

~~3000 Federal Grant Procedures~~ **3000 State and Federal Grant Requirements**

~~3002 Purpose~~ **3002 Purpose**

~~This section assists Executive Branch agencies in complying with State and federal intergovernmental review procedures. The Nevada State Clearinghouse, within the Department of Administration's Budget Division, administers the State's review process of federal direct development and grant-in-aid projects. The review process coordinates preparation of agency comments on lead agency designation, public land transfers, military activities and major development projects requiring environmental impact analysis. This chapter section assists Executive Branch agencies in complying with State and Federal and State law, regulation, and procedures as they relate to State (legislatively mandated) and Federal grants awards and, including cooperative agreements. This chapter is intended to provide a broad policy overview. Detailed information on how to apply for and administer grants is found in the Nevada Grant Manual, available on the Office of Grant Procurement, Coordination and Management's website. Additionally, grant terms are defined in the State's Grant Policy Manual.~~

~~3004 Authority – Federal Grant Compliance~~

~~3004 Authority, Intergovernmental Review and Notification~~

~~NRS 353.245 directs that every department, institution and agency of the executive department of State government, when submitting a federal grant proposal for money, equipment, material or services, file the grant with the Budget Division and the Legislative Counsel Bureau before submitting the request to the proper federal authority. When a federal granting authority has approved a grant request (in whole or in part) the Department, institution or agency shall notify the Budget Division and the Legislative Counsel Bureau. This is required under NRS 353.245. The Office of Grant Procurement, Coordination and Management (Nevada Grant Office); within the Department of Administration acts as the authority on grants in Nevada providing technical assistance for grant development and management. The Nevada Grant Office is designated as Nevada's Single Point of Contact authorized under the [Federal Executive Order 12372, Intergovernmental Review of Federal Programs](#). This designation is intended to strengthen coordination and foster intergovernmental partnerships. To this end, a number of notifications are required for both State and Federal and State grant awards (see "088-003 State Agency Required Notifications" and "088-004 Single Point of Contact") as described in the [Nevada Grant Policy Manual](#). located in the Grant Office Website). Pursuant to NRS 232.225, state agencies are required to notify the Grant Office of any grants for which agencies apply and receive, as well as the amount unexpended by the end of the grant performance period.~~

~~3008 Authority – Clearinghouse~~ **3008 Authority, State Clearinghouse**

~~State Clearinghouse operations are authorized under Presidential~~ [The Nevada State Clearinghouse](#), within the Department of Conservation and Natural Resources; ~~Division of~~ [State Lands Division](#), administers the State's

review process of ~~f~~Federal direct development and grant-in-aid projects. The review process coordinates the preparation of comments for ~~f~~Federal agencies on public land transfers, military activities and major development projects requiring environmental impact analysis. State Clearinghouse operations are authorized by ~~Federal Presidential Executive Order 12372, Intergovernmental Review of Federal Programs~~ issued in 1982, ~~and a State Gubernatorial Executive Order issued in 1989.~~ ~~This~~~~ese~~ orders implements Section 201 and Title IV of ~~the Intergovernmental Cooperation Act of 1968~~ and Section 204 of ~~the Demonstration Cities and Metropolitan Development Act~~ of 1966. They also help implement Section 102 (2)(c) of the ~~National Environmental Policy Act of 1969.~~ ~~State agencies engaged in direct development projects that are subject to review under the National Environmental Policy Act National Environmental Policy Act of 1969 must submit a copy of each project document (Environmental Assessments or Environmental Impact Statements) to the State Clearinghouse Nevada State Clearinghouse, or send the address of the web site on which the document is posted.~~

~~3014 Clearinghouse Direct Development Project Objectives~~

~~The Clearinghouse review by the Nevada State Clearinghouse of public land transfers and direct development projects enhances existing consultation requirements among federal, State and local agencies. Specifically, the review system provides a systematic approach for disseminating information and collecting comments from State agencies on major development projects. The review system alerts federal officials and proponents of these projects (e.g., power plants, mines, highways, etc.) about issues of concern to State and local officials. The process also develops State positions involving competing interest groups on issues of major environmental concern.~~

