

ERIN LORAH: I am Erin Lorah, the Associates Director of the Grants Financial Management Division, and I have Suheyla Lasky with me, she is a team lead within the Grants Financial Management Division. Today we also have joining us, everyone always loves when she is around, is Marnie Shiels, from the Legal Division. So today we are going to talk about formula and pass-through. As I said, Erin Lorah, the Associate Director of the Grants Financial Management Division. Suheyla Lasky, the team lead within the Grants Financial Management Division. And we have Marnie Shiels, Attorney Advisor within the Legal Division. We always try to keep these--this slide in our presentation because we want you to be able to know how you can contact us within the Grants Financial Management Division, as well as other avenues.

So, remember if you have any JustGrants questions or you need assistance, the Office on Violence Against Women has their own help desk and we ask that you call them, send them an email. They are amazing and they will help navigate the JustGrants system as best as they can. And they usually are able to help you provide all of the answers that you need. If you need system questions or have issues with getting access to your funds, contact the Grants Financial Management Division. But if there are specific things with password reset, you can't log into the ASAP system, we put the help desk here. They are the only ones that can help you. But within OVW, we try to help you as much as we can, but there are certain things within the treasury payment system that we cannot help you with. So, give them a call and they will be able to assist you.

As we have said throughout all of the presentations, I promise you I won't use my driver's manual joke again. At this point, I can't use it within the same new grantee orientation. But these administrative requirements are applicable across the board. This is from you, as a direct grantee, as well as your pass-through entity. So, the administrative requirement is the Uniform Guidance. That is 2 CFR Part 200. That is what you guys are required to follow as when you receive federal funds.

The Department of Justice Financial Guide is our interpretation of the administrative requirements, additional policy related items that the department would like to call out. And we ask that you become familiar with your program solicitation, especially as a pass-through entity because you are not the one applying directly for this award, you still need to be familiar with that program and all of the requirements that fall within it.

So, we're going to actually go into the roles and responsibility of being a direct grantee as well as the pass-through entity. We want to try to make this as a conversation. If you have any specific questions, I can't say this enough, just put it in the chat. We want to make sure that we're giving you all the tools necessary to be able to manage it from a

grantee-level as well as the pass-through entity. So, even though--we're going to start with, as this state administer--administrating agency, you are passing through your awards. Even though you are doing a direct pass-through to the state coalition, you still need to document all of those roles and responsibilities. And that is, you are sub-awarding this award to that state coalition, so all of the roles and responsibilities have to be documented. Who is going to do what and when are they going to do it? That subaward agreement has to document and have all of the required elements that are part of the Uniform Guidance at 200.332. And in the next couple slides, we'll go into a little bit more detail of what needs to be on the subaward agreement.

Here are some of the responsibilities that need to be laid out within your formal document, either your subaward agreement. So, soliciting of those applications, you've already passed through, you've done a subaward to the state coalition. Who is going to create and release that solicitation to get your subrecipients to apply? The allocation of the funds for the subrecipient. Remember, we've had this conversation about when the pass-through entity or the direct recipient is allocating funds in a subrecipient manner, they have to do a pre-award risk assessment. Because the grantee is passing it through to the state coalition, who is actually going to perform that pre-award risk assessment? Who has the decision-making power on who the subrecipients are going to be within those allocations? And who's creating the subaward packages? Remember, this can't just be an assumption. It must be documented. I always tell our subrecipients, and this is coming into conversation more frequently, unless you have assigned a Word document and it is written out, you don't know who is supposed to do what. Everything must be documented from A to Z to be able to effectively manage and implement this grant program.

Next thing up, distributing those funds to your subrecipients, does the state coalition have the capacity to go through and do the reimbursement process for those subawards? What is the payment process for the coalition? Because remember, this is a two-part process because the state is the grantee from directly with the Office on Violence Against Women, so you are drawing down from us to then reimburse the state coalitions, who are then going to reimburse the subrecipient population. So, you need to have a documented policy on this payment process. How frequently are you going to request for reimbursement? How frequently are the subrecipients requesting for reimbursement? Especially making sure to not put an undue burden on either because a lot of the member programs or small victim service providers don't have the ability to front a lot of money. So, putting a process in place to alleviate the burden of having to front that money is very important to be in the success of this grant program.

Next thing, monitoring. What is the state's process for monitoring the coalition? Just because you are passing the money through or directly through the state coalition does not alleviate the state from having to monitor that state coalition. Remember, the grant and the legal agreement between the Office on Violence Against Women is with us and the state. Our relationship is not with that state coalition. It's with the SAA. So there needs to be an internal process in place to monitor the state coalition. That is a direct subaward to that state coalition. How are they--if--for instance, if they are creating and determining all of the subrecipients, do they have a policy in place? What about payments? Do they have a policy in place for distributing the payments? Next thing, are they adhering to them? We can all have written policies and procedures but actually adhering to them is another thing. What about monitoring the subrecipients? Did they do the pre-award risk assessment, pre-award for those subrecipients? Did that help determine the level of monitoring that they will be doing throughout the life of that subaward? How about--how often are they going to go on site? How about the reimbursement process and the source documentation that is required on top of that?

The next thing you want to be able to outline is reporting the goals and objectives. Remember you have a performance report that you are required to submit as the direct recipient. If you are not monitoring and having the over this--you are not overseeing all of the subawards, how are you gathering that data to then report it in your performance report that you are required to submit to the Office on Violence Against Women? Who is consolidating all of the performance data from the subrecipients, as well as from the state coalition, is it the state or is it the state coalition? Within the two formula grant programs, there is a limited amount of administrative cost. Capping the award down to or through a state coalition comes with a lot of administrative work. They still need to get a portion of that if they are going to do it. So, although the cap were STOP and SASP are 10 and 5, you as the state administering agency have some oversight and administrative requirements, but that state coalition has some of it as well. So, the cap is on the entire award amount, so that 10% or 5% is for the entire administrative cost allowed for that grant program. So, please take that in consideration when you're deciding how much is passed through and what roles and responsibilities each of you are going to play in the entire award process.

