The intent of this manual is to provide guidance about the grant processes and to direct readers to reliable, authoritative grant-related resources. The Grant Office understands this manual is not all-inclusive and expects it to serve as general assistance for administering grants within the state of Nevada.

This *State of Nevada Grant Manual* was published in January 2018 and replaces all previous version of this guide. If a change or correction is needed, contact grants@admin.nv.gov.
Table of Contents

State of Nevada  ........................................................................................................................................... i

About the Office of Grant Procurement, Coordination, and Management ................................................................. 1
  The Nevada Advisory Council on Federal Assistance.................................................................................................................. 1
  Single Point of Contact (SPOC) Requirement............................................................................................................................ 1
  The Grant Office Website ............................................................................................................................................................ 2
  Training and Technical Assistance .................................................................................................................................................. 2

Regulations and Guidance for the Administration of Grants ................................................................................................. 3
  Federal Regulations for the Administration of Grants.................................................................................................................. 3
  State of Nevada Regulations for the Administration of Grants................................................................................................ 5

Starting the Process of Administering Grants ......................................................................................................................... 6
  Step 1: Review Nevada Revised Statutes to Confirm Agency’s Authority to Administer Grants ......... 6
  Step 2: Establish Internal Controls .............................................................................................................................................. 6
  Step 3: Establish Internal Policies and Procedures to Administer Grant Funds ................................................................. 7
  Step 4: Establish an Indirect Cost Rate ........................................................................................................................................ 7

What Is a Cognizant Agency? ......................................................................................................................................................... 8

Pre-Award Phase........................................................................................................................................................................... 9
  Developing a Project Idea ......................................................................................................................................................... 11
  Researching Sources of Funding ................................................................................................................................................ 11
    Funding Sources: Foundations, Corporations, and Government ............................................................................................... 11

Before Developing the Proposal/Application ............................................................................................................................... 16
  Evaluation of a Funding Opportunity and the Determination to Apply ................................................................................... 16
  State Clearinghouse ...................................................................................................................................................................... 19

Developing the Proposal/Application ......................................................................................................................................... 19
  Building a Budget ........................................................................................................................................................................ 19
  Subaward vs. Contract Determination .......................................................................................................................................... 20
  Writing the Narrative Using Competitive Review Criteria .................................................................................................... 21

Submitting the Proposal/Application........................................................................................................................................... 22
  Results of the Proposal/Application Review ................................................................................................................................. 22

Post-Award Phase ........................................................................................................................................................................ 23
  Receiving a Grant Award............................................................................................................................................................. 25
  State Budget Authority and Interim Finance Committee Approval............................................................................................ 26
About the Office of Grant Procurement, Coordination, and Management

The Nevada Office of Grant Procurement, Coordination, and Management, better known as the Grant Office, is a revenue-generating agency serving as the authority on federal and state regulations for grant management in Nevada. With a staff of five, the Grant Office is responsible for

- facilitating cooperative relationships for grant development and planning;
- ensuring training to address the needs of Nevada’s grant workforce;
- analyzing and communicating trends in federal and state grant funding, regulations, and law;
- providing technical assistance to all agencies as needed; and
- conveying concepts, principles, and best practices of successful grant stewardship.

The Grant Office uses these concepts in providing direct support and resources to the Nevada Advisory Council on Federal Assistance (NACFA) and state agencies through its website and through training and technical assistance opportunities.

The Nevada Advisory Council on Federal Assistance

NACFA was created by legislation in 2015. Its members consist of seven representatives each from different sectors: the Senate; the Assembly; non-profit; local government; private business; the director of the Governor’s Office of Finance; and the administrator of the Office of Grant Procurement, Coordination, and Management. The council’s purpose is to advise the legislative and executive branches on resources needed to obtain and maximize federal assistance in Nevada. For more information on upcoming council meetings, contact the Grant Office.

Single Point of Contact (SPOC) Requirement

U.S. Executive Order 12372 Intergovernmental Review of Federal Programs, better known as EO 12372, was issued to foster intergovernmental partnerships and strengthen federalism by relying on state and local processes for the coordination and review of proposed federal financial assistance for direct development. This order allows each state to designate an entity to perform this function. Most federal government grant opportunity announcements will refer to the states and territories administering this program as the single point of contact (SPOC).

The Grant Office is designated as Nevada’s single point of contact (SPOC) for compliance with EO 12372. The Grant Office reviews specific applications for federal and state financial assistance for direct development, planning and reporting, and other specific activities requiring intergovernmental coordination. The review process is a way to:

- collect and convey the views of the state, regional, and local officials to federal funding agencies;
- minimize duplication of effort and conflicting actions;
- identify and address potential inconsistencies among state, regional, and local plans and objectives;
- facilitate resolution of concerns before the implementation of the activity;
• promote development of consistent policies, goals, and objectives; and
• encourage state agencies to comment on state and federal activities.

Upon deciding to pursue a funding opportunity, you must immediately notify the Grant Office of your intent to apply. Also, upon submission of an application, forward confirmation emails to grants@admin.nv.gov. See policy 088-004 “Single Point of Contact” in the Nevada Grant Policy Manual for more information.

The Grant Office Website
The Grant Office website is regularly updated with a number of grant-related resources:

• A listing of and email notification of currently available federal grants
• Training materials (e.g., grant policies, presentations, sample forms, and templates)
• Guidance on locating and applying for federal grants
• Sources of data helpful in preparing grant applications
• NACFA meeting schedule and minutes

Training and Technical Assistance
Because it both supports state agencies and collaborates with community partners, the Grant Office customizes training and technical assistance to the needs of the requesting entity. A requesting entity may be state agencies, local agencies, or non-profits organizations. Each year, the Grant Office offers general grant information workshops for state agencies in northern Nevada and southern Nevada. The trainings are posted on the website and internally in the Nevada Employee Action and Timekeeping System (NEATS).

The Grant Office (GO) provides a full range of support to state agencies for grant-related activities:

• Identifying relevant funding opportunities
• Identifying potential grant partners
• Project management for the grant application process
• Developing a proposal/application
  • Researching data to support the proposal/application
  • Developing/acquiring memorandums of understanding (MOUs)
  • Developing/acquiring commitment or support letters for proposals/applications
  • Reviewing final drafts of proposals/applications
  • Advising on federal and state grant requirements

Throughout this document, you’ll see the above logo beside topics or activities with which the grant office can help. Please contact us at grants@admin.nv.gov to discuss how the team can support your agency’s specific needs.
**Regulations and Guidance for the Administration of Grants**

The largest portion of funding administered by state agencies is received from federal sources. This guide targets those activities required by state agencies to apply, receive, subaward or implement, close, and sustain federal awards supporting programs benefitting Nevada’s population. For consistency and to maintain good management practices, state agencies awarding funding generated through state legislative directives must follow the methodologies described for federal funds.

Federal agencies must abide by regulations described in the *Code of Federal Regulations* (C.F.R.). State agencies, by accepting federal funds, agree to meet the requirements described in these regulations, too. As *pass-through entities* (PTEs), state agencies may add or modify the existing federal requirements for subawards. However, in order to comply with federal mandates, state additions and/or modifications must increase the restrictiveness of federal requirements.

**Federal Regulations for the Administration of Grants**

Figure 1 below, “Federal Information Life Cycle,” shows a very simplified schematic of the flow of information for federal grants and how each funding source is connected to current federal administration policies and priorities. It demonstrates the need for Nevada’s agencies to align services provided with federal priorities with the purpose of capturing the most funding. This in turn will reduce political swings and increase the stability and dynamism of the state.
As of 2014 the U.S. Office of Management and Budget (OMB) combined and codified the multiple documents known as *circulars* for administering and managing federal grant funds into the *Code of Federal Regulations* title 2, section 200 (2 C.F.R. 200). This new *super circular*, known as the *Uniform Guidance* or UG, is applicable to all funding received after December 2014. The Grant Office recommends that any entity considering applying for federal grant funds review UG to become familiar with federal requirements. The entity will have a clear expectation of compliance requirements and
should review its capability and capacity for any compliance-related tasks not already being done. The organization of UG is shown in the table below and the full language is found at eCFR, the Electronic Code of Federal Regulations. In addition to UG requirements, each federal agency will apply regulations specific to its program authority and the intent of individual funding appropriations as mandated by U.S. Congress.