~~3016 Direct Development Projects Compliance – State Projects~~

~~State agencies engaged in direct development projects that are subject to review under the National Environmental Policy Act National Environmental Policy Act of 1969 must submit a copy of each project document (Environmental Assessments or Environmental Impact Statements) to the State Clearinghouse Nevada State Clearinghouse, or send the address of the web site on which the document is posted. These environmental documents will in turn be distributed to State agencies for review and comment.~~

~~3018 Definitions of Vendors and Subrecipients [1]~~ **3018** Pre-Award Processes

~~Agencies must determine whether its relationship with an entity constitutes a vendor or subrecipient. This determination is important as vendors are subject to various NRS's, SAM chapter 300, and may require Board of Examiner approval. Alternatively, subrecipients are subject to various federal regulations and SAM 3020.~~

Vendors

~~Vendors are individuals or entities from which state agencies procure goods and services to carry out a project or program. Characteristics of a vendor may include some of the following:~~

- ~~1. Provides the products or services within normal business operations and provide similar products or services to many different entities.~~
- ~~2. Generally receives payment after delivery of a particular product or service.~~
- ~~3. Usually paid more than their cost for the good or service resulting in a profit.~~
- ~~4. Is not responsible for compliance with applicable program guidelines.~~
- ~~5. Has their performance measured against whether they meet specific deliverables, rather than a program's performance outcomes?~~
- ~~6. Operates in a competitive environment and competes with other entities that provide a similar product or service.~~
- ~~7. Usually provides products or services that are ancillary to the operation of the program such as products or services that enable the state agency to operate, e.g. office supplies, janitorial services, equipment, staff development, printing, travel, etc.~~
- ~~8. Cannot be a subrecipient for the same or similar program.~~

~~The following examples illustrate vendor relationships with a state agency: A state agency receives a federal award to provide mental health services in a designated area. Some of the funds are paid to a contractor (vendor) to repair a leaking roof.~~

- ~~1. A state agency receives a federal award to operate specialized preschool programs and pays a vendor to provide temporary clerical services.~~
- ~~2. A state agency receives a federal award to run a preschool and pays a doctor (vendor) to perform health screening on a per-student basis~~

~~A state agency receives a federal award to operate a child care center and pays a not-for-profit clinic (vendor) to perform physical exams.~~

Subrecipients

~~A subrecipient is the result of a contractual agreement between a state department and a third party organization to perform all or a portion of a grant funded project. Similar terms that are commonly used are: sub-award, sub-grant, sub-agreement, and pass through. Characteristics of a subrecipient may include some of the following:~~

- ~~1. Determines who is eligible to receive financial assistance, and which specific type of assistance is to be distributed. For example, subrecipients may determine whether a potential customer meets a program's eligibility requirements.~~
- ~~2. Is responsible for:
 - ~~a. Meeting performance targets that are tied to program objectives.~~
 - ~~b. Meeting expenditure targets to maximize the use of program funding.~~
 - ~~c. Submitting regular progress reports relating to program objectives.~~~~
- ~~3. Has responsibility for program decision making, such as:
 - ~~a. Policy decisions governing how it carries out a program.~~
 - ~~b. Operational decisions governing how it carries out a program.~~~~

- ~~e. Decisions regarding the appropriate assistance for a particular customer.~~
- ~~4. Receives technical assistance or training from the awarding state agency relating to program requirements and is:~~
 - ~~a. Required to comply with applicable program statutes, regulations, rules, policies (including local policies) and guidance.~~
 - ~~b. Monitored by the awarding state agency to ensure they are complying with applicable program requirements.~~
- ~~5. Uses the funds to carry out a program of the awarding state agency as opposed to providing products or services for a program. For example subrecipients:~~
 - ~~a. Perform all or a portion of the scope of work or objectives of the federal award.~~
 - ~~b. Have a budget that must be approved by the awarding state agency.~~
- ~~6. Cannot be a vendor for the same or similar program.~~

The following examples illustrate subrecipient relationships:

- ~~1. A state department of education (pass-through entity) receives a federal award and is responsible for administering and disbursing the federal award to local school districts (subrecipients) according to a formula or some other basis.~~
- ~~2. A state agency (pass-through entity) receives a federal award for the feeding of elderly and low-income individuals, and the award is disbursed to not-for-profit organizations (subrecipient) to support their feeding programs.~~

