Chapter 3 Financial Management

This chapter will provide your organization with information about the financial aspects of managing grants. In addition, this chapter will provide specific information on submitting claims and budget revisions.

Financial Grant Management Overview and Requirements

Cost Allocation
Property and Equipment
Record Retention
Advanced Funds
Year End Closeout
False Claims Act

Cost Allocation Policies and Procedures

The DOJ Financial Guide states costs charged to federal grants are allowable when they are reasonable, allocable to, and necessary for the performance of the federal award, and when they comply with the funding statute and agency requirements (to include the conditions of the award), including the cost principles set out in the Uniform Requirements 2 C.F.R. Part 200, Subpart E.

When a cost benefits two or more projects or activities in proportions that can be determined without undue effort or cost, the cost must be allocated to the projects based on the proportional benefit. When those proportions cannot be determined because of the interrelationship of the work involved the costs may be allocated or transferred to benefitted projects on any reasonable documented basis.

To comply with allocability requirements, grantees are to document their allocation methodology. The best way to do this is to have written policies and procedures in place. Here are best practices for creating and documenting allocation methodology.

Document the allocation methodology. Documentation should explain how the allocation methodology is reasonably related to the costs being allocated. Document how measures such as headcount, square footage, or hours directly relate to the benefit received. Documentation should be retained and made available for review.

The allocation methodology must be used consistently in like circumstances.

Routinely review the methodology to ensure it continues to represent a reasonable basis for distributing costs. The methodology should be updated if it is determined that it no longer represents a reasonable distribution of costs.

Review estimated allocations on a routine basis. If a cost has been allocated based on an estimate, that cost can be reallocated – if needed – using a cost transfer. Ensure that reallocations are completed promptly so that accurate costs are recorded on the appropriate funding source within 90 days of the original expense posting date.

Update allocations when a funding source is no longer available, or a new source has been added. The methodology should not change unless it no longer provides a reasonable representation of the benefit provided.

The end dates of all awards be taken into consideration. The benefit received on each award may be impacted if, for example, two awards have significantly different end dates.

Cost Allocation Methodology Resources from Webinar: Here are three examples of cost allocation methodology/plans: Example 1, Example 2 and Example 3. Here is a detailed budget worksheet to help grantees with allocating costs across your budget. Here are the slides from the Cost Allocation Methodology webinar.

This form may assist grantees allocate victim assistance funds.

Audit Requirements and Financial Records

Organizations expending the single audit threshold or more in federal funds are subject to audit requirements as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principals and Audit Requirements for Federal Awards. The single audit threshold increased from $750,000 to $1 million effective for audits with fiscal years beginning on or after October 1, 2024.

Organizations expending less than the single audit threshold are recommended to have an audit conducted in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, also known as Yellow Book Audit. Organizations expending less than the single audit threshold are exempt from Federal Uniform Guidance requirements.

Organizations are required to submit copies of their audits. They are due thirty (30) days after the receipt of the auditor's reports or nine months after the end of the audit period, whichever is earlier. For example, audits for the period ending June 30th would be due no later than March 31st and audits for the ending September 30th would be due no later than June 30th.

Email audits to Kristi Hill (preferred) or mail a copy of your audit to Victim Assistance Section, Finance Department, Hoover State Office Building, 1305 E. Walnut Street, Des Moines, IA 50319.

Audits are to also be uploaded in the profile section of the grants management system (GMS). on the *Organization Finance* page, question #14.

The Victim Assistance Section (the Section) will periodically monitor the services and operation of the grantee for compliance with terms and conditions of their award document. Grantees must provide the Section access to documents pertaining to their grant awards when requested.

Property and Equipment – Grantees are required to be prudent in the acquisition and management of property, or equipment

purchased with state or federal funds. Requests to purchase new items when suitable property is available must have detailed written justification or explanation for the purchase. Grantees must follow their own written procurement and purchasing policies and procedures. Grantees should also develop an internal property or equipment inventory tracking system.

Within the Department of Justice grants management system, the Section uses an equipment tracking component which lists purchases equipment grantees made with grant funds. For this reason, the Section requires sensitive minor equipment, such as laptops or cellphones, and purchases such as appliances to be budgeted and reimbursed through the equipment budget category.

The federal government defines capitalized equipment as items with unit costs of $10,000 or more. Capitalized equipment purchases must be preapproved, and must include at least three written bids or quotes. See 2 CFR 200.439 https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200/subpart-E/subject-group-ECFRed1f39f9b3d4e72/section-200.439.

When grants are terminated or are not continued into the next grant year, grantees who purchased equipment with grant funds must determine the fair market value of the item. Items with a current per unit fair market value of $10,000 or less may be retained, sold, donated or discarded. Items with a fair market value greater than $10,000 must contact their victim assistance grant coordinator for additional instructions. It does not matter when the items were purchased.

Current grantees are allowed to discard, sell, or donate equipment or items purchased with grant funds at their discretion when the current fair market value of the items is $10,000 or less. Any item with a fair market value greater than $10,000, regardless of when it was purchased, must not be disposed of without first contacting their Victim Assistance grant coordinator for disposition instructions.

Personally identifying client information must be deleted from devices prior to their disposal or transfer. The FTC provides instruction on how to safely dispose of electronics.

Record Retention and Access to Records – Grantees must retain all financial records, supporting documents and programmatic files for at least three (3) years after the date of the submission of the agency's final fiscal and programmatic reports and/or the closure of the agency's most recent audit. Some records should be kept permanently. Grantees must have record retention policies and should also seek advice from an independent auditor regarding record retention.

The following are exceptions to the standard record retention period:

1. If any litigation, claim, audit, or other action involving the records started before the expiration of the 3-year period, the records must be retained until all issues involving the records have been resolved and final action taken.
2. When notified by the Iowa Department of Justice or the Section, the federal awarding agency, cognizant agency for audit, oversight agency for audit, cognizant agency for indirect costs, or pass-through entity to extend the retention period.
3. Records for real property and equipment acquired with federal funds must be retained for 3 years after the final disposition, replacement or transfer.
4. When records are transferred to or maintained by the federal awarding agency or pass-through entity, the 3-year retention period requirement is not applicable to the non-federal entity.
5. When required for program income earned after the period of performance, the retention period starts from the end of the non-federal entity's fiscal year in which the program income is earned.
6. Indirect cost proposals submitted for negotiation must be retained for 3 years from the date of submission.
7. Indirect cost proposals not required to be submitted for negotiation must be maintained for 3 years from the end of the fiscal year covered by the proposal.

Grantees shall keep statistical records and documentation of services provided and any other activities as required by the Victim Assistance Section. The Victim Assistance Section shall have immediate access during working hours to records pertaining to grant funds. No notice needs to be provided to the grantee prior to inspection of the records. 61—9.65(13) If client files are requested, all personally identifying information must be redacted.

