

Sutara Learning Foundation's Grant Management Policies & Procedures

Sutara's Grant Management Policies and Procedures are intended to provide a uniform method of applying for and managing grants. Procedures represent an implementation of policy and should evolve over time as new tools emerge, new processes are designed and risk changes due to environmental changes.

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Overview

Introduction

The purpose of these Grant Management and Administration policies and procedures is to develop, implement and maintain meaningful grant oversight and coordination for Sutara thereby increasing grant-related revenue, limiting Sutara's exposure to grant-related legal liability, and improving the efficiency and impact of programs and services funded through grants.

Policy Statement

To ensure consistency and accountability in securing and managing grant funds, all grant applications must be submitted through the Grants Administration Office, which shall oversee all requests, application submissions, acceptances, and post award and closeout requirements, including programmatic and financial reporting. The Fiscal Services Division has sole authority for the drawdown of funds and must review/approve financial reports prior to submission.

Definitions

Activities: A logic model component that describes what a program does with the inputs to fulfill its mission. Activities include the strategies, techniques, and types of treatment that comprise a program's service and methodology.

Award: Financial assistance that provides support or stimulation to accomplish a public purpose. Awards include grants and other agreements in the form of money or property in lieu of money, by the grantor to an eligible recipient. The term does not include technical assistance, which provides services instead of money; other assistance in the form of loans, loan guarantees, interest subsidies, or insurance; direct payments of any kind to individuals; and, contracts which are required to be entered into and administered under procurement laws and regulations.

Cash Match: Includes actual cash spent by grant recipients for project-related costs. Accounting records should be verifiable and trace back to source documentation.

Contracts: Written agreements entered into by the awarding agency, recipients or sub-recipients, and commercial (profit-making) and non-profit organizations. With the exception of a few justified sole source contracts, all contracts are filled through the State's competitive bid process.

Direct Cost: Costs that can be specifically identified with a particular cost objective or program; charged directly as a part of the cost of the program.

Drawdown: A process whereby a request is made to receive funds, either as reimbursement for expenses incurred or in advanced in anticipation of expenditure of funds.

Grant: A financial award given by the central, state or local government, or a private entity to an eligible grantee, usually with a defined scope of activities or programmatic objectives. Grants are not expected to be repaid by the recipient. Grants do not include technical assistance or other forms of financial assistance such as a loan or loan guarantee, an interest rate subsidy, direct appropriation or revenue sharing.

Grantor: Primary awarding agency (e.g. central, state government).

Grantee: The direct recipient of a grant award who is legally bound by the grantor's award or contract.

Indirect Cost: Costs that are incurred by a grantee organization for common or joint objectives and which therefore cannot be identified specifically with a particular project or program.

In-kind Match: In-kind match does not involve a monetary transaction. 'In-kind' is the value of something received or provided, which is beneficial to the program, but for which no cash exchanges hands. In-kind contributions related to a particular grant program must be allowable under the grant program, verifiable from grantee records, necessary and reasonable, allowable under cost principles, and not included as a contribution under any other award.

Match: The grant recipient's share of the project cost. Match must be directly related to the project goals and objectives and must be documented in the same manner as grant-funded activities. See cash match and in-kind match.

Program Income: Gross income earned by the recipient during the funding period as a direct result of the award.

Program Manager: The lead staff member who conducts the activities under a particular grant program.

Project Period: The total time for which support of a funded project has been programmatically approved. A project period may consist of one or more budget periods.

Reimbursable Grant: A reimbursable grant provides funding to grant recipients after expenses have been incurred. The grantee must follow a certain procedure to obtain the reimbursement for project expenses. Reimbursements are provided on a set payment schedule after the organization has submitted sufficient documents to verify expenses.

Sub-recipient: The legal entity to which a sub-award is made and which is accountable to the recipient for the use of the funds provided. Sub-recipient and sub-awardee are interchangeable terms.