This slide pretty much just explains a little bit more what I just said about determining who retains the administrative cost, based on everything that we just talked about, everything that's documented, who's going to do what? When are they going to do it? And the level of effort, if you are passing on the entire award through to the state coalitions and you just have administrative oversight over that state coalition, should you really be keeping 10% of the administrative cost? Because at the end of the day, although you are passing the funds through, the goals and objective, the responsibility

lies with the state. So, if the state coalitions do not have the ability to monitor or have the oversight, because they don't have the funding, how are you as a state making sure that all of the goals and objectives of the award are being done? Additional information about administrative costs.

There are a 10 and 5% administrative cap within both the STOP and the SASP Formula Grant Programs. Administrative costs can include the salary and fringe of the staff that are administering this program. This is the ones putting the solicitation out. They are the ones doing the whole pre-award risk of it. They're monitoring those subrecipients after the award, and what if they have to do a specific training within to make sure that everything is being done correctly. All of those are administrative costs that would go within those thresholds or those caps that we have for those two grant programs. Marnie talked about the administrative funds and actually cited the legislation for it, the regulations for it. So, if you want to get additional information about the allowable uses of the administrative funds, you can go to 28 CFR Part 90.17(b). I'd like to add at the bottom of the slide, there is a piece here about indirect costs. Indirect costs are an allowable cost to charge to your grant program, but they are part of the administrative cost limit as well.

SUHEYLA LASKY: So, in our state, the STOP Grant is split between many groups, courts, law enforcement, prosecution, along with victim services. Does the admin of the split of these all have to ensure the state administrator plus the specific area getting those funds do not expend more than 10%?

MARNIE SHIELS: Can you take that one, Erin? Or do you want to take it?

ERIN LORAH: I am so thankful Marnie Shiels came on the camera. This is her expertise. We are very knowledgeable in it, but Marnie, I would appreciate if you took that question.

MARNIE SHIELS: Sure. So, what I think you're describing would be that you're passing it through in different ways. So, perhaps you're giving the victim services money to the state coalition and maybe you have a state law enforcement association that manages the law enforcement piece, and then they would pass that down to local law enforcement agencies, something like that. Because the admin piece is talking about the administration of the program, and this is where people often get confused because there are certain overhead kinds of expenses that might be considered administrative.

So, for example, for a victim service provider that maybe they're hiring an advocate with the grant funds and that's the purpose of the subgrant, is to hire an advocate, but that

advocate needs a desk and she needs a computer and she needs office supplies, and a certain amount of time of the executive director is going to be spent supervising that advocate. Those things are not what's covered when we're talking about the 10% or 5% admin. When we're talking about that, we're talking about the administration of the program. So, the kinds of things that Erin was talking about, you know, who is releasing the solicitation, who is doing site visits with subgrantees, who's putting on pre-application conferences or post-award training events? All of those kinds of things and how will those be paid for. So, if you were doing that kind of pass through with more than just victim services, so like my example of the law enforcement association further distributing the law enforcement money, then they would need some kind of funding to do their piece of it, and you would need to figure out for each entity yourself, the law enforcement association and the state coalition, if you're using my example, then they would each need enough money to do whatever it is their role is, right, so that they can have pay for their peer reviewers, for example, or pay if there's a cost associated with publishing the solicitation or the time of their staff member writing the solicitation, all those different things that go into the managing of a grant program.

I'm just going to go right ahead and take the next question, which is, "Can you expand on how indirect costs are part of the indirect limit?" Because this is a really complicated one, and I know even Erin and I, like, go around and around when we're talking through this because it's so complicated and confusing. So, the first thing that's confusing about it, is the thing I just said about how administrative costs aren't necessarily what you think of, the things like the desk, and the computer, and the supervisor, but they're talking about the expenses of how you run the program. Indirect often covers--like your indirect pool often covers those kinds of things, like the time of the supervisor, the time of your accountant, you know, and you could bill those directly. You could figure out, like, it takes 10% of our accountant's time to do this award, and then that's a direct. Or you could just be like, we just do this indirect pool and it pays for accountant and it covers these things. So, your administrative costs, those costs associated with running the program, are limited to 10% for STOP and 5% for SASP. So, if you, the state, have an indirect cost rate, then you still can't exceed that 10%.

So, say your indirect cost rate was 10%, I'm just going to make it easy, and I know there's a lot more that goes into how it applies a certain percentage to subawards and a certain percentage to staff or whatever, I'm just going to pretend it's a straight up 10%, then that would eat your whole admin cost, you know, if it was actually 10% of the whole award. So, if you have indirect cost rate and you want to use it, which is up to you, we can't tell you that you can't use it or that you can. But however much indirect cost rate you're going to claim, you cannot have the total be more than 10% of your STOP award or 5% of your SASP award. Hopefully, that made sense.

ERIN LORAH: And it does. And Marnie, you always say it so well, I was actually trying to look up the link for the CFR to have the administrative allowable administrative costs link so that we can put it directly in the chat, if anyone wants to pull it up, because it's not something that's very easy. I don't think at least. There's just a lot of conversation around it. So, if there are any specifics outside of what Marnie said, we'd be willing to have additional conversations about it.

MARNIE SHIELDS: Yeah, because this is always very confusing. I see another question. Are we talking 5% of the award as in SASP? Or do you mean 5% over and above? Right, so you get whatever the award amount is. Say you get \$100,000. And we'll make it simple. And let's say this is a SASP award. So, it's 5%. So then, now I'm going to make myself do math. So then, let's see, \$100,000. So, \$5,000 would be 5%. And so, you would have \$5,000 for the administrative cost that would then be shared if you're doing a pass-through, you'd figure out how much of that 5%--that \$5,000, in this case, do I need to do my job? And how much does the state coalition need to do their job? And how can we work that out between us?