The awarding agency which includes the Attorney General's Office, the U.S. Department of Justice, Office for Victims of Crime, Office on Violence Against Women, Department of Health and Human Services, Office of the Inspector General, Office of Justice Programs - Office of the Chief Financial Officer, or any of their authorized representatives, shall have the right of access to any pertinent books, documents, papers, financials or other records of the grantees which are pertinent to the award, in order to make audits, examinations, excerpts, and transcripts.

Request for advanced grant funds

Advanced grant funds to grantees prior to submission of their first claims is allowed on a limited basis. Advanced funding provides operating capital for essential expenses such as payroll and benefits.

Grantees apply for an advancement of grant funds by sending an email to their assigned grant coordinator with the subject line *Advance Funds Requested*. The email must contain the following items: 1) name of agency, including contact information for the executive director and the fiscal director; 2) name/title of grant; 3) a formal request for advance funding with a detailed explanation of the need and why the grantee would endure a hardship without the advanced funding; 4) a completed advance claim voucher form and 5) verification their organization profile is updated with their most recent agency budget and audit.

Advanced funds do not increase the amount of funds awarded. They simply provide a portion of the grants upfront. Advances are paid back by deducting the amount of the advance from the last claims.

Year-End Grant Closeout

Grantees have 30 days after the end date of the grant period to submit their final claims.

Unless otherwise noted, this date is October 30. Grantees should start this process once all monies have been obligated. This will assist in accurate reporting of financial information on the final claim.

Final claim reminders:

1. The final claim can include allowable expenses from the entire grant period if the expenses were not previously requested.
2. Final claims need to include expenses obligated or incurred prior to the grant end date, (generally September 30) even if the expenses were paid after the grant end date (generally October or later). Include September payroll expenses, including those paid in October, on the September claim.
3. All match requirements must be met by the end of the grant period.
4. All performance reports must be submitted. Grantees risk claims being held if reports are delinquent.
5. Equipment with a per unit fair market value of $10,000 or less may be retained, sold or otherwise disposed of with no further

obligation to the Iowa Department of Justice. For equipment with a fair market value greater $10,000 contact your grant coordinator for additional instructions.
6. Reimbursed costs cannot exceed the approved budget.
7. Unspent funds are reverted and cannot be claimed.
8. Advanced funds must be paid back.

Reporting Irregularities or Fraud – False Claim Act

Anyone with knowledge about waste, fraud, abuse, conflict of interest, bribery, gratuity, or other similar misconduct, or whistleblower reprisal relating to an employee, program, or contract, can submit a report via the Victim Assistance Section's online complaint form. Someone in the Iowa Department of Justice will review and respond.

Fraud, waste, abuse, misconduct or whistleblower retaliation can be reported to the U.S. Department of Justice Office of the Inspector General.

Information on where and how to report fraud, waste, abuse or retaliation is available on the Oversight.gov website.

False Claims Act - The purpose of the FCA is to combat fraud against the Government. An individual can file under the False Claims Act if they believe another has been defrauding the Government. They may also file as a whistleblower on behalf of the Government under a qui tam action. Successful claims allow for a private citizen to receive a portion of the recovery. The False Claims Act enables the Government to seek recovery of damages when one submits or influences another to submit a false or fraudulent claim involving payment to the Government.

Components of the FCA

Fraud, Waste, & Abuse for Grantees

1. Fraud: Intentional or deliberate acts to deprive another of money or property by deception or other unfair means. An example of fraud entails knowingly submitting false information to the Government.
2. Waste: Direct or indirect practices that result in unnecessary costs to the Government or federally funded programs. An example of waste entails overusing funds in ways that do not benefit the purpose of the grant.
3. Abuse: Direct or indirect actions that result in unnecessary costs to the Government or federally funded programs. An example of abuse entails actions such as asking for payment for services when there is no legal entitlement for the payment to be given.

Source:

- Fraud, Waste, and Abuse for Grantees - What is Fraud, Waste, and Abuse?

How do whistleblower protections affect FCA?

The whistleblower protection is within the qui tam action. This allows the individual to file a civil action in which they have knowledge that another individual or entity is committing fraud against the Government. Therefore, the defendant is not on notice of the lawsuit and the whistleblower is protected from retaliation during the 60-day investigation period by the Government. The whistleblower is able to receive a portion of the monetary recovery and attorney fees from the settlement or judgment (normally 15% to 30%). They are awarded for filling the lawsuit in confidence that discloses the fraudulent actions of another resulting in a loss to the Government.

How does someone from Iowa file an FCA?

In addition to the United States having the ability to file a civil action for FCA, a private person (i.e. citizen of Iowa) can file a civil action for FCA. This is commonly referred to as qui tam actions.

For a private person in Iowa to file a False Claims Act, they may bring a civil action for themselves on behalf of the United States Government. This civil action brought would be filed as a violation of 31 U.S.C. § 3729. When filing the civil action, it is to be brought by the name of the Government rather than the private person. When filing as a private person a copy of the complaint, written disclosure of all material evidence, and information possessed must be served on the U.S. Attorney for the judicial district in which the qui tam was filed.

For more information see https://www.justice.gov/civil/report-fraud

Budgets and Cost Categories

Budgets and Cost Categories

I. **Project Budgets**

A major component of a grant application and an important aspect of managing a project is the project budget. Budgets are roadmaps for how staff carry out grant activities and must reflect programmatic deliverables, objectives and the scope of services, this is why it is important for the program staff to understand their budgets.

Unless advised otherwise, victim services grant budgets are for the grant period of October 1 through September 30. Budgets are submitted annually in the grants management system.

Budgeting tips and practices:

1. Budgets should be created using a spreadsheet such as Excel. Formulas and calculations will assist with accuracy.
2. Budgets are created based on estimates of anticipated expenses. While claims for reimbursements are based on actual costs.
3. Grant costs must be allowable, allocable, reasonable and consistent. Allowable expenses are determined by the funding source. Allocable means a centralized cost is shared between all funding sources in proportion to the benefit received. Reasonable means costs must be prudent – costs that seem unreasonable will be questioned. Consistent means expenses must be consistently charged throughout your organization and to all funding sources.
4. Budgets must include budget justifications, which is the narrative explanation of how expenses were determined and how they benefit the project.

Entering budgets in the grants management system. The following budget categories and instructions will help grantees create and enter their annual budgets into the grants management system. Detailed budgets and budget justifications are entered on the budget details page (found on the left navigation panel in the application component). After applications/budgets are approved they rollover to the budget summary page in the application component and to various pages in the claims component.

Payroll: Each person to be paid from a grant must be listed in the grant budget. Consider how much time a person will be working on a project and if that time is for direct services or for administration, prevention or fundraising.

Executive Director Salary Allocation: To promote responsible stewardship of federal funding and prioritize resources supporting direct victim services, applicants requesting reimbursement of Executive Director salaries must demonstrate that the proposed allocation is reasonable, necessary, allowable, and directly attributable to the funded program. Requests exceeding $55,000 or 70% of the Executive Director salary whichever is more will be subject to additional review and must include a detailed justification outlining the individual's grant-funded responsibilities. Such requests require written approval from the funding agency.

