

Victims of Crime Act VOCA

Financial & Administrative Guide

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INTRODUCTION

All recipients of VOCA grants will be required to perform the following procedures:

1. Retain all required project and financial records and reports, including all receipts and vouchers for a period of at least six (6) years after the project has ended or until all audit findings have been reconciled. If any litigation, claim, audit, or other action involving the records has started before the expiration of the six-year period, the records must be retained until all issues involving the records have been resolved and final action taken. When records are stored away from the subrecipient's principal office, a written index of the location of records stored should be on hand and ready access should be assured.
2. Submit monthly requests for funds, quarterly financial reports, quarterly performance measures, and subgrant award reports to the [District Attorneys Council \(DAC\)](#) which account for all expenditures by approved budget categories, match, and all program activity.
3. Abide by all state and federal regulations governing the expenditure of project funds.
4. Obtain an independent audit, if required, according to requirements set forth in this document.
5. Maintain records that support the quarterly data reported on the performance measurement tool (PMT). Additionally, recipients must be prepared to provide the status of the goals and objectives set out in recipient's grant application to VOCA monitors and possibly the [Office for Victims of Crime \(OVC\)](#) and/or [Office of Inspector General \(OIG\)](#) during site visits.

GENERAL SUBGRANT CONDITIONS AND ASSURANCES

Any subgrant award pursuant to the Crime Victim Assistance Grant shall be subject to and administered in conformity with applicable financial and programmatic requirements, as well as any special conditions, certified assurances, and any additional requirements requested by the DAC or OVC.

Subrecipients will comply with the provisions listed in this Guide and the current Office of Justice Programs "DOJ Grants Financial Guide." This document is available on the web at https://ojp.gov/financialguide/doj/pdfs/DOJ_FinancialGuide.pdf and many of the provisions of the DOJ Financial Guide are included.

The formal Grant Agreements that DAC enters into with each subrecipient requires compliance with all applicable federal, state, and local laws, regulations, executive orders and ordinances related to the expenditure of the grant money and the activities financed with the grant money. The VOCA grant application and award documents expressly require compliance with the following:

- 1) [Title VI of the Civil Rights Act of 1964, as amended, 42 U.S.C. § 2000d et seq.](#) prohibiting discrimination in programs or activities on the basis of race, color, and national origin;
- 2) [Omnibus Crime Control and Safe Streets Act of 1968, as amended, 42 U.S.C. § 3789d\(c\)\(1\)](#) prohibiting discrimination in employment practices or in programs and activities on the basis of race, color, religion, national origin, age, disability, and sex in the delivery of services;
- 3) [Section 504 of the Rehabilitation Act of 1973, 29 U.S.C. § 794 et. Seq.](#) prohibiting discrimination in employment practices or in programs and activities on the basis of disability;
- 4) [Title II of the Americans with Disabilities Act of 1990, 42 U.S.C. § 12131 and ORS 659.425](#) prohibiting discrimination in services, programs, and activities on the basis of disability;
- 5) [Age Discrimination Act of 1975, 42 U.S.C. § 6101-07](#) prohibiting discrimination in programs and activities on the basis of age;
- 6) [Title IX of the Education Amendments of 1972, 20 U.S.C. § 1681 et. seq.](#) prohibiting discrimination in educational programs or activities on the basis of gender;
- 7) [Services to Limited English-Proficient Persons \(LEP\)](#) which includes national origin discrimination on the basis of limited English proficiency; and
- 8) [Equal Treatment for Faith-Based and Community Organizations is the Equal Treatment Regulation, codified at 28 C.F.R. Part 38, Executive Order 13279](#) ensuring equal treatment for Faith-Based Organizations and nondiscrimination of beneficiaries on the basis of religious belief.

Civil Rights Compliance

All grant subrecipients must have written procedures in place for receiving discrimination complaints from employees, clients, customers, and program participants. The policies should explain the process for receiving complaints. All complainants must be notified in writing that a complainant may also file the complaint directly with the U.S. Department of Justice, Office of Justice Programs, and Office for Civil Rights, at 810 7th Street, NW, Washington, DC 20531.

All grant subrecipients are required to post a “Civil Rights Fact Sheet” in an area open to the public. The fact sheet should contain the full or condensed civil rights statement required by the Department of Justice (DOJ), which is provided below. The DOJ also requires program subrecipients to include the civil rights statement in all forms of communication available to the public concerning program availability.

Full Civil Rights Statement In accordance with federal law and U.S. Department of Justice policy, this organization is prohibited from discriminating on the basis of race, color, national origin, religion, sex, age, or disability. To file a complaint of discrimination, write Office of Civil Rights, Office of Justice Programs, U.S. Department of Justice (“OCR”), 810 7th Street,

NW, Washington, DC 20531 or call 202-307-0690 (Voice) or 202-3087-2027 (TDD/TYY). Individuals who are hearing impaired or have speech disabilities may also contact OCR through the Federal Relay Service at 800-877-8339 (TTY), 877-877-8982 (Speech) or 800-845-6136 (Spanish).

Condensed Civil Rights Statement The statement should read: *The USDOJ and <organization name> are equal opportunity providers and employers.* Monitoring visits will include verification compliance with civil rights requirements. For a sample presentation, contact VOCAhelp@dac.state.ok.us. The District Attorneys Council's *Methods of Administration to Ensure Compliance with Federal Civil Rights Laws for Subrecipients of Federal DOJ Funding* can be found using the following link: [District Attorneys Council Methods of Administration](#).

I. CONFLICTS OF INTEREST

Individuals within the VOCA-funded organization are required to use federal funds in the best interest of the VOCA award. Decisions related to these funds must be free of personal or organizational conflicts of interest, both in fact and in appearance. Any individuals with a possible or potential conflict of interest, is required to disclose it in writing to the District Attorneys Council pursuant to [2 C.F.R. § 200.112](#).

A. **Conflict in Fact**

In the use of VOCA award funds (direct or indirect), the subrecipient should not participate in any decisions, approval, disapproval, recommendations, investigations, or other proceedings that involve any of the following people or groups:

- 1) An immediate family member;
- 2) A partner;
- 3) An organization in which they are serving as an officer, director, trustee, partner, employee; or
- 4) Any person or organization that is negotiating or has an arrangement for prospective employment, has a financial interest, or for other reasons can have less than an unbiased transaction with the subrecipient.

B. **Conflict in Appearance**

In the use of award funds, subrecipients should avoid any action which might result in, or create the appearance of:

- 1) Using the official position for private gain;
- 2) Giving special treatment to any person;
- 3) Losing complete independence or objectivity;
- 4) Making an official decision outside official channels; or
- 5) Negatively affecting the confidence of the public in the integrity of the Government or the program.

C. **Typical Conflict of Interest Issues**

- 1) Less-than-arm's-length transactions involve the act of purchasing goods or services or hiring an individual from a related party such as a family member or a business associate of the recipient.
- 2) Failure to use fair and transparent processes for subrecipient decisions and vendor

selection. These processes must be fair, transparent, and free of undue influence and most procurement requires full and open competition.

- 3) Consultants can play an important role in VOCA programs; however, subrecipients must ensure that a consultant's work conforms to all regulations. Additionally, subrecipients must adhere to a fair consultant selection process, reasonable pay rates, and specific verifiable work product.

II. OK GRANTS APPLICATION AND USER GUIDE LINKS

All VOCA applications and subsequent award documents, financial documents, and progress reports are completed and submitted through the online grants website, OKGrants: <https://grants.ok.gov>. Potential users must request access to the system and be approved. Subrecipients are responsible for keeping organizational information and members' access up-to-date. Click here for a copy of the [OKGrants DAC Grantee User Guide](#).

III. CONDITIONS OF AWARD AND ACCEPTANCE

A. Award Document

After completion of the internal review process, the selected recipients will receive a formal Award Packet which can be found in OKGrants. The Award Packet includes the Award Notice, which is the actual contract for the award and includes the name of the subrecipient, award period, type of federal funds, amount of federal funds, match amount, award number and any special conditions. A separate document showing all of the information regarding the federal grant(s) used to fund the subaward is uploaded into OKGrants for the subrecipient, in accordance with 2 CFR 200. The certified assurances, signed by the authorized official for the grant recipient, are included in the application and should be shared among VOCA program staff after the award.

Awarded budget categories are located on the VOCA Award Budget Summary page in OKGrants. Other forms included with the award packet are listed as follows:

- 1) Award Packet Instructions
- 2) VOCA Award Budget Summary
- 3) Award Notice
- 4) Certifications of Equal Employment Opportunity Plan
- 5) Certification of Privacy
- 6) Certification of Confidentiality
- 7) Certification of Compliance with Open Meetings Act
- 8) Statement of Audit Arrangements
- 9) Certification of Project Income
- 10) Disclosure of Lobbying Activities Form
- 11) Accounting System Review

B. Acceptance of Award

The Award Contract is the operative document obligating and reserving federal funds to be used by subrecipient in execution of the program or project covered by the award. Such obligation may be terminated without further cause if the recipient fails to affirm its timely utilization of the award by electronically signing all documents in the Award

Packet and submitting them through OKGrants. It must be submitted by the designated date, which is provided to recipients during the financial training meeting that takes place prior to the start of the project. No federal funds will be disbursed to the subrecipient until the completed packet has been submitted to DAC.

C. Commencement of Project

If a project is not operational on the original start date shown on the award contract, the subrecipient must report this information in writing to the DAC by e-mailing VOCAhelp@dac.state.ok.us. The notice should include the steps taken to initiate the project, the reasons for delay, and the expected start date. The subrecipient must also complete and submit a Grant Adjustment Notice (GAN), which can be found in OKGrants.

IV. AGENCY ADMINISTRATOR/PROJECT DIRECTOR

The Agency Administrator (also known as the Project Director) is the individual who will be in direct operational charge of the project. The Project Director should be the person who combines knowledge and experience in the project area with ability in administration and supervision of personnel. Additionally, they share responsibility with the Financial Officer for seeing that all expenditures are within the approved budget. Any change of the Project Director should be made by submitting a Grant Adjustment Notice (GAN) found in OKGrants. Contact VOCAhelp@dac.state.ok.us or call 405-264-5006 for assistance with this process.

V. AUTHORIZED OFFICIAL

The Authorized Official is the individual with the legal authority to enter into contracts for the organization. For non-profit agencies, this individual is usually the Board Chairperson/President. For local or state government agencies, this individual may vary and could include the City Manager, Mayor, County Commissioner, District Attorney, or government agency head. Any change of the Authorized Official should be made by submitting a Grant Adjustment Notice (GAN) in OKGrants. Contact VOCAhelp@dac.state.ok.us or call 405-264-5006 for assistance with this process.

VI. FINANCIAL OFFICER

The Financial Officer is the person responsible for fiscal matters relating to the project and is ultimately the one in charge of accounting, management of funds, verification of expenditures, and subgrant financial reports. The Financial Officer must be someone other than the Project Director or Authorized Official. Any change of the Financial Officer should be made by submitting a Grant Adjustment Notice (GAN) in OKGrants. Contact: VOCAhelp@dac.state.ok.us or call 405-264-5006 for assistance with this process.

