

**2003
PROJECT SAFE NEIGHBORHOODS**

**FINANCIAL
AND
ADMINISTRATIVE
GUIDE**

District Attorneys Council
Federal Programs Division
421 N.W. 13th
Suite 290
Oklahoma City, OK 73103
Phone: 405/264-5008
Fax: 405/264-5095

TABLE OF CONTENTS

FORWARD	5
ADMINISTRATIVE/PROGRAMMATIC GUIDELINES	
Grant Program Priorities	7
Grant Program Limitations.....	7
Award Period	7
Award Acceptance Procedures	7
Special Conditions	7
Initiation and Operation of the Project	7
Change in the Scope of the Project	8
Assignment of Subcontract	8
Data Gathering.....	8
Programmatic Reporting Requirements.....	8
Compliance with Programmatic Reporting Requirements.....	8
Confidentiality.....	8
Publication of Documents.....	9
FISCAL RESPONSIBILITIES AND GUIDELINES	
Personnel Requirements	10
Match Requirements	10
Non-Supplanting of Funds	10
Commingling of Funds	10
Financial Reporting Requirements.....	11
Compliance with Fiscal Reporting Requirements	12
General Assurances	12
Equal Employment Opportunity Assurance of Compliance Clause	12
Accounting System Criteria	13
Non-Allowable Expenses	19
Accounting Documentation.....	20
Budget Revision Requests.....	20
Personnel Changes.....	21
Grant Period Extension Requests	21
Records Maintenance	22
PERSONNEL COSTS	22
SUPPLIES	23
OPERATING EXPENSES	23
TRAVEL AND PER DIEM	
General Travel and Per Diem Information	24
Documentation of Travel	24
Mileage Reimbursement Rate.....	24
Standards for Overnight Travel.....	25
Lodging.....	25

Per Diem Rates for Overnight Travel.....	26
Per Diem Allowance in Lieu of Subsistence.....	26
Transportation – Instate Travel.....	27
Transportation – Out of State Travel.....	27
EQUIPMENT	
Equipment Definition.....	28
Purchase of Equipment	28
Approval of Equipment Purchases	28
Deviations From Approved Equipment Purchases in Budget.....	28
Maintenance of Records.....	28
Equipment Inventory	29
Loss, Damage or Theft of Equipment	29
Ownership of Equipment	29
Disposal of Equipment	29
PROCUREMENT OF GOODS OR SERVICES	
Adequate Competition	30
State Agency and Local Governmental Agencies	30
Non-Profit Organizations	30
Federal Surplus Property Program	30
CONTRACTUAL SERVICES	
Compensation for Consultants	31
Record Maintenance	31
REQUEST FOR FUNDS	31
PAYMENT OF GRANT FUNDS	
Payment to Subgrantees	32
Payments Withheld	32
OBLIGATION AND EXPENDITURE OF FUNDS	33
SUSPENSION OF FUNDING	33
GRANT CLOSE-OUT FINANCIAL REPORTING PROCEDURES	34
AUDIT REQUIREMENTS	
Audit Objectives	35
Audit Threshold.....	35
Due Dates for Audit Reports.....	36
Audit Reporting Requirements.....	36
Audit Costs.....	36
Resolution of the Audit Findings	36
Failure to Comply.....	36

APPENDIX

Appendix A - Chart of Forms Used by PSN Grant Program 37
Appendix B - Form A-1 Authorization to Sign Project Documents38
Appendix C - Form A-2 Budget Revision and Grant Extension Request Form39
Appendix D - Form A3 PSN Request for Funds 40
Appendix E - Form A-5 Statement of Equipment Purchases41
Appendix F - Form A-6 Equipment Inventory Form..... 42
Appendix G - Form A-8 Quarterly Status Report For Project Income 43
Appendix H - Form A-9 Change of Project Director/Fiscal Officer44
Appendix I - Form V-1 PSN Performance Report 46

COST STATEMENT 47

FORWARD

November 7, 2003

Dear Subgrantee:

On behalf of the District Attorneys Council (DAC), I want to congratulate you on receiving a Project Safe Neighborhoods (PSN) Grant.

As you may know, the Federal Programs Division within the DAC is responsible for the management of seven federal grant programs. Funding is primarily received from the Bureau of Justice Assistance (BJA), Office of Justice Programs, United States Department of Justice.

The Division serves as the point of contact between the state of Oklahoma and BJA in administering the grant programs. The mission of BJA is 1) to reduce and prevent crime, violence, and drug abuse; and 2) improve the functioning of the criminal justice system. BJA accomplishes this mission by providing federal grant funding to States. The grant programs administered by the Division are the:

1. *Byrne Formula Block Grant Program*
2. *National Criminal History Improvement and Policy Grant*
3. *S.T.O.P. Violence Against Women Formula Grant Program*
4. *Local Law Enforcement Block Grant*
5. *Residential Substance Abuse Treatment Program*
6. *Project Safe Neighborhoods*
7. *National Forensic Sciences Improvement Act*

In administering these grants, the Federal Programs Division:

- Prepares the applications for the federal grant funds
- Ensures coordination between the federal funding sources and the subgrantees
- Provides staff support to the four oversight Boards
- Develops and distributes the grant application notice and the grant application forms
- Receives and coordinates the distribution of the grant applications to the various Boards for review
- Reviews and makes recommendations to the Boards regarding the funding for submitted grant applications
- Receives funds from the federal granting agency and then disburses funds to the subgrantees throughout the grant cycles
- Evaluates and monitors compliance of subgrantees in meeting state and federal requirements
- Provides guidance and technical assistance to subgrantees

- Collects statistical data from the subgrantees to assess program effectiveness and provide information to the federal granting agency
- Prepares and submits the required progress, financial, and evaluation reports to the federal granting source

One of the primary functions of the Federal Programs Division is to ensure the fiscal accountability and programmatic integrity of the federal grant program through the proactive monitoring of the subgrantees. It is the responsibility of the Program Monitor, who is assigned to the various federal grant programs, to assist the subgrantees in implementing approved projects within a framework of relevant state and federal statutes, regulations, policies, procedures, and guidelines to achieve maximum success. In doing so, the District Attorneys Council advocates good stewardship of the awarded federal funds and addresses a portion of the state-administering agency responsibilities.

We want each subgrantee to achieve success in implementing their grant program. We are available for consultation and technical assistance at any time. If assistance is needed, please contact us at 405/264-5008 or 1-800/750-5886.

Sincerely,

M. DeLynn Fudge
Director of Federal Programs

ADMINISTRATIVE/PROGRAMMATIC GUIDELINES

GRANT PROGRAM PURPOSE

The goal of the Project Safe Neighborhoods (PSN) Grant Program is to reduce gun crime by bringing together resources from the local, state and federal levels and to create safer neighborhoods by reducing gun violence and then sustaining the reduction.

TASK FORCE PRIORITIES

The Task Force overseeing the Project Safe Neighborhoods is responsible for developing the state strategy, determining priorities for funding, reviewing grant proposals, and determining awards for the grant funds.

AWARD PERIOD

The award period for this grant is July 1, 2003, through June 30, 2005.

AWARD ACCEPTANCE PROCEDURES

The Federal Programs Division in the District Attorneys Council will forward the Award Document, the Special Conditions, and other critical documents to the subgrantee prior to the award date. The Award Document constitutes the operative document obligating and reserving the federal funds for use by the subgrantee. The obligation of the awarded funds is forfeited without further cause if the subgrantee fails to sign and return the Award Document within 45 days from the date of the award.