~~A state arts commission (pass-through entity) awards funds from a federal grant to a theater group (subrecipient) to support a summer arts series.~~

~~A University (pass-through entity) receives a federal grant to study a disease and awards funds to a hospital (subrecipient) for part of the research.~~

~~Professional judgment is necessary when making the determination of whether an entity is a vendor or subrecipient. An entity may possess some characteristics of both a subrecipient and a vendor. In cases where uncertainty exists, agencies need to use their best judgment, be consistent with their assertions, and document the reasons for their conclusions.~~

~~If an entity is determined to be a subrecipient then section 3020 applies.~~

~~[1] For the purpose of this section the term vendor includes both vendors and contractors.~~

~~Prior to the submission of an application and acceptance of a grant award funding, an agency must ensure that proper internal controls and an effective financial management system are in place to adequately manage funds and activities. All grants require the completion of the proper certifications and assurances, internal administrative and budget review activities. Prior to grant proposal creation or submission, an internal review must be completed to determine if appropriate resources are available to commence and maintain program~~

activities. Furthermore, ~~and if the agency~~ must determine that it has the authority to submit the application on the State's behalf.

Once this review has been completed, ~~take the following steps are to be taken~~ when preparing to write a grant proposal:

1. Identify the problem, gap in service, or need;
2. Determine measurable goals and objectives;
3. Define an approach or methodology to meet the goals and to solve the problem;
4. Catalog all available resources and additional resources needed for the proposed project;
5. Create a timeline for completion; and
6. Develop a reasonable budget for the activities involved in the proposal, including indirect costs if they are applicable. Indirect costs are costs incurred by an agency for common objectives or central services that are not specifically allocable to a given revenue source.
- ~~6.7. Plan for indirect costs and when applicable, identify any required match or other cost sharing, as well as any~~ and maintenance of effort. There is no universal rule for classifying certain costs as either direct or indirect (Facilities and Administration (F&A)) under every accounting system. A cost may be direct with respect to some specific service or function, but indirect with respect to the grant award or the final cost objective. Therefore, it is essential that each item of cost incurred for the same purpose be treated consistently in like circumstances either as direct or indirect. If applicable, a maintenance of effort (MOE) provision requires a state, as a condition of eligibility for Federal funding, to maintain its financial contribution to a program at the same amount during the project timeline. See policies "088-002, Indirect Cost and Indirect Cost Rate Agreement" and "088-020 Match and Maintenance of Effort" in the located in the Grant Office Website.
- ~~7.8.~~ Create an evaluation plan for continuous quality improvement, and sustainability.

~~Refer to~~ reference the Nevada Grant Manual located in the Grant Office Website for additional guidance on preparing a successful grant application.

Subaward vs. Contract

~~Prior to submitting a Federal grant award application submission, an agency~~ the best practice is to ~~must~~ determine whether awarded funds will be passed through to ~~contractors/vendors or subrecipients or contracted to vendors.~~ To make this determination, Agencies should evaluate the substance of the relationship and make a case-by-case determination using the policy "088-001 Subaward vs. Contract Determination" guidelines in the Nevada Grant Policy Manual located in the Grant Office Website. This determination is required as ~~contractors/vendors may be subject to various State statutes and regulations (see SAM) and may require Board of Examiner approval, which can impact timelines outlined in the grant application. Similarly, subrecipients are subject to the same Federal and state regulations as well as the information contained in SAM and the~~ located in the Grant Office Website.

If an entity is determined to be a contractor/vendor, an agency must use Nevada's procurement policy and procedures. If an entity is determined to be a subrecipient, ~~SAM~~ SAM 3022 applies.