All salary allocations must comply with applicable federal cost principles, program-specific requirements, and documentation standards. Approval of an allocation percentage does not supersede federal restrictions on allowable activities.

(A) Exception Request: Grantees requesting an exception to this requirement must submit a written request via email to the Grant Administrator and their designated Grant Coordinator. The email subject line should state, “Exception Requested for Executive Director Salary”. The written request must include a detailed justification explaining the need for an exception and how compliance with the requirement may affect the organization’s ability to effectively administer its grant funded project. In preparing their justification, grantees are encouraged to address relevant factors, such as:

- The organization’s overall budget, financial resources or documented financial circumstances supporting the need for the exception.
- Organizational size, staffing levels, and administrative capacity.
- The potential impact of the requirement on the organization’s ability to deliver grant-funded services.
- The Executive Director’s direct service responsibilities compared to their administrative and oversight duties.
- Any anticipated impact on project operations, service delivery, or achievement of grant objectives.

(B) Review of Exception Request: The Grant Administrator and designated Grant Coordinator will review each exception request of the Executive Director payroll amount or percentage to determine whether the circumstances presented warrant consideration of an exception. The Grant Administrator may request additional information as needed to evaluate the exception request. The Grant Administrator will notify the grantee of the decision via email with 7 days of receiving the exception request. The Grant Administrator may require a corrective action or action plan outlining steps the grantee will take to meet this requirement over subsequent grant periods.

Benefits: When creating a budget, benefits are broken down by type. When the budget is approved, these expenses are rolled into one expense line for the budget summary and for claims. The requested amounts or percentages for payroll and benefits should align. For example, if you requested 75% of the costs of payroll, you would request 75% of the costs of benefits.

All travel must follow the State of Iowa travel policies
https://das.iowa.gov/state-employees/state-accounting/travel-relocation

In state travel for services: These expenses are for staff to travel to meet victims to provide direct victim services, such as counseling, advocacy, court accompaniment, etc. Most of expenses in this category will be for mileage.

In-state travel for training: These expenses can be used for in-state training opportunities and in-state meetings. Expenses can include mileage, lodging, registration and meals.

Out-of-state travel: Travel to out-of-state conferences must be approved in advance. When conference details are known, provide the name of the conference(s), location, number of staff expected to attend, costs of registration, travel, lodging and food. If the details are not known, you can include a budget amount and provide the details later by submitting an out-of-state travel request. In general, it is not acceptable to send more than two or three people to the same conference without detailed justification. In addition, grant staff can deny travel expenses for conferences which are not appropriate or reasonable.

Contractual services: When budgeting for contractual services, each entity (contractor) is listed on the budget form. When

budgets are approved, these line items roll into one expense line for the budget summary and for claims. Copies of contractual agreements must be sent to your grant coordinator for review. Contractors are professional service providers, such as auditors, interpreters, or information technology providers. Contractual services also include subawardees (subgrantees, subcontractors), organizations which carry out the activities of the project. Consultants are subject matter experts hired to provide expertise. Consultant rates are to be reasonable and consistent with the market, not to exceed $650/day or $81.25 per hour. See the DOJ financial guide for more information https://www.ojp.gov/funding/financialguidedoj/overview.

Equipment: Equipment that meets the threshold for capitalized equipment and sensitive minor equipment is listed separately by category or type on the budget form. Sensitive minor equipment includes laptops, cellphones, appliances, printers, etc. The grants management system has an equipment tracking module which is a quick and easy way to see everything purchased in this category by organization. When budgets are approved, the line items roll into one expense category for the budget summary and for claims. When submitting claims for reimbursement, grantees complete an equipment tracking form.

Repairs and maintenance: Standard operating expenses such as lawn service, snow removal, garbage pickup, building maintenance, office cleaning can be listed on one line on the budget form with detailed budget justification. Larger or nonstandard repairs or maintenance, such as roof replacement, HVAC upgrades, etc., must be listed separately and include detailed budget justification. Click on the plus button to add additional budget lines. When budgets are approved, the line items roll into one expense category for the budget summary and for claims.

Rent: Rent for multiple locations are to be listed separately. Click on the plus button to add additional budget lines. To complete the form, enter the location, monthly rent cost, number of months and the amount requested. The total rent costs and the percentages will auto calculate. Since rent is generally a shared expense, in the budget justification textbox, explain how you determined cost allocations. When budgets are approved, the line items roll into one expense category for the budget summary and for claims.

Utilities: Use the drop-down box to select the type of utility to be budgeted. Click on the plus button to add another expense line. Since utilities are generally shared expenses, provide your cost allocation in the budget justification textbox. When budgets are approved, the line items roll into one expense category for the budget summary and for claims.

Communication: Use the drop-down box to select the type of communication to be budgeted. Click on the plus button to add another expense line. Since communication costs can be shared expenses, in the budget justification textbox explain how you determined cost allocations. When budgets are approved, the line items roll into one expense category for the budget summary and for claims.

Advertising: The type of advertising expenses and their related costs are to be listed separately. Click on the plus button to add another expense line. When budgets are approved, the line items roll into one expense category for the budget summary and for claims. Advertising and promotional items (swag) cannot be charged to federal grants if the purpose is to promote your organization. Outreach and awareness activities are allowed if the expenses are specific to the project. Advertising for staff recruitment is allowable. For more information on advertising and public relations expenses, see: https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200/subpart-E/subject-group-ECFRed1f39f9b3d4e72/section-200.421. When requesting outreach and awareness materials (sometimes called swag or promotional items), consider how reasonable the requests are, the purpose of the items purchased, and how these items will benefit victims. Promotional items will be purchased with state funding and will be denied if deemed unreasonable.

Supplies: Use the drop-down box to select the type of supply. Office supplies are generally shared costs and must be allocated appropriately. Grantees charging indirect costs should not directly charge office supplies to their grants. Provide a written narrative in the budget justification textbox, explaining how you determined cost allocations. Project supplies and shelter supplies are project specific and can be fully charged to a grant. You must provide an explanation of how you determined the costs and the items you anticipate purchasing. When budgets are approved, the line items roll into one expense category for the budget summary and for claim

Insurance: Use the drop-down box to select the type of insurance. Each type of insurance should be listed separately. Click on the plus button to add an additional line. When budgets are approved, the line items roll into one expense category for the budget summary and for claims. Insurance costs are generally shared expenses. Provide a written narrative in the budget justification textbox explaining how you determined cost allocations.

Other: Use this category rarely and only for allowable expenses which do not fit anywhere else on the budget details page. Provide details and a written justification.

Client assistance: All client assistance is entered on one line. Provide what you expect to be the total costs and the amount requested from the grant. If you do not request client assistance funding, provide an explanation in the justification textbox. In the textbox, also provide summary of what you expect to use client assistance for.

