

Managing Grants and Subgrants Under the Recovery Act

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ARRA Implementation

- Many Voices
- “A Moving Target”
- “Subject to Change”
- Recent Key Incremental Steps
 - Applications
 - Cost Allowability
 - Reporting
 - Audit

Background and Applicable Policies

- Statute (PL 111-5, The American Recovery and Reinvestment Act of 2009, 2/17/09)
- OMB Interim Final Regulations (2 CFR 176) (4/23/09)
- Presidential Memorandum (3/20/09), *Insuring Responsible Spending of Recovery Act Funds*

OMB Memoranda

- 09-10 (2/18/09) *Initial Implementing Guidance for the ARRA of 2009*
- 09-14 (3/9/09) *Improving Grants.gov and Other Critical Systems*
- 09-15 (4/3/09) *Updated Implementing Guidance for the ARRA of 2009*
- 09-17 (4/8/09) *Improving Grants.gov*
- 09-18 (5/11/09) *Payments to State Grantees for Administrative Costs of Recovery Act Activities*
- 09-21 (6/22/09) *Implementing Guidance for Reports on the Use of Funds Pursuant to ARRA of 2009*

Overarching Themes

- Transparency
 - Contacts with Lobbyists
- Accountability
 - Competitive awards maximized
 - Timely award of funds
 - Timely expenditure of funds
 - Timely completion of planned work
 - Cost overruns minimized
 - Improper payments minimized

Overarching Themes

- Results
 - Job creation/retention
 - Long term public benefit
- Public policy emphases
 - Equal opportunity
 - Support for small and disadvantaged businesses
 - Sound labor practices
 - Local hiring
 - Engagement with community-based organizations

Solicitation

- Allocations identified for formula grants
- CFDA numbers for discretionary grants
- Posting of RFA's, NOFA's and PA's on Grants.gov
- *Federal Register* announcements
- Direct contacts by federal agencies

Application

- Central Contractor Registry (CCR)
 - DUNS Numbers
 - Use of the SF 424 Series
 - Grants.gov overload
- Possible responses

Federal Agency Review

- Use existing awards
- Use prior performance as award criterion
- Establish performance measures
- Manage competition
- Conduct risk assessment
- Assemble staffing

Federal Monitoring

- Evaluate existing monitoring mechanisms
- Desk reviews
- Site visits
- Audits
- Examples of Internal Federal Agency Practices

Award Agreement

- Use of existing awards
- Use of Circulars A-102 and A-110
- Additional clauses (per 2 CFR 176)
 - Section 1512—Reporting and Registration
 - Section 1605— “Buy American”
 - Section 1606—Davis Bacon
 - Single Audit Act and Circular A-133
- “This is one time funding”
- Waivers

Incur Cost

- Permitted uses of funds
 - Role of Section 1604 of ARRA
- Application of OMB cost principles
 - Administrative costs of states
- Screening for excluded parties
- Procurement of goods and services
- Subgranting

Subgranting

- DUNS numbers
- Central Contractor Registry (CCR)
- Flow-down of specific requirements

Draw Federal Cash

- Cash Management Improvement Act
- Treasury Regulations (31 CFR 205)
- Circular A-102 Common Rule (Section _____.21) and Circular A-110 (Section _____.22)
- Disbursement

Documenting Transactions

- Separate entries for ARRA programs from those of other programs
- Reliance on source documentation requirements of OMB administrative and cost circulars

Reporting

- Statutory—Quarterly (Starting 10/10/09)
- Specific Instructions
- Central Collection Point (www.FederalReporting.gov)
- Data Elements (Section 1512 and 2 CFR 176)
- Existing Requirements
- Transition to SF425
- FFATA (PL 109-282)
- PRA Requirements
- Required Reporting of Fraud, Abuse, and Mismanagement to OIG's
- “Whistleblower” Protection

Audit

- Special IG and the “RAT” Board
- GAO Reporting and its “Fraud Reporting Service”
- Agency OIG Reporting (e.g., DOT, EPA, HHS, Commerce)

- Separate ARRA Listings in A-133 SEFA
- 2009 A-133 Compliance Supplement—“High Risk” Status
--- “Addenda” to the Supplement (6/30/09)

- Single Audit Reports *Online* (FY 9/30/09 and after)
- Quality Control Review of Single Audit Reports
- Single Audit Findings Analysis

Possible Changes to OMB Circular A-133

- Oversight function
- Stratification
- Required Training
- Criteria for Audit Procurement
- Audit Findings Development

Continuing Monitoring of Developments

- www.grants.gov
 - www.USAspending.gov
 - www.Recovery.gov
 - www.federalreporting.gov
 - www.omb.gov
 - www.gao.gov
 - www.ignet.gov
 - www.usa.gov
- Existing federal agency websites