Sub-award: An award of financial assistance, generally a monetary award, made to a sub-recipient.

Sub-grant: An award of financial assistance made under a grant by a direct grantee to an eligible sub-grantee. The term includes financial assistance when provided by contractual legal agreement, but does not include procurement purchases, nor does it include any form of assistance which is excluded from the definition of grant in this part.

Questioned Costs: Costs that, in the opinion of the auditor, may not comply with or may not be consistent with the requirements set forth in contracts, statutes, or regulations governing the allocation, allowability, or reasonableness of costs charged to awards and programs, and thus may not be reimbursable.

Grant Management Roles and Responsibilities

Department Heads (or Program Managers)

Departments that apply for and utilize grant funds, with assistance from the Grants Administration Office, are responsible for conducting all grant-related activity including: planning for grant acquisition; preparation and submission of grant proposals including proposals for continuing current awards; grant writing; preparing departmental budget revision requests to accept grant funds; preparing Sutara's agenda items to accept grant awards; developing grant implementation plans; managing grant programs and projects; preparing and submitting programmatic reports to grantors; and properly closing out grant projects as detailed in this policy and in the grant agreement or award letter that delineates the terms and conditions of the grant. Department heads are assisted with the financial and technical management of the grant by the Grants Administration staff and the Fiscal Services Division.

Grants Administration Office

Grants Administration staff is responsible for general management and administration of Sutara's grant activities; identifies grant opportunities; provides "pre-award" and "post-award" technical assistance to departments to enhance programmatic administration of grants; assists in preparing grant budgets; submits grant reimbursement requests, prepares and submits grant budget revisions; reconciles grant accounts in coordination with the Fiscal Services Division; ensures programmatic reporting requirements are met; and identifies and investigates issues that may arise with respect to the management of agency grants.

Fiscal Services Division

The Fiscal Services Division is responsible for the oversight of grant-related financial activity. In this role, the Fiscal Services Division reviews financial reports generated by the Grants Administration Office, and provides general oversight of other grant-related issues, including the proper budgeting and accounting. The Fiscal Services Division has sole authority for the "drawdown" of funds and must approve all financial reports and reimbursement requests prior to submission.

General Counsel

Provides a legal review of all grants and contracts including memoranda of understanding and employment or procurement contracts arising from implementation of a grant program; ensures statutory compliance and conformity to Central and State law, as well as rules and policies of Sutara.

Executive Director

The Executive Director, acting on behalf of Sutara, is the “Authorized Official” on all grants. The Executive Director has authority to approve and sign grant applications for Sutara at the time of application submission; signs grant agreements that have been approved by Sutara.

Application (Pre-Award)

The department considering an application for a grant is responsible for pre-application assessment, in which, at a minimum, the factors listed below shall be evaluated, in consultation with grant administration and fiscal staff. Pre-application assessment shall be done well in advance of grant submission due dates to avoid last-minute delays or problems that could cause the grant deadline to be missed.

Pre-Application Assessment

Financial

- Total anticipated project cost
- Match requirements and sources
- Costs that will be incurred by the agency as a result of implementing the grant program that will not be recouped in the grant award.
- Program income considerations
- Staffing requirements (including salary and benefits increases for multi-year grants)
- Documentation of a clear continuation plan. It is required that departments develop continuation plans (plans for sustaining grant-funded programs if funding is reduced or terminated) prior to applying for grants, which reflect the potential for loss of funding and the subsequent loss of grant-funded positions or program components. Departments must plan responsibly for either termination or reduction of the program or seek to secure alternative sources of funding. If activities will not be continued absent grant funding, this should be indicated as well.

Programmatic

- Alignment with Sutara’s strategic priorities and/or department’s business plan
- Provision or expansion of services to address critical needs
- Department's capacity to administer the programmatic and administrative aspects of the grant

Application Submission

The purpose of this policy is to ensure that each grant application submitted by or on behalf of Sutara is aligned with an established Sutara priority, meets Sutara's expectations of document quality, has matching funds available if required by grantor, and that the means for continuation of the project or program after the grant period ends has been given realistic consideration.