Indirect costs: If your organization has a federally approved indirect cost rate or is using the de minimus, enter the percentage and the total indirect costs to be charged to the grant. In the justification textbox, enter your calculations showing how you determined the indirect cost amount. When using the de minimus, modified total direct costs exclude the costs of rent, repairs, utilities, maintenance and the portion of subawards greater than $50,000. For more information on indirect costs, see the description below.

Match: Match is required for VOCA, STOP VAWA and FVPSA for most applicants. If you do not know the required match amount at the time you are completing your budget, enter an estimate. We will advise you of the required match later.

The approved budget becomes the claim template. Victim Assistance Section staff review budgets for compliance with our budgeting requirements. Budgets are either approved or returned to grantees for corrections. Upon contract execution, the approved budget carries over to the claim component and becomes the claim template. Except for payroll, all detailed expense lines are rolled into major budget categories. Each payroll line is listed in the claims template.

Claims are grantees' requests for reimbursement of grant expenses and must align with the approved budget. Grantees cannot overspend any budget category by more than 10%, nor can grantees request reimbursement for expenses not included in the approved budget.

The one exception to these rules is client assistance. There is no limit to how much grantees can overspend client assistance.

II. **Indirect Costs**

Defined under 200.56 Indirect Costs, indirect costs are those costs incurred for a common or joint purpose benefiting more than one cost objective, and not readily assignable to the cost objectives specifically benefited, without effort disproportionate to the

results achieved.

Any non-federal entity which has never received a negotiated indirect cost rate is allowed to charge the de minimis rate of 15% of modified total direct costs (MTDC) which may be used indefinitely ***If a non-federal entity chooses to charge the 15% 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 for a rate***

Classification of costs: According to 2 CFR 200.412, there is no universal rule for classifying certain costs as either direct or indirect under every accounting system. A cost may be direct with respect to some specific service or function, but indirect with respect to the federal award or other final cost objective. Therefore, it is essential that each item of cost incurred for the same purpose be treated consistently in like circumstances either as a direct or an indirect cost.

Grant amounts do not change when organizations use an indirect rate, meaning the indirect amount is not added to the grant award. Grantees do not have to provide documentation for indirect costs.

Modified total direct costs (MTDC) calculation: 2 CFR 200.414(f) states the indirect rate applies to modified total direct costs (MTDC). The MTDC as a base removes certain direct costs from the indirect cost calculation. Grantees who elect to use the de minimus rate calculate their MTDC as follows:

To determine direct costs when you know your award amount: divide the total award by 1.15 (for 15%). For example, $100,000 (total award) divided by 1.15 = $86,956 of the $100,000 is total direct costs and $13,044 is indirect costs.

To determine *modified total direct costs*, certain costs must be subtracted from direct costs before calculating the indirect costs. Those costs are rent, utilities, repairs and maintenance and the portion of subawards greater than $50,000.

For example:

$100,000 – award amount
$3,000 – rent, utilities, repairs and maintenance
$97,000 is the MTDC – divide this amount by 1.15
$12,652 – is the amount that can be charged as indirect costs
$87,348 are the direct costs

Federally negotiated indirect rate: Organizations with a federally negotiated indirect rate must upload the rate agreement in the grants management system in the profile section on the finance page.

III. **Examples of Direct and Indirect Costs**

While there are no universal rules for classifying costs, the following chart provides some examples. The important thing to remember is costs are to be consistently applied either as direct or indirect, unless there is proper justification.

There are no universal rules for classifying costs as direct or indirect; however, the costs **must be consistently applied**. A cost can't be a direct cost on one project and an indirect cost on another project. Here are a few examples of each:

Cost Category	Direct or Indirect	Explanation
Salary and benefits of staff who work directly with programs	Direct	The program has the benefit of the person working specifically for the grant. It is easy to allocate time/expenses to the project. If the staff works on more than one project, he/she can allocate the time spent on each project.
Executive director and other administrative staff, such as finance, IT, marketing, HR, etc. salary and benefits	Indirect – generally	It is more difficult to allocate directors' time to various funding sources, since directors are responsible for all aspects of the agency.
Office supplies	Indirect	Office supplies are a part of doing business. It is expected your agency would have sufficient supplies to do business. It is difficult to allocate the cost of pens, paper or toner to specific projects.
Project supplies	Direct	You would not have the expense if you didn't have the project. These are not general office supplies. Project supplies are specific to a project.
Rent, utilities, maintenance, repairs, phone, Internet, audit, insurance	Indirect, unless shelter	Shelter expenses directly benefit the program and the listed expenses (except audit and maybe some insurance) are not shared with other programs. If the shelter went away, these expenses would go away.

Budget Revisions

Budget Revisions

Grantees are reimbursed for grant related expenses by submitting claims in the grants management. The approved budget (created in the application component) carries over to the claims component and creates claim templates. Claims must align with the approved budget; however, the grants management system will allow grantees to overspend grant categories by less than 10% of the total of a budget category. Click on Budget Revision Request Checklist for Grantees for a checklist to assist grantees in submitting a successful budget revision request.

The system will stop claims from being submitted and generate error messages for reimbursement requests exceeding 10% of the total of a budget category. Grantees correct these errors by either changing their reimbursement request or by canceling the claim and submitting a budget revision request.

Budget categories are payroll, benefits, in state travel, out of state travel, contractual services, equipment, repairs and maintenance, rent, utilities, communication, advertising, supplies, insurance, other expenses, client assistance and indirect costs.

- **Client assistance can be overspent with no limit.**
- **Indirect costs cannot be overspent by any amount without a budget revision.**
- **Budget revisions within the last 30 days of a project must be pre-approved.**

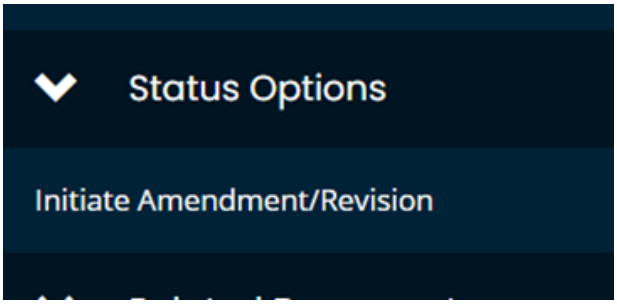
Grantees risk not being reimbursed for expenses which are not included in their approved budget. Grantees must submit budget revisions and obtain prior approval for expenses which could be questioned, disallowed, or are not included in the approved budget.

I. **Budget revision instructions**

Budget revision requests are submitted through the grants management system. Instructions are provided below and can also be downloaded.

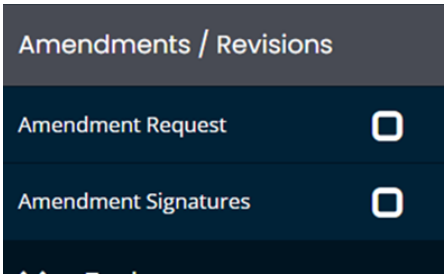
Download the amendment/revision instructions.

