

STATE OF NEW JERSEY

**FY21 MATTHEW SHEPARD AND JAMES BYRD, JR.
HATE CRIMES GRANT PROGRAM
NATIONAL INCIDENT BASED REPORTING SYSTEM (NIBRS)**



PROGRAM ADMINISTRATION AND GUIDELINES

July 2024

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NATIONAL INCIDENT BASED REPORTING SYSTEM (NIBRS)

OVERVIEW

The Matthew Shepard and James Byrd Jr. Hate Crimes Program (Shephard/Byrd Hate Crimes Program) is a program administered through the Bureau of Justice Assistance (BJA), funded by the Congressional, Office of Justice Programs (OJP) appropriation. Funding through BJA is focused on developing and sustaining strategies that address violent crime, including the concerning increase in hate crimes. In addition, they focus on ensuring a fair criminal justice system, including strategies that address both of these goals.

The Shephard/Byrd Hate Crimes Program was created to assist state, local, and tribal law enforcement and prosecution agencies in their outreach to and education of the public, victims, and their staff and partners on hate crimes. It also funds extraordinary expenses associated with the investigation and prosecution of hate crimes.

The Shephard/Byrd Hate Crimes Program will assist law enforcement agencies to bring their records management systems (RMS) into compliance with NIBRS, so as to ensure the capture and dissemination of more robust incident level data that better details bias crimes and the circumstances that surround them.

A total of \$300,000 in non-competitive, formula grant funding will be used to support local law enforcement agencies' participation in the National Incident-Based Reporting System (NIBRS). The funding period is for a twelve-month period beginning on September 1, 2024 through August 31, 2025.

PROGRAM ADMINISTRATION

In New Jersey, the Department of Law and Public Safety (L&PS) administers the Shepard/Byrd Hate Crimes Grant Program. The Shepard/Byrd Hate Crimes Grant Program subawardees are monitored by L&PS from the application process through closeout. During this time, L&PS ensures that all subrecipients follow State and federal laws, rules, regulations, guidance, and reporting requirements. L&PS also prepares and submits programmatic and fiscal reports to OJP/BJA on all funded projects quarterly.

All inquiries concerning the subaward application process should be addressed to:

Department of Law & Public Safety
Division of Administration
Grants@njoag.gov
(609) 376-2445

****Be advised that all recipients of federal grant funds are bound by changes made in federal and state law/policy regardless of inclusion in these guidelines.**

PROGRAM GUIDELINES

The Applicant agrees to adhere to the following guidelines. Failure to do so may result in suspension or termination of a grant award.

- Funding must be used for RMS modification/software, hardware and equipment, technical assistance and training, and any other necessary costs to bring your RMS system into compliance with NIBRS.
- Recipients must name at least one NIBRS Point of contact who will facilitate communication between L&PS and the NIBRS law enforcement agency.
- Funding may not be used for salary, fringe benefits, or law enforcement overtime costs.

APPLICATION INFORMATION

The Department of Law & Public Safety will offer non-competitive grant funding to the law enforcement agencies named in the Notice of Availability of Funding (NOAF). To be considered for funding, an eligible applicant must file a completed application, in accordance with the requirements of the program, by the submission deadline. These agencies wishing to defray the costs incurred by the NIBRS Program must complete an application package and submit via e-mail to NIBRS@njoag.gov, no later than August 23, 2024.

A complete application must include the following:

- Application Authorization
- Applicant Information Form
- Project Narrative
- Project Work Plan
- Budget Detail Worksheet and Narrative
- Federal Single Audit Certification
- Proof of Federal Single Audit Compliance (if applicable)
- NJ State Single Audit Certification
- Indirect cost fact sheet
- Certification Regarding Lobbying, Debarment, Suspension and Other Responsibility Matters and Drug-Free Workplace Requirements
- Department of Law & Public Safety Debarment and Suspension Certification
- Proof of Debarment and Suspension Certification
- Certified Standard Assurances

Unless otherwise noted, the head of the subrecipient state agency, organization, or local unit of government should sign these documents (e.g. State Agency head; Chief Executive, President, Chairperson of the Board; County Executive, County Manager, County Supervisor, County Board President; Mayor, or Village President.)

The Department of Law & Public Safety reserves the right to decline any application for grant funding and to award subawards in amounts that may be other than requested.

