VA Financial Policy
Grant Application Review and Award Process

CHAPTER 4

0401 OVERVIEW 2

0402 POLICIES 2

0403 AUTHORITY AND REFERENCES 17

0404 ROLES AND RESPONSIBILITIES 18

0405 PROCEDURES 19

0406 DEFINITIONS 19

0407 RESCISSIONS 20

0408 QUESTIONS 20

0409 REVISIONS 20

APPENDIX A: REPRESENTATION OF ABSENCE OF CONFLICT OF INTEREST .. 23

APPENDIX B: REQUIREMENTS FOR WRITTEN AGREEMENTS FOR FIELD READERS 24

APPENDIX C: NOTICE OF AWARD REQUIREMENTS EXAMPLE 25

APPENDIX D: NOTICE OF AWARD TEMPLATE 26

APPENDIX E: ADMINISTRATIVE REVIEW OF GRANTEES 39

APPENDIX F: ADMINISTRATIVE REVIEW QUESTIONNAIRE FOR GRANTEES 44

APPENDIX G: RISK ASSESSMENT 49

0401 OVERVIEW

This chapter establishes Department of Veterans Affairs (VA) policy for the Federal financial assistance process involving application, review and award. This policy addresses grant and cooperative agreement funding, appropriations authority, the Notice of Award (NoA), Congressional liaison notification, assignment of payments, and policies for discretionary grant or cooperative agreement applications that must undergo an independent, objective review to be considered for funding.

0402 POLICIES

040201 GRANT AND COOPERATIVE AGREEMENT FUNDING.

040201.01 Overview. This section discusses the types of award instruments and their appropriate uses, the basis for funding, designation of project periods, and handling of non-competitive awards.

040201.02 Types of Awards. The Federal awarding agency or pass-through entity must decide on the appropriate instrument for a Federal award (i.e., grant agreement, cooperative agreement, or contract) in accordance with the Federal Grant and Cooperative Agreement Act (Act) (31 United States Code (U.S.C.) 6301-08). The Act defines the various instruments that may be used when making financial awards (other than those that provide cash assistance only directly to individuals, subsidies, loans, loan guarantees, or insurance). [1] The Act's definitions differentiate "procurement" and "assistance" relationships based on the principal purpose of the award and the intended beneficiary. If an "assistance" relationship is indicated, the Act distinguishes between the use of a "grant" or "cooperative agreement." The Act is implemented in the VA grants administration regulations, and 38 Code of Federal Regulations (C.F.R.) Part 49.

As a result, the following guidance will be followed when determining the appropriate award instrument for financial awards:

- A procurement contract will be used when the principal purpose of a transaction is acquisition, by purchase, lease, or barter, of property or services for the direct benefit or use of the Federal government. The primary beneficiary under a procurement contract is the Federal government.

[1] Federal agencies do not have inherent authority to enter into grants or cooperative agreements. The Federal Grant and Cooperative Agreement Act does not expand an agency's substantive authority in this regard. While the Act provides criteria for examining whether an arrangement should be a contract, grant, or cooperative agreement, determinations of whether an agency has authority to enter into such arrangements in the first instance must be based on the agency's authorizing or program legislation. Once the necessary underlying authority is found, the legal instrument (contract, grant, or cooperative agreement) that fits the arrangement as contemplated must be used, using the statutory definitions found in the Act for guidance as to which instrument is appropriate.

- A grant or cooperative agreement will be used when the principal purpose of the transaction is the transfer of money, property, services, or anything of value to accomplish a public purpose of support or stimulation authorized by Federal statute. The primary beneficiary under a grant or cooperative agreement is the recipient, as a proxy for the "public," as opposed to the Federal government.

A. The distinguishing feature between a grant and cooperative agreement is that, under a cooperative agreement, substantial involvement is anticipated between the Federal awarding agency or pass-through entity and the non-Federal entity during performance of the funded activity. Substantial involvement may include collaboration or participation by designated Federal awarding agency or pass-through entity staff in activities specified in the award and, as appropriate, decision-making at specified milestones related to performance. The involvement may range from joint conduct of a project, to Federal awarding agency or pass-through entity approval prior to the recipient's undertaking the next phase in a project.

B. Unless there is a demonstrated need for substantial involvement during performance of the activity, a grant is the appropriate award instrument.

C. A cooperative agreement is not intended as a means to exercise greater control over a recipient or a project than would be the case under a grant, or to allow for involvement that exceeds that which is permissible under a contract.

D. For competitive grants or cooperative agreements, the Federal awarding agency must have in place a framework for evaluating the risks posed by applicants before they receive Federal awards. This evaluation may incorporate results of the evaluation of the applicant's eligibility or the quality of its application. If the Federal awarding agency determines that a Federal award will be made, special conditions that correspond to the degree of risk assessed may be applied to the Federal award.

040201.03 Basis for Awards. This chapter is not intended to substitute for advice and interpretation provided by the Office of the General Counsel (OGC), the awarding agency's financial management or budget office, or the General Accountability Office (GAO); however, it is based on several longstanding principles. These principles underlie the policies specified below, except where otherwise noted.

A. VA discretionary grants and cooperative agreements generally are funded from annual appropriations. While Notices of Funding Availability (NOFA) may be issued without an appropriation, contingent on ultimate receipt of an appropriation, no grant may be officially selected, announced, or awarded prior to receipt of a relevant appropriation. Notices of Funding Opportunities (through a NOFA) are addressed in Chapter 3 of this financial policy volume.

B. Funds will be obligated in the fiscal year(s) for which they are available.

C. Unless a different funding method is authorized or allowed by statute or appropriations following the initial budget period of the project period, each subsequent budget period must be fully funded from the annual appropriation in effect on the anniversary date of the award. For example, an award originally funded for the 12 month period from June 1, 20X1 - May 31, 20X2 will use FY 20X1 funds and the next budget period, beginning June 1, 20X2, will be funded from the FY 20X2 appropriation.

D. There must be a need for the funds at the time the awarding office makes the award. An awarding office will not obligate funds for a grant in a current budget period for unknown or contingent activities of the recipient in the current or a future budget period. The awarding office must have an expectation that the funds will be used for the recipient's known current-year costs and needs. Projects funded with no year funds will begin no later than 90 days after award and conform to budget period and project completion date.

040201.04 Project Periods. Discretionary grants (including congressional earmarks) are awarded under a "project period" system. Under this system, a project may be approved for a multi-year period, but generally is funded by the awarding office in annual increments known as "budget periods." This system provides the recipient with an indication of the awarding office's intent to non-competitively fund the project during the approved project period as long as required information is submitted and certain criteria, as specified by section 040201.05, Non-Competing-Continuation Applications and Awards, below and by the Grants Program Office (GPO) are met. It also allows the awarding agency and recipients to plan their budget and workload requirements for ongoing projects.

After the GPO makes an award, the terms and conditions of the award govern the recipient's expenditure of funds under the award. Therefore, the terms and conditions will address the period during which the recipient may obligate funds, how unobligated balances are to be handled, and any authorities for extending the period of availability of funds awarded.

040201.05 Non-Competing Continuation Applications and Awards. Under the project period system of funding as described in section 040201.04, Project Periods, above, the recipient must submit a non-competing continuation application each year as a prerequisite to continued funding. The awarding office may use the annual performance or progress report in lieu of a non-competing continuation application as the means of determining whether continued funding should be provided.

A. A programmatic review of the non-competing continuation application is primarily a progress review that allows the GPO to certify that the recipient is making adequate progress (?) and additional funding is appropriate.

B. As a prerequisite to continued funding, the GPO must determine that the recipient has submitted required or applicable certifications and assurances (e.g., suspension and debarment, lobbying, and is not currently suspended or debarred.

The GPO should minimally review:

- The requested budget for reasonableness, allocability, and allowability and whether the recommended amount of funding designated for the project is appropriate given the budget needs;

- The most recent progress report to ensure that the project is within scope and schedule;

- The most recent financial status report to determine if there are unobligated balances or unusual expenditure patterns; and

- The conditions of the award to ensure that all relevant conditions have been completed or are being complied with.

C. Finally, the GPO will determine the appropriate disposition of unobligated balances. In doing so, the GPO may deobligate the excess funds or may authorize some or all of the unobligated balance to be used as carryover. If funds are authorized for carryover, the awarding office may:

1. Add the funds to the full amount otherwise approved for the non-competing continuation award for the budget period into which the funds are carried, or

2. Use them as an offset (reduction) to the amount of funding otherwise approved for the non-competing continuation award, reducing the amount of new Federal funds awarded while the budget and activities for the applicable budget period remain as previously approved.

040202. GRANT APPLICATION REVIEW OF MERIT

040202.01 Overview. For competitive grants or cooperative agreements, unless prohibited by Federal statute, the Federal awarding agency must design and execute a merit review process for applications. These reviews are intended to ensure that, on the basis of a review process that is fair, equitable, and conducted in an “above board” manner, only those applications that offer the greatest potential for furthering program purposes are selected for funding. The review process should be viewed by practitioners, participants, and the public as credible and fair. Any circumstance that might introduce any conflict of interest, or appearance thereof, prejudices, biases, or pre-dispositions into the review process must be avoided. Adherence to the requirements of this policy will maximize the GPO’s ability to achieve that objective and withstand scrutiny of their efforts.

040201.02 Applicability. This section applies to competing applications for funding under all discretionary grant programs if the applications are received in response to an announcement of a competing funding opportunity.

This section does not apply to:

- Non-competing continuation applications and applications for administrative supplements;

- Grant programs where awards are determined through non-competitive means or formulas; or

- Review of pre-applications unless the awarding office intends to approve or disapprove pre-applications and preclude an applicant from submitting a full application for a disapproved pre-application.

040202.03 Application Screening. An application submitted in response to a notice of funding opportunity that passes the initial screening of applications (e.g., is signed by an authorized organizational official and meets eligibility requirements) will be accepted for merit review unless it fails to meet a threshold requirement as specified immediately below.

A. The GPO will determine:

- Whether an application meets the technical requirements of a notice of funding opportunity;

- Whether failure to meet a requirement at the time of application is a minor informality that can be corrected before review or before award, e.g., failure to submit a required certification. These determinations must be consistently applied over time and may not vary from one notice of funding opportunity to another to ensure that inequities are not introduced into the process at this stage;

- Whether an application should be rejected on programmatic grounds (e.g., responsiveness, whether the application is within the scope of the notice of funding opportunity). Decisions will be documented and the information retained in the program information file, which will be retained according to National Historic Preservation Act records retention schedule; and

- Whether any doubt exists on whether to accept an otherwise timely application for review. The application may be accepted if allowing the applicant to correct the deficiency before review or award will not disrupt the logistics of the review or affect the competitive process and it will not violate a statutory or regulatory requirement.

B. When the GPO determines that an application is not acceptable for a merit review, the GPO will return the application to the applicant along with a written explanation of the reason for its non-acceptance for review.

040202.04 Preparations for the Merit Review. GPOs will determine how to conduct the review for each program and, as appropriate, for the different types of applications (e.g., competing and single-source), to include programs with statutes or regulations that specify review requirements.

The review may be carried out using several different approaches or a combination of them. These include the use of panels that convene in person, conference calls, or web-based meetings to either discuss applications or come to a consensus on them or the use of pure field reader processes, where scores are simply captured and considered. The GPO will consider the type and volume of applications expected to be received/reviewed and the needed type(s) of expertise in determining the nature of committees and reviewers it will use to carry out the merit review.

A. Minimum Requirements for Review. Applications that are required to undergo a review will be reviewed by a minimum of three qualified objective reviewers, regardless of whether the GPO assigns individual reviewers (termed “primary,” “secondary,” or “tertiary”) to perform an in-depth review of designated applications as a means of facilitating the review process for all reviewers.

B. Reviewer Qualifications. Each application subject to the review requirements of this chapter will be reviewed by a minimum of three qualified reviewers. Reviewers may be non-Federal individuals or Federal employees. Reviewers must be knowledgeable in the field of endeavor or subject matter under review, be sufficiently independent of the entity applying for assistance, and be able to render an objective and unbiased evaluation.

No two members on the same committee or field readers group should be from the same organization or institution. For the purpose of appointing non-Federal reviewers, the terms “organization” and “institution” generally mean an individual campus of a multi-campus university system, a single department or agency of a State or local government, or separate legal entity.

C. Avoiding Conflicts of Interest. A reviewer of a Federal financial assistance application may not have any direct relationship with the applicant organization and may not have any personal or vested interest in the award of Federal financial assistance to that organization. Circumstances that might introduce a conflict of interest into the review process, or the appearance thereof, or any prejudices, biases, or predispositions on the part of the reviewers, will be avoided.

1. Members of committees and field readers will be informed by the head of the central review function or GPO to protect them and the GPO from allegations of conflict of interest or favoritism. They must take individual responsibility for evaluating their own

and their families' financial interests that relate directly or indirectly to their duties on the committee or as field readers.

2. No reviewer may consider an application where a real or perceived conflict of interest exists. GPOs will have a policy and process in place to both identify and manage real or potential conflicts of interest. For the purpose of this section, a reviewer has a conflict of interest in an application if that person or member of his or her immediate family, his or her partner, or an organization which employs or is about to employ any of the parties indicated herein:

- Serves as an officer, director, trustee, partner, or employee of or consultant to the applicant organization, its parent, or any subsidiary organization;

- Is negotiating (or has an arrangement concerning) prospective employment (or other similar association) with the applicant organization, its parent, or any subsidiary organization; or

- Has a financial interest, within the meaning of 18 U.S.C. 208, in the application or in the applicant organization, its parent, or any subsidiary organization.

3. Every Federal employee who serves as a reviewer is required to submit a Confidential Financial Disclosure Report as established by the GPO except for:

- Persons who submit Public Financial Disclosure Reports (SF 278) under the Ethics in Government Act; and

- Employees of another Federal agency who submit a copy of the confidential or public financial disclosure report that they have filed with their own agency.

