Grants Management
Doing Business with CDC

CDC GHSA/Ebola Grantee Meeting
CDR Tracy R. Powell, PhD

Office of Grants Services
Office of Financial Resources
Centers for Disease Control and Prevention

February 10, 2016
Agenda

- Introduction to Office of Grants Services (OGS)
- Laws, Regulations and Policies
- Overview of Grants Management
- Prior Approval Requests
- Funding Restrictions
- Grantee Reporting Requirements
- Audits
- Helpful Reminders
- Useful Resources
INTRODUCTION TO OFFICE OF FINANCIAL RESOURCES (OGS)
LAWS, REGULATIONS AND POLICIES
**Statutes**

- **Federal Grant and Cooperative Agreement Act of 1977 (FGCAA)**
  - Distinguishes between acquisition and assistance
  - Mandates agencies to select appropriate award instrument
    - Grant, cooperative agreement, or contract
  - May not use mechanisms to acquire services for the direct use or benefit of the federal government
  - Enforceable by law
Statutes

- **Federal Register Act (1935)**
  - Mandates daily publication of Federal Register
    - Central repository for all newly adopted rules and regulations
    - Provides notification to all whom may be affected by a regulation
  - Congress amended act in 1937
    - Requires organization of the regulations through publication in the Code of Federal Regulations (CFR)
  - Carry the force and effect of law

- **Important CFRs for Grantees**
  - Cost Principles (2 CFR Part 200, 45 CFR Part 75)
  - Administrative Regulations (2 CFR Part 200, 45 CFR Part 75)
Mini-Quiz

- Which act mandates agencies to use grants and cooperative agreements to support public purposes?
  - OMB Circular A-123
  - Federal Grant and Cooperative Agreement Act of 1977 (FGCAA)

- Agency policies carry the force and effect of law.
  - True
  - False

- Agencies are bound by their own legislation, regulations and government-wide public policy requirements?
  - True
  - False
OVERVIEW OF GRANTS MANAGEMENT
Grants Management Process

- Planning
- Announcement
- Application Evaluation
  - Receipt and Screening
  - Independent/Objective Review
  - Business Management Evaluation
  - Cost Analysis
- Negotiation
- Award
- Post-Award Monitoring
  - Formal Actions
  - Audit Resolutions
  - Conflict Resolution
- Closeout
Funding and Acquisition Mechanisms

- **Funding Mechanisms**
  - Grants
    - Provides federal funding to assist public health stakeholders in accomplishing a public purpose
    - Funds provided first and used when necessary to provide services
  - Cooperative Agreements
    - Type of grant
    - Used when there will be substantial involvement by CDC staff
    - Funds provided first and used when necessary to provide services

- **Acquisition Mechanisms**
  - Contracts, Purchase Orders, or Task/Delivery Orders
  - Acquire goods and services for the direct benefit or use by CDC
  - Services are provided first and then payment follows
Cooperative Agreements

- Substantial involvement between CDC and the grantee during the period of performance
  - CDC staff provide technical assistance and guidance in programmatic activities
  - CDC evaluates progress towards goals
  - CDC recommends corrective action (if necessary)

- CDC does **not** implement the activities

- Grantees implement the activities
Cooperative Agreements

- **Substantial involvement can include:**
  - Participation in protocol design
  - Assisting in contractor selection
  - Coordinating/participating in data collection
  - Providing training to project staff
  - Participating in selection of project staff
  - Providing assistance in management and technical performance
Cooperative Agreements

- **Substantial involvement does NOT include:**
  - Ongoing project monitoring for…
    - Compliance with regulations and guidelines
    - Compliance with program policies
    - Progress towards project goals
  - Reviewing progress and financial reports
  - Conducting site visits
ROLES AND RESPONSIBILITIES
**CDC Roles and Responsibilities**

- **Grants Management Officer (GMO):**
  - ONLY official authorized to 1) require the OPDIV to spend federal funds or 2) change the funding, duration, or other terms and conditions of an award.

- **Grants Management Specialist (GMS):**
  - Primary point of contact for grant-related issues, including requests for prior approval, changes in the terms and conditions of award, receiving progress and financial reports, etc.
  - Handles the day-to-day business management (non-programmatic) aspect of grants.

