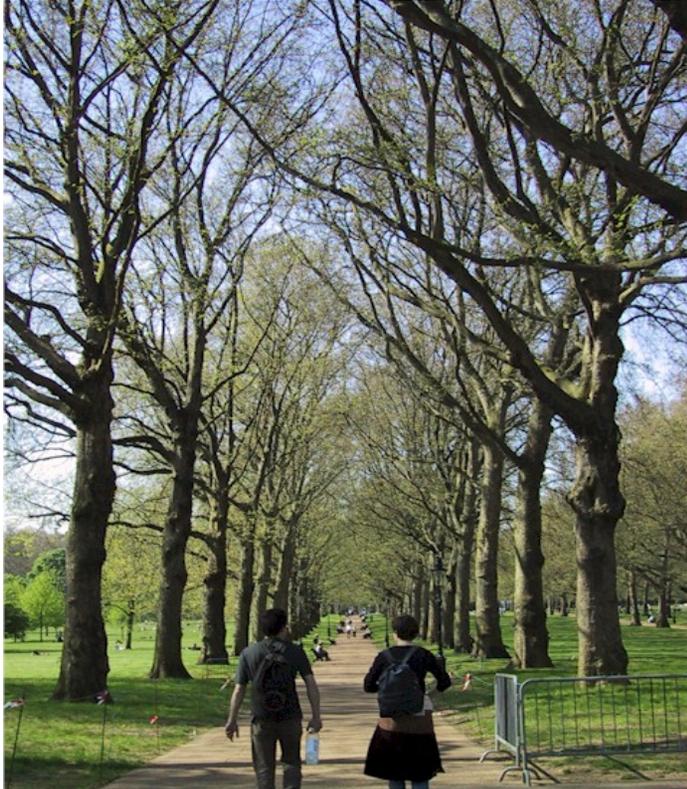
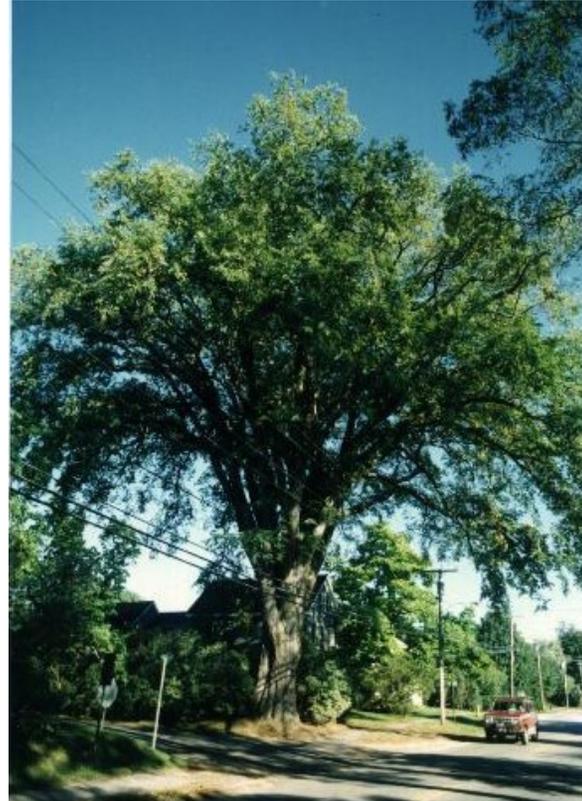
- Grants made possible by the USDA Forest Service Urban and Community Forestry Program, USDA Forest Service Redesign grants, and the Maine Outdoor Heritage Fund.
- Support community efforts to develop and maintain long-term community forestry programs
  - Stimulate and heighten public awareness
  - Create and maintain partnerships
  - Promote comprehensive natural resource management
  - Increase the number of “**actively managing**” communities



# Actively Managing Communities

- Professional Staff
- Community Forestry Advocacy Group
- Tree Ordinance or Policies
- Tree Inventory
- Community Forestry Management Plan





# Grant “Rules of the Road” Topics

- Umbrellas of Authority
- Existing Systems – financial management
- Match Documentation
- Audits
- The Grant File- The Story
- Grant Modifications
- Procurement
- Reporting/Monitoring



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# What do you need to know?