Table 1: Organization of Uniform Guidance (2.CFR.200)

<table>
<thead>
<tr>
<th>Subpart A</th>
<th>Acronyms and Definitions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Subpart B</td>
<td>General Provisions (§ 200.1xx)</td>
</tr>
<tr>
<td>Subpart C</td>
<td>Pre-Award Requirements (§ 200.2xx)</td>
</tr>
<tr>
<td>Subpart D</td>
<td>Post-Award Requirements (§ 200.3xx)</td>
</tr>
<tr>
<td>Subpart E</td>
<td>Cost Principles (§ 200.4xx)</td>
</tr>
<tr>
<td>Subpart F</td>
<td>Audit Requirements (§ 200.5xx)</td>
</tr>
<tr>
<td>Appendix I</td>
<td>Full Text of Notice of Funding</td>
</tr>
<tr>
<td>Appendix II</td>
<td>Contract Provisions for Non-Federal Entity Contracts Under Federal Awards</td>
</tr>
<tr>
<td>Appendix III</td>
<td>Indirect (Facilities and Administrative (F&amp;A)) Costs identification and Assignment, and Rate Determination for Institutions of Higher Education (IHEs)</td>
</tr>
<tr>
<td>Appendix IV</td>
<td>Indirect (F&amp;A) Costs Identification and Assignment, and Rate Determination for Nonprofit Organizations</td>
</tr>
<tr>
<td>Appendix V</td>
<td>State/Local Government-wide Central Service Cost Allocation Plans</td>
</tr>
<tr>
<td>Appendix VI</td>
<td>Public Assistance Cost Allocation Plans</td>
</tr>
<tr>
<td>Appendix VII</td>
<td>States and Local Government and Indian Tribe Indirect Cost Proposals</td>
</tr>
<tr>
<td>Appendix VIII</td>
<td>Nonprofit Organizations Exempted From Subpart E – Cost Principles of Part 200</td>
</tr>
<tr>
<td>Appendix IX</td>
<td>Hospital Cost Principles</td>
</tr>
<tr>
<td>Appendix X</td>
<td>Data Collection Form (Form SF-SAC)</td>
</tr>
<tr>
<td>Appendix XI</td>
<td>Compliance Supplement</td>
</tr>
<tr>
<td>Appendix XII</td>
<td>Award Term and Condition for Recipient Integrity and Performance Matters</td>
</tr>
</tbody>
</table>

State of Nevada Regulations for the Administration of Grants

Although not codified into one single statute, several statutes direct state agencies in the management and administration of grant funds. Similar to the federal agencies, state agencies will apply regulations and requirements to grant funding based on the program authority and the legislative intent when the law came into effect.

The State Administrative Manual (SAM) is a compilation of policy statements to guide the internal operations of state government. Policies are based on statute or other approved regulations.

Table 2 below lists the sections found in SAM related to grants and the applicable statutes. For your reference, the full and most current version of SAM is found at the Department of Administration’s website, and Nevada Revised Statutes is found at the Nevada Legislature’s website.
Table 2: State Administrative Manual (SAM) & Statute (NRS) Grant Reference

<table>
<thead>
<tr>
<th>Description</th>
<th>SAM Section</th>
<th>NRS #</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grant application with information technology components</td>
<td>1624</td>
<td>N/A</td>
</tr>
<tr>
<td>Acceptance of grants and contracts with Public Works involvement</td>
<td>1910</td>
<td>341.121</td>
</tr>
<tr>
<td>Biennial reports – internal controls</td>
<td>2418</td>
<td>353A.025</td>
</tr>
<tr>
<td>Work program to augment an approved budget requiring approval of the IFC</td>
<td>2524</td>
<td>353.220</td>
</tr>
<tr>
<td>Work program to receive federal block grants</td>
<td>2524, 2526</td>
<td>353.220, 353.335, 353.337, 241</td>
</tr>
<tr>
<td>Authority to accept gifts and grants not requiring Interim Finance Committee (IFC) approval or by expeditious action</td>
<td>2526</td>
<td>353.335</td>
</tr>
<tr>
<td>Statewide cost allocation plan</td>
<td>2546</td>
<td>N/A</td>
</tr>
<tr>
<td>Stale claims for grant funds</td>
<td>2622</td>
<td>N/A</td>
</tr>
<tr>
<td>State and Federal Grant Requirements</td>
<td>3000</td>
<td>N/A</td>
</tr>
</tbody>
</table>

Starting the Process of Administering Grants

**Step 1: Review Nevada Revised Statutes to Confirm Agency’s Authority to Administer Grants**

To begin the process of administering grants, it is necessary that specific language be included in the state statute that created the agency. This authorizing language can provide the agency with authority to apply for, receive, administer, and distribute grants within its jurisdiction. An agency may be authorized for some or all of these tasks, depending on the legislative intent behind the agency’s creation.

**Step 2: Establish Internal Controls**

Most state agencies function as *pass-through entities* (PTEs), meaning they receive federal funding and then distribute the majority of funds as subawards to other state agencies, local agencies, and non-profit organizations. Whether administering state funds or federal funds, internal controls play a critical role in the prevention of fraud and audit findings. State agencies receiving federal awards are federally mandated to establish internal controls (2 C.F.R. 200.303). Internal controls are also required by NRS 323A.025, NAC 353A.100, and SAM 2420.

To develop internal controls, the Grant Office recommends reviewing the “Self-Assessment Questionnaire for Internal Controls” available from the Governor’s Office of Finance, Division of Internal Audit website and using it as a guide. The questionnaire’s “Section G – Grants” provides excellent guidance.
Step 3: Establish Internal Policies and Procedures to Administer Grant Funds

Policies and procedures support compliance with fiscal and program audit requirements by providing clear step-by-step guidance on how to perform a certain task. Both are critical in establishing consistency and efficiency in the successful management and administration of grants. The Grant Office offers several overarching grant administration policies in its policy manual, Nevada Grant Policy Manual. These policies include such topics as “Conflict of Interest Disclosure,” “Subawards: Competitive Review Criteria,” “Closeout,” etc. Each state department may also have its own established policies and procedures required for the administration and management of grants within its divisions and/or bureaus. When establishing new procedures and procedures for your agency, the Grant Office recommends using your department’s established format. Keep in mind that policies and procedures at the division/bureau level can be more stringent but not more lenient than the policies and procedures of the department, state, or federal awarding agency. These process guidelines are essential to the successful administration of federal and state funds.

Step 4: Establish an Indirect Cost Rate

Why Establishing an Indirect Cost Rate Is Important

The indirect cost rate is important because it impacts a number of grant-related activities:

1. The development of budgets for all federal grant proposals/applications
2. Reconciliation and fiscal reporting of awarded funds
3. Reimbursement for administrative and facility costs of the entity administering the award
4. Audit findings

For subawards, the PTE and the potential subrecipient must determine the indirect cost rate used to finalize and approve the budget before the completion of the subaward agreement. The established indirect rate impacts the following post-award activities concerning subawards:

1. Reconciliation of fiscal reporting and awarded funds
2. Reimbursement for administrative and facility costs of the subrecipient
3. Monitoring, which includes a review of indirect cost documentation
4. Potential single audit findings

What Are Indirect Costs?

Indirect costs, also known as facilities and administrative costs, or F&A, represent business expenses that are necessary for the general operation of the organization but are not readily identified with a particular grant, contract, project function, or activity. In theory, costs like heat, light, accounting, and personnel might be charged directly if little meters could record usage across all programs and people. Practical difficulties preclude such an approach. Therefore, cost allocation plans or indirect cost rates are used to distribute these expenses amongst benefitting revenue sources. A formal definition is found in 2 C.F.R. 200.56, “Indirect (Facilities & Administrative) Costs.”
**Indirect Cost Rates**

An indirect cost rate is simply a fair and convenient administrative mechanism to determine what proportions of departmental/organizational administration costs each program should bear. An indirect cost rate represents the ratio between the total indirect costs and benefitting direct costs, after excluding and/or reclassifying unallowable costs and extraordinary or distorting expenditures (i.e., capital expenditures, major contracts, and subawards).

*Uniform Guidance* allows any non-federal entity that has never received a negotiated indirect cost rate to elect to charge a de minimis rate of 10 percent of modified total direct costs, which may be used indefinitely. If a non-federal entity chooses to charge the 10 percent de minimis rate, then the non-federal entity must use this rate consistently for all federal awards until such time as the non-federal entity chooses to negotiate a rate. There are some non-federal entities that are exempted from charging the 10 percent de minimis rate. This information is provided in “Appendix VII” of 2 C.F.R. 200.D.1.b.

*Uniform Guidance* (2 C.F.R. 200.414) requires state agencies receiving federal awards totaling more than $35 million to develop an indirect cost rate plan and submit it to their cognizant federal agency for approval. Agencies receiving less than $35 million and having no previously approved indirect cost rate may use the 10 percent de minimis rate for all federal awards. Whether the state agency determines either to use an indirect cost rate plan or to use the de minimis 10 percent, it must document how the determination was made. This determination must be applied consistently and continually to all federal grant funds received by a state agency. It will also affect the final budget of all applications submitted by the state agency.

Remember, the Grant Office staff is always available to assist agencies in developing specific policies and procedures regarding grant administration and indirect cost rates.

**What Is a Cognizant Agency?**

A cognizant agency is the responsible federal agency for a specified purpose. The cognizant agency for audit is not necessarily the same as the cognizant agency for indirect costs. When an agency receives funding from more than one federal agency, the federal agency awarding the most funding is considered the cognizant agency.