- **Project Officer (PO):**
  - Official responsible for the programmatic, scientific, and/or technical aspects of assigned grants.
CDC Roles and Responsibilities

- **Activity Manager:**
  - Designated by Project Officer
  - Point of contact for day-to-day technical issues
  - Provides training and technical assistance
  - Monitors and assesses program progress

- **Extramural Office:**
  - Serves as a liaison between OGS and field offices
  - Provides expertise and administrative support of cooperative agreements, grants, contracts, interagency agreements, and memoranda of understanding

- **Associate Director of Science:**
  - Assures compliance with human subject protections
  - Restricts funds pending approval of human subjects-related activities
Grantee Roles and Responsibilities

- Develops and implements systems and monitoring procedures to ensure proper stewardship of funds
- Identifies areas of special interest and communicates regularly with the CDC Project Officer
- Tracks progress and submits timely reports
- Accounts for its funds to CDC, and is responsible for sub-grantees and sub-contractors
Grantee Roles and Responsibilities

- **Authorized Organizational Representative (AOR):**
  - Holds authority to act on behalf of the organization
  - Able to sign grant applications
  - Held accountable for the appropriate use of funds awarded and the performance of the grant-supported project or activities
  - Agrees to the terms and conditions

- **Other Accountable Parties:**
  - Principal Investigator
  - Program/Project Director
  - Program/Project Coordinator
  - Business/Fiscal Officer
  - Payment Management System Preparer/Approver
Mini-Quiz

- Which office serves as the Official Receipt Office for ALL official communications and contacts with grantees?
  - Extramural Office
  - CDC Program Office
  - OGS

- Which party is the sole approving federal official authorized to obligate funds for grants and cooperative agreements on behalf of the U.S. Government?
  - Grantee
  - Grants Management Officer
  - Project Officer
CONTINUATION APPLICATIONS
Continuation Application Requirements

- **Non-research**
  - Review and follow instructions provided in the FOA
  - Some key forms/documents include:
    - SF 424 Application for Federal Assistance
    - SF 424A Budget Information
    - SF 424B Assurances
    - Budget and Project Narrative
    - Budget Spreadsheet (for consolidated programs)
    - Debarment and Suspension Certification
    - Certification for Trafficking Victims Protection Act of 2000
  - Applications must be submitted through Grants.gov to prevent processing delays
Continuation Application Form Requirements

- **Research**
  - Review and follow e-mail guidance as provided from the Grants Management Specialist
  - Some key forms/documents include:
    - SF 424 R&R Forms Application for Federal Assistance
    - SF 424A Budget Information
    - SF 424B Assurances
    - Budget and Project Narrative
    - Budget Spreadsheet (for consolidated programs)
    - Debarment and Suspension Certification
    - Certification for Trafficking Victims Protection Act of 2000
  - Applications must be *mailed* to assigned Grants Management Specialist
PAYMENT MANAGEMENT SYSTEM (PMS)
Payment Management System

- Managed by HHS, not CDC
- Grantee must enroll in PMS to receive funds through electronic bank transfer
  - Enrollment process can take one month from submission of forms
- PMS Registration Process
  - OGS sends PMS information to grantee
  - Grantee completes forms and emails completed forms to OGS
  - Once OGS approves, grantee mails signed original documents to PMS
  - PMS verifies bank information
  - PMS sends registered users (grantee) an account number and temporary password
  - Grantee logs-in and changes password
Reporting Requirements

- **Periodic financial reports**
  - Quarterly report schedule posted on PMS
  - Reports submitted online
  - Failure to submit report results in system lock-out

- **Change password every 90 days**
  - Failure to comply results in system lock-out

- **Help Desk Support**
  
  Phone: (877) 614-5533
  
  Hours: Monday-Friday
  
  7am-9pm (Eastern Standard Time)
  
  Except on federal holidays
Mini-Quiz

- Recipients should contact OGS if they have problems with PMS.
  - True
  - False
GRANTEE FINANCIAL MANAGEMENT
**Audits**

- **Required** when expenditures are \( \geq 750,000 \) Domestic/\( \geq 300,000 \) Foreign annually in U.S. government awards or USAID funded awards
- Not required when expenditures are \( <750,000 \) annually in U.S. government awards
  - Grantees are required to make financial records available for CDC review upon request
- Grantees should select auditors from the USAID Approved Auditor List or an U.S.-based independent auditor
- Cost of a required audit is an allowable cost
- Include the grantee’s entire fiscal year, which may be different than the budget period.
Audits Cont.