~~3020 Grant Awards [1] 3020 — Grant Administration~~

~~The following guidelines should be used by agencies when issuing grants. Deviations from these guidelines should be justified by NRS, federal law, or requirements imposed by the grant program. The justifications should be documented and retained in the agency's records.~~

~~When awarding grants to subrecipients, agencies should establish procedures that allow grants to be awarded equitably in an open competitive environment.~~

~~The procedures must include:~~

- ~~1. Written guidelines which help applicants determine whether and how to apply for the grant.~~
- ~~2. A method to publicize grant opportunities.~~
- ~~3. A structured applicant review process using pre-established criteria and a scoring system. (Note: a —scoring system is not required if the grant specifies the entity who shall receive the funds and how the —funds will be allocated.)~~
- ~~4. A procedure for dealing with complaints from applicants who were not selected for award. These —complaints should be investigated by someone of authority.~~
- ~~5. A written grant agreement to be used upon issuing the award.~~
- ~~6. Guidelines that address conflicts of interest.~~
- ~~7. Procedures for reporting fraud and waste.~~

~~Written Guidelines~~

~~Written guidelines must be created for all grant opportunities. The guidelines should disclose sufficient information to help potential applicants determine whether and how to submit an application. Guidelines should include items such as:~~

- ~~1. A description of the grant program being offered including the specific scope of the grant and expected outcomes for which the funding is being provided.~~
- ~~2. Amount of money for distribution (if known) and how it will be allocated.~~
- ~~3. Eligibility requirements for applicants.~~
- ~~4. Detailed instructions about application formatting or an application template.~~
- ~~5. General information about the review process and an overview of the composition of the review —committee, i.e. engineers, mental health specialists, art educators, etc. 160~~
- ~~6. Selection criteria and weight.~~
- ~~7. Deadlines and timelines for each step in the application and award process.~~
- ~~8. Reporting requirements.~~
- ~~9. Requirements for in-kind or matching funds.~~
- ~~10. Name and information of a contact person at the state agency.~~

~~11. A statement regarding when and if information in their grant application becomes public data.~~

~~Publicizing the Grant Opportunity~~

~~Grant opportunities must be posted on either the granting agency's website, targeted newspapers, or other public places appropriate for the type of clientele to be notified for at least 7 days. The publication should include either the written guidelines or a description of the grant program with a link to a website containing the guidelines.~~

~~Applicant Review Process~~

~~The application review processes must be conducted using review criteria that are identified in the grant guidelines and a standardized scoring system to rate each application against the chosen criteria. (Note: a scoring system is not required if the grant specifies the entity who shall receive the funds and how the funds will be allocated.) The criteria and standardized scoring system (if used) must be established and documented before the grant opportunity is publicized.~~

~~Review criteria may include such things as:~~

- ~~1. Project need,~~
- ~~2. Project sustainability,~~
- ~~3. Soundness of approach,~~
- ~~4. Probability of achieving results,~~
- ~~5. Financial management capacity (accounting, timekeeping, and funds management),~~
- ~~6. Project funds raised to date,~~
- ~~7. Geographic coverage, and~~
- ~~8. Knowledge of the community being served.~~
- ~~9. Qualifications of key personnel.~~

~~An applicant's past performance as a grantee of that state agency should also be considered when evaluating a grant application.~~

~~A standardized scoring system is a rating system that assesses how well each grant application conforms to each of the selected criterion. Grant applications are assigned a score for each criterion. Scores for each criterion are tallied to arrive at a cumulative score for each application. The application with the highest total score should be selected for the award, unless other circumstances exist which warrant the award going to a different applicant. An explanation of why the applicant with the highest score was not selected should be documented and maintained. The agency must notify applicants of the award winner by either communicating with them directly or posting the winning applicant's name on the agency's website. (Note: a scoring system is not required if the grant specifies the entity who shall receive the funds and how the funds will be allocated)~~

~~Grant Agreements~~

~~Agencies must have a procedure for responding to complaints from applicants who were not selected for award. At a minimum, these complaints should be investigated by someone of authority. The results of the investigation must be documented.~~

~~Agencies must use a written grant agreement for all grants issued by the agency. The grant agreement should include:~~

- ~~1. Agency's authority for the grant program.~~
- ~~2. Scope and timeline for the work.~~
- ~~3. Federal CFDA number if applicable.~~
- ~~4. Awarding agency's DUNS number if applicable.~~
- ~~5. Subrecipient's DUNS number if applicable.~~
- ~~6. Subrecipient's duties in carrying out the grant.~~
- ~~7. Method of determining how the subrecipient's performance will be measured.~~
- ~~8. How and when grant payments will be made.~~
- ~~9. Language and assurances including clauses regarding liability, data practices, intellectual property, —Worker's —Compensation, and provisions regarding federal funds.~~
- ~~10. Reporting requirements.~~
- ~~11. Matching requirements if applicable.~~
- ~~12. A provision allowing the awarding agency, the Division of Internal Audits, the Legislative Counsel —Bureau and any other entity as required by law to audit the subrecipient.~~
- ~~13. A requirement to maintain all documents needed for an audit, and respond to auditor inquiries.~~
- ~~14. A termination clause for non-performance or other pertinent issues.~~
- ~~15. Name and phone number of the agency's contact person.~~
- ~~16. Signatures of all involved parties.~~