Information contained in grant applications **may not be considered confidential** pursuant to the Open Public Records Act, N.J.S.A. 47:1A-1 et seq. Do not include any

information from any source in the grant application that you believe should not be made available for public review. Denoting information contained in your application as “confidential” or “not subject to public review” may not, standing alone, exempt the included information from public review

APPLICATION

APPLICATION AUTHORIZATION

The submission of any grant application requires the signature of the applicant’s Authorized Official (see Application Authorization Form) indicating that the application is authorized by the agency or unit of government. The signature of the Authorized Official indicates that the information provided within the application is truthful, accurate, and complete; that the applicant intends to comply with all requirements regarding the use of grant funds; and the applicant will use the grant funds to carry out the project as described in the application.

The Authorized Official also acknowledges that they are responsible for authorizing expenditures and disbursing grant funds. The Applicant certifies that all grant funds will be used exclusively for the purposes specified in the grant award; and it will pay for all costs in excess of the grant award.

PROJECT NARRATIVE FORMAT

The following components must be included in your Program Narrative.

- **PROBLEM STATEMENT/NEEDS ASSESSMENT/IMPLEMENTATION PLAN**

Please identify the specific problem(s), target population, and geographic area that the proposed project will address. Describe the needs and characteristics of the target population; local needs and conditions; describe existing services and identify gaps and/or barriers in services. Include current statistics and relevant crime data to substantiate the need.

- **GOALS, OBJECTIVES, IMPLEMENTATION; AND PROJECT WORK PLAN**

Please specify a clear, realistic goal for the proposed project. Identify objectives that are concise, measurable, and directly relate to the goal, problem statement/needs assessment, and target population. Describe in detail the project's approach or strategy for attaining each objective. Include a project work plan, on the provided form, that specifies each objective along with the major activities, responsible staff, and feasible time frames for each objective and activity.

Note - A final deliverable is to receive certification from the New Jersey UCR Program to submit incident-based data and to begin submitting data that are compliant with the state’s reporting standard. List any other deliverables necessary for your NIBRS implementation plan by using the example chart below:

- **PROJECT MANAGEMENT AND STAFF**

The management structure of a project is crucial to the overall success of the project. Each applicant must designate a Project Director who will be responsible for the overall implementation of the project. Identify the Project Director and other key individuals who will be involved in the project. Describe how identified personnel are uniquely qualified to implement and manage the project.

- **DATA COLLECTION/PERFORMANCE MEASURES/EVALUATION**

This section should indicate how the applicant will assess the overall impact of the project and determine whether the project accomplished its goals. Provide a description of how you will collect data, measure performance, and complete an overall evaluation of the project

BUDGET AND FISCAL GUIDELINES

ALLOWABLE COSTS

Costs must be reasonable, allocable and necessary for the project.

Allowable costs are those charges identified under the grant program's authorizing legislation, regulations and applicable Federal cost principles specific to the Subrecipient found at **2 C.F.R. Part 200, Subpart E, Costs Principles** (2 C.F.R. § 400 et seq.).

Recipients must adhere to the applicable financial and administrative requirements set forth in the most current version of the **U.S. Department of Justice (DOJ) Grants Financial Guide**, located at: <https://www.ojp.gov/doj-financial-guide-2022>. The DOJ Grants Financial Guide includes information on allowable costs, audit requirements, accounting systems, financial records and the administration of grant funds.

Recipients must comply with the **NJ State Department of Treasury, Office of Management and Budget, State Circulars**, as issued and superseded, found at <http://www.nj.gov/infobank/circular>.

UNALLOWABLE COSTS

Funding may not be used for salary, fringe benefits, or law enforcement overtime costs.

Generally, allowable costs may be rejected if, in L&PS's determination, such costs are deemed excessive or not integral to the success of the project. All items of cost will be reviewed by L&PS to determine eligibility. Also, costs incurred outside the project period (before or after) are not allowable. For a discussion on unallowable costs, see the DOJ Grants Financial Guide.

BUDGET DETAIL AND BUDGET NARRATIVE

BUDGET CATEGORIES

Applicants must provide an itemized list of costs and a narrative explanation as to why those costs are necessary to the success of the project. Costs must be specific and tied to the project objectives (e.g., salaries, equipment, training, etc.).

- EQUIPMENT

L&PS may approve the purchase of equipment deemed appropriate and essential to the successful operation of the project. Requests for equipment should contain adequate cost specifications, including equipment type, quantity and estimated costs. Specific brand names should be excluded.