- Include the grantee’s entire fiscal year, which may be different than the budget period

- Components include at a minimum:
  - An audited Fund Accountability Statement which details grant revenues and expenditures by grant
  - A report on internal controls
  - A report on compliance with grant terms and conditions and applicable laws and regulations

- Grantees must submit an English-language audit report to OGS
Audits Cont.

- Audit reports are due at the earliest time of either:
  - 3 months after completion of the audit; OR
  - Within 9 months after grantee’s fiscal year-end

- Grantees submit audit reports to:

- Email Copy to: PGO.Audit.Resolution@cdc.gov
Audits Cont.

- **Grantees (US based) submit audit reports to:**
  Federal Audit Clearing House Internet Data Entry System

  **Electronic Submission:**
  https://harvester.census.gov/facides/(S(0vkw1zaelyzjibnahocga5i0))/account/login.aspx
Audit Resolution:

- Audits received from the grantee which do not provide all the necessary information
  - OGS will prepare an insufficient audit memo to the grantee clarifying the requirements and requesting the missing components.
  - Grantees will have 30 days to either:
    - Submit the required items OR
    - Respond with a timeline for completion and submission of the requested items.
  - A copy of the correspondence will go to...
    - Principal investigator (PI),
    - Project officer (PO),
    - Grants management officer (GMO), and
    - Grants management specialist (GMS).
Audit Resolution

- Audits received with findings in need of resolution:
  - OGS will contact the grantee to:
    - Resolve findings
    - Determine corrective actions taken to remedy deficiencies and findings
  - Upon resolution, OGS will prepare a final determination letter and provide a copy to the grantee.
  - Please reference your NOA regarding audit submissions
GRANTEE PRIOR APPROVAL REQUESTS
Prior Approval Requests

- Considered post-award actions
- Submitted to the assigned GMO/GMS as an original
  - Provide requests electronically in accordance with the terms and conditions in the Notice of Award
- Always reference the Award # in the request
- Must include the signatures of project or authorized business office official, as listed on the Notice of Award.
- Will be reviewed by the Grants Management Specialist and the CDC program office
Prior Approval Requests

- **Examples of requests that require prior approval:**
  - Change in scope (post-award)
  - Change of key staff
  - Change of grantee organization (Bona Fide agent)
  - Contract or consultant agreements
  - Supplemental funds
  - No cost extension
  - Redirection of funds or revised budget
  - Carryover of unobligated funds
  - Release of funding restrictions
  - Clarify on federal regulations and financial aspects of the award
Redirection of Funds

- Movement or shifting of funds from one approved budget category to another
- Authorized unilaterally up to 25% or $250,000 of budget – whichever is less (inform OGS and PO)
- Significant rebudgeting:
  - Cumulative transfers exceeding 25% or $250,000 of the approved budget for the budget period, whichever is less
  - May be quantitative indicator of change in scope
  - Revised work plan if there is a change in scope
  - Timeline of supported activities and dates of completion
  - A detailed budget and narrative justification must be submitted
  - Must include signature of project director, principal investigator, and authorized business office official
## Redirection of Funds

<table>
<thead>
<tr>
<th>Cost Categories</th>
<th>Original Budget</th>
<th>Redirection</th>
<th>Revised Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salary &amp; Wages</td>
<td>$164,756</td>
<td>$12,480</td>
<td>$177,236</td>
</tr>
<tr>
<td>Fringe</td>
<td>$59,312</td>
<td>$1,223</td>
<td>$60,535</td>
</tr>
<tr>
<td>Consultants</td>
<td>$21,362</td>
<td>-$13,703</td>
<td>$7,659</td>
</tr>
<tr>
<td>Equipment</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Supplies</td>
<td>$1,089</td>
<td>$0</td>
<td>$1,089</td>
</tr>
<tr>
<td>Travel</td>
<td>$6,560</td>
<td>$0</td>
<td>$6,560</td>
</tr>
<tr>
<td>Other</td>
<td>$56,537</td>
<td>$0</td>
<td>$56,537</td>
</tr>
<tr>
<td>Contracts</td>
<td>$30,000</td>
<td>$0</td>
<td>$30,000</td>
</tr>
<tr>
<td>Total Direct Costs</td>
<td>$339,616</td>
<td>$0</td>
<td>$339,616</td>
</tr>
<tr>
<td>Indirect Costs</td>
<td>$31,257</td>
<td>$0</td>
<td>$31,257</td>
</tr>
<tr>
<td>Total Award</td>
<td>$370,873</td>
<td>***$0</td>
<td>$370,873</td>
</tr>
</tbody>
</table>
Change in Key Staff

