

**2005  
JUSTICE ASSISTANCE GRANT/  
LOCAL LAW ENFORCEMENT**

**FINANCIAL  
AND  
ADMINISTRATIVE  
GUIDE**

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## FORWARD

January 2, 2006

Dear Subgrantee:

On behalf of the Justice Assistance Grant Board and the District Attorneys Council (DAC), I want to congratulate you on receiving a Justice Assistance Grant for local law enforcement.

As you may know, the Federal Grants Division within the DAC is responsible for the management of six 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. *Justice Assistance Grant*
2. *National Criminal History Improvement Program*
3. *S.T.O.P. Violence Against Women Formula Grant*
4. *Residential Substance Abuse Treatment Grant*
5. *Project Safe Neighborhoods Grant*
6. *National Forensic Sciences Improvement Act Grant*

In administering these grants, the Federal Grants Division:

- Prepares the applications for the federal grant funds
- Ensures coordination between the federal funding sources and the subgrantees
- Provides staff support to the six oversight Boards and Task Forces
- Develops and distributes the grant application notices 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 Grants Division is to ensure the fiscal accountability and programmatic integrity of the federal grant program through 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.

Sincerely,

DeLynn Fudge  
Director of Federal Programs

## ADMINISTRATIVE/PROGRAMMATIC GUIDELINES

### GRANT PURPOSE

The Bureau of Justice Assistance (BJA), through the Justice Assistance Grant (JAG), authorizes States to award grants within six federal legislatively established purpose areas. The purpose of this grant is to prevent and control crime. The JAG blends two previous grants, the Edward Byrne Memorial Formula Grant and the Local Law Enforcement Block Grant, to provide the State with the flexibility to prioritize and place justice funds where most needed.

### RESTRICTIONS ON USE OF FUNDS

The JAG funds shall not be used directly or indirectly for security enhancements or equipment for nongovernmental entities that are not engaged in criminal justice or public safety. In addition, JAG funds shall not be used for vessels, aircraft, luxury items, real estate, or construction projects.

### BOARD PRIORITIES

The Justice Assistance Grant Board, comprised of 17 voting and non-voting members has tasked the JAG Enforcement Committee with setting priorities for funding, reviewing grant proposals, and approving awards for these grant funds. The Board has established priorities for the funding of the equipment. **Only** the following equipment can be purchased with the 2005 JAG LLE grant funds.

PRIORITY	CATEGORY	EXAMPLES
1	<b>Communications and Technology Equipment</b>	In-Car Mobile Data Systems In-Car Cameras Radios – Mobile and Hand Held Antennas Repeater Links and Systems
2	<b>Weapons</b>	Shotguns Rifles Gun Racks Shotgun Locks Gun Vaults
3	<b>Vehicle and Vehicle Related Equipment</b>	Vehicles Light Bars Strobes Deck Lights Directional Lights Partitions Flashlights

**The approved equipment may not be ordered before January 1, 2006, or after June 30, 2006. If the equipment is ordered outside of these dates, the purchase will be deemed an unallowable expense and the subgrantee will not be reimbursed for the expenditure.**

**AWARD PERIOD**

The contract period for this grant is January 1, 2006, through June 30, 2006.

**AWARD ACCEPTANCE PROCEDURES**

The Federal Grants Division in the DAC has forwarded the Award Document, the Special Conditions, and other critical documents to the subgrantee. 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, the Special Conditions and other critical documents within 15 days from the date of the award, or January 16, 2006.**

The following are the award documents that must be returned by January 16, 2006.

<b>DOCUMENT</b>	<b>INSTRUCTIONS</b>
<b>Award Notice</b>	Chief Executive Officer must sign and date. The document must be notarized. Return to DAC by <b>January 16th.</b>
<b>Special Conditions</b>	Chief Executive Officer and Project Director must sign and date. Return to DAC by <b>January 16th.</b>
<b>Form A-1 Authorization to Sign Project Documents</b>	Chief Executive Officer must sign and date. Return to DAC by <b>January 16th.</b>
<b>Form A-4 Certification of Equal Employment Opportunity Plan</b>	Complete requested information. Chief Executive Officer must sign and date. Return to DAC by <b>January 16th.</b>
<b>Form A10 – Statement of Audit Arrangements</b>	Complete requested information. Chief Executive Officer must sign and date. Return to DAC by <b>January 16th.</b>
<b>Form A-12 Disclosure of Lobbying Activities</b>	Complete requested information. Chief Executive Officer must sign and date. Return to DAC by <b>January 16th.</b>
<b>Budget Forms</b>	If the Board approved less than the amount requested in the original application, all budget forms including the narrative, must be resubmitted. Complete and return by <b>January 16<sup>th</sup>.</b>
<b>IRS Form W-9 Request for Taxpayer Identification Number and Certification</b>	Complete requested information. Chief Executive Officer must sign and date. Return to DAC by <b>January 16th.</b>

All documents must be signed by the Chief Executive Officer. Some documents may require the Project Director’s signature in addition to the Chief Executive Officer. **The Chief Executive Officer is the City Manager, Mayor, Chairperson of the County**

**Commissioners, or Tribal Leader.** The Project Director, Police Chief, or Sheriff does NOT have authorization to sign as the Chief Executive Officer.

