

Questions from April Closeout Webinar

Q&A Session for Grants Management Technical Assistance Closeout Webinar

Session number: 664961037

Date: Monday, April 16, 2012

Starting time: 1:00 PM

Q: Where does the applicant address the issue of completing conditions placed on the grant such as those required by Federal environmental laws?

A: If it is a special condition that the HQ Program Office placed, contact them for historic and environmental compliance. In the award letter there is a section called "Terms and Conditions," which addresses any Environmental Historic Preservation (EHP) special conditions placed on a particular award. Grantees are encouraged to work closely with the Grants Management Specialist (GMS) and or their Program Analyst (PA) to ensure that all clearances and approvals have been obtained.

Q: I understand that the 'Final Close out Package' is required and includes the following items. Are they to be submitted at the same time? I was copied on a separate email that informed me that "Your FFR/SF-425 submission is successfully transmitted," which leads me to think the items are submitted separately.

A: The reporting documents that are required to be included in your closeout package should be confirmed by your program officer. In general, the closeout package should include, at minimum, the final programmatic and financial report (SF-425). These reports are due no later than 90 days after the end of the period of performance. Once all programmatic and financial requirements have been met by the grantee, you should receive email confirmation from a staff member.

Q: I have several sub-recipients and a direct grantee that are private entities under PSGP FY08 and PSGP FY 09 ARRA. We have them following 2 CFR Part 215 (OMB Circular 110) for Administrative Requirements; FAR 31.2 for Cost Principles; the Government Auditing Standards (i.e., the "Yellow Book") for audits; and any Information Bulletins (IBs), the specific guidance, and special conditions of the award as applicable.

Are there any additional regulations we should be following or applying? Does the Office of Grant Operations (OGO) Financial Management Guide apply? We have been referring to it, but I thought I heard Bertram say in the Webinar today that it didn't apply after FY07.

Also, we have received word from our local FEMA office that private entities do not need to submit an A-133 Single Audit – is this true?

A: Yes, you heard Bertram Mckeithen correctly: the OGO Financial Management Guide is no longer applicable, and you should be referring to all applicable Code of Federal Regulations, OMB circulars, and GPD guidance.

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For-profit or commercial entities are not required to submit an A-133 audit. However, they are required by regulation to provide an independent audit for their organizations in lieu of an A-133.

Q: What grant year are we to start using the SF-428?

A: The applicability of the SF-428 and SF-429 is still under review at GPD. Current guidance is to check your program's Funding Opportunity Announcement for any requirement to complete and submit the SF-428 or SF-429.

Q: Is inventory depreciation considered?

A: Yes. As you track your equipment, at the end of the grant year or period of performance, you should have accounted for depreciation. There are a couple of different ways to go about it. You can talk to your accountants about which way your organization uses. At the end of the period of performance, you should account for the current market value or the depreciated value. If that depreciated value falls beneath the \$5000 threshold, then you are not required to track it beyond that point, and that will kind of change some of the disposition rules regarding that item.

Q: Where would we submit final reports?

A: Because of the multiple systems utilized for reporting across the FEMA grant portfolio, it is highly recommended that you reference the Funding Opportunity Announcement and contact your Program Analyst or Grants Management Specialist.

Q: For final closeout, is the grantee required to break down the expenses incurred by budget category?

A: That is not required. The final financial report is just the cumulative report of all of the financial activity. You do not have to mimic the budget detail worksheet that we used for clearing the budget, expenditures, cash on hand, etc. It does not have to account for personnel, equipment, or supplies in those specific budget categories.

Q: How do we close out on the Bi-Annual Strategy Implementation report (BSIR) if the BSIR only opens every six months?

A: A closeout module can be done in the Grants Reporting Tool (GRT)/BSIR at any time; the grantee does not have to wait for the reporting period to open. However, if the grantee initiates closeout after the reporting period has opened, they will still have to report on the grant(s) they are attempting to close because the module(s) have already been built in the GRT.

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Q: Is special notification required to close out grants in the BSIR module?

A: At the end of the closeout period, grantees should reach out to their program analysts and provide them with the final expenditure figures for each program. The program analysts will then work with the program staff that supports the grants reporting tools to reduce the award amounts based on the final expenditure amounts. If you need more clarification, there is a manual in the grants reporting tool module that will walk you through the closeout process for the BSIR.

Q: Will there be additional closeout requirements for the American Recovery and Reinvestment Act (ARRA)?

A: To my knowledge, no. The requirements are the same. ARRA funds were awarded to stimulate the economy. A lot of the money in these programs that we administer went into the Assistance for Firefighters Grant program for the building of new fire stations. I think there was also some funding for the Port program and a couple other programs. I forget off the top of my head, but there were additional reporting requirements for those programs. I'm not aware of any additional requirements at the time of closeout.

This can get confusing given the GRT is not "linked" to ND Grants, PARS or any other financial management system.

Q: Is there a template for final reports?

A: The final financial report must be submitted using the Federal Financial Report (FFR) via SF-425. You should contact your Program Analyst for inquiries on templates for your final programmatic report

Q: What Federal guidance document is being referenced requiring use of the SF-428 and SF-429 and why does this not exist in current 2012 grant award opportunities? What Federal depreciation rate is being used?

A: The SF-428 and SF-429 were instituted in order to provide consistency across Federal agencies in the reporting format of the tangible and real property reported. The intent is to include Federal guidance in the FY 2013 FOA for the use of the SF-428 and SF-429. Until the guidance is provided in the FOA, please refer to your Program Analyst or Grants Management Specialist for program requirements.