No federal funds will be disbursed to the subgrantee until the signed Award Document, the Special Conditions, the Authorization to Sign Project Documents, the Statement of Audit Arrangements, and the Initial Budget, and other documents as identified in the cover letter with the award. Subgrantees should review and understand all Special Conditions prior to the acceptance of the award.

SPECIAL CONDITIONS

Special Conditions include the terms and conditions of the award. The Special Conditions may include global requirements that apply to all subgrantees or only to the individual subgrantee, such as the revision of the project objectives to adhere to the requirement that objectives must be measurable. Failure to comply with the award's Special Conditions may result in a withholding of funds.

INITIATION AND OPERATION OF THE PROJECT

A project is required to be operational within 60 days of the start date of the award period. If there is a delay in the initiation of the project beyond the 60 days, the subgrantee must forward a letter to the Federal Programs Division on the steps that have been taken to initiate the project, the reasons for the delay, and the expected start date.

If the project is not operational within 90 days of the start date of the award period, the subgrantee must submit a second letter to the Federal Programs Division explaining the implementation delay. Upon receipt of the 90-day letter, or if notification is not sent at all

regarding the delay in implementation, the award may be cancelled without further notice by the District Attorneys Council.

CHANGE IN THE SCOPE OF THE PROJECT

The subgrantee may only use PSN funds for the activities and purposes approved in the application and the budget. A change in the scope of the project occurs when programmatic activities or budget revisions would cause a deviation from the approved application. If this is the case, the subgrantee is required to submit a request to change the scope of the project to the Director of Federal Programs. The Director of Federal Programs is then required to obtain approval from the Board.

ASSIGNMENT OF SUBCONTRACT

The subgrantee shall neither assign the responsibility of the grant award to another party, nor subcontract for any work contemplated under the award without prior written approval of the Director of Federal Programs.

DATA GATHERING

Each funded program will require pertinent data to be collected throughout the life of the grant from the agency or agencies carrying out the objectives of the grant.

PROGRAMMATIC REPORTING REQUIREMENTS

The following table identifies the programmatic reporting requirements and corresponding due dates (see the Appendix for sample copies of the reports).

FORM	DATE DUE
PSN PROGRESS REPORTS	Progress Reports are due July 15 th and January 15 th for the life of the award.
PSN FINAL ACTIVITIES REPORT	The final activities report is due 60 days following the end of the grant period.

COMPLIANCE WITH PROGRAMMATIC REPORTING REQUIREMENTS

Subgrantees must submit all programmatic reports by the deadlines as set by the Federal Programs Division within the District Attorneys Council. The Program Monitor for the grant program will maintain a checklist and routinely review compliance of the subgrantee in submitting the programmatic reports. **If these deadlines are not met, subsequent monthly draws will be held until the reports are submitted.** Refer to the Payments to Subgrantees subsection in the Payment of Grant Funds Section.

CONFIDENTIALITY

No subgrantee of monies, or any personnel involved in the project, shall use or reveal any information received from the project for any purpose other than the purpose for which such information was obtained.

PUBLICATION OF DOCUMENTS

When developing a publication with the use of PSN funds, federal guidelines require special steps. By federal definition, a publication is defined as “the initiation of the procurement of writing, editing, preparation of related illustration material, including videos”.

A subgrantee that publicizes any project activities with PSN funds must adhere to the following:

1. All materials publicizing or resulting from award activities shall contain an acknowledgement of the awarding agency assistance. An acknowledgement of support shall be made through use of the following or comparable footnote:

This project was supported by Grant No. (request grant number from District Attorneys Council)- and awarded by the Office of Justice Programs, United States Department of Justice to the State of Oklahoma.

2. Responsibility for the direction of the project activity should not be ascribed to the awarding agency. The publication shall include the following statement:

The opinions, findings and conclusions or recommendations expressed in this publication/program/exhibition are those of the author(s) and do not necessarily reflect the views of the Department of Justice.

The receipt of awarding agency funding does not constitute official recognition or endorsement of any project. A separate application for Official Recognition may be filed with the awarding agency.

3. A subgrantee is expected to publish or otherwise make widely available to the public, as requested by the awarding agency, the results of work conducted or produced under an award.
4. Further guidelines regarding royalties, license, copyright, official Logo's and distribution plans can be found in the current copy of the U.S. Department of Justice Financial Guide, Millennium Issue. Please consult this guide or the administrative agency for further assistance on publications.

FISCAL RESPONSIBILITIES AND GUIDELINES

PERSONNEL REQUIREMENTS

The Project Director is the direct contact person for program activities and is responsible for meeting the goals and objectives of the grant. The Project Director shares responsibility with the Fiscal Officer to ensure that all expenditures are within the approved budget.

The Fiscal Officer is the person who actually completes the reports related to financial activity of the grant. The Fiscal Officer is responsible for fiscal matters relating to the project, including the accounting, management of funds, verification of expenditures, and subgrantee financial reports.

The Project Director and Fiscal Officer may **not** be the same person. The only exception to these responsibilities is with confidential funds expenditures. The Project Director must account for confidential funds.

The CEO is the person with official signature authority to make financial and programmatic commitments on behalf of the applicant agency. The Chief Executive Officer must be a state agency head, mayor, city manager, chairperson of the Board of Directors, chairperson of the County Commission or an authorized tribal leader.

If there is a personnel change for either the Project Director or the Financial Officer during the award period, the Federal Programs Division must be notified. This may be accomplished by completing Form A-9 Change of Project Director/Fiscal Officer.

NON-SUPPLANTING OF FUNDS

The definition of supplanting means to deliberately reduce state and local funds because of the usage of federal funds. An example of supplanting is when state funds are appropriated for a stated purpose and federal funds are then awarded for the same purpose. The state replaces state funds with federal funds thereby reducing the total amount for the stated purpose.

COMMINGLING OF FUNDS

A physical segregation of funds is not required. However, the accounting systems of all subgrantees must provide each award to be accounted for separately, including any interest earned.

Funds specifically budgeted and/or received for one project may not be used to support another. Where a subgrantee's accounting system cannot comply with this requirement, the subgrantee shall establish a system to provide adequate fund accountability for each project that it has awarded.

FINANCIAL REPORTING REQUIREMENTS

Subgrantees must comply with the following financial reporting requirements. These requirements include program record keeping, programmatic reporting and financial reporting. The following is a list of the required reporting requirements (see the Appendix for samples of the reports):

FORM	DATE DUE
AWARD DOCUMENT, SPECIAL CONDITIONS, AND THE INITIAL BUDGET	Due August 15, 2003 - 45 days after date of the award
FORM A-1 AUTHORIZATION TO SIGN PROJECT DOCUMENTATION	Due August 15, 2003 - 45 days after date of the award
FORM A-4 CERTIFICATION OF EQUAL EMPLOYMENT OPPORTUNITY PLAN	Due on August 15, 2003 – 45 days after the date of the award.
FORM A-10 STATEMENT OF AUDIT ARRANGEMENTS	Due on August 15, 2003 – 45 days after the date of the award.
FORM A-3V REQUEST FOR FUNDS FORM	Due the 15 th of each month (or the first working day following the 15 th).
FORM A-5 STATEMENT OF EQUIPMENT PURCHASES	Due September 30, 2005 – 90 days after the end date of the award
FORM A-6 EQUIPMENT INVENTORY	Due September 30, 2005 – 90 days after the end date of the award

FORM A-7 QUARTERLY REPORTS		
• Quarter ending 9/30	Due October 15, 2003	And October 15, 2004
• Quarter ending 12/31	Due January 15, 2004	And January 15, 2005
• Quarter ending 3/31	Due April 15, 2004	And April 15, 2005
• Quarter ending 6/30	Due July 15, 2004	And July 15, 2005

COMPLIANCE WITH FISCAL REPORTING REQUIREMENTS

Subgrantees must submit all fiscal reports by the deadlines as set by the Federal Programs Division within the District Attorneys Council. The Program Monitor for the grant program will maintain a checklist and routinely review compliance of the subgrantee in submitting the fiscal reports. **If these deadlines are not met, subsequent monthly draws will be held until the reports are submitted.**

GENERAL ASSURANCES

The authorized certifying official of the applicant agency is required to accept the Certification Regarding Lobbying, Debarment, Suspension, and Other Responsibility Matters; and Drug Free Workplace Requirements. The applicant agrees to comply with the following requirements:

Lobbying: The subgrantees, contractors, and subcontractors will not use any federal funds for lobbying. Any lobbying activities will be disclosed by completing the form, Disclosure of Lobbying Activities. This form can be obtained by contacting the Federal Programs Division of the District Attorneys Council.

