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Federal Grants Management
Training for Busy People

Study Guide

Course #1110: Getting
Started: Administrative
Requirements for Recipients
of Federal Grants and Other
Types of Awards



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TRAINING OVERVIEW

Welcome to the MyFedTrainer.com Course #1110 titled **Getting Started: Administrative Requirements for Recipients of Federal Grants and Other Types of Awards**. This course is Module 1 of the MyFedTrainer.com Foundation Series on *Uniform Administrative Requirements for Recipients of Federal Awards*. Please note that “CFR” stands for the Code of Federal Regulations. 2 CFR Part 215 was formerly referred to as “OMB Circular A-110” and is still referred to by that name in some organizations.

This course is not intended to cover all rules, regulations and guidelines specific to your organization. Please direct specific questions about a particular award to your funding agency.

Getting Started: Administrative Requirements for Recipients of Federal Grants and Other Types of Awards is designed specifically to meet training requirements for institutions of higher learning, hospitals and other non-profit organizations. This course is not designed to address federal grant administrative requirements for state and local governments.

MyFedTrainer.com wants you to have a successful training experience. To this end, we offer a standardized format for our Foundation Series courses, including:

- Course Overview
- Learning Objectives
- Content
- Glossary
- Key Concepts
- Review

Upon successful completion of the course, you will receive a Certificate of Completion. At your request, MyFedTrainer.com will give a copy of your Certificate of Completion to your training department.

We appreciate your feedback and help to improve the training experience. If you find areas that you feel are unclear, or you believe there is a mistake in the materials, please let us know. You can email us at support@MyFedTrainer.com. Please include the course number with your comments.

Icons exist throughout the study guide to help you readily identify information.



Overview



**Learning
Objectives**



Content



Glossary



Key Concepts



Review

The Foundation Series includes eight modules that address various sections of 2 *CFR Part 215: Uniform Administrative Requirements for awards and Agreements with Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations*:

- Module 1: Getting Started
- Module 2: Pre-award Requirements
- Module 3: Financial Management Systems
- Module 4: Payment Management
- Module 5: Other Financial and Program Topics
- Module 6: Property Standards
- Module 7: Procurement Standards
- Module 8: Closing Out Awards



COURSE OVERVIEW

In this course, we will look at four main areas related to general roles and responsibilities of federal grantees:

- The purpose of federal administrative requirements
- The applicability of the federal administrative requirements to specific organizations
- The roles and responsibilities of the Office of Management and Budget, the awarding agencies and grantees
- The responsibilities related to subgrantees



LEARNING OBJECTIVES

At the end of this course, you should know and understand the following learning objectives:

- Purpose of the federal administrative requirements
- Primary organizations involved with federal administrative requirements
- Administrative requirements governing your organization
- Roles and responsibilities of the Office of Management and Budget, the awarding agency, and the federal grantee
- The relationship between the federal grantee and subgrantee



CHAPTER 1: OVERVIEW AND PURPOSE

GRANT OVERVIEW

The grant life cycle officially begins when Congress approves the federal budget for the current fiscal year. At this point, federal agencies receive federal dollars for their use in funding grant programs. Once funded, federal agencies open grant application periods and begin the pre-award process. After the federal agency makes awards, federal grantees enter a grant management period where they execute approved projects and programs using federal monies based on the terms and conditions of the award. At the conclusion of the award period, the federal grantee and federal awarding agency reconcile financial and reporting activities to close out the grant.

Appropriations Timetable

The grant life cycle starts each year when the US Congress approves the federal budget for the current fiscal year. Upon approval, federal funding for grants becomes available.

The grant life cycle starts in February when the President of the United States releases an annual budget for the following fiscal year. Congressional committees draft budget resolutions that serve as a spending “blueprint” and set limits on how much each committee can spend. In the early spring, the Congressional Appropriations Committee meets with subcommittees to review priority requests for allocating funds. By late spring, Congress votes on appropriation bills. After the House and Senate Appropriations Committees reconcile the bills, they become the congressional budget for that fiscal year.