- **Changes can include:**
  - New project director/principal investigator or business official
  - Any change that will result in an absence from the project for 3 months or more, or reduce the approved FTE level by 25% (2 CFR Part 200.308)
    - Example: Approved level is 100% FTE, reduced to 50%

- **Prior approval request should include:**
  - Cover letter, including one signature and award number
  - Name and position title of the key staff that is changing
  - Name, address, phone, and email address for new key staff
  - Proposed effective date of the key staff change
  - Attach a copy of the new key staff’s resume or CV
No Cost Extension

- Need for additional time beyond the approved project period…
  - To complete approved activities;
  - To closeout the award; or
  - For administrative reasons
- Additional time cannot exceed 12 months
- No new activities are allowed to be requested
- No additional funds are awarded in order to accomplish the activities
- May not be used to merely spend unobligated balances
No Cost Extension

- Request must be submitted at least 30 days prior to the end of the project period
- Request should include:
  - Cover letter, a signature, and award number
  - Amount of additional time requested
  - Justification for completing the activities during the proposed time period
  - Timeline for completion of proposed activities
No Cost Extension

- **Expanded Authorities**
  - Authorized in the administration of this award
  - Grantee may extend the project period for up to 12 months without additional funds.
  - Notification must:
    - Be in writing (e-mail or letter)
    - Be sent to the GMO and GMS
    - Submitted at least 10 days prior to the end of the original project period
    - Be signed by the authorizing officials on the award
    - Include the new project end date
  - Extensions beyond the initial notification must be requested by the grantee organization.
Carryover of Unobligated Funds

- Unobligated funds from the previous budget period requested for use in the next budget period.
- Unobligated funds that are carried over to the next budget period can only be used to pay for activities which will be completed within that specific budget period.
- Requests must express a bona fide need that carryover of funds will contribute to the planned objectives.
- All requests for carryover require prior approval by GMO.
Carryover of Unobligated Funds

- Request must include:
  - Current signed and dated Federal Financial Report (FFR) indicating an unobligated balance
  - Reason for unobligated funds from prior year
  - Justification of bona fide need for current year
  - List of proposed activities
  - Description of how funds will enhance current activities
  - Detailed line item budget and justification
  - Timeline/period of performance for proposed activities
  - Signature of project director, principal investigator, or authorized business office official
  - Current indirect cost rate agreement (if requesting indirect costs)
Carryover of Unobligated Funds

- Submit requests no later than **30 days** prior to the end of the budget period specified in the Notice of Award

- Suggestions for grantee success:
  - Work with your financial management officer to get regular statements of obligations or liquidations
  - Submit federal financial reports (FFRs) on time
  - Work closely with your CDC Project Officer (PO) to request carryover of unobligated funds in a timely manner
  - Be sure to monitor your Payment Management System (PMS) subaccounts
## Carryover of Unobligated Funds

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<td>$10,724</td>
<td>$71,259</td>
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<td>Consultants</td>
<td>$7,659</td>
<td>$0</td>
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<td><strong>$70,780</strong></td>
<td><strong>$410,396</strong></td>
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<td>$36,906</td>
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<td>**$76,429 ******</td>
<td><strong>$447,302</strong></td>
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GRANTEE REPORTING REQUIREMENTS
Reporting Requirements

- Performance and Progress Reports
- Federal Financial Reports (FFR) (SF-425 or 425A)
- Federal Funding Accountability and Transparency Act (FFATA) of 2006 Sub-award Reports
Federal Financial Reports (FFRs)

- Also known as SF-425 or SF-425 A
- Include only those funds authorized and disbursed during the budget period covered by the report
- Indicate the exact balance of unobligated funds
- Any FFR requested to be revised must be submitted within 9 months from the original due date
- Electronic versions of the form can be downloaded at:
  - [http://www.whitehouse.gov/sites/default/files/omb/assets/grants_forms/SF-425.pdf](http://www.whitehouse.gov/sites/default/files/omb/assets/grants_forms/SF-425.pdf)
- Instructions for the form can be downloaded at:
Federal Financial Reports (FFRs)