STEP ONE: From the left navigation panel under status options, click on **initiate amendment/revision.** If there is a claim in any status other than **paid** or **cancelled**, the system will stop the request.

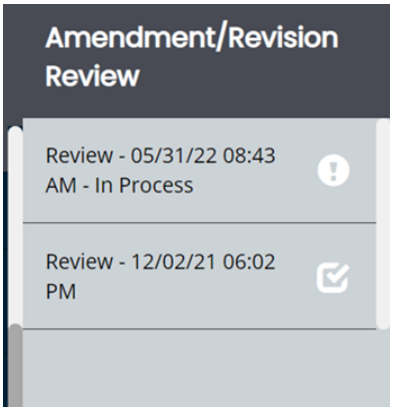


This message will appear in a pop-up box:

Please complete the 'Amendment/Revision Request' form. Upon completion don't forget to submit your amendment/revision request by selecting the 'Submit Amendment/Revision' status option in the left navigation.



STEP TWO: Click on the **amendment request** page in the navigation panel under **Amendments/Revisions**. If there have been other amendments, another navigation panel will open. Select the one named in process.



STEP THREE: On the **amendment request** page, check the budget revision box. You can select more than one box on this page to request multiple changes. For example, you can submit a budget revision request and a name change request at the same time.

STEP FOUR: Download the budget revision form, which is an Excel document. Save the budget revision form to your computer. You must do the following to make the form work:

- click on the editing tab
- select replace and enter = into the find what box
- Choose **replace all** in the **replace with** field box
- Close the dialog box.

STEP FIVE: Enter requested budget changes into the budget changes column and provide justifications for the changes. Justifications must include detailed information about the changes and explain why changes are requested.

STEP SIX: Once the budget revision form is complete upload it on the **amendment request page**. In the textbox at the bottom of the page, enter a detailed explanation regarding the requested changes and why they are needed. Save the page.

STEP SEVEN: To submit the request, select the status option **submit amendment/revision request** found on the navigation panel. This will forward the request to the assigned grant coordinator for review. Requests can be cancelled at any time by selecting the status option **cancel** found on the navigation panel.

Grant coordinators will either approve the request, send it back for corrections or deny the request.

II. **Budget Revision Reminders:**

1) Utilize the Budget Revision Request Checklist for Grantees to assist you in submitting a successful budget revision request.

2) Do not submit a budget revision for the sole purpose of moving funds to client assistance. The system will allow you to overspend client assistance by more than 10% of the client assistance budget, even if no funds are budgeted and without prior approval from your grant coordinator.

3) Do not submit budget revisions to make year-end adjustments unless you overspend the total of a budget category by 10% or more.

4) Do not submit budget revisions to move line-item expenses within a budget category. For example, payroll is a budget category. You can underspend and overspend payroll lines as much as you want unless you overspend payroll total by 10% or more. Payroll for direct services and payroll for fundraising, administration and prevention are separate budget categories.

5) Do not submit budget revisions to update funding source allocations, i.e., an expense was originally to be paid with state funding is now being paid with federal funding.

6) Do not submit budget revisions to move less than 10% of a budget category, unless those funds are needed in another budget category.

7) Use whole numbers on the budget revision form.

8) Budget revision justifications must be included so it is clear why budget changes are necessary. Justifications help determine if budget revisions are appropriate and if the changes will impact the approved goals/objectives.

9) Budget revisions for unallowable or unreasonable expenses will be denied. Contact your grant coordinator or review allowable expenses in the grant manual for more information.

10) Budget revisions will be completed within 10 business days. Grantees cannot submit claims while budget revisions are being processed.

Claims

Submitting Claims for Reimbursement

Claims Training Video
Claims Training Video Captions

I. **Introduction to Claims**

Claims are requests for reimbursement of grant expenses. Grantees submit claims in the online grant management system. This document Instructions for submitting claims provides detailed instructions instructs grantees on how to submit claims and receive reimbursement for grant expenses. Unless otherwise advised, grantees receive grant funds on a reimbursement basis, meaning grantees incur grant related expenses and then request reimbursement for those expenses by submitting claims.

Grantees with the role of ***agency administrator*** can submit claims if they are in active status and linked to the claim document. Grantees with role of ***agency staff*** can initiate and edit claims but cannot submit them.

The claim component is available after the subaward (contract) is fully executed and the funding allocation form is uploaded if required. Grantees can submit claims either monthly or quarterly and must stick to their chosen submission schedule. Claims are due on the last day of the month following the claim period.

When required, grantees submit expense summaries for expenses and match with their claims. Criminal justice programs (law enforcement, prosecution and victim witness coordinators) are not required to use expense summaries unless otherwise directed by their grant coordinator or a member of the finance team.

II. **Expenses and Supporting Documentation**

Once contracts are executed, the online grants management system creates claim pages based on the expenses and categories in the approved grant budgets.

At the beginning of each grant cycle, grantees are assigned a risk designation, which determines which expenses must include supporting documentation. See the chapter on grantee monitoring to learn more about risk assessments.

Victim Assistance has the right to deny reimbursement of expenses which are not allowable, not necessary, not in the approved budget, or deemed to be unreasonable.

Below is a chart with examples of reimbursable expenses and examples of standard supporting documentation as well as the option to download the chart. Download the expense category chart.

Expense Category	Examples of Eligible Expenses	Supporting Documentation
Payroll	Payroll of grant funded staff for reimbursement or use as match	• Payroll check register, or payroll report to verify gross wages • Payroll stubs showing gross pay and distribution • Payroll spreadsheet showing allocation by fund
Benefits	FICA, Health, Dental, Vision, Life, Unemployment Insurances; Retirement and Disability	• Premium statements or invoices from insurance or retirement providers • Iowa Workforce Development quarterly SUTA reports • Deposits of payroll taxes • Payroll reports reflecting employer costs
Travel & Training*	Mileage or rental car, meals, lodging, parking, airfare, ground transport, baggage fees, conference registration fees, staff mileage for regular work duties such as transporting victims.	• Must follow state per diem requirements/rates. (Itemized meal receipts must be included are no longer required.) • Itemized hotel statement/invoice • Staff requests for reimbursement • Documentation of travel (mileage record, conference registration form, agenda, etc.) • Travel purpose • Taxi/bus/train receipts • Airline confirmation

Contractual Services^	Book-keeping and accounting fees, security services, therapy services, etc.	• Statements or invoices showing the date(s) of service, the total amount owed, the amount paid, and the contract period.
Equipment⌂	Printers, computers, laptops, scanners, tablets, phones, and other equipment used for approved programming	• Vendor receipts or invoices with order dates • A description of the item purchased
Repairs/Maintenance	Building & equipment maintenance (copier, lawn care, etc.)	• Vendor receipts or invoices showing the date or dates of service, the total amount owed, and the amount paid, with a copy of the check.
Rent	Business, shelter & outreach offices	• Vendor receipts or invoices showing the rental period & the location address (unless confidential) • Copy of signed contract/lease agreement
Utilities	Electric, water, waste removal, satellite cable	• Statements or invoices showing the usage period & the location address (unless confidential)
Communications	Cell phone plans, landline services, internet, intercoms, TDD /relay machines/VP systems, etc.	• Statements or invoices from provider

If your victim service program receives more than one funding stream, you must do a payroll summary with your claims for reimbursement.

