



Introduction to Federal Grant Compliance Part 1

LOUISVILLE METRO GOVERNMENT LUNCH & LEARN SERIES

JULY 25, 2023



This training provides an overview of the different sources for federal grant compliance requirements.



The purpose of this training is to help LMG grantees and Metro agency grant program staff find the resources they need to operate their programs in compliance with all regulations and requirements.



Federal grants are:

- A. Gifts
- B. Agreements to perform specific programs or projects
- C. Money I can spend on any organizational need
- D. Sometimes a lot of work
- E. Both B and D



What is Grant Compliance?

Adhering to all laws, grant requirements and the terms and conditions of the grant award



Who is responsible for
compliance?

***Everyone who works on
or makes decisions
about federal awards!***

COMPLIANCE SOURCES

- ▶ Laws (Constitution, federal, state, and local laws)
- ▶ Federal Regulations
- ▶ Federal Guidance
- ▶ Federal and Pass-through Grant Agreements
- ▶ Pass-through entity requirements
- ▶ Internal policies and procedures

COMPLIANCE REQUIREMENTS

As a recipient of federal grant funds, you are responsible for complying with all laws, regulations, requirements and policies and procedures.



MOST RESTRICTIVE REQUIREMENTS

Additionally, you must follow the most restrictive requirement/policy.

For example: The State of Kentucky requires local governments to bid out any purchases over \$40,000. The federal government's threshold is higher; however, Metro must abide by the state's more restrictive law even when using federal grant funds.

COMPLIANCE TIMEFRAME

When is the appropriate time to start thinking about grant compliance?

- A. Once the grant agreement has been signed
- B. When you are considering applying for or accepting a grant
- C. Once the grant program is up and running
- D. The week before the grant monitors arrive

COMPLIANCE TIMEFRAME

The answer is B: When you are considering applying for or accepting a grant.

Before you apply for a grant from the federal government or a pass-through entity, you should become familiar with the compliance requirements of that grant. If there is no application process, you should still research the compliance requirements associated with a grant prior to accepting it. The next slides review how that process should work.

FUNDER REQUIREMENTS

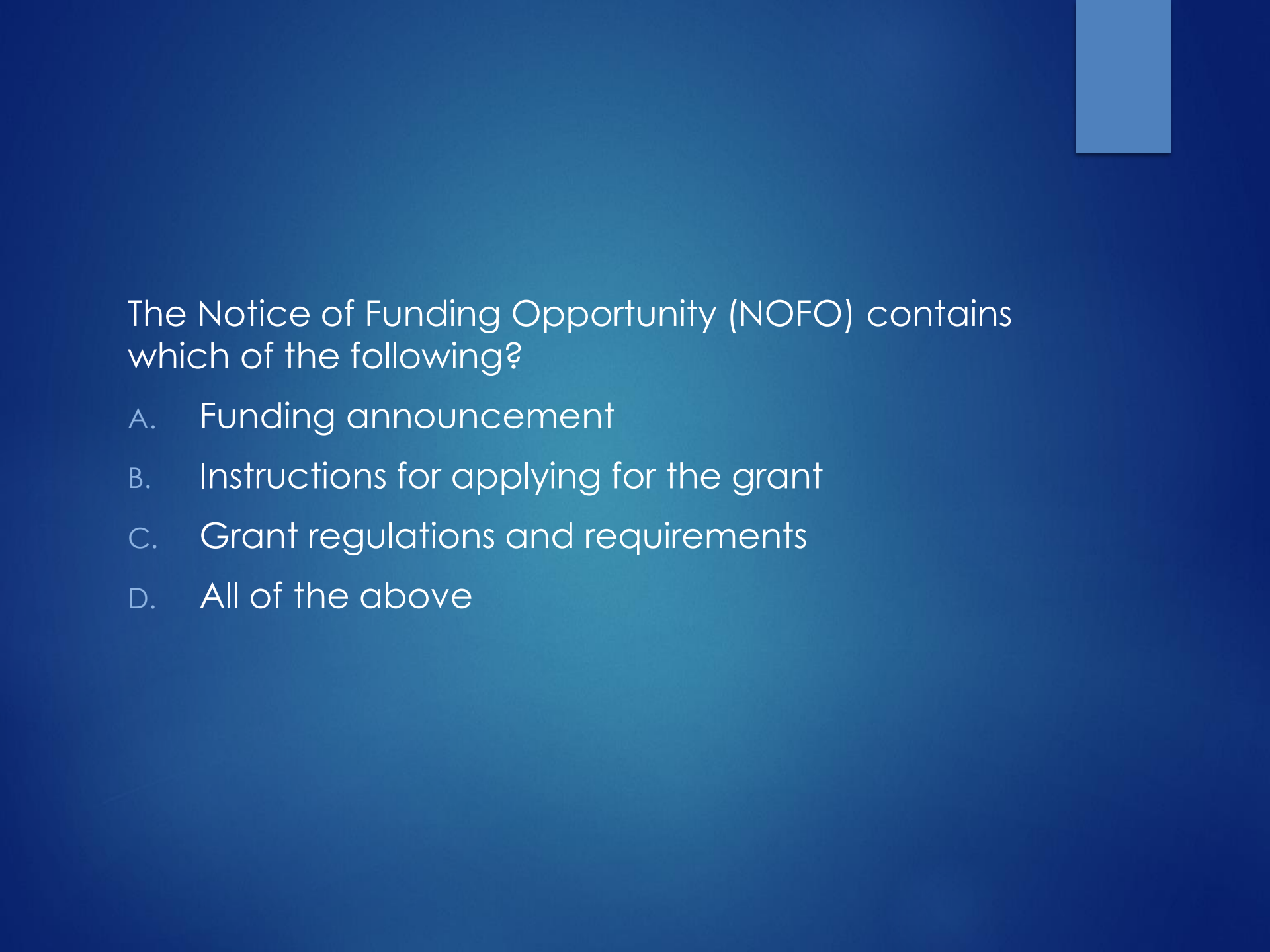
Where are funder requirements found?