VII. ACCOUNTING RECORDS

A. Accounting System

Subrecipients are required to establish and maintain adequate accounting systems and financial records and to accurately account for funds awarded to them. There must be a financial management system in place that is able to record and report on the receipt, obligation, and expenditure of grant funds. Organizations should keep detailed accounting records and documentation in order to track, at a minimum, all of the following information:

- 1) Federal funds awarded;
- 2) Federal funds drawn down;
- 3) Matching funds of state, local, and private organizations, when applicable;
- 4) Program income;
- 5) Subawards (amount, purpose, award conditions, and current status);
- 6) Contracts expensed against the award; and
- 7) Expenditures.

Consult [2 C.F.R., Subpart D, Part 200](#), including [2 C.F.R. § 200.302](#) for more information.

B. Adequate Accounting System

An adequate accounting system can be used to generate reports required by the awarding agency and federal agencies. The system must support **all** of the following:

- 1) Financial reporting that is accurate, current, complete, and compliant with all financial reporting requirements of the subaward;
- 2) Accounting systems should be able to account for subawarded funds separately (no commingling of funds);
- 3) An adequate accounting system allows programs to maintain documentation to support all receipts and expenditures and obligations of federal funds; and
- 4) An adequate accounting system collects and reports financial data for planning, controlling, measuring, and evaluating direct and indirect costs.

C. Internal Control

The accounting system should allow the subrecipient to exercise effective control and accountability for all subgrant cash, real and personal property, and other assets. Subrecipients must adequately safeguard all such property and assure that it is used solely for authorized purposes. Please consult [2 C.F.R. § 200.303](#) for additional information.

D. Budget Control

The accounting system should let the subrecipient compare actual expenditures or outlays with budgeted amounts for each subaward. It also must relate financial information to performance or productivity data, including the development of unit cost information whenever appropriate or specifically required in the subaward agreement.

E. Allowable Cost

The accounting system should support the subrecipient in making sure the federal cost principles, agency program regulations, and the terms of the subgrant agreements are

followed. In addition, the accounting system should support the subrecipient in determining the reasonableness, allowability, and allocability of costs.

F. Source Documentation

The accounting system should require the subrecipient support accounting records with source documentation (e.g., canceled checks, paid bills, payrolls, time and attendance records, and contract and subgrant award documents).

G. Cash Management

VOCA is a reimbursement grant; therefore, subrecipients should not have any balance of federal cash on hand.

H. Match Required

The VOCA Grant requires a 25% match of the awarded amount, unless a full or partial match waiver has been granted by OVC. Effective August 8, 2016, there is no match requirement for tribal subrecipients. A match may be in the form of cash and/or in-kind contributions provided such contributions adhere to the following rules:

- 1) Are verifiable in the program's records;
- 2) Are not included as part of cost sharing for any other federal grant;
- 3) Are necessary and reasonable for proper and efficient accomplishment of the project objectives;
- 4) Are types that are allowable costs under the grant;
- 5) Are not contributions by the Federal government;
- 6) Are provided for in the approved budget of the grant agreement; and
- 7) Are in accordance with the VOCA Rules and the [OJP Financial Guide](#).

I. Cash Match

A cash match includes cash spent for project-related costs. An allowable cash match must include costs which are allowable with Federal funds, except acquisition of land, when applicable. A 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 contributed from private sources.
- 3) Program income generated from projects and the related interest earned on that program income, provided these projects are identified and approved as part of the budget and awarded application.
- 4) Sources otherwise authorized by law.

J. In-Kind Match

An in-kind match, includes but is not limited to, the valuation of in-kind services. In-kind is the value of something received or provided that does not have a cost associated with it. For example, the value of donated services could be used to comply with match requirements. In-kind contributions by the program, excluding volunteers, will be valued at actual cost.

- 1) **Value of Donated Expendable Property:** Donated expendable program property includes such items as expendable equipment, office supplies, or training materials. Values

assessed to expendable personal property to be included in the cost or matching share should be reasonable and should not exceed the fair market value of the property at the time of donation.

- 2) **Value of Donated Non-Expendable Property:** The method used for charging matching share may differ for donated non-expendable property, depending upon the purpose of the grant as follows:
 - a. If the purpose of the grant is to furnish equipment, etc., to the victims' assistance program or otherwise provide a facility, the total value of the donated property may be claimed as a matching share.
 - b. If the purpose of the grant is to support program activities that require the use of equipment, etc., use charges or fair market rental value for the equipment may be made.
- 3) **Value of Donated Property:** The value of donated non-expendable property shall not exceed the fair market value of equipment and property of the same age and condition at the time of donation.
 - a. The value of donated space shall not exceed the fair rental value of comparable space as established by an independent appraisal of comparable space and facilities in a privately-owned building in the same locality.
 - b. The value of loaned equipment shall not exceed its fair rental value and it shall be documented that it will remain in the program for the entire project period.
- 4) **Value of Volunteer Services:** Volunteer services may be furnished by professional and technical personnel, consultants, and skilled and unskilled laborer(s). Volunteered service may be counted as cost sharing or matching if the service is an integral and necessary part of the approved program.
 - a. Rates for volunteers should be consistent with the rates paid for similar work in other activities of the state, local government, or non-profit organizations. The rates should be consistent with those paid for similar work in the labor market in which the program competes for the kind of services involved. Non-professional volunteers' time will be calculated at minimum wage. Para-professional volunteers' time may be calculated at a higher rate.
 - b. When an employer other than the victims' assistance subrecipient furnishes the services of an employee, these services shall be valued at the employee's regular rate of pay (exclusive of fringe benefits and overhead cost) provided these services are in the same skill for which the employee is normally paid.
- 5) **Supporting Records Requirement for Match:** The following requirements pertain to the subrecipient's supporting records for in-kind contributions from non-federal third parties.
 - a. Volunteer services must be documented at the service delivery site through signed and certified time sheets and/or activity logs.
 - b. The basis for determining the valuation for personal services, materials, equipment, etc., must be documented and maintained at the service delivery rate.
- 6) **Records of Contributions:** Subrecipients should have a record of cost or matching contributions and the record should show the source, amount, and timing of the contribution. Records are subject to audit and exceptions in the same manner and to the same extent as books and records dealing with the receipt and disposition of

federal grant funds. In addition, if the victims' assistance program has included contributions greater than the required matching shares within its approved budget, the program must maintain the same records for the excess contributions.

- 7) **Equipment Match:** Equipment leased or donated to a program must be operational and usable.
- 8) **Timing of Matching Contributions:** Matching contributions do not need to be applied at the exact time or in proportion to the obligation of the federal funds. However, the full matching share must be obligated by the end of the award period.

K. Total Cost Budgeting and Accounting

Accounting for all funds awarded by DAC shall be structured and executed on a "total program cost" basis (federal grant funds plus match).

L. Commingling of Funds

The accounting system must ensure that agency funds are not commingled with funds from other federal agencies. Each award must be accounted for separately. Subrecipients are prohibited from commingling funds on either a program-by-program basis or a project-by-project basis. Funds specifically budgeted and/or received for one project may not be used to support another. Where a subrecipient's accounting system cannot comply with this requirement, the subrecipient shall establish a system to provide adequate fund accountability for each project.

M. Cash on Hand

VOCA is a reimbursement grant only. Subrecipient organizations should request funds based upon immediate reimbursement requirements. Funds will not be made in a lump sum, but rather disbursed over time as project costs are incurred. Draw down requests should ensure that federal cash on hand is the minimum needed for reimbursements and funds should be deposited immediately.

N. Obligation of Funds

An obligation occurs when funds are encumbered on a valid purchase order or requisition to cover the cost of purchasing an authorized item on or after the grant start date and up to the last day of the grant period. Any funds not properly obligated by the subrecipient within the award period will lapse and revert to the DAC. The obligation deadline is the last day of the grant period unless otherwise stipulated (e.g., The award period is 10/1/17 to 9/30/18, the obligation deadline is 9/30/18 unless the project deadline is extended with prior approval from the DAC). A Grant Adjustment Notice (GAN) within OKGrants is required to extend a grant period.

O. Expenditure of Funds

Federal funds which have been properly obligated by the end of the award period will have 90 days to be expended. Any funds not expended at the end of the 90-day period will lapse and revert to the DAC (e.g., If the award period is 10/1/17 to 9/30/18, the obligation deadline is 9/30/18 and the expenditure deadline is 12/30/18).

P. Supplanting

Federal funds must be used to supplement existing funds for program activities and not replace those funds which have been appropriated for the same purpose. Potential supplanting will be the subject of application review, as well as pre-award review, post-award monitoring, and audit. If there is a potential presence of supplanting, the applicant or grantee will be required to supply documentation demonstrating that the reduction in non-federal resources occurred for reasons other than the receipt or expected receipt of federal funds. The VOCA non-supplanting requirement applies only to local and state public agencies. It does not apply to non-profit agencies.

Q. Failure to Properly Support the Use of VOCA Funds

A federal award agreement creates a legal and binding obligation. As a subrecipient, it obligates you to:

- 1) Use the award as outlined in the agreement.
- 2) Act with integrity when applying for and reporting your actual use of funds.
- 3) Properly track the use of funds and maintain adequate supporting documentation.

R. Typical Issues Involving Failure to Properly Support the Use of VOCA Funds

- 1) Deliberate redirection of the use of funds in a manner different from the purpose outlined in the award agreement.
- 2) Failure to adequately account for, track, or support transactions such as personnel costs, contracts, indirect cost rates, matching funds, program income, or other sources of revenue.

VIII. PROGRAM INCOME

A. Definition

Program income is gross income earned by the subrecipient that is directly generated by a VOCA-supported activity or earned as a result of the VOCA award during the project period. See [2C.F.R. § 200.80](#). Program income includes but is not limited to income from fees for services performed.

B. Use of Program Income

Subrecipients can either use program income to advance the program objectives or refund the program income to the District Attorneys Council. Most subrecipients having program income must use the program income to offset total allowable costs, and reduce the VOCA award. A Program Income Report can be located by clicking on the following link on the DAC Website: [Program Income Report](#). This report should be uploaded into OKGrants monthly, as income is collected, prior to submitting the monthly request for funds through OKGrants. Program income may only be used for allowable program costs and must be spent prior to drawing federal funds. See [2C.F.R. § 200.305\(b\)5](#).

C. Sale of Property

This section covers both real property and personal property. Real property typically includes things like land and buildings. Personal property includes tangible personal

property, which is classified as either equipment or supplies; and intangible personal property, which includes things having no physical existence, like trademarks, copyrights, and patents. See definitions in [2 C.F.R. § 200.1](#). DOJ expects subrecipients of federal funds to use good judgment when purchasing, managing, and disposing of property paid for by federal funds. If a recipient or subrecipient uses award funds to purchase new property when suitable property is already available within the relevant organization, this use will be considered an unnecessary expenditure.

D. Royalties

Subrecipients may keep all royalties received from copyrights, patents, inventions, or other works developed under projects, unless the terms and conditions of the project provide otherwise or a specific agreement governing such royalties has been negotiated between the DAC and the subrecipient. See [2 C.F.R. § 200.80](#).

E. Attorney's Fees and Costs

If you receive income after completion of the project related to a court-ordered award of attorney's fees or costs, it is program income to the extent that it represents a reimbursement for attorney's fees and costs originally paid under the award. This type of program income is subject to the restrictions stated in the award. See [2 C.F.R. § 200.80](#).