- Are there rules or restrictions?
- What can the grant be used for?
- What is the legislative citation, and the CFDA number? 10.675 UCF
- Deadlines for funding and implementation
- What are the record keeping requirements?
- What are the matching requirements?

# **Umbrellas of Authority**

**Federal Law – GAO, OMB, OIG**

**USDA Forest Service**

**Cooperative Forestry Assistance**

**Urban & Community Forestry**

**Maine Law**

**Maine Forest Service**

**Local Laws and Procedures**

- **procurement procedures**

# The Rules

## OMB Circulars

<http://www.whitehouse.gov/OMB/circulars/index.html#numerical>

- **A-21 Cost Principles** for Educational Institutions
- **A-87** Cost Principles for State, Local and Indian Tribal Governments
- **A-102** Grants and Cooperative Agreements with State and Local Governments \*(“Common Rule” 7 pages 1988)
- **A-110** Uniform **Administrative Requirements** for Grants and Other Agreements with Institutions of Higher Education, Hospitals and Other Non-Profit Organizations
- **A-122** Cost Principles for Non-Profit Organizations
- **A-133 Audits** of States, Local Governments, and Non-Profit Organizations

# The Rules

## USDA Regulations

[http://www.access.gpo.gov/nara/cfr/waisidx/7cfrv15\\_99.html#3010](http://www.access.gpo.gov/nara/cfr/waisidx/7cfrv15_99.html#3010)

- **7 CFR Part 3015** Uniform Federal assistance regulations
- **7 CFR Part 3016** Uniform administrative requirements for grants and cooperative agreements to State and local governments
- **7 CFR Part 3017** Government wide **debarment & suspension** (nonprocurement) drug-free workplace (grants)
- **7 CFR Part 3018** New restrictions on **lobbying**
- **7 CFR Part 3019** Uniform administrative requirements for grants and agreements with institutions of higher education, hospitals, and other non-profit organizations
- **7 CFR Part 3052** Audits of States, local governments, and non-profit organizations

# OMB Omni (Super) Circular: 2 CFR Part 200

- Uniform Administrative Requirements,
- Cost Principles &
- Audit Requirements for Federal Awards
  - State, Local Governments and Indian Tribes
  - Educational Institutions, Hospitals and Non-Profits
- Effective December 26, 2014

# OMB Omni Circular: Key Elements

- Eliminating duplicative and conflicting guidance
- Focusing on performance over compliance
- Encouraging efficient use of information technology and shared services
- Providing for consistent and transparent treatment of costs
- Limiting allowable costs to make best use of Federal Resources
- Strengthening oversight
- Targeting audit requirements on risk of waste, fraud, and abuse



# WHAT IS INCLUDED?

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Administrative Requirements:

A-110, and A-102

Cost Principles:

A-21, A-87, and A-122

Single Audit Requirements:

A-133, and A-50

Data Collection Requirements

A-89

# How is it organized?

- Table of Contents
  - Subpart A (.000) – Acronyms & Definitions
  - Subpart B (.100) – General Provisions
  - Subpart C (.200) – Pre-Federal Award Requirements & Contents of Federal Awards
  - Subpart D (.300) – Post Award Regulations
  - Subpart E (.400) – Cost Principles
  - Subpart F (.500) – Audit Requirements

## § 200.112 Conflict of interest.

- The non-Federal entity must disclose in writing any *potential* conflict of interest to the Federal awarding agency or pass-through entity in accordance with applicable Federal awarding agency policy.

## **§ 200.205 Awarding agency review of risk posed by applicant.**

- **A prime recipient is required to ensure that any subrecipients have not be debarred or suspended from working for the Federal government.**
- **In evaluating risks posed by applicants, the awarding agency may use a risk-based approach and may consider any items such as the following:**
  - (1) Financial stability;**
  - (2) Quality of management systems;**
  - (3) History of performance.**
  - (4) Reports and findings from audits; and**
  - (5) The applicant's ability to effectively implement statutory, regulatory, or other requirements imposed on non-Federal entities.**

## § 200.300 Subpart D: Post Award Financial Program and Management

- 200.300 Statutory and national policy requirement
- 200.301 Performance management
- 200.302 Financial management
- 200.303 Internal controls
- 200.305 Payments
- 200.306 Cost sharing or matching
- 200.370 Program income
- 200.308 Revision of budget and program plans
- 200.309 Period of performance