- Blocks 1-9: Descriptive information
- Blocks 10-11: Financial information
- Block 12: Explanatory remarks
- Block 13: Completed by the AOR/SO
Federal Financial Reports (FFRs) Reporting Dates

- **Interim FFRs**
  - Submitted within 30 days after the end of each calendar quarter

- **Annual FFRs**
  - Submitted within 90 days after the end of the calendar quarter in which the budget period ends
    - For example: Budget Period ends – 1/30/2015
      Calendar quarter ends – 3/31/2015
      Annual FFR due – 6/30/2015

- **Final FFRs**
  - Submitted within 90 days after the project period ends
  - Final FFR must not include unliquidated obligations
Effective October 1, 2012, all grantees must submit FFRs through eRA Commons.

All grantees should have received this letter informing them of the change in reporting requirements.
Federal Financial Reports (FFRs)

- **eRA Commons** ([http://era.nih.gov/](http://era.nih.gov/))
  - System that all FFRs must be submitted through effective October 1, 2012
  - Grantees not yet registered can go to the following web address for instructions
    - [https://commons.era.nih.gov/commons/registration/registrationInstructions.jsp](https://commons.era.nih.gov/commons/registration/registrationInstructions.jsp)
  - User Guide and on-line demonstration can be found at the eRA Commons Support page
    - [http://www.cdc.gov/od/OGS/funding/grants/eramain.shtm](http://www.cdc.gov/od/OGS/funding/grants/eramain.shtm)
  - General questions about eRA Commons should be directed to the Helpdesk
    - [http://ithelpdesk.nih.gov/eRA/](http://ithelpdesk.nih.gov/eRA/)
HELPFUL REMINDERS
Helpful Reminders

- Read entire Notice of Award particularly the Terms and Conditions.
- Approach cooperative agreements as collaborations.
- Maintain regular communication with OGS and Project Officer/Activity Manager.
  - Utilize e-mail header: Grant (Organization) (Award #)
  - Respond to CDC communications promptly
- Submit reports in a timely fashion.
- Principal Investigator/Project Director and authorized Business Office Official signatures are required for all grantee correspondence.
Helpful Reminders

- Attend CDC trainings to learn more about grant requirements.

- **Financial management reminders**
  - Maintain separate account for grant funds.
  - Document financial management and budget procedures.
  - Request funds draw down as needed to meet expenses.
  - Do not keep large amounts of cash on hand.
  - Minimize cash transactions where possible

- **Always ask if in doubt.**
USEFUL RESOURCES
Useful Resources

- **HHS General Grants Information**
  - Web: [http://dhhs.gov/asfr/ogapa/aboutog/grantsnet.html](http://dhhs.gov/asfr/ogapa/aboutog/grantsnet.html)

- **HHS Grants Policy Statement**

- **2 Code of Federal Regulations, Grants and Agreements**
  - Web: [http://ecfr.gpoaccess.gov/cgi/t/text/text-idx?c=ecfr&tpl=/ecfrbrowse/Title02/2cfr225_main_02.tpl](http://ecfr.gpoaccess.gov/cgi/t/text/text-idx?c=ecfr&tpl=/ecfrbrowse/Title02/2cfr225_main_02.tpl)

Useful Resources

- OMB Circulars
  - Web: http://www.whitehouse.gov/omb/circulars_default

- Budget Guidelines
  - Web: http://www.cdc.gov/od/OGS/funding/budgetguide.htm

- Various Forms (including SF-425, etc.)
  - Web: http://www.whitehouse.gov/omb/grants/grants_forms.html
Useful Resources
Prior Approval Request Templates
Questions and Answers
For more information please contact Centers for Disease Control and Prevention

1600 Clifton Road NE, Atlanta, GA 30333
Telephone: 1-800-CDC-INFO (232-4636)/TTY: 1-888-232-6348
E-mail: cdcinfo@cdc.gov Web: http://www.cdc.gov

The findings and conclusions in this report are those of the authors and do not necessarily represent the official position of the Centers for Disease Control and Prevention.