Internal Policies and Procedures **of the** **Utah State Board of Education**	
Policy #	01-08
Subject	Grant Management
Date	June 1, 2022
Policy Owner	Assistant Superintendent of Operations
Policy Officer	Deputy Superintendent of Operations

References:

- [Utah Administrative Code, Title R25. Finance](#)

- [Utah Division of Finance Policies](#)

- [Uniform Guidance – 2 CFR Part 200: Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards](#)

Definitions:

The definitions below define standard wording referred to throughout the USBE Policies and Procedures and apply to all instances where a word/phrase is used.

- **Department/Section**: A Department or Section at USBE.
- **Division of Finance**: The same as "State Finance" – a division under the State of Utah's Department of Administrative Services.
- **Financial Operations**: The department at USBE responsible for accounting and financial functions.
- **FINET**: State of Utah statewide accounting system.
- **Fiscal Year**: An accounting period of 12 months at the end of which the USBE ascertains its financial conditions. USBE's fiscal year (FY) runs from July 1 through June 30.
- **Fiscal Monitor**: A Fiscal Monitor is a position within Financial Operations which monitors LEA fiscal compliance.

- **Grant**: Awards (monies or resources) given by an entity to facilitate a goal or specific purpose. Federal awards are funded by a federal agency and are subject to the Uniform Guidance and specific grant requirements. State awards are funded by state agencies and are subject to state code and by the USBE administrative rule. Private awards are funded by private entities to carry-out a specific program or purpose and are governed by grant award or agreement terms.
- **Grants Compliance Officer**: The Grants Compliance Officer is a position within Financial Operations which monitors compliance with general and specific grant requirements and interprets regulations and policies for USBE Sections.
- **Grant Manager:** A Grant Manager is the assigned individual, within a Section, who is in charge of overseeing a specific grant received. Throughout this policy, the use of "Grant Manager" is referring to the individual in charge of a specific grant program and ensuring grant compliance.
- **Grant Management System**: The system used by the USBE to manage grants.
- **LEA:** Local Education Agency – A school district or charter school and may include Utah Schools for the Deaf and the Blind.

I. **PURPOSE**: To ensure that:

1. Pre-award activity, including seeking new grant funding, applying, or submitting proposals for grant funding, and accepting grant awards, is performed consistently and in a controlled manner to limit exposure to the Utah State Board of Education (USBE).

2. Meaningful grant oversight is in place to control and monitor the use of grant funds.

3. Grant programs, although managed utilizing a decentralized system/process, are consistently managed, and controlled.

4. All Individuals responsible for managing grants are aware of their roles and responsibilities in ensuring compliance with grant requirements.

II. **SCOPE**:

1. This policy applies to all to all USBE employees who are involved in any aspect of the grant management function, including, but not limited to, all pre-award and post-award grant activities. For purposes of this policy, "grant" funds refer to federal grant funding or private grant funding received, and does not include other State funding, which is received through the appropriation process, or other local funding. For all funds that are passed through to Local Education

Agencies (LEAs) or other entities, refer to the Subrecipient Monitoring Policies and Procedures.

2. Throughout this document, words like "must" and "should" are used. When the term "must" is used, no group or individual has the authority to deviate from the specific policy or procedure. The term "should" is used to convey that individuals are expected to follow the policies and procedures as written and are required to justify any deviations in advance. Deviations should only occur when the specifics of the situation justify a reasonable departure from the recommended policies and procedures.

III. **POLICIES**:

1. **General Grant Management Policies**

   a. All employees who are involved in any aspect of grant management, compliance, and reporting, are responsible for reading and understanding the policies and procedures presented below, as well as the associated grant agreements and awards, federal compliance requirements (as applicable), and State policies and resources.

   b. The USBE follows the Utah Division of Finance (State Finance) Policies and Procedures and State and Federal grant compliance regulations. The detailed polices below are meant to supplement those policies; however, in all cases they are at least as strict while providing more guidance for employees to aid in compliance.