The definition under 2 C.F.R. 200.18 of a cognizant agency for audit means the federal agency designated to carry out the responsibilities described in §200.513, “Responsibilities.” A list of cognizant agencies for audit may be found through the Federal Audit Clearinghouse.

The definition under 2 C.F.R. 200.19 of a cognizant agency for indirect costs is a bit longer:

Cognizant agency for indirect costs means the federal agency responsible for reviewing, negotiating, and approving cost allocation plans or indirect cost proposals developed under this part on behalf of all federal agencies. The cognizant agency for indirect cost is not necessarily the same as the cognizant agency for audit. For assignments of cognizant agencies see the following:
(a) For IHEs: Appendix III to Part 200—Indirect (F&A) Costs Identification and Assignment, and Rate Determination for Institutions of Higher Education (IHEs), paragraph C.11.

(b) For nonprofit organizations: Appendix IV to Part 200—Indirect (F&A) Costs Identification and Assignment, and Rate Determination for Nonprofit Organizations, paragraph C.2.a.

(c) For state and local governments: Appendix V to Part 200—State/Local Government-wide Central Service Cost Allocation Plans, paragraph F.1.

(d) For Indian tribes: Appendix VII to Part 200—States and Local Government and Indian Tribe Indirect Cost Proposal, paragraph D.1.

**Pre-Award Phase**

The full process or lifecycle of a grant is comprised of two different but linked phases: pre-award and post-award. Figure 2 below, “Nevada’s Pre-award Process Overview,” illustrates the basic steps taken before receiving a grant award from a non-state source. State agencies with NRS authority to receive and to distribute state funds as grants begin with the subawarding process in the post-award phase.
Figure 2: Nevada Pre-Award Phase Process Overview
Developing a Project Idea
The development of a project is based on the needs, gaps in service, or problems of a program. In other words, what do you want funded? The goals of a project are driven by:

1. the Governor,
2. department director,
3. program administrator, and
4. the most current strategic plan for your agency.

Start with the agency’s programmatic strategic plan. Identify which activities will move you forward and the costs associated with such activities; do not change or create programs solely for funding purposes. Determine the problem, gap, or need and prepare a high-level preferred solution and two alternatives. The method, timeline, capability, staffing levels of the agency, and any potential partners will play a part in determining whether to apply and to complete the proposal/application.

Researching Sources of Funding
Expect to spend at least 40 percent of your time looking for funds. Establish guidelines or procedures for determining which funds to pursue. To help with these decisions, the Grant Office offers several sample documents and forms such as a decision-making matrix, tracking sheet, and proposal development templates. Contact the Grant Office for more information.

When seeking funds:

- identify funding sources whose priorities match the needs of the programs managed by your agency, and
- make sure to identify, describe, and document the need or proposed activity for which funding is sought.

The following organizations are excellent resources for identifying funding opportunities:

- The [Grant Office](#) provides the opportunity to register for listserv email notifications about federal funding opportunities and a list of state agencies distributing federal and state funds.
- [Foundation Center](#) maintains a comprehensive online database of U.S. entities awarding grants.
- [Grants.gov](#) provides information about current federal funding opportunities and anticipated funding opportunities, which are searchable by individual federal agency. You can also subscribe to notifications regarding federal grants.

Funding Sources: Foundations, Corporations, and Government
Foundations can be private, community, or corporate. Private foundations can be family or independent foundations, such as the Bill and Melinda Gates Foundation, the National Science Foundation, Foundation for the Arts, etc. The majority of private foundations are categorized as independent. A community foundation or civic association, such as Rotary Club, is locally based, raises its own money, and returns the money as grants to organizations within a small geographic boundary. Corporate
Foundations are independent and listed on the corporation’s webpage as corporate philanthropy. These grants are competitive and many having rolling deadlines, meaning the applications are accepted throughout the year. Others may restrict application acceptance to once or twice a year.

When researching foundations, first consider foundations located within the state, then look at the national foundations. Corporate foundations often grant funds only to communities where the company conducts business. Foundations usually list the geographic areas they serve on their websites. When writing a proposal to corporate foundations, describe how the proposed activity will benefit the funder and how the proposed activity aligns with projects they typically fund. Choose foundations with missions, focus areas, and program priorities that closely aligned to your program and/or proposed activity. Foundations usually award grants for a specific reason:

- Purpose (e.g., building funds, program support, operation costs, etc.)
- Population (e.g., youth, homeless, elderly, etc.)
- Type of organization (e.g., non-profit, small business, etc.)
- Specific geographic area (e.g., neighborhood, city, county, or state)

Through corporate giving programs and annual donation campaigns, corporations such as Wal-Mart, local casinos, and home improvement stores collect funds from employees. Often, corporations fund projects through in-kind services and sponsorships; these contributions result in an improved public image, better products, happier or healthier employees, or lower costs. Corporations usually target specific projects and fund them through marketing or divisional budgets. When seeking this form of funding in absence of a corporate contact, start with the marketing or communications office.

Government funding sources refers to federal, state, and sometimes local agencies that award funds to increase or to enhance existing services. Congressional/legislative fund authorization and restrictions placed on the method of distribution can impact the amount of available dollars.

Most funders’ websites provide guidelines regarding applications, eligibility criteria, and deadlines. If this information is not online, send an email requesting the information with a brief description of your agency and the proposed activity. Another great resource for information is the funder’s annual report, which can usually be found online or procured by a phone call or an email.

Table 3: Sample Projects by Type of Program

<table>
<thead>
<tr>
<th>Program</th>
<th>Sample Project(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Community &amp; Economic Development</td>
<td>Funding small business start-ups targeting a defined population or area</td>
</tr>
<tr>
<td>Education</td>
<td>Increasing the number of graduates from high schools in specific districts</td>
</tr>
<tr>
<td>Environmental &amp; Energy</td>
<td>Placing electric car charging stations in a community</td>
</tr>
<tr>
<td>Housing</td>
<td>Providing partial funding to increase affordable housing for seniors</td>
</tr>
<tr>
<td>Human Services</td>
<td>Creating employment rehabilitation programs</td>
</tr>
<tr>
<td></td>
<td>Support existing children’s well-being initiatives</td>
</tr>
</tbody>
</table>
Program | Sample Project(s)
--- | ---
Health | Running a vaccination campaign  
Financing the evaluation of existing programs
Justice | Implementing family court alternatives  
Supporting law enforcement activities
Recreation | Creating and/or maintaining hiking paths  
Purchasing and/or installing benches  
Launching awareness campaigns
Transportation | Maintaining existing infrastructure  
Expanding public transportation
Water & Sewer | Modernizing existing systems  
Increasing resiliency of systems

**Types of Federal Funding**

**Formula Grant**

This type of grant distributes money according to an established plan prescribed by law or administrative regulation for continuing activities not confined to a specific project. These awards are based on statistical criteria (usually based on population formulas) for specific types of work. The authorizing legislation determines the statistical criteria and amount of funds to be distributed.

*Table 4: Sample Projects for Formula Grants*

<table>
<thead>
<tr>
<th>Formula Grant Title</th>
<th>Sample Project(s)</th>
</tr>
</thead>
</table>
| Homeland Security                    | Providing planning and equipment to deter acts of terror  
Strengthening security of facilities
| Justice Assistance Grant             | Supporting local and state law enforcement activities  
Creating databases of offenders  
Reimbursing victims of crime
| Environmental Protection Clean Water Act | Regulating the pollutants discharged to waters |
| Community Development Block Grant    | Purchasing and installing street lamps  
Seeding gentrification and redevelopment of a neighborhood

**Project Grants**

Grants awarded through a competitive process are known as *discretionary* funds. These grants fund specific projects or the delivery of specific services or products over fixed, known periods of time.

*Table 5: Sample Projects for Discretionary/Competitive Grants*

<table>
<thead>
<tr>
<th>Service/Product</th>
<th>Sample Project(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Research</td>
<td>Researching hydrothermal energy processes</td>
</tr>
<tr>
<td>Service/Product</td>
<td>Sample Project(s)</td>
</tr>
<tr>
<td>---------------------------------</td>
<td>-----------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Technical Assistance</td>
<td>Studying the health risks of mosquitoes to a community</td>
</tr>
<tr>
<td></td>
<td>Evaluating the flood risk to a community</td>
</tr>
<tr>
<td></td>
<td>Determining the priority of law enforcement activities</td>
</tr>
<tr>
<td></td>
<td>Scoping evidence-based programs</td>
</tr>
<tr>
<td>Experimental and Demonstration</td>
<td>Proposing gene therapy for a specific type of cancer</td>
</tr>
<tr>
<td>Planning</td>
<td>Piloting a youth community volunteering program</td>
</tr>
<tr>
<td></td>
<td>Promoting economic development within a community</td>
</tr>
<tr>
<td></td>
<td>Coordinating emergency management for a region</td>
</tr>
</tbody>
</table>

**Direct Payments for Specified Use**
These payments provide financial assistance directly to individuals, private firms, and other private institutions to encourage or to support a particular activity. Usually this kind of funding assistance is tied to a condition based on the particular performance of the receiving individual. These may be tax credits, rent payments, scholarships, etc.

