

# Grant Instructions and Requirements

## State of Nevada Department of Agriculture Grants Management Unit

Effective October 31, 2011

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# Grant Instructions and Requirements

## State of Nevada Department of Agriculture Grants Management Unit

**Effective October 31, 2011**

### **GIR-10-1 SUBJECT: GIRS DEFINED**

The Department of Agriculture (NDOA or the Department) Grants Management Unit (NDOA) has adopted these Grant Instructions and Requirements (GIRS) to provide all Grantees with essential information relative to financial and administrative requirements for programs funded through the NDOA. This edition of the GIRS applies to all grants effective October 31, 2011, forward. Grants awarded in any prior fiscal year are subject to the provisions of the GIRS (or GINS) effective in that particular fiscal year.

Each instruction applies to grants from all funding sources unless otherwise noted.

Each program director is instructed to maintain a copy of the GIRS, which will be verified during the fiscal monitorings. Programs that do not follow the requirements outlined in the GIRS will jeopardize their receipt of funds.

### **GIR-10-2 SUBJECT: GRANTOR AND GRANTEE DEFINED**

The **Grantor** is the Department of Agriculture, NDOA, which is the State agency responsible for the award and oversight of the funding sources listed in GIR-10-1 as well as any other funding sources that may be assigned to the unit.

The **Grantee** is the subrecipient of the funds listed in GIR-10-1 and any other funding sources that may be assigned to the NDOA.

### **GIR-10-3 SUBJECT: GRANTOR AUTHORITY**

The Grantor cannot be limited in its rights by the Grantee, as Grantor rules and regulations shall supersede Grantee rules and regulations. The State's ability to evaluate the grant will not be curtailed or hampered. This includes access to any fiscal or any other document and/or record pertinent to the program and the right to interview staff, clients, agency personnel or board members in accordance with the procedures of confidentiality and any pertinent State or Federal regulations.

### **GIR-10-4 SUBJECT: CONFIDENTIALITY**

All Grantees are required to comply with applicable State and Federal confidentiality and privacy rules. Grantees shall collect, maintain, and transmit personal information about service recipients in a manner that ensures security and protects individual privacy (e.g., use of identifiers instead of names or Social Security numbers on any information submitted to the Grantor). Any Grantee that is a covered entity under the Health Insurance Portability and Accountability Act of 1996 (HIPAA) shall also comply with the security and privacy safeguards set forth in Public Law 104-191 (45 CFR 160 and 164). Such safeguards shall not restrict the Grantor's access to protected health information, which may be necessary to determine program compliance (45 CFR 164.512(d)(1)(iii)).

**GIR-10-5 SUBJECT: CONTROLLING DOCUMENTS**

For purposes of administration and decisions regarding compliance and operations, the approved grant proposal, agreement, budget and associated assurances constitute the controlling documents. Both the Grantee and the Grantor shall reference these documents when interpreting or applying rules.

**GIR-10-6 SUBJECT: GRANTEE RIGHTS AND RESPONSIBILITIES**

1. The Grantee organization assumes full responsibility for the overall program which includes: fiscal administration, timely submission of required reports, program management including personnel, and meeting the goals and objectives in the approved grant applications. The Grantee does not relinquish responsibility by having a board or representative act on its behalf.
2. The Grantee shall maintain effective control and accountability for all grant funds, property, and other assets. Good internal control necessitates that fiscal responsibilities be clearly established. Accounting functions should be separated to the fullest extent possible so that no one person authorizes, executes, and approves the same transactions. Written policies covering personnel and accounting procedures must be documented in a policies and procedures manual or other similar document.
  - a. The documentation for all transactions, controls and other significant events must be clear and **readily available** for examination. All documentation such as invoices, contracts, etc., should be maintained at the Grantee's principal place of business. If they are not, the Grantee must bear the cost of making original documents available for examination by the State.
3. The Grantee must maintain continuing responsibility for the overall program. This includes the establishment of policies and procedures for program operations. The following areas must not be delegated to subgrantees or persons who are not employees or officials of the Grantee organization.
  - a. Development and maintenance of a personnel policy including hiring, terminating, supervising, and evaluating the program director
  - b. Being informed of and accountable for all program income and expenditures
  - c. Performance of timely written evaluations of the program and monitoring of established goals and objectives as written in the program's grant
  - d. Financial reports and all other reports required by the Department including monthly or quarterly requests for funds, required progress reports and final program reports (if required)
  - e. Administration of the program in accordance with the GIRS and the administrative procedures established by the NDOA
4. If the Grantee decides to establish a policy-making body (or is required either by law or by funding source to establish such a body), its role and responsibilities must be clearly defined. Written documentation must be provided to the NDOA upon request.
5. Any activities that deviate from the goals identified in the grant agreement must receive prior approval from the Grant Manager and may require a written amendment to the grant agreement.
6. Grantees must notify the Grant Manager of any special events such as conferences, workshops, or celebrations for which these grant funds are to be used at least one week in advance of the event.
7. Grantees must notify the Grant Manager immediately regarding any legal action or negative publicity related to grant-funded events, activities, services, purchases, or outreach.
8. All instructions, requirements, and regulations for grants administered through the NDOA are applicable to subawards, minigrants, contracts or other mechanisms passing on these funds. It is the responsibility of the Grantee to ensure compliance through monitoring, reporting, site visits, or other means. The Department may implement probationary