Just add a little more clarification, because I see someone was asking about subawards. If you're talking about a subaward, down the line bottom of the chain person. So, say, a rape crisis center that's hiring an advocate. And they have an indirect cost rate. You the state administrator have to honor that indirect cost rate, assuming it's a federally-approved indirect cost rate. But that does not count against your indirect cost rate or your administrative allowance. That's a totally separate thing. But it would be the same kind of thing, right? Say your solicitation says that the maximum award is \$50,000 for one year to hire an advocate and cover the cost associated with that. And this subgrantee has a really high indirect cost rate, they don't get more money because they have a high indirect cost rate. It's not like they could say, "Okay, well, we get \$50,000 and then we're going to, you know, add another 50% to that because that's our indirect cost rate." They still have to come in under the 50%. It's just that they're going to have to figure out how to pay for the advocate and the other direct cost for that advocate, plus the indirect and still get to a total of \$50,000 or whatever you set as the limit. They can ask for less. And we have the same issue with our direct discretionary grantees where if they have a very high indirect cost rate, it's going to be harder for them to come in to be able to do the amount of work that's going to look like a, you know, good application that's going to get funded through peer review. So, we've seen sometimes they'll voluntarily be like, we have this 50% rate, but we're only going to ask for 20 for this award. That's okay. You just can't tell them you have to lower it.

ERIN LORAH: And, Marnie, just to add on that, not only is it the negotiated federal indirect cost rate, but it also could be a de minimis rate. So that was a change within the Uniform Guidance, is that you cannot deny them with electing their indirect cost rate. It is a requirement. So, we just got another question. And I think at this point, Suheylya, this one might--we might need to get some input from the program.

SUHEYLA LASKY: I think you're right.

ERIN LORAH: And then maybe...

SUHEYLA LASKY: I'll go ahead and read it out loud, just so that everybody can hear it. And then, Melissa, thank you for turning on your camera. "So previously, you mentioned that training--that we attend using admin funds needed to be submitted as a GAM, a Grant Award Modification. Can you further explain this requirement? I am attending a peer-to-peer review in May put on by the Violence Against Women Act administrators, Barry Bryant. Since this is specific for STOP state administering agencies, does this need to be filed as a Grant Award Modification so we can use admin funds?"

MELISSA: Thanks, Suheylya. This is Melissa. Yes, I understand that it is for administering STOP funding and SASP funding. But it's not--that particular organization isn't supported directly through OVW technical assistance dollars or anything. So, it's considered a non-OVW event. And so you should submit a Grant Award Modification, programmatic cost through JustGrants. Talk with your program manager, if you're not clear on what to include, but it should be submitted as a GAM. Who's going to go, your estimated cost for attending. And if there is an agenda, include the agenda or a link to a website that has the agenda, so we can take a look at it. And we'll need to approve that ahead of time before you use your admin funds to support those costs.

SUHEYLA LASKY: Amy, do you have anything to add?

AMY: Yeah. And this is Amy. Everything that Melissa said is absolutely accurate. And I think to the other thing to add into the GAM is how is attending this training going to benefit your ability to administer your STOP funds, STOP or SASP funds. How's it going to help you do your job?

SUHEYLA LASKY: Thanks. Thank you, Melissa and Amy. Okay. So, we have another question. "What if funding pays for programming in-house, like, personnel-funded positions, can the indirect be included as personnel and benefits for them as well or just from the administrative funds?" And, Marnie, I think this might be a good one for you.

MARNIE SHIELDS: Yeah. That's why I just came back on camera. Hello, again, everyone. So, what I think you're asking, and then you can jump in on the chat or just unmute yourself and holler if I'm wrong, is that you are allowed to give yourself a subaward essentially, right? So, say in some cases, the state administrator is the state police for example. And so, you as the state police put on trainings for police throughout the states. And so, you want to give yourself a subaward essentially to do police training. And I've seen this for prosecutor training as well where the state administering agency is a prosecuting agency. Or maybe you want to head up like a fatality review team statewide and your office is the logical person to do that. And so, what you're talking about is substantive time working on that subaward. So, in my fatality review team example, it would be the time to convene the meetings, and plan the agendas, and prepare materials, and all those kinds of things. That is a programmatic expense, not an administrative expense. So, then you would treat it as a subaward. So, what's the cost of that subaward, and then you would apply your indirect to the subaward essentially.

SUHEYLA LASKY: Okay. So, there's another question in here. "If we have used the same conferences each year to use these funds, do we have to submit a Grant Award Modification for both each year?" Melissa.

MELISSA: Yes. And then there was a follow up to that clarification to that particular chat, which says, can I carry one year's approval to all following years? So that--yes, you have to submit a GAM each year to attend each training. And one approval does not carry over from year to year. So, you do need to get that approval each year. Do you have more to add, Amy, like, it depends maybe on what the conference is. And I want to be clear, these are non-OVW trainings. So, once we meet in person again, maybe first for STOP and SASP, and it's an OVW-sponsored training from our funded TA providers. You don't need to submit a GAM for that. So, these are things like earlier on with the VAWA administrators or the National Sexual Assault Conference or other types of national trainings that are connected to your role as an administrator and subject connected in terms of domestic violence and sexual assault. But they're not funded by OVW, you need to submit a GAM to get approval to use your admin dollars.

AMY: Yup. That is correct. And I would just reinforce what you were saying. If you received approval one year to go to a conference as Melissa said, it doesn't mean that you automatically have approval to go to that same conference next year. I would also say that just because, if you were to receive approval to attend one conference, it doesn't mean that you also have approval to attend a different conference that year. That it is one approval for each conference each year. There are no blanket approvals.

SUHEYLA LASKY: Great. Thank you, everybody, for all of your input. That's been super helpful.

ERIN LORAH: Okay. So now we are going to go through the pass-through entity requirements. We kind of talked about what, as the state, you need to do. And you need to document the roles and responsibilities. We're going to assume that's all been done. You have determined who is going to do the payments. Who is going to collect all of the documents for the performance and financial reporting. Now, as the pass-through entity, what do you need to do once all of those roles have been documented and outlined within your own subaward?

I said earlier that we would go through a little bit more in detail about some of the subaward requirements. And because there's a particular slide, I wanted to wait. But remember, as the pass-through entity requirements are outlined to the subrecipients, they need to be outlined in your subaward agreement. So we don't want to forget that even though we're calling the state coalition the pass-through entity, they still are in fact a subrecipient. So, as the subrecipient or the pass-through entity, you need to have internal systems and controls in place to be able to issue subawards. So you now not only have a direct award from the state, but you potentially will have to have awards or subawards to multiple entities. And you have to be able to document it. You have to be able to have systems in your accounting records to account for all of these subrecipients. You have to have individual grant files for these subawards. You need to make sure that you're putting on correct award terms and conditions onto those subrecipients. And when I say correct, I mean applicable.