4. Federal employees who serve as reviewers remain subject to the conflict of interest statutes and regulations that govern their conduct in discharging their official government responsibilities.

5. Before any review of applications, a potential reviewer will sign a statement attesting to the absence of a conflict of interest. See sample in Appendix A, Representation of Absence of Conflict of Interest. In addition to this self-assessment, the individual responsible for coordinating the review, e. g., program official or head of the central review function, will judge whether a reviewer has a potential or actual conflict of interest in any application that the individual may review as a member of a committee or as a field reader.

040202.05 Conducting the Review

A. Preparing for the Review. As soon as possible after each application submission deadline, one or more review committees or groups of field readers will be convened or

scheduled by or on behalf of the office with responsibility to perform this function. Relevant materials, including notices of funding opportunity, statutes, regulations, applications, and scoring sheets will be provided to the reviewers before the scheduled meeting or review of applications. To the extent feasible, this information should be transmitted to reviewers electronically.

B. Conducting the Review. Applications, whether reviewed by one or more committees/panels, or by field readers, will be reviewed in accordance with the evaluation criteria included in the notice of funding opportunity (or equivalent if a notice of funding opportunity is not required).

C. Scoring and Recommendations. Unless precluded from reviewing a particular application(s) because of a conflict of interest, all reviewers assigned to an application will individually score each application under consideration by the committee or group of field readers. The score is based on a criterion-by-criterion evaluation of the extent to which the application meets the program's announced review criteria, including any criteria in program regulations. A summary statement of each application's strengths and weaknesses, by criterion, will be prepared for each scored application. See sample in Appendix B.

1. In addition to scoring, the GPO's review procedures may require reviewers to provide a recommendation of approval or disapproval for each application. Any recommendation given to the GPO will be accompanied by an explanation from the reviewers.

2. A GPO's review procedures may also permit the reviewers to recommend deferral of an application for further review and consideration in the next review cycle, which postpones a final recommendation in order to obtain clarifying information.

D. Ranking. As soon as possible following completion of scoring, applications will be ranked. The individual scores assigned to each criterion are aggregated to form a composite score for each application, which serves as the basis for the relative ordering or ranking of applications. The ranking is from the scores given by the reviewers, and, as applicable, published priorities.

040202.06 Approval Process. In determining which applications to approve and the priorities for funding, the approving official may take into account the ranking and any other considerations that are described in the NOFA or are permitted or required by statute, Executive Order, or regulations.

- There will be a listing or, at the discretion of the GPO, separate listings, indicating those applications that are not approved, approved but unfunded, and deferred.

- The decision making process will be documented so that the decision and its rationale can be understood.

A. Notification to Unsuccessful Applicants. When a decision to not fund an application during a given review cycle has been reached, a letter will be sent to the affected applicant within a reasonable time period after the decision and awards have been made. This includes applications that have been deferred. The letter will include sufficient information for the applicant to understand the basis for the decision.

B. Every unsuccessful applicant is entitled to a full explanation of why the application was not funded. The initial notice should provide a complete explanation, where possible. However, a notice may contain limited information regarding the unsuccessful application and indicate that a more detailed explanation will be provided at a later date or upon request.

040202.07 Documentation of the Review. All documentation affecting the decision to approve, disapprove, defer, or not to fund an application, as required by this policy, will be maintained by the GPO.

A. Documentation generated throughout the review process will be handled in a manner that protects the confidentiality of individual reviewers' identities, their comments, and does not reveal their assessments or scores of the overall ranking. except on a "need-to-know" basis.

B. Except where the authorized GPO official asserts any applicable exemptions from the disclosure requirements of the Freedom of Information Act (FOIA) (5 U.S.C. 552), the Privacy Act (5 U.S.C. 552a), or FACA (5 U.S.C. App. 2), certain documents related to the review will be made available for public inspection and copying.

040202.08 Use of Merit Review Scores. The results of the merit review of individual applications are advisory to the approving official and must be considered by that official. Reviews do not replace the delegated authority of the approving official to decide whether a grant will be awarded.

040202.09 Other Reviews. A merit review is in addition to any other required review, e.g. budget reviews, business reviews, reviews of audit outcomes, and reviews of comments obtained through processes such as those prescribed by the National Environmental Policy Act (NEPA), Executive Order (EO) 12372, or the National Historic Preservation Act.

040203 GRANT APPLICATION AND DELIBERATIVE REVIEW

040203.01 Overview. This subsection outlines the conditions under which an application may not be subject to competition, pre-award review processes, or documentation of deliberations.

040203.02 Exceptions to the Merit Review. Grant programs will be competed using the Merit Review process as defined in Section 040202 where: 1) the method for selection and award is not based on a statutory, appropriations, or regulatory required formula or

other non-competitive construct or 2) the competition occurred in the previous year and is being continued under the project period system. As a result, the responsive applications submitted under those programs should be competitively reviewed.

Three types of new applications may be awarded without subjecting the application to competitive review: unsolicited; sole source; and urgent. Non-competitive continuation applications within incrementally funded project periods also do not need to be competed.

A. In the absence of a competitive review, these three types of applications may be submitted to an ad hoc independent review group for evaluation. In reviewing such applications, the evaluators should use evaluation criteria contained in either GPO guidance or regulations.

B. Notification of unsolicited, sole source, and urgent grant awards will be published in the Federal Register prior to or simultaneously with the awarding of these grants. These notifications should include at a minimum the following information:

- Recipient(s) name(s);
- Amount(s) of award(s);
- Project period(s);
- Reason(s) for no competition; and
- Name and address of official to be contacted for more information.

C. All decisions relating to such awards will be carefully documented and justified in writing at every level of decision making.

040203.03 Budget and Financial Review. Each Administration Chief Financial Officer (CFO) is responsible for reviewing their Administration's Federal financial assistance application packages to ensure compliance with Federal statutes and VA policy. Before making a new or competing continuation award for a discretionary grant, including those resulting from single-source, unsolicited, and, to the extent possible, urgent applications, GPOs will determine the following:

- Based on a budget review or cost analysis, whether the application budget meets specified cost allowability requirements, is consistent with the work to be carried out under the award, and will contribute to achievement of the Federal financial assistance-supported project or program objectives;
- Based on an assessment of the adequacy of financial management systems, whether potential recipients have the ability to administer Federal funds properly;

- Whether, if the intended recipient's financial capabilities may be in question, it has the financial capability necessary to sustain operations and perform the planned project. An intended recipient may have questionable financial capabilities if it is newly established, has had no VA awards within the last 36 months, has known financial difficulties, or there is a reasonable doubt as to its financial capabilities based on known facts or circumstances; and

- Funding and resources requirements found in respective Federal statutes and regulations are met prior to award.

040203.04 Federal Audit Clearinghouse. Prior to making an award, the GPO will consult the Federal Audit Clearinghouse (FAC) (http://harvester.census.gov/sac/) to determine compliance with Audit Requirements, Subpart F of 2 C.F.R. Part 200 as well as to determine if there are audit findings relevant to the interest of the GPO.

040203.05 High-Risk Grantees. It is VA policy to use special award conditions as a means of protecting the Government's interests and effecting positive change in grantees' performance or compliance, including the quality of their management systems when a grantee exhibits high risk behavior including a history of poor programmatic performance, financial instability, inadequate management systems, or a lack of compliance with the terms of VA awards. Special award conditions may include one or more of the following as appropriate for the specific grant or grantee:

- Payment on a reimbursement basis;

- Withholding authority to proceed to the next phase until receipt of evidence of acceptable performance within a given funding period;

- Requiring additional, more detailed financial reports;

- Additional project monitoring;

- Requiring the grantee or subgrantee to obtain technical or management assistance; or

- Establishing additional prior approvals.

040203.06 Based on guidance from OMB the GPO will utilize the Department of the Treasury "Do Not Pay" portal to determine the eligibility status of an applicant prior to award. This portal gives GPOs access to the Excluded Part List System (EPLS), Death Master File (DMF), List of Excluded Individuals/Entities (LEIE), and the Department of Treasury FMS' Debt Check and the Central Contractor Registration. At a minimum, this action should occur just prior to award. It is the GPO's responsibility to establish procedures on who is responsible for performing the check and when this will occur.

040203.07 Deliberations and Documentation. Where allowed by statute, a variety of factors may be considered in determining awards.

A. To ensure the integrity and transparency of the process, GPOs will use the criteria established within a NOFA, where applicable.

B. The GPO will document each step in the deliberative process, including reasons for changes to potential funding lists or decisions during the course of the process, in order to establish the reasoning for decisions and their basis.

040204. FEDERAL FINANCIAL ASSISTANCE AWARDS.

040204.01 Overview and Applicability. This section addresses applicability, Notices of Award, signature authority, and terms and conditions of award as it applies to programs authorized under discretionary funding.

A. Unless otherwise authorized by statute or regulation, a Notice of Award (NoA) should be used for an action that:

- Makes an award;
- Adds to or reduces the funding of an award;
- Causes a change in the period of performance;
- Changes the recipient; or
- Adds, removes, or changes award conditions, including specific terms and conditions.

B. These requirements apply to Federal financial assistance awards including non-competing continuation awards, administrative supplements, and program expansion supplements.

040204.02 NoA. The NoA, see sample in Appendix C, is the official document that:

- Notifies the recipient that an award has been made; and

- Contains or makes reference to the terms and conditions of the award.

A. Signature Authority. The NoA will be signed by the head of the GPO or their designee, unless a different authority is required by statute and no appropriate delegation is on record.

B. Contents of the NoA. Each NoA will contain the following identifying information (usually in a pre-printed or pre-established format) on the cover page of the award document, see sample in Appendix D, and/or in an attachment:

1. Unique identifying number (grant number).

2. A way to distinguish the most current NoA for a grant, e.g., through a statement that "this award supersedes the award dated___," by using a numbering convention, or by means of a term of award.

3. The legal name and address of the organization or entity to which the award is made (i.e., the entity legally responsible for carrying out the award and for complying with its terms and conditions).

4. Full name and address of the awarding office.

5. Names, office, e-mail addresses, and telephone numbers of the awarding office contact(s).

6. Name of the funding program, statutory authority, and governing program regulations, if any.

7. Title of the project, short description, or statement of purpose.

8. *Catalog of Federal Domestic Assistance* (CFDA) number for the program under which the award is made.

9. Whether the award is a grant or cooperative agreement.

10. A direct cost line item as found on the budget in the SF-424C for construction projects or the SF- 424A for all other grants (e.g., salaries, equipment, supplies, travel) for the approved project. The detailed budget should be for Federal funds only with matching funds to be applied as direct costs shown as a single line item and the indirect/facilities and administrative costs rate and amount.

11. Accounting and appropriation data and other information required for fiscal administration of the grant, including:

- Applicable appropriation and fiscal year;
- The cumulative amount of Federal funds authorized for the budget period;
- The total approved budget, which consists of the funds awarded or de-obligated by the awarding office and any matching or cost sharing required to be spent by the recipient as a condition of award;
- The period of performance and period of funding availability, including the beginning and ending dates of the budget period and the project period;
- For applications that include recommendation for out-year budgets, the amount of awarding office support recommended for future years (budget periods) of the approved project period;
- Name and address of grantee business office; and

- Recipient's Employer Identification Number (EIN) or the VA accounting tracking number in the Financial Management System (FMS), as appropriate. An individual's Social Security Number (SSN) should never appear on the NoA.

12. The date signed. For new or competing continuation awards this date should be sufficiently in advance of the beginning date of the budget period/project period to allow the recipient adequate lead time to begin the project timely.

13. The name of the approved project director at the recipient organization for corporative agreements.

14. Reference to the approved application by submission date, assignment of a unique number, and/or reference to any amended application or correspondence amending the application.

15. A statement that the award is subject not only to any terms and conditions detailed in the award but also to those cited and incorporated by reference or state and Federal laws.

16. The order of precedence to be followed in the event the award includes conflicting or otherwise inconsistent requirements. For example, statutes take precedence over all other documents.

17. A statement to the effect that by drawing or otherwise obtaining funds for the award from the grant payment system, the recipient accepts the terms and conditions of the award and agrees to perform in accordance with the requirements of the award.

C. Terms and Conditions. The terms and conditions of award are the legal requirements imposed by the GPO on a recipient, whether by statute, regulation, the grant award itself, or other issuances. General terms and conditions are ones that will be included in each applicable award, whether they apply to all grants, class(es) of grant(s), or will be tailored for an individual award. It may also be necessary to include award-specific conditions or special conditions in an award to ensure that the objectives of the award are achieved, to conserve grant funds, mitigate the degree of risk, or otherwise to protect the Government's interests.

1. Terms and conditions should reflect current policies. To the extent practical, terms and conditions should be maintained as standard sets for different grant purposes (e.g., research, service, construction). In general, terms and conditions should not repeat in full text, policies or material addressed in regulations or other documents incorporated by reference.

2. Each award will include general terms and conditions that address the following, as appropriate, whether pre-printed on the NoA, incorporated by reference, or included in whole text or in part:

- The VA administrative regulations that apply to the award (38 C.F.R. Part 49);
- The applicable cost principles based on the recipient's organizational type (2 C.F.R. Part 200, Subpart E);
- The name, telephone number, and location of the paying office;
- Reporting requirements, including the name of the form, any formatting instructions, due date(s), and submission instructions (manual or electronic) and, as applicable, a Web site for further information. This includes financial reporting, progress reporting, and, as applicable, research integrity/misconduct and invention reporting;
- How any program income earned under the award will be used;
- For cooperative agreements, a specific statement of the nature and extent of the awarding office's anticipated substantial programmatic involvement in the project;
- The post-award requirements of applicable public policies, including human subjects, and lobbying (38 C.F.R. Parts 16 and 45); and
- The following statement: "The VA Office of the Inspector General (OIG) maintains a toll-free number (1-800-488-8244) for collecting information concerning fraud, waste, or abuse under grants and cooperative agreements. Information also may be submitted by e-mail to vaoighotline@va.gov or by mail to VA Inspector General Hotline (53E), P.O. BOX 50410, Washington, DC 20091-0410. Such reports are treated as sensitive material and submitters may decline to give their names if they choose to remain anonymous."