This is a reimbursement award and no federal funds will be disbursed to the subgrantee until all award and close out documents have been received and approved by the DAC Federal Grants Division.

### **SPECIAL CONDITIONS**

Subgrantees should review and understand all Special Conditions prior to the acceptance of the award. Special Conditions *include* the terms and conditions of the award. Failure to comply with the award's Special Conditions may result in a withholding of funds.

**The Chief Executive Officer and the Project Director are required to sign the Special Conditions as follows:**

1. The subgrantee agrees that 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 and all other documents as required by the Federal Programs Division within **15 calendar days** from the start date on the Award, or January 16, 2006.
2. The subgrantee agrees to comply with the financial and administrative requirements set forth in the most current edition of the Justice Assistance Grant Local Law Enforcement Financial and Administrative Guide as developed by the Federal Grants Division in the District Attorneys Council and the financial and administrative requirements set forth in the current edition of the Office of Justice Programs (OJP) Financial Guide.
3. The **Project Director and the Fiscal Officer** assigned to the project must attend **one** of the mandatory Regional Financial Meetings, scheduled for January 13, 2006, January 20, 2006, **or** January 27, 2006. Further information on these meetings will be provided to the subgrantee.
4. The subgrantee must encumber the federal and matching funds by **June 30, 2006**, and pay all expenditures by **August 15, 2006**.
5. The subgrantee agrees to cooperate with any assessment, national evaluation efforts, or information or data collection requests, including, but not limited to, the provision of any information required for the assessment or evaluation of any activities within this project.
6. The subgrantee agrees to submit all fiscal and programmatic reports by the deadlines as set forth in the *Justice Assistance Grant/Local Law Enforcement Financial and Administrative Guide* developed by the Federal Programs Division

within the District Attorneys Council. If these deadlines are not met, the subgrantee understands that future awards may be jeopardized.

7. The subgrantee agrees not to purchase any vessels, aircraft, luxury items, or real estate with the federal grant funds. The JAG funds shall not be used directly or indirectly for security enhancements or equipment to nongovernmental entities that are not engaged in criminal justice or public safety.
8. The subgrantee agrees that federal funds under this award will be used to supplement, but not supplant, State or local funds.
9. The subgrantee agrees to comply with the organizational audit requirements of OMB Circular, A-133, Audit of States, Local Governments and Non-Profit Institutions.
10. If required, the subgrantee will submit an acceptable Equal Employment Opportunity Plan (EEOP) that is approved by the Office of Civil Rights. Failure to submit an approved EEOP is a violation of the Special Conditions and may result in suspension or termination of funding, until such time as the subgrantee is in compliance.
11. The subgrantee understands and agrees that it cannot use any federal funds, either directly or indirectly, in support of the enactment, repeal, modification, or adoption of any law, regulation or policy, at any level of government, without the express written prior approval of the District Attorneys Council.
12. The subgrantee agrees to comply with the National Environmental Policy Act (NEPA) and other related federal environmental impact analyses requirements in the use of these grant funds.
13. The subgrantee agrees to ensure that the federal share of this subgrant shall not exceed more than 75 percent of the total costs of the individual projects described in the subgrantee's approved project description.
14. The subgrantee agrees that if funded for a vehicle, the vehicle will be purchased outright and not on a lease-purchase option.

#### **CHANGE IN THE SCOPE OF THE PROJECT**

The subgrantee may only use the funds for the purposes approved in the application and the budget. **The JAG Board has determined that no revisions in the scope of the project will be approved.** A change in the scope of the project occurs when a subgrantee deviates and purchases equipment other than what was approved in the application.

## FISCAL RESPONSIBILITIES AND GUIDELINES

### PERSONNEL REQUIREMENTS

**The Project Director must be an employee of the applicant agency and 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 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 mayor, city manager, chairperson of the County Commission or an authorized tribal leader.

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

### MATCH REQUIREMENT

A 25% cash match is required. The federal share of the project may not exceed 75% of the total cost of the project.