**Direct Payments with Unrestricted Use**
Direct payment or unrestricted use funding provide direct financial assistance to beneficiaries who satisfy eligibility requirements and do not impose restrictions on how the money is spent. Examples of this type of assistance are retirement and pension payments, and compensatory programs.

**Technical Assistance**
Technical assistance is provided by federal agency staff as advice and assistance to local, tribal, or state governments, individuals, or other organizations for completing specific tasks. Examples of these tasks include the preparation of plans, development of projects, or the publication and distribution of information or data of a specialized technical nature.

**Direct Services**
Direct services may include activities such as counseling, referrals, or public safety assistance.

**Differences in Federal Awards**
Federal funding is awarded to the state, or PTE, as one of three types of awards:

1. Procurement contract
2. Grant
3. Cooperative agreement

Federal agencies use procurement contracts and various forms of financial assistance, including grants and cooperative agreements, to transfer funds to people and organizations to achieve the federal agency’s authorized mission. Many differences between procurement contracts and grants exist; chiefly, grants advance a public purpose and supports a specified activity and contracts are used for the direct
benefit of the government as a way to purchase or acquire goods or services. The distinction between grants and cooperative agreements is a bit more complicated and revolves around the presence or absence of substantial federal involvement. For research-related activities, substantial involvement is likely to be found when a federal employee is actively assisting, guiding, coordinating, or participating in the project. This substantial involvement most commonly takes the form of either (1) managing the allocation of resources between sub-projects, sites, or institutions, or (2) being actively involved in the conduct of the research. Normal oversight and stewardship are not considered substantial involvement.

Table 6 below is based on the Federal Grant and Cooperative Agreement Act of 1977 (P.L. 95-224, 31 USC 6301 et seq.) which establishes the basic distinctions between federal procurement contracts, grants, and cooperative agreements.

<table>
<thead>
<tr>
<th>Procurement Contract</th>
<th>Grant</th>
<th>Cooperative Agreement</th>
</tr>
</thead>
<tbody>
<tr>
<td>An executive agency shall use a procurement contract as the legal instrument reflecting a relationship between the United States Government and a state, a local government, or other recipient when— (1) the principal purpose of the instrument is to acquire (by purchase, lease, or barter) property or services for the direct benefit or use of the United States Government; or (2) the agency decides in a specific instance that the use of a procurement contract is appropriate.</td>
<td>An executive agency shall use a grant agreement as the legal instrument reflecting a relationship between the United States Government and a state, a local government, or other recipient when— (1) the principal purpose of the relationship is to transfer a thing of value to the state or local government or other recipient to carry out a public purpose of support or stimulation authorized by a law of the United States instead of acquiring (by purchase, lease, or barter) property or services for the direct benefit or use of the United States Government; and (2) substantial involvement is not expected between the executive agency and the state, local government, or other recipient when carrying out the activity contemplated in the agreement.</td>
<td>An executive agency shall use a cooperative agreement as the legal instrument reflecting a relationship between the United States Government and a state, a local government, or other recipient when— (1) the principal purpose of the relationship is to transfer a thing of value to the state, local government, or other recipient to carry out a public purpose of support or stimulation authorized by a law of the United States instead of acquiring (by purchase, lease, or barter) property or services for the direct benefit or use of the United States Government; and (2) substantial involvement is expected between the executive agency and the state, local government, or other recipient when carrying out the activity contemplated in the agreement.</td>
</tr>
</tbody>
</table>

Before Developing the Proposal/Application

Although multiple sources of funding were discussed under the “Funding Sources: Foundations, Corporations, and Government” section of this manual, the intent is to cover the processes for state agencies applying for receiving and managing federal funding, and as applicable, the distribution of state funds in the form of subawards.

Once the determination is made to apply for funding, you must immediately confirm access to the online portal required for application. Cases have occurred where the completed proposal/application could not be submitted by the deadline due to technical issues. Federal grants require the completion of the proper certifications and assurances, internal administration, and budget review activities. Most federal agencies require the submission of grant applications online at Grants.gov. Even if applying via mail, registering for a username on Grants.gov is necessary unless the funding Federal agency requires access to a specific portal for submission of the proposal/application.

Note that approval for organization registration on Grants.gov takes approximately three to five business days. Completion of the entire registration process will take up to five weeks.

Once the registration process is in progress and what Grants.gov calls an authorized organization representative (AOR) is established, the Grant Office strongly recommends appointing a second AOR via Grants.gov. This will provide a backup user capable of submitting on behalf of the organization. Several cases have happened where the original AOR is unavailable or left the office and cannot be reached to submit the application by the deadline. Changing the AOR name may take several days. The submitting agency then finds itself with a possibility of missing the deadline.

Evaluation of a Funding Opportunity and the Determination to Apply

Most funding opportunities will include an announcement of specific application criteria. For federal funding, this announcement is called a notice of funding opportunity (NOFO). Read the NOFO in its entirety to determine if an agency meets the basic requirements to apply for funds. If the NOFO requires collaboration between a state agency and nonprofit or business partners, identify potential partners and confirm their involvement as soon as possible. The NOFO may specify required supplementary documentation and/or information such as commitment letters, sources of matching funds when necessary, or statistical data supporting the problem and the solution. A successful grant application will need to show that the proposal meets evidenced-based criteria.

The intent of the matrix below (Figure 3) is to provide support in making the decision to pursue a grant and complete the application. The Grant Office extends appreciation to the Office of Grants and Federal Resources in the great state of Arizona for allowing us to use their grant pursuance matrix.
Upon deciding to pursue a funding opportunity, you must immediately notify the Grant Office of your intent to apply. See policy 088-004 “Single Point of Contact” in the *Nevada Grant Policy Manual* for more information.

If a determination is made *not* to apply, this is the end of the process. However, if the decision is to apply, pay close attention to all criteria found in the NOFO. Often, the funding entity will not review the content of grant applications that do not meet the technical criteria (e.g., number of pages, formatting, required attachments, etc.) especially when a large number of applications will be reviewed. Most NOFOs will include a checklist of items that must be included in the submission. Again, if something is missing, your application may not be reviewed and may fail.
Figure 3: Decision Matrix for Pursuing an Application for a Grant

<table>
<thead>
<tr>
<th>Factors</th>
<th>Negative</th>
<th>Neutral</th>
<th>Positive</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Fit with funder’s mission &amp; priorities for funding</td>
<td>Not aligned</td>
<td>Marginal alignment</td>
<td>Aligns with mission</td>
</tr>
<tr>
<td>2. Organization fit (with mission, strategic plan, priorities)</td>
<td>No alignment, low priority and low impact</td>
<td>Moderate alignment; related to priority and moderate impact</td>
<td>High alignment; major priority and high impact</td>
</tr>
<tr>
<td>3. Need (clearly documented community or internal need)</td>
<td>Only anecdotal, qualitative information</td>
<td>Some data to document need; not enough compelling information</td>
<td>Multiple qualitative and quantitative third party data sources</td>
</tr>
<tr>
<td>4. Staff experience and credentials</td>
<td>Not experienced in area, improper credentials</td>
<td>Some experience in area, related credentials</td>
<td>Extensive experience, exceptional credentials</td>
</tr>
<tr>
<td>5. Staff time commitment to project</td>
<td>No time to commit, not possible to reassign staff</td>
<td>Some time available</td>
<td>Required time commitment can be met by proper staff</td>
</tr>
<tr>
<td>6. Partnerships</td>
<td>No identified partners or collaborative agreements</td>
<td>Potential partners or collaborators identified</td>
<td>Longstanding relationships with partners and collaborators</td>
</tr>
<tr>
<td>7. Sustainability</td>
<td>Does not generate revenue, no future funding identified</td>
<td>Future sources of funding identified to cover some program costs</td>
<td>Future sources of funds identified to cover all program costs</td>
</tr>
<tr>
<td>8. Staff training and development</td>
<td>Requires but does provide for staff training and development</td>
<td>Minimal training required, some costs are covered</td>
<td>Minimal training is required and all associated costs are covered</td>
</tr>
<tr>
<td>9. Organization resources (space, staff, matching funds)</td>
<td>Requires a significant investment of resources, including admin or support staff time</td>
<td>Requires some investment of resources</td>
<td>Requires minimal or no match or investment of resources</td>
</tr>
<tr>
<td>10. Operational vs. programmatic</td>
<td>Provides support only to projects or programs, and no support to general operating processes</td>
<td>Provides a mix of operating and programmatic support</td>
<td>Provides a mix of support and may support organizational advancement</td>
</tr>
<tr>
<td>11. Capability to develop a successful proposal for grant funding</td>
<td>Do not have staff time to respond by deadline</td>
<td>Responding requires reallocating staff time but can be accomplished</td>
<td>Adequate staff time is available to develop a competitive proposal</td>
</tr>
</tbody>
</table>

Notes:
State Clearinghouse

Authorized by gubernatorial executive order in 1989, the State Clearinghouse, within the Department of Conservation and Natural Resources, Division of State Lands, exists to inform Executive Branch agencies of significant federal projects and policy initiatives that affect our state. The Nevada State Clearinghouse is the single point of contact (SPOC) for National Environmental Policy Act (NEPA) proposals statewide. Pursuant to NEPA, federal agencies must consult with the state and other agencies whenever a project or policy initiative is proposed on public lands. The Clearinghouse ensures that pertinent state agencies and other local governments are notified about the projects and then provide comments back to the federal agencies to help facilitate the consultation process. Contact nevadaclearinghouse@lands.nv.gov or call (775) 684-2723.