## § 200.302 Standards for financial management systems.

Grantees responsible for:

- accurate, current, and complete of the grant financial activities
- records which adequately identify the source and application of funds provided for financially-assisted activities.
- grant or subgrant awards and authorizations, obligations and income.
- **Allow trace of funds to a level of expenditures** adequate to establish that such funds have been used according to Federal statutes and regulations

## § 200.302 Standards for financial management systems

- There are **seven** primary characteristics of adequate financial management systems:
  1. Identify funds received and expended;
  2. Disclose accurate, current and complete financial results;
  3. Identify source and application of funds;
  4. Provide effective controls and accountability;
  5. Compare budget to actual results;
  6. Provide for **written procedures** for payment requirements;
  7. Provide for **written procedures** for determining allowability of costs

# Financial Management Systems

- “Adequate” Accounting Systems Require
  - Internal Controls
  - Ability to Test Internal Control
  - Chart of Accounts
  - Cash Management - Compliance with CMIA
  - Track Expenditures (Budget Control)
  - Track both Financial and Program Budgets
  - Ensure Allowability of Costs Charged to Grants
  - Provide Clear Audit Trail

## § 200.302 Tracking Your Money

1. Identification, **in its accounts**, of ALL Federal awards received and expended AND the Federal programs under which they were received.

**NOTE:** This must include as applicable:

- CFDA title and number
- Federal award identification number and year**
- Name of the Federal awarding agency
- Name of pass-through entity, if any

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	A	B	C	D	E	F	G	H	I	J	K
1	Urban and Community Forestry		CFDA 10-675		Grant Expenditure Tracking Worksheet						
2											
3	<b>Summary Block</b>					<b>Total</b>	<b>Total</b>	<b>Total</b>	<b>Total Inkind</b>	<b>Reimburse</b>	<b>Match</b>
4	<b>Total Grant Award:</b>					<b>Hours</b>	<b>Grant Exp.</b>	<b>Direct cost</b>	<b>Match</b>	<b>Balance</b>	<b>Balance</b>
5	50/50 match					0	\$0.00	\$0.00	\$0.00		
6				<b>Budget</b>	<b>Rate</b>		<b>Total</b>	<b>Direct</b>	<b>Inkind</b>		
7	<b>Date</b>	<b>Name</b>	<b>Activity Description</b>	<b>Category #</b>	<b>per hour</b>	<b>Hours</b>	<b>Expense.</b>	<b>Grant exp.</b>	<b>Match</b>	<b>Signature</b>	
8					\$0.00	0.00	\$0.00	\$0.00			
9					\$0.00	0.00	\$0.00				
10					\$0.00	0.00	\$0.00				
11					\$0.00	0.00	\$0.00				
12					\$0.00	0.00	\$0.00				
13					\$0.00	0.00	\$0.00				
14					\$0.00	0.00	\$0.00				
15					\$0.00	0.00	\$0.00				
16					\$0.00	0.00	\$0.00				
17					\$0.00	0.00	\$0.00				
18					\$0.00	0.00	\$0.00				
19					\$0.00	0.00	\$0.00				
20					\$0.00	0.00	\$0.00				
21					\$0.00	0.00	\$0.00				
22					\$0.00	0.00	\$0.00				
23					\$0.00	0.00	\$0.00				
24					\$0.00	0.00	\$0.00				
25					\$0.00	0.00	\$0.00				
26					\$0.00	0.00	\$0.00				
27					\$0.00	0.00	\$0.00				
28					\$0.00	0.00	\$0.00				
29					\$0.00	0.00	\$0.00				
30					\$0.00	0.00	\$0.00				
31					\$0.00	0.00	\$0.00				
32					\$0.00	0.00	\$0.00				
33					\$0.00	0.00	\$0.00				
34					\$0.00	0.00	\$0.00				
35					\$0.00	0.00	\$0.00				

