
AMERICAN RESCUE PLAN

State and Local Fiscal Recovery Funds



*RISK
ASSESSMENTS,
GRANTS, AND
BUDGETS*

THE LOUISVILLE METRO GOVERNMENT GRANTS MANAGEMENT SYSTEM

- LMG is moving to a software-based system called GovGrants for management of the grants we award.
- GovGrants allows us and the grantees to manage the whole grants life cycle within the software, including communication.
- LMG is using GovGrants for American Rescue Plan grants starting this month and will roll out the system across LMG in the coming months.
- GovGrants software is a product of REI Systems. REI is a technology company providing application modernization, grants management systems and products, government data analytics, and advisory services that help governments meet the demands of the 21st century.

LMG GRANTS MANAGEMENT SYSTEM SUPPORT

- If you need support for GovGrants, email OMB at GovGrantsomb@louisvilleky.gov.
- Training videos and additional resources can be found on our Grantee Resources website at <https://louisvilleky.gov/government/management-budget/grantee-resources>
- LMG has implemented a system that will allow grantees to book time with the GovGrants system administrator to manage any tech issues.
- OMB's Compliance Team is also available to meet with you to walk you through the risk assessment process, the reimbursement request process, or any other processes. Email AmericanRescue@louisvilleky.gov for assistance.

REGISTERING YOUR ORGANIZATION

- Before you can begin using LMG's Grant Management System, you must register your organization.
 - Registration should be completed by someone who has the ability to submit applications and accept awards on behalf of your organization.
- Once registration is complete, you may invite other users from your organization to register.
- Video instructions on registering and inviting users are on our Grantee Resources webpage:
<https://louisvilleky.gov/government/management-budget/grantee-resources>.
- The URL for LMG's Grant Management System is [Grants.louisvilleky.gov](https://grants.louisvilleky.gov).

AMERICAN RESCUE PLAN

- Louisville Metro Government (LMG) has received funding from the U.S. Treasury Department's Coronavirus State and Local Fiscal Recovery Fund (SLFRF).
 - The SLFRF was authorized through the American Rescue Plan (ARP).
- To speed Metro Louisville's recovery from COVID's health and economic impacts, LMG has partnered with community organizations to produce highly effective programs and projects.
 - These partnerships will be made through the issuance of SLFRF-funded grants.
- LIKE ALL GRANTS, ARP GRANTS ARE NOT A GIFT. ALL GRANTEES WILL NEED TO ADHERE TO ALL REQUIREMENTS AND WORK TO PRODUCE A SUCCESSFUL PROJECT.

RISK ASSESSMENTS

- The Uniform Grant Guidance requires recipients of federal funds to assess the risk of all grantees.
 - Risk means:
 - Risk of noncompliance with federal regulations and the terms and conditions of the grant
 - Risk of project not being completed
 - A high risk level will not prevent your organization from receiving a grant.
 - LMG will use the results of the risk assessment to:
 - Determine additional terms and conditions to add to the grant agreement
 - Identify areas in which the subrecipient needs technical assistance
 - Determine the proper level of monitoring for the grant