List non-expendable items that are to be purchased Expendable items, with a cost less than \$1,000, should be included in the “Supplies” category. (Note: Organization’s own capitalization policy for classification of equipment should be used if more strict.)

Applicants should analyze the cost benefits of purchasing versus leasing equipment, especially high cost items and those subject to rapid technical advances. **Rented or leased equipment costs should be listed in the “Purchase of Services” category.** Please explain how the equipment is necessary for the success of the project in your Budget Narrative, as well as the procurement method to be used.

Equipment purchased and used commonly for two or more programs should be appropriately divided among each activity. Equipment that has already been purchased and charged to other activities of the organization is not an allowable expense to the award.

An inventory of all equipment purchased with award funds or through the federal excess property program must be maintained as part of the official grant file. Equipment must be used, maintained, and disposed of in a manner consistent with the standards outlined in 2 C.F.R. Part 200, Subpart D, Subtitle 3, Equipment (2 C.F.R. §200.313, supplemented by 2 C.F.R. §2800.313).

Pertaining to requests for acquisition of equipment, the following general cost allowance principles should be followed:

DOJ Grants Financial Guide - Equipment and Other Capital Expenditures.

- a. No other equipment owned by the Subrecipient is suitable for the project.
- b. No luxury vehicles will be approved; if the vehicle request is approved, the vehicle should be reasonable, and the recipients must follow the Internal Revenue Service guidelines.
- c. Federal funds are not used to provide reimbursement for the purchase of equipment already owned by the Subrecipient.
- d. Equipment purchased and used commonly for two or more programs should be appropriately divided among each activity.
- e. Equipment that has already been purchased and charged to other activities of the organization is not an allowable expense to the award.

Usage, Maintenance, and Disposition of Property.

Pursuant to 2 C.F.R. §200.313, the Subrecipient must:

- a. Use the equipment for the authorized purposes of the project during the period of performance, or until the property is no longer needed for the purposes of the project.
- b. Not encumber the property without approval of the Federal awarding agency or pass-through entity.
- c. Use and dispose of the property in accordance with paragraphs (b), (c) and (e) of 2 C.F.R. §200.313.

Equipment and Inventory Tracking.

Subrecipient must have procedures for maintaining equipment (including replacement), whether acquired in whole or in part with project funds, that meet the following requirements:

- a. Property records must be maintained, which include:
 1. Description of the property,
 2. Serial number or other identification number,
 3. Source of funding for the property (including the FAIN),
 4. Titleholder Name,
 5. Acquisition date,
 6. Cost of the property,
 7. Percentage of Federal participation in the project costs for the Federal award under which the property was acquired,
 8. Location, use and condition of the property, and
 9. Any ultimate disposition data including the date of disposal and sale price of the property.
- b. Physical inventory of the property must be taken and the results reconciled with the property records at least once every grant period.
- c. A control system must exist to ensure adequate safeguards to prevent:
 1. Loss,
 2. Damage, or
 3. Theft of the property.
- d. Adequate maintenance procedures must exist to keep the property in good condition.

Additionally, the procurement of supplies, equipment, and other services with funds provided by this grant shall be accomplished in a manner generally consistent with federal and state requirements, and every procurement transaction in an open, free, and fair competition pursuant to 2 C.F.R. Part 200, Subpart D, Subtitle 3, Procurement Standards (2 C.F.R. §200.317 et seq.), and the most current edition of the DOJ Grants Financial Guide. In purchases involving sole source procurement over \$150,000, prior written approval must be received from the awarding agency before funds can be obligated or expended; and purchased equipment must be tagged and property inventoried to reflect use of federal funds.

Lastly, the Subrecipient must comply with the requirements of 2 C.F.R. §§ 200.439 Equipment and other capital expenditures, 200.1 Capital expenditures, 200.1 Equipment, 200.1 Special purpose equipment, 200.1 General purpose equipment, 200.1 Acquisition cost, and 200.1 Capital assets.

- SUPPLIES

List items by type (office supplies, postage, training materials, copying paper, and expendable equipment items costing **less than \$1,000**, such as books, printers, etc.) and show the basis for the computation. Generally, supplies include any materials that are expendable or consumed during the course of the project.

- CONSULTANTS/CONTRACTS/SUBAWARDS

Provide a description of the product or service to be procured by contract and estimate of the cost. Applicants are encouraged to promote free and open competition in awarding contracts/subawards.