The department submitting the grant application is responsible for ensuring that pre-application assessment factors noted above have been evaluated and completed prior to submission.

Application Submission Procedure

- 1) Approval to submit a grant application shall be presented to the Executive Director, only after obtaining signatures from:
 - a) Department Director (Program Manager)
 - b) Grant Administration Office
 - c) CFO
 - d) General Counsel
- 2) If Sutara approval is required by the grantor at the time of submission, the Program Manager must coordinate with the Office of Grant Administration to get consideration for approval on Sutara meeting agenda in advance of the submission deadline.
- 3) The Office of Grant Administration will provide critical review of grant applications to ensure accuracy, document quality, coordination, and policy and procedure is followed.

Award Notification, Review, and Acceptance

Grant agreements are legal contracts. It is Sutara's responsibility to carry out the project and/or activities associated with a grant to accomplish its objectives, while adhering to all of the terms and conditions prescribed by the grantor. Failure to do so increases Sutara's exposure to legal liability and compromises current and future grant funding. Therefore, Sutara carries a significant legal and ethical responsibility when accepting grant funding.

The award notification, review and acceptance process has two components: (1) award notification and review and (2) Sutara's approval to accept the award.

1. AWARD NOTIFICATION AND REVIEW PROCEDURE

- a) All departments that receive a grant award shall date stamp, duplicate, and forward a copy of the award notification, the grant agreement or contract, and any memoranda of understanding to the Office of Grant Administration within two days of receipt.
- b) The department is responsible for reviewing the grant award and ensuring that a legal review be conducted by General Counsel and that Sutara approval to accept the award is completed by the date required by the grantor for full execution.
- c) In the event that funds awarded by the granting entity are reduced from those requested in the original grant application, or factors previously evaluated at the

time of application have changed, the department must ensure that the goals, objectives and evaluative components of the grant can still be accomplished within the prescribed timeframe set by the grantor.

- d) If award terms need to be amended before the grant award can be accepted, the department must negotiate with the grantor and obtain changes to the grant award in writing.
 - a) If the award terms are negotiated to the department's satisfaction, the department must request that the grantor provide the changes in writing. When the changes have been received in writing from the grantor, the department must submit the grant agreement or contract, any memoranda of understanding and written changes from the grantor to the Office of Grant Administration within two business days of receipt.
 - b) If the award terms cannot be negotiated to the department's satisfaction, the Department Director upon authorization of the Executive Director, the submitting department must prepare a letter to the granting entity to decline the award and provide a copy of the letter to General Counsel, the Office of Grant Administration, and the Fiscal Services Division.
- e) General Counsel shall conduct a legal review of the grant agreement to assess whether the terms and conditions of the agreement are legally enforceable and ensure Sutara's interests are protected prior to the department's submission of a Sutara agenda item to accept grant funds.
 - 1. If the legal review identifies any potential legal issues stemming from the terms and conditions of the agreement, the submitting department must contact the granting entity and seek to resolve the issue.
 - 2. If a resolution cannot be reached, upon authorization of the Executive Director, the submitting department must prepare a letter to the granting entity to decline the award and provide a copy of the letter to General Counsel, the Office of Grant Administration, and the Fiscal Services Division. The letter should express Sutara's regret in declining the award and clearly articulate the specific reason(s) the award is being declined.
 - 3. If the legal review identifies no potential legal issues stemming from the terms and conditions of the agreement, the department may submit a "Sutara Agenda Item" to accept grant funds.

2. SUTARA APPROVAL TO ACCEPT AWARD PROCEDURE

The purpose of this policy is to ensure that acceptance of each award granted to the Agency is formally authorized by Sutara.