Developing the Proposal/Application

Next is a recommended approach to developing and completing a proposal/application for a grant project.

Gather demographics, statistics, and reports to support the project. The collected data will assist in identifying gaps or needs. The gaps and/or needs will provide ideas for one or more projects. When several projects are identified, the NOFO requirements will provide guidance as to the best choice.

These requirements include but are not limited to:

- collaboration or partnerships (letters or commitment/support),
- match,
- reporting and evaluation requirements,
- criteria used to rank submitted applications,
- the state agency’s capability to manage the award, and
- period of performance.

Next, develop goals and objectives. Make sure the goals and objectives follow the SMART rule: Specific, significant, and stretching; Measurable, meaningful, and motivational; Attainable, achievable, acceptable, and action-oriented; Realistic, relevant, reasonable, rewarding, and results-oriented; and Time-based, time-bound, timely, and tangible.

Building a Budget

Now that the goals and objectives are clear, determine the target population, target area, and the approach to implementing the project. These determinations lead to researching the cost of implementing the project. Is there a need for commitment from partners? Commitment means providing fiscal or programmatic support for project activities (as opposed to a letter of support). Is a contractor necessary?

- If the proposed project requires action by partners, now is the time to contact the very important people who have authority to make commitments on behalf of partner agencies.
Provide a template when requesting written letters of commitment. Upon request, the Grant Office can provide a sample template for your use.

- When contractors are necessary, confirm you require a contract and not a subaward. Contracts will require additional processes if the funding is awarded, and both have different reporting requirements for audit purposes. See Subaward vs. Contract Determination and Contracting sections below.
- Applications from several federal agencies require proposed projects to include an evaluation process by an independent third party. In many of these cases, the cost for such an evaluation is part of the proposal’s budget.
- Some federal agencies require inclusion of travel costs in the proposed budget for state agency staff to attend specific conferences or training.
- Many Federal program awarding grants ask the applicant to address sustainability of the proposed project, address the costs of collection additional data for demonstrating the need for funding other than Federal.

Subaward vs. Contract Determination

Before writing the proposal narrative, you should have a thorough understanding of your program and the players needed to execute such a program, including potential contractors or subrecipients. Subrecipient is defined in UG (2 C.F.R. 200.93) as, “a non-federal entity that receives a subaward from a pass-through entity (PTE) to carry out part of a federal program; but does not include an individual that is a beneficiary of such program. A subrecipient may also be a recipient of other federal awards directly from a federal awarding agency.” The most important factor in determining whether to fund either a contract or subaward within your proposal is the substance of the relationship between the state agency and the receiving entity. The relationship determines the mechanism for the awarding process, which is something you need to determine before developing a grant proposal. Below is a table of criteria that can be used to help determine whether or not your relationship is that of a subrecipient or a contractor. For more details, see the Nevada Grant Policy Manual and 2 C.F.R. 200.330. Contact the Grant Office if additional guidance is needed.

Table 7: Differences between a Subrecipient and a Contractor

<table>
<thead>
<tr>
<th>Subrecipient</th>
<th>Contractor</th>
</tr>
</thead>
<tbody>
<tr>
<td>Creates the federal assistance relationship</td>
<td>Obtains goods or provides services for the non-federal entity and creates a procurement relationship</td>
</tr>
<tr>
<td>Determines who is eligible to receive what federal assistance</td>
<td>Provides goods/services within normal business operations</td>
</tr>
<tr>
<td>Has performance measures in relation to whether objectives of federal program were met</td>
<td>Provides similar goods/services to many purchasers</td>
</tr>
<tr>
<td>Must comply with program requirements specified in the federal award</td>
<td>Provides goods/services ancillary to federal program</td>
</tr>
</tbody>
</table>
Subrecipient | Contractor
---|---
Uses federal funds to carry out program for public purpose specific in award/statute, etc. | Not subject to compliance requirements as a result of the agreement, but may have other requirements related to local law

**Awarding Mechanism:** Subaward | **Awarding Mechanism:** Contract

**Contracting**
For assistance with contracts and procurement rules, the Grant Office recommends contacting the Department of Administration, Purchasing Division at (775) 684-0188 or reviewing its website. A purchasing officer is assigned to each state department and can assist with implementing a contract funded by a grant.

**Writing the Narrative Using Competitive Review Criteria**
The grant writer or program manager will most likely write the narrative for the application, and budget staff will formulate the budget and write the budget narrative. Because these critical parts of the application may be prepared by different people, you must ensure the project narrative and budget support each other and explain the project in a unified, consistent manner. Be sure to explain technical terms within the proposal; a layperson should be able to understand what the proposed project is going to accomplish.

Before developing the application, become familiar with the scoring criteria (or competitive review criteria) and the application evaluate process. Use the criteria to guide which parts of the application to emphasize. If section A is worth five points and section B is worth 20, section B should receive more time, research, and word count; give the most attention to the sections worth the most points. When competitive bonus points are available, be sure to include the information required to secure those additional points.

It is becoming more prevalent for Federal agencies to ask about sustainability of programs after the Federal funding ends. Address sustainability with data used in the development of the proposal/application, such as gap analysis, state statutory requirements, success of the program, and impact to the community. The data also supports enhancements to a state agency’s budget when presenting its budget to legislators. To demonstrate impact to the community and the success of the program data must be collected during and after the implementation of the proposed project. So, make sure to include the language necessary in the narrative to justify the budgeted costs for data collection.

When evaluating your application, the evaluator is assessing the likelihood of the project being successfully completed, and the likelihood that the grant will be managed according to federal and state compliance mandates. To aid this assessment, your application should incorporate descriptions of key personnel’s qualifications and your agency’s capability to administer and manage the grant. Include any strategic planning, evidence-based similarities, and studies that lend credibility to the process and desired outcome.
Lastly, have someone less familiar with the specifics of the proposed project review the application for grammar, consistency, technical aspects, and required information. This person should be familiar with the NOFO and raise questions about content that might be missing or is not clear. Double check the contents against the requirements. Use the application submission checklist when provided.

**Submitting the Proposal/Application**

Do not wait until the day the grant is due to submit the application!

It is strongly recommended that agencies submit an application three days in advance of the deadline in case technical problems arise. Applicants frequently encounter Grants.gov technical problems resulting from the blocking of pop-ups. To avoid such issues, ensure your pop-ups are enabled prior to submitting an application. You will not be able to submit after the deadline, for any reason. When submitting via [Grants.gov](https://grants.gov), the AOR authorized to submit grants on behalf of an organization will receive a string of confirmation emails. The first two emails are the most important. These can take up to two days to receive. The first confirms receipt of the application; the second confirms the application was validated successfully. If the emails are not received within the two-day period, call the Grants.gov contact center at (1-800) 518-4726.

When submitting through other means, such as agency-specific portals, make sure to request and/or print written correspondence confirming the successful submission of the application whenever possible.

Upon submission of an application, email the full application to [grants@admin.nv.gov](mailto:grants@admin.nv.gov). As the prime recipient of an award, you must use the standard form 424 (SF-424) to notify your points of contact at the Legislative Council Bureau and the Governor’s Finance Office. See policy 088-004 “Single Point of Contact” in the [Nevada Grant Policy Manual](#) for more information.

**Results of the Proposal/Application Review**

The evaluation process for competitive funding takes two to three months. Funding may be allocated based on a variety of competitive review criteria. Usually, the NOFO will specify the criteria used by the federal agency to rank and award funds. The following list provides several of the many criteria that may be used to evaluate an application:

- Comparison to other states
- Current level of infrastructure and/or provision of services to a specific population
- Current statistics regarding specific activities affecting the applicant’s community such as: teenage pregnancy rate, dropout rates, low test scores in certain subjects, per capita income, etc.
- Strategies used to change and improve a current situation
- Dollar amount being requested in relation to populations to be served
Post-Award Phase
The post-award phase begins with receiving the notice of grant award, negotiating the details when necessary, and bringing the funds into the state fiscal system (see Figure 4 below). Sometimes managing the project, and/or subawarding the funds to subrecipients occur simultaneously while bringing funds into the state’s financial management system.
Figure 4: Nevada Post-Award Phase Process Overview
Receiving a Grant Award

This stage leads to the completion of award acceptance documents and other related activities tied to the state budget process. The term used to identify the recipient of the award depends on the funding source issuing the award. For consistency with federal terminology, this manual utilizes the terms prime recipient and pass-through entity (PTE) to identify the entity receiving the award directly from the funding source.