Debarment: The subgrantees have not been debarred or suspended from federal benefits and/or no such proceedings have been initiated against them; have not been convicted of, indicted for, or criminally or civilly charged by a government entity for fraud, violation of antitrust statutes, embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property; and have not had a public transaction terminated for cause or default.

Drug Free Workplace: Each subgrantee shall implement and post within the agency a Drug Free Workplace Policy.

EQUAL EMPLOYMENT OPPORTUNITY ASSURANCE OF COMPLIANCE CLAUSE

Compliance with the provisions of Omnibus Crime Control and Safe Streets Act of 1968, Title VI of the Civil Rights Act of 1964, Section 504 of the Rehabilitation Act, Section 1407 of the Victims of Crime Act, Title II of the Americans with Disabilities Act of 1990, Title IX of the Education Amendments of 1972, and the Age Discrimination Act of 1975

is required. These statutes prohibit discrimination on the basis of race, color, national origin, religion, sex, age, or disability as it relates to funded programs or activities.

ACCOUNTING SYSTEM CRITERIA

For many subgrantees, it may be sufficient to merely have a columnar sheet or journal showing cash receipts broken down by source and a cash disbursements sheet or journal showing the date of expenditure, payee, check number, amount of check, and allocation of the disbursement to the proper category.

For large and more complex grant awards, it may be more desirable to set up a double entry, self-balancing set of books. The accounting system should be as simple as possible and still provide the necessary information for reporting and management purposes. Keep in mind that cash match comprising the appropriate percentage of the total project cost, must be identifiable as a specific budget appropriation. All subgrantees must maintain records that clearly show the source, amount, and timing of all matching contributions.

The subgrantee is free to use any accounting system that the subgrantee has established if the system meets the following criteria:

1. Receipts should be classified by source, such as PSN, Match, etc.
2. Expenditures should be classified by the broad budget categories included in the approved budget, such as: Personnel, Personnel Benefits, Supplies and Operating Expenses, Confidential Funds, Travel, Equipment, Professional Services (Contractor/Consultants), and Facilities/Rental.
3. Entries in the accounting records should refer to subsidiary records, and/or documentation which support the entry and which can be readily located.
4. Each grant award must be accounted for separately. Continuation subgrants are separate funds and should be accounted for as such, and all project records should reflect the appropriate project (subgrant) number.
5. The accounting system must provide adequate information for the prompt and proper submission of financial reports.
6. The accounting system should be integrated with an adequate system of internal controls to safeguard the funds and assets covered, check the accuracy and reliability of accounting data, promote operational efficiency, and encourage adherence to prescribed management policies.
7. The accounting system should include a system of property records for all equipment (discussed in the Equipment section).
8. All required records shall be maintained until an audit has been completed and all questions arising therefrom are resolved and five (5) years from the date of the final financial report.

COSTS REQUIRING PRIOR APPROVAL

Prior approval from the District Attorneys Council, Federal Programs Division is required on some expenditures of the award. Expenditures requiring pre-approval include:

- Equipment and Other Capital Expenditures
- Consultant Rates
- Criminal Justice Information and Communication Systems
- Automatic Data Processing (ADP) Equipment and Software

PROCEDURES FOR REQUESTING PRIOR APPROVAL

Requests must be in writing and justified with an explanation to permit review of the allowability. They may be submitted:

1. Through inclusion in the budget component of the subaward application; or
2. As a separate written request to the **DAC Director of Federal Programs**.

COSTS REQUIRING PRIOR APPROVAL

1. Equipment and Other Capital Expenditures.

Equipment and other capital assets, including repairs which materially increase their useful life, are allowable if the subrecipient has received prior approval.

- a. Where expenditures for equipment are not fully justified by the budget and budget narrative, the DAC may require that the type, quantity estimated, unit, or other information be provided through the issuance of special conditions to the subaward.
- b. In reviewing equipment acquisition budgets and proposals, the following principles should be adhered to:

- (1) No other equipment owned by the subrecipient is suitable for the effort.
- (2) No requests for purchase of vehicles will be approved.
- (3) Federal funds are not used to provide reimbursement for the purchase of equipment already owned by the subrecipient.
- (4) Equipment purchased and used commonly for two or more programs has been appropriately prorated to each activity.

2. Consultant Rates.

Compensation for individual consultant services is to be reasonable and consistent with that paid for similar services in the marketplace. Consideration will be given to compensation including fringe benefits for those individuals whose employers do not provide the same. In addition, when the rate exceeds \$450 (excluding travel and subsistence costs) for an eight-hour day, a written PRIOR APPROVAL is required from the DAC Director of Federal Programs. Prior approval requests require additional justification. An eight-hour day may include preparation, evaluation, and travel time in addition to the time required for actual performance. Please note, however, that this does not mean that the rate can or should be \$450 for all consultants. Rates should be developed and reviewed on a case-by-case basis and must be reasonable and allowable in

accordance with OMB cost principles. Approval of consultant rates in excess of \$450 a day that is part of the original application with appropriate justification and supporting data will be approved on a case-by-case basis. The following is the policy in regard to compensation of various classifications of consultants who perform like-type services. If consultants are hired through a competitive bidding process but not sole source, the \$450 threshold does not apply.

a. Consultants Associated with Educational Institutions

The maximum rate for compensation that will be allowed is the consultant's academic salary projected for 12 months, divided by 260. These individuals normally receive fringe benefits which include sick leave for a full 12-month period even though they normally only work nine months per year in their academic positions.

b. Consultants Employed by State and Local Government Compensation for those consultants will only be allowed when the unit of government will not provide these services without cost.

c. If a State or local government employee is providing services under a Federal grant and is representing their agency without pay from their respective agency of government, the rate of compensation is not to exceed the daily salary rate for the employee paid by the unit of government. If the State or local government employee is providing services under a Federal grant and is not representing their agency, the rate of compensation is based on the necessary and reasonable cost principles.

NOTE: Current and former state employees may not be compensated for contractual services by a State agency until two years after the termination of State employment.

d. Consultants Employed by Commercial and Not-for-Profit Organizations

These organizations are subject to competitive bidding procedures. Thus, they are not subject to the \$450 per day maximum compensation threshold before requesting prior approval. In those cases where an individual has authority to consult without employer involvement, the rate of compensation should not exceed the individual's daily salary rate paid by his/her employer, subject to the \$450 limitation.

e. Independent Consultants. The rate of compensation for these individuals must be reasonable and consistent with that paid for similar services in the marketplace. Compensation may include fringe benefits. In summary, consultants obtained through competitive bidding do not require prior approval, including individual consultants.