2. **Grant Award and Setup Polices (see USBE internal policy 03-01 Grant Approval and Management)**

   a. The Grant Manager is responsible for ensuring that all grant award information and documentation is submitted to the Financial Operations section to ensure timely setup of the award in the Grant Management System and FINET.

   b. Financial Operations is responsible for all grant award setup in the Grant Management System and FINET.

   c. The Grant Manager is responsible for determining award allocations into program components (e.g., administrative costs flow through) and disseminating this information to Financial Operations for set up of program budgets withing the Grant Management System.

3. **Cost Reimbursement Request Policies**

   a. The USBE receives both forward-funded and cost reimbursable grants. Each grant type should be managed according to requirements of the funding agency.

      i. Preliminary Billing: State Finance will provide a Preliminary Billing Report Summary via FINET each week, which contains all expenditures that have been incurred to date, but not reimbursed. Financial Operations is responsible for reviewing this report to ensure it appears reasonable and accurate.

      ii. Cost Reimbursement Request: Financial Operations is responsible for completing the necessary cost reimbursement information through each funding agency website after the Preliminary Report has been reviewed and approved.

      iii. Revenue Recognition: Financial Operations must prepare all necessary transactions in FINET to record the receipt of funds against the balance for each grant.

   b. Grant Activity Reconciliation: Financial Operations is responsible for performing a monthly reconciliation of the grant drawdown activity to reconcile the system reports, the FINET transactions, and bank activity to the Preliminary Billing Summary Report. This reconciliation must be reviewed and approved by someone other than the preparer; and all variances must be addressed and resolved.

4. **Compliance Requirements Policies**

   a. Compliance Responsibilities: The Grant Manager is responsible for ensuring all grant compliance requirements are adhered to and that all expenditures incurred are allowable.

   b. Cost Principles: The Grant Manager is responsible to ensure that all costs charged to a federal grant are subject to the Cost Principles included in the Uniform Guidance, including ensuring that costs charged to a federal grant are allowable, reasonable, and allocable.

   c. Period of Availability: The Grant Manager is responsible for tracking and monitoring period of availability for each grant.

d. <u>Grant Reporting</u>: The Grant Manager is responsible for tracking all grant reporting requirements, including due dates; ensuring

5. **Schedule of Expenditures of Federal Awards (SEFA) Policies**

   a. The Schedule of Expenditures of Federal Awards (SEFA) must be reviewed and approved by the Financial Manager before submission to the Assistant Superintendent of Operations, who is ultimately responsible for completion of the annual SEFA.

6. **Grant Closeout Policies**

   a. The Grant Manager is responsible for working with the Financial Operations Section and ensuring that grants are closed out in a timely manner and within grantor requirements.

7. **Grant Record Keeping Policies**

   a. Records will be maintained in accordance with federal Uniform Guidance and Utah Code 63G-2. Each section within USBE is responsible for maintaining their respective records.

IV. **PROCEDURES**:

1. **Overall Grant Management Procedures**

   a. <u>Grant Management System</u>: USBE utilizes a central Grant Management System. All grant applications, awards and activity are managed through this system to ensure that all grant information is maintained in a centralized location. The Grant Management System incorporates the following:

      i. Program setup

      ii. Announcement of grant availability

      iii. Grant applications and proposals

      iv. Grant awards

      v. Payment requests

      vi. Grant closeouts

      vii. Subrecipient monitoring

      viii. Site visits

      ix. Audit information

b. <u>Grants Compliance Officer</u>: The Grants Compliance Officer is a position within Financial Operations Section which monitors compliance with general and specific grant requirements and interprets regulations and policies for the USBE sections.

c. <u>Grant Manager</u>: Individual Grant Managers are assigned the responsibility of overseeing a specific grant award, are assigned to each awarded grant, and are responsible for the overall grant management function, including, but not limited to the following

    i. Ensuring all grant supporting documentation and activity is maintained in the Grant Management System.

    ii. Carrying out the related grant program and overseeing the programmatic side of the grant award.

    iii. Coordination with Financial Operations Section to ensure all financial activity is properly recorded.

    iv. Managing the grant budget, including tracking budget-to-actual activity throughout the grant period.

    v. Understanding all applicable compliance requirements related to the grant award.

    vi. Ensuring compliance requirements are understood by program personnel and that all compliance requirements are adhered to and met.