The cash match portion of the project shall be in addition to funds that would otherwise be available for the project. An agency's overall budget may not decrease because of the federal funds.

In-kind match is not allowable under this grant program. An in-kind match is defined as non-cash resources, such as services, personnel, space, equipment, or other non-cash items.

### SOURCE AND TYPE OF FUNDS

Cash Match includes cash spent for project-related costs. Allowable cash match must include those costs which are allowable with Federal funds. Cash match may be applied from the following sources:

1. Funds from States and local units of government that have a binding commitment of matching funds for programs or projects.

2. Funds from the following:
  - a. Housing and Community Development Act of 1974, USC §5301, et seq. (subject to the applicable policies and restrictions of the Department of Housing and Development).
  - b. Appalachian Regional Development Act of 1965, 40 USC §214.
3. Equitable Sharing Program, 21 USC §881 (e) (current guidelines developed by the DOJ Asset Forfeiture Office apply). Forfeited assets used as match from the Equitable Sharing Program would be adjudicated by a Federal court.
4. Funds contributed from private sources.
5. Program income and the related interest earned on that program income generated from projects, provided they are identified and approved prior to making an award.
6. Program income funds earned from seized assets and forfeitures (adjudicated by a State court, as State law permits).
7. Funds appropriated by Congress for the activities of any agency of a Tribal government of the Bureau of Indian Affairs performing law enforcement functions on Tribal lands.
8. Sources otherwise authorized by law.

#### **TIMING OF MATCHING CONTRIBUTIONS**

The full matching share must be expended by the end of the award period.

#### **RECORDS FOR MATCH**

Subgrantees must maintain records which clearly show the source, the amount, and the timing of all matching contributions. Over-matching on a project is discouraged. It is preferable to report only the 25% requirement.

However, if a project chooses to over-match, the subgrantee is required to maintain the fiscal records on the over-match in the same manner as it does for the required match.

#### **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.

## **BUDGET REVISIONS**

**The JAG Board has determined that there will be NO budget revisions to change the scope of the project from the originally approved project.**

## **COMMINGLING OF FUNDS**

A physical segregation of funds is not required. However, the accounting systems of all subgrantees must ensure that funds are not commingled with funds from other Federal agencies. Each award must be accounted for separately.

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):

<b>FORM</b>	<b>DATE DUE</b>
<b>FORM A-5 STATEMENT OF EQUIPMENT PURCHASES</b>	Due August 31, 2006
<b>FORM A-6 EQUIPMENT INVENTORY</b>	Due August 31, 2006
<b>COPY OF INVOICES</b>	Due August 31, 2006

## **COMPLIANCE WITH FISCAL REPORTING REQUIREMENTS**

Subgrantees must submit all fiscal reports by the deadlines as set by the Federal Grants Division within the DAC. The Program Monitor for the grant program will maintain a checklist and routinely review compliance of the subgrantee in submitting the fiscal reports.

Should the dates for any programmatic report change, the subgrantee will be notified in writing of the new due dates.

## **STANDARD 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 Grants Division of the DAC.

### **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.

### **SEAT BELT USE**

Recipients of federal funds shall encourage the adoption and enforcement of on-the-job seat belt policies and programs for its employees when operating company owned, rented, or personally owned vehicles.

### **ACCOUNTING SYSTEM CRITERIA**

The subgrantee is free to use a manual, automated, or a combination manual and automated accounting system, if the system meets the following criteria:

1. The accounting system must identify the receipt and expenditure of grant and matching funds separately for each grant from the receipt and expenditure of other funds in the account and should be classified by source, such as JAG/LLE, Cash Match, etc.
2. The accounting system must provide for the recording of grant and match expenditures.

3. All entries in the accounting system should be supported by documentation, such as invoices and purchase orders, which support the entry and which can be readily located. The supporting documentation should reflect the appropriate project (subgrant) number.
4. 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.
5. The accounting system must include budgetary controls to avoid spending funds in excess of the total funds available for a grant.
6. Internal controls should be in place for approval of obligation and expenditure of funds. All requests for payments should contain not less than two different individuals authorizations for payment in accordance with the organization's policies and procedures. No single individual can have complete control over receipt and expenditure of funds.
7. The accounting system should include a system of property records for all equipment (discussed in the Equipment section).
8. All project records shall be maintained until an audit has been completed and all questions arising there from are resolved and five (5) years from the date of the final financial report.

### **RECOMMENDED ACCOUNTING PROCEDURES**

For many subgrantees, it may be sufficient to maintain journals showing cash receipts broken down by source, date, and amount and cash disbursements journals 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, a double entry set of books should be maintained. 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.