F. Registration/Tuition Fees

These types of program income must be treated in accordance with the instructions stated in the project's terms and conditions. See [2 C.F.R. § 200.80](#).

G. Other Guidelines

In the absence of other restrictions on disposition contained within the award or the terms and conditions of the project, program income shall be added to the funds committed to the VOCA project. The program income shall be used by the subrecipient for any purpose that furthers the broad objectives of the legislation under which the award was made (i.e. expanding the project or program, continuing the project or program that furthers the broad objectives of the state, obtaining equipment or other assets needed for the project or program, or for other activities that further the project's objectives). VOCA subrecipients will be responsible for the implementation and compliance of program income guidelines. Technical assistance, where needed, will be provided by DAC.

H. Accounting for Program Income

All income generated as a direct result of an agency-funded project shall be deemed program income. It must be used for the purposes and under the conditions applicable to the award. The federal portion of program income must be accounted for up to the same ratio of federal participation as funded in the project or program. For example, if a VOCA project has 80% federal funding and 20% non-federal funding, and the total program income earned by the grant is \$10,000.00, \$8,000.00 must be accounted for and reported by the subrecipient as program income on the [Project Income Report](#). See *Use of Program Income* in this guide for instructions on when to submit the report.

FINANCIAL MANAGEMENT TIP

1. Spend program income prior to drawing funds.
2. Supplement the award-supported project with program income dollars.
3. Reduce project costs with program income.
4. Send back any unused program income to DAC at the end of the project

IX. PUBLICATION

A. General

To be considered allowable, publication costs must be incurred for work according to a process the subrecipient has described in the approved grant application or an approved grant adjustment notice.

B. Project Activities

Project Directors are encouraged to make the results and accomplishments of subrecipient activities available to the public. If a subrecipient publicizes project activities and results, these parameters must be followed:

- 1) The publication must include the following statement: “The opinion, 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 Office for Victims of Crime (OVC), Department of Justice (DOJ), or the Oklahoma District Attorneys Council (DAC).”
- 2) The publication must not convey DOJ, OVC, or DAC’s official recognition or endorsement for the subrecipient’s project simply based on having received funding.
- 3) The subrecipient may file a separate application for Official Recognition with the DAC.

In all materials publicizing or resulting from award activities, you must acknowledge the Department of Justice assistance. An acknowledgement of support shall be made through the use of the following or comparable footnote:

“This project was supported by Award No. _____, awarded by the Oklahoma District Attorneys Council Office through a USDOJ Office for Victims of Crime formula grant.”

X. IMPLEMENTATION OF NEW PROJECTS

A. New Project Start-Up

Many new projects require several months of start-up activity after they are awarded funds to become operational. However, no funds will be issued by DAC until the project achieves operational status. In order to determine a project’s progress during this start-up

period, monthly reports from the project director may be required. If the project is not operational by the contract start-up date, DAC should be contacted in writing.

XI. BUDGET CATEGORIES

A. Personnel

- 1) **Personnel Costs:** Charges made to federal awards for salaries, wages, and fringe benefits must be based on records that accurately reflect the work performed and comply with the established policies and practices of the organization, and as follows: See [2 C.F.R. § 200.430](#).
 - a. Charges must be supported by a system of internal controls which provides reasonable assurance that the charges are accurate, allowable, and properly allocated.
 - b. Documentation for charges must be incorporated into the official records of the organization.
 - c. Support must reasonably reflect the total activity for which the employee is compensated by the organization and cover federally funded and all other activities. The records may include the use of subsidiary records as defined in the organization's written policies, such as activity logs.
 - d. Where grant recipients work on multiple grant programs or cost activities, documentation must support a reasonable allocation or distribution of costs among specific activities or cost objectives.
 - e. In cases where two or more grants constitute one identified activity or program, salary charges to one grant may be allowable after written permission is obtained from the awarding agency.
 - f. Accurate time and attendance records are required to be maintained on all personnel whose salary is charged in full or in part to the project, and whether paid by matching funds or federal funds. These records should contain the following minimum information and should be available for review as requested by the VOCA Program Monitor: date (day, month, and year); employee's name and title; total daily hours charged to the project and other funding sources; employee's signature; signature of supervisor or project director; and the subgrant number. Time and effort reports are also required for consultants.

□ FINANCIAL MANAGEMENT TIP

Examples of items that may support salaries and wages can include timesheets, time and effort reports, or activity reports that have been certified by the employee and approved by a supervisor with firsthand knowledge of the work performed. Payroll records should also reflect, after the fact distribution of actual activities or certifications of employee's actual work performed.

- 2) **Personnel Policies and Procedures:** The subrecipient should have written personnel policies and procedures with regard to: work hours (holidays, vacation, and

sick leave); overtime pay and compensatory time (payment of these premiums will be for work performed by grant employees in excess of the established work week which is usually 40 hour, and payment of continued overtime is subject to periodic review by DAC); termination; qualifications; and written job descriptions. See [2 C.F.R. § 200.430](#).

Project officials must ensure that employees on the project are not receiving dual compensation (i.e., being paid with the grant funds while receiving salary from another source). Note, if existing personnel in a governmental agency are transferred to work on the project from another area, and are paid with federal or matching VOCA funds, additional personnel must be hired to fill the positions vacated as a result of the transfer to avoid supplanting issues.

- 3) **Two or More Federal Grant Programs:** Where salaries apply to execution of two or more grant programs or cost activities, proration of costs to each activity must be made based on time and/or effort reports. In cases where two or more grants constitute one identified activity or program, salary charged to one grant may be allowable after written permission is obtained from the DAC. Salary supplements including severance provisions and other benefits with non-federal funds are prohibited without approval from DAC.
- 4) **Extra Work:** A state or local government employee may be employed by a subrecipient, in addition to his full-time job, provided the work is performed on the employee's own time, and:
 - a. The compensation is reasonable and consistent with that paid for similar work in other activities of state or local government;
 - b. The employment arrangement is approved and proper under state or local regulations (no conflict of interest); and
 - c. The time and/or services provided are supported by adequate documentation.
- 5) **Overtime Compensation:** Unless specifically exempted under the Fair Labor Standards Act, subrecipient employees should be compensated with overtime payments for work performed in excess of the established work week (usually 40 hours). Payment of more than occasional overtime is subject to periodic review by the awarding agency. In addition, overtime compensation is typically reviewed during site visits and audits.

Executive, administrative and professional employees who meet the criteria for an exemption from the overtime requirements of the Fair Labor Standards Act may not be reimbursed for overtime under grants and cooperative agreements. More information on overtime exemptions under the Fair Labor Standards Act is available on the [Department of Labor's](#) website.

□ FINANCIAL MANAGEMENT TIP

In no case is dual compensation allowable. That is, an employee may not receive compensation from his/her organization AND from an award for a single period of time (e.g., 1 to 5 p.m.), even though such work may benefit both activities.

B. Supplies and Operating Expenses

- 1) **Documentation:** Receipts or invoices are required for all supplies and operating expenses. Itemized bills should be approved by the project director prior to payment and should reflect the date paid with the check number to avoid duplicate payment, or a copy of the check should be attached to the source document. The order date should appear on all invoices to verify the cost is allowable. Copies of all transactions should be available for review during either an on-site visit or a desk review.
- 2) **Receipts and Invoices:** These records shall be kept and made available upon request and be included for the following items: supplies, telephone (itemized bill of actual cost for projects sharing phones with another division); duplicating costs (if sharing machine, bill should show number of copies times rate charged); rent; and all other operating expenses approved in the budget.
- 3) **Procedures:** Invoices should be itemized and the amount to be paid 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.
- 4) **Disposition:** If there is a residual inventory of supplies exceeding \$5,000.00 in total aggregate fair market value upon termination or completion of the funding support, and the supplies are not needed for any other federally-sponsored programs or projects, the subrecipient shall compensate DAC for the federal share of the supplies.

C. Travel

- 1) **General:** If travel is part of the subgrant project, the travel must take place within the grant period. These costs must be in accordance with federal and state travel policies or an approved organizational travel policy. Travel expenditures should be recorded on a travel voucher.
- 2) **Travel Voucher:** All expenditures for travel should be substantiated by travel vouchers which contain the following information: name of employee; reason for travel; travel to and from; online GPS report (e.g. MapQuest) showing actual private car mileage; date and time of departure and return; signature of employee; approval date and signature of project director or supervisor; and subgrant number.
- 3) **Documentation of Travel Expenditures:** The travel expenditures should be properly documented with the following attached to the voucher: paid lodging receipts; paid car rental bill and justification for renting rather than using public transportation; and airplane fare or other commercial transportation ticket.
- 4) **Reimbursement Rate Provisions:** If meals and lodging at the meeting, workshop, or other objective of travel are furnished as a package plan, reimbursement may be made based upon receipt, but at a daily rate not to exceed the total daily rate otherwise provided in the Per Diem Section of the U.S. General Services website: www.gsa.gov. Travel status for the purpose of meals and lodging shall be defined as

absence from the employee's home and/or official station area, while performing assigned official duties. Reimbursement for meals and lodging on out-of-state trips shall not begin more than 24 hours before or continue more than 24 hours after the objective of the trip ends (e.g., conference, meeting or training).

- 5) **Lodging Reimbursement:** Overnight lodging while in official travel status may be made based upon a receipt issued by a hotel, motel, or other public lodging place, according to the federal per diem rate for the location. See [Per Diem rates section of the U.S. General Services Administration \(GSA\) website](#). Those attending meetings which are conducted at a designated public lodging place, where lodging has been arranged by the blocking of rooms or rate reductions are provided for the participants by the sponsor, as evidenced by the notice of the meeting, will be reimbursed the actual lodging rate, not to exceed the single occupancy room rate charged.
- 6) **Meals and Incidentals Reimbursement:** Expenses should be documented and the cumulative amount, per day, while on VOCA-funded (or match) travel may exceed the current federal per diem rate for the location. State-funded organizations should use the state per diem rate, if less than the federal per diem rate. In computing reimbursement, a day shall be a period of 24 hours. Reimbursement for each ¼ day consisting of 6 hours, or a major fraction thereof (more than 3 hours), may be made at the rate of ¼ of the per diem rate. Provided, however, that no reimbursement for meals and incidentals shall be made for periods that do not include overnight status. Any single expense item of \$75.00 or more requires a receipt. Tips are included in the accounting of meals and incidentals (per diem). Any meals included as part of a conference registration fee attended by the subrecipient, should be deducted from the travel and per diem expense claim.
- 7) **Transportation:** In-state travel by privately owned vehicles may be reimbursed at a rate not to exceed the current federal mileage rate (based on the distance set forth in the latest Oklahoma Department of Transportation road map). 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 the coach airplane fare. Out-of-state travel reimbursement, regardless of the mode of travel (including privately owned vehicle), shall not exceed that of coach airplane fare. Local transportation (taxicab fares) in-state will be reimbursed only upon justification as to the necessity for their use. Local transportation costs incurred during out-of-state travel may be reimbursed on the basis of an itemization of such costs. State agencies and subdivisions must use the State travel reimbursement rate that was in effect at the time of the travel to calculate mileage.
- 8) **Reimbursement of Leased or Rented Automobiles:** The actual cost of leasing or renting an automobile to be used on official business for the organization out-of-state, shall be reimbursed subject to the approval of the organization head or authorized designee.
- 9) **Miscellaneous Expenses Reimbursement:** Miscellaneous travel expenses, such as communication charges and registration fees for attending workshops, must be itemized. Reimbursement claimed for necessary parking and turnpike fees incurred

for official project business must also be itemized.