measures with the Grantee for noncompliance on the part of the subgrantee or contractor. [See GIR-10-23(2).]

9. Grant Instructions and Requirements apply to all Grantees. Decisions made by Grant Managers must be based on the GIRS, grant agreements, approved budgets, grant assurances, program policies and procedures, and fiscal policies and procedures including those in the State Administrative Manual (SAM) and in any Federal OMB circulars that apply to the funding source. In cases of disagreement regarding grant administration, Grantees should take the following steps.
  - a. Request that the Grant Manager provide the specific documentation upon which a decision is based. Written response will be made within seven working days.
  - b. If this does not resolve the disagreement, request that the Grant Manager consult the Director of the NDOA, as well as the Administrator of Program and/or Fiscal Services, for review of the issues. Written response will be made within seven working days.
  - c. If the disagreement is still unresolved, request that the matter be reviewed by the Department Director, whose decision will be final and will not be open to further discussion or challenge.
10. All interactions between Grantees and NDOA staff will be conducted with honesty, courtesy, and respect. It is essential that a professional relationship be maintained in order to properly administer the grant and provide effective services in the community.
  - a. Conduct that interferes with the administration of the grant or negatively impacts the ability to provide effective program services may result in termination of the grant after the Department carefully reviews the circumstances. The Department will report termination decisions to the Grants Management Advisory Committee (GMAC) or the Advisory Committee on Problem Gambling (ACPG). [See GIR-10-23(3).]
11. Technical assistance within the capacity of NDOA or fiscal staff or through available resources will be provided to Grantees on the following basis.
  - a. At the request of the GMAC or ACPG
  - b. At the request of the Grantee
  - c. At the request of the Grant Manager
  - d. In accordance with direction from the Director of the NDOA, the Administrator of Fiscal Services, the Administrator of the Program or the Program Manager.
12. Timeliness of report submission will be tracked and noted in the grant file. Any extensions or exceptions to requirements must also be noted in the grant file.

#### **GIR-10-7 SUBJECT: COST SHARING OR MATCHING REQUIREMENTS**

Any match requirements will be discussed in the Request for Applications for each funding source. Match may be cash contributions or in-kind match. Proposed matches are checked during site reviews. Grantees must maintain documents substantiating any cost sharing or matching. All matches must directly benefit the program for which the funds are granted.

#### **GIR-10-8 SUBJECT: DIRECT AND INDIRECT COSTS**

1. Direct costs can be identified specifically with particular cost objectives such as a grant, contract, project, function or activity. Direct costs will be outlined in the grantees contract with NDOA and considered at the time of proposal. Allowable indirect is dependent on the Federal Sponsor and Program Manager. All indirect rates allowable in a program will be in accordance to current rate set by the federal agency.

Direct costs may be considered “administrative” in nature, as compared with direct costs that are “programmatic” in nature. Administrative costs that can be traced directly back to the program should be identified within the grant budget as a line item expense per the SF424 instructions and program requirements. For example, a Director of a non-profit who has completed a time-study may be able to directly relate a certain percentage of time to a

particular grant. This would be considered a direct administrative cost. A Director who has no direct relationship with a program still needs to perform the work of the Director. This is an indirect cost. Rent can be considered a direct cost but is normally allocated among all grants or projects managed by a Grantee.

2. Indirect costs represent the expenses of doing business that are not readily identified with a particular grant, contract, project function or activity, but are necessary for the general operation of the organization and the conduct of activities it performs. Looking at it another way, indirect costs are those costs that are not classified as direct. If a cost can be identified or quantified, then it is not an indirect cost. Grantee budgets should not list any specific expenses in the indirect category.

#### **GIR-10-9 SUBJECT: PROGRAM INCOME ACCOUNTING PROCEDURES**

1. Program income is money received by the Grantee specifically for the project funded by this grant. Examples of program income include fees for service in accordance with a sliding fee scale or contributions for a particular event related to the grant-funded project.
2. Each program must maintain a system that assures confidentiality and that also assures accountability of all program contributions or fees. **All participant contributions must be credited to the appropriate grant.**
3. The system must ensure full accountability for all program income. Each Grantee must clearly document the amount and source(s) of program income, and exactly how the money was used for the grant purpose.
4. Internal accounting and administrative controls must be sufficient to provide reasonable assurance that operations are effective and efficient, financial records and reporting are complete and reliable, and the program complies with applicable laws and regulations.