- 1. The department receiving the grant award must prepare a Sutara agenda item and fiscal impact statement and submit it for Sutara approval before any funds from the granting entity are accepted, appropriated or expended. The agenda item must be accompanied by the award letter, grant agreement and any other required documentation.

2. Once Sutara has approved the grant award, the recipient department shall notify the Office of Grant Administration and the Fiscal Services Division of Sutara's action.
3. The department must provide the Grants Administration Office and the Fiscal Services Division with a copy of the award letter and approved budget to request a budget revision to add the grant award to the department's budget. Each grant will be maintained in a separate fund source, project and/or organizational code. Separate accountability by funding source shall be maintained and all Central programs must be properly identified by their individual CFDA numbers.
4. The department is responsible for submitting any required award activation documents to the grantor by the grant award due date. The department will be assisted with the technical aspects of activating a grant by the Grants Administration Office staff.

Post-Award (Grant Execution and Reporting)

Use and Receipt of Grant Funds

The purpose of this policy is to ensure that grant funds are properly used and received by Sutara. Violations can result in a range of penalties, including suspension of future funds from the grantor, return of all funds associated with the award, including those already expended, and civil and/or criminal penalties.

1. No grant funds shall be disbursed until a Sutara agenda item have been approved by Sutara, a budget revision request has been submitted to the Fiscal Services Division, an award letter has been received from the awarding agency, and a project and fund source established in the accounting records.
2. Modifications to the budget associated with a grant-funded project in such a way that alters the grant amount or moves funds from one budget line item to another must adhere to Sutara policy and procedures for budget modifications and grantor requirements.
3. Grant funds awarded to Sutara shall not be used to supplant an existing expense so that current funds can be diverted to another use, unless such use of grant funds is explicitly identified as allowable in writing by the granting entity in the grant award.
4. All income resulting from a grant-funded project or program shall adhere to Sutara policy and procedure and be managed and maintained as established in the award letter, grant agreement, contract, special conditions, or other document generated by the granting entity.
5. All procurement activity associated with grant-funded projects or programs shall follow the procedures outlined in Sutara's Procedures Manual.
6. All property acquired through grant funds shall be subject to Sutara's Purchasing Policy, as well as restrictions and/or requirements set forth within the terms of the grant, including any applicable central rules or regulations.
7. All grant and any related matching fund revenues and expenditures shall be recorded in the grant f u n d s o u r c e / project. Any revenues or expenditures that occur in another program/project that are applicable to a grant or that are used as a match shall have a journal entry (JE) made to put the revenues or expenditures in

the appropriate grant project with a detailed explanation, including original G/L date and batch information.

8. Grant project managers with assistance from the Grants Administration Office are ultimately responsible for adherence to the stipulations outlined in the approved grant award/contract to ensure that allowable expenditures are incurred.

Grant Oversight and Monitoring

The purpose of this policy is to ensure that all grant- funded programs or projects are managed according to the terms set forth in the grant agreement, Grant Management and Administration Policies and Procedures and other applicable Sutara policies and procedures.

IMPLEMENTATION PLAN

1. All departments that receive grant awards must develop an implementation plan. Plan must be submitted to the Office of Grant Administration and the Fiscal Services Division within 15 days of Sutara approving a grant award.
2. Departments with existing work plans that provide the elements noted below and plans already included in the grant application or grant award are acceptable implementation plans.
3. The grant implementation plan shall have the following elements:
 - a) Project overview
 - b) Project goals and objectives
 - c) Identification of activities and dates
 - d) Identification of roles and associated responsibilities
 - e) Anticipated expenditure schedule
 - f) Evaluation matrix that identifies the measurable objectives, the metrics used to measure them, the anticipated completion date, and fields to enter the actual completion date and outcome measures.

Programmatic Reporting and Reimbursement

Grants awarded to Sutara may require that progress, programmatic and financial reports be submitted to the grantor. Accurate and timely reporting is critical to maintaining a good relationship with the grantor. Late or inaccurate reports may negatively impact current or future funding.