As your subaward comes down, the state is putting on certain terms and conditions on your award. As the pass-through entity, you need to make that decision on what type of terms and conditions need to go on your subawards. You need to set up a new cost center to account for and prepare for the--all of the subawards. You have to be able to document and have controls in place that if you give an award to a subrecipient for \$100,000, every single time they come in for reimbursement, you are accounting for that in your accounting system as an expenditure. You have to set up tracking of budget versus actuals as a mechanism. So, your subrecipients, do they come in and they submit a budget as part of their application? You need to have your own budget versus actual to account for your own direct award. But remember, the cost categories are including of that subrecipient category. So you need to account for that. So you're keeping track of it throughout the life cycle of that award.

Here are some of the required activities to be able to manage the subaward. And we want to make sure that they are very much spelled out. We're going to go over in detail

performing the pre-award risk assessments, the requirements that are needed on every single subaward. And this is part of the Uniform Guidance. This isn't something that we're just imposing on our grantees. This is a requirement of the Uniform Guidance. And we're going to discuss cash management and reporting on behalf of you as a pass-through entity and rolling up to the direct grantee. All of these documents we're going to assume and remember at the beginning, all of the roles and responsibilities have already been documented and outlined within your subaward agreement with the state. We're going to assume this has all been rolled down to you as the pass-through entity, so that we can ensure that you know everything that you need to do to effectively manage and monitor all of the subawards for this pass-through award.

Pre-award risk assessments. This is specifically outlined within the Uniform Guidance. And OVW provides a pre-award risk assessment over every single applicant we receive within our application process. There are certain things that you're required to do to evaluate the risk of noncompliance. So if you were to give them an award, would they be in compliance following all the rules and regulations that you impose on them, terms and conditions, submitting of your reports. Some of the things that we recommend you to use, you have to evaluate prior experience. As the pass-through entity, have they been a subrecipient for you before? Have they always had documentation on file when you requested it? Did they always submit all of the reports on time? And it can be the reverse and the complete opposite. Did they not always have the documentation? Are they always late? Did they do something egregious in their single audit? That could determine the risk, could be a little bit higher. That doesn't mean you may not give them an award, but the risk and the life cycle of that award can look different from a subrecipient who is right on time with all of their reimbursement request.

When you monitor them and you get a copy of their general ledger and you pull a sample, all of the source documentation related to that expense is there. You are required to make sure that no one is suspended or debarred from doing business. And you can go into SAM.gov to look that up. That is a requirement. And OVW, we look at everyone who submits the application, the authorized rep., financial manager. All of those things are looked at prior to an award going out the door. Audit results and findings. We look within our office and within the Grants Financial Management Division if you are required to submit a single audit to the Federal Audit Clearinghouse. We go into the Federal Audit Clearinghouse and we look at that audit. We look at the basis of potential recommendations. Especially--and I'll use the state as an example. They're a bigger organization. And our award may not necessarily have been touched within that single audit, but an organization is usually, handles things the same within. So, if there is another federal award that was reviewed and they didn't have cash management policies and procedures in place, we may ask additional questions or go back to their

pre-award risk assessment questions to see how they answered. We evaluate the results or the findings. And sometimes, those findings are actually related to an OVW award. We will go and ask for the corrective action plan to make sure that one, movement is being done or has it been resolved. Are there new personnel or have they completely changed everyone? They have cleared house and now, this is someone that you didn't have a prior relationship with. They may be at a higher risk because they are new to the subrecipient process or managing the other federal award. This doesn't mean they are "high risk," they are just at a higher risk because they are new to the process.

You want to look at the past monitoring history of these subrecipients. Like I said for the prior experience, this does play a part within the risk that you assess because think about this, the risk that you are looking at pre-award plays a part after post-award and the amount of documentation you may potentially ask for reimbursement or how often are they monitored. All of this should drive your monitoring policy or your monitoring process and who you're going to review throughout the life of that award.

That risk assessment that you do also could make you impose additional award conditions on that subrecipient because if they are deemed high risk, they may need to be on a more strict reimbursement basis. We have some grantees who are high risk and that they're on the Department of Justice High Risk List. They can't go into the payment system and just draw down. They have to submit to us general ledgers. We go through, we look for certain cost, we request for source documentation. It's a lot harder for grantees who are on the high-risk list to get payment because there are--there's a reason why they're on that list. So, all of this plays a part after the award goes out the door and the level of monitoring that you put on a subrecipient. There are certain things and we have talked about this prior that subrecipients must disclose. So, you as the direct grantee at the STOP level as well as the pass-through, if you have any potential conflict of interest, you are required to notify your granting agency. So, if your subrecipients have potential conflict of interest, they must disclose to you as the pass-through entity that they have it, as well as violations of any potential criminal law affecting that particular award. If you all, and I--you all have direct awards with us, there is an award condition on there that says that you are required to notify the Office of Inspector General if you have an idea of potential fraud, waste, and abuse, so you are required to report all of those potential things. If you do not alert us or the grantee, noncompliance could result in suspension or debarment because--especially when it plays a part with fraud, waste, and abuse.

Okay. Subaward package requirements. Your subawards must, and when I say must, I mean it, they have to contain all of these things. It is a requirement of the Uniform

Guidance. And because it's only one small piece of it, we do have a complete list at the bottom to cite the regulation of where you have to go of the complete list. So, this is a shorthand version of what you need to have. You need to have the subrecipient's name. They are required to have a unique entity identifier. But one clarification about this, they are not required to register in SAM.gov, but they are required to have a unique entity identifier as a subrecipient. You must put the period of performance of that subaward, how much they're going to get for that subaward, whether or not they have an approved indirect cost rate or they're electing to use the de minimis rate. You are also required to put down all of the applicable terms and conditions for the federal statutes and regulations.