- ▶ Funding Notice (NOFA, NOFO, FOA)
- ▶ Award notices/federal grant agreements/pass-through grant agreements
- ▶ Guidance:
 - ▶ Federal grant circulars
 - ▶ Funder manuals, handbooks, and guides
 - ▶ Funder websites
- ▶ Also Uniform Grant Guidance 2 CFR 200

Funding Notices (NOFOs)

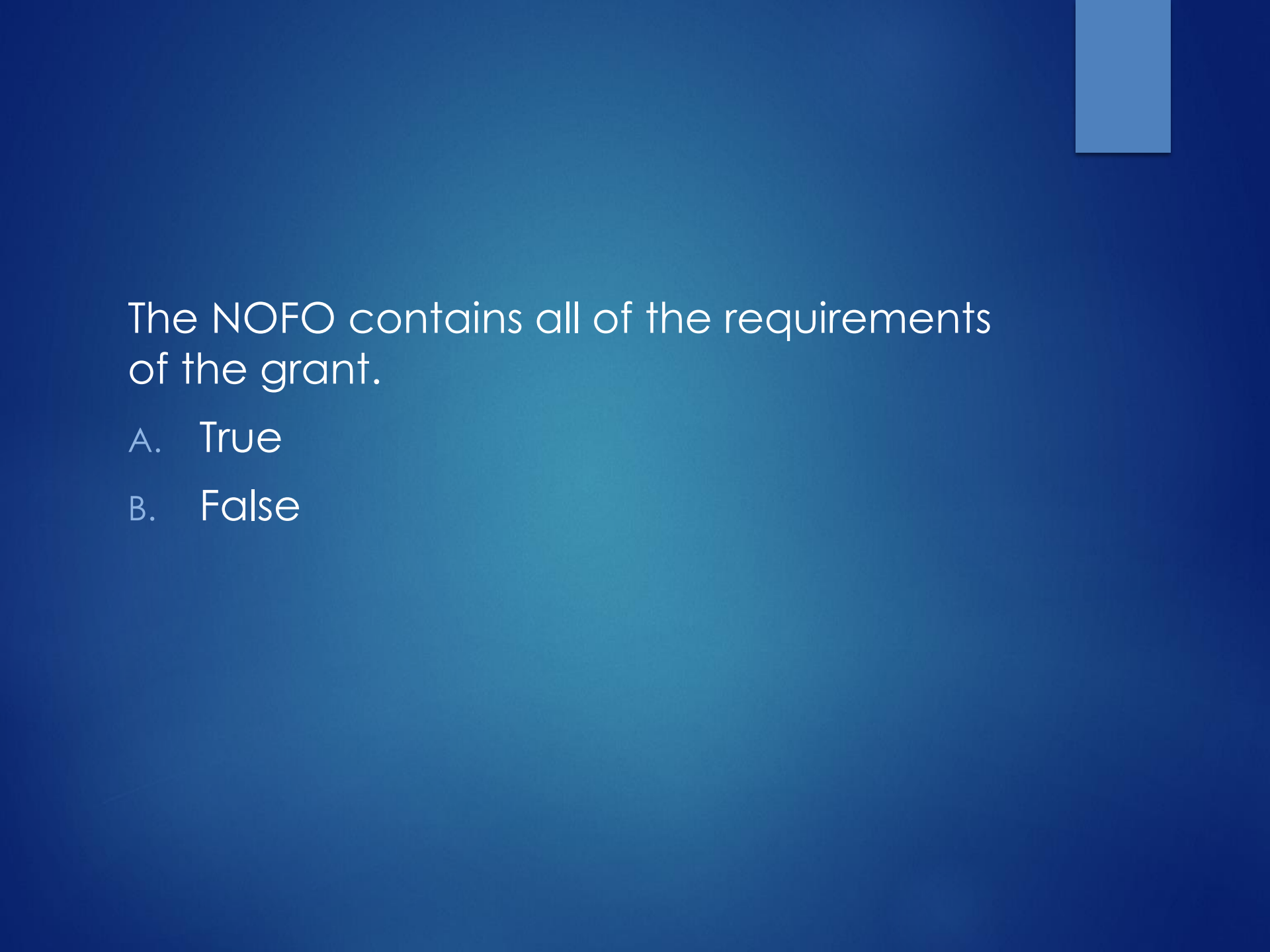
NOFOs typically provide the information below:

