

Ask the Experts: The ABCs of Grants Management

Session 1.3 of the 2024 Nursing Expansion Institute

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Panelists

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Resources Shared:

- [USDOL Core Monitoring Guide](#)
- [Uniform Guidance for Federal Awards 2 CFR Part 200](#)
- [SMART4.0 Grants Management Training](#)
- [DOL Nursing Expansion Grant Funding Opportunity Announcement \(FOA-ETA-22-16\)](#)

Disclaimer

This document should be viewed primarily as a support resource. It is not intended to be comprehensive, but to aid understanding of some grants management principles. It cannot be used as a proxy or substitution for the set of Federal regulations that govern Employment and Training (ETA) grants, and using information in this resource will not ensure compliance. The omission of applicable Federal requirements does not waive a grant recipient or subrecipient's responsibility to comply with those requirements. Additionally, if, in any instance, there appears to be a conflict with the program statute, Federal regulations or OMB guidance, such conflict must be resolved in favor of the statute, Federal regulations, or OMB guidance.

Questions

How can grantees ensure their financial systems are suitable for administering their grant?

Each grantee needs to find a system that works for their individual organization and includes an accurate and complete disclosure of the financial results of the program as required. The system must ensure all revenue expenses are tracked back to the federal program and segregated (tied back to the funding source). Quarterly reporting should cover funds spent, cash on hand, and funds obligated.

Having internal controls means you have established proper procedures to ensure you know what is going on with that money. If you have a procedure, you must follow it. However, policies that are too stringent may not be feasible or sustainable based on capacity. Establish policies and procedures that work for you and make sure you follow them. Internal controls are about doing what you say you are doing and showing that you understand and follow the rules and procedures consistently over time. As you master your understanding, you can strengthen and improve your processes. The 2020 Uniform Guidance puts an increased focus on risk management and internal controls to ensure that financial risks are managed appropriately. The Department of Labor (DOL) has been given the fiduciary responsibility of the federal funds and transfers that responsibility to grantees while developing a trusting relationship to offer support and technical assistance.

What role do internal controls play in the management of a grant award?

In 2020, the Uniform Guidance increased the focus on risk management. Grantees have fiduciary responsibility of grant funds. Congress has given grant funds to DOL and DOL has granted it to grantees. Grantees need to establish internal controls that include adequate policies and procedures in place to manage these funds. After establishing internal controls, grantees must then follow those procedures, consistently, every time dollars are spent.

Resource: Review the [SMART Training 4.0 sessions](#) on Internal Controls.

FPO Tip:

Grantees should have written policies and procedures for payments. Additional written procedures should be in place to determine eligibility of cost in conformance. Areas with the most fraud, waste, or abuse are timesheets and equipment or inventory. These are the areas that auditors will often review.

Let us talk a little bit about managing participants. How can grantees effectively put together a participant case file?

Data validation is broad. First, grantees will need to review the Funding Opportunity Announcement (FOA) to ensure they understand the program policies for this particular program and what to document. The Participant Individual Record Layout (PIRL) will also have specific participant items necessary for reporting and there are statutes and Training and Employment Guidance Letters that list the documents required to show how you validated reported participant information. Grantees should use the Core Monitoring Guide (CMG) to begin putting together a participant case file effectively. The CMG provides

the questions and checklists that guide an FPO when they monitor grantees. FPOs select indicators when they go out on a monitoring visit because they will never get through the entire CMG in one visit. As a result, the CMG should be consulted as a resource and grantees should always ask their own FPO for guidance on what they would like to see in a participant case file.

Resource: Review the [USDOL Core Monitoring Guide](#) and the [DOL Nursing Expansion Grant Funding Opportunity Announcement \(FOA-ETA-22-16\)](#).

What are FPOs looking for when validating the participant activity reported to DOL? How can grantees know what type of documentation is sufficient?

Grantees need to understand the importance of the Core Monitoring Guide (CMG). As the tool that FPOs use for monitoring grantees, it will tell you exactly what they are looking for during monitoring and the related TEGLs. It is an essential reference to understand the data validation requirements. Grantees can see the exact questions and references that the FPOs will use for monitoring. It includes specific lists and clear requirements for compliance when used alongside other guidelines, including the FOA. Data in the participant file should tell a story and show how you got there.

FPO Tip:

If you know that you have had issues in specific areas, be sure to pay special attention to that area in the Core Monitoring Guide.