3. Criminal Justice Information and Communication Systems

Criminal Justice Information and Communications Systems that are to be funded shall be designed and programmed to maximize the use of standard and readily available computer equipment and programs. (Identification of such systems will be made on a case-by-case basis.) Applicants involved in the development of criminal justice information systems should utilize the past experience of those agencies which have successfully implemented such systems. A detailed

requirements analysis should be performed and a search for existing software that could meet the identified requirements should be made before new software is developed. If new software is developed, it shall be designed and documented so that other criminal justice agencies will be able to use it with minor modifications and at minimum cost. A recipient or subrecipient shall request approval prior to arranging for patent of computer software and programs.

- a. Prior approval is NOT REQUIRED for the LEASE or RENTAL of such equipment; nevertheless, assurance must be provided that leases or rentals greater than \$100,000 are obtained in accordance with State procurement standards.
- b. Where the amount of the acquisition exceeds \$100,000, prior approval from the **DAC** is REQUIRED for the acquisition of equipment (outright purchase, lease-purchase agreement, or other method of purchase).
- c. A review of ADP equipment procurement shall be REQUIRED and should include a review of the description of the equipment to be purchased. This review shall be documented in writing for the file and shall require the awarding agency to certify that the procurement is consistent with the following requirements:
 - (1) The ADP equipment of the type to be purchased was identified within the award applications, and is necessary and sufficient to meet the project goals.
 - (2) The ADP equipment procurement is in compliance with existing Federal agency, State, and local laws and regulations.
 - (3) A purchase/lease comparison has been conducted demonstrating that it is more advantageous to purchase rather than lease the ADP equipment under consideration.
 - (4) If software development is involved, it has been demonstrated that computer software already produced and available will not meet the needs of the award.
 - (5) If the ADP equipment procurement is to be sole source and that procurement is more than \$100,000, then documentation must have been submitted to justify the action.
- d. An ADP Procurement Review Form (Suggested Format—Sample Only) may be obtained by contacting the DOJ Response Center at 1/800/421-6700. This form is a recommended form for documenting an ADP equipment procurement review and the form is shown as a “Sample Only.”

4. Automatic Data Processing (ADP) Equipment and Software.

Awards may include provisions for procurement of ADP equipment. The application will be written in a manner consistent with maximum open and free competition in the procurement of hardware and services. Brand names will not normally be specified.

- a. Digital, analog, or hybrid computer equipment and automated fingerprint equipment.

- b. Auxiliary or accessorial equipment, such as data communications terminals, source data automation recording equipment (e.g., digital plotters, computer output microfilms, etc.), to be used in support of digital, analog, or hybrid computer equipment, whether cable connected, wire connected, radio connected, or self-standing, and whether selected or acquired with a computer or separately.
- c. Data transmission or communications equipment that is selected and acquired solely or primarily for use with a configuration of ADP equipment which includes an electronic computer.
- d. Qualification and Exclusions.
 - (1) Analog computers are covered only when being used as equipment peripheral to a digital computer.
 - (2) Items of ADP equipment that are (a) physically incorporated in a weapon, or (b) manufactured under a development contract ARE EXCLUDED from the above definition.
 - (3) Accessories, such as tape cleaners, tape testers, magnetic tapes, paper tapes, disk packs, and the like ARE EXCLUDED.

NON-ALLOWABLE EXPENDITURES

The following expenditures are not allowed under the PSN Grant Program.

Land Acquisition

Federal requirements prohibit any Federal funds involving the renting, leasing, or construction of buildings or other physical facilities are used for land acquisition. Accordingly, land acquisition costs are unallowable.

Compensation of Federal Employees

Salary payments, consulting fees, or other remuneration of full-time Federal employees are unallowable costs.

Travel of Federal Employees

Costs of transportation, lodging, subsistence, and related travel expenses of awarding agency employees are unallowable charges. Travel expenses of other Federal employees for advisory committees or other program or project duties or assistance are allowable if they have been:

1. Approved by the Federal employee's Department or Agency; and
2. Included as an identifiable item in the funds budgeted for the project or subsequently submitted for approval.

Bonuses or Commissions

The subgrantee is prohibited from paying any bonus or commission to any individual or organization for the purpose of obtaining approval of an application for award assistance. Bonuses to officers or board members of profit or non-profit organizations are determined to be a profit or fee and are unallowable.

Military-Type Equipment

Costs for such items as armored vehicles, explosive devices, and other items typically associated with the military arsenal, excluding automatic weapons, are unallowable. Exceptions MAY be made by the awarding agency upon a written request and justification from the subgrantee.

Lobbying

All subgrantees must comply with the provisions of the government-wide Common Rule on Restrictions on Lobbying, as appropriate. In addition, the lobbying cost prohibition applicable to all subgrantees of funding includes the following.

No funds may be used for purposes of:

1. Attempting to influence the outcome of any Federal, State, or local election, referendum, initiative, or similar procedure, through in-kind or cash contributions, endorsements, publicity, or similar activity;
2. Establishing, administering, contributing to, or paying for the expenses of a political party, campaign, political action committee, or other organization established for the purpose of influencing the outcome of elections.
3. Attempting to influence: (a) the introduction of Federal or State legislation; or (b) the enactment or modification of any pending Federal or State legislation through communication with any member or employee of the Congress or State legislature (including efforts to influence State or local officials to engage in similar lobbying activity), or with any government official or employee in connection with a decision to sign or veto enrolled legislation;
4. Publicity or propaganda purposes designed to support or defeat legislation pending before legislative bodies;
5. Paying, directly or indirectly, for any personal service, advertisement, telegram, telephone, letter, printed or written matter, or other device, intended or designed to influence in any manner a member of Congress or of a State legislature, to favor or oppose, by vote or otherwise, any legislation or appropriation by either Congress or a State legislature, whether before or after the introduction of any bill or resolution proposing such legislation or appropriation;
6. Engaging in legislative liaison activities, including attendance at legislative sessions or committee hearings, gathering information regarding legislation, and analyzing the effect of legislation, when such activities are carried out in support of or in knowing preparation for an effort to engage in unallowable lobbying; or
7. Paying a publicity expert.

Activities that are exempt from the above coverage include:

1. Providing a technical and factual presentation of information on a topic directly related to the performance of an award, through hearing testimony, statements, or letters to the Congress or a State legislature, or subdivision, member, or cognizant staff member thereof, in response to a documented request (including a *Congressional Record* notice requesting testimony or statements for the record at a regularly scheduled hearing) made by the subgrantee member, legislative body, or subdivision, or a cognizant staff member thereof, provided such information is readily obtainable and may be readily put in deliverable form, and further provided that costs under this section for travel, lodging, or meals are

unallowable unless incurred to offer testimony at a regularly scheduled Congressional hearing pursuant to a written request for such presentation made by the Chairman or Ranking Minority Member of the Committee or Subcommittee conducting such hearing.

2. Any lobbying made unallowable by the above paragraph 3 above to influence State legislation in order to directly reduce the cost or to avoid material impairment of the organization's authority to perform under the award.
3. Any activity specifically authorized by statute to be undertaken with funds from an award.
4. Providing testimony to introduce and support general statutory reform, such as criminal or juvenile code revisions before State legislative bodies.
5. Providing testimony before the State legislature on legislative issues or pending legislation.