- ▶ Which activities are funded by the grant and which activities are not allowable
- ▶ What reports are required
- ▶ Federal requirement sources
- ▶ Eligible cost information
- ▶ Various other compliance requirements



The Notice of Funding Opportunity (NOFO) contains which of the following?

- A. Funding announcement
- B. Instructions for applying for the grant
- C. Grant regulations and requirements
- D. All of the above



The NOFO contains all of the requirements of the grant.

- A. True
- B. False

Federal Regulations

“A [federal] regulation is a set of requirements issued by a federal government agency to implement laws passed by Congress.” – federalreserve.gov

- Regulations generally, but not always, have the force and effect of laws.
 - Must go through public comment period first.
 - The version published before public comment is called the Interim Final Rule, and the version published after public comment is called the Final Rule.
- Regulations are found in the Code of Federal Regulations (CFR) at ecfr.gov.



The acronym CFR stands for which of the following:

- A. Code of Federal Regulations
- B. Code of Federal Requirements
- C. Chicken Fried Rice



Regulations always have the force and effect of law.

A. True

B. False

Award Notices and Grant Agreements

Award Notices typically include similar requirement and regulation language as the NOFO; however, award notices typically contain other key compliance information, such as the period of performance, key deadlines, reporting processes, etc.

Pass-through grant agreements usually contain the federal requirements and regulations as well as the pass-through entity's requirements.



Reporting dates are typically listed in:

- A. Notice of Funding Opportunity
- B. Award Notice/Grant Agreement
- C. 2 CFR 200

Guidance

Federal agencies use guidance documents to:

- ▶ Explain new regulations
- ▶ Respond to stakeholder questions
- ▶ Clarify existing policies
- ▶ Share leadership priorities and initiatives

Source: GAO Guidance Documents from Federal Agencies

Manuals, Handbooks and Guides

- ▶ Several federal agencies provide manuals, handbooks and guides. Going forward, we'll use the term manuals to describe any of these resources.
- ▶ Some manuals cover a single grant program, while others apply to every grant program offered by that federal agency.

Manuals, Handbooks and Guides

- ▶ The manuals typically might include any or all of the following information:
 - ▶ Reporting deadlines and instructions
 - ▶ Financial requirements
 - ▶ Payment request instructions
 - ▶ Programmatic requirements
 - ▶ Allowable and unallowable costs
 - ▶ Closeout instructions

Manuals, Handbooks and Guides

- ▶ Some manuals provide step-by-step instructions to help you manage your grant.
- ▶ With some exceptions, the manuals are written in everyday language, so they are easy to follow.