Sample Questions to be answered through Participant File Reviews

- **Eligibility:** How did the applicant meet eligibility requirements? What are the required documents to demonstrate eligibility? How was the data for eligibility validated?
- **Credentials and certificates:** If your project states that a participant will receive a credential after a specific number of hours, how does the file show and validate the credential attainment? Did the participant receive the credential and is there evidence of how they received it (not just the certificate)?

Resource: Review the [USDOL Core Monitoring Guide](#) and the [DOL Nursing Expansion Grant Funding Opportunity Announcement \(FOA-ETA-22-16\)](#).

As an FPO, when you review reports submitted by grantees each quarter, what are you looking for? What kind of success stories do you like to see? Graduation rates? Participant personal stories? Effective grant management examples? What are some best practices for how grantees can effectively describe their grant activity, including their success stories?

- **Challenges:** When reviewing quarterly reports, an FPO is first looking for the key issues/concerns and challenges. That is important to prioritize because there are 45 days to submit the report, and they want to be able to quickly understand and help solve problems. The quarterly report is the place for grantees to document requests for TA or compliance assistance. Do not leave out any concerns related to the grant – it should be the FPO’s concern, too (e.g., challenges in hiring, recruiting, spending, etc.)
- **Context:** The quarterly reports help the FPO better understand your program. It is helpful when grantees put information in the report and not just N/A or “No Comment.”
- **Progress:** FPOs also review reports for areas where progress is not happening to try to understand why and identify TA needs or opportunities to support.
- **Spending:** FPOs review quarterly financial reports to check for over/underspending or anything that seems out of place. If a grantee is not spending their award, it can cause an issue and make it seem like they do not need the funds.
- **Results:** FPOs look at what training is going on and who has graduated or received certificates. This information is important for unit reports to regional directors.
- **Success stories:** FPO’s often find out about great things happening in a grant through TA or monitoring reviews that are not included in the QNR. FPOs also look for anything that shows how individuals are going above and beyond to support participants and new ways of using technology for recruitment, etc. The more the FPO knows about your grant, the more they can help you. FPOs want to hear about the good news – do not reach out only when you have questions or problems.
- **Program information:** The national office may reach out to FPOs for information about specific programs and quarterly reports are a key source for information to share. This

information may help share the impact of the program and sustain interest and funding opportunities.

Do not wait until the last minute to submit the report. Everyone has been trying to upload reports in the last two weeks. The closer it gets to the report deadline, the more questions come in and the longer it may take to get answers. Let your FPO know about any issues or glitches as you are submitting your report.

FPO Tip: Be on time. Have something in every section that is meaningful and intentional.

It is very serious if grantees do not submit quarterly reports on time. FPOs complete a risk analysis on grantees and consistently missing quarterly report deadlines can put a grantee at a higher level of risk which may require additional reporting. Reports are also considered in future grant funding opportunities.

This year, the Uniform Guidance was revised, and those changes went into effect on October 1. Can you describe what has changed and what impact those changes will have on current grantees?

The revised Uniform Guidance includes a lot of changes for federal agencies. To make grants more accessible to the public, the FOAs must be reduced by 25% and have improved readability levels. Other changes include the single audit amount increase, a change in the amount that moves a supply to property, and the de minimis rate increase to 15%. These changes will impact grants awarded on or after October 1, 2024. Nursing Expansion grantees will remain under the current CFR regulations because that was the guidance when you received this grant. If you get new money, you will be required to follow the new CFRs – including subawards. ETA will issue a TEGL to announce the changes and information about how that affects you.

What can grantees do to understand whether a cost is allowable to their grant?

The cost principles in the Uniform Guidance should be used to determine allowability based on what is necessary, reasonable, and allocable.

- A cost should be **necessary** for the performance of the grant award and aligned with grant activities.
- A **reasonable** cost does not exceed what would be incurred by a prudent person under the same circumstances.
- A cost is **allocable** if it can be charged to the federal award (charged appropriately and not a cost that might be disallowed under appropriation).

If scrutinized, consider if the purchase would be reasonable in most circumstances (e.g., use Washington Post test – would something like this show up in the Washington Post?)

Resource: Review the [Uniform Guidance for Federal Awards 2 CFR Part 200](#) and [SMART Training 4.0 sessions](#) on Cost Principles.

This grant has a 20% match requirement. Can you provide some examples of eligible match? How does the in-kind match work?