The grant life cycle continues in August, when members of Congress visit their districts to listen to the concerns of their constituents. This time is an ideal time to meet local senators and representatives. In the summer, Congress typically votes on “supplemental” appropriation bills. These bills are used when additional money is required beyond the approved budget. In the fall, after the appropriation bills are passed in Congress and reconciled in committee, the congressional budget for the fiscal year is sent to the President. After the President signs the budget, it becomes approved.

Grant Application Period

Once federal funds become available, federal agencies post grant information on websites, such as www.grants.gov. As applicants submit grant applications, federal agencies first screen the application to ensure completion. Next, a team of federal grant reviewers evaluate the

application for technical merit, business controls, and other issues, such as potential conflicts of interest. The cost proposal is also reviewed and verified.

Once a federal agency approves a grant proposal, the federal grantee will receive a notice of the award. The notice will alert the federal grantee that an award has been made and how to access federal funding. The notice will also contain such items as:

- The terms and conditions of the award
- A grant account number
- The period of performance to accomplish the work, and the dollar amount of the award.

The federal government awards grants to non-profit organizations, institutions of higher learning, and state and local governments planning major projects to benefit specific sectors of the population.

Grant Management Period

The grant life cycle requires quality real-time documentation and timely reporting to effectively manage federal funds. Federal grantees must stay current with progress reports and other types of required reporting throughout the award period.

Grants are subject to strict government review and must meet performance standards during award period. Federal grantees must strictly account for all money spent on grant-funded projects and are subject to detailed audits at least annually. All federal grant monies must be spent on approved projects and any unspent funds must be returned to the US Treasury.

Federal grantees must document program goals as approved in the award and complete each phase of the project on time. Federal grantees must receive approval for most changes to projects as originally approved by the awarding agency. The grantee must demonstrate successful project progress for continued funding.

A federal grantee may extend the award period by requesting a carryover or a continuation. Federal grantees should discuss the need for extensions with federal awarding agency well in advance of the end of the award period. Extensions may be requested for “cost” which includes additional funds or “no-cost” which involves a time extension without additional funds. The federal awarding agency may require a supplemental application when a federal grantee requests additional funds to expand the scope of the project or increase costs. Time extensions require approval by the federal awarding agency.

If a grantee fails to perform as required by the terms and conditions of the grant, penalties will ensue and could include:

- Economic sanctions (which could limit international and domestic trade with your organization)

- Reimbursement requirements--for example, the awarding agency may require your organization to return grant funds, pay penalties, go to prison, and/or pay fines.

DEFINITIONS

Award

An “award” is financial assistance from the federal government that supports a public purpose. An award includes grants and other types of agreements which we will cover in more detail in a future module. Perhaps the “award” terminology will make more sense when we look at what an award is not. An award is not technical assistance. Remember an award must include financial assistance. An award is not a loan, loan guarantee, subsidy, or form of insurance.

Recipient or Grantee

A “recipient” or “grantee” refers to an organization that receives financial assistance directly from a federal agency to carry out a project or program. As used in the federal administrative requirements, a recipient or grantee is an organization, not an individual, which receives financial assistance directly from a federal awarding agency.

Subrecipient

The terms “subawardee” and “subrecipient” can be used interchangeably in this course. Similar to a recipient, the subrecipient must receive financial assistance in the form of either money or property in lieu of money. Either the grantee or subrecipient makes this award to a subordinate recipient. The term “subrecipient” does not include vendors of goods and services.

For example, if a university purchases services for maintaining a copier, the maintenance company would not be a subrecipient because those services fall under federal procurement laws. If the university, however, gives money to another local organization to educate local businesses on ways to reduce pollution, then the partner agency would likely be a subrecipient and fall under the regulation of 2 CFR 215.