* Out-of-state travel must be approved prior to travel.

III. **Client Assistance**

When requesting reimbursement for client assistance, complete the client assistance tab on claim expense summary form.

Client assistance is provided to help meet the financial needs of clients. Client assistance can be rent, utilities, childcare, groceries/grocery cards, gas cards, relocation/moving expenses, work equipment, public transportation, or any other reasonable expense to help clients remain safe, achieve self-sufficiency or heal.

Unique client assistance requests are reviewed individually and should include justification or an explanation showing how the expense is linked to victimization and how it will help the victim. Grantees should seek prior approval for client assistance expenses which might be questioned or not allowed. **Grant funds cannot be used to provide victims with cash or credit card type gift cards.**

All claims for reimbursement for client assistance must have accompanying receipts or invoices. Each cost should also have a short justification documenting the purpose of the expense if the purpose is not already clear. Here are some examples:

Rent – include a signed receipt or a copy of the check.

Gas cards -include documentation with the last 4 digits of the card, the amount of the card, and a short explanation of why the card was issued i.e. “transportation to work,” or “transportation to medical appointment.”

Work equipment or supplies – include the receipt(s) with a justification for the expenses, such as “purchase of work boots for client to resume job duties.”

Any store (grocery, gas, etc.) card provided to a victim requires a Victim Assistance form describing the purpose or use of the card. The form is to be signed by an agency representative and the victim, who acknowledges the purpose, use or restrictions of the card. This form should be saved in the client file.

If there are any questions about what constitutes adequate supporting documentation for an expense, please ask your grant manager.

Appealing budget or claim decisions

Appeals Process: Grantees have the right to appeal denials associated with budget revisions or claim reimbursements.

Appeal Step 1: The grantee must submit an appeal within 10 business days of receipt of the denial, outlining their rationale for approval. The grant administrator has 10 business days to respond to the appeal, either upholding, or overturning the original decision.

Appeals are submitted in the grants management system. Here are the instructions: 1) An agency administrator opens/creates an appeal by clicking on the word appeal located in the My Opportunities panel on the dashboard/homepage. 2) Click on the words Appeal Information found at the top of the navigation panel; 3) select the appropriate appeal type from the dropdown menu and then follow the instructions on the page.

Appeal Step 2: If the grant administrator upholds the denial, the grantee may submit an appeal to the Victim Assistance section chief who will respond within 10 business days by either upholding or overturning the grant administrator's decision.

Appeal Step 3: In some instances, the appeal can be brought before the CVA board. The CVA Board determination will constitute final agency action.

During the appeals process, the amount in dispute must remain unspent until a final determination is made. Grantees can withdraw an appeal at any time.

Match

Match

In general, when a federal grant or federal funding source requires matching funding, it is essentially saying federal funds will not pay the entire cost of a project. Grant recipients must contribute additional resources to the project. The amount grantees contribute is match. The cost of a project is the total of the federal grant funds plus match.

Grantees who are required to provide matching funds will be advised of the amount required by their grant coordinator. Required match is on one page one of the subaward agreement.

Here are a few key requirements regarding match:

- can be cash or in-kind and must be from non-federal funds (unless specifically allowed)
- must directly benefit the project and be an allowable cost or activity
- must be documented in the same manner as grant funded activities and will be audited
- cash donations or in-kind donations are not reported as match until they are used on allowable grant activities
- cannot be used to match multiple federal grants
- be in accordance with generally accepted accounting principles (GAAP)

Reporting match and supporting documentation

Grantees who are required to provide matching funds will report match on their claims. Grantees assigned to a **HIGH** or **MEDIUM** financial risk designation must also provide supporting documentation with their claims. If the supporting match documentation is not sufficient, or is not allowable, claims will be returned for correction.

Grantees must maintain records documenting the source, the amount, and the period during which the match was allocated. The basis for determining the value of personal services, materials, equipment, space and volunteers must be documented.

Match requirements by federal funding source

Grantees who receive VOCA (Victims of Crime Act) funding are to provide an additional 25% of their award amount as match. Match can be cash or in-kind. Allowable VOCA match must be expended within the contract period and used for allowable VOCA activities.

VOCA match exemptions and waivers:

- Tribes and Tribal governments are exempt from VOCA match requirements.
- Grantees can request to have their match requirement waived.
- The Iowa Department of Justice (Department) can issue a blanket match waiver for all grantees.

In any year the Department issues a blanket match waiver for the state, all grantees who receive VOCA funding will have their match waived. Grantees will be notified and asked to update their budget details form to reflect this match waiver. Blanket match waivers are determined annually.

In any year the Department **does not** issue a blanket match waiver for the state, grantees can request to have their VOCA match requirement waived by submitting an amendment request in the grants management system.

Download the match waiver policy for detailed information on waiving VOCA match. The Attorney General's Match Waiver Policy

Grantees who receive FVPSA (Family Violence Prevention Services Act) funding are to provide an additional 25% of their award amount as match. Match can be cash or in-kind. Allowable FVPSA match must be expended within the contract period and used for allowable FVPSA activities.

FVPSA match exemptions and waivers:

- Tribes and Tribal governments are exempt from FVPSA match requirements.
- FVPSA does not allow match to be waived.

Governmental agencies who receive STOP VAWA (STOP Violence Against Women Act) funding are required to provide an additional one-third (33.3%) of their award amount as match. Match can be cash or in-kind. Allowable STOP VAWA match must be expended within the contract period and used for allowable STOP VAWA activities.

STOP VAWA match exemptions and waivers:

- Tribes and Tribal governments are exempt from STOP VAWA match requirements.
- Nonprofit, nongovernmental victim services agencies are exempt from STOP VAWA match requirements per 34 U.S.C. § 12291(b)(1).
- States may petition the Office on Violence Against Women for a waiver of match if they are able to adequately demonstrate financial need.
    - Grantees do not apply for match waivers.

Grantees who receive SASP (Sexual Assault Services Program) funding have no match requirements.

Grantees who receive state of Iowa funding have no match requirements. State funding can be used to meet federal match requirements if state funds are used for allowable grant activities. State funds used for unallowable federal activities, such as fundraising, cannot be used as match.

How to calculate required match

VOCA (when not waived) and FVPSA grants will pay for 80% of the total costs of a project. To determine the match required, multiply the requested grant amount by 25%. For example, a grantee requests $100,000. The match is $25,000.