#### **GIR-10-10 SUBJECT: ALLOWABILITY AND ALLOCABILITY OF COSTS**

This section applies to all Grantees.

1. For a cost to be allowable as a charge against grant funds, it must first be specifically included in the approved grant budget, allocable to that grant, and consistent with the goals and objectives of the grant. In most cases, grants made through the NDOA will follow State and Federal guidance with regard to allowability and allocability of costs.
  - a. State guidance is found in the Nevada State Administrative Manual (available online at [http://nevadabudget.org/wiki/index.php?title=Nevada\\_State\\_Administrative\\_Manual](http://nevadabudget.org/wiki/index.php?title=Nevada_State_Administrative_Manual)).
  - b. Federal guidance is found in OMB Circular A-21 for colleges and universities, OMB Circular A-87 for state and local governments, and OMB Circular A-122 for nonprofit Grantees. In accordance with these circulars, a cost is allocable to a particular cost objective (program) to the extent of the benefit received or in accordance with the relative benefit received.
  - c. **When deemed necessary and appropriate, the Department reserves the right to establish and enforce policies that are more restrictive than the aforementioned guidelines. Any such policies are included in the GIRS and/or in documents referenced in the GIRS.**
2. Cost allocation means that, if a Grantee incurs a cost for goods or services used by more than one program, the cost must be charged to all programs. Each program will be charged for the percentage of the cost of the goods or services used by each program. The method for determining that percentage is discussed below under No. 2(a).

This requirement must be taken into consideration when a Grantee incurs a cost that benefits more than one cost objective (program). One example would be having one director who works for two different programs. Another example would be a utility bill for a building used for two different programs, each with separate and distinct funding.

When there are multiple cost objectives, the Grantee must do the following.

- a. Develop and document a reasonable methodology for determining how each applicable cost will be allocated to each cost objective (program) involved. This method must be designed to allocate to a program the portion of the cost that benefits the program. Examples of reasonable methodologies include, but are not limited to the following.
    - (1) The salary of a single person performing duties for multiple programs will be allocated based on the time the person spends on each program as documented by time studies or on timesheets indicating time actually spent on each program.
    - (2) Facility expenses for a building housing multiple programs will be allocated based on the number of square feet used by each program as documented by a building-use study or by determining a reasonable percentage of the space utilized by staff associated with the funded program.
    - (3) General office supplies should be allocated based upon the number of FTE working on each funding source and the same percentages used to allocate salaries to different programs. For example, if a position is working 100% of the time for a specific grant, that grant should be charged 100% of the per FTE charge for general office supplies. If a position is allocated 25% to one grant and 75% to another grant, the per FTE charge for general office supplies for that position should be split in the same 25% / 75% ratio. The per FTE charge for general office supplies is the total amount spent on office supplies divided by total FTEs.
  - b. Maintain documentation that supports the allocation of a cost to each program based on the methodology developed pursuant to No. 2(a) above. Examples of this type of documentation include, but are not limited to the following.
    - (1) Time studies
    - (2) Vehicle use studies
    - (3) Building use studies
3. To be allowable under a grant award, costs must also meet the following criteria.
- a. Be necessary and reasonable for proper and efficient performance and administration of fund awards
  - b. Conform to any limitations or exclusions set forth in these instructions, or other governing limitations as to type or amount of cost items
  - c. Be consistent with policies and procedures that apply uniformly to fund financed and other activities of the organization
  - d. Be accorded consistent treatment
  - e. Be determined in accordance with generally accepted accounting principles
  - f. Be adequately documented
4. If a reimbursed cost is later disallowed, it must be repaid to the State.

#### **GIR 10-11 SUBJECT: ALLOWABILITY OF SPECIFIC COSTS**

Policies set forth in this section supersede any less restrictive State or Federal policies that may apply to grant-funded programs. Some federal awarding agencies may have specifics that are unallowable recipients should refer to the federal agencies policies.