D. Specific conditions . In addition to the general terms and conditions, awards may contain specific conditions, as prescribed by 2 CFR Part 200.207. Specific conditions may be of the following types:

- Programmatic conditions that apply to all or a subset of awards under a program;

- Conditions that apply only to an individual award (e.g., conditions based on objective review recommendations or conditions requiring recipient compliance before funds may be released); or

- Special award conditions deemed necessary because of a grantee's designation as "high risk."

1. Specific conditions will be stated in full in the NoA. Specific conditions may originate with the objective review or may be determined by the GPO. Regardless, the GPO is ultimately responsible for determining the propriety of including them in the award and developing language that clearly communicates to the recipient the nature or requirements of the condition.

2. Specific conditions should not be used as a means of amending or clarifying substantive matters improperly or inadequately addressed in the application. These matters should be addressed in negotiations before award and result in agreed-upon changes to the application that are incorporated by reference in the award. Such

conditions may not include restrictions on recipient activity caused by an awarding office's inability to complete the financial management evaluation prior to award.

040204.03 Assignment of payments. If the reimbursement payment method is used and assignment is not precluded by the program's authorizing legislation, the awarding office should contact VA's Financial Management Service (FMS) or Health and Human Service's Payment Management System for information concerning guidelines and procedures for assigning payments. When applicable, the NoA should indicate that the recipient may assign its payments to a financial institution (bank, trust company, or other financing institution, including any Federal lending agency) if necessary to finance the costs of the federally supported project.

040204.04 Congressional notification. Awarding offices will coordinate with the Assistant Secretary for Congressional and Legislative Affairs (OCLA), including the Office of Congressional Liaison (OCL). Coordination is required to establish protocols to ensure members of Congress receive prompt notification of all new and competing grant awards to domestic organizations. This includes significant program expansion supplements. Generally, a 72-hour waiting period is required between Congressional notification and mailing or electronic transmission of the NoA. The GPO will coordinate with OCLA for the proper time to notify the grantee of a new award.

A. The OCL is responsible for establishing the content of the required notification, the transmission procedures, and the means of acknowledging receipt. Generally, the information includes the name of the recipient, congressional district(s) of the recipient and place of performance (if different), the type of award (e.g., new, program expansion supplement); the period of performance, and the amount obligated by the current action.

B. The OCL is also responsible for authorizing and coordinating any exceptions to the waiting period. For example, at the end of the fiscal year the Committee Liaison Office (CLO) may allow a 48-hour waiting period for a program(s) by advance arrangement of the awarding office.

0403 AUTHORITY AND REFERENCES

040301 The Freedom of Information Act, 5 U.S.C. 552

040302 Privacy Act of 1974, 5 U.S.C. 552a

040303 Federal Advisory Committee Act (FACA), 5 U.S.C. Appendix 2

040304 18 U.S.C. 208: Act Affecting a Personal Financial Interest

040305 The Federal Grant and Cooperative Agreement Act (Act) of 1977 (31 U.S.C. 6301-08)

040307 2 C.F.R. Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards

040310 38 C.F.R. Part 16, Protection of Human Subjects

040313 38 C.F.R. Part 49, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards

040315 National Environmental Policy Act (NEPA)

040316 National Historic Preservation Act

040317 Executive Order 12372, Intergovernmental Review of Federal Programs (as amended and supplemented)

040318 OFP Publications Library

0404 ROLES AND RESPONSIBILITIES

040401 The Assistant Secretary for Management and Chief Financial Officer oversees all financial management activities relating to the Department's programs and operations, as required by the Chief Financial Officers Act of 1990 and 38 U.S.C. 309. Responsibilities include the direction, management and provision of policy guidance and oversight of VA's financial management personnel, activities and operations. The CFO establishes financial policy, systems and operating procedures for all VA financial entities and provides guidance on all aspects of financial management.

040402 Under Secretaries, Assistant Secretaries, and other key officials are responsible for ensuring compliance with the policies and procedures set forth in this chapter. These officials are responsible for ensuring all grant applications, under their auspices, meet funding and resources requirements found in respective Federal statutes and regulations.

040403 The Office of Finance, Office of Financial Policy (OFP) is responsible for developing, coordinating, reviewing, evaluating, and issuing VA financial policies, including those that impact financial systems and procedures for compliance with all financial laws and regulations. The Management and Financial Reports Service (047GB) within OFP is responsible for preparing various VA comprehensive financial reports, such as those required by the President and the Executive Branch, including OMB/Treasury reports from the Hyperion (MinX) software. OFP is also responsible for working with the Office of Inspector General's independent contract auditors on VA's annual Consolidated Financial Statements audit and preparing and reviewing Consolidated Financial Statements, Notes and Required Supplementary Information, etc.

040404 The Head of each GPO is responsible for conducting an objective review of grant applications. The functions associated with each objective review (as reported in VAIQ) will be administered by Administrations' CFOs and may be delegated by the head of the GPO at the appropriate level.

040405. The designated official or their designee will sign each NoA. The signature signifies that he or she has determined the notice is complete and its issuance complies with all applicable laws, regulations, and other requirements.

0405 PROCEDURES

None.

0406 DEFINITIONS

040601. Approving official. The individual with the authority or delegated authority to make funding decisions for a given program.

040602. Designated official. Refers to the individual to whom VA has assigned the responsibility to perform certain functions in the merit review process. This individual may be in a central review function or in the program chain of command. The level to which a function may be assigned or reassigned may vary except where a specific provision of this policy indicates that a particular function may not be assigned below a certain level. Therefore, the designated official is not necessarily the same individual for all review functions.

040603 Field Reader. A subject matter expert who reads and reviews applications during the review process as an independent review rather than as part of a panel that discusses the application and scores collectively.

040604 Merit review. The process that involves the thorough and consistent examination of applications based on an unbiased evaluation of scientific or technical merit or other relevant aspects of the proposal. The review is performed by expert in the field of endeavor for which support is requested, and is intended to provide advice to the individuals responsible for making award decisions.

040605 Parent organization. Includes a holding company, trust, or other entity in a higher-level organizational relationship with the applicant organization.

040606 Program Office. The organization reporting to the approving official that would be responsible for programmatic administration of a particular grant, if awarded.

040607 Subsidiary. An entity under effective control--by ownership or otherwise--of another organization, and it includes a sub-subsidiary or co-subsidiary of the same parent organization.

0407 RESCISSIONS

OFP Volume X, Chapter 4, Grant Application Review and Award Process, February 2014.

0408 QUESTIONS

Questions concerning these policies and procedures should be directed as shown below:

Office of Management, Office of Financial Policy, Grants Management Services

0409 REVISIONS

Section	Revision	Office	Effective Date
0401 Overview	Updated references to “grants,” “grant programs,” and “grant offices” to incorporate definition clarifications from OMB Uniform Grant Guidance.	Grants Management Service (047GD)	October 2014
040201.02 Types of Awards	Included verbiage regarding types of awards from updated OMB Uniform Grant Guidance, and removed references to superseded guidance.	Grants Management Service (047GD)	October 2014
040201.02 A	Updated references to “awarding office” and “recipient” to incorporate definition clarifications from OMB Uniform Grant Guidance.	Grants Management Service (047GD)	October 2014
040201.02 D	Added new OMB Uniform Grant Guidance regarding framework to evaluate applicant risk.	Grants Management Service (047GD)	October 2014
040201.03 A	Included reference that NOFA is addressed in Chapter 3.	Grants Management Service (047GD)	October 2014
040201.03 C	Updated years referenced to make funding periods generic.	Grants Management Service (047GD)	October 2014

040202 Grant Application Review of Merit	Included the requirement of a merit review process for applicants, per OMB Uniform Grant Guidance. Removed reference to “objective review” based upon updated guidance.	Grants Management Service (047GD)	October 2014
040202.03 Application Screening	Updated references to “funding opportunity announcement,” “grant,” and “objective review” to incorporate definition clarification from OMB Uniform Grant Guidance.	Grants Management Service (047GD)	October 2014
040202.03 C	Further clarified the definition of a conflict of interest, per OMB Uniform Grant Guidance. Updated references to “objective review” to incorporate definition clarification from OMB Uniform Grant Guidance.	Grants Management Service (047GD)	October 2014
040202.05 Conducting the Review	Updated references to “funding opportunity announcement,” “grant,” and “objective review” to incorporate definition clarification from OMB Uniform Grant Guidance.	Grants Management Service (047GD)	October 2014
040202.07 Documentation of the Review	Updated references to “funding opportunity announcement,” “grant,” and “objective review” to incorporate definition clarification from OMB Uniform Grant Guidance.	Grants Management Service (047GD)	October 2014
040203 Grant Application and Deliberate Review	Updated references to “funding opportunity announcement,” “grant,” and “objective review” to incorporate definition clarification from OMB Uniform Grant Guidance. Updated references of superseded guidance to the current guidance.	Grants Management Service (047GD)	October 2014
040204 Federal Financial Assistance Awards	Updated references to “funding opportunity announcement,” “grant,” and “objective review” to incorporate definition clarification from OMB Uniform Grant Guidance.	Grants Management Service (047GD)	October 2014
040204.02 Notice of Award	Updated to include addressing risk per OMB Uniform Grant Guidance. Updated superseded guidance to correct references.	Grants Management Service (047GD)	October 2014

0403 Authority and References	Updated all superseded guidance to the correct references.	Grants Management Service (047GD)	October 2014
0406 Definitions	Updated references to “objective review” to incorporate definition clarification from OMB Uniform Grant Guidance.	Grants Management Service (047GD)	October 2014
Appendix A	Further clarified conflict of interest representation to reflect OMB Uniform Grant Guidance.	Grants Management Service (047GD)	October 2014
Appendix B	Updated references to “grant” to incorporate definition clarification from OMB Uniform Grant Guidance.	Grants Management Service (047GD)	October 2014
Appendix C	Included previously identified comments from OGC into the example Notice of Award template.	Grants Management Service (047GD)	October 2014
Appendix D	Updated fields required on Grant Agreement to address fields required by 2 CFR Part 200. Also updated references included in Terms and Conditions.	Grants Management Service (047GD)	October 2014
Appendix E	Updated references to superseded guidance. Included checklist to address policies and procedures required to be documented by 2 CFR Part 200.	Grants Management Service (047GD)	October 2014
Appendix F	Updated references to superseded guidance.	Grants Management Service (047GD)	October 2014

APPENDIX A: REPRESENTATION OF ABSENCE OF CONFLICT OF INTEREST

Note: The following is an example and is not required to be used by the GPOs.

I certify that, based on the list of applications about to be reviewed by the committee of which I am a member, I [*do*] [*do not*] have any actual or potential conflict of interest in fact or appearance with respect to any application assigned to that committee.

An individual has a conflict of interest in an application if that person, his or her spouse, parent, minor child, or partner:

- Serves as an officer, director, trustee, partner, or employee of or consultant to the applicant organization, its parent, or any subsidiary organization.

- Is negotiating (or has an arrangement concerning) prospective employment (or other similar association) with the applicant organization, its parent, or any subsidiary organization.

- Has a financial interest, within the meaning of 18 U.S.C. 208, in the application or in the applicant organization, its parent, or any subsidiary organization.

"Parent organization" includes a holding company, trust, or other entity in a higher-level organizational relationship with the applicant organization.

"Subsidiary" means an entity under effective control--by ownership or otherwise--of another organization, and it includes a sub-subsidiary or co-subsidiary of the same parent organization.

My conflict of interest as marked above is in the following application(s): (Insert)

I understand that I may not review, score, rate, be present for, or otherwise participate in the discussion of or be privy to, the review comments for any application in which I have a potential or actual conflict of interest.

I certify that, to the best of my knowledge, the above information is accurate and true.

Typed Name of Reviewer:

Signature (Date)

APPENDIX B: REQUIREMENTS FOR WRITTEN AGREEMENTS FOR FIELD READERS

Note: The following is an example and is not required to be used by the GPOs.

With respect to the application and other material to be referred to the reader, the written agreement will contain text reading substantially as follows:

SCOPE OF WORK

The undersigned field reader will:

(a) Before reviewing or scoring any Federal financial assistance application pursuant hereto, carefully read the evaluation priorities and criteria, the explanation hereof, and the instructions for scoring, all of which are attached hereto.

(b) Carefully review the whole of each Federal financial assistance application transmitted to him/her pursuant to this agreement.

(c) In accordance with the priorities and criteria, explanations and instructions attached hereto, solely on the basis thereof and of the content of the Federal financial assistance application, score each Federal financial assistance application on each priority or criterion, according to his/her best judgment of the degree to which the Federal financial assistance application meets the priority or criterion, or if so instructed, submit an overall assessment regarding the scientific or technical merit or other relevant aspects of the application.

(d) Correctly indicate the score given by him/her pursuant to paragraph (c) above, to each grant application on each priority and criterion, or an overall score or recommendation in the place provided on the scoring sheet or other evaluative document for that Federal financial assistance application; write an assessment of the application, where required; sign and date the certification on the scoring sheet (or other document); and return the scoring sheet (or other document) and written assessment to the (name and title of appropriate official) of (PROGRAM OFFICE/awarding office).

APPENDIX C: NOTICE OF AWARD REQUIREMENTS EXAMPLE

Note: The following is an example and is not required to be used by the GPOs.

Month DD, YYYY
Mr. First Last
Legal Name of Grantee Organization
900 East Main Street
Washington, DC 20002

Dear Mr. Last:

Congratulations! I am pleased to inform you that the Department of Veterans Affairs (VA) has approved your application for funding under the VA Grant Program [Program Name] in the amount of $[Grant Amount] for the [Legal Name of Grantee Organization], Project [Project Name].

