Grants Management

Federal Grants Management Guidelines (FMC 4.1 – January 1, 2022)

Section 1 – Purpose: The purpose of this FMC is to ensure proper management and reconciliation of federal grants.

Section 2 – Responsibility: Agency Heads, in coordination with Agency fiscal and program staff, are responsible for the overall program and financial management of federal awards. Agency Heads should meet at least quarterly with finance and program staff to ensure that federal grants are meeting the objectives of the program. The grant funds are reconciled on a regular basis to ensure that expenditures and federal grant revenue received are charged to the correct federal grant and project.

In most cases, federal grants are based on a reimbursement model. For these grants, an Agency receives an appropriation in a federal fund (backed by State funds until the federal funds are drawn). It is the Chief Financial Officer/Controller's responsibility to make sure that funds are drawn from the federal awarding agency to reimburse the State funds.

Additionally, fiscal staff should actively monitor funds to make sure federal reimbursements are requested at a minimum quarterly – although monthly federal reimbursement is preferred when possible.

Agency heads should assign a grants manager (or grants managers) who is knowledgeable of the program requirements. Most federal grants require compliance with 2 CFR § 200 Uniform Administrative Requirements, Cost Principles and Audit Requirement for Federal Awards ("Uniform Guidance"). Agency staff assigned to manage a federal grant must be familiar with all federal and state policies, including Chapter 7 of the State Board of Accounts (SBOA) Manual and federal grant accounting documents posted on the PeopleSoft Enterprise Portal.

Section 3 – Approval to Apply for Federal Funds: Agencies are required to receive approval by the State Budget Agency (SBA) prior to applying for any new or ongoing federal assistance. "Applying" includes submitting any application, form, reports, or any other form of communication with a federal agency to receive federal assistance. Agencies should coordinate with SBA in advance of consideration of federal assistance.

Section 4 – Steps for Federal Assistance Approval: The following steps need to be followed in order to obtain federal assistance approval:

1) Email a completed SBA Federal Assistance Request Form to HoosierSolutions@gov.in.gov and copy your SBA Budget Analyst.
2) The subject of the email and the title of the form must include the following:
    a) "SBA Fed Grant Request";
    b) Name of requesting State agency;
    c) Official title of the federal assistance (the acronym used on announcement acceptable);
    d) Assistance Listing (formerly referred to as CFDA); and
    e) Application/Form due date.

    Example: "SBA Fed Grant Request-FSSA-10.58-SNAP PTIG-4.11.2019."
3) Requests for federal grant approval must be submitted to Hoosiers Solutions no later than 10 business days before the application deadline.
4) If the federal assistance is approved, SBA will email your agency with an SBA Federal Grant Approval Number.

Section 5 – Applications/Forms and Awards/Award Amendments: State agencies that submit a required application or form to receive federal assistance must send the full application or form to HoosierSolutions@gov.in.gov within 60 days of submission of the grant application. State agencies must email the full documentation of awards and amendments to https://sbahelpdesk.sba.in.gov/ within 60 days of receipt.

The subject of the email and the title of the document must include the following:

1) Type of document (application, award, award amendment, etc.);
2) Name of State agency;
3) Submission/Receipt due date; and
4) SBA Federal Grant Approval Number.

Section 6 – Federal Funding Source Approval: For information regarding the steps necessary to obtain federal funding source approval, please reference the information located in the PeopleSoft Enterprise Portal at: PeopleSoft Enterprise Portal > PeopleSoft Financials Documents > Training Documents > Project Costing Training > Funding Source Request Policy >Funding Source Procedures 2022.

Section 7 – Federal Grants Reconciliation: The necessary steps for agency reconciliation of federal funds include:

1) Establish a file for award documents, budgets, and other documentation;
2) Verify that the federal fund source in PeopleSoft matches the federal grant award notices;
3) Update estimated funding sources as updated information is received from the Federal granting agency;
4) Verify expenses charged to the federal grant were incurred within the period of performance;

5) Review revenues and expenses monthly to verify activity was charged to the correct grant award, project, and account;
6) Submit timely quarterly grants receivable reconciliations as requested by the Auditor of State's Office;
7) Monitor prior year funding source balances and determine if expired or unneeded; and
8) Successful grant close-out as described in Section 11.

Section 8 – PeopleSoft Queries: For information regarding PeopleSoft queries, please see section 7.5 of the SBOA manual for Project Costing Reports.

Section 9 – Use of Default Projects: For purposes of this FMC, a "Default (Dummy) Project" is a project used in a Federal fund that is not controlled by a funding source. The project's Commitment Control setting in PeopleSoft is "Track without Budget".

As of the effective date of this FMC, an agency must receive approval from SBA before creating any new agency Default (Dummy) Projects. A Default (Dummy) Project should only be used when it creates administrative efficiencies for an agency. For example, allocating an expense to multiple grants. Default (Dummy) Projects must be reconciled monthly, and all expenses must be journaled to the correct federal grant. The agency must maintain a monthly report of Default (Dummy) Projects reconciliation by the 15th of the following month. Quarterly reconciliation may be allowed with prior approval by SBA.

To request a new Default (Dummy) Project, agencies must submit information to the Hoosier Solutions email address hoosiersolutions@gov.in.gov. The request must include how a Default (Dummy) Project will create administrative efficiencies for the agency and the internal control on how the agency will reconcile the project.

On an ongoing basis, SBA will review existing Default (Dummy) Projects and advise agencies on continued use. Agencies will be required to provide documentation on the need for Default (Dummy) Projects and how it routinely reconciles projects.

Section 10 – Steps for Default (Dummy) Project Approval: The following steps should be followed when submitting a Default Project request:

1) The subject of the email must include the following:
    a) "Default Project Request"
    b) Name of requesting State agency
2) The body of the email must include:
    a) The rationale for the Default (Dummy) Project request, and:
    b) Requested Project ID (Example: "Default Project Request-057CRFXXXXXX")

Section 11 – Grant Close-Out: Grants must be closed out timely. To close out grant projects, please follow the instructions in the Project Costing Bullet #1: Closing a Federal Project, which is located in the PeopleSoft Enterprise Portal at: PeopleSoft Financial Portal > PeopleSoft

Financial Documents > Training Documents > Project Costing Training > Project Costing Bullet #1: Closing a Federal Project.