##### 1. Meals and Food

- a. Meals for an employee are reimbursable only when the employee is in travel status. Reimbursement is subject to the Department's travel policies and procedures. [See GIR 10-11(7).]
  - b. Meals and refreshments - Refer to your grant and program specifics for allowable and unallowable costs this is dependent on grant specifics.
  - c. General host funds should also be referred to in grant and program specifics.
  - d. Meals, snacks or beverages provided to program participants are allowable provided that these expenses are included in the Grantee's approved budget. For example, a program that offers parenting classes in the evening may be allowed to serve a casual supper to parents and children as an attendance incentive. An after-school or summer activity program for youth may be allowed to provide snacks such as fruit or cookies. A program that organizes or sponsors a professional conference may be allowed to provide a meal or snacks to registered participants. In any case, only food or beverages directly related to program activity is allowable.
2. Bottled water or distilled water delivered by a vendor for routine use is not allowable unless documentation is provided indicating that the domestic water available at the Grantee's place of business is unsafe or that the water delivery system is inadequate. [The only exception is bottled water provided as a direct program supply, as described in GIR 10-11(1)(d).]
  3. Kitchen supplies (including, but not limited to, paper products, cleaning supplies, and beverage service) are not allowable unless they are direct program supplies.
  4. Volunteer recognition is allowable. The cost must be included in the Grantee's approved budget and may not exceed \$25 per volunteer per year. Program employees and members of boards or commissions are not covered under this provision.
  5. Tuition for a graduate student is allowable provided that the expense is included in the Grantee's approved budget. Tuition reimbursement must be commensurate with the time the student actually works on the grant project and should support classes that are relevant to the grant project.
  6. Late fees, NSF fees, credit card interest charges, and reconnect fees are not allowable.
  7. Travel
    - a. Travel costs are allowable only if they provide direct benefit to the grant-funded project and are included in the Grantee's approved budget.
    - b. When billing for certain travel expenses, a Travel Reimbursement Request form must be utilized to detail the specific trip. Required documents must be attached to the associated Request for Funds.
      - (1) This requirement applies only to overnight travel or any trip that requires airfare, whether in-state or out-of-state.
      - (2) Reimbursement is allowed in accordance with the Grantee's established policies or up to the U.S. General Services Administration (GSA) rate established for the employee's destination, whichever is less. An exception may be made for lodging that is procured at a prearranged place such as a hotel when a meeting, conference or training session is held.
      - (3) Instructions for travel reimbursement, including information about allowable costs and required receipts, may be found on the program webpage or provided by the program manager (4) Invoices for airfare, lodging and car rental must be attached to the associated Request for Funds along with a printout of the GSA rate for the area visited.
    - c. When submitting a request for local mileage reimbursement, Grantees should include on the transaction list the number of miles traveled and the reimbursement rate. [See GIR 10-12(4)(f)(2).]

**GIR-10-12 SUBJECT: DISBURSEMENT OF FUNDS**

**Generally the requirements set forth below should be followed; Grantees should refer to their signed contract with NDOA and Program Requirements for specifics.**

1. Funds will be reimbursed on a monthly or quarterly basis for the Specialty Crop Block Grant Program (SCBGP). Recipients of other grants should refer to the specific grant guidelines and program requirements set forth in the grantees signed contract with NDOA.
2. Grantees must submit a Request for Funds to the NDOA, as per the grant agreement. The Request for Funds must be completed in full. Questionable costs, incomplete fields, missing documentation or mathematical inaccuracies will result in a delay of funds being issued and the Request for Funds may be returned to the Grantee for corrections.
3. **Grantees must not submit requests with a negative balance in any category.**
4. For categorized budgets, documentation supporting the Request for Funds must be submitted along with the request in the form of a detailed transaction list, by budget expense category. The detailed transaction list MUST reconcile completely to the Request for Funds. It is the Grantee's responsibility to include appropriate subtotals and totals on the transaction list to demonstrate that it does, in fact, reconcile completely to the Request for Funds. The transaction list and supporting documents must be kept on file for review at the time of the Department's fiscal monitoring. The detailed transaction list must include, at a minimum:
  - a. Every single item the Grantee is asking to be reimbursed for by expense category;
  - b. Check number or other transaction identifier;
  - c. Date of payment;
  - d. Payee, and
  - e. Amount of payment.
  - f. Where applicable, the following information must also be included on the transaction list.
    - (1) If an expense on the transaction list is not charged to the grant in its entirety, the Grantee must include a notation listing the amount charged to the grant.
    - (2) When submitting a request for local mileage reimbursement, Grantees should include on the transaction list the number of miles traveled and the reimbursement rate.
  - g. The transaction list may be in the form of an Excel spreadsheet if the Grantee does not have an accounting software package that generates a transaction list.
  - h. More detail (such as copies of purchase orders, invoices, receipts, and payroll registers) may be required at the discretion of the NDOA and the Department's Fiscal Unit.
5. For fee-for-service budgets, documentation supporting the units of service provided during the reimbursement period does not need to be submitted along with the Request for Funds. However, documentation **does** need to be maintained for review during site visits and program monitoring by NDOA staff. Specific requirements for this documentation will depend on the kind of service provided and will be approved by the Department prior to submission of the first Request for Funds. Grantees will be reimbursed on a fee-for-service basis only if the budget was submitted and approved as a fee-for-service budget prior to the start of the fiscal year.
6. In special circumstances, advances may be allowed refer to contract and program specifics.
  - a. A Grantee may submit a request for advance funds if the agency does not have sufficient working capital to operate the program on a reimbursement basis. Advances may be utilized to cover up to 60 days of expenses that are part of the approved grant budget. Examples include routine operating expenses, payroll, and equipment purchases.