### **ACCOUNTING DOCUMENTATION**

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.

## **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 have the right of access to subgrantee records pertaining to the grant award. This access extends to any books, documents, 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.

## **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**

The purchase of equipment is the only allowable expenditure of funds in an approved budget. 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.

**The approved equipment may not be ordered before January 1, 2006, or after June 30, 2006. If the equipment is ordered outside of these dates, the purchase will be deemed an unallowable expense and the subgrantee will not be reimbursed for the expenditure.**

### **PROHIBITION ON USE OF FUNDS**

Units of local government may not expend funds provided under the JAG Grant to purchase, lease, rent or acquire any of the following:

- 1) tanks or armored vehicles
- 2) fixed wing aircraft
- 3) limousines
- 4) real estate
- 5) yachts
- 6) consultants

## **DEVIATIONS FROM APPROVED EQUIPMENT PURCHASES IN BUDGET**

**If a subgrantee purchases equipment different from the equipment approved in the budget, the purchase will be deemed as an unallowable expense and the subgrantee will not be reimbursed for the expenditures.**

## **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 and 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
11. Subgrant Project Number

## **LOSS, DAMAGE, OR THEFT OF EQUIPMENT**

Subgrantees are responsible for replacing or repairing 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 when the subgrantee provides certification to the DAC 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.

## **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 new property, please contact the Federal Grants 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**

### **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.

### **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.

## **OBLIGATION AND EXPENDITURE OF FUNDS**

All expenditures must be obligated by the end of the grant award period or June 30, 2006.

All obligations must be paid within 45 days of the end of the grant award period or August 15, 2006

## **SUSPENSION OF FUNDING**

A subgrant award may be terminated if a subgrantee fails to conform to the programmatic or fiscal requirements of the grant program as set forth in the Financial Guide of the Office of Justice Programs, the Administrative and Financial Guide for the JAG/LLE Grant, and/or the special conditions of the award.

The subgrantee will be notified in writing of its failure to conform to the programmatic and/or fiscal requirements of the grant program and any corrective action that must be taken, along with a deadline for compliance. If the subgrantee fails to bring the project into compliance with the programmatic and/or fiscal requirements of the grant program within the timeframe reflected on the notice, the staff will place the subgrantee on Draw Hold, not allowing any further draw of subgrant funds. If a subgrantee continues to fail to take appropriate corrective action and bring the project into compliance with the programmatic and/or fiscal requirements of the grant program, the staff will notify the National Forensic Science Task Force and the Justice Assistance Grant Board. The Board will, by written notice to the subgrantee, provide an opportunity for the subgrantee to appear before the Board to show cause why the grant should not be terminated. The Board, at the time set for the subgrantee to appear before the Board, may, after providing an opportunity for the subgrantee to address the Board, determine that the subgrantee is presently in compliance with the programmatic and/or fiscal requirements of the grant program and allow the grant to continue, give the subgrantee additional time to comply with programmatic or fiscal requirements, or terminate the grant award. If an award is terminated, the notice of termination shall be delivered by courier service, certified mail, or registered mail.

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 NFSIA Grant, or in any records required to be maintained pursuant to this grant program, 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 grant program, 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 personal 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 PROCEDURES

At the end of the grant period, the subgrantee should use the following chart in providing the programmatic reports to successfully close out the grant.

FORM	DATE DUE
FORM A-5 STATEMENT OF EQUIPMENT PURCHASES	Due August 31, 2006
FORM A-6 EQUIPMENT INVENTORY	Due August 31, 2006
COPY OF INVOICES	Due August 31, 2006

## 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 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**

Costs for audits not required or performed in accordance with OMB Circular A-133 are unallowable. If the subgrantee did not expend \$500,000 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**

Timely action on recommendations by responsible management officials is an integral part of the effectiveness of an audit. Each subgrantee shall have policies and procedures for responding to audit recommendations by designating officials responsible for:

1. Following up;
2. Maintaining a record of the action taken on recommendations and time schedules for completing corrective action;
3. Implementing audit recommendations; and,
4. Submitting periodic reports to DAC on recommendations and actions taken.

## **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 JAG/LLE GRANT PROGRAM**

**APPENDIX B**

**Form A-1**

**AUTHORIZATION TO SIGN PROJECT DOCUMENTS**

**APPENDIX C**  
**Form A-5**  
**STATEMENT OF EQUIPMENT PURCHASES**

**APPENDIX D**

**Form A-6  
EQUIPMENT INVENTORY FORM**

**APPENDIX E**

**Form A-9**

**CHANGE OF PROJECT DIRECTOR / FISCAL OFFICER**

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