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A	B	C	D	E	F	G	H	I	J	K
	<b>Summary Block</b>				<b>Total</b>	<b>Total</b>	<b>Total</b>	<b>Total Inkind</b>	<b>Reimburse</b>	<b>Match</b>
	<b>Total Grant Award:</b>	<b>\$2,500.00</b>			<b>Hours</b>	<b>Grant Exp.</b>	<b>Direct cost</b>	<b>Match</b>	<b>Balance</b>	<b>Balance</b>
	50/50 match				200	\$10,000.00	\$5,000.00	\$5,000.00		
Date	Name	Activity Description	Budget Category	Rate per hour	Hours	Total Expense.	Direct Grant exp.	Inkind Match	Signature	
3/25/2004	Happy Grove Nurser	Tree purchase	3			\$2,500.00	\$2,000.00	\$500.00		
5/15/2004	Back hoe	Hole digging	6	\$60.00	6	\$360.00		\$450.00		
5/15/2004	Willow Branch	Grant administration	4	\$10.00	5	\$50.00		\$50.00		
5/15/2004	Joe Smith	Tree planting	5	\$10.00	10	\$100.00		\$100.00		
5/15/2004	Mary Jones	Tree planting	5	\$10.00	10	\$100.00		\$100.00		
5/15/2004	Tom grow	Tree planting	5	\$10.00	6	\$60.00		\$60.00		
5/15/2004	Bill Mulch	Tree planting	5	\$10.00	6	\$60.00		\$60.00		
5/16/2004	Willow Branch	Grant administration	4	\$10.00	5	\$50.00		\$50.00		
5/16/2004	Back hoe	Hole digging	6	\$60.00	4	\$240.00		\$150.00		
5/16/2004	Tom Grow	Tree Planting	5	\$10.00	4	\$40.00		\$40.00		
5/16/2004	Bill Mulch	Tree Planting	5	\$10.00	4	\$40.00		\$40.00		
6/15/2004	Willow Branch	Grant administration	4	\$10.00	2.5	\$25.00		\$25.00		
6/15/2004	Jane Swift	Brochure development	5	\$10.00	10	\$100.00		\$100.00		
6/15/2004	Pete Morse	Brochure development	5	\$10.00	8	\$80.00		\$80.00		
6/16/2004	Jane Swift	Brochure development	5	\$10.00	6	\$60.00		\$60.00		
6/16/2004	Pete Morse	Brochure development	5	\$10.00	8	\$80.00		\$80.00		
6/17/2004	Jane Swift	Brochure development	5	\$10.00	5.5	\$55.00		\$55.00		
7/1/2004	Quick Print	Brochure printing	2			\$1,000.00	\$500.00	\$500.00		
						<b>100.00</b>	<b>\$5,000.00</b>	<b>\$2,500.00</b>	<b>\$2,500.00</b>	



## § 200.403 Allowable Costs

- **Necessary** to the function of the grant
- **Reasonable** -- prudent person test
- **Allocable- Chargeable and Assignable**
- **Consistently applied - can not shift elsewhere**
- **Written procedures** required for determining the allowability of costs in accordance with § 200.400 subpart E:Cost Principles:

# Unallowable costs

- **Incurring for purposes other than the grant**
- **Incurring outside the grant period**
- **Not adequately documented**
- **Did not comply with terms in the Grant Agreement**
- **Not properly matched**

# § 200.303: Internal Controls

## **Establishes the following:**

- Non-Federal entity's responsibilities for **EFFECTIVE** internal controls
- Expectation of compliance
- Expectations when noncompliance identified
- Treatment of personally identifiable information (PII)
  - Reasonable Measures to protect

## § 200.303: Internal Controls

### **Internal controls over cash disbursements:**

- No pre-signed checks
- Require two signatures over a certain amount
- Do not use signature stamps
- Check signers should really review the checks and supporting documentation
- Authorized check signer reviews and approves the check register when using computer signed checks
- The finance director should not be a check signer

## § 200.306 Matching or cost sharing

- Must be verifiable – Recipient accounting system requirements to assign identifiers to track
- Federal grants cannot be used as a match for another Federal Grant (statutory exceptions).
- Program income, may not be used for cost sharing or matching without prior approval.
- In-kind contributions have special restrictions.
- 50/50 for Urban & Community Forestry Program
- Total cost of project includes federal share AND Match
- Necessary and reasonable to accomplish

# § 200.306 Donations

- **Donated Services - valuation?**
  - Bureau of Labor Standards
  - Value of task performed
  - consistent with those paid for similar work by the recipient
- **Donated property - valuation?**
  - Documentation
  - Value assessed to donated property included in the cost-sharing or matching must NOT exceed the fair market value of the property AT THE TIME OF DONATION.
- **Cash**