If the application includes a subrecipient(s) to assist in providing services outlined in the scope of work, during the contract award process, special conditions will be added to acknowledge your compliance with the requirements of a pass-through agency for engaging services of a subrecipient agency.

Consultant fees: This is an individual person providing a service for a set fee. The hourly rate for consultants is capped at the federal threshold of \$81.25 per hour or \$650 per 8-hour day. For each consultant enter the name, if known, service to be provided, hourly or daily fee (8-hour day), and estimated time on the project.

Consultant expenses: List all expenses to be paid from the grant to the individual consultants in addition to their fees (i.e. travel, meals, lodging, etc.). This includes travel expenses for anyone who is not an employee of the applicant such as participants, volunteers, partners, etc.

Procurement Contract: This is a vendor or agency that is providing an item or service. Procurement contracts are used when the entity is acquiring a good or service for their direct benefit. Examples include: leasing a copier, providing a training, or accounting services. The service to be provided is specified by you, the applicant agency. Provide a description of the product or service to be procured by contract and estimate of the cost.

Subgrant: Subgrants are used when the entity is awarding funds to another entity to carry out a portion of the project scope of work. The entity providing the service is known as the subrecipient.

- OTHER

List items by major type and the basis of the computation. For example, provide the square footage and the cost per square foot for rent or provide a monthly rental cost and how many months to rent. The basis field is a text field to describe the quantity such as square footage, months, etc. Only the cost of facilities used for the project activities are permissible, such as office space, maintenance costs, landlines, and utilities.

- **INDIRECT COSTS**

Applicants for subawards from pass-through entities may be eligible to use federal funds for indirect costs under 2 C.F.R. §§ 200.331, 200.414, Appendix III and IV to Part 200, and other sections of the Uniform Administrative Requirements, Costs Principles, and Audit Requirements.

Costs must consistently be charged as indirect or direct, costs may not be double charged or inconsistently charged as both, as per 2 C.F.R. § 200.414(f)..

SUPPLANTING

Federal grant funds must be used to supplement existing funds for program activities and cannot replace, or supplant, nonfederal funds that have been appropriated for the same purpose. If there is a potential of supplanting, the applicant may be asked to supply documentation demonstrating that the reduction in non-federal resources occurred for reasons other than the receipt or expected receipt of federal funds. For additional guidance regarding supplanting, see DOJ Grants Financial Guide, on the web at: <https://www.ojp.gov/funding/financialguidedojo/overview> .

GENERAL AND SPECIAL CONDITIONS

Special consideration should be given to the following general and special conditions pertaining to the administration of subawards:

- **RETENTION OF RECORDS**

All grant records of the grantee and its subrecipients and contractors and vendors, including books of original entry, source documents, supporting accounting transactions, the general ledger, subsidiary ledgers, personnel and payroll records, canceled checks must be retained for a period of at least seven years. The retention period starts from the date of the receipt of the final expenditure report.

Records must be retained beyond the seven-year period if an audit is in progress and/or findings of a completed audit have not been resolved satisfactorily. Also, records must be retained beyond seven years if there is any litigation, claim, negotiation, or action started before the end of the seven-year period.

- **FUND PAYMENT**

All payments made to the subrecipient shall be recorded by the subrecipient in accounting records separate from all other fund accounts, including funds derived from other grant awards. Amounts paid shall be available for expenditure by the subrecipient in accordance with the provisions of the subaward throughout the project period subject to such conditions as L&PS may prescribe.

- USE OF SUBAWARD FUNDS

Funds granted may be used only for the purpose required to carry out the grant as approved and identified in the “subaward” and L&PS “Approved Project Budget.” Any deviation in the total approved project budget of one (1) percent of the subaward or more, within or between budget categories, requires the prior written approval of L&PS.

Subrecipients may, without prior approval, deviate from a budget category when the change, either between or within the category, does not exceed one (1) percent. The subrecipient is required to notify L&PS staff of this change. Deviations from the approved project budget within a budget category exceeding one (1) percent must be requested by letter prior to the expenditure of funds. When the deviation exceeds one (1) percent and is between budget categories, a Grant Adjustment Request Form must be submitted requesting **prior** approval.

RESOLUTION

Applicants are **NOT** required to submit resolution with their applications. However, applicants awarded funds (except State Agencies) must return a certified Resolution with the AWARD package at the AWARD stage.