~~Any special requirements imposed by the Federal Government must be noted on the agreement.~~

~~Grant agreements must be reviewed and approved by the agency's assigned Deputy Attorney General (DAG) before they are executed. If an agency uses a standard grant agreement template, then only the template need be approved. Individual transactions using the approved template do not require DAG approval. Any changes to the original template which change the terms of the agreement would require DAG approval. Any subsequent changes to the grant agreement must be made using an amendment signed by all involved parties. Amendments must be reviewed and approved by the assigned Deputy Attorney General.~~

~~Conflicts of Interest~~

~~All state employees and grant reviewers involved in the grant process must disclose in writing any conflict of interest for each grant issuance they participate in. The written disclosure must identify any grant applicant with which they have an actual or perceived conflict of interest. The grant process includes activities such as developing or evaluating grant guidelines or applications, awarding a grant, drafting or entering into a grant agreement, evaluating grantee performance, and authorizing payments to the grantee.~~

~~Examples of conflict of interests~~

- ~~1. Uses their status or position to obtain special advantage, benefit, or access to the grantee.~~
- ~~2. Receives money or anything else of value from a grant applicant or subrecipient, or has equity or a financial interest in an applicant organization.~~
- ~~3. Is an employee, board member, or has any relationship that can be perceived as a conflict of interest with a grant applicant or subrecipient.~~

~~If an actual or perceived conflict of interest is thought to exist, appropriate steps should be taken to avoid the conflict. These steps may include reassigning the duties associated with the particular grant to another employee or grant reviewer, or requiring the employee or grant reviewer to remove themselves from the discussion or decision that is affected by the conflict. At a minimum, all internal parties who are involved with the situation must be made aware of the actual or perceived conflict, even if it is not serious enough to remove or reassign the employee or grant reviewer. The conflict and resolution should be documented and maintained by the agency.~~

~~Grant Fraud and Waste~~

~~Suspected fraud or waste in grants should be reported to the Attorney General's Office or the Division of Internal Audits.~~

~~Acceptance of a grant award means that the state will comply with, and include in all subawards, the grant provisions, all applicable state and Federal and state statutes, regulations, guidelines and any amendments. The State agency accepting the award (or the prime recipient), or administering legislatively mandated grants, is responsible for efficient and effective administration of the grant funds, including in the instance that the State agency acts as a pass-through entity. This requires the confirmation that all expenditures for grants are allowable, reasonable, and allocable by auditing fiscal and programmatic reports submitted by subrecipients for appropriate documentation prior to reimbursement. Develop and implement a plan for monitoring subrecipients to reduce audit findings, fraud, and waste and abuse in the administration of use of grants. The management of performance by subrecipients, in the case of grants, requires a policy to consistently and collaboratively comply with state and Federal and state regulations in the achievement of the approved performance goals (see "088-012 Allowability of Costs" and "088-017 Performance Management & Evaluation" in the located in the Grant Office Website).~~

~~An agency may not incur expenditures without proper budget authority. Changes to existing budget authority are completed through work program requests (see SAM). The information on the notice of grant award and the submitted application will assist in the completion of the work program documents. The completion and submission of a Job Maintenance Form (KTLOPS-35) to the Controller's Office is necessary to ensure appropriate tracking of revenue and expenditures for each award.~~

~~3022 Monitoring Subrecipients [1]~~ **3022 Post Award Processes**

~~State agencies issuing funds should document a monitoring plan to ensure subrecipients are complying with:~~

- ~~1. Fiscal requirements and use awards for authorized purposes.~~

- ~~2. Program requirements and are achieving program goals.~~
- ~~3. Reporting requirements both fiscal and program.~~
- ~~4. Any other requirements imposed by the Federal Government.~~
- ~~5. The A-133 Single Audit requirement and any audit exceptions have been corrected.~~