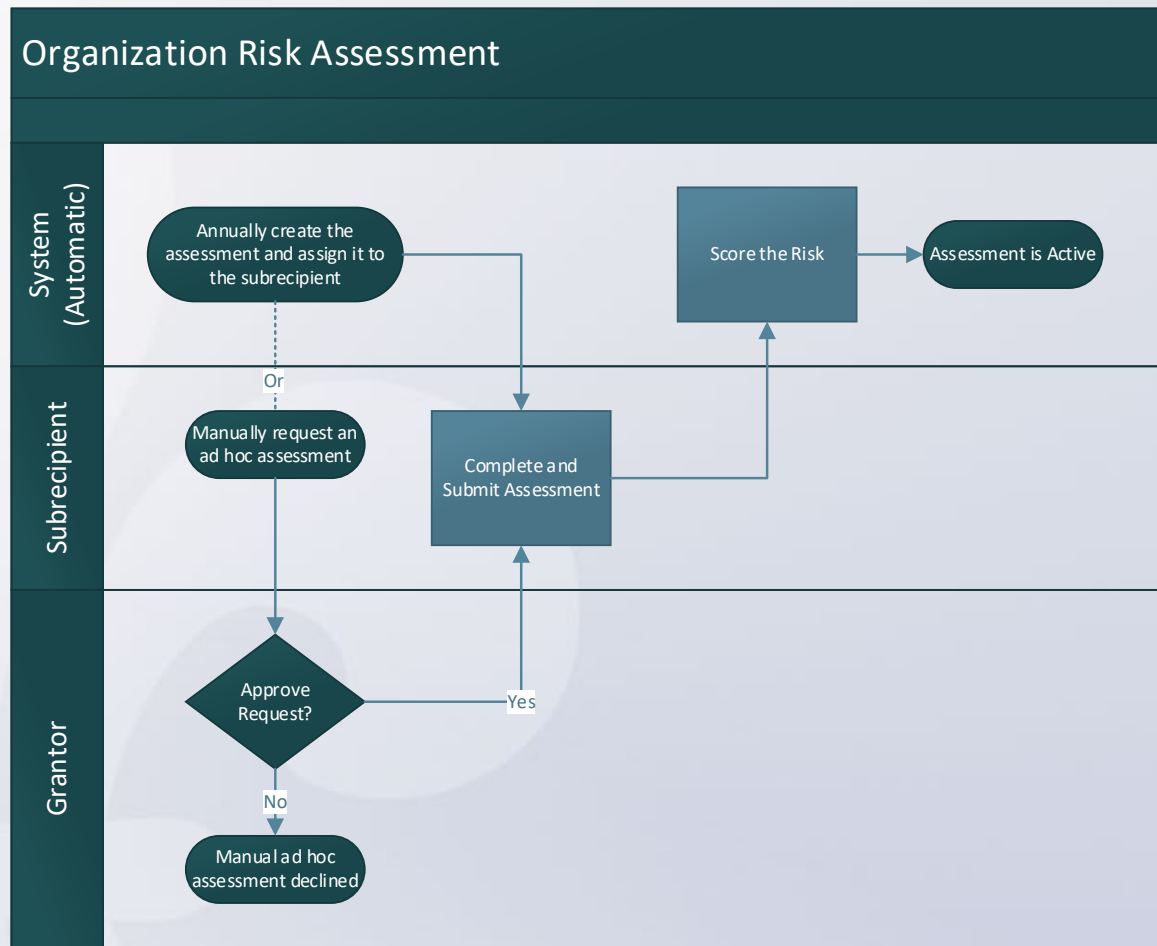
RISK ASSESSMENTS

- LMG has used a questionnaire for ARP risk assessments. Moving forward, the risk assessment will be managed through GovGrants.
- All grantee users of GovGrants must complete a new risk assessment, even if the organization has already completed the risk questionnaire.
- Grantees must complete the risk assessment on an annual basis. When it's time for the annual risk assessment, your organization's primary GovGrants user will receive a pending task notification to do so.
- The risk assessments are not grant-specific but are effective for all your grants from LMG. You only have to complete the assessment once a year and not for every grant you apply for or receive.