## § 200.434 In-Kind Contributions

- Third party non-cash contributions,
- Must be Integral and necessary
- Must be allocable and allowable under the grant,
- To serve as matching, it must be verified in the grantee's records

## § 200.307 Program Income

- **Non-Federal entities are ENCOURAGED to earn income to defray the program costs where appropriate.**
- **From fees, rentals, sales, interest,**
- **Must be from a grant supported activity,**
- **Can not be from taxes, fines, penalties,**
- **Deduction Method is still default**
- **Cost sharing/matching: with prior written approval program income may be used to meet cost-sharing/matching requirements**

## § 200.500 Audits

- Grantees and subgrantees are responsible for obtaining audits -- Single Audit Act Amendments of 1996 and OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations."
- Audits of States, Local Governments, and Non-Profit Organizations now found in 200.500 subpart F
- **\$750,000** fiscal year expenditure threshold
- The Federal Audit Clearinghouse (FAC) operates on behalf of the Office of Management and Budget (OMB).
  - <https://harvester.census.gov/facweb/default.aspx/>
  - Responsibility to notify awarding entity of any audit findings

# Audits – What do they look for?

- Are the costs eligible under the Grant?
- Are they allowable under the Grant?
- Are they Reasonable?
- Are they within the grant term?
- Are they charged to another Federal Program?
- Are they treated consistently?
- Are they properly documented?