Funder Websites

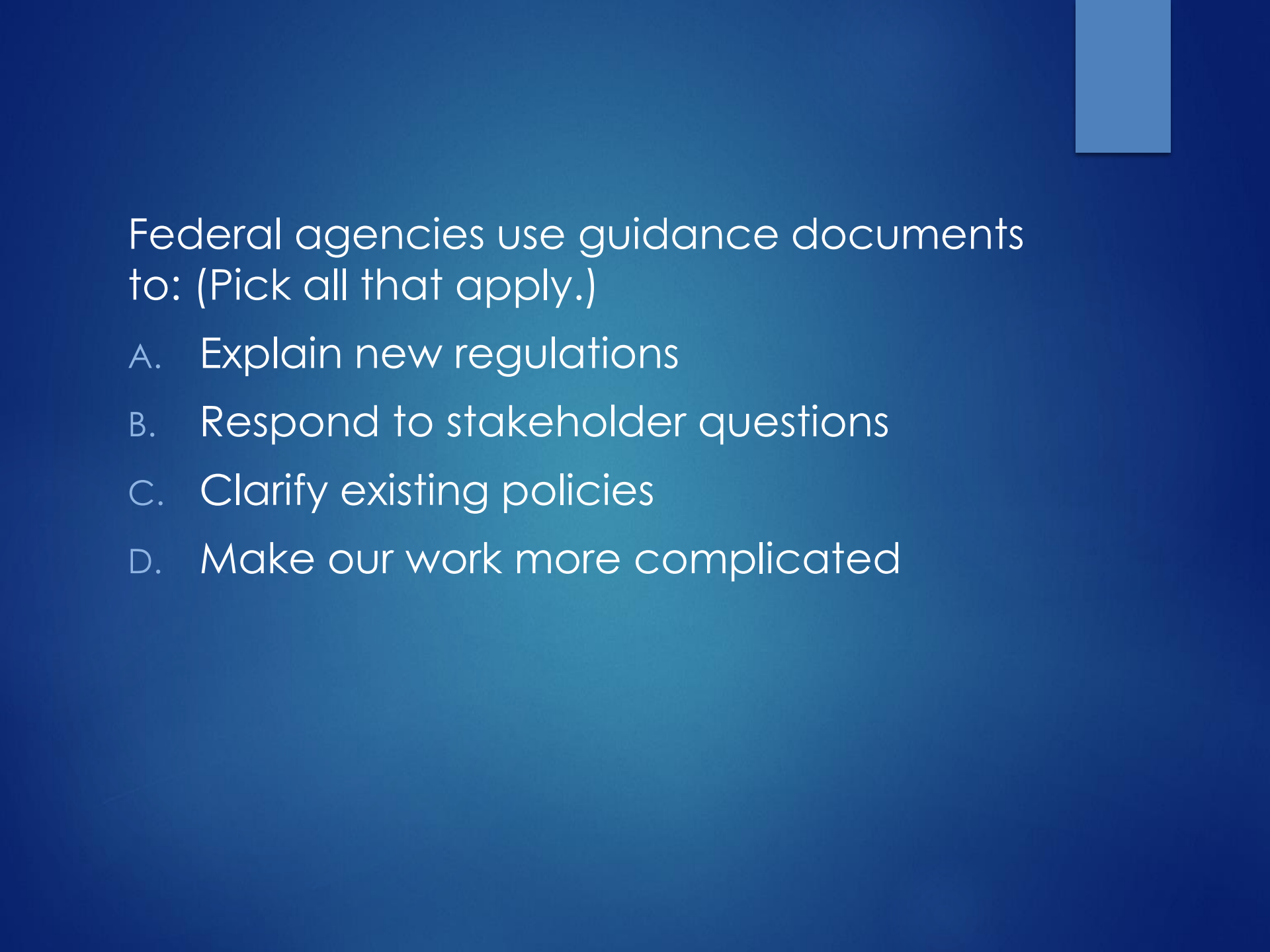
- ▶ Many federal funding agencies post their Grant Terms and Conditions on their websites.
 - ▶ Other agencies offer additional grant guidance on their websites, including specific guidance for all their grants.
 - ▶ Some agencies use their sites as repositories for all information pertaining to their grants.

Funder Websites

- ▶ Your pass-through entities might have additional resources on their websites.
 - ▶ For example, the State of Kentucky posts guidance for many of their health and justice grants.
 - ▶ Louisville Metro Government has a webpage of Grantee Resources for ARP

Funder Websites

- ▶ You should look for guidance on the federal agency's and pass-through entity's websites prior to applying for a grant and again after receiving the grant.
- ▶ During the course of the grant, you should become familiar with other resources available on the funder's site.



Federal agencies use guidance documents to: (Pick all that apply.)

- A. Explain new regulations
- B. Respond to stakeholder questions
- C. Clarify existing policies
- D. Make our work more complicated

MORE TO COME

- ▶ Next month we will cover:
 - ▶ Uniform Grant Guidance (2 CFR 200)
 - ▶ Policies and Procedures

What can you do to improve compliance?

- ▶ Read your NOFO and award documents
 - ▶ Look for all the terms and conditions
- ▶ Review the 2 CFR 200 and federal agency regulations that pertain to your grant
- ▶ Review the Federal agency guidance and pass-through entity guidance, if applicable
- ▶ Know the Metro-wide and agency specific policies and procedures that apply to your grant program

What can you do to improve compliance?

- ▶ Make a spreadsheet or other tracking system of the requirements for your program, including who is responsible for each requirement
- ▶ Add deadlines to your calendar
- ▶ Review ARP trainings and slide decks on Grantee Resources webpage