Enclosed you will find the Grant Award, which sets forth the award's Terms and Conditions. By signing this agreement your organization agrees to operate the program in accordance with all applicable legal requirements and with the terms of the grant application. Should you fail to adhere to these requirements, you are in violation of the terms of this agreement, and the awardee will be subject to termination for cause, or other administrative action, as appropriate. Please read, sign, date and return the grant agreement to POC [POC Name] & [full address] no later than fourteen dates from the date above.

If you have questions regarding this award, please contact [POC Name], [Title], VA [Organization Name] at (XXX) XXX-XXXX or by e-mail at John.Smith@va.gov

Congratulations, and we look forward to working with you.

Sincerely,

Name of Authorized Signing Official
Title of Signing Official
Office Name of Signing Official

Enclosure

APPENDIX D: NOTICE OF AWARD TEMPLATE

Note: The Notice of Award Template is available internally to Grants Review Board (GRB) members. Please contact the GRB if you are unable to view the template.

Internal GRB Link:
http://vaww.vaco.portal.va.gov/sites/MgmtFin/OFP/GRB/Shared%20Documents/VA%20Grant%20Program%20Templates

U.S. Department of Veterans Affairs	Veterans Grant Program Grant Agreement	Page 1 of 12
1. Recipient Name and Address Legal Name of Grantee Address of Grantee City, State Zip Code	2. Award Date: MM/DD/YYYY	3. Action: New Award
	4. Project Period: From MM/DD/YYYY to MM/DD/YYYY Budget Period: From MM/DD/YYYY to MM/DD/YYYY	
5. Recipient DUNS Number: XXXX	6. Grantee IRS/Vendor Number EIN Number of Grantee	
7. Unique Federal Award Identification Number (FAIN): XX-XX-XXX	8. CFDA Number/Name CFDA Number/Name of Grantee	
9. Amount of Federal Funds Obligated by this Action: $500,000	10. Total Amount of Federal Funds Obligated: $500,000	11. Total Amount of Federal Award: $500,000
12. Budget Approved by the VA: Y/N - Date	13. Total Approved Cost Sharing/Matching: X%	14. Supplement Number: 0
15. Is this a Research & Development Award: Y/N	16. Indirect Cost Rate: X%	
17. Project Title: VA Grant Program Title		
18. Statutory Authority for Grant: Public Law XXX-XXX Sec XX, 38 USC XXXX – Title of Statutory Authority.		
19. Method of Payment: Provisioning/ACH		
20. Project Description:		
21. VA Contact: John Smith, National Director VA Grant Program Office		
AGENCY APPROVAL	**GRANTEE ACCEPTANCE**	
22. Title and name of VA awarding official: Name of Authorized Signing Official Title of Signing Official	23. Title and name of authorized grantee official: Name of Grantee Signing Official Title authorized to legally bind non-Federal entity	
24. Signature of VA awarding official:	25. Signature of authorized grantee official:	

Revision 06/14

Note: Continuation of Notice of Award template, page 2 of 12.

U.S. Department of Veterans Affairs	Veterans Grant Program Award Continuation Sheet Grant Agreement	Page 2 of 12

Award Number: XX-XX-XXXX **Award Date:** MM/DD/YYYY

In accepting a Department of Veterans affairs award, your organization assumes legal, financial, administrative, and programmatic responsibility for administering the award in accordance with any provisions included in the award, as well as the laws, rules, regulations, and Executive Orders governing assistance awards; and these General Terms, all of which are hereby incorporated into this award by reference. While we may provide you with reminder notices regarding award requirements, the absence of receiving such notice does not relieve you of your responsibility to meet all applicable award requirements.

1. *Non-Construction*

   The grantee has executed and will comply with SF 424B "Assurances—Non-Construction Programs".

   Construction

   The grantee has executed and will comply with SF 424D "Assurances—Construction Programs".

2. The grantee agrees that it is responsible for the use of grant funds provided by VA. In accordance with 2 CFR Part 200.339 VA may terminate this award or take other action if the grantee materially fails to comply with any one of the terms and conditions of this award, whether stated in a Federal statute, regulation, assurance application, or notice of award.

3. The grantee agrees to comply with the organizational audit requirements of OMB Circular A-133 (38 CFR Part 41), Audits of States, Local Governments, and Non-Profit Organizations, and further understands and agrees that funds may be withheld, or other related requirements may be imposed, if outstanding audit issues (if any) from OMB Circular A-133 audits (and any other audits of VA grant funds) are not satisfactorily and promptly addressed.

4. Grant funds may be used only for the purposes in the grantee's approved application and allocated as directed in 2 CFR Part 200 Subpart E. The grantee shall not undertake any work or activities that are not described in the grant application, and that use staff, equipment, or other goods or services paid for with VA grant funds, without prior written approval from the VA.

5. The grantee agrees to comply with applicable requirements regarding System for Award Management (SAM) and applicable restrictions on sub-awards to first-tier sub-grantees that do not acquire and provide a Data Universal Numbering System (DUNS) number. The grantee will work the VA to ensure that all of the sub-grantees have current account on SAM. The details of grantee obligations are posted on the SAM web site at https://www.sam.gov/portal/public/SAM/.

Revision 06/14

Initial: _____
Grantee Signing Official Title

Note: Continuation of Notice of Award template, page 3 of 12.

U.S. Department of Veterans Affairs	Veterans Grant Program Award Continuation Sheet Grant Agreement	Page 3 of 12

Award Number: XX-XX-XXXX **Award Date:** MM/DD/YYYY

6. The grantee agrees to comply with applicable requirements to report first-tier sub-awards of $25,000 or more and, in certain circumstances, to report the names and total compensation of the five most highly compensated executives of the grantee and first-tier sub-grantees of award funds. Bonuses to any individuals utilizing Federal funds must conform to 2 CFR and be approved in advance by the agency in writing. The details of grantee obligations, which derive from the Federal Funding Accountability and Transparency Act of 2006 (FFATA), are posted on the FFATA Subaward Reporting System (FSRS) website at https://www.fsrs.gov/.

7. The grantee will comply with Federal laws and regulation applicable to grants and grantees, including applicable provisions of 2 CFR Part 200 and 38 CFR Part 49.

8. *For a State*

Standards for Financial Management Systems, prescribes a Recipient's system that controls and accounts for Federal funds and cost sharing under the award and produces financial reports.

a) States must expend and account for funds under the award in accordance with State laws and procedures that apply to the expenditure of and the accounting for the State's own funds.

b) Procedures must be sufficient to permit:

1) Preparation of the reports required under the award; and
2) Tracing of expenditures to a level adequate to establish that award funds have not been used in violation of any applicable statutory restrictions or prohibitions.

c) Cash management must comply with the cash management standards in 31 CFR Part 205, the Department of the Treasury's implementation of the Cash Management Improvement Act (31 U.S.C. Sec. 6503, as amended by Sec. 5 of P.L. 101-453).

Standard Requirements for an Organization Other Than a State

Standards for Financial Management Systems, prescribes a Recipient's system that controls and accounts for Federal funds and cost sharing under the award and produces financial reports.

The financial management system must enable Recipients to meet the following OMB requirements:

a) Financial Reporting. For financial reports required by the award, Recipients must provide accurate, current, and complete financial information about the federally assisted activities. If sub-awards are executed under the award, Recipients must have reasonable procedures for ensuring the receipt of financial reports from each sub-recipient in sufficient time to allow the Recipient to prepare reports.

Note: Continuation of Notice of Award template, page 4 of 12.

U.S. Department of Veterans Affairs	Veterans Grant Program Award Continuation Sheet Grant Agreement	Page 4 of 12

Award Number: XX-XX-XXXX **Award Date:** MM/DD/YYYY

b) Accounting Records. Recipients must maintain records that adequately identify the sources of funds for federally assisted activities and the purposes for which funds are to be used. The records must contain information about the award and any sub-award, including authorizations, obligations, un-obligated balances, assets, liabilities, outlays or expenditures, and any program income. The accounting records must be supported by source documentation, such as cancelled checks, paid bills, payrolls, and time and attendance records.

c) Internal Control. Recipients must maintain effective control over and accountability for all cash, real and personal property, and other assets under the award. Recipients must adequately safeguard all of these assets and ensure that they are used only for authorized purposes.

d) Budget Control. Recipients must be able to compare actual expenditures or outlays with the approved budget.

e) Allowable Costs. Recipients must have established procedures for determining the reasonableness, allocability, and allowability of costs in accordance with the applicable Federal cost principles, program regulations, or other OMB requirements.

f) Cash Management. Recipients must have procedures for minimizing the time elapsing between the transfer of any advance payments of funds under the award and disbursement of the funds for direct program costs and the proportionate share of any allowable indirect or facilities and administrative costs. Recipients must ensure that the timing and amount of any payments to sub-recipients under the award conform to this standard.

g) Requirement for Performance Data. In comparing actual expenditures or outlays with budget amounts, as required, Recipients must relate financial information to performance data. For this purpose, VA will accept estimates based on available documentation.

h) Review of Financial Management System. VA may review the Recipient's financial management system at any time to determine whether it complies with the requirements of this provision.

9. **Period of Availability of Funds**

The project period under the award is indicated on the award cover sheet. The recipient may charge to the award only allowable costs resulting from obligations incurred during the funding period. Expenditures only for staff costs that are obligated during the award project period may be charged to the award up to 90 days following the expiration date. These funds shall be available for closeout activities limited to the preparation of final reports. No other staff costs should be obligated and expended.

Revision 06/14

Initial: _____
Grantee Signing Official Title

Note: Continuation of Notice of Award template, page 5 of 12.

U.S. Department of Veterans Affairs	Veterans Grant Program Award Continuation Sheet Grant Agreement	Page 5 of 12

Award Number: XX-XX-XXXX **Award Date:** MM/DD/YYYY

10. Publication for Professional Audiences

Any publications or articles resulting from the award must acknowledge the support of the Department of Veterans Affairs and will include a disclaimer of official endorsement as follows: "This [article] was funded [in part] by a grant from the United States Department of Veterans Affairs. The opinions, findings and conclusions stated herein are those of the author[s] and do not necessarily reflect those of the United States Department of Veterans Affairs". The Recipient must ensure that this disclaimer be included on all brochures, flyers, posters, billboards, or other graphic artwork that are produced under the terms of the award.

Seal/Logo
The Department of Veterans Affairs seal may not be used by Recipients without the express written permission of the United States Department of Veterans Affairs.

11. Post-award Requirements for Closeout

The Program Office Specific Requirements will provide Recipients with the due dates and where to send final reports. VA will notify the Recipient in writing of any changes to the reporting requirements before the project period end date. Copies of any required forms and instructions for their completion are included with the award and Program Office Specific Requirements.

Recipients must submit, within 90 calendar days after the project period end date of the award, all final financial, performance, and other reports as required by the terms and conditions of the award. VA may approve written recipient requests for extensions.

Unless VA authorizes an extension, a Recipient must liquidate all obligations incurred under the award not later than 90 calendar days after the funding period or the project period end date.

VA must make prompt payments to Recipients for allowable reimbursable costs under the award being closed out. The Recipient must promptly refund any balances of un-obligated cash that VA has advanced or paid and that is not authorized to be retained by the Recipient for use in other projects. OMB Circular A-129 governs unreturned amounts that become delinquent debts.

When authorized by the award, VA must make a settlement for any upward or downward adjustments to the Federal share of costs after closeout reports are received, not to exceed the amount of the award. Unless otherwise prohibited by statute or regulation.

The Recipient must account for any real and personal property acquired with Federal funds or received from the Federal Government in accordance with applicable rules, regulations, and laws.

Revision 06/14

Initial: _____
Grantee Signing Official Title

Note: Continuation of Notice of Award template, page 6 of 12.

U.S. Department of Veterans Affairs	Veterans Grant Program Award Continuation Sheet Grant Agreement	Page 6 of 12

Award Number: XX-XX-XXXX **Award Date:** MM/DD/YYYY

In the event a final audit has not been performed before the closeout of the award, VA will retain the right to recover an appropriate amount after fully considering the recommendations on disallowed costs resulting from the final audit.

12. The recipient shall submit quarterly/semi-annual/annual (*use whichever applies*) progress reports. Progress reports shall be submitted within 30 days after the end of the reporting periods, which are December 31, March 31, June 30 and September 30. This report will include detailed information about the project(s) funded, including, but not limited to, number of disabled Veterans who benefited, administrative expenses, information about how the funds were actually used, data to support statements of progress, and data concerning individual results and outcomes of funded projects reflecting project successes and impacts.

13. The recipient agrees that it will submit quarterly/semi-annual/annual (*use whichever applies*) financial status reports to VA using the SF 425 Federal Financial Report form (available for viewing at http://www.whitehouse.gov/sites/default/files/omb/grants/standard_forms/ff_report.pdf), not later than 30 days after the end of each calendar quarter. The final report shall be submitted not later than 90 days following the end of the award period. Failure to provide this report may result in the deobligation of grant funds and the project to be closed at the discretion of the government.

14. **Retention and Access Requirements for Records**

    The Recipients must maintain financial records, supporting documents, statistical records, and all other records pertinent to an award for a period of three years from the date of submission of the final expenditure report. For awards that are renewed quarterly or annually, from the date of the submission of the quarterly or annual financial report as authorized by VA. The only exceptions are the following:

    a) If any litigation, claim, or audit is started before the expiration of the three-year period, the records must be retained until all litigation, claims, or audit findings involving the records have been resolved and final action taken.

    b) Records for real property and equipment acquired with Federal funds must be retained for 3 years after final disposition.

    c) When records are transferred to or maintained by VA, the three-year retention requirement is not applicable to the Recipient.

Revision 06/14

Initial: _____
Grantee Signing Official Title

Note: Continuation of Notice of Award template, page 7 of 12.