So, you are required to adhere to the Uniform Guidance, the Department of Justice Financial Guide, all of those things will need to be imposed on your subrecipients. Although, they are not having the direct relationship with us, they are still required to adhere to all of the federal rules and regulations. Terms and conditions, the federal agency that gave the money directly to the state, that needs to be listed on there. And any additional conditions that you may have identified based on your risk assessment of that subrecipient pre-award. You must also have the catalog of federal domestic assistance number, the terms and conditions for closeout. This is really important because as a subrecipient, their period of performance should not be the same period of performance as you, as the pass-through entity or as the direct grantee. They need to have time to closeout, you as the pass-through entity need to have time to closeout as well as the grantee. So, take into consideration all three of those things when determining the period of performance for all of your subawards. They are required to allow you as the pass-through entity access to all of the records and the financial statements to ensure compliance. So, what that means is, do you need to get a general ledger every single time they request for reimbursement? I can't say no for everyone, most likely not. However, they are required, like you as the grantee are required to allow our office access to those. So, if we have a monitoring of US, the state, or the state coalition. If we request copy of your general ledger, you have to be able to provide that to us, as well as all of the source documentation for potential sample cost that we are requesting. You must clearly identify that this is a subaward with the federal award number, the period of performance of that federal award, and the amount of that federal award. They need to have all clear information to make sure that they are following through with the rules and regulations of that particular program.

I skipped over one and that is the project description, that is clearly labeled within the Uniform Guidance on you have to describe what this award is going to be doing, and that needs to be outlined within your subaward documents. Here are some highlights that we want to speak to just because in the past, we have seen some Office of

Inspector General audits where this wasn't potentially addressed. So you must, as the pass-through entity, clearly distinguish the source of funding, especially--this is more if you're using multiple years of funding. This is outside of the prior slide where I said you had to have the federal award number. If you are using multiple years of funding to do one subaward, that subrecipient needs to know what and how much for each of those multiple years they are getting. And this is going to be even more important coming up for fiscal year 2023 funding for STOP. So multiple years of funding needs to be distinguished on that because they need to know that they are funding or spending the fiscal year 2019 money to do certain activities and the fiscal year 2020 activities, and they have X amount of money because you have to report on the expenditures for 2019 and 2020 separately. Although for STOP, you are submitting one progress report, you are submitting multiple federal financial reports. So, you need to be able to clearly distinguish where all of the expenditures are occurring for, all the way down to your subrecipients. Again, as the pass-through entity, you need to take into consideration the period of performance of the SAA. Please do not make it the same. There--you will have to come in for an extension. And if you can't get an extension, then how are you going to close out the award? How are you going to pay to make sure that the reconciliation of the cost are applicable to the awards? Please make sure that you are allowing time to reconcile and closeout that award within the period of performance that you have.

Remember to pass-through only the applicable award conditions on the subrecipient. Not every award condition that maybe the SAA has on their award is actually applicable to you as the pass-through entity and vice versa. So, when you are putting award terms and conditions on your award, they have to be applicable to that particular grant program. Suheylya, I see we have a lot of questions and I'm very appreciative of them.

SUHEYLA LASKY: I know. They did just all come within the last three minutes, so I am going through--but I will start with the first one that I have answered in the chat box. So, the question is, "Let's say we complete a risk assessment pre-award and they are measured as being moderate risk, for example, does their level of risk need to be in their official award documentation?" So, you should follow your organization's internal policy, but I would imagine that would include documenting it internally somehow in that subrecipient's official file, maybe not necessarily their subaward document that you issue to them, but what you maintain internally on file. And it should also be reflective in the monitoring schedule that you prepare for them in your subaward conditions that you put on their subaward document. So, all of those things should be based off of that risk that you assessed pre-award. But I think as I reread your question, I realized maybe you meant the actual subaward document that you issue to them. And, Erin, you can also chime in, but I don't think you'd need to put that onto the actual subaward document. But...

ERIN LORAH: No, I think that's something internal to you and how you gauge the monitoring of your subrecipients because they could be low risk but still something might happen. So, I think the throwing out of the names of high, medium, low gives potential for a scare but then, also, "Oh, well, we're low risk so it doesn't matter." I think that's just an internal assessment that you need to do and it should account for multiple things that you're looking at.

SUHEYLA LASKY: This is Suheylya speaking. I also think that when you do start assigning those specific signalers, like, low, medium, high risk that you do also then need to have something in place that when it is hitting a certain level of risk, then X, Y, Z is required to follow. So, follow your internal policies and procedures, but I'm just thinking out loud, when you have those certain risks associated that you should be following--your policy should have that you're following through in a certain way as well.

One other question came in directly was that, should they let the subrecipient know that they are assessed at moderate risk? I don't think that it is necessary. So, Department of Justice, we have a high risk designation, but that has a very specific definition, it has a very specific set of things that are associated when you are on high risk. So, unless it is something--that was where I was kind of getting at with my previous comment, so unless it's associated with something very specific, then I don't think that you need to let them know what level that they're assessed at.

ERIN LORAH: I think the only time I can think, and this is Erin speaking, to add to it is if you're imposing additional award conditions on them because of that risk. So, if you go through and you identify them as high risk and you're imposing because everyone talks to everyone, so if one subrecipient doesn't have to submit all of their source documentation for a certain sample of cost and one does, they might say, "Hey, why? Why do we have to do that?" Well, the high-risk designation, that could be done in an award condition of you must request for reimbursement or your funds are put on hold for X, Y, Z until you do something. We don't want you to, first off, put undue restrictions or, like, additional burden on your subrecipients. But if they are high risk in a term of you are--they showed in the past a reason why you don't want to just reimburse without getting certain documentation every single time, I would recommend you to put that on their award document. That is something that they should be aware of. But I think for low and moderate, unless you're going to impose additional conditions outside of what you are imposing on all your other subrecipients, I would keep it internal.

SUHEYLA LASKY: Okay. So there's another question in the chat box and it is, "If we have nonprofit victim service," I assume that is what is meant by VS, "subrecipients that are audited annually for their nonprofit status and they receive a certification showing

that they are in good standing, are we able to accept a copy of their general ledger to show proof of payment of an expense for these victim service agencies and required a more supporting documentation, like a copy of a cancelled check from a law enforcement or prosecution subrecipient?" So, what I am gathering from this question is that one of your policies, in order to reimburse your subrecipients is that you have them provide a lot of these source documentation associated with the expenses that they're requesting reimbursement for. So, I would say that what you request from your subrecipients is going to be up to your organization. And it should also be associated with the level of risk that you assess prior to issuing the subawards.