D. Equipment Purchases

- 1) **Ownership of Equipment:** Unless more specific rules are identified, title to equipment acquired under a VOCA award will vest in the subrecipient's organization. The legal right of ownership and conditions for use, management, and disposal of equipment are set forth in [2 C.F.R. § 200.313](#), and are described below.
- 2) **Use of Equipment:** Subrecipients shall use equipment in accordance with the following requirements:
 - a. State entities must use equipment acquired under a federal award in accordance with State laws and procedures.
 - b. Subrecipients other than States must use equipment acquired under the VOCA subaward for the authorized program or project purposes for which it was acquired as long as needed, whether or not the project or program continues to be supported by VOCA funds. When no longer needed for the original program or project, the equipment may be used in other activities currently or previously supported by a federal award.
 - c. Subrecipients must also make equipment available for use on other projects or programs currently or previously supported by the federal government, provided the use does not interfere with the work on the projects or programs for which it was originally acquired. First preference for other use should be given to other programs or projects supported by the awarding agency.
 - d. User fees should be considered and treated as program income to the project, when appropriate. See [2 C.F.R. § 200.307](#).
 - e. During the time the federal government retains an interest in the equipment, the non-federal entities must not use equipment acquired with a federal award to provide services for a fee that is less than what private companies charge for equivalent services, unless doing so is specifically authorized by law. See [2 C.F.R. § 200.313\(c\)\(3\)](#).
 - f. When acquiring replacement equipment, subrecipients may use the equipment to be replaced as a trade-in, or may sell the equipment and use the proceeds to offset the cost of the replacement equipment, subject to the written approval of DAC.
 - g. Subrecipients must not encumber equipment acquired under a federal award without approval of DAC.
- 3) **Management of Equipment:**
 - a. State entities must ensure equipment acquired under a federal award to the State is managed in accordance with State laws and procedures for property.
 - b. Subrecipients, other than state entities, must use procedures for managing equipment (including replacement of equipment), acquired in whole or in part under a federal award, until disposition takes place, that at a minimum meet the following requirements:

- i. Maintain property records that include all of the following information: description of the property; serial number or other identification number; source of the property, including the federal award identification number; identification of the title holder; acquisition date; cost of the property; percentage of federal participation in the cost of the property; location of the property; use and condition of the property; disposition data, including the date of disposal and sale price.
 - ii. Must take a physical inventory of the property and reconcile the results with the property records at least once every 2 years.
 - iii. Must establish and use adequate maintenance procedures to keep the property in good condition.
 - iv. Must have a control system in place with adequate safeguards to prevent loss, damage, and theft.
 - v. Must promptly and properly investigate and fully document any loss, damage, or theft, and make the documentation part of the official project records. [2 C.F.R. § 200.313 \(d\)\(3\)](#).
 - vi. Must provide at a minimum, the equivalent insurance coverage for equipment acquired with federal funds that the non-federal entity owns. Federally-owned equipment need not be insured unless required by your award. [2.C.F.R. § 200.310](#).
- c. Subrecipients are responsible for replacing or repairing property that is willfully or negligently lost, stolen, damaged, or destroyed.
 - d. If authorized or required to sell the property, the subrecipient must establish proper sales procedures to ensure the highest possible return.

4) Disposing of Equipment:

- a. State entities must dispose of equipment acquired under the VOCA award in accordance with State laws and procedures.
- b. Subrecipients other than States entities must dispose of the equipment when the original or replacement equipment acquired under the subaward is no longer needed for the original project, or for other activities currently or previously supported by a federal awarding agency, as follows: 1) If the item to be disposed of has a current per-unit fair market value of \$5,000 or less, you may retain, sell, or otherwise dispose of it with no further obligation to the awarding agency; 2) If the item has a current per-unit fair market value of more than \$5,000, you may retain or sell it, but the awarding agency will have a right to a specific dollar amount. Calculate this amount by multiplying the current market value or proceeds from the item sale by the awarding agency's share of the equipment (i.e., the agency's percentage of participation in the cost of the original purchase). The seller is also eligible for limited sale and handling costs of \$500 or 10% of the proceeds, whichever is less; or 3) In cases where the subrecipient fails to take appropriate disposition actions, may direct the subrecipient to take other disposition actions.

① FINANCIAL MANAGEMENT TIP

Your organization may use its own capitalization policy for classification of equipment and supplies, but only where it is less than the Federal policy threshold of \$5,000.

Equipment means tangible personal property (including information technology systems) having 1) a useful life of more than one year and 2) a per-unit acquisition cost of \$5,000 or greater (or your organization's capitalization policy, if it is less than \$5,000). If your organization does not have a capitalization policy in place, you must the Federal amount of \$5,000.

Supplies are all other items of tangible personal property that are not equipment. This includes computing devices that cost less than \$5,000 per unit (or your organization's capitalization threshold, if that is less than \$5,000).

E. Facilities

- 1) **General:** The cost of space in privately or publicly owned buildings used for the benefit of the program is allowable subject to these two (2) conditions: the total cost of space may not exceed the rental cost of comparable space and facilities in a privately-owned building in the same locality, and the cost of space procured for program usage may not be charged to the program for the period of non-occupancy, without authorization from the federal awarding agency.
- 2) **Rental Costs:** The rental cost of space in a privately-owned building is allowable. Rent cannot be paid if the building is owned by the subrecipient or if the subrecipient has a substantial financial interest in the property. However, the cost of ownership is an allowable expense. Similar costs for a publicly-owned building are allowable where "rental rate" systems, or equivalent systems that adequately reflect actual costs, are employed. Such charges must be determined on the basis of actual cost (including depreciation based on the useful life of the building, operation and maintenance, and other allowable costs). Where these costs are included in rental charges, they may not be charged elsewhere. No costs originally financed by the federal government will be included for building purchases or construction.
- 3) **Maintenance and Operation:** The cost of utilities, insurance, security, janitorial services, elevator service, upkeep of grounds, normal repairs and maintenance, and the like are allowable to the extent they are not otherwise included in rental or other charges for space.
- 4) **Rearrangements and Alterations:** Costs incurred for rearrangement and alteration of facilities required specifically for the project or those that materially increase the value or useful life of the facility, are allowable when specifically approved by DAC.
- 5) **Depreciation and Use Allowances on Publicly Owned Buildings:** Depreciation or a use allowance on idle or excess facilities is not allowable, except when specifically authorized by the federal awarding agency.
- 6) **Occupancy of Space Under Rental-Purchase or a Lease with Option-to-Purchase:** The cost of space procured under such arrangements is allowable when specifically approved by DAC. This type of arrangement may require application of special matching share requirements under construction programs.

□ FINANCIAL MANAGEMENT TIP

Ownership expenses must be determined on the basis of actual cost (including depreciation based on the useful life of the building, operation and maintenance, and other allowable costs). Where these costs are included in rental charges, they may not be charged elsewhere.

F. Procurement Of Goods And Services

The Procurement Standards in the Uniform Guidance at [2 C.F.R. § 200.317](#) through [2 C.F.R. § 200.326](#), detail the requirements and restrictions imposed on subrecipients that use federal assistance funds to procure property or services needed to carry out the grant-funded project.

For procurement transactions using federal award funds, the subrecipient must use its own documented procurement procedures consistent with applicable State, local, and Tribal laws and regulations. Procurement procedures must be formally documented by the subrecipient and periodically reviewed to ensure compliance with applicable regulations. A State must follow the same policies and procedures it uses for the State's procurement for its non-federal funds.

Subrecipients must maintain written standards of conduct covering conflict of interest and employee participation in selection, award, and administration of contracts. Subrecipients must also ensure that contractors perform in accordance with the terms, conditions, and specifications of their awards. Contracts should only be awarded to responsible contractors possessing the ability to perform successfully under the terms and conditions of proposed procurements. Records that detail the history of all procurements must be maintained and should include, but not limited to:

- Rationale for the method of procurement;
- Selection of contract type;
- Contractor selection and/or rejection process; and
- Basis for the contract prices.

Subrecipients are responsible, in accordance with good administrative practice and sound business judgment, for the settlement of all contractual and administrative issues arising out of the procurement and must:

- Have a documented process to check for organizational conflict of interest with potential contractors;
- Have a process in place to ensure that contracts are not awarded to contractors or individuals on the List of Parties Excluded from federal Procurement and Nonprocurement Programs; and
- Perform a System for Award Management (SAM) review of potential contractors or individuals.

Subrecipient procedures must avoid acquisition of unnecessary or duplicative items. Where appropriate, lease versus purchase analysis should be performed as well as other

appropriate analysis for determining the most economical method for obtaining items or services. Recipients are encouraged to use federal excess and surplus property when possible and to enter into inter-agency or inter-governmental agreements where appropriate to procure common or shared goods and services.

Non-federal entities must include any applicable provisions found at [2 C.F.R. § 200 Appendix II](#) (“Contract Provisions for Non-Federal Entity Contracts Under Federal Awards”) in all contracts made by non-federal entities (i.e., recipients and subrecipients) under the federal grant award.

- 1) **Methods of Procurement:** There are several methods of procurement that may be used by recipients and subrecipients including:
 - a. Procurement by micro-purchase;
 - b. Procurement by small purchase procedures;
 - c. Procurement by sealed bids;
 - d. Procurement by competitive proposals; and
 - e. Procurement by noncompetitive proposal.
- 2) **Competition:** As a subrecipient, you must conduct all procurement transactions in a manner providing full and open competition consistent with the Procurement Standards in the Uniform Guidance. This requirement holds whether procurement transactions are negotiated or competitively bid, and without regard to dollar value. In order to avoid unfair competitive advantage, contractors that develop or draft specifications, requirements, statement of work and invitations for bids or requests for proposals, must be excluded from competing for such procurements.

The following situations are considered to be restrictive and should not take place:

- Placing unreasonable requirements on firms in order for them to qualify to do business;
- Requiring unnecessary experience or excessive bonding;
- Noncompetitive pricing practices between firms or between affiliated companies;
- Noncompetitive contracts to consultants that are on retainer contracts;
- Organizational conflicts of interest;
- Specifying a “brand name” product instead of allowing “an equal” product to be offered; and
- Any arbitrary action in the procurement process.

Written procedures for procurement transactions must ensure that all solicitations incorporate a clear and accurate description of the technical requirements of the material, product, or service to be procured.

Solicitations should also identify all requirements that must be fulfilled and all other factors to be used in evaluating bids and proposals.

- 3) **Noncompetitive Practices:** Subrecipients may conduct noncompetitive proposals (sometimes referred to as “sole source” procurement) through solicitation from only one source when one or more of the following circumstances apply:
 - a. The item or service is available only from a single source;

- b. The public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation;
- c. DAC expressly authorizes noncompetitive proposals in response to a written request from the subrecipient; or
- d. After solicitation of a number of sources, competition is determined to be inadequate.

Sole Source procurement should be used only when the use of competitive solicitation procedures, like sealed bids or competitive proposals, is not applicable to the requirement or is impracticable.