U.S. Department of Veterans Affairs	Veterans Grant Program Award Continuation Sheet Grant Agreement	Page 7 of 12

Award Number: XX-XX-XXXX **Award Date:** MM/DD/YYYY

15. **Timely and Unrestricted Access**

VA, the Inspector General, Comptroller General, or any of their duly authorized representatives have the right of timely and unrestricted access to any books, documents, papers, or other records of recipients and sub-recipients that are pertinent to the award, in order to make audits, examinations, excerpts, transcripts, and copies of such documents. This right also includes timely and reasonable access to a recipient's and sub-recipients personnel for the purpose of interview and discussion related to such documents. The rights of access in this paragraph are not limited to the required retention period, but must last as long as records are retained.

Except for federally required restrictions on lobbying, the grantee may not place any restrictions on sub-recipients that limit the right or ability of the sub-recipients or their agents to contract or otherwise conduct business with the federal government.

16. The VA Office of the Inspector General (OIG) maintains a toll-free number (1-800-488-8244) for collecting information concerning fraud, waste, or abuse under grants and cooperative agreements. Information also may be submitted by e-mail to vaoighotline@va.gov or by mail to VA Inspector General Hotline (53E), P.O. BOX 50410, Washington, DC 20091-0410. Such reports are treated as sensitive material and submitters may decline to give their names if they choose to remain anonymous"

17. **Federal Debt Status**

You may not be delinquent in the repayment of any Federal debt. Examples of relevant debt include delinquent payroll or other taxes, audit disallowances, and benefits that were overpaid (OMB Circular A-129). You must notify VA immediately if you become delinquent during your project period. We cannot release your award funds until you provide documentation showing a repayment plan has been accepted by the Internal Revenue Service and payments have been made

18. **Nondiscrimination Policies**

You must execute your project (e.g., productions, workshops, programs, etc.) in accordance with the following laws, where applicable.

a) **Title VI of the Civil Rights Act of 1964**, as amended, provides that no person in the United States shall, on the grounds of race, color, or national origin, be excluded from participation in, be denied benefits of, or be subject to discrimination under any program or activity receiving Federal financial assistance. Title VI also extends protection to persons with limited English proficiency (42 U.S.C. Sec. 2000d et seq.).

Revision 06/14

Initial: _____
Grantee Signing Official Title

Note: Continuation of Notice of Award template, page 8 of 12.

U.S. Department of Veterans Affairs	Veterans Grant Program Award Continuation Sheet Grant Agreement	Page 8 of 12

Award Number: XX-XX-XXXX **Award Date:** MM/DD/YYYY

b) **Title IX of the Education Amendments of 1972** provides that no person in the United States shall, on the basis of sex or blindness, be excluded from participation in, be denied benefits of, or be subject to discrimination under any education program or activity receiving Federal financial assistance (20 U.S.C. Sec. 1681 and Sec. 1684 et seq.).

c) **Section 504 of the Rehabilitation Act of 1973** provides that no otherwise qualified individual with a disability in the United States, shall, solely by reason of his/her disability, be excluded from participation in, be denied benefits of, or be subject to discrimination under any program or activity receiving Federal financial assistance (29 U.S.C. Sec. 794).

d) **The Age Discrimination Act of 1975** provides that no person in the United States shall, on the basis of age, be excluded from participation in, be denied benefits of, or be subject to discrimination under any program or activity receiving Federal financial assistance (42 U.S.C. Sec. 6101 et seq.).

e) **The Americans with Disabilities Act of 1990** (ADA) prohibits discrimination on the basis of disability in employment (Title I), state and local government services (Title II), places of public accommodation and commercial facilities (Title III) (42 U.S.C. Sections 12101-12213).

19. Environmental and Preservation Policies

a) **The National Environmental Policy Act of 1969**, as amended, applies to any Federal funds that would support an activity that may have environmental implications. We may ask you to respond to specific questions or provide additional information in accordance with the Act. If there are environmental implications, we will determine whether a categorical exclusion may apply, to undertake an environmental assessment or to issue a "finding of no significant impact," pursuant to applicable regulations and 42 U.S.C. Section 4332.

b) **The National Historic Preservation Act of 1966**, as amended, applies to any Federal funds that would support either the planning or major renovation of any structure eligible for or on the National Register of Historic Places, in accordance with Section 106. This law also applies to project activities, such as new construction, that would affect such properties. We will consult with your State Historic Preservation Officer, as appropriate, to determine the impact of your plan or renovation on the structure or any affected properties. Any change in your design, renovation, or construction plans must be submitted to us for review and approval prior to undertaking any of the proposed changes. You may be asked to provide additional information on your project to ensure compliance with the Act (16 U.S.C. Sections 470, 470-1).

Revision 06/14

Initial: _____
Grantee Signing Official Title

Note: Continuation of Notice of Award template, page 9 of 12.

U.S. Department of Veterans Affairs	Veterans Grant Program Award Continuation Sheet Grant Agreement	Page 9 of 12

Award Number: XX-XX-XXXX **Award Date:** MM/DD/YYYY

20. **Debarment and Suspension**. You must comply with requirements regarding debarment and suspension in Subpart C of 2 CFR Part 180.

    There are circumstances under which we may receive information concerning your fitness to carry out a project and administer Federal funds; for instance:

    a) Conviction of, or a civil judgment for, the commission of fraud, embezzlement, theft, forgery, making false statements;

    b) Any other offense indicating a lack of business integrity or business honesty that seriously and directly affects your present responsibility; and/or

    c) Any other cause of so serious or compelling a nature that it affects an organization's present responsibility.

    In these circumstances, we may need to act quickly to protect the interest of the government by suspending your funding while we undertake an investigation of the specific facts. We may coordinate our suspension actions with other Federal agencies that have an interest in our findings. A suspension may result in your debarment from receiving Federal funding government-wide for up to three years.

21. **The Drug Free Workplace Act** requires you to publish a statement about your drug-free workplace program. You must give a copy of this statement to each employee (including consultants and temporary personnel) who will be involved in award-supported activities at any site where these activities will be carried out.

    You must maintain on file the place(s) where work is being performed under this award (i.e., street address, city, state and zip code.) You must notify VA's Program Office of any employee convicted of a violation of a criminal drug statute that occurs in the workplace. (41 U.S.C. Sec. 8102 et seq. and 45 CFR Part 1155).

Revision 06/14

Initial: _____
Grantee Signing Official Title

Note: Continuation of Notice of Award template, page 10 of 12.

U.S. Department of Veterans Affairs	Veterans Grant Program Award Continuation Sheet Grant Agreement	Page 10 of 12

Award Number: XX-XX-XXXX **Award Date:** MM/DD/YYYY

22. **Lobbying**. You may not conduct political lobbying, as defined in the statutes, regulations and OMB Circulars listed below, within your Federally-supported project. In addition, you may not use Federal funds for lobbying specifically to obtain awards. For definitions and other information on these restrictions, refer to the following

    a) "No part of the money appropriated by any enactment of Congress shall, in the absence of express authorization by Congress, be used directly or indirectly to pay for any personal service, advertisement, telegram, telephone, letter, printed or written matter, or other device, intended or designed to influence in any manner a Member of Congress, a jurisdiction, or an official of any government, to favor, adopt, or oppose, by vote or otherwise, any legislation, law, ratification, policy, or appropriation, whether before or after the introduction of any bill, measure, or resolution proposing such legislation, law, ratification, policy, or appropriation; but this shall not prevent officers or employees of the United States or of its departments or agencies from communicating to any such Member or official, at his request, or to Congress or such official, through the proper official channels, requests for any legislation, law, ratification, policy, or appropriations which they deem necessary for the efficient conduct of the public business, or from making any communication whose prohibition by this section might, in the opinion of the Attorney General, violate the Constitution or interfere with the conduct of foreign policy, counter-intelligence, intelligence, or national security activities." (18 USC § 1913. Lobbying with appropriated moneys).

    b) 2 CFR Part 200.450 – "Lobbying" Regulation clarifies that lobbying is an unallowable project cost. The Regulation generally defines lobbying as conduct intended to influence the outcome of elections or to influence elected officials regarding pending legislation, either directly or through specific lobbying appeals to the public.

    c) Certification Regarding Lobbying to Obtain Awards. Section 319 of Public Law 101-121, codified at 31 U.S.C. Sec. 1352, prohibits the use of Federal funds in lobbying members and employees of Congress, as well as employees of Federal agencies, with respect to the award or amendment of any Federal grant, cooperative agreement, contract, or loan. While non-Federal funds may be used for such activities, they may not be included in your project budget, and their use must be disclosed to the awarding Federal agency. Disclosure of lobbying activities by long-term employees (employed or expected to be employed for more than 130 days) is, however, not required. In addition, the law exempts from definition of lobbying certain professional and technical services by applicants and awardees

    We strongly advise you to review these regulations carefully. They are published at 38 CFR Part 45, and can be found at www.ecfr.gov.

Revision 06/14

Initial: _____
Grantee Signing Official Title

Note: Continuation of Notice of Award template, page 11 of 12.

U.S. Department of Veterans Affairs	Veterans Grant Program Award Continuation Sheet Grant Agreement	Page 11 of 12

Award Number: XX-XX-XXXX **Award Date:** MM/DD/YYYY

23. Site Visits

The grantor, through authorized representatives, has the right, at all reasonable times, to make site visits to review project accomplishments and to provide such technical assistance as may be required. If any site visit is made by the grantor on the premises of the recipient, a sub-recipients, or subcontractor, the recipient shall provide, and shall require its sub-recipients and subcontractors to provide all reasonable facilities and assistance for the safety and convenience of the government representatives in the performance of their duties. All site visits and evaluations shall be performed in such a manner that will not unduly interfere with or delay the work.

24. Trafficking in Persons

This government-wide award term implements Section 106 (g) of the Trafficking Victims Protection Act (TVPA) of 2000, as amended (22 U.S.C. 7104), located at 2 CFR Part 175. In accordance with the statutory requirement, in each agency award under which funding is provided to a private entity, section 106(g) of the TVPA, as amended, requires the agency to include a condition that authorizes the agency to terminate the award, without penalty, if the recipient or a sub-recipients —

a) Engages in severe forms of trafficking in persons during the period of time that the award is in effect;

b) Procures a commercial sex act during the period of time that the award is in effect; or

c) Uses forced labor in the performance of the award or sub-awards under the award.

Full text of the award term is provided at 2 CFR Part 175.15.

25. Prompt Payment Act

Federal funds may not be used by the recipient for the payment of interest penalties to contractors when bills are paid late nor may interest penalties be used to satisfy cost sharing requirements. Obligations to pay such interest penalties will not be obligations of the United States.

Revision 06/14

Initial: _____
Grantee Signing Official Title

Note: Continuation of Notice of Award template, page 12 of 12.

U.S. Department of Veterans Affairs	Veterans Grant Program Award Continuation Sheet Grant Agreement	Page 12 of 12

Award Number: XX-XX-XXXX **Award Date:** MM/DD/YYYY

26. Payments

For registered Recipients in the U.S. Department of Health and Human Services Payment Management System (PMS-SMARTLINK), instructions for submitting requests for payment may be found at http:www.dpm.psc.gov/. If recipients submit a payment request electronically, they may submit requests as frequently as required to meet needs to disburse funds for program purposes.

Recipients that do not submit requests electronically through PMS-SMARTLINK must request payment by submitting a signed "Request for Advance or Reimbursement" Standard Form 270 (SF-270) to the award program office.

Whenever it is administratively feasible to do so; recipients are to time each request for advance so that payments of VA funds are received on the same day of the need to disburse the funds for direct program costs (and the proportionate share of any allowable indirect or facilities and administrative costs). When same day transfers are not feasible, advance payments should not exceed three days' estimated cash needs.

Revision 06/14

Initial: _____
Grantee Signing Official Title

APPENDIX E: ADMINISTRATIVE REVIEW OF GRANTEES

Note: The document below is an optional template for use by GPOs. Contact your Program Office or the GRB for the template file.

Internal GRB Link:
http://vaww.vaco.portal.va.gov/sites/MgmtFin/OFP/GRB/Shared%20Documents/VA%20Grant%20Program%20Templates

U.S. Department of Veterans Affairs

Effective Date: 06/2014

ADMINISTRATIVE REVIEW OF GRANTEES
Use for Processing Grants/Cooperative Agreements & Continuation/Supplemental Awards

Applicant _____ Assistance No. _____

Type of Applicant ☐State ☐Local ☐Non-Profit ☐University ☐Tribe ☐Other

Type of Action ☐New ☐Continuation/Supplemental & Major Change in Scope

Type of Agreement ☐Formula ☐Discretionary (Competitive) ☐Discretionary (Non-Competitive) ☐Earmark

Applicable Regulations ☐2 CFR 200 ☐38 CFR 1.910 – 1.929 ☐38 CFR 16 ☐38 CFR 18
☐38 CFR 23 ☐38 CFR 26 ☐38 CFR 40 ☐38 CFR 42 ☐38 CFR 45
☐38 CFR 48 ☐38 CFR 49 ☐38 CFR 76 ☐48 U.S.C. 1469a (d)

Statutory Authority(s) _____ CFDA Number _____

For more information about CFDA Numbers refer to http://www.cfda.gov/

II. ELIGIBILITY AND PRE-AWARD CAPABILITIES REVIEW			
	YES	NO	REFERENCES/NOTES
1. Is the Applicant eligible to receive assistance under the statute?	☐	☐	
2. Has the Program Office been delegated the authority to issue the award? • Are there any limitations contained in the Approval? • If so, were they met? ☐Yes ☐No Is the award signed by the Secretary? If no, note approval in the references section.	☐ ☐	☐ ☐	Approval Delegation Number: Approval Official:
3. Has the Applicant been vetted through Treasury's Do Not Pay and the System for Award Management?	☐	☐	If NO, this must be done prior to awarding the entity.
4. Does the *Legal Business Name* or *Doing Business As* agree with the Legal Name on the SF-424? • N/A if verified in Do Not Pay ☐	☐	☐	Must agree before award can be made.
5. Does the EIN on the SF-424 agree with the EIN in the FMS for this recipient? • N/A for INITIAL AWARDS ☐	☐	☐	If NO, must be verified with the recipient and corrected or a new vendor created, if necessary.
6. Is the Applicant an eligible Non-Profit organization? 6a. If the Non-Profit organization is a 501(c)(4), have they certified they do not lobby?	☐ ☐	☐ ☐	If NO, this application may not be funded because award of assistance is prohibited to organizations which lobby or utilize Federal funds to lobby.
7. Was the applicant 501(c) status verified? ☐IRS Letter, Articles of Incorporation or State incorporation document attached? ☐IRS Website: http://www.irs.gov/charities	☐	☐	
8. Does the applicant have any overdue close-out actions within your program office? (a grant cannot be closed if there is currently an open audit)	☐	☐	If YES, review the overdue close-out actions to determine the appropriate course of action prior to award.