Q: Is a signature on the final FFR-425 required if it is submitted in PARS? This is submitted electronically.

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A: If it is submitted in PARS, that submission through the system sort of counts as your key signature, so you do not have to print it out, scan it, upload it in PARS (not that that's even possible with our system). Submitting it, clicking "final," clicking "submit," and entering your password counts as effectively signing it, if it's submitted to the system. If you wish to actually have your authorized representative sign it and maintain a copy in your grant file, I think that's a great idea and you're welcome to do that, but we do not require you to do that through the system.

A signature on the 425 should be retained in the hard copy of your grant file as evidence for monitoring and/or auditing purposes as proof the Authorized Official approved the final submission.

Q: How will the final reports be ported over to ND Grants?

A: Once ND Grants integrates with our financial system, the SF 425s can be submitted in ND Grants. Grantees must submit their financial reports the way they normally do until then.

Q: Is there anything particular to follow for the Fiduciary Agent role? Was the FA role in effect in 2007 (PSGP 2007)?

A: I do believe there was no grant awarded funds in 2007. Their role is to manage the grant program. Essentially, we award a fiduciary agent so that we can lessen the administrative burden on headquarters to find grantees that can perform the work or the intended work of the grant program. All the rules that apply to direct recipients also apply to fiduciary agents, and they pass those requirements down to the sub-recipients.

Yes, I believe that was the first year. The FA had an application type process to complete before either the Area Maritime Security Committee, the Captain of the Port, or both, and the Program Office approves them. It is not automatic. All the FA's have been chosen long before now.

For the FY 2012 grant season, the HQ Program Office is no longer allowing or approving FAs for PORT awards, meaning each applicant applies to the PORT grant program on their own behalf and not through the FA. The applicant applies for and manages its own application and grant award. There is no more FA involvement on new FY 2012 applications or awards.

Q: If the State, as a direct recipient, is allowed to use and dispose of equipment in accordance with its own State laws and procedures as stated in 44 CFR 13.32(b), is the State still required to submit the form 428 at closeout?

A: Yes. The 428 is a required form, so you are required to submit that at closeout.

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Q: Besides the retention period of the grant administration documentation, as an FA, does our obligation/responsibility to our subs end at closeout?

A: Besides retaining your records for three years, it is ending at closeout. When the period of performance ends, you contact your program analysts to begin the closeout process. As soon as all of those programmatic goals and financial goals have been met, that signals the end of your grant, as well as end of any subsequent sub-grantees or those sub-grantees' relationships. As soon as you are completely done with the award and you filed your closeout, you are completely done with the grant and sub-grantees are encompassed in that as well.

Q: How does this apply to for-profit firms?

A: In general, all of this information that we provided you is applicable to your for-profit firms. It does not matter if you're for-profit, State, hospital, or non-profit. The closeout requirements are still the same.

Q: You said that records should be retained for three years, which is what is in the CFR and in A-102. But if an organization's requirements are longer, then the organization's rules take precedence. For example, in our region, three of the four states have a five-year record retention requirement and the other state has a six-year record retention requirement. Thus their rules take precedence over the CFR requirements of three years for record retention.

A: Their internal policy would only be impacted if it was less than three years. The fact that their record retention policy is greater than the Federal policy does not alter or change the 44 CFR requirements we spoke to, and by omission I do not believe we were advising them to disregard their own internal policies.

The required period of retention is three years according to 44 CFR 13.42(b)(1). This Federal requirement has no bearing, including any superseding effect, on the grantee's state or local jurisdiction's retention requirements if they are longer. The practical matter is that the grantee has to comply with both requirements. If the local requirement is five years, then the grantee of course should be retaining their records for the entire five years, despite the Federal requirement in Section 13.42. The two applicable requirements are not in conflict. The State simply has decided to reserve a longer period for themselves to inspect or review the records.

It is important to note, however, that while the grantee is only required by FEMA to retain the records for three years, in the hypothetical five-year local requirement, FEMA would still be able to inspect the documents in years four and five under 44 CFR 13.42(e)(2). Under (e)(2), the right to access the records would not expire at the end of year three if the records are still retained by the grantee complying with the longer local requirement. If the grantee still has the records, FEMA can access them if it wants to for any purpose it is authorized to do so, even after the three years end.

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Q: The major record retention issue we run into is disaster grants and sub-recipients (called applicants in disaster grants). For example, for a disaster declared in 2006, one applicant closes out their projects in 2008, the last open applicant closes out their projects in 2011, and the State submits the final SF-425 in March 2012. When does the record retention period begin for the applicant that closed their projects in 2008? Is it 2008 or 2012?

A: The record retention start date according to 44 CFR Part 13.42 (c) to me would make it March 2012. Even though the sub closed early, the award is to the State, which has the direct responsibility to the Federal awarding agency, so the record retention period should start when the State submitted its last expenditure report. Since we do not manage disaster grants at HQ, I would have to defer to you in this scenario, but per 44 CFR I think it is clear.

The start date of the record retention period is governed by 44 CFR Part 13.42 (c). The period starts on the date that the grantee submits its final financial report, regardless of the date a sub-grantee closes its project. In the hypothetical question you referred to me, the start day of the three-year period would be March 2012 even though the sub-grantee finished their project earlier. The date that applies is the final grantee financial report. Again, in practical application, if a Grantee is aware that a sub-grantee was not retaining appropriate records for the period for which the grantee is responsible, the grantee could make arrangements with the sub to take possession of the records to preserve their three years of availability as required by 44 CFR 13.42(b)(1). In addition, the grantee would/should already have for retention their applicable records regarding the relationship and activities of the sub-grantee.