There are two types of matches that can be expended on allowable grant activities and are valued at the amount expended – cash and in-kind. Cash match may include costs of services provided by the grant program. Subrecipients can also provide a cash match. In-kind match can be goods and services provided towards the grant program, at no cost to the grant. The match must be used on costs that would be an allowable use of grant funds (e.g., an organization can provide food and alcohol, but alcohol would not be covered as a match).

Example

A grantee reported a large match for supplies for a Youth Build program, however, they included all supplies and not the supplies that were directly associated with the relevant program. The youth participants did not benefit from all the supplies identified for the match. The grantee could only count the portion of supplies that benefited the

FPO Tip:

Document grant matches carefully. Consider how you are valuing the match. What is the fair market value? Include documentation that the money was spent and not just received.

youth participants and had to break down the match to directly associate the supplies with grant activities.

For grantees who are working with or would like to work with a subrecipient: what practices or processes should they put in place to ensure the subrecipient performs successfully?

The subrecipient's MOU must show what their specific roles will be in training, preparing participants for interviews, finding jobs, etc. REMEMBER: Letters of support for the project are not sufficient; the letters must specifically describe each employer partner's commitments and valuation.

What are common red flags that FPOs and accountants identify as they are reviewing quarterly 9130 reports?

- Late financial report submissions
- Overspending
- Underspending
- Program income without comments
- Match not being tracked

As a refresher, what are the primary grant amendment types?

Grant amendments were previously called modifications, and the term is used interchangeably. Information on each grant amendment type is included in the Grantee Handbook.

- **Budget narrative/realignment:** This is the first type that a grantee would normally submit and often comes during or after resolving Conditions of Award. Grantees have 10% budget flexibility of the entire amount of the award that keeps them from having to submit an amendment. However, if a line item is increasing significantly grantees can expect to be redirected to submit an amendment. Send information to your FPO about changes to be made and they can review and let you know if anything will not work. The FPO can also check your proposed changes to verify that it is within the 10% flexibility threshold.

- **No-cost extensions:** A no-cost extension extends the end date of the grant, but no additional funds are added to cover the extension period.
- **Changes to Statements of Work:** This type of amendment would involve a change to your grant scope of work statement (e.g., changing a partner, expanding the target population, etc.).
- **Equipment purchases:** This is based on the DOL rule of a purchase that is \$5,000 or more for one unit. Policies and procedures should also include the language under purchases. Many grantees submit budget narrative amendments for “supplies” that are not considered “equipment.” Verify the category of the expense with your FPO before submitting an amendment.
- **Authorized Rep and POC changes:** This type of amendment would be needed when the authorized representative or point of contact for the grant changes.
- **Target expansion:** This type of amendment would add to your population based on additional zip codes, states, or other entities to participate. Discuss this type of change with your FPO. If you have had a strong interest in your program, that would be helpful evidence to support the rationale for the change.

Resource: [Grantee Handbook \(Section 4 – Modifying Grants pages 32-42\)](#)

Does every deviation from the Statement of Work require a grant amendment? Can you provide examples of an activity that needs a grant amendment versus activity that does not?

As an example, the FOA has required and optional partners. If you are replacing a required partner from your original agreement, you need an amendment. If you are adding an employer to replace an original partner (from your original agreement), you need an amendment. If the new employer partner will provide leveraged funds or significantly impact your program goals, you need an amendment. If you are just adding a partner that will support parts of the program (e.g., referrals for enrollment or connection to additional employers), you may not need an amendment. You should document these types of

changes in your quarterly narrative report and discuss the change with your FPO to determine if you will need to amend your grant.

What are you, as the FPO, looking for when you are evaluating an amendment request?

FPOs do not approve or deny any grant amendments. An amendment should have the support of the FPO but is approved at higher levels through regional office administration. The role of the FPO is to get the amendment “process ready” and coordinate between different offices. The grantee is responsible for putting the amendment together and should use the handbook to develop the draft of their amendment request.

The FPO cannot tell a grantee what to do, as that would be considered federal interference. The grantee should share the draft with the FPO for review so they can review and ask questions. Grant officers rely on FPOs to be their eyes and ears and will look for the FPO recommendation on endorsing an amendment.

FPO Tip:

Clarity is important. Your amendment request should clearly show what is not working or why a change to the NOA and SOW is needed. What will you do differently now and how will it benefit the federal government? (Is it necessary? Allocable? Allowable?)

Grant amendments take time. Try to anticipate needs ahead of time and submit an amendment as soon as possible, especially for budget realignments. Expect at least 30-60 days for an amendment to be “process ready” after finalized and delivered to the FPO. It could still take more time as the request is reviewed and the FPO responds to follow-up questions from reviewing offices.