All sole source procurements in excess of the Simplified Acquisition Threshold set in accordance with [41 U.S.C. 1908](#) (currently set at \$150,000), must receive prior approval from the grant-making component before entering into the contract.

4) **Sole Source Justification Sample Outline:**

Paragraph	Content
1	Brief description of program and the product or service being procured and include the expected procurement amount.
2	Explanation of why it is necessary to contract non-competitively, including at least one of the four circumstances listed above. The justification may also include the following contractor qualities: <ul style="list-style-type: none"> a. Organizational expertise b. Management c. Knowledge of the program d. Responsiveness e. Expertise of personnel
3	Statement of when contractual coverage is required and, if dates are not met, what impact it will have on the program (for example, how long it would take another contractor to reach the same level of competence). Make sure to include the financial impact in dollars.
4	Outline of the unique qualities of the contractor.
5	Other points to “sell the case.”
6	Declaration that this action is in the “best interest” of the grantor agency and/or the federal government.
7	Conflict of Interest Review
Note: Time constraints will not be considered a factor if the award recipient has not sought competitive bids in a timely manner.	

- 5) **Procurement Contracting Standards:** The following “Do’s and Don’ts” lists only highlight a few elements from the Procurement Standards, and they should not be relied upon to fully cover all aspects of the laws, rules, policies, and procurement procedures applying to procurement transactions conducted using federal award funds.

Contracting Do’s

- a. Must provide for full and open competition consistent with the Procurement Standards.
- b. Must develop and incorporate clear and accurate descriptions for technical requirements, specifications, statements of work, or other required documents used in your procurement transactions.
- c. Must ensure any prequalified lists of persons, firms, or products used in acquiring goods and services are current and include enough qualified sources to ensure maximum open and free competition consistent with the Procurement Standards.
- d. Must make awards under your procurements only to responsible contractors that can perform successfully in accordance with contract terms and conditions.
- e. Must maintain records sufficient to detail the history of any procurement action

Contracting Don’ts

- a. Don’t include unreasonable (or otherwise unjustifiable) requirements in your procurements that would be restrictive of competition.
- b. Don’t require unnecessary experience or other unnecessary criteria or elements under your procurements that cannot be justified or supported with your procurement procedures and the Procurement Standards.
- c. Don’t allow for, engage in, or facilitate noncompetitive pricing between firms or affiliated companies under your procurement transactions.
- d. Don’t forget to include all applicable contract provisions described in Appendix II to Part 200 in any procurement contracts.
- e. Don’t require unreasonable time frames or performance under your procurements.

G. Professional Services (Contractual/Consultant)

- 1) **Daily Records:** Adequate daily records should be maintained to prove the contractor has in fact performed the services. Record of expenditures should contain the following information:
 - a. Hours and dates worked on the project.
 - b. Services performed.
 - c. Records of actual supplies and operating supplies included in the contract.
- 2) **Rate Limitation:** The Office of Justice Program’s maximum limit is \$650.00 per day or \$81.25 per hour for consultants. When the rate exceeds the limit for an 8-hour day, or a proportionate hourly rate (excluding travel and subsistence costs), a prior written approval is required from DAC. Prior approval requests require additional

justification. An 8-hour day may include preparation, evaluation, and travel time in addition to the time required for actual performance. This does not mean that the rate can or should be the maximum limit for all consultants.

- a. Consultant rates should be consistent with the current market for the service.
 - b. The consultant rate agreement must contain a documented market analysis and justification of the agreed upon rate.
 - c. Resources to determine current market value include:
 - Competitive contract bids
 - The [Bureau of Labor Statistics Wage Data by Area and Occupation](#) website.
- 3) **Contracts:** A written contract should be in the subrecipient's VOCA file or uploaded to OKGrants for all cooperative, working agreements and professional services. All contracts for services and working agreements should include at least the following provisions set out below.
- a. **Statement of Work (SOW)** The SOW should be expressed in clear, concise terms for tasks to be accomplished and as follows:
 - i. The specific duties of the contractor should be stated in such a way that he/she knows what is required and to permit the subrecipient to determine that the requirements have been met before making payment.
 - ii. The tasks, when accomplished, should produce results consistent with the project objectives.
 - iii. Sentences should be written so that there is no question of whether the contractor is to be obligated (e.g., the sentence should say "The contractor shall do this work," instead of stating, "This work will be required").
 - iv. There should be dates for the key things the contractor is to do and/or deliver. If elapsed time is used, calendar days or workdays should be specified.
 - v. Persons or the committee who will approve reports or specific accomplishments should be specified and part of the contract price should be contingent upon that approval.
 - vi. Proper reference documents should be shown.
 - vii. Articulate in detail all requirements and eliminate extraneous material.
 - b. **Rates of Payments** These should be specified and determined in accordance with Office of Justice Programs (OJP) guidelines which include:
 - i. Compensation for individual consultant services is to be reasonable and consistent with that paid for similar services in the market place. The maximum rate for consultants is \$650.00 for an 8-hour day (excluding travel and subsistence costs). Anything over this amount requires prior approval from DAC and additional justification.
 - ii. Compensation is reasonable and consistent with that paid for similar work.
 - iii. Dual compensation is not involved.
 - iv. Transportation and subsistence costs for travel do not exceed federal travel

regulations.

- v. Contracts with non-government organizations shall ensure that the fixed fee or profit allowance does not exceed ten percent of total estimated costs. Indirect costs or overhead charges in cost-type arrangements are based on an audited or negotiated rate previously approved by a state or federal agency, or they are based on an indirect cost submission, which reflects actual costs experienced during the contractor's last annual or other recently completed fiscal period.
- c. **Termination** Contracts shall contain certain suitable provisions for termination by the subrecipient, including the manner by which it will be affected and the basis for settlement, such as termination for default performance or termination for convenience of the subrecipient (e.g., discontinuance of federal grant).
- d. **Compensation and Method of Payment**
- e. **Access to Records** The subrecipient, the federal funding agency, the Comptroller General of the U.S., or any of their duly authorized representatives, shall have access for purpose of audit and examination, to any records pertinent to the grant.
- f. **Licensing Rights** The subrecipient and the federal funding agency shall have irrevocable, non-exclusive royalty-free license to any invention and the ability to reproduce, publish, and use, or authorize others to use, any materials which are produced under this contract.
- g. **Equal Employment Opportunity Plan** Depending on the size of the organization, how much federal funding is received, and the program under which funds are received, recipients (and subrecipients in certain cases) may be required to submit an Equal Employment Opportunity Plan to OCR. If awarded federal funds, more specific information on civil rights compliance, including requirements regarding submission of an Equal Employment Opportunity Plan will be provided in the award documents. Visit the OJP/OCR website for more information: [OJP/OCR](#).

H. Indirect Costs

- 1) **Federal Indirect Cost Rate—Negotiated Agreements:** If a federal awarding agency has approved an indirect cost rate or allocation plan, then another awarding agency must accept the same indirect cost rate or allocation plan, provided the rate or plan is current and based on allocation methods substantially in accord with those set forth in the OMB Uniform Guidance for grant requirements. There are limited circumstances where a federal agency may deviate from negotiated rates as discussed in [2 C.F.R. § 200.414 \(Indirect \(F&A\) costs\)](#).

A non-federal entity that has a federally negotiated an indirect cost rate which has expired during the funding period, cannot drawdown funds budgeted for indirect costs until a new rate is approved and a copy is submitted to the awarding agency.

Any non-federal entity that has a federally negotiated indirect cost rate may request a

one-time extension of a current negotiated rate for a period of up to four years. This extension request is subject to approval from the cognizant agency (i.e., the federal agency responsible for negotiating indirect cost rates on behalf of the government). If the extension is granted, then the non-federal entity may not request a rate review until the extension period ends. At the end of the extension period, the non-federal entity must reapply to negotiate a new indirect cost rate. Subsequent one-time extensions (up to four years) are permitted if a renegotiation is completed between each extension request.

A request for a one-time extension of a current negotiated rate may be approved for a period of one year.

- 2) **Establishment of Indirect Cost Rates:** The requirements for the development and submission of indirect cost proposals and cost allocation plans are set out in [Appendices III – VII of 2 C.F.R. § 200](#). A non-federal entity should follow the guidelines applicable to its type of organization:
- a. [2 C.F.R. § 200, Appendix III for Institutions of Higher Education;](#)
 - b. [2 C.F.R. § 200, Appendix IV for Non-Profit Organizations;](#)
 - c. [2 C.F.R. § 200, Appendix V for State/Local Government Central Service Cost Allocation Plans;](#)
 - d. [2 C.F.R. § 200, Appendix VI for Public Assistance Cost Allocation Plans;](#)
 - e. [2 C.F.R. § 200, Appendix VII for State/Local/Tribal Indirect Cost Proposals.](#)

If a recipient determines that OJP is their cognizant agency for indirect cost negotiation, refer to [Indirect Costs resource document \[PDF – 32Kb\]](#) for instructions on how to prepare an indirect cost proposal to them. If it is determined that OVW is the cognizant agency for indirect costs, instructions on how to prepare and submit an indirect cost proposal may be found at: <https://www.justice.gov/ovw/grantees>.

i FINANCIAL MANAGEMENT TIP

There is an exception: Units of local government are not required to submit an indirect rate cost proposal. However, the indirect cost proposal must be prepared and retained on file for review. See [2 C.F.R. Part 200, Appendix VII.D](#).

To support the indirect cost proposal, recipients are responsible for ensuring that independent organizational audits are conducted in accordance with existing federal auditing and reporting standards set forth in the applicable audit requirements. A copy of the audit report must be submitted to the cognizant federal agency to support the indirect cost proposal.

As part of requesting an indirect cost rate, a signed certification stating that the plan only includes allowable costs must be submitted with the proposal.

Additional guidance for completing an indirect cost proposal as an award recipient, as well as examples of how certain information should be provided is available through the U.S. Department of Health and Human Services (HHS) Program Support Center website.

After negotiations, the cognizant federal agency will establish a provisional, final, or fixed-with-carry- forward indirect cost rate.

- 3) **Indirect Cost Distribution Bases:** Regardless of the allocation method used by the organization, the following “direct cost” bases may be used as a distribution base:
 - a. **Modified Total Direct Cost, or MTDC** This base includes all direct salaries and wages, applicable fringe benefits, materials and supplies, services, travel, and contracts up to the first \$25,000 of each contract (regardless of the period of performance of the contract under the award). MTDC excludes equipment valued in excess of the organization’s capitalization policy or the federal maximum of \$5,000 per unit of equipment, capital expenditures, charges for patient care, rental costs (facilities, equipment, and vehicles), fellowships, participant support costs, and the portion of each contract in excess of \$25,000. Other items may only be excluded when necessary to avoid a serious inequity in the distribution of indirect costs, and only with the approval of DAC.
 - b. **Direct Salaries and Wages** This base includes only the costs of direct salaries and wages incurred by the organization.
 - c. **Direct Salaries and Wages plus Fringe Benefits** This base includes the costs of direct salary and wages and the direct fringe benefits incurred by the organization.
 - d. **Cost Allocation Plans - Central Support Services** State agencies and local units of government may not charge to an award the cost of central support services supplied by the State or local units of government, except pursuant to a cost allocation plan approved by HHS. The rate to be applied may be on a fixed rate with a carry forward provision.
- 4) **De Minimis Indirect Costs Rate:** Recipients that have never had an approved federal indirect cost rate may either negotiate an indirect cost rate with their cognizant federal agency or elect to charge the minimal rate of 10% of modified total direct costs.