So, there's a couple of thoughts on this, to be honest. One is, you want to be able to limit the burden that's placed on the subrecipient and on your staff for the amount of information that they have to review while at the same time trying to ensure your own due diligence that you are safeguarding the assets, and if that's what you have deemed necessary in order to, you know, make sure that they are spending funds appropriately, is that they have to submit all of these things to you in order to receive reimbursement. So, I understand that that is a tricky balance. If it's something--I can't say specifically that this documentation or certification is sufficient for you to lessen restrictions, or requirements for one type of organization from another. But if it's something that as an agency that you feel is sufficient, something that makes you more comfortable to then lessen those restrictions, then I think that that's okay, but I can't speak specifically to that certification that you're referencing, but Erin, I think you also have a comment.

ERIN LORAH: This is Erin speaking. And just to kind of expand on it because I feel like we're auditing responding to you when you ask these questions because it's a full circle. So that pre-award risk assessment that you do before your subawards go out the door, play a part in risk assessment, but then also the level of monitoring you do which could then play a part of the way you reimburse. So, we've been hearing that some grantees require every single source documentation, every timesheet, paystub, mileage reimbursement, et cetera. Every month they get reimbursed. And then they also monitor them every year. And then every two years, they do a desk review. So, right now, you are looking at a subrecipient every single month of all of the source documentation. You're then going to monitor them once a year. And what does that monitoring look like? That is what you need to look at as an organization. Is that reimbursement review more of the monitoring that you're doing? And you have to take this all into consideration when developing your monitoring plan as well as your policies and procedures for reimbursement because not every organization is going to be treated the same. And if you treated them all the same, there's going to be more concern about your potential for risk or whether you're monitoring them. And I'll take that back,

everyone in your state could be low risk based on your assessment. And that would be great. But there are some organizations that would need more review or more additional information that you need to request from them.

I can have an entire conversation for probably an entire day about the subrecipient monitoring process, the award process, the pre-award risk assessment question process. I think Suheyla and I would love to have that. But just making sure that our recipients and the pass-through entities have all the tools necessary, so, like Suheyla said, it's like that undue burden on that subrecipient because victim service providers sometimes can't front that money. So, you want to make sure that you're reimbursing them in a timely manner and knowing the regulations. So, this morning, I went even further deeper into the regulations, and I would like to say I know a lot of the regulations through and through. But I learned even more about payments to subrecipient, our grants are a reimbursement basis, but the Uniform Guidance has a lot more information in there for payments to subrecipient as the pass-through entity that you could use to alleviate the burden on your subrecipient. But had we not gotten the question, I probably wouldn't have spent two hours this morning digging deeper into the regulations. So, I could go on and on about this. But I hope that answers your question based off of what Suheyla and I just said.

SUHEYLA LASKY: Thank you, Erin. So, I think that we at this point are current on questions that have come through on the chat. So, if you're ready, I will turn it back over to you.

ERIN LORAH: And Suheyla, if you wouldn't mind coming back on, because I just got a direct question to me. So, what we always try to do is give both of our opinions and, you know, I rely heavily on Suheyla to make sure that I'm not missing anything, or I may not be articulating correctly. But the question that came in is that our current requirement within our state is that they have to attach all of the invoices for every single expense regardless of the risk level. And the state wants to lessen the burden, but they are nervous about it. And I completely understand the nervousness of that. I have heard that other federal agencies are telling people that you need to have every single source documentation for every document, or every expense you're getting reimbursed. And I don't think that is feasible. I don't think that is what the Uniform Guidance says.

So, in 2020, there were so many updates to the Uniform Guidance to reduce the burden across the board with our subrecipients. They increased the amount of time for closeout. They did a lot of things to reduce the burden, but they also expanded, like, that section within the Uniform Guidance about subrecipient is specific to evaluating risk and how it plays a part in monitoring as well as payments. I really strongly recommend you to develop a policy in place and that that should drive your process for

reimbursement as well as monitoring. And I think that's how it should be done because we don't monitor every single one of our grantees every single year. It's just not possible. We don't ask for source documentation every time they go to draw down in the treasury system. It's not possible. I hate to say this, but our grantees would never get paid. We have so many active awards that it is not possible. They are signing an award document saying that they're going to adhere to the rules and regulations. If they are monitored and you pull that general ledger, and you get a sample of cost, and they provide you every single source documentation that's needed to support that cost, that is what they're required to do. They are required to have it on hand, to be able to provide it to you. But there are subrecipients that are high risk, but they're still doing the work and you do want to get the source documentation from them. As long as it's clearly documented, you have a policy and procedure in place, I feel in my bones that is what needs to be done because there are organizations that aren't going to apply because it is too much work for them to submit and it documents every single month, then wait 30 days to get reimbursed, to then start the cycle all over again, and submitting reports more frequently than they're required to do for the Uniform Guidance.

So, I think as long as you are reading the Uniform Guidance, you have policies and procedures to support that risk that you're evaluating pre-award, how that plays a part into your monitoring, and then how it plays a part into the payment request process, that is what you need to be doing. And one of the additional questions were, you know, there are some small service organizations, or tribal service providers that may not potentially have someone in that financial department to be able to manage all of this. And we see that. A lot of our organizations are small for the victim service providers. This is where you could provide technical assistance. You can assist them in setting up their policies and procedures. Letting them know the source documentation that they need. That is part of your role as the pass-through entity. And we would be more than willing to assist and give ideas. We love this. We love this doing part and being able to evaluate the risk and I spent the past couple days looking at--Suheyla had mentioned, and I mentioned in our presentation about excess cash reviews. I spent time looking at the drawdown rates of certain grant recipients and the risk that's associated with it, you know? Why are you drawing down at this rate but you're reporting X? So, this is part of our role and we're here just to help you guys. So, if there's anything more in detail, we can really kind of work with you on that. And Suheyla, did you see the reference of the Uniform Guidance language? I think if you were speaking specifically, I think I might have it up. "Can you clarify if you need the citation in the Uniform Guidance for payments or for monitoring a subrecipient? Or we can do them both?"