1 of 5

Note: Continuation of Administrative Review of Grantees template, page 2 of 5.

III. ADMINISTRATIVE REVIEW			
	YES	NO	REFERENCES/NOTES
9. Is the application for Federal Assistance (SF-424) and Assurances SF-424B (Non-Construction) or SF424D (Construction) signed by the Authorized Certifying Official?	☐	☐	If NO, contact the applicant and obtain additional information.
10. Have all of the required forms been signed and submitted with the application?	☐	☐	Please reference policy and program office procedures for all required forms.
11. Is the application subject to the Intergovernmental Review (EO 12372)? Please refer to SF-424 for the answer to this, as it is a requirement on the application.	☐	☐	
12. Has the applicant indicated it is delinquent on any Federal debt? (listed on the SF-424 and verified in SAM and Do Not Pay)	☐	☐	If YES, contact the applicant to obtain additional information, and reference VA financial policy regarding corrective action.
13. Is the applicant requesting pre-award costs? (i.e. the proposed project period starts prior to award date) If YES, are the pre-award costs allowable? • Must be included in the application • Must be allowable by authorizing regulations, statute, and/or policy	☐ ☐	☐ ☐	
14. Does the grant program have additional funding restrictions that have to be satisfied prior to award?	☐	☐	Programs include (but are not limited to): ☐ Matching Funds
IV. FINANCIAL REVIEW			
	YES	NO	REFERENCES/NOTES
15. Is the budget mathematically correct?	☐	☐	If NO, corrections must be made before grant may be awarded.
16. Has the applicant submitted a sufficient budget narrative matching the object class categories contained in the budget on the SF-424A (Non-Construction) or SF-424C (Construction)?	☐	☐	If NO, contact the applicant and request supporting detail.
17. Are there Statutory/Regulatory/Programmatic Cost Share requirements for this award?	☐	☐	
18. Is the applicant's match provided by another Federal agency? ☐ N/A – Prohibited except for Community Development Block Grants & General Revenue Sharing funds.	☐	☐	
19. Have ALL costs been reviewed and do they conform to the applicable Cost Principles and GPS, and are they: Allowable, Allocable, Necessary and Reasonable for proper and efficient administration of the project/program?	☐	☐	

2 of 5

Note: Continuation of Administrative Review of Grantees template, page 3 of 5.

V. APPLICATION REVIEW			
	YES	NO	REFERENCES/NOTES
20. Are the activities contained in the application consistent with the authorizing statute?	☐	☐	Activities must be classified under the authorizing statute.
21. Does the application involve activities, including travel, which will be performed outside the United States, tribal lands, or U.S. territories?	☐	☐	
22. Will program income be generated during this project?	☐	☐	
23. Does the project involve HUMAN subjects?	☐	☐	
24. Do the application activities involve conducting conferences or workshops?	☐	☐	
25. Does the application specify target dates and milestones for project completion?	☐	☐	If NO, request from applicant.
VI. FUNDING RECOMMENDATION REVIEW			
	YES	NO	REFERENCES/NOTES
26. Has the Funding Recommendation (FR) been signed by the appropriate approving official within the program office?	☐	☐	
27. Is the decision for Grant vs. Acquisition documented?	☐	☐	
28. Has the awarding document addressed conferences/workshops?	☐	☐	
29. Is there documentation regarding how the activities to be funded fit with the Statutory Authority?	☐	☐	
30. If applicable, has the program office addressed a Quality Control Plan?	☐	☐	☐N/A for this application
31. Is this a Non-Profit applicant?	☐	☐	
32. If applicable, has the program office addressed HUMAN subject testing?	☐	☐	☐N/A for this application
33. Has the program office documented the Competitive/Non-competitive decision? (e.g., SFVF Continuation Award)	☐	☐	
34. Has the program office documented all costs are necessary and reasonable for program/project?	☐	☐	
35. If applicable, has the program office addressed the Pre-Award costs?	☐	☐	☐N/A for this application
36. If applicable, has the program office documented compliance with Matching and/or Cost Share requirements?	☐	☐	☐N/A for this application
37. If applicable, has the program office documented the use of Program Income that will be generated under the agreement?	☐	☐	☐N/A for this application
38. If applicable, has the program office provided disposition instructions for equipment to be acquired under the agreement?	☐	☐	☐N/A for this application
39. Has the program office included Programmatic Terms and Conditions?	☐	☐	

3 of 5

Note: Continuation of Administrative Review of Grantees template, page 4 of 5.

VII. WRITTEN POLICIES AND PROCEDURES			
	YES	NO	REFERENCES/NOTES
40. Requirements of Payment	☐	☐	2 CFR Part 200.305
41. Cost Principles	☐	☐	2 CFR Part 200 – Subpart E
42. Standards of Conduct Covering Personal and Organizational Conflicts of Interest	☐	☐	2 CFR Part 200.318(c)
43. Procurement Transactions	☐	☐	2 CFR Part 200.319
44. Technical Evaluations of Proposals	☐	☐	2 CFR Part 200.320
45. Compensation – Personal Services	☐	☐	2 CFR Part 200.430
46. Procurement System Self-Certification (optional)	☐	☐	2 CFR Part 200.324
47. Compensation – Fringe Benefits (optional)	☐	☐	2 CFR Part 200.431
48. Relocation Cost of Employees (optional)	☐	☐	2 CFR Part 200.464
49. Travel Costs (optional)	☐	☐	2 CFR Part 200.474

VIII. TERMS AND CONDITIONS OF AWARD

Required:

- ☐ Assurances
- ☐ Termination
- ☐ Single Audit
- ☐ Cost Principles
- ☐ SAM Registration
- ☐ Sub-Award Reporting
- ☐ Administrative Requirements
- ☐ Financial System
- ☐ Period of Availability of Funds
- ☐ Publication for Professional Audiences
- ☐ Seal/Logo
- ☐ Post-award Requirements for Closeout
- ☐ Progress Reporting
- ☐ Financial Reporting
- ☐ Retention and Access Requirements for Records
- ☐ Timely and Unrestricted Access
- ☐ Access to Sub-recipients
- ☐ OIG Hotline
- ☐ Federal Debt Status
- ☐ Nondiscrimination Policies
- ☐ Environmental and Preservation Policies
- ☐ Debarment and Suspension
- ☐ Drug Free Workplace
- ☐ Lobbying
- ☐ Site Visits
- ☐ Trafficking in Persons
- ☐ Prompt Payment Act
- ☐ Payments

Optional:

- ☐ Texting while Driving
- ☐ Program Income
- ☐ Budget Adjustments
- ☐ First class airfare- Federal travel regulation
- ☐ Executive compensation
- ☐ Management fees
- ☐ Closeout cost
- ☐ Non-compliance
- ☐ Seat belts
- ☐ Pre-award cost
- ☐ Refreshments
- ☐ Engineering cost
- ☐ Construction cost
- ☐ VA obligation
- ☐ Equipment title

APPROVAL

The application for Federal Assistance and funding recommendation has been reviewed for administrative compliance with statutory, regulatory, policy and delegated authorities. Signature below indicates, in the reviewer's opinion, the application complies with the administrative requirements for award of assistance.

_____	_____
Grant Specialist	Date

INTERNAL CONTROL REVIEW (Optional)

A Quality Control Review was made of this administrative review to ensure it complies with the statutory, regulatory delegated and policy requirements for award. Signature below indicates the reviewer supports the funding decision for this Application for Federal Assistance.

_____	_____
Reviewer	Date

4 of 5

Note: Continuation of Administrative Review of Grantees template, page 5 of 5.

ADDITIONAL INFORMATION – AS NEEDED			
OTHER REQUIREMENTS			
	YES	NO	REFERENCES/NOTES
1.	☐	☐	
2.	☐	☐	
3.	☐	☐	
4.	☐	☐	
5.	☐	☐	
6.	☐	☐	
7.	☐	☐	
8.	☐	☐	
9.	☐	☐	
10.	☐	☐	

FOLLOW-UP ACTIONS

Issue(s): Date Resolved:

GENERAL NOTES

5 of 5

APPENDIX F: ADMINISTRATIVE REVIEW QUESTIONNAIRE FOR GRANTEES

Note: The document below is an optional template for use by GPOs. Contact your Program Office or the GRB for the template file.

Internal GRB Link:
http://vaww.vaco.portal.va.gov/sites/MgmtFin/OFP/GRB/Shared%20Documents/VA%20Grant%20Program%20Templates

U.S. Department of Veterans Affairs

Effective Date: 06/2014

ADMINISTRATIVE AND FINANCIAL REVIEW QUESTIONNAIRE FOR GRANTEES
VA Assistance Agreement Reviews

Introduction

Thank you for assisting VA by completing this questionnaire, which is crucial to VA's review of your organization. The questionnaire asks about your organization's administrative and financial policies, procedures, accounting and management of VA assistance agreements. A representative of VA or its contractor should be in contact in the near future to schedule an onsite portion of the review at your office, if necessary. Please have the policies, procedures, financial records, recent audits and other pertinent documents available to conduct the review at the agreed upon time.

This questionnaire requires "Yes" or "No" responses. Please check the appropriate box for each question. In some cases, a written response is required, please type or write your responses in the question box. You may also use the space included on the last page, include or attach additional sheets if necessary to provide a full response.

Recipient Name and Address:	

Responding Individual(s):			
Name	Title	Phone Number	E-mail

Signature of Responsible Official	Date

The Code of Federal Regulations (Title 38) and OMB Cost Principles require organizations receiving Federal assistance agreements to have written policies and procedures. Below are links to the regulations and OMB Cost Principles and apply to each type of recipient. Links are also provided in the heading for each section below.

Recipient Type	VA Regulations	OMB Cost Principles
States, Local Governments, and Indian Tribes	38 CFR Part 49.416-417	2 CFR Part 200.416-417
Educational Institutions	38 CFR Part 49.418-419	2 CFR Part 200.418-419
Non-Profit Organizations	38 CFR Part 49	2 CFR Part 200, Subpart E

I. Accounting and Financial Management		
(2 CFR Part 200.300-309 and 2 CFR Part 200.327) (FFATA reporting – 2 CFR Part 170)		
1. Who in your organization is responsible for reviewing, approving and signing VA assistance agreement applications, awards and amendments?		
2. Who in your organization is responsible for monitoring, administering and overseeing assistance agreements once received from VA? Please list names and titles.		
3. Does your organization have a written accounting manual or written policies and procedures for managing finances?	☐ Yes ☐ No	
4. Does your organization's accounting and financial management system(s) follow Generally Accepted Accounting Principles (GAAP)?	☐ Yes ☐ No	
5. Does your organization's financial management system track revenues and expenditures and provide financial results separately for each Federal assistance agreement project or program?	☐ Yes ☐ No	

1 of 5

Note: Continuation of Administrative and Financial Review Questionnaire for Grantees, page 2 of 5.

6. Does your financial management system identify the source and application of funds with records that show obligations, unobligated balances, assets, outlays, income and interest?	☐ Yes ☐ No	
7. Does your financial management system report and allow a comparison of outlays to budgeted amounts for each assistance agreement award?	☐ Yes ☐ No	
8. Does your organization maintain source documentation to support entries into your financial or accounting system?	☐ Yes ☐ No	
9. Does your organization have written procedures for drawing funds and issuing payments including ALL of the items below? If no, please select all written procedures that your organization does have: ☐ Who is authorized to request payment from the Federal government and VA? ☐ What procedures are used to verify that the requests and payments are accurate? ☐ What support documents are required for the draw of funds or for making payments? ☐ When drawdown of funds will occur? ☐ Minimizing the time elapsed between receiving federal funds and disbursing them?	☐ Yes ☐ No	
10. Does your organization have written procedures to ensure that costs charged to VA grants are reasonable, allocable, allowable, and that financial reports are issued as required?	☐ Yes ☐ No	
11. Does your organization have procedures for receiving and depositing advanced payments or other VA funds into an interest bearing account and for minimizing the time elapsing between receiving the advanced funds and disbursing them (usually within 5 business days) for the intended expenditures?	☐ Yes ☐ No	
12. Does your organization have requirements for adequate separation of duties or internal controls so that funds are safeguarded and used only for allowable costs?	☐ Yes ☐ No	
13. Does your organization monitor and provide project, program, and financial performance reports to VA?	☐ Yes ☐ No	
14. Does your organization have procedures for preparing and submitting Interim/Final Financial Status Reports (SF-425) as required at least annually by VA?	☐ Yes ☐ No	
15. Does your organization have a policy for retaining financial and supporting records for a minimum of 3 years after the award is closed?	☐ Yes ☐ No	
16. Did your organization expend more than $750,000 of Federal funds in the most recent fiscal year? **If No, skip to question 18.**	☐ Yes ☐ No	
17. Did your organization obtain an audit in accordance with 2 C.F.R. Part 200, Subpart F – Audit Requirements?	☐ Yes ☐ No	
18. Does your organization currently receive Federal funds for indirect costs under its active VA assistance agreements? **If No, skip to question 21.**	☐ Yes ☐ No	
19. What is your current approved indirect cost rate, time period covered by the agreement, and which Federal agency is your cognizant agency for approving the rate?		
20. Does your organization have a procedure to record, track, evaluate, and update your indirect cost rates for approval by your cognizant agency?	☐ Yes ☐ No	
21. Does your organization have procedures for registering and updating information (including executive compensation and Data Universal Number) in the Central Contractor Registration system (CCR) on an annual basis? (https://www.bpn.gov/ccr) (DUNS - http://www.dnb.com/us/)	☐ Yes ☐ No	
22. Does your organization have procedures for reporting and updating information for sub recipients (including executive compensation) receiving $25,000 or more in assistance in the Federal Funding Accountability & Transparency Act Subaward Reporting System (FSRS)? (www.fsrs.gov)	☐ Yes ☐ No	

II. Payroll (2 CFR 200 Appendix III Section B or 2 CFR 200 Appendix IV Section B)		
23. Does your organization have written payroll policies and procedures including policies for fringe benefits paid to personnel?	☐ Yes ☐ No	
24. Does your organization require all employees to fill out timesheets at least monthly that coincide with one or more pay periods?	☐ Yes ☐ No	
25. Are timesheets required to be signed by the employee, supervisor, or both?	☐ Employee ☐ Supervisor ☐ Both	

2 of 5

Note: Continuation of Administrative and Financial Review Questionnaire for Grantees, page 3 of 5.