Under this regulation, a grant would not include direct payments to individuals. This may be confusing since the term “grant” is also commonly used to describe individual grants, such as Pell grants to students.

Contract

The term “contract” can be tricky because this term can be used both in the “award” world and the “procurement” world. Think of it this way: a procurement contract is generally for the purchase of goods and services, such as a box of pens, or servicing the office copier. An award, which may occasionally be called a “contract,” must be used for a public purpose, such as researching the effects of pollution or reducing the number of DUI drivers on the road.

Here are some other “real life” examples of federally-sponsored projects designed to benefit particular sectors of the population.

- Establishing and sustaining Metropolitan Medical Response Centers, also called MMRC’s to support disaster relief
- Providing services to support and retrain displaced workers, such as those in the auto industry
- Lowering infant mortality rates by developing body warmers for pre-mature infants

PURPOSE

We will look at the purpose of 2 CFR Part 215 for both federal awarding agencies and grantees. Let’s start with the purpose for federal awarding agencies.

For federal awarding agencies, 2CFR Part 215 gives a consistent and uniform set of rules to be followed by federal awarding agencies. These regulations also provide a “yardstick” by which federal awarding agencies can measure federal grantee compliance with the terms and conditions of an award.

For federal grantees, 2CFR Part 215 provides a consistent and uniform set of rules for the administration of their award. For grantees with multiple awards, the regulations provide a “level playing field” from agency to agency.

EXAMPLES OF REGULATIONS

Without federal administrative requirements, an organization would need to guess how to manage federal grant funds. Compliance requirements provide guidelines to ensure that all federal grants are managed consistently. Consider these examples of federal administrative requirements:

Requirements for each program to operate for a specific purpose (such as the education of children) and all allocated funds should only be used in activities to benefit that purpose.

- Cost principles that manage the accounting policies, receipt, expenses, and use of federal funds
- Reporting requirements
- Program Income
- Cost-sharing and other regulations regarding matching requirements

Program income generated from a federally funded program (such as income for fees for services performed, use of rental property acquired, or sales of items which originated under the program) will either be deducted or added to the program budget as determined by the federal awarding agency.

Other regulations govern matching requirements (also known as “cost-sharing”). Matching requirements describe the conditions for using certain contributions to cover a portion of the program’s operations.

Certain guidelines define specific goals or objectives the recipient must achieve in the performance of a federally-funded project. “Earmarking” is relevant to these guidelines and requires that a percentage of assistance must (at a minimum) or may (at a maximum) be used for specific activities.

All grantees must submit reports (financial and performance-related) to the federal awarding agency to monitor the use of federal funds. The reports are pre-designed by the federal agency and approved by OMB, with guidelines and deadlines defined specifically for each program.

Federal grantees are responsible for monitoring all activities of subrecipients since both are responsible for the proper use of federal funds.

The Davis-Bacon Act was implemented to require all laborers employed by a contractor or subcontractor in federally financed contracts valued in excess of \$2,000 to be paid a wage that is fair for the geographic location of the project. (This provision is also known as “Prevailing Wage Rates.”)

Grants also come with compliance requirements that procurement of goods and services are done in a manner consistent with federal laws and regulations. Grantees are required to verify that there is no conflict of interest and to ensure that vendors are not suspended or debarred so as to support open and free competition between vendors.



KEY CONCEPTS

- The grant life cycle includes federal budget approval, application period, grant management period, and closeout.
- Federal administrative requirements were designed to provide consistency and uniformity for federal agencies and for grantees.
- Federal administrative requirements cover many areas including financial management, management of federally sponsored program, and other public policy requirements.



CHAPTER 1 REVIEW QUESTIONS

MyFedTrainer.com prepared these review questions to ensure you understand the concepts presented in this chapter. While answering the questions is not required to successfully complete the course, doing so will enrich your e-learning experience and improve your grasp of the key concepts. We do recommend, however, that you review and answer these questions before completing the assessment at the end of the online module.