Fund Raising

Costs of organized fund raising, including financial campaigns, endowment drives, solicitation of gifts and bequests, and similar expenses incurred solely to raise capital or obtain contributions, may not be charged either as direct or indirect costs against the award. Neither the salary of persons engaged in such activities nor indirect costs associated with those salaries may be charged to the award, except insofar as such persons perform other funding-related activities.

An organization may accept donations (i.e., goods, space, services) as long as the value of the donations is not charged as a direct or indirect cost to the award. A subgrantee may also expend funds, in accordance with approved award terms, to seek future funding sources to "institutionalize" the project, but not for the purpose of raising funds to finance related or complementary project activities. Nothing in this section should be read to prohibit a subgrantee from engaging in fund raising activities as long as such activities are not financed by Federal or non-Federal award funds.

Corporate Formation

The cost for corporate formation may not be charged either as direct or indirect costs against the award.

State and Local Sales Taxes

These are unallowable when the government assesses taxes upon itself or, disproportionately, to Federal programs. An example of an unallowable tax would be if the government levied taxes as a result of Federal funding. An example of an allowable tax would be user taxes, such as gasoline tax. These provisions became effective as of the government's fiscal year beginning on or after January 1, 1998.

Conferences and Workshops

Unallowable costs include:

- Entertainment;
- Sporting events;
- Visa fees;
- Passport charges;
- Tips;

- Bar charges/Alcoholic beverages; and
- Laundry charges.
- Lodging costs in excess of Federal per diem. For events of 30 or more participants that are funded with an OJP award, if lodging costs exceed the Federal per diem, none of the lodging costs are allowable, effective January 1, 2001.

Other Non-Allowable Expenditures

- Proposal Costs—no costs for preparation of proposals are allowed
- Interest Expense—no interest expense is allowable
- Foreign Travel—no foreign travel is allowable

Costs Incurred Outside the Project Period

Any costs that are incurred either before the start of the project period or after the expiration of the project period are not allowable.

Unapproved Requests for Equipment Purchases

All equipment that is to be purchased must be identified in the approved budget. The subgrantee must obtain prior approval from the Director of Federal Programs for any additional equipment that the subgrantee desires to purchase. If this approval is not obtained, the unapproved equipment will be designated as unallowable.

Unallowable Expenditures

If unallowable expenditures are incurred, the expenditures will be disallowed and funds must be returned to the Office of Justice Programs.

ACCOUNTING DOCUMENTATION

The subgrantee must maintain invoices for the following items:

1. Supplies
2. Telephones (itemized bill of actual cost for projects sharing phones with another division)
3. Duplication Costs (if sharing a machine, billing should show number of copies times rate charged)
4. Rent
5. All other operating expenses approved in the budget

It is suggested that invoice totals should be circled or initialed to indicate that the amount to be paid has been verified. The financial officer should set up some control to ensure that duplicate payments are not made. Payments should not be made unless there is evidence that goods or services have been received.

BUDGET REVISION REQUESTS

Prior to requesting a budget revision, the subgrantee is encouraged to review the section on Non-Supplanting of Funds in this manual to determine whether the request for a budget revision is supplanting. If there is any question, consultation can be obtained by contacting the Federal Programs Division.

If, as a project progresses, the subgrantee determines that a budget revision is needed a request must be made *in writing* using Form A-2 Budget Revision and Grant Extension Request Form. A written explanation is required regarding the reason for the budget revision and why money needs to be shifted (increased or decreased) among budget categories.

If the amount being revised is **less than 10%** of the total award amount, there is no need to complete an A-2 Budget Revision Form. **In this instance, do not change the approved budget!** Continue to record expenses in the appropriate categories and reflect any deficit or surplus in the balance column. Assuming that more money than granted is **not** spent and the amount of deficit or surplus is **less than 10%** of the total grant, the subgrantee will be in compliance with federal regulations.

A Budget Revision that **changes the scope of the project** requires additional steps. If the scope of the project changes, refer to the section in the Financial and Administrative Guide on Change in the Scope of the Project and follow these procedures.

If there is a question, whether the subgrantee needs to submit a Form A-2 Budget Revision Form and Grant Extension Request, consultation can be obtained by contacting the Federal Programs Division.

Revisions are NOT effective until the Director of Federal Programs has signed this form. Subgrantees cannot act upon the request until it has been approved. If a request for a budget revision is approved, a copy of the approved form will be faxed or mailed to the subgrantee. If a request for a budget revision is denied, the Program Monitor or the Director of Federal Programs will contact the subgrantee to discuss the matter. **Requests for budget revisions will not be approved after April 15, 2005.** Budgets should be reviewed quarterly to determine maximum usage.

NOTE: It is NOT necessary to submit a final budget revision to make the actual expenditures match the budget if the total amount needing revision is less than 10% of the total grant amount.

PERSONNEL CHANGES

If during the course of the award period, there is a change in the Project Director or Fiscal Officer, two forms must be completed. The first form is the A-9 Form - Change of Project Director or Fiscal Officer and the second is the A-1 Form, Authorization to Sign Project Documents. These forms should be completed immediately and forwarded to the Federal Programs Division. The documents can be found in the Appendix.

GRANT PERIOD EXTENSION REQUESTS

If a project cannot be completed within the 12-month award period, a request for a grant period extension must be made in writing using Form A-2 Budget Revision and Grant Extension Request Form. An explanation for the need for the grant extension is required.

Request for extensions are NOT effective until the Director of Federal Programs has signed this form. Subgrantees cannot act upon the request until it has been approved. If

a request for a grant extension is approved, a copy of the approved form will be faxed or mailed to the subgrantee within 15 workdays of receipt of the request. If a request for a grant extension is denied, the Program Monitor or the Director of Federal Programs will contact the subgrantee to discuss the matter. **Requests for grant extensions will not be approved after June 15, 2005.**

RECORDS MAINTENANCE

Subgrantees are required to maintain all programmatic and financial records, supporting documents, statistical and other records and reports for a period of five years after the project has ended and until all audit findings have been resolved. When records are stored away from the subgrantee's principal office, a written index of the location of records stored should be on hand and ready access should be assured.

The District Attorneys Council, the Office of Justice Programs, and the State Auditor has the right of access to subgrantee records pertaining to the grant award. This access extends to any books, supporting documentation, papers and other records of the subgrantee that are necessary for audits, examinations, excerpts and transcripts. The subgrantee has the same right of access to pertinent records of subcontractors for similar purposes.

PERSONNEL COSTS

If personnel costs are an approved component of the project, only actual salaries and wages paid to the program personnel and actual fringe benefits paid to the program personnel may be claimed.

Accurate time and attendance records are required to be maintained for all personnel whose salary is charged to the project, whether paid by matching funds or federal dollars. The time and attendance records should contain the following information and should be maintained at your agency:

1. Date (day, month, and year)
2. Employee's name
3. Position title
4. Total daily hours charged to the project
5. Employee's signature
6. Project director or supervisor's signature
7. Project (subgrant) number

Subgrantees must have written personnel policies and procedures pertaining to:

1. Work hours
2. Holidays, vacations, sick leave

3. Overtime pay and compensatory time - payment of these premiums will be for work performed by employees in excess of the established work week (usually 40 hours).
4. Termination
5. Qualifications
6. Written job descriptions

Project officials must ensure that employees working on the project are not receiving dual compensation, i.e., being paid with the grant funds while receiving salary from another source.

If existing personnel assume a position paid with grant funds, additional personnel must be hired to fill the positions vacated as a result of the transfer.

SUPPLIES

Supplies are materials, expendable or non-expendable that are needed in the operation of the project. Non-expendable supplies must have a cost of less than \$500 per unit and are not immediately consumed when placed in use. The following are examples of expendable and non-expendable supplies:

Examples of expendable supplies:

- Office supplies, such as paper, pens, pencils, file folders, data processing supplies, etc.