SUHEYLA LASKY: I'll get the monitoring one.

ERIN LORAH: And...

SUHEYLA LASKY: Which is the payment one again?

ERIN LORAH: I have it.

SUHEYLA LASKY: Okay. Thank you.

ERIN LORAH: I have the payment one. I will put this in the chat. And that is the payment one. Okay. Are there any other questions? I don't think so. Thank you, guys, for all of those questions. It's very interactive and it really gets the conversation going, especially with digging deep into this part of the process.

Okay. Subrecipient monitoring and management of your award. So, as we discussed, you've already assessed your risk, your risk identified of those subrecipients will play a part in your monitoring of your subrecipient. Looking at the activities, are they in line with the goals and objectives of their subaward? What are you looking at for their financial and performance reports and audit compliance? You are required to make sure they're submitting all of the reports on time. That is your responsibility, so we make sure if our grantees do not submit their financial or performance reports on time, their funds are automatically placed on hold. This is not a manual process, so this is a automatic hold on their funds, but that is part of the monitoring. So, if they're not doing what they're supposed to be doing, then we could put their funds on hold, which would be taking enforcement because we're putting the funds on hold. So, you want to look at the activities to make sure that they are one, in line with what they applied for, and they are in line with the goals and objectives of that OVW grant program. Source documentation and this kind of goes into a little bit more of what we were just talking about. And I want you to look at this part at the top of the presentation. Requiring source documentation be maintained. So, you are required as a grantee and a subrecipient to maintain all of the source documentation. You are not necessarily required outside of the risk assessment to provide it for every single reimbursement. Timesheets, purchase orders, invoices, travel authorizations, all of the supporting documentation to support those individual costs need to be maintained. Again, they are not required to submit it unless you do a monitoring visit and you request their general ledger, and you are saying, "I picked five costs. I want to get all of the source documentation for that. Please provide it." They are required to provide it at that point.

Here are some of the standards for time and attendance, and we've gone into this a little bit more on our prior presentation. Timesheet must be clearly documented. You have to have timesheets to include activity reports. How do you know what they're doing? It has to be clearly documented. The amount charged to the OVW grant program must match that documentation. So, for example, if they're only working 10 of the 40 hours on this grant program, they should only be charging 10 hours out of that week. They have to charge based on actuals, not your budgeted. And when that timesheet is submitted, it

has to account for total activity. And we want to make sure this is very clear because you have victim service providers or organizations that may have multiple funds in funding sources. You may not be 100% charged, but your timesheet has to account for everything you're doing whether it be a programmatic piece or an administrative document of timeframe. Make sure that they're following the written policies and procedures and that they have in place for documenting that time and attendance.

Current federal negotiated rates or the de minimis rate must be accepted. And this is what we talked about earlier with Marnie and Suheyla. The only agencies that can place any limitation on the rate of the indirect cost rate are federal agencies. And that can't just happen. It has to be a memo that is approved by the Office of Management and Budget. So that is OMB. We can't just say, "Nah, you can only do 10%." You are required as the state and the pass-through entity to accept any federally negotiated indirect cost rates. And if they don't have a federally negotiated indirect cost rate, they are allowed to elect the de minimis rate. And that can be used indefinitely. Part of your role of monitoring those that have an indirect cost rate or they're using the de minimis rate is you need to make sure that they're calculating those indirect cost rates correctly. And that would be on the reimbursement request as well as the financial reports. The first time you're going to see indirect cost will be in the budget that they submitted. Then you will verify that the rate one is current, and it's being calculated correctly. And I want you to look at the current on this slide. Because if a subrecipient state pass-through entity has an expired indirect cost rate, they cannot receive reimbursement for that. And that doesn't mean they can't claim it, but they need to have a current rate to be able to get reimbursed for it. There are some delays in getting the indirect cost rates negotiated. So, we always just put a hold on the funds that's related for indirect if it's not current at that time. And once the grantee submits a current federally negotiated rate, we release the funds. So just make sure that it's current, it's applicable for the period of performance that they're applying it, and it's for the correct appropriate base.

Another part of monitoring of your subrecipients is related to financial and program management. So, your financial data that you are getting from your subaward and subrecipient has to be related to the performance of that award. Are they asking for reimbursement of the entire subaward? But the performance or the services that they're providing don't match up. That would be a big red flag. Although, it's not always a one to one of you have a \$100,000 award and we're six months in, so you should have expended \$50,000. That's not necessarily the case. It needs to be related to what they're doing and what the performance of what they're reporting. Financial management of your subrecipients like you as the direct grantee and the pass-through entity, they have to have policies and procedures and that is part of your monitoring is to make sure they have documented policies and procedures to be able to manage the federal award. Because all of this plays a part into their internal controls, because if they

don't have that, how are they going to comply with the federal regulations or the terms and conditions of that award? How are they going to have confidentiality? How are they going to safeguard that? And, you know, segregations of duties, especially with smaller organizations, do they have a process in place that the same person who's opening the check isn't cashing the check? So, these are some of the things that you need to look at during the subrecipient monitoring of these awards.

What you identified during the monitoring, or your pre-award risk assessment determines the type of tools that you may use. So, if you're on-site for example and you determine they don't have a process in place to report accurate Federal Financial Reports, you can provide training and technical assistance to say, "Hey, we need you to provide your cumulative expenditures from the start of your subaward to the end of this quarter, so that we can then report it upwards. Go into your general ledger, pull up from the accounting system and be able to account from 10/01 to 12/31 of that fiscal year." You can also perform on-site reviews. All of this plays a part of the risk that you assess at pre-award. Now, just because someone is a low risk does not mean they should never get an on-site review. On-site reviews have so many more benefits than just a, "Hey, how does your financial information, how does that look?" It plays a part with building relationships. Looking on the boots on the ground of what you're doing is so much more than just of the management of that program.