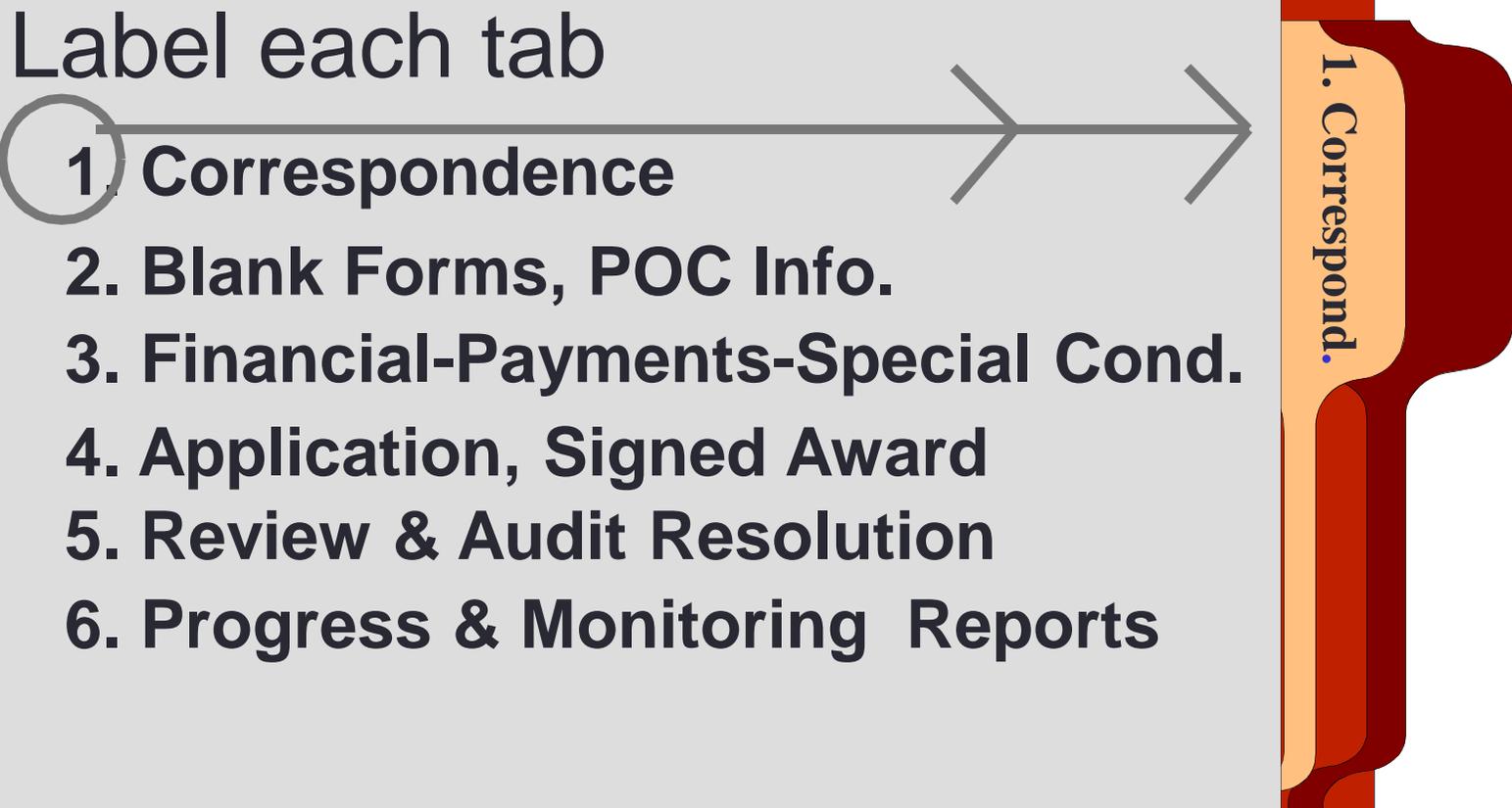
# The Grant File

- **Notice of Funds Available**
- **Application**
- **Notice Of Award**
- **Documentation of Review / Authority to Receive / spend**
- **Written policies**
- **Expenditures**
- **Match**
- **Reports Financial and Program**
- **Closeout**

# Suggested Grant File Format

Label each tab

- **1. Correspondence**
- **2. Blank Forms, POC Info.**
- **3. Financial-Payments-Special Cond.**
- **4. Application, Signed Award**
- **5. Review & Audit Resolution**
- **6. Progress & Monitoring Reports**



1. Correspond.

# Narrative Statement

(This is the Sales Pitch!)

- **Explain the need, explain goals & objectives,**
- **Describe the method, design, planned activities, timeline, other participants,**
- **Monitoring and evaluation, results,**
- **Budget -No Equipment over \$5K**



- § 200.33 Equipment (definition)
- Tangible personal property
- Useful life of over one year.
- Per unit acquisition cost of \$5,000 or more.
- Not authorized under Project Canopy

## § 200.430 Standards for documentation of the work performed

1. Records must accurately reflect the work performed; this includes:
  - Be part of official records of the entity
  - Reflect the total activity for which the employee is compensated
  - Reflect both Federal and non-Federal activities on an integrated basis
  - Support distribution of salary and wages if working on more than one Federal award.
  - Budget estimates **ALONE** cannot be used as support for charges

## § 200.308

### Revision of budget and program plans

- Funds can be moved within the approved budget categories
  - unanticipated requirements
  - limited program changes
- Requires the prior written approval of the awarding agency.

# Amendments:

## How to Change your grant

- **Ask first, NOT beg forgiveness after**
  - **Programs and Budgets are usually based on your best estimate.**
  - **Changes and revisions are often necessary.**
  - **Prior approval is generally required**

## **§ 200.308 Prior Approvals**

- **Program changes, changes in scope, or changes in goals/objectives**
- **Changes in key person**
- **Changes in subcontracting or transferring activities to a third party, work assignments.**
- **All changes must be submitted to Awarding Agency prior to ending date of grant**

# Budgetary Changes

- **Transfers between budget categories,**
- **Changes in Direct to Indirect or Indirect to Direct costs,**
- **Change in Matching where 3rd party is involved**

# Project Modification

- Grant Revisions and Grant Extensions
  - Requires Pre-Approval from awarding Agency
  - Must Meet Original Program Intent
  - Allowable Costs from FY Program Guidance
  - Strong Justification for Review/Approval

## § 200.318 Procurement

Grantees and subgrantees will use their own **written** procurement procedures

- reflect applicable State and local laws and regulations,
- conforms to applicable Federal law and standards identified in this section.
- Necessary
- Competitive
- Written conflict of interest policy
- Documented

## § 200.319 Competition.

- (a) All procurement transactions must be conducted in a manner providing full and open competition
  - Micropurchases under \$3,000
    - Competitive quotes to determine reasonable-ness
  - Small Purchases (less than \$150,000)
  - Price or rate quotations must be “obtained from an adequate number of qualified sources.” It is up to the recipient’s discretion to determine what is adequate, and who might be a qualified source.
- Sole Source-Use is Discouraged
  - Emergency or Uniqueness