- b. An Advance Request form must be submitted indicating the reason for the advance along with Commercial Crime Insurance coverage that covers the amount of the advance.
- c. The Department's Program Managers will closely monitor the use of the advance to ensure it is used solely for the purposes of the grant that funded the advance. The Department may request as a condition of receiving an advance is the Grantee's agreement to attach a copy of the most recent bank statement into which the advance was deposited to each subsequent Request for Funds. Advances may not be deposited in any bank account other than the Grantee's main operating checking account.
- d. An advance will be paid upon approval of the completed request forms. Until the advance is paid back, the amount must be accounted for and reduced from the total and available funds on all Requests for Funds. Back-up and source documentation for advances must be turned into the Department within 30 days of the advance. **Advances must be fully repaid on or before the final Request for Funds for the grant period.**
- e. Advances will not be approved for the sole purpose of providing the Grantee with a financial cushion.
- f. Misappropriation of advance funds will result in denial of future advance requests and may result in immediate termination of the grant.

**GIR-10-13 SUBJECT: BUDGET MODIFICATIONS**

1. All transfers between budget categories require a Budget Modification Request. Recipients should contact their State Program Manager for specific forms and procedures. Proposed expenditures must be consistent with approved goals for the current grant agreement. Approved BMRs must be received by the Grantee prior to implementation of request.
2. **Requests for budget modifications must be made prior to expenditure of funds for non-budgeted items.** Failure to request modifications in advance of expenditures may result in not receiving reimbursement for the expenditures and/or corrective action.
3. Changing line items within a budget category require approval by the Grant Manager, which must be documented in writing (may be via email).
4. Modifications may be approved by the Grant Manager, however limitations may apply in amounts these are subject to the guidelines provided by the awarding agency.
5. Multiple modifications may require additional justification and approval.

**GIR-10-14 SUBJECT: LEAVE**

1. Use of grant funds to pay out accrued leave and/or compensatory time upon separation from service requires prior review and approval by the Department.
2. Extended use of leave for illness, family illness or maternity is allowable, but Grantees are still responsible for meeting outcomes. When extended leave is taken by an employee whose salary is paid in full or in part with grant funds, the Grantee must submit a plan to the NDOA stating how the work will be accomplished in the employee's absence.
3. All transfers in staff/project partners or directors must be approved by NDOA prior to the transfer.

**GIR-10-15 SUBJECT: END OF GRANT INSTRUCTIONS**

1. All expenses, grant activities, goals, and objectives must be completed by the last day of the program's grant end period, recipients should refer to their signed contract for individual grant periods.,
2. Final Requests for Funds must be submitted <sup>by</sup> the grant period end date..
3. Grantees are expected to provide a full, accurate, final accounting of their activities within the time frames set forth in this section.

**GIR-10-16 SUBJECT: EQUIPMENT AND INVENTORY REQUIREMENTS**

**Equipment purchases may or may not be allowable under granting agencies policies. Recipients should refer to the granting agencies policies for equipment, signed contract, and program requirements. Specific allowances may apply:**

1. Grantees must establish a system of accounting for all equipment purchases of a \$1,000. Or more and for computer and software purchases of any amount. The system must include, at a minimum, a listing of all equipment purchased with grant funds, the date purchased, the funding source, the physical location and disposition.
2. An ongoing inventory must be maintained for all items purchased with grant funds that meet all of the following criteria.
  - a. Has an anticipated useful life extending beyond one year
  - b. Is not consumed in use
  - c. Is not attached permanently as a non-movable fixture
  - d. Had a purchase price of \$1,000 or more, or is a computer or software.
3. Grant Managers may also request that Grantees inventory certain other items (e.g., GPS systems and webcams).
4. Grantees should conduct a physical inventory periodically and (no less than annually) compare it to the written records. If a Grantee has equipment or property purchased with grant funds they no longer use, a listing of the items must be sent to the NDOA.
5. Following termination of a grant under the NDOA, the Department may direct the Grantee to retain, transfer, or liquidate equipment and non-consumable materials purchased with grant funds. If equipment is liquidated, use of the proceeds must be approved by the Department. Under certain grantor policies the proceeds of any equipment or supply must be returned to the federal grantor. Refer to specific requirements set forth by the granting agency.