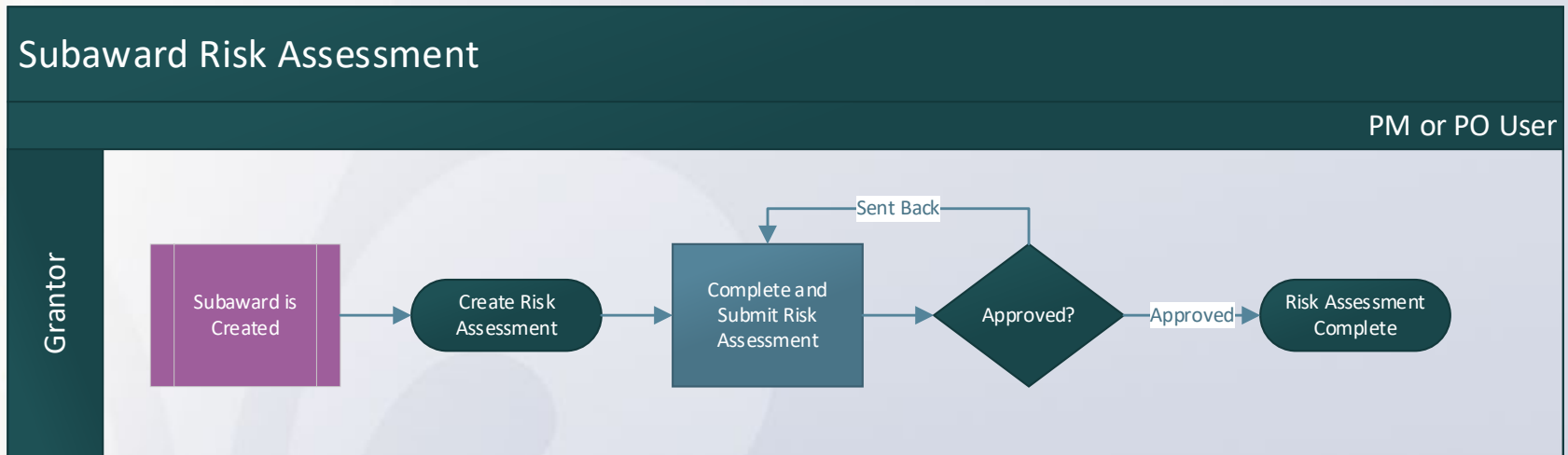
Risk Assessments in GovGrants

- There are two types of risk assessments in GovGrants:
 - Organizational Risk Assessments
 - Subaward-level Risk Assessments
- The goal of the assessments is to look for areas of risk so that additional monitoring can be done in those areas to strengthen the organization.

Organizational Risk Assessment Workflow



Subaward-Level Risk Assessment Workflow



ARP GRANT PROCESS

- LMG has put processes in place for ARP grants. To ensure your projects are successful and compliant with federal regulations, the following LMG staff will work with your organization throughout the process:
 - LMG Awarding Agency – the awarding agency is the LMG department – such as Public Health and Wellness or Economic Development – who is best situated to work on the Metro Council-approved project and partner with your organization on programmatic work
 - Louisville Accelerator Team (LAT)
 - Office of Management and Budget

LOUISVILLE ACCELERATOR TEAM (LAT)

- Provide Technical Assistance for successful applicants
- Facilitate review process
- Track issue log and risk register
- Track invoices and payments; identify issues and find resolutions
- Quarterly Reporting Requirements
- Regularly scheduled meetings with grantees to review workplan and key performance indicators (KPI)

OFFICE OF MANAGEMENT AND BUDGET (OMB)

- LMG Office of Management and Budget (OMB) Compliance Division – OMB can provide your organization with support throughout the life of the grant on all things financial and compliance-related. OMB will also:
 - Ensure your organization’s eligibility to receive federal funds
 - Assist with grant agreement development
 - Review and approve all reimbursement requests and issue payments
- GovGrants system administration is also managed by OMB.

GRANTEE ELIGIBILITY: OTHER REGISTRATIONS AND COMPLIANCE STATUSES

- All grantee organizations must be:
 - Registered to do business in the state of Kentucky and must be in good standing with the Kentucky Secretary of State's office.
 - Registered and in good standing with Louisville Metro Revenue Commission.
 - In good standing with other LMG agencies administering other grants, such as the NDF and EAF programs.

KEY PROVISIONS IN ARP GRANT AGREEMENTS

- ARP Grant agreements contain terms and conditions that address all LMG and federal requirements.
- These agreements are meant to:
 - Formalize a contractual agreement between LMG and your organization
 - Help your organization navigate the requirements, especially the federal regulations associated with these grants
- The next several slides will cover key information and provisions in these agreements

FEDERAL AWARD INFORMATION

- All non-federal entities (which includes your organization and LMG) must undergo an annual Single Audit if they spend \$750,000 or more in federal funds.
- The table at the top of your agreement contains information needed for that audit:
 - Federal awarding agency: U.S. Treasury Department
 - Federal award date: 5/21/21
 - Assistance Listing Number (formerly CFDA): 21.027
 - Assistance Listing Name: Coronavirus State and Local Fiscal Recovery Fund

LMG INFORMATION

- The table at the top of the award will also include contact information for the LMG awarding agency and for OMB.
 - Going forward, though, most communication with OMB will be managed within GovGrants.
- The table lists the ARP Project Number and the Associated Treasury Expenditure Category. This information is for LMG administration use.