~~Agencies should use a risk assessment to determine the extent of monitoring procedures performed for each subrecipient based on items such as:~~

- ~~1. Size of the award relative to the grantor and recipient.~~
- ~~2. Award complexity.~~
- ~~3. Prior experience with the subrecipient.~~
- ~~4. Degree of external oversight by auditors (Agencies should monitor subrecipients even if they receive —an A-133 Single Audit).~~
- ~~5. Sophistication of the subrecipient's systems and administrative operations.~~

Pursuant to NRS 353.245, each agency must provide a copy of its grant application and its grant awards to both the Governor's Finance Office and the Legislative Counsel Bureau's Fiscal Analysis Division.

An agency may not incur expenditures without proper budget authority. Therefore, agencies must budget for the grant award if it was not approved as part of the legislatively approved budget. Changes to existing budget authority are completed through work program requests (see SAM 2524). The information on the notice of grant award and the submitted application will assist in the completion of the work program documents. Also, the completion and submission of a Job Number Maintenance Form (KTLOPS-35) to the Controller's Office is necessary to ensure appropriate tracking of revenue and expenditures for each award.

Unless authorizing language specifically prohibits it, a state agency may use awarded grant funds to:

- 1) directly implement projects to carry out specific-specified program objectives;
- 2) subaward to another organization; and/or
- 3) contract with a vendor to deliver goods and services.

~~A state agency functioning as a pass-through entity must determine what type of instrument, subaward agreement vs. procurement contract, is necessary to achieve the goals outlined in the proposed grant project under a specific notice of funding opportunity. Determine the instrument for the distribution of funds during the process of developing the budget for the proposed project to properly categorize costs. Selecting either to contract or to subaward is part of the pre-award process (see SAM and policy "088-001 Subaward vs. Contract Determination" in the located in the Grant Office Website).~~

Award Procedures for Passing Through Funds

The ~~below 11 policies below, excerpted from the Nevada Grant Policy Manual, located in the Grant Office Website,~~ outline the procedures that must be used by agencies when issuing subawards or state-funded subawards. Deviations from these guidelines-policies must be justified by Nevada Revised Statutes (NRS), Federal law, or requirements imposed by the grant program. The justifications must be documented and retained in the agency's records.

- ~~1. The distribution of grant funds to other state agencies, tribal, and/or nonprofit entities is done via a competitive process, unless other process is required. The competitive process involves a group of subject matter experts to rank the submitted proposals. Final allocation is based on the ranking and justification from the awarding agency. For this process, establish competitive review criteria per “088-008 Subaward Competitive Review Criteria.”~~
- ~~2.1. Agencies must d~~Develop a Notice of Funding Opportunity per “088-005 Developing a Notice of Funding Opportunity (NoFO)”for their stakeholders to ensure the required and necessary information is included in any applications or proposals required by the state agency.~~the announcement. The policy also provides guidance about tasks to be completed in announcing and receiving the proposals.~~
2. Unless subgrantees were specifically identified in the grant application, the best practice for distribution of grant funds to other state agencies, tribal, and/or nonprofit entities is to conduct a competitive process. The competitive process involves a group of subject matter experts ranking the proposals. Final allocation is based on the ranking and justification from the awarding agency. Agencies not using a competitive process should document the reasons why.
3. Enforce conflict of interest and confidentiality during competitive review per “088-007 Conflict of Interest and Confidentiality.” Federal and sState and federal regulations require the disclosure of conflict of interest for evaluators participating in the process of ranking competitive proposals. For non-competitive grant programs, the person with authority to determine the final distribution must provide a conflict of interest disclosure.
4. The completion of a risk assessment is required before issuing a subaward agreement. The awarding state agency is responsible for evaluating each subrecipient to determine the risk of noncompliance with the applicable fFederal and/or Sstate statutes, regulations, and terms of the subaward. Timeliness is critical to the risk assessment process mandated by 2 Code of Federal Regulations (CFR) 200.519.
- ~~4. Conduct a risk assessment of potential subrecipients per “088-006 Potential Subrecipient Risk Assessment.”~~ Also, prior to issuing a final award to a subrecipient, the state agency; ~~as the pass-through entity~~ must ensure the subrecipient is not on the Federal Excluded Parties List System ~~(at System for Award Management (SAM))~~ for debarment and/or suspension.
- ~~5. To ensure the proper procedures are followed, the subaward agreement clearly identifies the subrecipient, and includes the mandated information, issue a subaward agreement per “088-009 Issuing a Subaward Agreement.”~~
5. With few exceptions, agencies must make grant payments for expenditures on a reimbursement basis. Reimbursement requires the submission of correct and complete source documentation to back up all expenditures incurred in the implementation of the approved project, and an accurately completed fiscal report. Reimbursements to subrecipients must occur within 30 days of the receipt of the request/fiscal report by the awarding agency.
6. Grant agreements must be amended whenever changes to the original approved document occurs. This includes the obligation, compensation, and expiration date. The changes to the key personnel found in the original grant agreement also require and amendment.~~Fully executed grant agreements and their amendments are legally binding documents, consequently amendments to the original grant agreement may only be approved when the purpose of the amendment is similar to the purpose of the original agreement, and the duties of the subrecipient are within the original approved request for proposal. As needed, amend the subaward per “088-011 Amending a Subaward Agreement.”~~