The Resolution must contain all data requirements listed on the Required Resolution & Certification Checklist which is provided as a reference document in the Award Package.

The Resolution must be certified by the recording officer and should contain the official seal. A Resolution and Certification checklist will be provided to successful applicants upon the award stage.

SYSTEM FOR AWARD MANAGEMENT (SAM) AND UNIQUE ENTITY ID (UEI)

The U.S. Department of Justice requires the gathering of information to comply with the Federal Funding and Accountability and Transparency Act (FFATA) of 2006. FFATA requires the use of the System for Award Management (SAM), formerly the Central Contractor Registration (CCR), for each entity applying for a Federal award or subaward. **Recipients must maintain the currency of its information in the SAM. No applicant may receive a subaward unless it has provided a UEI number.**

The details of subrecipient or recipient obligations regarding “System for Award Management and Universal Identifier Requirements” are posted on the Office of Justice Programs web site at <http://www.ojp.gov/funding/explore/sam>, and are incorporated by reference here.

The System for Award Management (SAM) is the Official U.S. Government system that consolidated the capabilities of CCR/FedReg, ORCA, and EPLS. There is NO fee to register. Applicants for grants (private non-profits, educational organizations, state and regional agencies, etc.) supported with federal grant funds can register on- line with SAM at <https://www.sam.gov>.

A UEI number is a unique 12-character alphanumeric value recognized as the authoritative unique identifier for tracking federal assistance applicants, recipients, and subrecipients. A UEI number is assigned at registration in <https://www.sam.gov>. All active and inactive SAM.gov registered entities were automatically assigned a UEI number, which can be viewed on the entity registration record on <https://www.sam.gov>. If your agency was not previously registered with SAM.gov, you must go online and obtain a UEI prior to applying for funding.

LEGAL COMPLIANCE

Applicants and their contractors are required to comply with the New Jersey Law Against Discrimination, N.J.S.A. 10:5-1 et seq. Applicants are expected to comply with all applicable New Jersey regulations, policies, and guidelines.

DEBARMENT

Applicants and their subcontractors should not obtain goods and services from other agencies which are debarred, suspended or disqualified from doing business with the State of New Jersey.

Applicants are also expected to comply with state Executive Order No. 34 (March 17, 1976), and state circular letter OMB 93-13-GSA regarding debarments, suspensions, and disqualifications. The State Department of Treasury has an on-line, searchable database of those individuals, corporations, and agencies, who are debarred from conducting business with the State of New Jersey: <http://www.state.nj.us/treasury/revenue/debarment/index.shtml>. In the performance of any grant, recipients cannot conduct business with ineligible firms or individuals who are considered debarred, suspended, or disqualified.

NEW JERSEY PENALTIES FOR CORRUPTION OF PUBLIC RESOURCES

While enacting ethics and government corruption reforms, the New Jersey Legislature enacted Public Law 2007, Chapter 158, which makes knowingly misusing public resources for an unauthorized purpose a crime. N.J.S.A. 2C:27-12. Under the Crime of Corruption of Public Resources, an individual commits a crime if (1) the public resource is subject to an obligation to be used to perform or facilitate the performance of a governmental function or public service, (2) a person knowingly uses a public resource for an unauthorized purpose, or (3) a person makes a material representation that is false to a government agency . . . to obtain or retain a public resource, or with the purpose to mislead or deceive any person as to the use or disposition of a public resource. *Id.* The Legislature defines a public resource as including grants awarded by the government. *Id.* Convictions under this act could result in a 20-year prison term and \$200,000 fine. *Id.* The Legislature also enhanced public corruption penalties under the Public Corruption Profiteering Penalty Act, N.J.S.A. 2C:30-8, which subjects individuals convicted under public corruption laws, including N.J.S.A. 2C:27-12, to fines up to \$500,000. Under N.J.S.A. 2A:32C-3, a person shall also be subject to civil penalty and treble damages for making false claims under New Jersey's False Claims Act.

SUBRECIPIENT OFFICIAL FILE

Subrecipients are required to maintain an auditable master file for subaward documents. The following documents must be available to program monitors and auditors for on-site review by LP&S and L&PS.