To calculate STOP VAWA match requirement, divide the requested grant amount by three (3). Below are a few match calculation examples:

$47,000 STOP VAWA award to a *county prosecutor* = $47,000 / 3 = $15,667 match
$21,000 STOP VAWA award to a *victim services agency* = no match required

Cash Match
Cash match is actual cash **spent by the grantee** for project-related costs. Cash is not considered match until it is spent. The grantee's accounting records must be verifiable and trace back to source documentation including cash receipts journal, general ledgers, deposit tickets, bank statements, copies of checks/donations and documentation the cash match is not from a federal source nor is it being used to match any other federal grants.

Examples of cash match:

- funding from state or local units of government
- grants or cash donations from private sources
- program income and the interest earned on the program income if it is identified and approved prior to making an award
- salaries and benefits of staff performing grant work funded with nonfederal dollars

In-Kind Match
In-kind match is the value of something received or provided, which benefits the project and is not cash. Donations of goods or services are often easier to obtain than cash donations.

Examples of in-kind contributions are:

- equipment
- project supplies
- workshop or classroom materials
- workspace
- volunteers
- donations of tangible goods, such as clothing, food, toiletries, diapers, furniture, toys

Using donations or services as match

Donations are considered match when they are used to benefit the project. To be considered for match, donations of goods and services must have documentation showing their value and how the value was determined. Additionally, the donations must be allowable, reasonable and not used as match for other projects. Match documentation can be audited.

Donated space - The value of donated space may not exceed the fair rental value of comparable space in a privately-owned building in the same locality.

New and used donations – When new items are donated ask for the store receipt or obtain a printout from the retailer showing the value. When used items are donated, grantees can review the IRS Publication 561 *Determining the Value of Donated Property*. The donor can also provide a list of donated items along with their value. This donor listing is to be in writing and signed by the donor. Company donations are to be on company letterhead.

Tracking donations – Donations should be entered into a tracking system with as much detail or description as possible. The tracking system could be as simple as a spreadsheet showing the source, the amount, and how and when the donations were used.

Donation forms – Grantees should have an in-kind receipt or a donation form to be provided to donors. This form should include the following:

1. Agency name
2. Donor name, address or other contact information
3. Date of donation
4. Location of donation
5. Detailed description of items
6. Purpose for which contribution was made
7. Value of contribution
8. Basis for valuation (how value was determined)
9. Who made the determination
10. Signature of donor if possible
11. Name of employee accepting the donation
12. Signature of employee accepting the donation

The basis for determining the value of personal services, materials, equipment and space must be documented.

Using Volunteers as Match
Volunteer services must be documented and supported by the same methods used by the organization for its own employees. This includes dates, time and description of activities. To be considered as match, volunteer activities must be allowable and directly benefit the project. For example, volunteer time spent lobbying or fundraising cannot be used as match since those activities are not allowable federal activities.

To ensure grantees only report volunteer hours spent on grant eligible activities, grantees are to have policies and procedures regarding tracking and recording volunteer hours and activities. Grantees are to instruct volunteers on proper documentation, certification and submission of their hours.

The value of volunteer time must be consistent with the rate of compensation paid for similar work in the organization or labor market. Fringe benefits may be included in the valuation.

NOTE: The Fair Labor Standards Act defines volunteer as "an individual who performs hours of service for a public agency for civic, charitable, or humanitarian reasons without promise, expectation, or receipt of compensation for services rendered…" 29 CFR 553.101(a). "The 1985 Amendments provide that employees may volunteer hours of service to their public employer or agency provided 'such services are not the same type of services which the individual is employed to perform for such public agency.' The phrase 'same type of services' means similar or identical services." 29 CFR 553.103.

Program Income

Program Income

Program income, as defined in 2 CFR 200 means gross income earned by the grantee that is directly generated by a supported activity or earned as a result of the federal award during the period of performance except as provided in § 200.307(c).

Program income includes but is not limited to income from fees for services performed, the use or rental of real or personal property acquired under federal awards, the sale of commodities or items fabricated under a federal award, license fees, and royalties on patents and copyrights, and principal and interest on loans made with federal award funds. Interest earned on advances of federal funds is not program income. Except as otherwise provided in federal statutes, regulations, or the terms and conditions of the federal award, program income does not include rebates, credits, discounts, and interest earned on any of them.

Program Income from Victim Services Grants

Grantees who generate income as a direct result of their victim service grant must account for and use program income for the purposes and under the conditions applicable to their victim services grant. If you are unsure, contact your grant coordinator for more information on properly accounting for and spending program income.

Accounting for Program Income

Program income must be used for the purposes and under the conditions applicable to the grant. If program income is earned, it must be accounted for up to the same ratio of federal participation as funded in the project or program. Unless specified, program income should be used as earned and expended as soon as possible. If the cost is allowable under the federal grant program, then the cost would be allowable using program income.

Income earned after the period of performance has no restrictions and can be used as the grantee deems appropriate.

Grantees can learn about program income from the Code of Federal Regulations and from the DOJ Financial Guide.

Purchasing and Procurement

Purchasing Procedures and Procurement of Goods, Services and Professional Services

Documented purchasing and procurement procedures establish authority and mechanics for organizations to purchase goods and services, including professional services from consultants or contractors. Grantees must have policies and procedures governing the purchase and procurement of supplies, equipment, contractual services, and other items, to ensure funds are expended in accordance with an approved budget, with consideration of the availability of funds to pay for such purchases, and in compliance with contractual provisions and relevant laws and regulations.

Grantees shall follow their own purchasing procedures provided the procurement conforms to applicable federal law and the standards identified in the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, specifically 200 CFR 318 through 200 CFR 326. Click on 200 CFR 318 and then click next at the top of the page to see what needs to be in an organization's procurement policy.

Grantees' policies and procedures must include segregation of duties to ensure no one individual has the authority or responsibility to order, receive purchases, approve invoices for payments, make payments, sign checks and mail payments. When applicable, purchase orders or other purchase contract documents must include clauses required by federal statutes and executive orders, their implementing regulations, and the grant contract provisions.

Selecting, Hiring, and Contracting with External Organizations

Consultants: Consultants are experts or people who hold special knowledge or skills, or who give professional or legal advice. Consultants are hired on a contractual basis and are not employees. Consultants can also be professionals hired to provide specialized or specific training.

Professional Services: Professional services are unique, technical or infrequent functions performed by an outside entity, qualified by education, experience or technical skills and abilities. Examples of professional services include providing therapy, project evaluation, marketing, conducting audits, providing translation or interpretation services, and payroll services.

Vendors: Vendors provide goods and services within normal business operations, provide similar goods and services to different purchasers, operate in a competitive environment, and are not subject to grant compliance requirements. Examples of vendors are office supply/equipment companies, print companies, repair and maintenance companies, and pest control companies.