If the recipient decides to negotiate an indirect cost rate with a DOJ component or has a rate pending with another federal agency, a special condition will be added to the award prohibiting the obligation, expenditure, or drawdown of funds for indirect costs until an indirect cost rate has been approved by the cognizant federal agency and a Grant Adjustment Notice (GAN) has been issued.

Non-federal entities that have never received a negotiated indirect cost rate, except for those non-federal entities described in [Appendix VII to Part 200 paragraph \(d\)\(1\)\(B\)](#), may elect to charge the minimal rate of 10% of modified total direct costs (MTDC) and that rate may be used indefinitely. When using this method, cost must

be consistently charged as either indirect or direct costs, but may not be double charged or inconsistently charged as both. Also, if this method is chosen, it must be used consistently for all federal awards until such time as an indirect cost rate is negotiated (which may be done at any time). See [2 C.F.R. §200.414\(f\)](#).

Exception: Units of local government that have not been assigned a cognizant federal agency from the Office of Management and Budget (OMB), are not required to submit an indirect cost proposal unless the awarding agency requires a copy of the proposal. Please see the appropriate Appendix section in [2 C.F.R. § 200](#) as listed above.

- 5) **Approval of Indirect Cost Rates for Subrecipients:** DAC is responsible for approving indirect cost rates for their subrecipients. Such rates must be consistent with the requirements of [2 C.F.R. § 200](#). The federal awarding agency will not approve indirect cost rates beyond the direct recipient level; however, subrecipients who are also direct recipients of federal awards may already have a federally approved indirect cost rate. If a subrecipient has negotiated an indirect cost rate with the federal government, then that rate applies.

I. Unallowable Costs

- 1) **Costs incurred outside of 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 unless written approval is granted by DAC.
- 2) **Lobbying:** Subrecipients **cannot** use grant funds for the following purposes:
- a. Attempting to influence the outcome of any federal, state, or local election, referendum, initiative, or similar procedure, or through in-kind or cash contributions, endorsements, publicity, or similar activity.
 - b. Establishing, administering, or 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.
 - c. Attempting to influence (i.) the introduction of federal or state legislation; or (ii.) the enactment or modification of any pending federal or state legislation through communication with any member or employee of Congress or State Legislature (including efforts to influence state or local officials to engage in similar lobbying activity), (iii.) the enactment or modification of any pending federal or state legislation by preparing, distributing, or using publicity or propaganda, or by urging members of the general public, or any segment thereof, to contribute to or participate in any mass demonstration, march, rally, fund raising drive, lobbying campaign or letter writing or telephone campaign, or (iv.) with any government official or employee in connection with a decision to sign or veto enrolled legislation;
 - d. Engaging in or supporting the development of publicity or propaganda designed to support or defeat legislation pending before legislative bodies.
 - e. Paying, directly or indirectly, for any personal service, advertisement, telegram, telephone, letter, printed or written matter, or other device, intended or designed to influence 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.

- f. 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.
 - g. Paying a publicity expert for purposes unallowable under the anti-lobbying rules; or
 - h. Attempting to improperly influence, either directly or indirectly, an employee or officer of the executive branch of the federal government to give consideration or to act regarding a sponsored agreement or a regulatory matter.
 - i. The Anti-Lobbying Act, [18 U.S.C. § 1913](#), contains significant restrictions on the use of appropriated funding for lobbying. These anti-lobbying restrictions are enforceable via large civil penalties, with civil fines between \$10,000 and \$100,000 per each individual occurrence of lobbying activity. These restrictions are in addition to the anti-lobbying and lobbying disclosure restrictions imposed by [31 U.S.C. § 1352](#).
 - j. All grantees must understand that no federally appropriated funding made available under the grant program may be used, either directly or indirectly, to support the enactment, repeal, modification, or adoption of any law, regulation, or policy, at any level of government, without the express approval of DOJ.
 - k. Any violation of this prohibition is subject to a minimum \$10,000 fine for each occurrence. This prohibition applies to all activity, even if currently allowed within the parameters of the existing OMB guidance.
 - l. Any question(s) relating to the lobbying restrictions should be submitted in writing to the awarding agency's ethics official (typically in the awarding agency's Office of the General Counsel) through the DOJ program manager.
- 3) **Fundraising:** The costs of organized fundraising, 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 as direct or indirect costs against awards. However, certain fundraising costs for the purposes of meeting the federal program objectives may be allowable with prior approval of the DOJ awarding agency. [See 2 C.F.R. § 200.442](#) for more details.
- a. The portion of a person's salary that covers time spent engaged in unallowable fundraising, and any indirect costs associated with those salaries, may not be charged to the award.
 - b. An organization may accept donations (e.g., goods, space, services) towards fundraising, as long as the value of the donations is not charged as a direct or indirect cost to the award.
 - c. Nothing in this section should be read to prohibit a recipient from engaging in fundraising activities, as long as such activities are not financed by federal or matching funds.
- 4) **Corporate Formation:** The cost for corporate formation (startup costs) may not be charged as either direct or indirect costs against the award except with prior approval

from the awarding agency.

- 5) **State and Local Sales Taxes:** Taxes that a governmental unit is legally required to pay are allowable, except for self-assessed taxes that disproportionately affect federal programs or changes in tax policies that disproportionately affect federal programs.
 - a. This provision becomes effective for taxes paid during the governmental unit's first fiscal year that begins on or after January 1, 1998, and applies thereafter.
 - b. This provision does not restrict the authority of federal agencies to identify taxes where federal participation is inappropriate.
 - c. Taxes from which exemptions are available to the organization directly or which are available to the organization based on an exemption afforded the federal government when the DOJ awarding agency makes available the exemption certificates are unallowable.
 - d. Where the identification of the amount of unallowable taxes would require an inordinate amount of effort, the cognizant federal agency for indirect costs may accept a reasonable approximation thereof.

- 6) **Other Unallowable Costs:** Other categories of unallowable costs include:
 - a. Entertainment, including amusement, diversion, social activities, and any associated costs (i.e. tickets to shows or sports events, meals, lodging, rentals, transportation, and gratuities). Certain exceptions may apply when such costs have a programmatic purpose and have been approved by the awarding agency;
 - b. Fines and penalties (except when incurred as a result of compliance with specific provisions of an award or contract, or with written approval from the awarding agency);
 - c. Home office workspace and related utilities;
 - d. An honorarium is unallowable when the primary intent is to confer distinction on, or to symbolize respect, esteem, or admiration for the recipient of the honorarium. A payment for services rendered, such as a speaker's fee under an award is allowable;
 - e. Passport charges;
 - f. Tips;
 - g. Bar charges/alcoholic beverages: and
 - h. Membership fees to organizations whose primary activity is lobbying.

XII. REPORTING REQUIREMENTS

A. Request for Funds

Subrecipients will request funds electronically in OKGrants each month by initiating a Monthly Financial Report (MFR). This form must be submitted through OKGrants to request grant funds. The request will equal the report of expenditures for the previous month. The form is due by the 15th of each month at 11:59 pm even if the 15th falls on a weekend or holiday. Warrants will be mailed from DAC within approximately twelve (12) days following the 15th of each month. Electronic Fund Transfers (direct deposit) occur more quickly. Any request not received by the 15th of the month will not be processed for payment, and the request will have to be resubmitted with the next monthly

request. **Note:** The monthly financial report should be submitted even when there are no expenditures for the previous month.

B. Quarterly Fiscal Report

After the close of each calendar quarter, a Quarterly Financial Report (QFR) should be initiated in OKGrants. The numbers in the QFR are automatically pulled from the MFRs already submitted through OKGrants; however, the Financial Officer and Project Director should review the report and compare expenditures in each budget category with those shown in the subrecipient's ledger and receipts. Each budget category should balance. Quarterly Financial Reports are due on the following dates by 11:59 pm: January 15, April 15, July 15, and December 15, even if the 15th falls on a weekend or holiday. If all project funds have not been expended by the end of the final quarter, a subsequent final report will be initiated, indicating final expenditures, and submitted through OKGrants.

The Quarterly Financial Report informs DAC and the subrecipient about the rate at which the project funds are being spent and the expenditure categories in which the funds are being used.

Irregularities may indicate the need for a budget revision or an extension of the subgrant period, and may also indicate program problems. Each project is responsible for keeping a ledger which fully discloses the amount and disposition of the proceeds of the subgrant and the total cost of the project for which the subgrant is awarded (grant + match).

Bookkeeping procedures developed by each subrecipient must provide for the accurate and timely recording of the receipt of funds and expenditures. Adequate documentation of each transaction shall be maintained to permit the determination, through an audit, of the accuracy of the records and the allow ability of expenditures charged to grant funds. If the allow ability of an expenditure cannot be determined because records or documentation are inadequate, the questionable cost will be disallowed. The subrecipient shall reimburse DAC for the amount of any disallowed costs.

C. Quarterly Performance Measures

The VOCA Performance Measure report is due no later than 30 days of the end of each quarter, as directed by DAC.

D. Subgrant Award Report (SAR)

The initial VOCA Subgrant Award Report is due no later than 60 days after the beginning of the project period, as directed by DAC. DAC must be notified in advance of any changes to project scope, goals and objectives, types of victims to be served, or types of services to be provided. A new SAR report may be needed.

E. Grant Adjustment Notice

A Grant Adjustment Notice (GAN) is completed and submitted through OKGrants. A GAN is used for the following reasons:

- 1) **Project Period:** If the project cannot be completed within the period specified (usually 12 months) in the Award Notice, the subrecipient must submit a GAN. A

request should be sent to the DAC for approval no later than 60 days prior to the expiration date of the subgrant period or, on a different time period, upon approval by the DAC [not sure what this means “on a different time period?”. The GAN form provides a space for justifying the need for the grant extension or late start. An explanation must be given that states the programmatic reason for the extension or late start as well as state the reason for the excess funds (for grant extensions) and the desirability of keeping the subgrant open.

- 2) **Budget Adjustment:** The subrecipient must submit a request to DAC for any modification of the approved budget (grant or match). Prior to submitting a grant adjustment notice (GAN) in OKGrants, the subrecipient should contact their VOCA Grant Monitor via email to discuss the specifics of the grant adjustment. The grant monitor will discuss the proposal with the Director of Victims Services, and seek approval for the subrecipient to proceed with the GAN. The e-mail to the VOCA Grant Monitor must contain an explanation with the following information:
 - a. Reason for excess funds in one or more categories.
 - b. Reason funds can be better spent in another category.
 - d. Effect the approval or denial of the revision will have on the project objectives.

Changes within the same category do not require a GAN (e.g., moving money between VOCA paid staff or allocating more money to salaries than benefits); however, the subrecipient should seek guidance and approval for any modifications from the approved grant by contacting the VOCA Grant Monitor.