    vii. Ensuring that all grant-related documentation and activity is tracked and maintained within the Grant Management System, including all final executed grant awards, agreements, reports, and other grant documents.

    viii. Delegate specific responsibilities related to grant management and other grant program activities to other individuals and oversee the carrying out of those responsibilities.

d. <u>Fiscal Monitors</u>: Fiscal Monitors are responsible for overseeing LEA fiscal compliance by collecting, examining, maintaining, and reporting financial information to ensure compliance with Federal rules and requirements, State rules and requirements and USBE administrative rules for restricted programs. Fiscal Monitors also provide fiscal training and guidance to LEAs to help ensure fiscal compliance.

e. <u>Financial Operations</u>: Financial Operations is responsible for monitoring and ensuring the accurate accounting for and reporting of financial activity related to grants received. Financial Operations works with all Grant Managers to ensure that all grant financial activity reconciles between the Grant Management System and FINET.

2. **Grant Award and Setup Procedure**

<u>Award Notification</u>: When a Notice of Award, or other documentation that a grant has been awarded is received by the Grant Manager, the Grant Manager who requested the funds is responsible for ensuring the award notification, along with any other supporting documentation, is sent directly to the Grants Compliance Officer. Most award notifications do not require a formal approval of acceptance by USBE, and the acceptance of the award terms and conditions is signified upon the initial drawdown of the related grant funds. However, if a Notice of Award requiring a USBE acceptance and approval signature is received, it must be approved by the State Superintendent or their designee.

a. <u>Grant Account Setup</u>: The Grant Manager is responsible for routing all grant awards and related information to Financial Operations Section for input into the Grant Management System and FINET. Most grants awarded have several different components, which each have different funding objectives. These individual components are each setup in the Grant Management System as individual programs for the tracking of the funds related to that specific component, as well as other information including the program budget, the period of availability, award date, etc. The following information must be entered by Financial Operations into the Grant Management System, which will be integrated into FINET.

   i. Major Program Number (five-digit CFDA number) to which the award relates

   ii. Program Code (five to seven digits, including the State's fiscal year as the first two digits) for each component of the award

   iii. Award Date

   iv. Period of availability of the related funds

   v. Other pertinent information

b. <u>Grant Budget Setup</u>: A line-item budget is established by the Grant Manager, either during or after the grant proposal or reauthorization process. Grant budgets are typically prepared prior to receiving the award and are based on specific federal requirements for the use of the funds. Grant budgets are established at the major program level but must be broken down to the individual program components (if applicable) for that grant and must be supported by justification of line items. The Grant Manager will ensure that the detailed grant budget complies with the initial grant proposal and the award notification and will forward the final approved grant budget to Financial Operations for setup in the Grant Management System, which then integrates into FINET. Financial Operations will review the budget for compliance with the grant proposal and the award notification for entry into the Grant Management System.

3. **Cost Reimbursement Request Procedures**

   a. The USBE receives both forward-funded and cost-reimbursed grants; however, all federal grants received are managed on a cost reimbursement basis. Forward-funded grants are typically limited to individual private grants received. Reimbursement requests for grant expenditures incurred are processed on a weekly basis through the submission of Cost Reimbursement Requests to the applicable funding agency to drawdown on the grant funds available. The following procedures are followed:

      i. <u>Preliminary Billing Report Summary</u>: State Finance will provide a Preliminary Billing Report Summary weekly through FINET which contains all expenditures that have been incurred, but not reimbursed for active grants managed by the USBE. Financial Operations will:

         A. Download the report from FINET and sort the data to summarize total expenditures to be drawn down, by major program code, and by individual program code.