Examples of non-expendable supplies:

- Letter trays, wastebaskets, staplers, or inexpensive office equipment or furniture type items costing less than the above limit.

Invoices must be maintained for all purchased supplies.

OPERATING EXPENSES

Operating expenses are costs necessary to maintain the project. Operating expenses may include:

- Postage
- Telephone Costs
- Rental Expenses
- Pager or Mobile Phone Rental

It is suggested that all bills for operating expenses be approved by the Project Director, or other authorized individual, prior to payment. The invoice should be marked paid and indicate the check number. The subgrantee's award number should be listed on all invoices or receipts. A date must appear on all invoices to ensure the allowability of the item.

TRAVEL AND PER DIEM

GENERAL TRAVEL AND PER DIEM INFORMATION

Travel costs are allowable expenses by employees who are in travel status on official business. These costs must be in accordance with the Oklahoma Travel Reimbursement Act. Non-profit entities may follow their own travel policies and procedures as long as they don't exceed these limits. **All out-of-state travel must be clearly defined and receive approval from the Director of Federal Programs prior to expenditure of the funds.**

DOCUMENTATION OF TRAVEL

All travel expenditures should be substantiated through a travel claim or voucher that contains the following information:

1. Name of employee
2. Travel to and from
3. Private car mileage
4. Date and time of departure and return
5. Signature of employee
6. Approval of project director or supervisor
7. Subgrant number

In-state travel and out-of-state travel expenditures must be properly documented. The following information should be attached to the travel voucher:

1. A paid receipt, showing a zero balance, from a hotel/motel with the name, city, and state, number of people in the room is required to be maintained in the fiscal files. If the room is shared, this should show on the invoice and the amount charged should be the rate for one individual.
2. Paid car rental bill and justification for renting rather than using public transportation
3. Airfare or other commercial transportation ticket
4. Justification if first class accommodations are paid

MILEAGE REIMBURSEMENT RATE

The maximum allowable rate for mileage reimbursement for travel using a personal vehicle is \$.36 per mile.

conference brochure or a letter from the sponsoring organization is acceptable documentation.

PER DIEM RATES FOR OVERNIGHT TRAVEL

An employee, who is in office travel status, may claim the following per diem rates, not to exceed the amount allowable under the State of Oklahoma Travel Reimbursement Act. Travel status is defined as an absence from the office or place of employment, home area, and/or official station area, while performing assigned official duties.

Reimbursement for per diem for out-of-state travel shall not begin more than 24 hours before or continue more than 24 hours after the objective of the trip, such as a meeting, workshop, conference, etc. ends. In computing per diem, a day shall be a period of 24 hours. No per diem is allowed for periods less than overnight status.

Hours	In-State	*In-State	Oklahoma County	Out of State
0-3	0.00	0.00	0.00	0.00
3 ¼ - 9	7.50	10.00	9.50	**
9 ¼ -15	15.00	20.00	19.00	**
15 ¼ - 21	22.00	30.00	28.50	**
21 ¼ - 24	30.00	40.00	38.00	**

***Lodging without receipt (staying with friends, family, etc.) When claiming the higher per diem rate instead of lodging, the following notation must appear on the claim: “Claiming per diem in lieu of subsistence.”**

****See the following website for specifics: www.policyworks.gov/perdiem.**

When meals are provided and included as a part of the registration fee, the travel claim should be treated as follows:

1. One-fourth (1/4) of one day’s per diem shall be deducted from the reimbursement limit for each meal provided and included in the registration fee. (Continental breakfasts and refreshments such as coffee, tea, and soft drinks provided during meeting breaks are not considered meals for the purpose of this procedure.
2. Exceptions may apply where special circumstances prevented the traveler from participating in the function at which the meal was provided. For auditing purposes, a signed statement by the traveler of his/her non-participation in the meal function must be included with the claim form.
3. If an outside entity provides lunch for conference participants and it is not connected with the conference, the employee does not have to deduct for the meal.

PER DIEM ALLOWANCE IN LIEU OF SUBSISTENCE

When an employee who is in travel status chooses to stay with friends or relatives and lodging reimbursement is not being claimed, the traveler may claim an additional \$10.00 “subsistence” payment above the per diem reimbursement rate.

TRANSPORTATION – INSTATE TRAVEL

Instate travel in privately owned vehicles may be reimbursed at a rate not to exceed .36 cents per mile, based on the distance set forth in the latest Transportation Commission Road Map. All state, county, city vehicles may be reimbursed for actual expenses only. Travel by railroad, bus, or other such public conveyance will be reimbursed at a rate not to exceed the normal charge of such conveyance, and in no instance shall the rate exceed coach airplane fare.

Reimbursement for necessary parking and turnpike fees incurred in the use of a privately owned automobile for official project business must be itemized.

TRANSPORTATION – OUT-OF-STATE TRAVEL

Regardless of the mode of travel (including privately owned vehicle) reimbursement for out-of-state transportation costs shall not exceed that of coach airplane fare.

The actual cost of leasing or renting an automobile outside of this state to be used on official business for the state shall be reimbursed subject to the approval of the agency head or authorized designee.

EQUIPMENT

EQUIPMENT DEFINITION

Equipment is tangible non-expendable personal property having a useful life of more than one year and/or an acquisition cost of \$500 or more per unit. A subgrantee may use its own definition of equipment provided that such definition would at least include all equipment defined above.

PURCHASE OF EQUIPMENT

Subgrantees are required to be prudent in the acquisition and management of property purchased with Federal funds. Equipment purchased with federal funds must be used for the criminal justice purposes as stated in the application.

Expenditure of funds for the acquisition of new property, when suitable property required for the successful execution of a project is already available within the subgrantee's organization, will be considered an unnecessary expenditure. Equipment purchased using Federal funds shall be year 2000 compliant and shall be able to process all time/date data after December 31, 1999.

APPROVAL OF EQUIPMENT PURCHASES

The Project Director should approve the invoice for equipment purchases and initial for payment.

DEVIATIONS FROM APPROVED EQUIPMENT PURCHASES IN BUDGET

If a subgrantee wants to purchase different equipment from the equipment that was approved in the budget, the Project Director **must** request permission from the Director of Federal Programs. Approval must be obtained prior to the purchase or this will be considered a non-allowable expense.

MAINTENANCE OF RECORDS

Subgrantees must maintain an effective system for property management. Subgrantees are hereby informed that if DAC or the Department of Justice is made aware that the subgrantee does not employ an adequate property management system, project costs associated with the acquisition of the property may be disallowed.

Invoices must be maintained. When paid, invoices should be marked and include the date, check number and contract number.

Records for equipment shall be retained for a period of five years from the date of the disposition or replacement or transfer at the discretion of Department of Justice. If any litigation, claim, or audit is started before the expiration of the five-year period, the records shall be retained until all litigation, claims, or audit findings involving the records have been resolved.

EQUIPMENT INVENTORY

Equipment inventory records should be maintained and contain, at a minimum, the information required to complete the A-6 Equipment Inventory Form, found in the Appendix. The deadline to turn in this form may be found in the Fiscal Responsibilities and Guidelines section on Financial Reports. The following information must be maintained:

1. Item Description
2. Property Inventory Number or Serial Number
3. Date of Purchase
4. Identification of New or Used Equipment
5. Voucher number
6. Cost
7. Location of the Equipment
8. Present Use
9. Condition
10. Disposition

LOSS, DAMAGE, OR THEFT OF EQUIPMENT

Subgrantees are responsible for replacing or repairing the property that is willfully or negligently lost, stolen damaged, or destroyed. Any loss, damage, or theft of the property must be investigated and fully documented and made part of the official project records.