We recommend that you first answer each review question without looking at the solutions that follow on the next page. Then, compare your answer to the solutions so that you learn not only the correct answer, but also why one answer is a better choice than another answer.

Question 1: Fill in the blank with one best answer in the list.

The primary purpose of the Administrative Requirements regulations is to provide _____ and uniformity for both federal agencies and grant recipients.

- A. Consistency
- B. Discretion
- C. Enforcement
- D. Prudence

Question 2: Match the following terms with the appropriate definitions.

Terminology	Definition
1. Award	a) Organization that receives financial assistance from either a grantee or higher tier subrecipient
2. Contract	b) Organization (not an individual) that receives financial assistance directly from a federal agency to carry out a project or program

3. Grantee or Recipient	c) Financial assistance from the federal government that supports a public purpose and is not technical assistance, a loan, loan guarantee, subsidy, or form of insurance
4. Subgrantee	d) Agreement generally used for the purchase of goods and services



CHAPTER 1

REVIEW QUESTIONS – SOLUTIONS & ANALYSES

Question 1: Fill in the blank with one best answer in the list.

1. The primary purpose of the Administrative Requirements regulations is to provide _____ and uniformity for both federal agencies and grant recipients.
 - A. **Correct: Consistency**
 - B. Incorrect: The purpose is to reduce discretion by having a set of uniform and consistent rules for Grant Management.
 - C. Incorrect: Enforcement
 - D. Incorrect: Prudence, which is the act of exercising good judgment, is a desired quality for Grant Managers. However, the primary purposes of the Administrative Requirements is to provide a consistent and uniform set of regulations, but not necessarily instill common sense into the Grant Management process.

Question 2: Match the following terms with the appropriate definitions.

1. Award
 - c) **Correct:** Financial assistance from the federal government that supports a public purpose and is not technical assistance, a loan, loan guarantee, subsidy, or form of insurance
2. Contract
 - d) **Correct:** Agreement generally used for the purchase of goods and services
3. Grantee or Recipient
 - b) **Correct:** Organization (not an individual) that receives financial assistance directly from a federal agency to carry out a project or program
4. Subgrantee
 - a) **Correct:** Organization that receives financial assistance from either a grantee or higher tier subrecipient



CHAPTER 2: APPLICABILITY

2CFR PART 215

2CFR Part 215 Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations is designed for organizations and subrecipients comprising institutions of higher learning, hospitals, and other non-profit organizations. Organizations must follow the regulations specific to their organization type. State, local, and tribal governments follow OMB Circular A-102 and the Grants Management Common Rule. Commercial enterprises follow the Federal Acquisitions Regulations (FAR).

For example, if a local government grants part of the scope of effort to a non-profit organization, the local government would follow OMB Circular A-102 and the non-profit organization would follow the administrative requirements under 2 CFR Part 215. If both the grantee and the subrecipient are organizations covered by 2CFR part 215, they would both follow the same federal administrative requirements.



KEY CONCEPTS

- The grantee and subrecipient should follow the administrative requirements listed for their organization type.



CHAPTER 2

REVIEW QUESTIONS

MyFedTrainer.com prepared these review questions to ensure you understand the concepts presented in this chapter. While answering the questions is not required to successfully complete the course, doing so will enrich your e-learning experience and improve your grasp of the key concepts. We do recommend, however, that you review and answer these questions before completing the assessment at the end of the online module.

We recommend that you first answer each review question without looking at the solutions that follow on the next page. Then, compare your answer to the solutions so that you learn not only the correct answer, but also why one answer is a better choice than another answer.

Question 1: Find the best match of the type of organization to the applicable federal regulations.