When contracting with either an individual or an organization, consider the reputation, experience, and demonstrated capacity to provide services, supplies, or equipment. Contractual agreements should include termination language to protect against misrepresentation of the quality, quantity, price, and deadlines or delivery of the goods or services being purchased.

When selecting vendors, if possible, obtain three price quotations or competitive bids. Under certain circumstances, supplies, equipment, services, or other items may be purchased without bids or quotations. Quotations may not be necessary if a qualified contractor, is the sole source of the items to be purchased, or, in case of emergency, when immediate delivery is necessary for the entity's continued provision of adequate services.

All sole-source purchases should be reviewed and approved by the person authorized to approve such purchases. A written justification explaining emergency and sole-source purchases exceeding an amount determined by management should be attached to purchase order or purchase agreement.

The type of contractual agreement a grantee issues depends on the contractual relationship based on the nature of the agreement and the criteria in the Uniform Requirements see 2 CFR 200.

Prior to entering into a business relationship with another entity, grantees should have contracts, or agreements in place. A contract is a legal instrument by which one party purchases goods or services from another party. When contractual expenses are charged to a victim service grant, the goods or services being purchased must be reasonable and necessary to meet the goals and objectives of the project.

Professional service agreements are contractual documents to be used to pay for direct services for clients. The grantee or the grantee's clients are the beneficiaries of the services to be provided. Professional fee-for-service contracts are used for the purchase of direct services to clients such as counseling services, or legal services.

Vendor and consultant agreements are contractual documents to be used for the purchase of goods or services. The grantee or the grantee's clients are the beneficiaries of the goods or services being purchased. Vendor contracts are used to purchase goods and services NOT directly linked to client services, such as lawn care services, copier agreements, cleaning contracts, etc. Consultant agreements are used to hire a professional to provide expertise, training or evaluation.

Consultant rates of payment are to be reasonable and consistent with fees for similar services in the marketplace. The federal Department of Justice determines consultant rates. The consultant rate limit is $650 per day or $81.25 per hour. This does not mean the rate can or should be the maximum limit for all consultants. Rates should be established on a case-by-case basis and must be reasonable and allowable. The term daily rate refers to an eight-hour day. An eight-hour day may include preparation, evaluation, and travel time in addition to the time required for actual performance. If a consultant's rates are greater than the maximum rates allowed no portion of the consultant's fees can be paid with federal funds, not even the portion that meets the federal standards. Grantees wishing to exceed the maximum rates allowed must receive prior written permission from their grant coordinator.

Subaward agreements are issued when the two parties mutually benefit and have shared interests and expertise in the implementation and delivery of one or more programmatic aspects of a program or project. A subaward is an award provided by a pass-through entity to an organization to carry out a project. A grantee relationship exists with another entity when the entity has the ability to determine who is eligible to receive assistance, has its performance measured against whether the objectives of the state/federal program are met, has responsibility for programmatic decision-making, has responsibility for adherence to applicable

state/federal program compliance responsibilities, or uses grant funding to carry out its own grant programming, rather than just providing goods and services. Subawards do not include payments to contractors or individuals. Subawards usually include the scope of work, or a description of the services to be provided, budget, reporting requirements, federal pass-through requirements and certified assurances.

***Grantees must obtain prior approval from their grant coordinator before issuing subawards.** Details of the subaward must be included in the approved budget and budget justification and might require an amendment/revision request. Grantees will be required to monitor their subawardees and complete the Subcontract Monitoring Form .

Solicitations for Procurement Transactions

Grantees must conduct **all procurement transactions** in a manner providing full and open competition consistent with the Procurement Standards in the Uniform Requirements atCFR 200.319. This requirement holds whether procurement transactions are negotiated or competitively bid, and without regard to dollar value. To avoid unfair competitive advantage, contractors who develop or draft specifications, requirements, statement of work and invitations for bids or requests for proposals, must be excluded from competing for such procurement.

Grantees must not create unreasonable restrictions on competition under the award. This applies with respect to any procurement of property or services that is funded (in whole or in part) by funding from the Department, regardless of the dollar amount of the purchase or acquisition, the method of procurement, or the nature of any legal instrument used as noted in (DOJ) Part 200 Uniform Requirements--including as set out at 2 C.F.R. 200.300. No grantee may, in any procurement transaction, discriminate against any person or entity on the basis of such person's or entity's status as an "associate of the federal government," or on the basis of such person or entity's status as a parent, affiliate, or subsidiary of such an associate, except as expressly set out in 2 C.F.R. 200.319(a), or as specifically authorized by the US Department of Justice.

Written procedures for procurement transactions must ensure all solicitations incorporate a clear and accurate description of the technical requirements of the material, product, or service to be procured. Solicitations should also identify all requirements that must be fulfilled and all other factors to be used in evaluating bids and proposals.

To determine what method of procurement to be followed, please refer to CFR 200.320 (Methods of Procurement) in the Uniform Administrative Requirements.

Interagency agreements between units of local government are excluded from this provision.

Procurement Standards

Organizations, whose procurement system has been certified by a federal agency, is not subject to prior approval requirements of 28 CFR Parts 200. Victim Assistance Section’s prior approval will only be required for areas beyond limits of the grantee’s certification. Highlights include but are not limited to:

- Cost and Price Analysis (2 CFR, Section 200.323): Describe the process for performing a cost or price analysis for every procurement action in excess of the small purchase threshold (phone bids, 3 quotes, etc.).
- Noncompetitive Procurement (2 CFR, Section 200.320[f]): Describe the process for procuring goods and/or services that cannot be conducted through normal competitive procurement methods, including emergency or sole source procurement.
- Small Purchase Procedures (2 CFR, Section 200.320[b]): Describe the process for procuring goods, and/or services when the total dollar amount is less than your program’s relevant small purchase threshold per procurement transaction.
- Formal Purchase Procedures (2 CFR, Section 200.320[c] and [d]): Describe the process for procuring goods and/or services when the dollar amount is more than your program’s relevant small purchase threshold per procurement transaction.
- Duplication of Goods/Services (2 CFR, Section 200.318[d]): Describe the process used to ensure that there is no acquisition of unnecessary or duplicate goods or services.
- Gratuities, Favors, or Gifts (2 CFR, sections 200.318[c][1] and 400.2): Include a prohibition on soliciting or accepting gratuities, favors, or anything of monetary value from contractors, potential contractors, or parties to sub agreements. Agencies may define a set of standards for situations in which financial interest or gratuity is not substantial or the gift is an unsolicited item of nominal value. If the latter is chosen, include the definition of nominal value.

Non-Competitive Practices

Grantees shall be alert to organizational conflicts of interest or non-competitive practices among contractors that may restrict or eliminate competition or otherwise restrain trade. Contractors who develop or draft specifications, requirements, statements of work, and/or Requests for Proposals (RFP’s) for a proposed procurement shall be excluded from bidding or submitting a proposal to compete for the award of such procurement. Any request for exemption must be submitted in writing to the grantee’s assigned grant coordinator.

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