



Fiscal Analysts  
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# WHAT GRANTEES NEED TO KNOW

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- OMB Circular A-110 Requirements for management of federal grants;
- OMB Circular A-122 Requirements for determining what expenses are allowable.
- OMB Circular A-133 Requirements for the Single Audit for grantees receiving over \$500,000 in federal funds;
- NC Administrative Code NC AC10 97A, 97B, 97C Requirements for NC DHHS grantees for Fiscal management, Program requirements, and Reporting requirements.

# STEWARDS OF FEDERAL FUNDS

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## ✘ *Communication between departments-*

- Fiscal staff and program need to know the OMB A-122
- Invoices with questioned costs- staff need to question.
- Ask for clarification from program staff-
- Program people should communicate with fiscal staff if questions on allowable of costs.
- Make sure all support documentation includes the final invoice.

# Documentation- client services



- ✘ Always provide final invoices to verify services were rendered. When requesting services for clients final bills for service should be presented to the fiscal office.
- ✘ Should not use internet proposal, get the final bill for payment.

Example-We heard of clients making deals with repair shops to get services that are not needed and they split the funds.



# Reasonableness

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## × Definition of Reasonableness:

A cost is reasonable if, in its nature or amount, it does not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision was made to incur the costs.

Is the expense necessary and ordinary for the operation of the Program?

Allowable vs Unallowable costs?

“If in doubt, leave it out”.

# Out of country travel

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OMB Circular A-122 Attachment B Sec  
51. Travel Costs

e. Foreign travel. Direct charges for foreign travel costs are **allowable** only when the travel has received prior approval of the awarding agency. Each separate foreign trip must receive such approval. For purposes of this provision, "foreign travel" includes any travel outside Canada, Mexico, the United States, and any United States territories and possessions. However, the term "foreign travel" for a non-profit organization located in a foreign country means travel outside that country.

# ***Legal issues- unallowable***



OMB Circular A-122 Attachment B Selected Items of Cost

16. *Fines and penalties.* Costs of fines and penalties resulting from violations of, or failure of the organization to comply with Federal, State, and local laws and regulations are unallowable except when incurred as a result of compliance with specific provisions of an award or instructions in writing from the awarding agency.



# Incentive compensation/ bonuses

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## OMB A-122- Attachment B Section 8- Incentive Compensation

j. Incentive compensation to employees based on cost reduction, or efficient performance, suggestion awards, safety awards, etc., are allowable to the extent that the overall compensation is determined to be reasonable and such costs are paid or accrued pursuant to an agreement entered into in good faith between the organization and the employees before the services were rendered, or pursuant to an established plan followed by the organization so consistently as to imply, in effect, an agreement to make such payment.



## ***What documentation needs to be included.***

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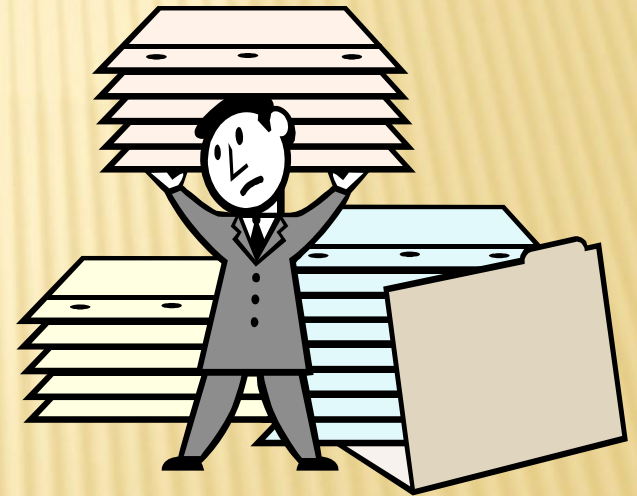
Policies and procedures need to be established if bonuses are to be provided in the future. Current policy does not address all requirements in the OMB Circular. The Agency Board needs approve a policy that provides detail on the incentives/bonuses going forward. Should include :

- How the calculation is determined.
- Should be available for all staff.
- Should be reasonable in nature.
- Criteria for the incentive detailed



# Timesheets

- ✘ Timesheets should detail what actual activity was actually worked.
- ✘ Do not just put in 8 hours.
- ✘ What activity did you work in?
- ✘ Supervisors need to review and have staff change to report activity actually worked.





# GRANTS INFORMATION CENTER- GIC

## Reporting requirements:

- ✘ Level I grantees must file with 6 months of their fiscal year end.
- ✘ Level II grantees must file within 6 months of their fiscal year end.
- ✘ Level III grantees must file within 9 months of their fiscal year end.

# PROBLEMS WITH GIC

- ✘ Missing Grants
- ✘ Missing funding
- ✘ Wrong Name
- ✘ Wrong reporting level



DON'T PANIC! Call OEO for guidance.