- 3) **Personnel Change:** The Subrecipient must submit a GAN if there is a change in the Project Director, Fiscal Officer, and/or Authorizing Official.
- 4) **Modification or Clarification of the VOCA Grant Goals and Objectives:** A GAN must also be submitted to DAC when modifications and/or clarifications to the VOCA grant’s goal and objectives are requested by subrecipient.

F. Late Reports

Subrecipients are expected to submit all required documents to DAC **on or before the due date**. Subrecipients who submit three (3) or more late reports during the grant period will be reported to the VOCA Grant Board. Submitting late reports may affect future funding decisions and may result in a hold on grant funds. Late reports include: quarterly performance measure (PMT) reports, all financial reports, and the subgrant award report (SAR).

If a subrecipient submits three (3) or more late reports in one year, the following Special Condition is placed on the grant the immediate next year:

The subrecipient will submit all reports on time and understands that failure to do so may jeopardize future funding and/or result in grant suspension.

If a subrecipient submits three (3) or more late reports in the grant year, after the above Special Condition is in place, the situation will be reported to the VOCA Board and the following Special Condition will likely be placed on future grant awards:

The subrecipient will submit all reports on time and understands that failure to do so one time will result in grant suspension and funds forfeited for the remainder of the grant year.

XIII. GRANT CLOSE-OUT PROCEDURES/FORFEITURES

If a grant extension request is not submitted and approved prior to the expiration date of the project or on an earlier date as directed by DAC, unspent funds will be forfeited. No new financial obligations will be allowed after the project end date. To close out the VOCA-funded project, the following should be done:

- A. Expenses encumbered, but not paid prior to the expiration date, will be shown as unpaid obligations on the last quarterly report. These must be paid within 90 days of the project expiration date or they will be disallowed.
- B. The final Performance Measurement Tool (PMT) and narrative must be completed and sent to DAC via e-mail to VOCAhelp@dac.state.ok.us within 30 days of the close of the project.
- C. Grants will be placed in Close Out in Process status in OKGrants for final review of all close out requirements.
- D. Any unspent VOCA and matching funds must be returned to DAC.
- E. The federal share of funds remaining at the end of 90 days which were not obligated at the expiration date and/or were not expended within the 90 days must be returned to DAC.
- F. Audit reports are due within 13 months of the end of the project period.

XIV. AUDIT REQUIREMENTS

A. Audit Objectives

Awards are subject to conditions of the fiscal, program, and general administration that the recipient expressly agrees upon when they accept the grant award. See [2 C.F.R. § 200.514](#). These same objectives apply to DAC VOCA Monitoring Site Visits and Desk Reviews.

The audit objective is to review the recipient's accountability of funds and required non-federal contributions to determine whether the recipient has done all of the following:

- 1) Established an accounting system with adequate internal controls that provide full accountability for revenues, expenditures, assets, and liabilities;
- 2) Prepared financial statements which are presented fairly and in accordance with generally accepted accounting principles;
- 3) Submitted monthly and quarterly financial reports;
- 4) Submitted claims for reimbursements that contain accurate and reliable financial data that are presented in accordance with the terms of the grant award; and
- 4) Expended federal funds in accordance with the terms of the award agreements and those provisions of federal law or regulations that could have a material effect on the

financial statements or on the awards tested.

B. Audit Threshold

Non-federal entity subrecipients that expend \$750,000 or more in federal funds (from all sources including pass-through subawards), in the organization's fiscal year, are required to arrange for a single organization-wide audit conducted in accordance with the provisions of [Title 2 C.F.R. Subpart F](#).

For fiscal years beginning before December 26, 2014, non-federal entity subrecipients (other than a for-profit/ commercial entity) that expend \$500,000 or more in federal funds (from all sources including pass-through subawards), in the organization's fiscal year, are required to arrange for a single organization-wide audit conducted in accordance with the provisions of Office of Management and Budget (OMB) Circular A-133 Compliance Supplement 2014.

Subrecipients that expended less than the applicable audit threshold a year in federal awards are exempt from federal audit requirements for that year. However, you must keep records that are available for review or audit by appropriate officials including the federal agency (OVC), DAC, U.S. Government Accountability Office (GAO), or the DOJ Inspector General.

C. 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. Non-federal entities that expend less than \$750,000.00 a year in federal awards are exempt from federal audit requirements for that year.

D. Audit Reporting Requirements

Independent auditors should follow the requirements prescribed in [2 C.F.R. Subpart F](#).

- 1) The subrecipient's accounting records must support all amounts reported to the DAC.
- 2) The subrecipient's financial activity reported to DAC should reconcile with the amounts reported on the subrecipient's monthly and quarterly reports in OKGrants and the subrecipient's financial statements.
- 3) If there are any differences between the recipient's audited financial statements and the financial activity reported to DAC, the subrecipient must be able to explain the differences. If the auditor becomes aware of illegal acts or other irregularities, prompt notice shall be given to the subrecipient management officials that are above the level of involvement. In turn, the subrecipient shall promptly notify DAC of the illegal acts or irregularities. DAC should also be notified of any proposed actions or any actions that have already been made toward correcting the illegal acts or irregularities.

Subrecipients are required to submit the Statement of Subgrant Audit Arrangements with the award packet.

E. Due Dates for Audits

During the term of the award, audits are due no later than 9 months after the close of the fiscal year. See [2 C.F.R. § 200.512\(a\)](#).

F. Audit, DAC Site Visit, or DAC Desk Review Compliance

When an organization-wide audit has not been conducted, the following materials may be reviewed to determine the grant recipient's compliance with federal requirements:

- 1) Audits from subrecipients that were made in accordance with the government auditing standards found in [2 C.F.R. Subpart F \(§ 200.500\)](#).
- 2) Previous audits performed on subrecipients' operations.
- 3) Desk reviews of project documentation.
- 4) Project audits by auditors hired by the subrecipient.
- 5) Evaluations of subrecipient's operations by program officials.

G. Resolution of Audit, DAC Site Visit or DAC Desk Review Reports

For an audit and/or site visit or desk review to be effective, it is important for a subrecipient to have policies and procedures in place to ensure timely corrective action on the recommendation(s).

Each subrecipient must designate individuals responsible for the following tasks:

- 1) Following up on recommendations.
- 2) Maintaining a record of the corrective action taken on recommendations, including time schedules for completing corrective action, such as those stated in a desk review or site visit report.
- 3) Typically, the desk review or site-visit report from DAC will include a description of the finding(s) with specific steps to take to implement the recommendation, a timetable for performance of each corrective action, and a description of the monitoring to be performed that will ensure implementation of the corrective action plan.
- 4) The subrecipient must generate a response to the DAC site visit or desk review report within the timeframe specified by DAC (usually 30 days) if it has been determined that corrective actions are needed. If there are no findings, it is not necessary to respond to the site visit or desk review report.
- 5) Documentation of the implementation of recommendation(s).

H. Full-Scope

In addition to arranging and providing for the organizational, financial, and compliance audits required by [2 C.F.R. Subpart F \(§ 200.500\)](#), subrecipients are encouraged to provide for additional audit coverage as deemed appropriate.

The additional audit coverage should be determined based on the circumstances surrounding the particular organization's function, program, or activity to be audited; management needs; and available audit capacity.

As a subrecipient, you can determine the need for additional audit coverage by considering answers to the following questions about the organization that may need the coverage:

- 1) Are resources managed and used economically and efficiently?
- 2) Are desired results and objectives achieved effectively?
- 3) Is the accounting system and system of internal controls acceptable prior to the receipt of awarding agency funds? (At a minimum, internal controls should include documented written procedures of the subrecipient.)
- 4) Are the systems and controls adequate to detect fraud, waste, and abuse?

I. Top 10 Monitoring and Audit Findings:

- 1) Untimely report submissions
- 2) Lack of documentation, including timesheets
- 3) Inadequate time/effort reports for federally funded personnel, match personnel, and volunteers
- 4) Inaccurate reports (MFRs and QFRs)
- 5) Commingling of funds
- 6) Accounting procedures are inadequate or not documented
- 7) Unallowable costs
- 8) Inappropriate or unauthorized changes
- 9) Conflicts of interest
- 10) Failure to meet program goals and objectives

XV. GRANT FRAUD, WASTE AND ABUSE

Most misuse of federal funds falls into one or more of three general categories:

- Conflicts of Interest (see section I of this Guide)
- Failure to Properly Support the Use of Award Funds
- Theft

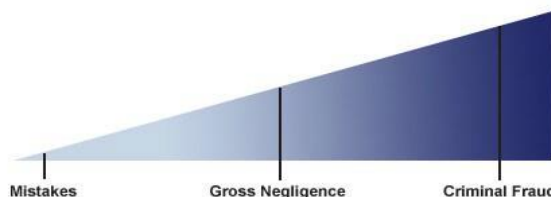
A. Penalties of Grant Fraud

If a subrecipient organization or an individual in a subrecipient organization is found guilty of grant fraud, they may be subject to various penalties available under federal law, including any or all of the following:

- 1) A ban from receiving future federal funding;
- 2) Administrative recoveries of funds;
- 3) Civil lawsuits and criminal prosecution; or
- 4) A combination of all or some of these remedies.

B. Fraud Indicators

The indicators or markers of fraud, waste, and/or abuse of award funds are varied and can be due to a range of causes. Follow-up on all such concerns is important.



C. Failure to Properly Support the Use of Award Funds

A federal award agreement is a legally binding contract. As a subrecipient, it obligates you to:

- 1) Use the award as outlined in the agreement.
- 2) Act with integrity when applying for and reporting actual use of funds.
- 3) Properly track the use of funds and maintain adequate supporting documentation.

If a subrecipient fails to comply with the term and conditions of an award, including civil rights requirements, whether stated in a federal law, regulation, assurance, application, or award notice, DAC may take one or more of the following actions against the subrecipient:

- 1) Temporarily hold payments of the award.
- 2) Disallow matching funds for all or part of the award.
- 3) Wholly or partly suspend or terminate the current award.
- 4) Withhold future award funding.
- 5) Take any other remedies legally available.

Typical issues involving failure to properly support the use of award funds include:

- 1) Deliberate redirection of the use of funds in a manner different from the purpose outlined in the award notice.
- 2) Failure to adequately account for, track, or support transactions such as personnel costs, contracts, matching funds, program income, or other sources of revenue.

D. Theft

Theft is an issue in almost all organizations, including subrecipients of federal grants. Please keep the following in mind:

- 1) People who embezzle funds can be extremely creative, while often appearing very trustworthy. These abilities are precisely why they can do so much damage to an organization and remain undetected for extended periods of time
- 2) Poor or no internal controls provide an opening for theft. A lack of proper separation of duties is one of the most common weaknesses.

E. Ways to Reduce the Risk of Fraud

There are several things that you can do to reduce or even eliminate the risk of fraudulent use of your federal award:

- 1) Examine your operations and internal controls to identify your fraud vulnerabilities.
- 2) Implement specific fraud prevention strategies including educating others about the risks. The more people are aware of the issues, the more they can help prevent problems or detect them as early as possible.
- 3) Maintain a well-designed and tested system of internal controls.
- 4) Ensure all financial or other certifications and progress reports are adequately supported with appropriate documentation and evidence.

- 5) Identify any potential conflict-of-interest issues and disclose them to DAC for specific guidance and advice.
- 6) Follow a fair and transparent procurement process, especially when using consultants. Ensure that the rate of pay is reasonable and justifiable, and that the work product is well-defined and documented.