An awarding federal agency provides an official notice to the receiving PTE. The official notice is called a notice of grant award (NOGA). If you would like to see some example NOGA forms, which vary by awarding federal agency, contact the Grant Office. Below is a list that shows some of the main components of a NOGA.

- CFDA Number (XX.YYY)
- Period of Performance
- Award amount and Categories
- Program Contacts
- Assurances
- Program Income
- Terms and Special Conditions
- Indirect Cost Rate

It is extremely important to thoroughly read and understand all requirements found on the NOGA document. If applicable, carefully review internet links cited within the document. Contact the federal program’s point of contact to clarify and resolve questions before accepting the award. Acceptance of the federal grant award means the state agency agrees to comply with, and include in all subawards, the grant provisions, all applicable federal statutes, regulations and guidelines, and any amendments. The state agency agrees to operate the funded program in accordance with the approved application, its budget, supporting documents, and other representations made in its support. Essentially, the prime recipient is responsible for the efficient and effective administration of the federal award through the application of sound management and fiscal policies. This responsibility makes it imperative to completely and fully understand the NOGA prior to submitting the acceptance documentation.

Once the award has been accepted, the next step toward implementation is a meeting with all PTE staff (fiscal, program, and administrative) to discuss the NOGA, define the roles and responsibilities, and resolve any perceived barriers to implementation. The Grant Office can provide a sample agenda for a pre-implementation kick-off meeting, as well as additional guidance on request.

Any interpretation of the regulation or policy is resolved in the below order of precedence, with each subsequent policy or regulation having the ability to be more restrictive but not less restrictive than the source of policy/regulation preceding it:
1. Federal appropriation language
3. Executive orders and *Uniform Guidance* (UG)
4. Notice of funding opportunity
5. Awarding agency’s regulations, special conditions, and provisions
6. Approved grant application including assurances, certifications, attachments, and pre-award negotiations
7. State and local policy and procedures

Upon receipt of the NOGA, forward a copy to the Grant Office as required by NRS 232.225.

**State Budget Authority and Interim Finance Committee Approval**

Without proper budget authority an agency may not incur expenditures. Changes to existing budget authority are completed through a work program (WP) request. The Grant Office recommends reviewing the latest version of NRS 353.335 and NRS 353.220 to confirm exceptions for processing a WP based on the amount and purpose of the grant. The NOGA information and the submitted application will assist in the completion of the WP document. On the [Budget Division training webpage](#), the Governor’s Finance Office provides a WP training video, presentation, and a manual detailing how to complete a WP. The procedure for processing a WP varies from agency to agency; make sure to follow the established policies, procedures, and internal controls.

The Interim Finance Committee (IFC) of the Legislative Council Bureau approves the WP allowing the increase in the agency’s budget authority for the award.

**State Controller Notification**

A *job number* allows grant award transactions to be tracked within the receiving state agency’s budget. To request a job number, complete a *job maintenance form* using the State Controller’s Office form and established process. The Grant Office strongly recommends checking the [website of the State Controller’s Office](#) for the latest version of this form and the office’s financial user manuals for details on how to complete the form correctly.

**Prime Recipient Responsibilities**

**Single Audit Requirement**

Title 2 of the *Code of Federal Regulations* (§200.501) states an organization must conduct a single audit when it expends $750,000 or more in federal funds during its fiscal year. The state meets this requirement every year.

In preparation for the state’s single audit, the Controller requires the completion of single audit report forms (SARFS) annually. The reports are based on the job number associated with the Federal award. The reports are provided in electronic and hard copy. This is dependent on the exemptions and whether the award is considered a major program. The certification of the accuracy of the data found on the form is necessary to process the information and prepare the Single Audit for the state. This process is the reason for providing notification to the Controller about any approved revisions to the Federal
award such as time-extensions and total amounts of the existing award. Find the latest instructions for SARFs at Controller's Single Audit and Financial Reporting.

Finally, remember that the Controller also manages the following single audit activities.

1. Treasury State Agreement and Memorandum of Agreement for Major Programs.
2. State agency corrective action for audit findings.
3. Single audit inquiries from the auditor.

**Distribution of Subawards**

Many state agencies in Nevada function as a PTE or prime recipient distributing awarded funding to *subrecipients* for implementation. Two options are open to a state agency when subawarding to subrecipients:

A. As a PTE, the agency may distribute the funds to subrecipients through a competitive process for implementation. The award may or may not allocate a percentage of the funds for administering the subaward.

B. As a PTE, the agency may distribute funds to subrecipients in a non-competitive manner. The award document will indicate if any percentage of the total amount awarded may be used to administer the subaward.

Under option A, the state agency receives an award to support other entities (e.g., state agencies, local governments, non-profits) that will enhance, execute, or pilot a program. These other entities, the potential subrecipients, must compete for the funding. In this case, the state agency will create a notice of funding opportunity (NOFO) and widely distribute it to potential subrecipients. The Grant Office can provide a sample competitive review criteria, a sample NOFO checklist, and additional guidance to aid in the creation of a NOFO.

When all the proposals (also called applications) are received, the state agency will evaluate and rank each proposal based on a set of criteria. This evaluation is generally done through a committee, board, or group with subject matter expertise related to the program. See policy 088-005 “Subaward Competitive Review Criteria” in the *Nevada Grant Policy Manual* for more information about ranking and evaluating proposals.

Under option B, the state agency receives an award to support other entities (e.g., state agencies, local governments, non-profits) that will enhance, execute, or pilot a program. These other entities, the subrecipients, receive a subaward. The subrecipients and distribution of funds was pre-determined in the federal grant application and is executed in a non-competitive manner through a formula, equal amounts, established and pre-negotiated amounts, etc. If you would like a list of required documents and data for a subaward package, contact the Grant Office.
In both cases, if the award includes an allocation for indirect costs (F&A), the best practice is for the PTE to follow established procedures for subawarding and issue a subaward to itself for the indirect costs, as though it were a subrecipient.

The Grant Office can provide a number of post-award documents and sample forms such as a subrecipient manual, notice of funding opportunity, risk assessment tool, policies and procedures for subawarding, and a subaward package.

**Federal Funding Accountability and Transparency Act (FFATA) Reporting**

The FFATA Subaward Reporting System (FSRS) is the online tool that federal prime awardees (i.e. prime contractors and prime grants recipients) use to report required subaward data, including executive compensation data regarding their first-tier subawards in order to meet the FFATA reporting requirements. To register and access the portal, follow the steps below:

1. Go to [www.FSRS.gov](http://www.FSRS.gov)
2. Click on the **awardees** link
3. Click the **register** button on the right-hand side of the page under new recipient
4. Follow the on-screen directions to register for a new account. You will need the DUNS number for your state agency. To activate your account, you will receive an email validation message.

For additional details about required reports, see the [FSRS Awardee User Guide](http://www.FSRS.gov). The FSRS.gov portal also has very helpful training videos for creating and uploading reports.

**Reporting of Subawards**

In accordance with “Reporting Subaward and Executive Compensation Information” (2 C.F.R. 1.170), prime recipients awarded a federal grant are required to file a FFATA subaward report by the end of the month following the month in which the prime recipient awards any subaward equal to or greater than $25,000. The reporting requirements are as follows:

- This requirement is for both mandatory and discretionary grants awarded on or after October 1, 2010.
- All subaward information must be reported by the prime recipient.
- For new federal grants as of October 1, 2010, if the initial award is equal to or over $25,000, reporting of subaward and executive compensation data is required.
- If the initial award is below $25,000 but subsequent grant modifications result in a total award equal to or over $25,000, the award will be subject to the reporting requirements, as of the date the award exceeds $25,000.
- If the initial award equals or exceeds $25,000 but funding is subsequently de-obligated such that the total award amount falls below $25,000, the award continues to be subject to the reporting requirements of the **Transparency Act** and FSRS.
**Reporting of Subcontract Awards**

In accordance with *Federal Acquisition Regulation* clause 52.204-10 (“Reporting Executive Compensation and First-Tier Subcontract Awards”), prime contractors awarded a federal contract or order are required to file a FFATA subaward report by the end of the month following the month in which the prime contractor awards any subcontract greater than $30,000.

**Payments/Reimbursements to Subrecipients**

The state agency must specify the method and schedule of payments to subrecipients for each grant in the subaward agreement. Subaward payments may not be issued until the funds are encumbered and the subaward agreement is fully executed.

The *reimbursement method* is the preferred method for making grant payments on subawards. Subrecipients’ requests for reimbursement must correspond to the line items in the approved grant budget (i.e., personnel costs, indirect costs, equipment costs) and include source documentation for all expenditures. The state’s authorized representative or their designee is responsible for the review of each request for reimbursement to determine allowability, reasonableness, and whether or not the grant received the benefit of the expenditure. This is measured against the approved grant budget, grant expenditures to-date, and the latest grant performance report before approving payment. Subawards with past due performance reports must have a written extension from the PTE before receiving payment.