Type of Organization	Type of Federal Regulations
1. Non-profit organization or institution of higher learning receiving a research grant	a) Federal Acquisition Regulations also known as "FAR"
2. State, local or federally recognized tribal government receiving grants for first responder communications equipment	b) 2CRF Part 215 (formerly OMB Circular A-110)
3. For-profit company running computer operations for a Non-profit organization receiving federal Grants	c) Subawardee should follow the requirements for their type of organization which may/may not be the same as the Prime Recipient
4. A organization receiving a Subaward from a local government	d) OMB Circular A-102 and the Grants Management Common Rule



CHAPTER 2

REVIEW QUESTIONS – SOLUTIONS & ANALYSES

Question 1: Find the best match of the type of organization to the applicable federal regulations.

1. Non-profit organization or institution of higher learning receiving a research grant
 - a. Incorrect: Federal Acquisition Regulations for commercial “for-profit” companies
 - b. **Correct:** Non-profit organizations and Institutions of Higher Learning follow 2CFR Part 215 Administrative Requirements
 - c. Incorrect: This response is related to Subawardees, not Prime Recipients
 - d. Incorrect: OMB Circular A-102 and the Grants Management Common Rule apply to state, local and federally recognized tribal governments
2. State, local or federally recognized tribal government receiving grants for first responder communications equipment
 - a. Incorrect: Federal Acquisition Regulations for commercial “for-profit” companies
 - b. Incorrect: Non-profit organizations and Institutions of Higher Learning follow 2CFR Part 215 Administrative Requirements
 - c. Incorrect: This response is related to Subawardees, not Prime Recipients
 - d. **Correct:** OMB Circular A-102 and the Grants Management Common Rule apply to state, local and federally recognized tribal governments
3. For-profit company running computer operations for a Non-profit organization receiving federal grants
 - a. **Correct:** Federal Acquisition Regulations for commercial “for-profit” companies
 - b. Incorrect: Non-profit organizations and Institutions of Higher Learning follow 2CFR Part 215 Administrative Requirements
 - c. Incorrect: This response is related to Subawardees, not Prime Recipients
 - d. Incorrect: OMB Circular A-102 and the Grants Management Common Rule apply to state, local and federally recognized tribal governments
4. A organization receiving a Subaward from a local government
 - a. Incorrect: Federal Acquisition Regulations for commercial “for-profit” companies
 - b. Incorrect: Non-profit organizations and Institutions of Higher Learning follow 2CFR Part 215 Administrative Requirements
 - c. **Correct:** Subawardee should follow the requirements for their type of organization which may/may not be the same as the Prime Recipient
 - d. Incorrect: OMB Circular A-102 and the Grants Management Common Rule apply to state, local and federally recognized tribal governments



CHAPTER 3: ROLES AND RESPONSIBILITIES

The main organizations with responsibilities under this regulation are:

- The Office of Management and Budget
- The federal awarding agency
- The grantee

OFFICE OF MANAGEMENT AND BUDGET (OMB)

OMB is responsible for issuing guidance for awarding agencies and recipients. OMB integrates their interpretation of legislative and executive policies into the federal administrative requirements. OMB translates the “what” into the “how” for federal awarding agencies and federal grantees. OMB reviews the various agency regulations to ensure consistency with OMB guidance. Remember, the main purpose of the federal administrative requirements is consistency and uniformity. OMB is also the organization identified under federal law to grant deviations of federal regulations to federal agencies.

AWARDING AGENCIES

Federal awarding agencies are responsible for implementing the guidance issued by OMB and ensuring their own agency rules and regulations are compliant with OMB rules. Federal awarding agencies are also responsible for requesting approval for any deviation from OMB regulations.

FEDERAL GRANTEES

Federal grantees are responsible for complying with all applicable guidance from OMB and awarding agencies. Ignorance of the law is not a defense. Federal grantees need to know and understand the regulations to which they are subject and also make sure their subrecipients remain in compliance.



KEY CONCEPTS

- OMB issues guidance governing federal grant administration.
- Federal awarding agencies implement OMB guidance.
- Federal grantees comply with OMB guidance.