- ~~7. Monitor subrecipients to determine the progress made against goals and indicators of performance. Monitoring reveals whether the desired results are occurring, confirms the implementation is on track and in general that the results measured are the direct and short term consequences of program activities. Monitor subrecipients per “088-015 Monitoring Subrecipients.”~~
- ~~8. With few exceptions, make grant payments for expenditures on a reimbursement basis. Reimbursement requires the submission of a set of documents. The set includes correct and complete documentation to backup all expenditures incurred in the implementation of the approved project, and the accurately completed fiscal report also known as a reimbursement request. Reimbursements to subrecipients must occur within 30 days of the approval of the request/fiscal report by the awarding agency. Execute fiscal reports and reimbursements per “088-013 Fiscal Reports (Prime & Subrecipient).”~~
- ~~9. Require performance reports per “088-014 Performance Reports (Prime & Subrecipient).” Performance reports reflect the activities accomplished in reaching the approved objectives. They highlight progress and community impact. This type of reports may include compliance data to ensure activities meet Federal and state regulations and are necessary to maintain transparency and monitor progress.~~
- ~~10.7. State agencies with authority to pass through funding to other entities become subject to the responsibility of monitoring subrecipients for compliance with applicable Federal and state requirements for grants. Due to the significance of the information extracted from the subrecipient’s Single Audit Report about compliance matters, the annual review of Single Audit Reports for appropriate subrecipients is one of the most important compliance requirements. Also, agencies must monitor subrecipients to determine the progress made against goals and indicators of performance. Monitoring reveals whether the desired results are occurring, confirms the implementation is on track and that the results measured are the direct and short-term consequences of program activities. Hence, review Single Audit Reports annually per “088-016 Review of Subrecipient Single Audit Report.”~~
- ~~11. Reconciliation of prime and subawards is essential to their closure. The closing of the entire prime award is feasible only when finished with the closing of subawards. Subawards close as projects are completed or at the end of their performance period and all their pending items are solved. Notify the Grant Office about a noteworthy balance remaining in the prime award. Close out prime award and subawards per “088-019 Closeout (Prime & Subaward).”~~

Reporting

An agency receiving ~~Federal or State~~ grant funds must follow the established policies and procedures for distribution, submission and review of the required ~~subrecipient~~ fiscal and program reports. Agencies must also comply with any reporting requirements identified in statute or legislation. Best practices and forms are available by contacting the Grant Office.

~~Regardless of the type of report, timeliness is critical to the risk assessment process mandated by 2 Code of Federal Regulations (CFR) 200.519.~~

In addition to financial reporting, performance reporting is also important. Performance reports reflect the activities accomplished in furtherance of the grant objectives, and highlight community impact. Performance reporting may include compliance data to ensure that program activities meet federal and State regulations. Performance reporting also maintains transparency, and may be used to leverage additional awards in the future.