26. Does your organization's timesheets require employees to record actual hours worked on each project, whether federally funded or not?	☐ Yes ☐ No	
27. Are actual hours worked away from the office (travel, teleworking, or other special circumstances) identified on timesheets?	☐ Yes ☐ No	
28. Does your organization apply salaries, wages, and benefits consistently to both federally and non-federally funded projects for the same labor categories?	☐ Yes ☐ No	

III. Travel		
(2 CFR Part 200.474)		
29. Does your organization have written travel policies and procedures requiring travel authorizations and approvals prior to travel and vouchers to support actual costs after the trip?	☐ Yes ☐ No	
30. Does your organization have written travel policies and procedures requiring separate levels of review prior to authorizing advances and payments?	☐ Yes ☐ No	
31. Does your organization have written travel policies and procedures ensuring that the travel costs claimed and billed are associated with the specific federally funded project?	☐ Yes ☐ No	
32. Does your organization have written travel policies and procedures ensuring that travel costs are allowable, allocable, and reasonable?	☐ Yes ☐ No	

IV. Equipment		
Equipment is defined as tangible, non-expendable personal property, with a useful life greater than one year and a per-unit cost greater than $5,000. Your organization may define equipment differently, as long as the dollar threshold is not greater than the Federal guideline. (2 CFR Part 200.33, 200.48, 200.89, 200.313, and 200.439)		
33. Does your organization have written procedures concerning property management and inventory control for items purchased with Federal funds? **If your organization does not have equipment, skip to Section V.**	☐ Yes ☐ No	
34. Does your organization take a physical inventory of equipment and compare records at least once every two years? When was the last inventory?	☐ Yes ☐ No	
35. Does your organization keep ALL of the following records for all equipment? If no, please select all records that your organization does maintain: ☐ Description of the equipment. ☐ Serial number, model number, or other identification number. ☐ Source of the equipment, including award number. ☐ Title holder of the equipment. ☐ Acquisition date or date received. ☐ Cost of the equipment. ☐ Percentage of Federal participation in the cost of the equipment. ☐ Location, use, and condition of the equipment. ☐ Disposition data including the date of disposal and sale price of the equipment. ☐ Identification that the equipment is Federal property (if applicable).	☐ Yes ☐ No	

V. Procurement		
Procurement is the process for obtaining supplies, expendable property, equipment, real property, and services, including contracting, consultant agreements, sub-awards or sub-grants, or any other types of agreements that transfer Federal funds outside of your organization. (2 CFR Part 200.317-326) (FFATA reporting – 2 CFR Part 170)		
36. Does your organization have written procurement policies and procedures that have written standards of conduct that address potential conflict of interests and has disciplinary actions for any individuals engaged in conducting and administering contracts or sub awards?	☐ Yes ☐ No	
37. Does your organization have written procurement policies and procedures that have discussion of cost thresholds (small purchases vs. major procurements) and the procurement authorizations and approvals required?	☐ Yes ☐ No	
38. Does your organization have written procurement policies and procedures that have a written requirement to review to avoid unnecessary purchases and to limit purchases to necessary quantities?	☐ Yes ☐ No	
39. Does your organization have written procurement policies and procedures that have a written requirement to review lease vs. purchase alternatives (when appropriate)?	☐ Yes ☐ No	
40. Does your organization have written procurement policies and procedures that have a requirement to perform and document a cost or price analyses for all procurements?	☐ Yes ☐ No	
41. Does your organization have written procurement policies and procedures that have a requirement that procurement transactions maximize open and free competition?	☐ Yes ☐ No	

3 of 5

Note: Continuation of Administrative and Financial Review Questionnaire for Grantees, page 4 of 5.

42. Does your organization have written procurement policies and procedures that have provisions for conducting solicitations having: a clear scope of work, requirements and features prospective bidders must meet, a preference to conserving natural resources and the environment, and positive efforts to use small, disadvantaged and minority owned firms when possible?	☐ Yes ☐ No	
43. Does your organization have written procurement policies and procedures that have requirements to document; reasoning for the type of procurement being used, the basis for contractor selection, a justification for lack of competition or sole-source procurement, and the basis for award cost and price?	☐ Yes ☐ No	
44. Does your organization have written procurement policies and procedures that have provisions that ensure that goods and services are received, approved, and acceptable before payments are made?	☐ Yes ☐ No	
45. Does your organization have written procurement policies and procedures that have provisions that no contract or sub-award will be entered into with parties that are debarred, suspended, or excluded from Federal assistance programs?	☐ Yes ☐ No	
46. Does your organization have written procurement policies and procedures that have provisions in the contract or agreement for termination and Federal access to contract records?	☐ Yes ☐ No	
47. Does your organization have written procurement policies and procedures that have guidelines for documenting contract files?	☐ Yes ☐ No	
48. Has your organization awarded contracts or sub-agreements under any of your current VA assistance agreements? **If No, skip to Section VI.**	☐ Yes ☐ No	
49. Does your organization have written agreements with contractor's or sub recipients?	☐ Yes ☐ No	
50. Did your organization check the Excluded Party List System (http://epls.gov) to ensure the successful recipient is not suspended or debarred from Federal contracting or receiving Federal funds?	☐ Yes ☐ No	
51. Were any of these contracts or agreements more than the Federal Small Purchase threshold of $100,000, or were not competed, or only one bid was received? **If No, skip to question 53.**	☐ Yes ☐ No	
52. Was VA review and approval required for the contract or agreement prior to your awarding it or did VA provide written comments on the award?	☐ Yes ☐ No	
53. Has your organization awarded contracts to consultants under any of your current VA assistance agreements? **If No, skip to question 56.**	☐ Yes ☐ No	
54. Does your organization have controls to ensure that charges to VA agreements do not exceed VA's allowed direct hourly rate for consultants?	☐ Yes ☐ No	
55. Do your consulting agreements specify the services to be provided, duration and pay rates that include base rate, fringe benefits, and overhead?	☐ Yes ☐ No	
56. Does your organization have any agreements, sub-agreements or loans that involve federally funded construction, alteration or repair contracts over $2,000 that require compliance with the Davis-Bacon Act? **If No, skip to question 60.**	☐ Yes ☐ No	
57. Did the contract or agreement contain the required clauses for complying with Davis-Bacon Act (DBA) wage rates, reporting requirements and include a wage rate determination from the Department of Labor at http://www.wdol.gov/ ?	☐ Yes ☐ No	
58. Did your organization, sub-recipients or borrowers receive and review certified weekly payroll records per Department of Labor form WH-347 for DBA projects?	☐ Yes ☐ No	
59. Did your organization conduct labor interviews per DOL form SF-1445 (or equivalent) and/or require sub-recipients to do so for DBA projects?	☐ Yes ☐ No	

VI. Recipient Match

A matching or cost sharing requirement may be satisfied by: (1) Allowable costs incurred by the grantee, sub-grantee or a cost-type contractor under the assistance agreement. This includes costs borne by non-Federal assistance agreements or by other cash donations from non-Federal third parties. (2) The value of third party in-kind contributions applicable during the period of the cost sharing or matching requirement. (2 CFR Part 200.306)

60. Do any of your organization's active VA assistance agreements include Matching, Cost Sharing and/or In-Kind costs? **If No, skip to Section VIII.**	☐ Yes ☐ No	

4 of 5

Note: Continuation of Administrative and Financial Review Questionnaire for Grantees, page 5 of 5.

61. How did your organization fulfill the matching requirement?		
62. Does your organization have procedures for identifying, valuing, documenting and reporting cost sharing, matching and in-kind contributions for VA projects?	☐ Yes ☐ No	
63. Are any of these costs covered by funding from other Federal sources?	☐ Yes ☐ No	
64. Are these costs identified in the approved project budgets for these VA agreements?	☐ Yes ☐ No	

VII. Program Income		
Program income is directly generated by an assistance agreement supported activity, or earned only as a result of the agreement during the assistance agreement period. (2 CFR Part 200.307)		
65. Is program income being derived from and included in any of the VA assistance agreements under review? **If yes, please complete the rest of this section.**	☐ Yes ☐ No	
66. How is the program income being generated and reported, and how does your organization account for the program income in financial records?		
67. Has the disposition of the program income been addressed by term and condition in the assistance agreement?	☐ Yes ☐ No	
68. How is the program income applied to the grant?	☐ Deducted from total project costs. ☐ Expanding the scope of work. ☐ Applying towards match/cost share requirement.	
69. If there is no term and condition, is the program income being deducted from the total allowable project cost and is this shown on financial reports to VA?	☐ Yes ☐ No	

VIII. Other Matters
Please use the space below to further explain other matters for which there was not enough room within the questionnaire.

5 of 5

APPENDIX G: RISK ASSESSMENT

I. INTRODUCTION

The Grants Management Service (GMS) at the Department of Veterans Affairs (VA) is responsible for assisting in the administration of grants provided by the [Program Office Name] (hereafter referred to as "Program Office"). This document introduces a risk-based approach to grant oversight including a five-tiered risk ranking system (very low, low, medium, high, very high) for grantees consistent with the Office of Enterprise Risk Management (OERM) framework, as well as the Risk Assessment Toolkit which determines this ranking.

II. BACKGROUND

Management has a fundamental responsibility to develop and maintain effective internal controls. When implemented properly, these controls will help ensure that Federal programs operate effectively and Federal resources are used efficiently to achieve the desired objectives. In addition, programs must operate and resources must be used consistent with agency missions, in compliance with laws and regulations, and with minimal potential for waste, fraud, and mismanagement.

Thus, for grants administration, internal control should be an integral part of the entire cycle of planning, budgeting, management, accounting, and auditing. It should support the effectiveness and the integrity of every step of the process and provide continual feedback to management. This Risk Assessment Plan, along with the Risk Assessment Toolkit, reinforces and strengthens the controls already in place for grants administration.

III. DEFINITION OF THE VA RISK MODEL

The graphic below outlines the VA risk management process by which program offices can identify, prioritize, respond to, and monitor risks associated with grantees.

Each of these stages is explained in more detail in the following sections.

IV. IDENTIFY & ASSESS RISKS

The identification and assessment of potential risks for each grantee is completed through the use of a Risk Assessment Toolkit. This toolkit consists of nine sections, each with its own specific criteria. Each section includes a list of questions related to

the grantee's ability to manage grant funding. The nine sections include the following elements:

- General Assessment
- Legal Assessment
- Monitoring/Audit Assessment
- Financial System Assessment
- Overall Fiscal Assessment
- Internal Control
- Accounting
- Cash Management
- Programmatic Assessment

The **Risk Assessment Toolkit** (separate document) will enable program offices to assess individual grantee's level of risk. To complete the toolkit, program offices may use the grantee responses to the Administrative and Financial Onsite Review Questionnaire, following up with individual grantees when responses are not sufficient to address the toolkit questions. In addition, program offices may use personal knowledge, experience, and professional judgment to complete the assessment.

V. PRIORITIZE RISKS

The program office will use the results received from the Risk Assessment Toolkit to assign one of the three risk levels to a grantee as defined below. These risk levels will be used to determine what level of additional oversight is necessary for a grantee, with respect to the grant management responsibilities.

Risk Level Definitions. Based on the results of the Risk Assessment Tool completed by the program office, grantees will receive one of three risk rating levels.

> Very Low/Low Risk: The Very Low and Low Risk ratings are the baseline level for VA grantees. A grantee within these classifications is assumed to pose a minimal risk for grant management and oversight issues. The VeryLow/Low Risk ratings will be assigned to all grantees that receive a risk assessment calculation of 35 percent or below from the risk assessment tool.
>
> Medium Risk: A grantee within this classification may pose an increased risk for grant management and oversight issues. The Medium Risk rating will be assigned to all grantees that receive a risk assessment calculation of 36 – 65 percent from the risk assessment tool.
>
> High/Very High Risk: A grantee within this classification may pose a high risk for grant management and oversight issues, and should be carefully monitored. The High/Very High Risk ratings will be assigned to all grantees that receive a risk assessment calculation of 66 percent and higher from the risk assessment tool.

VI. RESPOND TO RISKS

Once the risk rating has been assigned, program offices will need to take specific actions to address the related risk based upon each grantee's rating.

VeryLow/Low Risk: Basic level of grant oversight and monitoring.

Medium Risk: Additional targeted grant oversight related to the specific factor(s) that triggered the increase in risk rating. Program office personnel will review the risk assessment toolkit, and identify which risk factor(s) or combination of risk factors caused the increase.

High/Very High Risk: These grantees require significant attention of the program office. In addition to the moderate risk requirements, the program office, in coordination with the Grants Management Services, would facilitate development of a Risk Reduction Corrective Action Plan. The plan should address the following three elements:

1. Program Deficiencies Outlined
2. Corrective Actions Planned
3. Correction Dates mutually agreed to by grantee and program office

A grantee's risk rating may be reassessed once this reduction plan has been completed, and significant progress has been made to accomplish planned actions.