COURSE #1110: GETTING STARTED: ADMINISTRATIVE REQUIREMENTS FOR RECIPIENTS OF FEDERAL GRANTS AND OTHER TYPES OF AWARDS



CHAPTER 3

REVIEW QUESTIONS

MyFedTrainer.com prepared these review questions to ensure you understand the concepts presented in this chapter. While answering the questions is not required to successfully complete the course, doing so will enrich your e-learning experience and improve your grasp of the key concepts. We do recommend, however, that you review and answer these questions before completing the assessment at the end of the online module.

We recommend that you first answer each review question without looking at the solutions that follow on the next page. Then, compare your answer to the solutions so that you learn not only the correct answer, but also why one answer is a better choice than another answer.

Question 1: Find the best match between the roles and responsibilities governing grants management and the organization responsible.

Roles and responsibilities	Who is responsible for this?
1. Issue rules and guidance based on legislative actions and executive orders. Grant deviations from federal regulations (rarely.)	a) Federal Grantees
2. Implement rules and make sure internal rules are compliant with federal guidance. Request deviations from federal regulations.	b) Office of Management and Budget (OMB)
3. Know and understand federal regulations for administering their grants and monitor Subawardees for compliance to administrative requirements.	c) Federal awarding agency



CHAPTER 3

REVIEW QUESTIONS – SOLUTIONS & ANALYSES

Question 1: Find the best match between the roles and responsibilities governing grants management and the organization responsible.

1. Issue rules and guidance based on legislative actions and executive orders. Grant deviations from federal regulations (rarely.)
 - a. Incorrect: Federal grantees are responsible for knowing and understanding federal regulations for administering their grants and monitoring Subawardees.
 - b. **Correct:** The Office of Management and Budget (OMB) is responsible for issuing rules and guidance based on legislative actions and executive orders. The OMB also grants deviations from federal regulations (rarely).
 - c. Incorrect: Federal awarding agencies are responsible for implementing rules and making sure internal rules are compliant with federal guidance. The federal awarding agencies also request deviations from federal regulations.
2. Implement rules and make sure internal rules are compliant with federal guidance. Request deviations from federal regulations.
 - a. Incorrect: Federal grantees are responsible for knowing and understanding federal regulations for administering their grants and monitoring Subawardees.
 - b. Incorrect: The Office of Management and Budget (OMB) is responsible for issuing rules and guidance based on legislative actions and executive orders. The OMB also grants deviations from federal regulations (rarely).
 - c. **Correct:** Federal awarding agencies are responsible for implementing rules and making sure internal rules are compliant with federal guidance. The federal awarding agencies also request deviations from federal regulations.
3. Know and understand federal regulations for administering their grants and monitor Subawardees for compliance to administrative requirements.
 - a. **Correct:** Federal grantees are responsible for knowing and understanding federal regulations for administering their grants and monitoring Subawardees.
 - b. Incorrect: The Office of Management and Budget (OMB) is responsible for issuing rules and guidance based on legislative actions and executive orders. The OMB also grants deviations from federal regulations (rarely).
 - c. Incorrect: Federal awarding agencies are responsible for implementing rules and making sure internal rules are compliant with federal guidance. The federal awarding agencies also request deviations from federal regulations.



CHAPTER 4: SUBAWARD RESPONSIBILITIES

SUBRECIPIENT MONITORING

Federal grantees are responsible for ensuring subrecipients are complying with applicable federal administrative requirements. You may hear this referred to as “subaward monitoring.” Grantees have primary responsibility for ensuring their subrecipients are compliant. Let’s look at it this way: the grantee is the legal entity to which a federal award is made. Therefore, the grantee is responsible to the awarding agency for how the funds are used and for compliance with all applicable federal regulations.

The subrecipient is the legal entity to which a subaward is made. Therefore, the subrecipient is responsible to the grantee for how the funds are used and for compliance with all applicable federal regulations. When it comes to subaward monitoring, the grantee “steps in the shoes” of the awarding agency in monitoring subrecipients.

