

## REQUEST FOR CHANGES TO THE STATE ADMINISTRATIVE MANUAL (SAM)

Agency Code:010

Department:1341 – Office of Federal Assistance

Division (if applicable):

Appointing authority: A'Keia Sanders, Director

Agency contact (name, phone and e-mail): A'Keia Sanders, a.sanders@ofa.nv.gov

Budget Division Analyst (name, phone and e-mail): Budd Milazzo, bmilazzo@finance.nv.gov

Proposed BOE date: March 18, 2026

Proposed effective date: Upon approval

1. Reason/purpose for requested change:

To establish statewide requirements for early identification, reporting, and coordinated resolution of federal grant compliance issues and potential federal debts.

2. Explain how the recommended change(s) will benefit agencies or create consistencies or efficiencies, etc. (provide examples if applicable):

The recommended changes create a consistent, statewide framework for early identification and coordinated resolution of federal grant compliance issues, reducing the risk of disallowances and Treasury Offset Program impacts. By requiring timely notification and coordination with the Governor's Office of Federal Assistance, the State Controller's Office, and the Governor's Finance Office, agencies benefit from early intervention, unified communication with federal partners, and clearer accountability, preventing issues from escalating into statewide fiscal liabilities. These updates improve efficiency by standardizing responses, strengthening internal controls, and clarifying agency responsibility, while intentionally supplementing—rather than duplicating—existing SAM requirements, resulting in stronger fiscal protection and more effective grant administration across the state.

3. Will recommended change have a fiscal impact (if yes, explain):

No. The recommended change is not expected to have a direct fiscal impact, as it does not create new programs, require additional appropriations, or impose new fees. Instead, it relies on existing agency roles and oversight functions to strengthen coordination, compliance, and early risk identification. If enacted, the change has the potential to save the State thousands of dollars by preventing or minimizing accrued interest, penalties, audit findings, and Treasury Offset Program impacts that can arise when federal debt situations occur.

4. Existing and recommended language in SAM (***blue bold italics*** is new language being proposed and ***red strikethrough*** is deleted language being proposed). (please provide requested change as an attachment):

See attached.

Appointing Authority



BOARD OF EXAMINERS APPROVAL DATE: \_\_\_\_\_

(for BOE use only)

## **3026 Federal Compliance, Debt Prevention, and Mandatory Notification Requirements**

**A. This section establishes statewide requirements for early identification, reporting, and coordinated resolution of federal grant compliance issues and potential federal debts. These requirements align with:**

- **NRS 223.460–486 (Governor’s Office of Federal Assistance duties, statewide coordination, and reporting)**
- **2 CFR 200 (Uniform Guidance compliance and financial management)**
- **SAM 3000–3024 (grant administration, reporting, oversight, and closeout)**

**1. This section supplements pre-award requirements (SAM 3018), post-award requirements (SAM 3022), and closeout requirements (SAM 3024).**

**B. To ensure statewide fiscal protection and compliance with Nevada law, all agencies administering federal awards must notify the Governor’s Office of Federal Assistance (OFA), Governors Finance Office (GFO), and the State Controller’s Office (SCO) within five business days of identifying any potential or confirmed issue that may result in:**

- **Federal noncompliance**
- **Unallowable or overspent expenditures**
- **Untimely or missing federal programmatic or financial reports**
- **Questionable costs**
- **Delayed or incomplete grant closeout**
- **Any risk of federal debt, disallowance, or recovery action**

**1. This requirement is distinct from the reporting obligations in SAM 3022 (Post-Award Processes) and supplements those processes by addressing federal debt escalation risk.**

**C. Agencies must coordinate with OFA, SCO, and GFO prior to taking any of the following actions:**

- **Responding to federal inquiries related to compliance or potential disallowances**
- **Communicating directly with federal awarding agencies about corrective actions**
- **Negotiating repayment schedules or federal debt determinations**
- **Initiating any internal corrective action related to a federal award**

**1. This coordination requirement supplements existing oversight functions in SAM 3003 (Centralized Coordination) and SAM 3006 (Interagency Coordination).**

**D. The U.S. Department of the Treasury may recover federal debts by offsetting funds from any State of Nevada account, regardless of which agency incurred the debt. To prevent Treasury Offset Program escalation, agencies must:**

- *Respond promptly to federal notices of potential debt*
- *Immediately notify OFA, SCO, and GFO as required in SAM 3026(B)*
- *Provide all requested documentation for reconciliation or audit purposes*
- *Implement corrective actions within federal deadlines*
- *Monitor subrecipients to identify potential issues proactively (consistent with SAM 3022(D)) and SAM 3026(B). Issues with a subrecipient are also subject to reporting within five business days.*

**E. Agencies administering federal awards remain responsible for:**

- *Maintaining internal controls compliant with 2 CFR 200.303*
- *Ensuring accurate federal reporting*
- *Preventing conditions that could result in federal debt*
- *Documenting all corrective actions*

1. *If the agency administering the federal award is deemed responsible for causing an offset (Responsible Agency) to another state agency's funding (Impacted Agency), the Responsible Agency will be required to take one of the following actions:*
  - *Reimburse the Impacted Agency by transferring the full offset amount from the Responsible Agency's budget; or*
  - *If sufficient funds are not available, the Responsible Agency must coordinate with the GFO, to submit a request for Interim Finance Committee (IFC) Contingency Funds at the next IFC meeting to repay the Impacted Agency.*

**F. In accordance with recordkeeping requirements established in 2 CFR 200.334 and SAM 3024(D), agencies must retain:**

- *Federal communication regarding compliance or potential debt*
- *Corrective action plans*
- *Audit responses*
- *Financial reconciliations*