PERIOD OF PERFORMANCE

- The period of performance (i.e., grant period) will be listed on the table at the top of your grant agreement.
- The start and end dates of the period of performance are the dates during which your organization may obligate costs.
- Each grant agreement includes a closeout period following the end of the period of performance. While your organization will be able to liquidate some obligated costs early in this closeout period, the purpose of the period is to allow you the time to submit the final reports/reimbursement requests and for LMG to review, approve, and pay your requests.

SECTION 1: DURATION OF AGREEMENT AND OBLIGATION DEADLINE

- Section 1 reiterates the period of performance and closeout dates and provides information about termination of the grant.
- Section 1 also addresses obligation deadlines for all ARP grants.
- All ARP funds must be obligated by the end of 2024.
- If your period of performance ends prior to 12/31/24, the obligation deadline might not be a factor with your grant. For grantees with periods of performance ending near or after 12/31/24, all funds must be obligated by that deadline.

SECTION 1: WHAT DOES OBLIGATE MEAN?

- Obligation means funds must be formally promised to pay.
- Funds are obligated through contracts, purchase orders and grant agreements
 - All sub-subgrantees, however, must also comply with the obligation deadline.
- Purchases outside these obligations cannot be made after 12/31/24, and staff cannot be paid with SLFRF funds for work performed after 12/31/24.

SECTION 2: PAYMENTS

- Grants are paid on a reimbursement payment.
- Payments are not made until OMB has received and approved the request and all supporting documents.
- We will review the reimbursement process in our Session 2 trainings.

SECTION 3: GRANTEE'S SERVICES AND RESPONSIBILITIES

- This section of the grant contains standardized terms and conditions across all ARP grants, as well as specific terms associated with your own ARP project.
- Record Retention – All ARP documents must be retained for a minimum of 5 years after the date your organization receives its final ARP payment. This section also gives LMG, the U.S. Treasury, and our auditors the right to review your documents.

SECTION 3: GRANTEE'S SERVICES AND RESPONSIBILITIES

REPORTING AND MONITORING

- Financial Reporting – Includes the deadlines for reimbursement requests and a list of required supporting documents.
- Performance Reporting – Includes a list of required performance and programmatic deadlines and may include specific Key Performance Indicators that must be tracked over the life of the grant.
- This section also requires your organization to participate in meetings with the Louisville Accelerator Team and respond to monitoring requests from LMG.

SECTION 3: GRANTEE'S SERVICES AND RESPONSIBILITIES

ASSETS AND OTHER REQUIREMENTS

- A new addition to the grant agreement is information related to the disposal of assets purchased with ARP funds. If you purchase assets, LMG will provide you with instructions related to those assets prior to closeout.
- Other requirements – Section 3 may contain a number of other terms and conditions specific to the ARP project, your program, or your awarding agency's requirements. Be sure to read Section 3 carefully to ensure compliance with all terms and conditions.

SECTION 4: FEDERAL REQUIREMENTS

- Section 4 lists many of the federal requirements related to your ARP subaward and also provides links to the federal regulations, so that you can read and be aware of these regulations.
 - Links are provided to the 2 CFR 200 Uniform Grant Guidance and the Treasury website that houses the Final Rule and all other Treasury SLFRF guidance.
- All ARP subrecipients are required to obtain a Unique Entity Identifier through SAM.gov. Additionally, your organization must ensure no ARP funds are provided to contractors and subrecipients that are suspended or debarred from receiving federal funds.

SECTION 4: FEDERAL REQUIREMENTS

- To help your organization navigate the 2 CFR 200, LMG has highlighted some of the key provisions in that document within Section 4.
 - Financial system requirements – your organization’s financial system must be able to track SLFRF funds separately from other funds; SLFRF funds must not be commingled with other funds.
 - If your organization awards SLFRF funds to other subrecipients, you must follow the pass-through entity requirements found in 2 CFR 200.331-333. These include performing ongoing financial and programmatic monitoring, reviewing their Single Audits, conducting risk assessments, and including specific information in subaward agreements.
 - Complying with the 2 CFR 200 Cost Principles, which govern allowable costs for federal subawards.