- **Application and Award Documents:** copies of the approved application documents for the subaward, the Subaward Contract, Award letter, Applicant Information Form, Budget Detail and Narrative, Applicant Authorization Form, EEO Certification(s), General and Special Conditions, and L&PS Project Approved budget, all project modification requests, grant adjustments, and related written approvals from L&PS.
- **Financial and Programmatic Reports:** copies of all quarterly detailed cost statements, quarterly programmatic progress reports, backup documentation, and annual reports.
- **Equipment:** copies of all purchase orders, receiving documents, bid or competitive quote information, paid vouchers, and inventory data.
- **Consumable Supplies:** copies of all purchase orders, receiving documents, invoices, and paid vouchers.
- **Supplies and Operating Expenses:** all space contracts and/or certificates, bid information, purchase orders, invoices, and payments.
- **Banking Information:** cash verification, receipts documentation, check register, canceled checks, and bank statements.

REPORTING PROCEDURES

PROGRAMMATIC REPORTS

Subrecipients are required to submit **quarterly** programmatic progress reports to L&PS describing project activities for the duration of the award period. Reports are to be submitted to L&PS within **fifteen (15) calendar days** of the end of the 3-month period (quarter.) Subrecipients will receive reporting forms with their copy of the executed contract/award document. Reimbursement requests will not be processed if the narrative report submissions are not up to date.

Narrative Programmatic Progress Reports *via email to your program analyst*
quarterly,
(July – September) due October 15th
(October - December) due January 15th
(January – March) due April 15th
(April - June) due July 15th

DETAILED COST STATEMENT

The Subrecipient is required to submit financial expenditure reports or Detailed Cost Statement (DCS) comparing actual expenditures with the L&PS Approved Project Budget. Subrecipients are required to submit **quarterly** DCS within **fifteen (15) calendar days** of the end of each quarter. For each funding request, a separate State of New Jersey Payment Voucher must be submitted.

At the end of the grant period, you have a 45-day liquidation period to pay any unpaid obligations that occurred during the grant. If there are any unpaid obligations at the end of the grant period, these obligations must be listed in column 4 of the final DCS, otherwise the grant closeout process will begin. The “liquidation” DCS is due no later **than 45 days after the grant period has ended**; no extensions will be granted.

SOURCE DOCUMENTATION REQUIREMENT

All costs charged to federal awards must be adequately documented. See 2 C.F.R. § 200.403. All Subrecipients must provide supporting source documentation (e.g. invoices, hotel receipts, purchase orders) with their reimbursement requests. Subrecipients should be ensuring that their costs are allowable, mathematically accurate and correlate to the source documentation provided. Grant staff will review all Subrecipient source documentation prior to approving reimbursement requests. Costs lacking sufficient support may not be reimbursed.

BUDGET REVISION AND MODIFICATION

The grant budget is the approved financial plan to carry out the purpose of the grant. This plan is the financial representation of the project as approved during the grant application and award process.

Subrecipients are required to report deviations from the approved budget and receive prior written approvals for budget revisions and modifications in excess of one (1) percent of the total award amount. To request a budget revision, Subrecipients are required to submit a written explanation (Justification Letter) and an L&PS Grant Adjustment Request Form (GARF.)

Subrecipients will be required to request a budget revision for the following reasons:

- Changes in the scope, objective, financial assistance, key personnel, the timing of the project or deviations from the approved budget.
- Need to extend the grant period.
- Provide financial assistance to a third party by sub-contracting (if authorized by law) or by another means to obtain the services of a third party to perform activities which are central to the purpose of the award.

- Adjustments between cost categories and/or shifts of funding to direct cost categories that are not part of the approved budget.

When requesting approval for budget revisions in excess of one (1) percent, the Subrecipient must complete a GARF and provide a written explanation (Justification Letter).

SUBRECIPIENT FISCAL RESPONSIBILITY

The Subrecipient must maintain a bookkeeping system, records, and auditable files to account for all grant monies spent and all matching funds contributed to the project. While a preferred system is not specified, Subrecipients are expected to conform to accepted accounting standards.

FINANCIAL MANAGEMENT SYSTEM

The Subrecipient is responsible for maintaining an adequate financial management system and will immediately notify L&PS when it cannot comply with these requirements.