**GIR 10-17 SUBJECT: SPECIAL REQUIREMENTS FOR GIFT CARDS, VOUCHERS, AND OTHER LIKE ITEMS**

1. Gift Cards, Gift Certificates, Bus Passes, and Other Like Items
  - a. Programs that use grant funds to purchase gift cards, gift certificates, bus passes and other like items for clients must establish internal controls that, at a minimum:
    - (1) Ensure the security of the items, and
    - (2) Address appropriate distribution to clients
  - b. Programs will also establish a written inventory that documents the following:
    - (1) Source of the item;
    - (2) Face value of the item;
    - (3) Individual serial number or other identifier (listed on a separate line of the written inventory) for each and every gift card, certificate, bus pass, etc., purchased;
    - (4) Date the item was purchased;
    - (5) Date each item purchased was issued to a case manager or other Grantee staff, if applicable;
    - (6) Name of the case manager or other Grantee staff to whom the item was issued, if applicable;
    - (7) Name of the client who received the item;
    - (8) Date the item was issued to the client, and
    - (9) Intended purpose (e.g., groceries, clothing, gasoline).
  - c. The policies and procedures, as well as the written inventory, must be made available to the Department upon request and may be reviewed during program site visits.

- d. Certain programs may have additional requirements related to gift cards, gift certificates, bus passes and other like items. See separate policies for these programs.
2. Programs that use grant funds to support a client voucher system must establish internal controls to address appropriate security, distribution, and tracking of the vouchers. The controls must include, at a minimum, the information listed in Subsection 1 above.

**GIR-10-18 SUBJECT: RETENTION AND DISPOSAL OF PROJECT DOCUMENTS**

1. Financial records, supporting documents, statistical records, and all other records pertinent to a grant agreement must be retained for a period of three years from the date of the submission of the final expenditures report. If no litigation, claims, or audits are pending that involved project records, Grantee staff may dispose of materials three or more years subsequent to the submission of the final expenditures or financial status reports. If any litigation, claim, or audit is started before the end of the three-year period, then all pertinent documents must be retained until all actions involving the records have been resolved.
2. During the three-year retention period or any extended period resulting from litigation, claims, or audits, the Fiscal Services staff or any of the Department's duly authorized representatives shall have access to any pertinent books, documents, papers, or records of Grantees to review audits, examinations, excerpts, and transcripts.

**GIR-10-19 SUBJECT: RISK ASSESSMENT**

The Grantor may, at least once during each grant year, assess the risk level of each Grantee. The assessment will be based on criteria determined by the NDOA and the Fiscal Unit. Results may be considered when determining the frequency of program and/or fiscal reviews, the need for special award conditions (GIR-10-22), whether the Grantee is eligible to receive incentive/future funding and/or carryover funds, and in other administrative decisions.

**GIR-10-20 SUBJECT: PROCEDURES FOR FISCAL OR SITE MONITORING AND ADMINISTRATIVE**

**REVIEW OF ADVERSE FINDINGS**

1. The Department may, at its discretion, conduct a fiscal or site monitoring of a Grantee at any time during or after a grant year. The monitoring may be conducted by either Department staff or contracted agencies. Fiscal Services staff or any of the Department's duly authorized representatives may conduct a fiscal monitoring.
2. For scheduled fiscal monitorings, each Grantee will be notified in writing prior to the visit. A letter may be sent indicating the types of documents that must be available to the person conducting the fiscal monitoring prior to their visit and/or during their visit to the Grantee's location. Routine site visits conducted by Program/Grant Managers may be announced but not accompanied by a list unless otherwise specified.
3. If the Department attempts to perform a fiscal/site monitoring and discovers that adequate records do not exist or the condition of the records is such that a fiscal monitoring cannot be completed, the Department will issue written notification that the Grantee:
  - a. Will be placed on Probation, and
  - b. May be subject to withholding of any further funding from the Department until the deficiencies are corrected and the fiscal monitoring is completed.
4. Within thirty (30) calendar days following completion of the Department fiscal monitoring, the Grantee will receive a preliminary report that specifies the findings of the Department, subsequent recommendations, and a deadline for responding to the preliminary report.
5. If the Grantee is in agreement with the preliminary report, it will be considered the final report.
6. If the Grantee is not in agreement, the Grantee must submit, within the time frame specified in the preliminary report, a written response with any disagreement of adverse findings. Adverse findings are defined as follows.