Grant Reporting Procedure

1. Recipient departments must prepare timely and accurate progress or programmatic reports as required by grantor.
2. The Grants Administration Office shall submit all financial reports, grant budget adjustments, and reimbursement requests to the Fiscal Services Division for review and approval before submitting them to the grantor. The Grants Administration Office must provide support or reconciliation to the general ledger.
3. The Fiscal Services Division will review the financial reports for content and quality and address any issues with the Grants Administration Office.

4. Upon satisfaction with the report, the Fiscal Services Division will contact the Grants Administration Office and authorize the report be submitted to the grantor. A copy of the report will be maintained in the master file.
5. Programmatic reports shall be submitted to the Grants Administration Office. The Grants Administration Office will review any programmatic reports for content and quality and address any issues with the recipient department. Upon satisfaction with the report, the Office of Grant Administration will place a copy of the report in the master file.
6. Copies of all financial status and final reports prepared for submission to the grantor shall be provided, along with the associated grant name and year to the Office of Grant Administration at the time of submission to the grantor.

File Management, Access and Retention

The Grants Management Administrator and/or the Chief Financial Officer or their designee may review the files, activities, equipment, and facilities, and interview relevant personnel and contracted entities of any Sutara project or program that is funded with grants awarded to Sutara.

1. FILE MANAGEMENT PROCEDURE

The master file shall be maintained by the Grants Administration Office, and a copy of all grant proposals or applications, award letters, memoranda of understanding, contracts, and programmatic and financial reports shall be maintained in the file.

All department and master files associated with a grant award must maintain a file structure that includes, at minimum, the following four sections with clear separations between different fiscal years, unless otherwise directed by the grantor:

a.) **Application or Proposal**(e.g., application guidance, a copy of the application and research including statistical information used in preparation of and support of the grant)

c.) **Award Documents** (e.g., award letter, Sutara agenda item, grant agreement, grant amendments, modifications, extensions, cancellations and terminations and anything else related to the award)

d.) **Finance**(e.g., account setup, purchase orders, invoices, reimbursement requests)

e.) **Programmatic Reports** (e.g., reports to granting entity and evaluation components)

2. FILE RETENTION PROCEDURE

Sutara, in accordance with State records retention policy, maintains its programmatic records for at least seven years following the closure date of the grant award. Accounting records are maintained for at least seven years following the closure of its most recent audit report. If any litigation, claim, negotiation, audit, or other action involving grant records has been started before the expiration of the seven- year period, the records must be retained

until completion of the action and resolution of all issues which arise from it, or until the end of the regular seven-year period, whichever is later.

- a) Grantors may require retention periods in excess of seven years. Departments must ensure they comply with retention requirements specified by each grantor.
- b) Retention requirements extend to books of original entry, source documents supporting accounting transactions, the general ledger, subsidiary ledgers, personnel and payroll records, cancelled checks, and related documents and records.
- c) Source documents include copies of all awards, applications, and required recipient financial and narrative reports. Personnel and payroll records shall include time and attendance reports; personal activity reports or equivalent documentation for all individuals reimbursed under the award.
- d) Recipient departments are also obligated to protect records adequately against loss, theft, fire or other damage in accordance with statutory provisions.

Grant Closeout

Upon completion of the grant term of each grant award, the recipient department shall alert the Fiscal Services Division to place the grant's fund source and/or project in a no posting status.

Grant Closeout Procedure

1. Upon completion of the grant period of each grant, the recipient department must prepare a memorandum to the Fiscal Services Division and Office of Grant Administration that identifies the name of the grant, the project number and describes the final disposition of the funds and required activities.
2. Upon review of the memorandum and satisfaction of any discrepancies, the Fiscal Services Division will update the budget and accounting system and confirm grant closeout with the Office of Grant Administration.
3. The grant closeout memo shall be placed in the grant's master file.