OWNERSHIP OF EQUIPMENT

The purchased equipment becomes the property of the agency or non-profit organization when the subgrantee provides certification to the District Attorneys Council that the property will be used for the stated purpose. Certification is accomplished by completing the Statement of Equipment Purchases - Form A-5. A copy of this form is located in the Appendix. If such certification is not submitted, the property becomes that of the District Attorneys Council. The District Attorneys Council shall seek to have the equipment used for criminal justice purposes elsewhere in the State prior to using it or disposing of it in any other manner.

DISPOSAL OF EQUIPMENT

If the subgrantee plans to dispose of equipment purchased with federal funds, either through disposal, replacement through trade-in or sale and then subsequently purchase of new property, please contact the Federal Programs Division for approval and instructions.

PROCUREMENT OF GOODS OR SERVICES

ADEQUATE COMPETITION

All procurement transactions, whether negotiated or competitively bid and without regard to dollar value, shall be conducted in a manner so as to provide maximum open and free competition.

The subgrantee shall be alert to organizational conflicts of interest or non-competitive practices among contractors that may restrict or eliminate competition or otherwise restrain trade.

STATE AGENCIES AND LOCAL GOVERNMENTAL AGENCIES

State agencies and local governmental agencies, such as police and sheriff's departments, shall follow the same policies and procedures it uses for the procurement from any non-federal funds. The State shall ensure that every purchase order or other contract includes any clauses required by federal statute and executive orders and their implementing regulations. State agencies and local governmental agencies should follow State Purchasing Procedures when procuring goods and services.

For purchases under \$2500, the subgrantee may follow their own procurement procedures and regulations, provided that the procurement conforms to applicable state law or regulation.

If the item to be purchased costs between \$2500 and \$10,000, price quotes and delivery dates must be recorded from 3 vendors. The chosen vendor must complete a non-collusion affidavit.

If the amount is \$10,000 to \$25,000, an invitation to bid must be completed and all vendors must complete a non-collusion affidavit with their bid. For further details on how to prepare an Invitation for Bid or a Request for Proposal, please contact this office. Usually, an Invitation for Bid would be used for equipment purchases.

Sole source procurements in excess of \$100,000 must receive prior approval from the DAC and federal awarding agency.

NON-PROFIT ORGANIZATIONS

Non-profit organizations should follow OMB Circular A-110 when procuring goods and services.

FEDERAL SURPLUS PROPERTY PROGRAM

Subgrantees may be eligible to participate in the Federal Surplus Property Program. This program provides for purchase of property for federal grant projects at 25% of the original acquisition cost. If you would like information, contact the Director of Federal Programs at DAC.

CONTRACTUAL SERVICES

COMPENSATION FOR CONSULTANTS

Compensation for individual consultant services is to be reasonable and consistent with that paid for similar services in the market place. Consideration will be given to compensation including fringe benefits for those individuals whose employers do not provide the same. In addition, when the rate exceeds \$450 (excluding travel and subsistence costs) for an eight-hour day, a written PRIOR APPROVAL is required from DAC and the awarding federal agency. Prior approval requests require additional justification. An eight-hour day may include preparation, evaluation, and travel time in addition to the time required for actual performance. The maximum rate of \$450 per day does not mean that the rate can or should be \$450 for all consultants. Rates should be developed and reviewed on a case-by-case basis and must be reasonable and allowable in accordance with the OMB cost principles. Approval of consultant rates in excess of \$450 a day that are part of the original application with appropriate justification and supporting data will be approved on a case-by-case basis. *If consultants are hired through a competitive bidding process (not sole source), the \$450 threshold does not apply.*

RECORD MAINTENANCE

Adequate records for the expenditures of professional, or contractual, services should be maintained to ensure that the contractor has in fact performed the services. Records should contain the following information:

1. Signed Agreement or Contract
2. Dates the contractor provided the services
3. Number of hours the contractor worked
4. Services performed

NOTE: Current and former state employees may not be compensated for contractual services with a state agency until two years after the termination of State employment.

REQUEST FOR FUNDS

The subgrantee must use the A-3 Request for Funds Form to request grant funds. Funds may only be requested on a monthly basis. The request is an estimate of needs, not just a figure derived by dividing the award amount by 12.

The A-3 Request for Funds Form must be completed in full, signed, and received by DAC on the 15th of each month. If the A-3 Request for Funds Form is not received by the 15th of the month, the request will be processed the following month. **No**

exceptions will be granted regarding this deadline. Forms may be faxed to DAC at 405-264-5095.

If the 15th of the month falls on a Saturday, then the form should be received in the DAC office on the Friday before. If the 15th of the month falls on a Sunday, the form should be received the following Monday.

Warrants will be mailed from DAC within fifteen (15) days following the 15th of the month.

The A-3 Request for Funds Form must be submitted even if the request is zero. Failure to do so will warrant a delay in funding future requests and a possible grant cancellation.

PAYMENT OF GRANT FUNDS

Payments to Subgrantees

DAC receives Federal funds by utilizing the "Letter of Credit" procedures. This funding method is a cash management process prescribed by the U.S. Treasury for all major grant-in-aid recipients. Funds are made through a warrant system pursuant to rules and procedures available to subgrantees issued by DAC.

If a subgrantee who is receiving cash advances demonstrates an unwillingness or inability to establish procedures that minimize the time elapsing between cash advances and disbursement, DAC may terminate advance financing and require the subgrantee to finance its operations with its own working capital.

Payments to the subgrantee will then be made to reimburse the subgrantee for actual cash disbursements. **It is essential that the subgrantee maintains a minimal amount of cash on hand and drawdowns of cash are made only when necessary for disbursement.**

Payments Withheld

The Program Monitor will maintain a checklist for fiscal and programmatic reports for the program under their purview. When a fiscal or programmatic report is received, the Administrative Assistant in the Federal Programs Division will forward the document to the Program Monitor. The Program Monitor will review the document for accuracy and/or thoroughness and then update the checklist and then forward to the appropriate person for disposition.

If a subgrantee does not return the report by the deadline, the following procedures will be followed:

1. One week following the deadline of the report, the Program Monitor will phone all subgrantees that are delinquent to notify them of the past due report. The Program Monitor will allow the subgrantee one additional week to forward the report and notify them that the next month's draw will be held until a report is received. The phone call will be documented in the subgrantee's contract file.
2. If the report is not received by the deadline, the Program Monitor will submit a Draw Hold Form to the Financial Analyst to withhold the next monthly draw of the subgrantee. The Program Monitor will forward a copy of the Draw Hold Form to the subgrantee.
3. Once the report is received, the Draw Hold Form will be withdrawn and the subgrantee may begin requesting the monthly draws.

OBLIGATION AND EXPENDITURE OF FUNDS

All grant funds must be obligated by a purchase order prior to the end date of the grant award period. All obligations must be paid within 90 days after the end of the grant award period.

Obligated funds are those funds that have been legally committed under a grant for goods and services **within the grant period dates**. These obligations and payments include both federal dollars and matching contributions. The only time unpaid obligations should be reported is on the last quarterly report for the grant period. The final report must reflect zero unpaid obligations as all funds must have been paid within 90 days of the grant period end date.