- a. Lack of Adequate Records: The Department determines that either sufficient records do not exist or the records are not in a condition to allow the Department to perform a fiscal monitoring.
  - b. Administrative Findings: Include those findings that represent weaknesses in the internal accounting and administrative controls but do not include questioned costs or costs recommended for disallowance.
  - c. Questioned Costs: Costs charged to a grant that cannot be supported by documentation. With approved documentation, questioned costs may become allowable. Without documentation, they will become disallowed costs.
  - d. Costs Recommended for Disallowance: Costs that are not within the scope of the grant agreement and grant budget or are in direct violation of State or Federal policies.
7. It will be necessary to submit to the Department a listing of each point of disagreement and explanations for each disagreement. Within two weeks of receipt of the Grantee's written response, the Department will review and consider the points and justification of disagreement. If warranted, the Department will make corrections and/or adjustments to the report and issue an amended final report.
  8. If the Grantee remains in disagreement and can furnish additional supportive documentation, a request for an administrative review must be made in writing to the Deputy Director of Fiscal Services within sixty (60) calendar days of receipt of the final report. For purposes of calculating date of receipt, the Department will use three (3) working days from the date of the final report.
  9. Within five (5) working days of receipt of the request for administrative review, the Grantee will be notified by letter of the date for the Grantee to present their issues of disagreement.
  10. Within five (5) working days of the presentation, the Department shall review the disagreement issues, supporting documentation, and the Department files and forward a decision to the Grantee in writing.

**GIR-10-21      SUBJECT: PROCEDURES FOR PROGRAM SITE VISITS AND MONITORING**

1. Site visits without advance notice may be performed at a Grantee location at any time.
2. Formal site visits with program monitoring will be conducted by Grant Managers at a predetermined and mutually agreed upon time.
3. If documentation is requested a minimum of fifteen (15) working days prior to the visit date, Grantees will be provided with a copy of the monitoring template to review and prepare for the meeting. Documentation requested in the monitoring template must be available at the meeting.
4. Site findings will be documented with a standard report provided to the Grantee within thirty (30) calendar days of the site visit. These reports will be kept on file with the grant records.

**GIR-10-22      SUBJECT: CORRECTIVE ACTIONS**

If a Grantee does not meet expectations, the NDOA may apply corrective actions including special award conditions, probation, or termination. This section describes the reasons, consequences, and process associated with each corrective action. In each case, enforcement of the appropriate consequences is at the discretion of the Department Director. Any level of corrective action may be applied at any time; options may not be applied sequentially.

**1. Special Award Conditions**

- a. Reasons a Grantee may be subject to special award conditions include, but are not limited to, the following.
  - (1) History of poor performance
  - (2) Financial instability

- (3) Management system that does not reasonably assure grant compliance and accurate accounting records.
- (4) Insufficient governance structure
- (5) Non-compliance with the terms and conditions of a grant award
- b. Consequences related to special award conditions may include, but are not limited to, the following.
  - (1) Additional reporting
  - (2) Backup documentation
  - (3) Audit
  - (4) Accreditation
  - (5) Additional site visits by program and/or fiscal staff, with or without advance notice
- c. Special conditions and/or requirements may be imposed, as needed, at the beginning of the grant period or at any time within the grant period. The special conditions and/or requirements will remain in force until staff determines that the precipitating issues have been resolved. If the NDOA determines that special conditions and/or requirements are necessary, the Grantee will be provided with written notification that includes the following.
  - (1) Nature of the additional requirements
  - (2) Reason(s) for the additional requirements
  - (3) Nature of the corrective actions needed
  - (4) Time allowed for completing the corrective actions
- d. The consequence of failure to comply with special conditions and/or requirements is probation.

## **2. Probationary Status**

- a. Reasons a Grantee may be placed on probation include, but are not limited to, the following.
  - (1) Unwillingness or inability to comply with special conditions and requirements as described in Subsection 1 of this GIR
  - (2) Non-compliance with Federal or State rules and regulations
  - (3) Non-compliance with the Department's GIRS
  - (4) Inability or unwillingness to properly manage the program
  - (5) Non-compliance with the approved grant application terms and conditions
  - (6) Non-submission of required reporting or failure to submit reports in a timely manner
  - (7) Significant findings by an independent auditor that affect the programs funded by the Department and/or classification as high-risk by an independent audit
  - (8) Non-compliance with applicable OMB circulars
  - (9) Classification by the Department as high risk and there has been no significant improvement to correct deficiencies
- b. Consequences related to probationary status may include, but are not limited to, the following.
  - (1) The Grantee may not be eligible for any supplemental funding.
  - (2) The Grantee may not be allowed to receive any grant payments in advance but may be reimbursed on an actual cost basis.
  - (3) If the Grantee receives Federal funding and its financial management system fails to produce accurate, current and complete disclosure of the financial results of each federally funded grant in accordance with the reporting requirements set forth in 2 CFR 215, as applicable, then the Grantee may be prohibited from receiving advance funding.
  - (4) The Grantee may be required to appear before the appropriate NDOA advisory committee. If so, in keeping with the Nevada Open Meeting Law, the Grantee will be given at least three (3) days advance notice of the time, date, and location(s) of the meeting.