What is the process for submitting an amendment? Who are all the different reviewers for an amendment?

Amendments are sent to the FPO and should be submitted in draft (unsigned) form to avoid having to go back to the signature authority more than once during the review process. After the FPO looks it over, budget realignments are reviewed by the regional fiscal unit (with the exception of Conditions of Award) and approved by the regional Grant Officer. Program changes require Program Office concurrence before the FPO enters it into

Grants Solutions (GS) for the Grant Officer to approve. The Program Office will normally have questions or concerns that may require more clarification.

Let us walk through the who, what, when and where of monitoring visits. What is a monitoring visit and what is the purpose of the visits? Who is involved (i.e., ETA and grantee staff)? When can grantees expect to be monitored? And where are the monitoring visits conducted?

Monitoring is a process used to measure progress, identify compliance and opportunities for assistance. Grantees can expect to be monitored at least once during their program and more frequently if they are assessed at a high-risk level. Typically, FPOs will try to monitor at the midpoint in the grant (2.5 years for Nursing Expansion – end of 2025) so that grantees can have time to address and resolve issues and make necessary program changes. Monitoring reviews usually take three to five days, depending on the nature of the review.

The goal of a monitoring review is that there are no surprises as the grantee and FPO have been communicating and working together throughout the grant's lifecycle. The review will begin with a kick-off call or meeting and requests for information and logistics are confirmed before the visit.

Depending on the review focus, FPOs may want to meet with project staff, participants, employers, and other partners. Their goal is for a monitoring review to be as comprehensive as possible. In addition to meetings and interviews, FPOs will also ask for and review participant files, subrecipient awards, financial documents, advertising, project implementation tools, allocation of signatures, and policies/procedures for financial management. Their goal in reviewing documentation is to see how you manage and validate data. FPOs want to know how you are doing things so they can validate your work and help resolve issues.

To prepare for a monitoring visit, grantees should start with the FOA to review what it says, who is eligible, what is allowable, etc. Next, grantees should look at their Conditions of Award, Notice of Award, Statement of Work, and budget narratives. The FPO will review these documents in detail in preparation for the visit and be looking for evidence during the visit that the grantee is doing what is described in their SOW. The FPO will use the Core Monitoring Guide and specific indicators to identify issues.

Common monitoring issues include:

- Off track for performance or expenditures
- Failure to report expenditures/equipment purchases without prior GO approval
- Participant files: personal identifying information (especially when sharing electronic files with an FPO), files with missing, inconsistent, or incomplete case notes
- Priority of service beyond just asking, but reading and following the TEGL and policies
- MOUs – common findings are that staff do not know what it says or are not familiar with it. MOUs should be in place and updated for the duration of the grant.
- Training/referrals have not occurred and/or are not documented w/certificates
- Internal controls and internal monitoring training

Resource: Review the [USDOL Core Monitoring Guide](#) and the [DOL Nursing Expansion Grant Funding Opportunity Announcement \(FOA-ETA-22-16\)](#).

Bonus Section: FPO Advice

What advice would you give to a grantee to prepare for a monitoring visit?

Remember that documentation is key to success. If you cannot support what you present – it did not happen. Make sure you are following your own policies and procedures.

How do you monitor fiscal expenditures and what are your expectations?

Program and Fiscal should be working hand-in-hand to ensure the funds are being spent appropriately. FPOs will bring fiscal representatives with them whenever possible.

What are some typical lessons learned or adjustments made by grantees after a monitoring visit?

Grantees enjoy the technical assistance provided during a monitoring visit that includes discussions on improving areas lacking in success or efficiency. FPOs are able to look at a program from a different perspective which often gives us the ability to produce fresh ideas or procedures. It also gives the grantee the opportunity to proudly show off their program innovations and best practices and establishes a better relationship and understanding between the two.

What is one thing that you hope grantees took away from the convening?

Grantees were able to convene with others who were basically experiencing the same ups and downs of creating a new program with federal funds. It was exciting to see them engaged in lively conversations during the many activities. They shared what worked and what did not which hopefully saved others from making the same mistakes.

Are there any unique grants management pitfalls for the Nursing Expansion grantees? Do you have any tips about how to avoid or mitigate them?

Nursing Expansion is a new program that will last five years. Hopefully, this initial contact gave them the camaraderie, resources, and support to be successful in training and upgrading much-needed nurses across the country.