SECTION 4: FEDERAL REQUIREMENTS

- To help your organization navigate the 2 CFR 200, LMG has highlighted some of the key provisions in that document within Section 4.
 - Complying with program income requirements for any income generated through the ARP program.
 - Complying with the Single Audit Act, which mandates your organization undergo a Single Audit when spending \$750,000 or more in federal funds.
 - Complying with nondiscrimination requirements from the Civil Rights Act of 1964 and other relevant laws.
 - Providing LMG with information related to the Federal Funding Accountability and Transparency Act if requested.

SECTION 4: FEDERAL REQUIREMENTS

Procurement

- Under ARP, recipients and subrecipients are required to follow the procurement (purchasing) requirements found in the 2 CFR 200 Subpart D.
- All ARP purchases must comply with the competition requirements and methods of procurement found in 2 CFR 200.319-.320.
- 2 CFR 200.318 also mandates recipients and subrecipients to maintain and follow conflict of interest policies.

SECTION 4: FEDERAL REQUIREMENTS

No employee, officer, or agent may participate in the selection, award, or administration of a contract supported by a Federal award if he or she has a real or apparent conflict of interest. Such a conflict of interest would arise when the employee, officer, or agent, any member of his or her immediate family, his or her partner, or an organization which employs or is about to employ any of the parties indicated herein, has a financial or other interest in or a tangible personal benefit from a firm considered for a contract. The officers, employees, and agents of the non-Federal entity may neither solicit nor accept gratuities, favors, or anything of monetary value from contractors or parties to subcontracts.

SECTION 4: FEDERAL REQUIREMENTS

TIME AND EFFORT

- Per 2 CFR 200.430, subrecipients staff working on ARP programs and projects must track and accurately report actual time spent on the project. Payroll costs must not be based upon budget estimates.
- Subrecipients with existing reporting processes that meet the requirement can continue to use those processes. Subrecipients who do not have existing processes should follow these guidelines:
 - Staff working and charging 100% of their time on an ARP-funded program/project must complete signed certifications at least every six months. OMB can provide a template.

SECTION 4: FEDERAL REQUIREMENTS

TIME AND EFFORT

- Staff working only part-time on the program/project must track their time spent on the project and all other projects. Personnel costs charged must be proportional to the time spent working on the program/project.
- Grantees that do not meet the subrecipient criteria must also use a method to identify staff time charged to ARP grants.

KEY PERFORMANCE INDICATORS AND WORK PLAN

- Each ARP grant agreement also contains a section on Key Performance Indicators (KPIs) and a Work Plan for the subrecipient's performance.
- Prior to executing the ARP grant, the Louisville Accelerator Team and LMG Awarding Agency will work with your organization to develop the KPIs and Work Plan.

GovGrants BUDGET

- For all ARP grants, OMB will enter your organization's budget into GovGrants, whether the grant is new or was executed prior to GovGrants implementation.
- The budget categories in GovGrants are static. We have been using the GovGrants budget categories for grants executed within the past few months.
- If your organization received an ARP grant more than three months ago, your budget might look somewhat different in GovGrants:
 - OMB will choose the most appropriate GovGrants budget category for your approved budget line items. For example, if your grant budget contained technology costs, those costs will now show up under Equipment or Materials.
 - Budget amounts will not change at the line item or total level.

GovGrants BUDGET

- Grantees must include detailed information for each budget line item. For example:
 - Under the Personnel Costs line item, a grantee will need to include the following information: Staff position, staff wage or salary, and FTE or hours to be worked.

Program Manager, \$60,000/year @ 1.0 FTE

- Under Equipment, a grantee would need to include: type of equipment, number of units to be purchased, cost per unit.

Laptops for clinicians, 5 @ \$700 each

Budgets without the required detail will not be approved, and the budget will be returned to your organization for corrections prior to grant execution.

BUDGET: ELIGIBLE COSTS

- All costs charged to ARP grants must be:
 - Allowable according to the U.S. Treasury Department's regulations, the 2 CFR 200 Subpart E, and LMG requirements.
 - Included in your approved budget, or a subsequent budget revision or amendment
 - Necessary for the funded program
 - Reasonable
 - Allocated correctly according to the benefit received by the funded program

BUDGET: INDIRECT COSTS

Indirect costs are costs that cannot easily be allocated to a project, because they serve or support multiple projects at the same time. An example is facility insurance, since the insurance covers all projects, and it is difficult to determine the value toward any single project.