- c. The process for implementing probationary status and monitoring progress toward corrective action is as follows.
  - (1) The Department will notify the Grantee of probationary status in writing, citing the reasons for that action, and will meet with the Grantee within ten (10) working days to determine the current status of the program with regard to budget, original goals or any other areas of concern.
  - (2) Within ten (10) working days following the meeting, the Grantee will be required to submit new goals, budgets, or other corrective plans and a strategy for achieving those goals to the Grant Manager for approval.
  - (3) The Department will respond to the corrective action plan within ten (10) working days of receipt. The Grantee may be asked to make modifications. If so, a timeline will be established by the Department.
  - (4) Progress on the corrective action plan will be reviewed by the Department every 60 calendar days.
  - (5) When the corrective actions have been completed, the Deputy Director of Fiscal or Program Services may remove the probationary status. The appropriate NDOA advisory committee will be informed of this decision at their next scheduled meeting.
  - (6) The consequence of failure to meet the terms of probation is termination.

### **3. Involuntary Termination**

Grants may be terminated by the Department Director in accordance with the General Conditions that are incorporated with the Grant Agreement. A grant may be terminated at any time during the grant year.

- a. Reasons a Grantee may be subject to termination include, but are not limited to, the following.
  - (1) Unwillingness or inability to comply with special award conditions and requirements as described in Subsection 1 of this GIR
  - (2) Unwillingness or inability to meet the terms of probation as described in Subsection 2 of this GIR
  - (3) Conduct that interferes with the administration of the grant or negatively impacts the ability to provide effective program services
  - (4) Illegal activity of any kind
  - (5) Insolvency
  - (6) Failure to disclose a conflict of interest
  - (7) Influence by a gratuity
  - (8) Any violations of the terms of the grant agreement
  - (9) Substantiated fraud, abuse, or misappropriation of grant funds
- b. Consequences of termination may include, but are not limited to, the following.
  - (1) Repayment to the State of any outstanding advance
  - (2) Non-reimbursement for any grant-related expenses incurred after the termination effective date
  - (3) Transfer or liquidation of all equipment and non-consumables purchased with grant funds during the grant period (including equipment with an original purchase price of \$1,000 or more, all computers and software regardless of original purchase price, and any other items the State has required the Grantee to inventory during the course of the grant)
  - (4) Surrender of any and all documents related to the grant that the State deems necessary
  - (5) Repayment to the State of all grant funds found to be unallowable costs
- c. The process for implementing grant termination under Section 3a of this GIR is as follows.
  - (1) The State will notify the Grantee in writing.

- (2) The State will schedule a meeting of the appropriate advisory body (i.e., the Grants Management Advisory Committee or the Advisory Committee on Problem Gambling) to serve as a public hearing and will ensure that the meeting is in compliance with the Nevada Open Meeting Law. The Grantee will be given at least three (3) working days advance notice of the time, date, and location(s).
- (3) The advisory body will review the State's decision, provide an opportunity for the Grantee to offer testimony, and will make a recommendation to the Department Director.
- (4) The Director's decision will be final and will be effective immediately upon receipt of a written notice to the Grantee (or any date specified therein).

**4. No-Fault Termination**

- a. A no-fault termination may occur at any time during the grant year. Reasons a grant may be terminated on a no-fault basis include, but are not limited to, the following.
  - (1) The State and the Grantee mutually agree to termination without cause.
  - (2) Funding from the State and/or Federal sources is not appropriated or is withdrawn, limited, or impaired.
  - (3) Other extenuating circumstances exist that render continuation by the State impossible.
- b. Consequences of termination may include, but are not limited to, the following.
  - (1) Repayment to the State of any outstanding advance
  - (2) Non-reimbursement for any grant-related expenses incurred after the termination effective date
  - (3) Transfer or liquidation of all equipment and non-consumables purchased with grant funds during the grant period (including equipment with an original purchase price of \$1,000 or more, all computers and software regardless of original purchase price, and any other items the State has required the Grantee to inventory during the course of the grant)
  - (4) Surrender of any and all documents related to the grant that the State deems necessary
- c. The process for implementing a no-fault termination is as follows.
  - (1) The State will notify the Grantee in writing.
  - (2) A public hearing will not be scheduled.
  - (3) Termination will be effective immediately upon receipt of the written notice (or any date specified therein).

APPROVED BY:

\_\_\_\_\_  
 Jim Barbee  
 Nevada Department of Agriculture Director

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 John McCuin  
 Administrative Services Officer

Date: \_\_\_\_\_

Date: \_\_\_\_\_

\_\_\_\_\_  
 Nevada Board of Agriculture  
 Date: \_\_\_\_\_