Contact the DAC or the [DOJ Office of the Inspector General](#) for more information.

XVI. SUSPENSION OF FUNDING

The DAC Director of Victims Services will, after reasonable notice, terminate or suspend funding for a subrecipient organization that fails to conform to the requirements or statutory objectives of the appropriate Act or that fails to comply substantially with the Crime Victim Assistance Program and the federal regulations promulgated thereunder (including the terms and conditions of the subgrant award and any other special conditions).

A. Assignment of Subcontract

The subrecipient shall neither assign the responsibility of the contract to another party nor subcontract for any work contemplated under the contract without prior written approval from DAC.

B. Default

Failure to perform according to the contract shall be cause for the subrecipient to be found in default and any and all re-procurement costs may be charged against the subrecipient. Please note that this action will only be taken as a last resort. Whenever possible and when in the best interest of the DAC, assistance will be provided to an agency to prevent such action.

C. Termination

Subrecipients will be given a warning, then suspension, and a set number of days to correct a problem with contract compliance. If a subrecipient fails to take appropriate, corrective action, the VOCA Board or DAC Director of Victims Services may, by written notice to the subrecipient, terminate the contract 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 VOCA Board or DAC Director of Victims Services may employ default provisions. The VOCA Board or DAC Director of Victims Services may waive, in writing, breach of any provision of a contract. Waiver of breach of any provision of the contract 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 contract.

D. Criminal Penalties

Any person that knowingly and willfully falsifies, conceals, or covers up by trick, scheme, or device, any material fact in an application for assistance that is

submitted pursuant to the Victim Assistance Act, or in any of the records required to be maintained pursuant to this Act, shall be subject to prosecution.

Any person that embezzles, willfully misapplies, steals, or obtains by fraud any funds, assets, or properties, which are the subject of a subgrant or contract pursuant to this Act, shall be subject to prosecution. Any person that receives, conceals, or retains such funds, assets, or property, with the intent to convert them to his/her use or gain, with the knowledge that such funds, assets, or property have been embezzled, willfully misapplied, stolen, or obtained by fraud, shall be subject to prosecution.

XVII. VOCA BINDER SUGGESTION

The following items should be kept in the VOCA binder (binder and tabs furnished by DAC upon request):

- 1) VOCA Guidelines
- 2) Application and Award Contract
- 3) Correspondence
- 4) Grant Adjustment Notices (GANs)
- 5) Supporting Documentation for Grant and Match Personnel
- 6) Quarterly PMT Reports
- 7) Match Documentation
- 8) Monthly Funding Requests and Supporting Documentation
- 9) Equipment Inventory List
- 10) Volunteer List and Activity Log (if used as in-kind match)

XVIII. VOCA GRANT CYCLE PROCEDURES

General Overview

The VOCA grant is dispersed through the Office for Victims of Crime in the US Dept. of Justice. The basic eligibility requirement is that a subrecipient must provide DIRECT services to victims of crime. Subrecipients must be able to match their award by 25% with either cash or in-kind sources. A match waiver may be requested if match is a barrier to applying for the grant. As of August 8, 2016, Native American Tribes are exempt from the match requirement. VOCA subrecipients include DA's offices, CASA offices, rape crisis centers, child abuse centers, domestic violence shelters, counseling centers, Native American Tribes, faith-based programs, programs providing legal services, police departments and sheriff's offices. All 50 states, as well as several US territories, receive a portion of the grant dollars each year. The states are then responsible for subgranting the money to approved applicants. The source of these funds comes from fines placed on offenders at the federal level.

VOCA Cycle

Early December RFPs are e-mailed and mailed to current subrecipients, DA Offices, Police Departments and Sheriff's Offices, Native American Tribes, CASAs, and any other agencies that have requested to be placed on the mailing list. VOCA

Applications are available through OKGrants.

<i>Early March</i>	VOCA applications are due. Applications received after the deadlines are automatically denied by the VOCA Board.
<i>March-July</i>	Grants are reviewed by VOCA Grant Monitors for accuracy. Grant Monitors prepare funding recommendations to the Board
<i>August</i>	The VOCA Board (comprised of 9 members) meets for three days. The first two days allows subrecipients to be heard for questioning. The third day is when the Board makes the actual funding decisions.
<i>September</i>	Financial Meetings are held at DAC. All grantees are required to attend one financial meeting either in person or via webinar, as required. New subrecipients are required to attend in-person the first two years of funding. Purchase Orders for each grant are created through the PeopleSoft Accounting System. Subawards are entered in the Grant Project Module for billing and tracking of each separate federal contract.
<i>October 1</i>	VOCA grant cycle begins. Subrecipients must accept the award through OKGrants prior to the beginning of the grant cycle.
<i>November 15</i>	First draw down requests are by subrecipients through OKGrants. This request is made by completing and submitting the Monthly Funds Request (MFR) form in OKGrants. This form must be submitted by the 15 th of each month thereafter in order to receive reimbursement of grant expenditures.
<i>December 31</i>	End of first quarter. Financial Quarterly Reports are due to DAC by January 15 th . Performance Measures reports are due by January 30 th .
<i>March 31</i>	End of second quarter. Financial Quarterly Reports are due to DAC by April 15 th . Performance Measures reports are due by April 30 th
<i>June 30</i>	End of third quarter. Financial Quarterly Reports are due to DAC by July 15 th . Performance Measures reports are due by July 30 th
<i>Sept. 30</i>	End of fourth quarter. The VOCA grant period ends.
<i>October 15</i>	The final Financial Quarterly Report is due.
<i>October 30</i>	Final Performance Measures report is due for quarter ending Sept. 30th

If needed, subrecipients have up to 90 days past the grant end date to complete obligations and reports to close out the grant.

Various Forms Used Throughout the VOCA Cycle

- 1) Property Inventory Form:** This form is to be completed by the subrecipient for each piece of equipment that is purchased with VOCA dollars and submitted to DAC via OKGrants. The form also needs to be completed if purchased or donated equipment is being used as match. There is no specific deadline for this form; however, it should be submitted as soon as possible after the purchase is made. All forms can be found in OKGrants or on the [DAC website](#).

- 2) **Monthly Funds Request (MFR):** This form is completed in OKGrants to request a draw-down of funds and lists the VOCA expenditures (in exact dollars – NO rounding) and match for the previous month. This form is available beginning the 25th of the previous month, and it must be submitted to DAC by the 15th of each month. If the form is not received by the 15th, the subrecipient will not receive funds that month.
- 3) **Grant Adjustment Notice (GAN):** This form is completed in OKGrants by subrecipients when they would like to change the budget distribution as currently shown on their VOCA contract or there is a change in the Project Director or Financial Officer. The request needs to be submitted by email to the grant monitor accompanied with a written explanation. The grant monitor will then advise the subrecipient how to proceed if the request for a grant adjustment is authorized. The Director of Victims Services has the authority to approve or deny the requests.
- 4) **Quarterly Financial Report (QFR):** These reports are generated by OKGrants according to the subrecipient's figures as reported on the MFR. The report must be initiated in OKGrants by the subrecipient. The deadline for the quarterly reports is the 15th of the month following the end of the quarter.
- 5) **Performance Measures Report (PMT):** This report is due quarterly and within 30 days of the end of each quarter. Demographic information and types of services provided are reported here. Once the DAC receives this report each quarter, the data is entered into the online system supplied by the Office for Victims of Crime (OVC), as required. The form will be e-mailed by DAC to the Project Director.
- 6) **Subgrant Award Report (SAR):** This report is due within 60 days of the beginning of the subgrant period and should be modified and sent to VOCAhelp@dac.state.ok.us any time there is a change in victims served or services provided. Once the DAC receives this report each quarter, the data is entered into the online system supplied by the Office for Victims of Crime (OVC), as required. This form will be initially e-mailed by the DAC to the Project Director within 30 days of the start of the grant period.
- 7) **Personnel Form:** This form is completed and uploaded into OKGrants at the onset of the grant period and when there is a change in VOCA paid personnel. Click here for the form: [Personnel Form](#).
- 8) **Periodic Certification Form:** This form is completed and uploaded into OKGrants for each 100% VOCA funded employee after each six month period of employment. Click here for the form: [Periodic Certification Form](#).

Warrant Request Procedure

After the 15th of each month, the MFR forms are approved and totaled, and this total is then drawn down via computer from the federal government. The transfer of grant dollars from the federal level to the Oklahoma State Treasurer's Office takes between 2 to 4 days. Once the transfer is verified, the warrants are requested through the PeopleSoft Accounting System and the printed claim vouchers are sent to the Office of Management and Enterprise Services

(O.M.E.S.) for processing. Most subrecipients receive VOCA funds through a direct deposit to the bank account established with the Oklahoma State Treasurer's Office. This process can take 2-3 days. For subrecipients receiving a paper warrant, the process can take between 3 to 5 days from the State Treasurer's Office, and warrants are mailed out the day they are received at DAC. VOCA Funds for District Attorney Offices' payroll are deposited directly to the VOCA ledgers maintained at the District Attorneys Council Finance Division in order to cover the expenses paid through the DAC. No warrants are issued to District Attorney Offices unless a Request for Check form is submitted, which would cover local expenses funded through the VOCA subgrant.

Addendum to 2018 VOCA Financial & Administrative Guide

Client Gift Cards

In August 2018, The Office for Victims of Crime (OVC) provided direction to States regarding client gift card use and requirements.

Some victim service organizations utilize gift cards to provide for the short-term emergency needs of victims. In past audits of OJP grant programs, the DOJ Office of Inspector General (OIG) has questioned subgrant costs where there were inadequate internal control over gift card use or inadequate supporting documentation for what was purchased with the gift cards.

If gift cards are used for client support services, the subrecipient will be required to do the following:

- 1) Have written policies and internal controls regarding the purchase and use of such cards, and assurance that such cards are only used as reasonably necessary and in accordance with the VOCA rule. Such policies should address what approvals are required to purchase the cards, how the cards are stored and accounted for, what items may be purchased with the cards, and what supporting documentation is required for purchases. For example, if an organization allows staff victim advocates to use gift cards to purchase emergency items for a victim of domestic violence, it should require the advocate to obtain prior approval from an office manager and/or supervisor.
- 2) After the purchase, the receipts and document showing prior written approval should be saved in the VOCA binder. Receipts from some stores fade over time, so it is suggested that a copy of the receipt(s) be made to accompany the original receipt.
- 3) Record the amount of the gift card in the general ledger when purchasing the gift card, and track the actual amount spent on the gift card that was used for grant-related services.
- 4) Make adjustments for any amount spent on the gift card that was not used for grant-related services.

Rental/Security Deposits

Example: A VOCA Subrecipient uses VOCA funds to pay for the first month's rent as a security deposit on an apartment for the victim. The victim moves after 18 months of living in the apartment, and the landlord returns the security deposit to the victim. Is the local program responsible for collecting the security deposit from the victim?

Answer: There should be an agreement in place, signed by the landlord and the victim, that the full/remaining deposit will be returned to the subrecipient and NOT the victim at the end of the lease. In the event that a subrecipient has not made an agreement with the landlord, the subrecipient should make a good faith effort to collect the security or rental deposit from the victim and document those efforts. Policies should be in place addressing this issue.