SUSPENSION OF FUNDING

The Violence Against Women Board may, after reasonable notice and opportunity for a hearing, terminate or suspend funding for a subgrantee that implements programs or projects which fail to conform to the requirements or statutory objectives or that fails to comply substantially with the Violence Against Women Act and the Federal Regulations promulgated thereunder; including the terms and conditions of the award.

Subgrantees will be given a warning, then suspension, and a set number of days to correct a problem with award compliance. If a subgrantee fails to take appropriate, corrective action, the Board may, by written notice to the subgrantee, terminate the grant agreement upon no less than 24 hours notice. The notice shall be delivered by certified mail, return receipt requested, or in person with proof of delivery. If applicable,

the Board may employ default provisions. The Board may waive, in writing, breach of any provision of an award. Waiver of breach of any provision of the award shall not be deemed to be a waiver of any other breach and shall not be construed to be a modification of the terms of the grant award.

Whoever knowingly and willfully falsifies, conceals, or covers up by trick, scheme, or device, any material fact in an application for assistance submitted pursuant to the Violence Against Women Act, or in any records required to be maintained pursuant to this Act, shall be subject to prosecution. Whoever embezzles, willfully misapplies, steals, or obtains by fraud any funds, assets, or property which are the subject of a grant or contract pursuant to this Act, or whoever receives, conceals, or retains such funds, assets, or property with intent to convert such funds, assets, or property to his/her use or gain knowing that such funds, assets, or property have been embezzled, willfully misapplied, stolen, or obtained by fraud, shall be subject to prosecution.

GRANT CLOSE-OUT FINANCIAL REPORTING PROCEDURES

At the end of the grant period, the subgrantee should use these procedures to closeout the grant.

1. Expenses encumbered, but not paid prior to the end of the grant period date, should be identified as unpaid obligations on the last quarterly report. The encumbered expenses must be paid within 90 days of the end of the grant period. If the encumbered expenses are not paid within 90 days, the expenses will be disallowed.
2. The unpaid obligations that have been paid within the 90-day period should be shown as expenditures and included in the total project cost on the final report.
3. The federal share of funds drawn down and remaining at the end of 90-day period that were not obligated at the expiration date and/or were not expended within the 90 days must be returned to DAC.
4. The federal share of the remaining funds should be determined by taking the total allowable expenses times the percent of federal participation agreed to in the approved budget. This amount should then be subtracted from the amount advanced and the balance returned to DAC. Make all checks payable to the Office of Justice Programs and submit with the final report.
5. The federal share of the remaining funds should be determined by taking the total allowable expenses times the percent of federal participation agreed to in the approved budget. This amount should then be subtracted from the amount advanced and the balance must be returned.

6. Make all checks payable to the Office of Justice Programs and submit with the final report. Do NOT send the check with a DAC Check Transmittal Form.
7. List the subgrant number on the check.
8. Note in the memo section "Return of unexpended grant funds."
9. Mail the check to the District Attorneys Council, Federal Programs Division, 421 N.W. 13th St., Suite 290, Oklahoma City, OK, 73103.

AUDIT REQUIREMENTS

AUDIT OBJECTIVES

Awards are subject to conditions of fiscal, program, and general administration to which the subgrantee expressly agrees. Accordingly, the audit objective is to review the subgrantee's administration of funds and required non-federal contributions for the purpose of determining whether the subgrantee has:

1. Established an accounting system integrated with adequate internal fiscal and management controls to provide full accountability for revenues, expenditures, assets, and liabilities. This system should provide reasonable assurance that the organization is managing the Federal financial assistance in compliance with applicable laws and regulations.
2. Prepared financial statements, which are presented fairly, in accordance with generally accepted accounting principles.
3. Submitted financial reports (which may include Financial Status Reports, Cash Reports, and Claims for Advances and Reimbursements), which contain accurate and reliable financial data, and are presented in accordance with the terms of applicable agreements.
4. Expended Federal funds in accordance with the terms, applicable agreements and those provisions of Federal law or regulations that could have a material effect on the financial statements or on the awards tested.

All audits must be in compliance with OMB Circular A-133, Audit of State and Local Governments and Audits of non-profit organizations. A copy of the A-133 audit report must be submitted to DAC.

AUDIT THRESHOLD

Non-federal entities that expend \$500,000 or more in federal funds (from all sources including pass-through subawards) in the organization's fiscal year (12-month

turnaround reporting period) shall have a single organization-wide audit conducted in accordance with the provisions of OMB Circular A-133.

Non-federal entities that expend less than \$500,000 a year in federal awards are exempt from federal audit requirements for that year. Records must be available for review or audit by appropriate officials including the federal agency, DAC, and General Accounting Office (GAO).

DUE DATES FOR AUDIT REPORTS

Audits are due no later than nine months after the close of each fiscal year during the term of the award.

Mail a copy of the A-133 audit to DAC in addition to the requirements of OMB Circular A-133.

AUDIT REPORTING REQUIREMENTS

If the auditor becomes aware of illegal acts or other irregularities, the subgrantee must promptly notify DAC. The DAC shall, in turn, notify the cognizant Federal agency of the illegal acts or irregularities and of and of proposed and actual actions, if any. In addition, the DAC is responsible for informing the OJP's Office of the Comptroller, DOJ's Office of Professional Responsibility, the Office of the Inspector General, and State and local law enforcement agencies or prosecuting authorities, as appropriate, of any known violations of the law within their respective area of jurisdiction.

AUDIT COSTS

Audit costs for audits not required or performed in accordance with OMB Circular A-133 are unallowable. If the subgrantee did not expend \$300,000 or more in Federal funds during the fiscal year, but contracted with a certified public accountant to perform an audit, these costs may NOT be charged to the grant.

RESOLUTION OF THE AUDIT FINDINGS

In accordance with OJP Guideline Manual, *Financial and Administrative Guide for Grants*, a written report shall be prepared upon completion of the audit. DAC is responsible for submitting copies of the reports to each federal department or agency that provided federal assistance funds to the subgrantees.

If the auditor becomes aware of illegal acts or other irregularities, prompt notice shall be given to DAC. DAC, in turn, shall promptly notify the cognizant agency of the illegal acts or irregularities and of proposed and actual actions, if any.

FAILURE TO COMPLY

Failure to have audits performed as required may result in the withholding of new awards and/or withholding of funds or change in the method of payment on active grants.

APPENDIX A

CHART OF FORMS USED BY PSN GRANT PROGRAM

APPENDIX B

Form A-1

AUTHORIZATION TO SIGN PROJECT DOCUMENTS

APPENDIX C

Form A-2

BUDGET REVISION AND GRANT EXTENSION REQUEST FORM

APPENDIX D

**Form A-3
PSN REQUEST FOR FUNDS**

APPENDIX E
Form A-5
STATEMENT OF EQUIPMENT PURCHASES

APPENDIX F
Form A-6
EQUIPMENT INVENTORY FORM

APPENDIX G

Form A-8

QUARTERLY STATUS REPORT FOR PROJECT INCOME

APPENDIX H

Form A-9

CHANGE OF PROJECT DIRECTOR / FISCAL OFFICER

This publication is authorized and printed by the District Attorneys Council (DAC) in accordance with state and federal regulations. Cost of preparation and distribution is approximately \$4.70 per document. Federal funds will be used to pay 75% of this cost. DAC is in compliance with Title VI and Title VII of the 1964 Civil Rights Act and the Rehabilitation Act of 1973.

This project was supported by Grant No. 2003GPCX0506, awarded by the Bureau of Justice Assistance, United States Department of Justice. The opinions, findings, conclusions, or recommendations expressed in this publication are those of the authors and do not necessarily represent the official position or policies of BJA.