DOCUMENTATION

The grantee must also be able to demonstrate to the federal agency that subrecipients are being monitored for compliance.



KEY CONCEPTS

- The grantee has primary responsibility for monitoring their subrecipients.
- The grantee must be able to “prove” that they are actually conducting monitoring activities.



CHAPTER 4

REVIEW QUESTIONS

MyFedTrainer.com prepared these review questions to ensure you understand the concepts presented in this chapter. While answering the questions is not required to successfully complete the course, doing so will enrich your e-learning experience and improve your grasp of the key concepts. We do recommend, however, that you review and answer these questions before completing the assessment at the end of the online module.

We recommend that you first answer each review question without looking at the solutions that follow on the next page. Then, compare your answer to the solutions so that you learn not only the correct answer, but also why one answer is a better choice than another answer.

Question 1: Choose the best answer among the alternatives below.

The grant recipient must:

- a) Monitor subrecipient to ensure compliance with federal regulations for grant management
- b) Monitor the spending of grant funds by the subrecipient
- c) Document how the grant recipient is monitoring their subrecipients for compliance
- d) Take primary responsibility for subrecipient grant spending and compliance
- e) All of the above



CHAPTER 4

REVIEW QUESTIONS – SOLUTIONS & ANALYSES

Question 1: Choose the best answer among the alternatives below.

The grant recipient must:

- a) Incorrect: Though the grant recipient must monitor subrecipient to ensure compliance with federal regulations for grant management, this is not the best answer.
- b) Incorrect: Though the grant recipient must monitor the spending of grant funds by the subrecipient, this is not the best answer.
- c) Incorrect: Though the grant recipient must document how the grant recipient is monitoring their subrecipients for compliance, this is not the best answer.
- d) Incorrect: Though the grant recipient must take primary responsibility for subrecipient grant spending and compliance, this is not the best answer.
- e) **Correct:** All of the above



GLOSSARY OF GRANT TERMINOLOGY

Term	Definition
Administrative Requirements	Matters common to grants in general, such as financial management, kinds and frequency of reports, and retention of records.
Advance	A payment made by Treasury check or other appropriate payment mechanism to a recipient upon its request either before outlays are made by the recipient or through the use of predetermined payment schedules. An advance is the preferred method of payment for federal grantees provided they meet the eligibility criteria specified in the administrative requirements.
Award	Financial assistance that provides support or stimulation to accomplish a public purpose. Awards include grants and other agreements in the form of money, or property in lieu of money, by the federal government to an eligible recipient. The term does not include: technical assistance, which provides services instead of money; other assistance in the form of loans, loan guarantees, interest subsidies, or insurance; direct payments of any kind to individuals; and, contracts which are required to be entered into and administered under procurement laws and regulations.
Close Out	The process by which a federal awarding agency determines that all applicable administrative actions and all required work of the award have been completed by the recipient and federal awarding agency. Close Out includes many actions including final reporting for the award, disposition of property and record retention requirements.
Contract	A procurement agreement under a grant or subgrant, or a procurement subcontract under a contract.
Cost Sharing	Cost sharing or "matching" means the value of the third party in-kind contributions and the portion of the costs of a federally assisted project or program not borne by the federal government.
Discretionary Grants	Grants given by the federal government, according to specific authorizing legislation, to exercise judgment, or "discretion," in selecting the applicant/recipient organization, through a competitive grant process.
Draw Down	The action of requesting and receiving grant funds to cover