VII. MONITOR & REPORT

Based upon the risk ratings and responses outlined above, the Program Office has the primary responsibility to ensure that oversight activities related to a specific grantee are carried out, and that the necessary monitoring activities have occurred. In order to effectively monitor the risks of each grantee within a program office, program offices may prepare a report detailing the following information for each grantee:

1. Grantee
2. Date of last risk assessment
3. Current risk rating
4. Progress of monitoring activities or corrective actions, as necessary

VIII. TIMELINE OF RISK MODEL

Initial Risk Assessments

Initial risk assessments will be completed within three fiscal years, based on the three-year rotational basis prescribed in the Improper Payments Elimination and Recovery Act

(IPERA). In order to accomplish the timeline prescribed by IPERA, the Program Office may use the following as targets for completion:

- Complete one-third of the existing grantee assessments each year over the three year implementation period.
- Any first time grant recipients shall receive an assessment before receiving a VA grant, see 2 CFR Part 200.205.
- Completion of initial assessments should be prioritized based on existing risk levels, volume of funding managed by the grantee, and grantee size.

On-going Risk Assessments

After the grantee has received an initial assessment, the grantee will receive an assessment every third year, provided it continues to receive grant funding.

Interim Assessments

Occasionally, program offices may determine that an interim risk assessment is necessary. Situations leading to an interim assessment may include, but are not limited to, the following:

- Grantees receiving a moderate or high rating have demonstrated that they have satisfied the issues that led to the increased risk rating.
- Targeted oversight or routine monitoring suggests that reassessment may be necessary.

IX. RISK ASSESSMENT TOOLKIT

Note: The document below is an optional template for use by Grant Program Offices. Contact your Program Office or the GRB for the template file.

Internal GRB Link:
http://vaww.vaco.portal.va.gov/sites/MgmtFin/OFP/GRB/Shared%20Documents/VA%20Grant%20Program%20Templates

VA Grants Management Services
Risk Assessment - Summary

The purpose of this **Risk Assessment Toolkit** is to determine a grantee's risk rating so that the program office can establish the appropriate level of monitoring and oversight. In order to determine the risk rating, the targeted questions on the ***Risk Assessment*** worksheet (second tab) will need to be answered using the dropdown box option in the "Response" column. If the response for a grantee is an indicator of risk, the answer in the response cell will change to red. Each response indicative of higher risk will result in a count on the ***Summary Results*** worksheet (third tab) in the "Count of Responses Indicating Risk" column. Once all of the questions have been answered, the count of responses, risk rating calculation, and entity risk rating will be automatically updated in the ***Summary Results*** worksheet. Risk ratings are assigned based upon the thresholds outlined in the Risk Assessment Plan. The meaning of individual levels of risk are explained in the table below.

Levels of Risk
Very Low/Low: The Very Low and Low Risk ratings are the baseline level for VA grantees. A grantee within these classifications is assumed to pose a minimal risk for grant management and oversight issues. The Very Low and Low Risk ratings will be assigned to all grantees that receive a risk assessment calculation of 35% or below from the risk assessment tool.
Medium: A grantee within this classification may pose an increased risk for grant management and oversight issues. The Medium Risk rating will be assigned to all grantees that receive a risk assessment calculation of 36 - 65% from the risk assessment tool.
High/Very High: A grantee within these classifications may pose a high risk for grant management and oversight issues, and should be carefully monitored. The High or Very High Risk ratings will be assigned to all grantees that receive a risk assessment calculation of 66% and higher from the risk assessment tool.

1 of 6

Note: Continuation of Risk Assessment Toolkit, page 2 of 6.

VA Grants Management Services
Risk Assessment

Section/Question	Response (Select from Drop Down)	Notes/Comments (Responses in red must include explanation)
I General Assessment		
1 Is the entity new to operating or managing federal funds (has not done so within the past five years)?		
2 Is this program new for the entity (managed for less three years)?		
3 Has there been high staff turnover or agency reorganization that affects this program?		
4 Are the key staff assigned to the program inexperienced with the program (worked with the program for less than two years)?		
5 Has the entity been untimely in the submission of:		
a. Applications		
b. Amendments		
c. Fiscal Reporting		
d. Draw Downs		
e. Budget Revisions		
6 Has the entity been timely in responding to program/fiscal questions?		
7 Is the program unusually complex (e.g., program, funding, matching requirements)?		
8 Have any other entities (program offices, auditors, staff employed by the entity, etc.) alerted us of potential risk areas?		
9 Does the entity have up-to-date policies and procedures?		
II Legal Assessment		
10 Does the entity have or previously had a lawsuit(s) filed against them? *If yes, list all pending and/or previous lawsuits with detailed information regarding who filed the lawsuit, the reason for filing and the final judgment rendered.*		
11 Is entity currently suspended or debarred? *If yes, you may not proceed with the Risk Assessment.*		
12 Has the entity previously been suspended or debarred?		
13 Have any organization staff been jailed, convicted of a felony, or are currently under indictment?		
14 Are you aware of any open investigations involving the entity (e.g., OIG, GAO, FBI)?		
III Monitoring/Audit Assessment		
15 Have more than three funding cycles passed since the entity last had an on-site monitoring visit?		
16 Were there findings/violations in the prior visit? *If yes, What were the number and extent of findings/violations in prior visit (more violations/more severe=higher risk)?*		
17 Was the entity required to obtain an audit under 2 CFR Part 200, Subpart F for its most recently completed fiscal year?		
18 Has it been more than one year since the recipient received a single audit? *(no single audit=higher risk)*		

2 of 6

Note: Continuation of Risk Assessment Toolkit, page 3 of 6.

VA Grants Management Services
Risk Assessment

Section/Question	Response (Select from Drop Down)	Notes/Comments (Responses in red must include explanation)
19 Has the entity assigned an individual or office the responsibility for resolving audit findings and questioned costs?		
20 Did the auditors report any findings in subgrants awarded by the organization?		
21 Did the entity submit a timely response to the audit, including a plan for correcting any conditions reported in sustained findings?		
22 Did the auditors report any questioned costs?		
IV Financial System Assessment		
23 Does the entity have a financial management system in place to track and record the program expenditures? *(Example: QuickBooks, Visual Bookkeeper, Socrates Media, Peachtree or a Custom Proprietary System)(If yes, please document which system in the notes/comments column)*		
24 Does the accounting system identify the receipts and expenditures of program funds separately for each award?		
25 Does the accounting system record expenditures for each award by the budget cost categories from the approved SF-424A or SF-424C?		
26 Does the entity have a time and accounting system to track federally funded personnel and expenditures billed to this program?		
27 Are time distribution records (time studies) maintained for all employees when his/her effort cannot be specifically identified to a particular program cost objective?		
28 Does the entity have an indirect cost rate that is approved and current?		
V Overall Fiscal Assessment		
29 Is this grant large in terms of percentage of overall funding for the entity? *(greater than 25% of the grantee's funding)*		
30 Is there an unusual level of discretion in monetary decisions?		
31 Has the entity frequently been untimely in the drawn down of funds?		
32 Are there variations between expenditures and the budget? *(large variations=higher risk)*		
33 Has the entity returned (lapsed) significant unspent funds?		
34 Does the entity have a large amount of budget carryover?		
35 Are the entity's fiscal statistics outside of tolerance or trends *(e.g., much more expenditures on supplies than average)* ?		
VI Internal Control		
36 Is there a segregation of responsibilities to provide an adequate system of checks and balances?		
37 Are specific officials designated to approve payrolls and other major transactions?		
38 Do the procedures for cash receipts and disbursements include the following safeguards?		
a. Receipts are promptly logged in, restrictively endorsed, and deposited in an insured bank account.		

3 of 6

Note: Continuation of Risk Assessment Toolkit, page 4 of 6.

VA Grants Management Services
Risk Assessment

Section/Question	Response (Select from Drop Down)	Notes/Comments (Responses in red must include explanation)
b. Bank statements are promptly reconciled to the accounting records, and are reconciled by someone other than the individuals handling cash, disbursements and maintaining accounting records.		
c. All disbursements (except petty cash or EFT disbursements) are made by pre-numbered checks.		
d. Supporting documents (e.g., purchase orders, Invoices, etc.) accompany checks submitted for signature and are marked "paid" or otherwise prominently noted after payments are made.		
e. Checks drawn to "cash" and advance signing of checks are prohibited.		
f. Are multiple signatures required on checks?		
39 Are employees and other individuals in positions of trust covered by adequate fidelity bonds?		
40 Are individuals in a position of trust required to take vacations and their duties performed by others while on vacation?		
41 Are proposals for Federal awards coordinated with and approved by the organization's business management officials prior to submission to sponsoring agencies?		
VII Accounting		
42 Does the organization have written accounting policies and procedures to ensure uniform practice in the following areas (please respond to each sub-bullet individually)? *If so, are the policies/procedures mandated by the cognizant agency, Federal or State?*		
a. Procurement		
b. Contract Administration		
c. Payroll		
d. Timekeeping		
e. Inventory		
f. Vendor Payments		
g. Federal Draws		
h. Grants Budgeting and Accounting		
i. Cash Management		
j. Supplanting		
k. Maintenance of Effort		
l. Allowable Costs		
m. Indirect Costs		
n. Audit Resolution		
o. Records Retention		
43 Are all appropriate accounting staff trained on, and have access to, current federal policies, procedures, and instructions on accounting for and expending Federal funds?		
44 Are sources of Federal/non-Federal funds identified and tracked in the accounting system?		

4 of 6

Note: Continuation of Risk Assessment Toolkit, page 5 of 6.

VA Grants Management Services
Risk Assessment

Section/Question	Response (Select from Drop Down)	Notes/Comments (Responses in red must include explanation)
45 Does the entity use a Chart of Accounts and Accounting Manual with sufficient detail to meet federal reporting requirements?		
46 Does the entity's accounting manual describe the criteria for an expenditure?		
47 Are accounting records supported by source documentation *(e.g., canceled checks, paid bills, payrolls, contract and subgrant award documents, etc.)*		
48 Are purchasing and payment functions separate?		
49 Are requests for payment based on information documented in the grantee's financial system?		
50 Does the system provide for prompt and timely recording and reporting of all financial transactions?		
51 Are there controls to preclude the following:		
a. Signing contracts or spending in excess of allowable levels		
b. Under- or Overstatement of outstanding contracts		
c. Duplicate payments		
d. Inappropriate charges to grants		
52 Are all reports prepared on the same basis as the accounting system (cash, accrual, modified accrual)?		
53 Did the organization comply with the requirement to liquidate outstanding funds within 90 days of the end of the grant period, in the time frame stated in the award or as proscribed in a program regulation?		
VIII Cash Management		
54 Does the entity receive advances or receive cash or checks (program income) for this grant? *(If the answer is NO, the rest of this section is NOT APPLICABLE and need not be completed.)*		
55 Does the organization have policies and procedures to ensure that the time elapsing between the transfer of funds and the disbursement of those funds is minimized?		
56 Are bank statements received directly, unopened by the person who prepares the bank reconciliation?		
57 Are paid checks examined for date, name cancellation and endorsements at the time the reconciliation is prepared?		
IX Programmatic Assessment		
58 Does the entity have realistic and quantifiable performance measures?		
59 Did the entity meet its performance goals and objectives?		
60 Did the entity meet reporting deadlines?		
61 Are there any indications of management problems?		
62 Is the program on schedule to meet targeted deadlines?		

5 of 6

Note: Continuation of Risk Assessment Toolkit, page 6 of 6.

VA Grants Management Services
Risk Assessment - Summary

	Section	Count of Responses Indicating Risk	Total Questions in Section
I	General Assessment	0	13
II	Legal Assessment	0	4
III	Monitoring/Audit Assessment	0	8
IV	Financial System Assessment	0	6
V	Overall Fiscal Assessment	0	7
VI	Internal Control	0	11
VII	Accounting	0	29
VIII	Cash Management	0	4
IX	Programmatic Assessment	0	5
Risk Rating Calculation (Lower = Better/Lower Risk)		0%	
Entity Risk Rating		Very Low Risk	

Levels of Risk

Very Low/Low: The Very Low and Low Risk ratings are the baseline level for VA grantees. A grantee within these classifications is assumed to pose a minimal risk for grant management and oversight issues. The Very Low and Low Risk ratings will be assigned to all grantees that receive a risk assessment calculation of 35% or below from the risk assessment tool.

Medium: A grantee within this classification may pose an increased risk for grant management and oversight issues. The Medium Risk rating will be assigned to all grantees that receive a risk assessment calculation of 36 - 65% from the risk assessment tool.

High/Very High: A grantee within these classifications may pose a high risk for grant management and oversight issues, and should be carefully monitored. The High or Very High Risk ratings will be assigned to all grantees that receive a risk assessment calculation of 66% and higher from the risk assessment tool.

Explanation of Summary Table Fields

Count of Responses Indicating Risk

This count is calculated from pre-determined responses to each individual question which indicate a higher level of risk. This response may be either a "yes" or "no", based upon the question. Answers indicating higher risk which are included in this number will be highlighted in the Risk Assessment worksheet with red coloring.

Total Questions in Section

This count is the total number of possible answers which would negatatively affect a grantee's risk rating in a given section. The sum of these counts is the total amount used in the denominator of the risk rating calculation.

Risk Rating Calculation (Lower = Better/Lower Risk)

This amount is calculated by dividing the total count of responses indicating risk for a grantee by the total number of questions from the Risk Assessment. This calculation is shown as a percentage rather than a total count so that non-responses and N/A answers do not negatively affect a grantee.

Entity Risk Rating

The risk rating is automatically calculated from the grantee's risk rating, based upon the thresholds identified in the Risk Assessment Plan. These thresholds are as follows:

Very Low = 0 - 15%
Low = 16 - 35%
Medium = 36 - 65%
High = 66 - 85%
Very High = 86 - 100%

6 of 6