An *advance payment method* is a type of grant payment in which the PTE pays the subrecipient for costs associated with a grant before the subrecipient incurs any expense. This type of payment, although not recommended, is necessary at times. The PTE making the advanced payment must be confident that the subrecipient will account for the funds and abide by the terms of the subaward agreement; the PTE must take into consideration the subrecipient’s past performance and the evaluation of their financial statements. Advance payments require the submission of source documentation and a review of expenditures, just as required in the reimbursement method; however the timing for receipt of backup documentation will be after the payment is made and prior to the next payment to the subrecipient.

All advanced payments require written justification. The approval of the appropriate authorized representative for the PTE is necessary, and the review and approval of a financial management representative is also strongly recommended. Maintain a copy of the fully executed justification in the subaward file. Developing policies and procedures to establish the maximum amount of an advance payment and the timeline for full reconciliation is recommended.
Payment to a subrecipient requires a payment voucher to be completed and processed in the Advantage fiscal system. Follow the state’s budget guidance for the proper coding of payments to the correct expenditure, object code and job number. For details about payment vouchers, see the Nevada Controller’s accounting policies and procedures and financial user manuals. PTEs should double check their internal controls, policies, and procedures to ensure the processing of payments are done timely, correctly, and consistently. Always check to make sure you’re using the current version of all the Controller’s forms for fiscal transactions.

Prime Recipient Reporting
Most NOGAs define a grant’s schedule for required reports, such as the fiscal report and the program report. Submitting timely required reports to the federal awarding agency is critical to maintain one’s standing as a low risk prime recipient with federal awarding agencies. Federal agencies may have a portal for the submission of reports. Such portals usually require the prime recipient to register for access.

Prime Recipient Fiscal Reporting
Fiscal reports are generally based on the compilation of all subrecipient fiscal reports and eligible and allowable expenditures by the PTE that have been reconciled. The information is prepared and submitted in the format required by the federal awarding agency. This information is then used to complete a reimbursement request (known as a draw down) or advance for funds from the awarding federal agency. The process is repeated according to the schedule presented by the federal awarding agency in the NOGA until the end of the period of performance of the grant. Ensure backup documentation for all expenditures is maintained to support no findings in future audits.

Figure 5: Life Cycle of a Federal Grant
**Prime Recipient Program Reporting**
Program reporting involves the gathering of information following the methodology described in the approved application and shows progress toward the project’s goals and objectives. The data is first analyzed and then submitted in the format required by the federal awarding agency. The NOGA dictates the required reporting frequency and any additional required data. These reports will document the successful completion of activities and provide additional demographic data to support future proposed activities within the state. The demographic data may include, but is not limited to: population served, outcome, total cost, matching funds, partnerships, new collaboration, etc.

**Project Change Requests for Prime Recipients**
Each federal agency has an established procedure for processing changes to the original prime award, and the process is generally outlined in the NOGA. Usually, a written justification for the change is submitted along with the formal approval/signature from the state agency’s authorized representative. Most change requests require prior approval before the implementation of any modifications.

The most common changes are made to the budget. However, changes to personnel administering the prime award, the scope of work, or the period of performance may be necessary.

For budget changes, most federal agencies awarding grants do not require the prime recipient to notify or to request approval any budgetary changes to approved expenditure categories when the modification is less than or equal to 10 percent of the total approved budget. Follow the instructions in the guidance and/or NOGA for the specific grant as well as appropriate state policy for budgetary changes. Sequentially number, track, and keep a record of all changes to the prime award.

**Draw Downs from Federal Funding Sources**
*Draw down* is the term used for the payment of federal funds to a prime recipient reimbursing the documented expenditures incurred during the reporting period. Draw downs, or simply *draws*, are typically requested by the PTE through the federal Payment Management System (PMS). However, the process may vary according to the federal awarding agency.

Ensure the current policies, procedures, and internal controls are followed when requesting a draw. The Grant Office recommends reviewing the latest version of the Controller’s [*Accounting Policies and Procedures*](http://intranet.nevadatreasurer.gov) manual. State agencies must send notification to the Treasurer’s Office detailing their federal draw requests. The Treasurer’s Office completes the tasks necessary to draw Federal funds into the state account for most of the state agencies. Draws are processed by completing the Treasurer’s Office Draw Request Form found at the Treasurer’s Office Intranet site at [http://intranet.nevadatreasurer.gov](http://intranet.nevadatreasurer.gov), creating a “CR” in the state’s fiscal system “Advantage” and placing it on “hold.” The Treasurer’s Office will access the appropriate Federal portal and perform the draw. Once funds are
confirmed in the State’s bank account, the Treasurer’s Office will release the CR in Advantage. Releasing the CR document in Advantage posts the revenue funds to the state agency’s budget account.

State agencies performing the draw directly with their funding Federal agency are required to submit an Incoming Funds Notification form and “CR” placed in held status alerting the Treasurer to the revenue. Once funds are confirmed in the State’s bank account, the Treasurer’s Office will release the CR in Advantage. Releasing the CR document in Advantage will post the revenue funds to the state agency’s budget account.

Make sure to retain all records related to draws for audit purposes.

Auditing Subrecipient Reports
To comply with “Monitoring and Reporting Program Performance” (2 C.F.R. 200.328), reporting intervals must be no less than annually. Quarterly or semi-annual reports are due within 30 calendar days of the reporting period, and annual reports are due within 90 calendar days of the reporting period. The PTE may adjust the deadlines to be more restrictive to ensure that they are able to make the overall federal report on time. Make sure the timeframes are well documented and tracked. The subaward package should contain the reporting requirements, including deadlines. Requirements for subrecipient reporting and reporting deadlines vary by program, grant award, and by state agency. Generally, the PTE requires the subrecipient to submit both a fiscal and a performance report. Some state agencies require a monthly fiscal report to allow for quick reimbursement of expenditures to subrecipients, but require only a quarterly performance report. Others require both fiscal and performance reports on a monthly basis. When determining deadlines, take into account the due date for PTE reports to allow for compilation, reconciliation, and summarization of subrecipient information. That way the PTE can leverage up-to-date subrecipient information to demonstrate progress towards goals and the timely submission of reports to the federal awarding agency.

Monitoring Subrecipients
Monitoring is a process allowing for the evaluation of a subrecipient to ensure the subaward is being administered according to the requirements found in the subaward agreement.

According to 2 C.F.R. 200.328, the non-federal entity (in this case, the PTE) is responsible for overseeing the operations of activities supported by a federal award. The non-federal entity must monitor its activities under federal awards to assure compliance with applicable federal requirements and to ensure performance expectations are being achieved. Monitoring must cover each program, function, or activity.

To meet federal requirements, monitor all subrecipients minimally once every year. The PTE determines if more frequent monitoring is necessary based on compliance and the specific needs of each subrecipient.

The role of the PTE is to identify potential audit issues, technical assistance, or training needs, as well as to follow up on issues or corrective actions. The key elements for monitoring are developing:
1. a mutually agreed scope and strategy among subrecipients and PTE, and
2. standard tools and templates, including training and communication methods.

Monitoring generally focuses on the day-to-day management and in responding to the question, “Are we doing things right?” Contact the Grant Office for a sample checklist for monitoring, along with a guide for coordinating calls or site visits.

**Single Audit Requirement**
Following the direction of [2 C.F.R. 200.500](#), the responsibilities of a PTE include:

1. confirming the subrecipient certifies to meet the single audit requirement as appropriate prior to the subaward,
2. reviewing the single audit to confirm it is clear of findings or questioned costs,
3. planning acceptable corrective action for findings or questioned costs,
4. issuing timely management decisions about any findings as appropriate, and
5. tracking any issued management decisions and the completion of corrective actions.

The Grant Office can provide several forms to support the five tasks above.

**Closing Subawards and Prime Awards**
This stage has two activities that, although separate, are linked through subawarding. The first activity is the closeout of subawards as activities are completed or at the end of the period of performance, whichever is first. The second activity is the closeout of the entire prime award. Subawards with pending items must be resolved before the closeout of the prime award. Pending issues may include the reallocation of funds de-obligated by subrecipients, when the period of performance allows. Note that [2 C.F.R. 200.343](#) states the non-federal entity must submit all required reports within 90 calendar days after the end of the period of performance and details the process for the payment and collection of applicable funds.

**How a Prime Recipient Closes a Subaward**
A subaward is ready for closure when:

- its period of performance ends, or
- the subrecipient completes the project, or
- the subrecipient is non-compliant, or
- both the subrecipient and PTE agree to terminate the award.

In all circumstances, the prime recipient must determine that the subrecipient has completed all applicable administrative actions and all required work is done. The program guidance should include policies, procedures, timelines, and an appeal process for closing subawards.