         B. Perform a preliminary review of the information to ensure all activity appears reasonable and appropriately coded.

         C. Calculate the total, by grant, for each cost reimbursement request.

      ii. <u>Cost Reimbursement Request</u>: After the totals have been calculated and verified, the Financial Manager will log into the funding agency website (e.g., G5, ASAP, etc.) to process the required cost reimbursement request.

b. Accounting for Reimbursement Requests: FINET will automatically create an RE (Receivable) and a CR (Cash Receipts) transaction to account for the expenses related to federal grants as the expenses are incurred. After the Cost Reimbursement Request is submitted through the funding agency payment sites, the CR entries are then reviewed, approved, and posted to FINET by the Financial Manager.

c. Grant Activity Reconciliation: Financial Operations Section is responsible for performing a monthly reconciliation of the grant drawdown activity to reconcile the funding agency system reports, the CR (Cash Receipts) entry activity, the bank activity, and the preliminary billing summary report, to ensure that all drawdown activity was processed correctly, was deposited into the bank account, and was posted in FINET accurately. This reconciliation is performed in Excel, and the Financial Manager signs-off as the preparer. Once prepared, the reconciliation is sent to the Joint Review Team Financial Manager for review and approval.

   i. Any variances identified must be addressed and resolved.

   ii. The reconciliation with all supporting documentation must be filed and maintained to support the cost reimbursement request. The related supporting documentation must be attached to the corresponding CR (Cash Receipts) in FINET; and the completed reconciliation must be stored on the USBE network Accounting Drive (\\acct$).

4. **Compliance Requirement Procedures**

a. Compliance Responsibilities: The Grant Manager is responsible for ensuring that all compliance requirements are adhered to and that all expenditures incurred are allowable. The Grant Manager must ensure they understand the various compliance requirements that apply to each grant program they are responsible for managing. In addition, they are responsible for ensuring that other employees within the section who are actively involved in grant program activities are knowledgeable of applicable compliance requirements. If there are questions related to grant compliance requirements, the Grant Manager should contact the Grants Compliance Officer for guidance.

   i. When there are no formal training programs required by a grant awarding agency, the Grants Compliance Officer may assist with finding or providing training opportunities.

b. Cost Principles: All costs that are charged to a federal grant are subject to the Cost Principles included in the Uniform Guidance (2 CFR, Part 200 Subpart E). Cost Principles require that for a cost to be charged to a federal grant, it must be determined to be allowable, reasonable, allocable, and necessary to the grant.

c. Period of Availability: The Grant Manager is responsible for tracking and monitoring period of availability for each grant.

d. Grant Reporting: The Grant Manager is responsible for tracking all grant reporting requirements, including due dates; ensuring grant reporting meets minimum requirements for each grant.

   i. The Grant Manager is responsible for working with the Grants Compliance Officer to ensure that all grant requirements and due dates are being met; however, the Grant Manager is ultimately responsible for ensuring that grant reporting meets the minimum requirements for each grant.

e. Suspension and Debarment: Financial Operations is responsible for ensuring that grants are not awarded to entities on the debarred or suspended list. This list is available within the federal SAM.gov system. Each new entity will be verified prior to set-up in the Grant Management System, and additionally, Financial Operations will verify annually that all grant entities are not debarred or suspended.

5. **Schedule of Expenditures of Federal Awards (SEFA) Procedures**

a. Annual Reporting: At the end of each fiscal year, State Finance will provide Financial Operations with the SEFA template. The Assistant Superintendent of Operations is responsible for preparation of the SEFA based on the final monthly costing reports for year-end.

   i. Actual costing and actual-to-planned costing reports will be utilized by Financial Operations to compile and complete the SEFA template.

   ii. The Financial Manager will review the prepared SEFA report and identify and correct any changes that are necessary before approval. Any necessary changes will be appropriately documented.

   iii. The approved SERFA report will be provided to State Finance by Financial Operations.

6. **Grant Closeout Procedures**

   a. The Grant Manager is responsible for working to ensure that the grant is closed out in a timely manner and withing funding agency requirements. After all applicable administrative actions, performance period, and required scope of the grant have been completed, the Grant Manager will:

      i. Identify what actions are required for close out and what conditions must exist at close out.

      ii. Prepare and submit final financial and progress reports and financial close out reports, as required.

      iii. Review final budgets-to-actual reports and ensure accuracy.

      iv. Review and ensure grant retention requirements are documented and adhered to.

7. **Grant Record Keeping Procedures**

   a. Each section within USBE is responsible for maintaining their respective records in accordance with Uniform Guidance and Utah Code 63G-2.

V. **HISTORY:** This policy was approved December 22, 2021. On June 1, 2022, this policy was formatted to comply with USBE Internal Policy 00-01.