1. The Subrecipient's financial management system shall provide for:

a. **Financial Reporting:**

Accurate, current, and complete disclosure of the financial results of each grant in conformity with generally accepted principles of accounting, and reporting in a format that is in accordance with the financial reporting requirements of the grant.

b. **Accounting Records:**

Records that accurately and timely identify the source and application of funds for grant-supported activities. These records must contain information pertaining to the receipt of grant funds by source, authorizations, obligations, unobligated and unexpended balances, assets, liabilities, outlays or expenditures, and income.

c. **Internal Controls:**

Effective internal and accounting controls over all funds, property and other assets. The Subrecipient must adequately safeguard all assets and assure that they are used solely for authorized purposes. Controls must be established to ensure that expenditures charged to subaward activities are readily available to certify that such charges are accurate.

d. **Budget Controls:**

Comparison of actual expenditures or outlays with budgeted amounts for grant funds and required non-federal expenditures. Also, the relationship of financial information with performance or productivity data, including the development of unit cost information.

e. **Allowable Costs:**

Procedures for determining reasonableness, allowability, and allocation of costs generally consistent with the provisions of Federal and State requirements.

f. **Source Documentation:**

Accounting records are supported by source documentation.

g. **Cash Management:**

Procedures to minimize the time elapsing between the advance of funds from L&PS and the disbursement by the Subrecipient, whenever funds are advanced by L&PS.

2. L&PS may require the submission of an "Accounting System and Financial Capability Questionnaire."

3. L&PS may review the adequacy of the financial management system of any applicant as part of a pre-award review or at any time subsequent to the award. If L&PS determines that the Subrecipient's accounting system does not meet the standards described above, additional information to monitor the grant may be required until the system meets with L&PS's approval.

FISCAL REQUIREMENTS

1. A separate account for the subaward project with separate accountability of receipts, expenditures, and balances for each fiscal budget period
2. Itemization of all supporting records of grant receipts, expenditures and state/local contributions (if applicable) in sufficient detail to show exact nature for each fiscal budget period.
3. Provision of data and information for each expenditure and state/local contributions with proper reference to a supporting voucher or bill properly approved.
4. Maintenance of inventory records for equipment purchased, rented, and contributed.
5. Maintenance of inventory records for consumable supplies purchased.
6. Provisions for payment by check.

AUDIT REQUIREMENTS

The Recipient must comply with audit requirements located in the State Treasury Department, State Circular, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, 15-08- OMB, 2 CFR Part 200, Subpart F, Audit Requirements (2 C.F.R. § 200.500, et seq.), and the Government Accountability Office's Generally Accepted Government Auditing Standards (also known as the Yellow Book).

1. Applicants that expend Federal and/or State financial assistance of \$100,000 or more, but less than \$750,000 of Federal or State

financial assistance during their fiscal year (including federal pass-through funds), must have either:

- a. A financial statement audit performed in accordance with Government Auditing Standards (Yellow Book); or
 - b. A program specific audit performed in accordance with 2 C.F.R. § 200.500, et seq., and state policy.
2. For applicants that expend Federal or State financial assistance, (including funds received from the Federal Government or federal funds passed through state agencies) of \$750,000 or more during their fiscal year must have:
- a. A single audit performed; or
 - b. A program specific audit performed in accordance with 2 C.F.R. § 200.500, et seq., and state policy.
3. For applicants receiving less than \$100,000 of State and/or Federal financial assistance, no audit is required.

The recipient must maintain a bookkeeping system, records, and files to account for all monies spent implementing the project. While a preferred system is not specified, recipients are expected to conform to accepted accounting standards.

MONITORING OF PROJECT PERFORMANCE

The Subrecipient must assure compliance that performance goals are being achieved. Subrecipient monitoring will cover each project, function or activity to monitor performance under grant-supported activities to assure time schedules and objectives are being met, projected work units by time periods are being accomplished, and other performance goals are being achieved as applicable.

The Subrecipient shall inform L&PS if there are problems, delays, or adverse conditions which will materially impair the ability to attain project objectives, prevent meeting time schedules and goals, or preclude the attainment of project work units by established time periods. This disclosure shall be accompanied by a statement of the action taken or contemplated, and any Program Development/Grants assistance required to resolve the situation.

Including, but not limited to, the following reasons, L&PS may make periodic site visits to:

1. Review project accomplishments and management control systems.
2. Provide such technical assistance as may be required.

3. Perform fiscal reviews to ensure grant funds are being properly expended in a timely manner.
4. Ensure compliance with all pertinent civil rights laws and regulations.

L&PS may also request documents related to the above independent of a site visit. In all cases, Applicant is obligated to comply with requests associated with site visits or document production.