In preparation of the State's Single Audit Report and to confirm the information about grant awards from each agency, the State Controller's Office relies on the state agency to certify that the information about grants it manages is correct as reflected at that time in the state's system. It is important that agencies provide information on the Controller's Single Audit Reporting Form in a timely fashion so that the State Controller may complete its Schedule of Expenditures of Federal Awards. ~~For best results and compliance execute and submit required documentation timely, per "088-021 State Agency Single Audit Reporting."~~

State Agency Reimbursement via Federal Draw Down

A **draw down or draw** is the process used by state agencies to request reimbursement of federal grant expenditures from the federal awarding agency. Draws require state agencies to notify the State Treasurer's Office by completing a Federal Draw Request Form located at Nevada Treasurer's Website, creating a "CR" in the state's fiscal system "(Advantage)" and placing it on "hold." The Treasurer's Office will access the appropriate federal portal and perform the draw. ~~For state agencies that performing a draw directly from their funding Federal a federal agency, agencies must also, submit an Incoming Funds Notification form found at the Nevada Treasurer's Website, create the "CR" in Advantage, and placing it on "hold." For more details, see policy "088-018 State Agency Federal Draw Down" in the.~~

The federal Cash Management Improvement Act requires the federal government and the states to minimize the time between transfer of federal funds and payments made by the states for federal grant program purposes. For agencies drawing grants, this means that agencies must minimize the time between deposit of federal funds in the State's account and disbursement of those funds for program purposes. Otherwise, the federal government may be entitled to the interest from the day the State deposits federal money to the day the State disburses that money for program purposes.

Federal Funding Accountability and Transparency Act Reporting

A state agency that passes funds through to a subrecipient or contractor for an amount greater than \$25,000 is required to report the transaction within 30 days of the written obligation using the web-reporting site www.fsrs.gov. The Federal Subaward Reporting System (FSRS) is the reporting tool used by federal recipients to capture and report subaward and executive compensation data about their subawards (first-tier) as applicable. For detailed requirements, see policy "088-010 Federal Funding Accountability and Transparency Act (FFATA)" in the Nevada Grant Policy Manual, ~~located in the Grant Office Website.~~

3024 Closeout

Grant closeout includes, but is not limited to, the following tasks:

1. Completion of any final draws of funds;
2. Completion of the final program report; and
3. Completion of the final financial report.

Reconciliation of prime and subawards expenditures, including subawards, is essential to grant their closeout. ~~The closing of the entire prime award is feasible only when finished with the closing of subawards. Subawards~~

close as projects are completed or at the end of their performance period and all their pending items are solved. Notify the Grant Office about a noteworthy balance remaining in the prime award.

~~A State agency must confirm the completion of all applicable administrative actions and all mandatory work required by a Federal grant award or any other award per policy “088-019 Closeout (Prime & Subaward)” in the ,located in the Grant Office Website.~~

A balance remaining on an ~~an~~ subaward that will not be used ~~by the subrecipient~~ is called a **deobligation**. Nevada’s goal is to deobligate zero dollars to the federal government. ~~or reversion of funds. Funds being deobligated~~ ~~reverted~~ to a ~~f~~ Federal awarding agency must be reported to the State Grant Office ~~(see policy “088-003 State Agency Required Grant Notifications” in the Nevada Grant Policy Manual, located in the Grant Office Website).~~

State agencies must confirm the completion of all applicable administrative actions and all mandatory work required by a federal grant award or any other award, as outlined in the Nevada Grant Policy Manual.

Deobligation

~~An agency has three options to manage the de-obligation of any subrecipient funds. When choosing an option, keep in mind that Nevada’s goal is to revert/deobligate zero dollars to the Federal government.~~

- ~~1. Reallocate the reverted/ deobligated funds. This requires researching potential subrecipients who can use the funds for eligible activities within the performance period. When a State agency is able to reallocate the reverted/deobligated funds, it must follow the process for subawarding as outline in SAM.~~
- ~~2. When possible, reverted/deobligated subrecipient funds revert to the primary award for use by the pass-through entity (State agency) for eligible activities within the performance period.~~
- ~~3. The reverted/deobligated subrecipient funds cannot be used for eligible activities within the performance period. Therefore, funds are reverted to the Federal awarding agency.~~

All grant, subgrant and contract documentation for fiscal and program activities must be kept for a minimum of three (3) years from the date of the final reimbursement request.