Indirect costs are not the same as administrative costs, which can be allocated to specific projects. For example, if a general clerical staff member provides support to multiple projects, the time s/he spends on the grant-funded project can be charged as an administrative cost.

BUDGET: INDIRECT COSTS

Indirect costs are eligible for ARP.

- Grantees can choose not to charge an indirect cost rate to the ARP grant and may instead charge all costs directly, as long as the same types of costs are not charged indirectly for other grants.
- Grantees may charge indirect costs through either of the following methods:
 - Grantees with a federally negotiated indirect cost rate may charge some or all of that rate to the ARP grant.

BUDGET: INDIRECT COSTS

- Grantees without a federally negotiated indirect cost rate may apply an indirect cost rate of up to 10% to modified total direct costs (MTDC), which include:
 - All direct salaries and wages and fringe benefits
 - Materials and supplies
 - Services and travel
 - Up to the first \$25,000 of each subaward

BUDGET: INDIRECT COSTS

- MTDC excludes:
 - Equipment and capital expenditures
 - Charges for patient care
 - Rental costs
 - Tuition remission, scholarships and fellowships
 - Participant support costs
 - The portion of each subaward in excess of \$25,000.
- Other items may only be excluded when necessary to avoid a serious inequity in the distribution of indirect costs, and with the approval of the cognizant agency for indirect costs.

EXECUTING THE GRANT AGREEMENT

- LMG will continue to manage the ARP grant agreement process outside of GovGrants.
- All of the terms and conditions within the GovGrants award will also be detailed in your pdf grant agreement. LMG will route the pdf agreement to your authorized signatory. Your organization will also need to designate an approver who can accept the award in GovGrants. This acceptance is an administrative act only, as the pdf agreement will be the official contract between your organization and LMG.

EXECUTING THE GRANT AGREEMENT

- For organizations that already have an executed grant, you will also need to “accept” the award in GovGrants.
- Grantees that were approved for nonstandard reporting deadlines should follow the deadlines as listed in the grant agreement rather than the GovGrants deadlines.

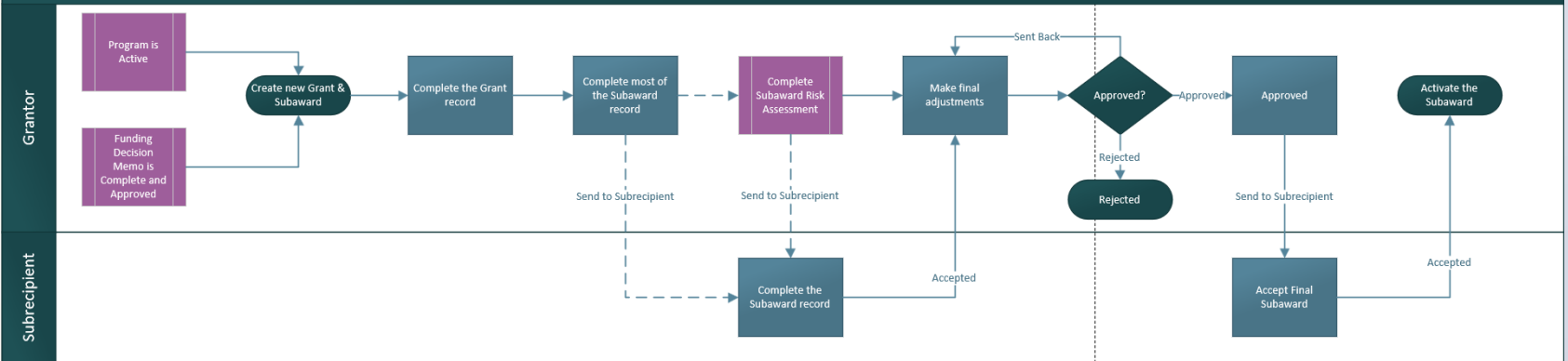
Grants and Subawards in GovGrants

- Grants
 - Container for the subaward and all amendments.
- Subawards
 - The agreements between LMG and the subrecipient organization

Grant and Subaward Workflow (From Application Process)

Standard Grants & Subawards

PM or PO User



Grant and Subaward Workflow (Direct Grants)

Direct Grants & Subawards

PM or PO User