## § 200.331 Subpart D: Monitoring and reporting program performance.

Grantees are responsible for

- managing grant and subgrant supported programs, functions and activities.
- compliance with applicable Federal reporting requirements
- achievement of performance goals

Performance reports must be submitted on schedule required by agency

A review of financial and programmatic reports is required

## 200.415: Certification

- *By signing this report, I certify to the best of my knowledge and belief that the report is true, complete, accurate, and the expenditures, disbursements and cash receipts are for the purposes and objectives set forth in the terms and conditions of the Federal award. I am aware that any false, fictitious, or fraudulent information, or the omission of any material fact, may subject me to criminal, civil or administrative penalties for fraud, false statements, false claims or otherwise.*

# Financial Monitoring

Supporting Documentation for All Expenditures

- Invoices
- Receipts
- Purchase orders
- Contracts
- Travel Authorization Forms/Travel Vouchers
- Timecards
- Payroll Registers

## Monitoring: Procurement & Personnel

- Local or State Written Procurement Policy
- Specs, Bids, & Quotes
- Sole Source Justification
- Conflict of Interest
- Time & Attendance

# Monitoring Sub-recipients and Contractors

- **Compliance with grant purposes**
- **Site visits and frequent, scheduled phone conversations**
- **Face to face meetings**
- **Training**
- **Written progress reports**
- **Media reports, news stories**
- **Did you get what you paid for?**
- **Did it happen within the grant period?**

# Subrecipient Monitoring: Benefits

- Technical Assistance
- Subrecipients Identify/Showcase Successes
- Ensure Projects are on Track
- Improve Communications/Process
- Correct Shortfalls and Offer Solutions

# Acronyms

- OMB
- D&B
- CFR
- UCF
- FR
- FAC
- PII
- SAM
- CFDA
- FFATA
- OIG

# Acronyms - Answers

- OMB- Office of Management and Budget
- D&B – Dun & Bradstreet
- CFR – Code of Federal Regulations
- UCF – Urban & Community Forestry Program
- FR – Federal Register
- FAC – Federal Audit Clearinghouse
- PII – Personally Identifiable Information
- SAM – System for Award Management
- CFDA – Catalog of Federal Domestic Assistance
- FFATA - Federal Funding Accountability and Transparency Act of 2006
- OIG – Office of Inspector General

# Fiscal Matters...Proceed with Caution

- Supplantation
- Consultants
  - Fair Market Value-cautious on sole sourcing contractors
- Program Income
- Match
- Excessive Spending Near End of Grant Period
- Records Retention

## § 200.333 Retention and access requirements

- applies to all financial and programmatic records, supporting documents, statistical records, and other records of grantees or subgrantees (200.336)
- records must be retained for three years after the close of the grant period (unless litigation pending)
  - **Date of submission of the final expenditure report**

# Civil rights and credit

- “In accordance with Federal law and U.S. Department of Agriculture policy, this institution is prohibited from discriminating on the basis of race, color, national origin, sex, age or disability. (Not all prohibited bases apply to all programs.)
- To file a complaint of discrimination: write USDA, Director, Office of Civil Rights, Room 326-W, Whitten Building, 1400 Independence Avenue, SW, Washington, D.C. 20250-9410 or call (202) 720-5964 (voice and TDD). USDA is an equal opportunity provider and employer.”
- “This publication made possible through a grant from the Maine Forest Service and USDA Forest Service.”

## What we are looking for:

- Compare Project with Goals
- Supports Approved Initiatives and Investments
- Cost Analysis of Budget, including Narrative
- Necessary, Reasonable, Appropriate
- Review Prior Subrecipient Performance

# What Next?

For more information:

- Slideshow will be available online
- Call or email Jan Santerre - [jan.santerre@maine.gov](mailto:jan.santerre@maine.gov), 207-287-4987 or
- Email [peter.beringer@maine.gov](mailto:peter.beringer@maine.gov) with questions
- Kimberly Ballard – [kballard@growsmartmaine.org](mailto:kballard@growsmartmaine.org), 207-699-4330 x3

**THANK YOU!**

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