SUHEYLA LASKY: Yes. So, in the chat, the question was, "What are pass-through entities required to monitor, if anything, for indirect cost for their subgrantees?" So, the only thing that you need to look at is that they're using, like Erin said, a current rate agreement, if they're using like an indirect cost rate agreement. But if they're using the de minimis rate, that doesn't expire and also that they are appropriately calculating the rate to the proper base for that period that's listed in the rate agreement. So, you don't have to dig deep into how they spend those indirect funds. That's up to that entity to ensure that they're applying to their overhead costs. But those pieces that I mentioned, those are the things that you just have to look out for.

The next one is, "What is the pass-through entity's responsibility in monitoring for supplanting and does supplanting--does the supplanting rule applied to not-for-profits?" And Erin, you had a comment in there. Is that applicable to this last question?

ERIN LORAH: No, I just got a direct question that I just put back into the chat. But I kind of want Marnie to be keeping up here, to do her magic. But you are not allowed to supplant and it's applicable across the board. It doesn't matter if you're a nonprofit or a state agency. And Marnie kind of spoke to this a little bit in her presentation of supplanting and nonprofit is a little bit harder to gauge. They don't necessarily have an approved budget in terms of they have to do this for their programs because funding is

a little bit more fluctuating, whereas state agencies, they have an approved budget for specific items. However, you as the pass-through entity can ask those questions that can be part of that pre-award risk assessment. Do you have a process in place to make sure you're not supplanting and you're supplementing any of the funds that you already have? I don't know, Marnie, if you want to kind of add.

MARNIE SHIELDS: Yeah, just a smidgy bit. So, yes, it is your responsibility to monitor for supplanting. A lot of times that, as Erin said, it's going to come up in the application and pre-award risk assessment stage a lot more than in the monitoring stage because a lot of times you'll see things in the application that sort of set up a red flag like, wait a minute, this sounds like supplanting and then you'll want to ask more questions about, you know, "How was this position funded last year? What happened to the money that was funding this position?" That kind of thing, particularly if we like this award to continue to be able to employ our legal advocate. Well, then, what happened to that money that your legal advocate was already funded under? And it might be you, as Erin said, it's really tricky with nonprofits. It's not like there's some appropriation where you can say like, well, you have this appropriated money, where is it going? So, it might be like we had a grant that ended and it's not renewable. So, then we're looking for this grant to be able to continue the position. That's totally fine, not supplanting, but if we had this money from United Way that we were using to support the position, and now we've decided to use it for something completely different, that might be supplanting. And that's when you're going to need to dig a little deeper and figure it out.

SUHEYLA LASKY: So, the question is, "When you refer to small programs, what is your definition of small programs?" And I will be honest, Erin, I am not sure what this was referencing from your previous slides. I will just answer another question, so if you want to fill this one, that would be super.

ERIN LORAH: This is Erin speaking. So, when I say small in terms of I don't think there is an overall arching. It can be two people organization; it could be ten. I'm going to be honest. OVW is a small federal agency, and when I say that we have like 80 people, but we're small in terms of the federal agency perspective of the amount of funding that we manage. So, I don't think it can be very specific. It's just more of looking at that organization and just because they're small doesn't mean they're higher risk. It's just making sure that there are policies and procedures in place to effectively manage that award and taking into consideration internal controls and all of that plays a part. So, I don't know if that really answers that question.

But if you guys don't mind, I only have a couple more slides and I promise we probably won't go past them. Just to kind of wrap up about the closeout and cash management reporting of this award. So, this is the one thing you really want to think about and this

should play a part in not only as this SAA, but also as the pass-through entity of efficient transfer of funds. And we kind of spoke about that earlier, about minimizing the time, but also taking in consideration the cash flow of your subrecipient as well as the pass-through entity.

The Uniform Guidance requires you to make payment within 30 days of the request, and that's in the link that we provided. But you still have to follow your internal process to pay them and to reimburse them for those costs. But we do ask that you minimize the time between the receipt of funds and really look in the Uniform Guidance and that link that I put in there about more information about the federal payment, because there's a lot of information that could help alleviate the burden of some of these smaller victim service providers that can't float multiple months to be reimbursed. Financial reports, this is the Federal Financial Report. They are due 30 days after the end of the quarter. Remember to develop our process because you not only as the state have to get your expenditures, if you have them, the state coalition as well as the subrecipient. So build that into the subaward agreement and have a process to make sure that you're being able to submit the report quarterly as well as the final report 120 days after the end of the period of performance. The states are the ones who are going to submit the report in the JustGrants system. Again, the financial reports as well as the performance reports, you have to have a process. It has to be laid out in the subaward agreement of who is doing what, who is combining it, and when you need to get it, because the submission dates of those reports aren't going to change in the JustGrants system. This is for closeout, after the 120 days, remember, you have to submit the final Federal Financial Report, your supplemental progress report, for STOP awards, your match calculation worksheet. Make sure that all of your award terms and conditions, your special conditions are satisfied and complete a financial reconciliation. So if funds are owed to you as the state, draw down within the 120 days so that you don't have to wait for the closeout to go through with the review and approval process within the Office on Violence Against Women.

Here are just some highlights. Please just maintain open and consistent communication with you as the state and the pass-through entity. Communication is key. We are all here for the same goals and objectives. If there's any miscommunication or anything, just have conversations, hold regular meetings and make sure that you're documenting everything. All of the roles and responsibilities have to be laid out so that there is no miscommunication on who is supposed to be doing what. And that is from the start of that award to the end. Who is going to do the subawards? Who is going to process the payments? Who is going to monitor? And making sure that there are funds to do those in both places if the roles and responsibilities are split.

This last slide is just some resources that we like to provide. We've provided it in every presentation we have, I believe, Suheylya will probably copy and paste this into the chat

if you don't already have it, but I think that might be it. And, Suheyla, I just received one more question, and it was a question about the Federal Financial Report on 10i and 10j, "Are we required to report all match on the award for the state and subgrantees? Or do we exclude the match requirements for subgrantees and just report for the state?" You are required to report all match applicable. So that is any match that you as the state agency are matching as well as the pass-through entity and all of the subrecipients. So, thank you guys. We appreciate it. If you have any questions, just please make sure you can give us a call, send us an email.