Term	Definition
	obligated expenditures under the grant.
Equipment	Tangible, nonexpendable, personal property having a useful life of more than one year and an acquisition cost of \$5,000 or more per unit.
Expenditures	<p>Charges made to the project or program. They may be reported on a cash or accrual basis.</p> <p>For reports prepared on a cash basis, outlays are the sum of cash disbursements for direct charges for goods and services, the amount of indirect expense charged, the value of third party in-kind contributions applied, and the amount of cash advances and payments made to subrecipients.</p> <p>For reports prepared on an accrual basis, outlays are the sum of cash disbursements for direct charges for goods and services; the amount of indirect expense incurred; the value of in-kind contributions applied; and the net increase (or decrease) in the amounts owed by the recipient for goods and other property received; for services performed by employees, contractors, subrecipients and other payees; and other amounts becoming owed under programs for which no current services or performance are required.</p>
Funding Opportunity	Announcement of open awards. Funding opportunities typically describe the award including the deadline date, funding amounts, award description, and other pertinent information.
Grant	An award of financial assistance, including cooperative agreements, in the form of money, or property in lieu of money, by the federal government to an eligible grantee. Grants do not require repayment.
Grant Life Cycle	The entire process of grant administration: applying for a grant, receiving a grant, managing a grant, and closing out a grant.
Grantee	The entity to which a grant is awarded and which is accountable for the use of the funds provided. The grantee is the entire legal entity even if only a particular component of the entity is designated in the award document. Federal grantees covered in this manual include governments, nonprofits, colleges, hospitals, and for-profits.
Intellectual Property	Personal property lacking a physical presence and deriving from creations of the mind, such as patents or copyrights.

Term	Definition
Internal Controls	The policies and procedures in place to ensure effective control over grant funds and property against fraud and waste.
Local Government	A county, municipality, city, town, township, local public authority, school district, special district, intrastate district, council of governments (whether or not incorporated as a non-profit corporation under state law), any other regional or interstate government entity, or any agency or instrumentality of a local government.
Non-Discretionary Grants	Grants that a federal agency is required by statute to award if the recipient, usually a state, submits an acceptable State Plan or application and meets the eligibility and compliance requirements of the statutory and regulatory provisions of the grant program.
Obligations	The amount of orders placed, contracts and grants awarded, services received and similar transactions during a given period that require payment by the recipient during the same or a future period.
Personal Property	Property of any kind except real property. It may be tangible, having physical existence, or intangible, having no physical existence, such as copyrights, patents, or securities.
Programmatic Requirements	Matters relevant on a program-by-program or grant-by-grant basis, such as kinds of activities that can be supported by grants under a particular program.
Real Property	Land, including land improvements, structures and appurtenances thereto, but excludes movable machinery and equipment.
Selected Items of Cost	Itemized lists of allowable costs contained in the last pages of each set of Cost Principles.
State	Any of the 50 states of the United States, the District of Columbia, the Commonwealth of Puerto Rico, any territory or possession of the United States, or any agency or instrumentality of a state exclusive of local governments.
Subgrantee	The government or other legal entity to which a subgrant is awarded and which is accountable to the grantee for the use of the funds provided.
Subrecipient	The legal entity to which a subaward is made and which is accountable to the recipient for the use of the funds provided. The term may include foreign or international organizations (such as agencies of the United Nations) at the discretion of the federal awarding agency.

Term	Definition
Supplies	All tangible personal property other than equipment as defined in this part.
Suspension	<p>(1) Temporary withdrawal of the authority to obligate grant funds pending corrective action by the grantee or subgrantee or a decision to terminate the grant.</p> <p>(2) An action taken by a suspending official in accordance with agency regulations implementing E.O. 12549 to immediately exclude a person from participating in grant transactions for a period, pending completion of an investigation, and such legal or debarment proceedings as may ensue.</p> <p>(3) An action by a federal awarding agency that temporarily withdraws federal sponsorship under an award, pending corrective action by the recipient or pending a decision to terminate the award by the federal awarding agency.</p>
Tribal Government	The governing body or a governmental agency of any Indian tribe, band, nation, or other organized group or community (including any native village as defined in Section 3 of the Alaska Native Claims Settlement Act, 85 Stat. 688) certified by the Secretary of the Interior as eligible for the special programs and services provided through the Bureau of Indian Affairs.

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