The closeout process includes reconciling all fiscal reports. Sometimes, the project is completed ahead of schedule with savings. Other times, projects are completed within the subaward’s period of performance but with savings. In both cases, the subrecipient reverts or de-obligates the balance of the grant dollars to federal agencies.

Nevada’s goal is to revert zero grant dollars to federal agencies.
subaward. Then it becomes the PTE’s responsibility to reallocate the balance whenever possible to ensure no funds, or as few as possible, are reverted to the federal awarding agency. This requires a close relationship with third-party subrecipients who have the ability to expend funds within the prime award’s period of performance. The PTE will issue an amendment to the third-party subrecipient’s existing award agreement or issue a new award.

Once the final fiscal report is reconciled and the required program information is submitted to the satisfaction of the PTE, the PTE issues a formal letter closing the subaward with a clause regarding the record retention requirements for that specific grant. For samples of documents used when closing a subaward, contact the Grant Office.

The reporting cycle continues until either all subawards are closed, or the prime award’s period of performance ends—whichever is first. The PTE may request to extend the prime award’s period of performance for the prime award with the approval of the federal awarding agency. These no-cost time extensions of period of performance for prime awards may or may not be allowed, check the NOGA carefully before taking action.

Prime Award Closeout

As defined by 2 C.F.R. 200.16, closeout is the process by which the federal awarding agency or PTE determines that all applicable administrative actions and all required work of the federal award have been completed and takes actions as described in §200.343.

When properly managed, reconciling of fiscal reports and auditing of program reports, a PTE administrator should know when a prime award will have savings or de-obligations from subawards. When the grant program allows the reallocation or changes to the original scope of work, the Grant Office will work with the PTE and potential partners to use the savings in an effort to reach the goal of reverting zero dollars to the federal government. NRS 232.225 mandates that state agencies notify the Grant Office of savings in a grant program.

The prime award closeout requires two essential tasks. The first task is the fiscal reconciliation of all subawards and PTE administering costs against state and federal records. The second task is the submission of programmatic data, which includes a formal written request to the awarding federal agency for closure of the prime award. The federal awarding agency will reply with the approval or with inquiries for additional information. Once the federal agency approves the closure, follow the state agency’s established policies, procedures, and internal controls to process a draw down for the final reimbursement from the federal awarding agency. At the same time, notify the Governor’s Finance Office and the Controller’s Office, if applicable, about the closure.

Federal requirements under “Closeout” (2 C.F.R. 200.343), requires the submission of all financial, performance, and other reports as required under the terms and conditions of
the federal award within 90 days after the end of the period of performance for the prime award. Consider this deadline when preparing policies and procedures and establishing guidance for programs.

**Subrecipient Responsibilities**

**Subrecipient Fiscal Reports**
The PTE commonly uses a fiscal report to reimburse the subrecipient for allocable, reasonable, and consistently treated expenditures. This report is tracked, reconciled, and audited, as summarized by Table 8 below. The type of project determines the backup documentation necessary to meet federal requirements of 2 C.F.R. 200(D), “Post-Award Federal Award Requirements.” The PTE can then use the data contained in the subrecipient’s fiscal report to complete the state fiscal document (i.e., payment voucher) necessary to process payment to the subrecipient through the state’s internal system.

Although not required by NRS, internal controls dictate the time frame in which payments must be made. Federal regulations require reimbursement within 30 calendar days after receipt of billing (2 C.F.R. 200.305), unless there is reason to believe the request is improper and/or non-compliance issues exist. Most state agencies maintain a spreadsheet to track reimbursements for each subaward.

Use a standard fiscal reporting form for consistency and convenience. Make modifications to the form based on the needs/requirements of each grant’s guidelines. When making modifications consider the collection of:

1. necessary data to evaluate the project, and
2. statistics to support future grant applications.

The Grant Office can provide sample fiscal reports, tracking spreadsheets, and fiscal reporting forms on request.

**Table 8: Activities Involved in the Review of a Fiscal Report**

<table>
<thead>
<tr>
<th>Action</th>
<th>Purpose</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Tracking ensures:</strong></td>
<td>• Timeliness</td>
</tr>
<tr>
<td></td>
<td>• Compliance with 2 C.F.R. 200.331, “Requirements for PTEs”</td>
</tr>
<tr>
<td></td>
<td>• Meeting state requirements</td>
</tr>
<tr>
<td><strong>Reconciliation confirms:</strong></td>
<td>• Correct balances</td>
</tr>
<tr>
<td></td>
<td>• Amounts reported match agency and state records</td>
</tr>
<tr>
<td></td>
<td>• Expenditures do not exceed amount approved in subaward</td>
</tr>
<tr>
<td><strong>Auditing certifies expenditures are:</strong></td>
<td>• Reasonable</td>
</tr>
<tr>
<td></td>
<td>• Allocable</td>
</tr>
<tr>
<td></td>
<td>• Treated consistently</td>
</tr>
<tr>
<td></td>
<td>• In conformation with the subaward</td>
</tr>
<tr>
<td></td>
<td>• Documented appropriately for a clear audit trail</td>
</tr>
<tr>
<td></td>
<td>• Mathematically correct</td>
</tr>
<tr>
<td><strong>Reimbursing ratifies:</strong></td>
<td>• Timely payment of approved expenses to subrecipient</td>
</tr>
</tbody>
</table>
Subrecipient Performance Reports
Some federal awarding agencies require subrecipients to report data about the progress made toward the approved goals and objectives, significant events, specific project related data, etc. through particular web portals. The federal agencies regularly rely upon the PTE to provide technical assistance and support to subrecipients for navigation and registration purposes.

The federal reporting requirements will influence the frequency and content of most performance reports. The PTE may require the subrecipient to provide additional data based on the goals and objectives of the program, the risk posed by the subrecipient, and the information that may be necessary to evaluate the project and/or to support future grant applications.

The subrecipient performance report provides the PTE with documentation of progress in reaching the goals stated in the approved award, delays, problems, and/or significant events. As a best practice, payments/reimbursements to non-compliant subrecipients should be withheld until they meet the agreed upon schedule for required reports. Of course, the state agency may extend or waive such requirements as long as it is well documented and maintained in the subaward file. When developing the performance report template, consider that data collected by the prime recipient from these reports will support the sustainability of the program. If you’d like to see a sample performance report, contact the Grant Office.

Subrecipient Project Change Requests
To make a change to a subaward grant agreement, the subrecipient must submit a fully executed change request form. The form must include the justification/reason for the requested change. A memo is insufficient to make the changes as it is not legally binding. To avoid any liability, it is important that the PTE approve the request form before the grant agreement expires and that changes be made within the scope of the original subaward.

As PTE, state agencies ensure all changes are clearly identified and written, properly executed, numbered sequentially, and approved in the same manner as the original subaward grant agreement. Again, establishing policies and procedures for subrecipients to request changes is critical. The Grant Office can assist your agency in creating these policies and procedures and can provide sample form upon request.

Subrecipient Subaward Closeout
Ensure the program guidance and policies establish the procedures and required documentation for closing subawards in each of the four scenarios listed below in Table 9. Closeout can only take place when the prime recipient determines the subrecipient has completed all the work and applicable administrative actions.

<table>
<thead>
<tr>
<th>Reason for Closing</th>
<th>Action</th>
</tr>
</thead>
<tbody>
<tr>
<td>End of period of performance</td>
<td>Follow established program policies and procedures for the normal closeout of subawards.</td>
</tr>
</tbody>
</table>

Table 9: Justification for Closing Subawards
### Reason for Closing

<table>
<thead>
<tr>
<th>Reason for Closing</th>
<th>Action</th>
</tr>
</thead>
<tbody>
<tr>
<td>Completion of project</td>
<td>The program guide should indicate the grace period for submitting a final fiscal and/or program report, if applicable. If necessary, submit a formal, written notice requesting closeout.</td>
</tr>
<tr>
<td>Mutual agreement by subrecipient and PTE to terminate the award</td>
<td>Either the subrecipient or the PTE may request the closure of a subaward with written justification and advanced notice. The prime recipient, in consultation with subrecipient, determines how much advanced notice is required. The notice must include the justification for the closure and provide direction for program and budget reconciliation.</td>
</tr>
<tr>
<td>Noncompliance</td>
<td>If the subrecipient fails to comply with federal, state, or program requirements, termination for non-compliance can be partial or full. Establish an appeal process within the program’s guidance to ensure unbiased, objective, and consistent treatment of all subrecipients.</td>
</tr>
</tbody>
</table>

### Conclusion

Dedicated teams in each agency work continuously and with great commitment to manage funding received from federal agencies. The Grant Office cannot emphasize strongly enough the importance of good grant management! Good management allows the state, first and foremost, to keep awarded funds which enhance programs; it also minimizes audit findings and allows Nevada to remain a low-risk recipient of federal funds.

In an effort to increase competitiveness, the Grant Office offers training and support services statewide for grant-related activities. This guide is part of the effort.