



Department of Information Technology

TITLE: *Federal Grant Fund Management and Administration Policy*

POLICY NUMBER: *DOIT-361-107-A Version 1.0*

POLICY OWNER: *Grants Office*

POLICY SPONSOR: *Secretary Ackley*

AGENCY: 361

ISSUE DATE: 08/31/2011

EFFECTIVE DATE: 08/31/2011

REVISED DATE: original

NEXT REVIEW DATE:

03/01/2011

1. AUTHORITY:

- 1.1 Office of Management and Budget (OMB) Circular A-102 Grants and Cooperative Agreements with State and Local Governments
- 1.2 15 C.F.R. Part 24 – Uniform Administrative Requirements for Grants.

2. REFERENCES:

- 2.1 OMB Circular A-102 Grants and Cooperative Agreements with State and Local Governments
- 2.2 OMB Circular A-87 Cost Principles for State, Local and Indian Tribal Governments
- 2.3 OMB Circular A-133 Audits of States, Local Governments, and Non-Profit Organizations
- 2.4 Cash Management Improvement Act H.R. 4279
- 2.5 State of New Mexico Manual of Model Accounting Practices
- 2.6 Title 1 General Government Administration, Chapter 4 State Procurement, Part 1 Procurement Code Regulations
- 2.7 State Personnel Board Rule, 1 NMAC 7, 11 Discipline

3. PURPOSE AND SCOPE:

- 3.1 The purpose of the Grant Fund Management and Administration Policy is to assure that the Department as an Award Recipient follows Federal and State laws, rules, regulations, policies and best practices in the management and administration of grant awarded federal funds.

4. DEFINITIONS:

- 4.1 Agency: A department, commission, board, or institution of the State of New Mexico.
- 4.2 American Reinvestment and Recovery Act (ARRA or Recovery Act): Economic stimulus package enacted by the 111th U.S. Congress in February 2009.
- 4.3 ASAP: U.S. Department of Treasury's Automated Standard Application for Payments System.
- 4.4 ASD: The Department's Administrative Service Division.
- 4.5 Authorized Organization Representative (AOR): Individual authorized by an award recipient to act for the recipient organization and to assume the obligations imposed by the Federal laws, regulations, requirements, and conditions that apply to a grant application or grant award.
- 4.6 Award Recipient: Organization awarded a grant to implement a project. Recipient or Award Recipient is the preferred term in place a Awardee or Grantee.
- 4.7 CFO: Department's Chief Financial Officer.
- 4.8 CIO: State of New Mexico Chief Information Officer.
- 4.9 Contractor: A person that is not a state payroll employee and has an active contract with the DoIT.
- 4.10 Department: Department of Information Technology
- 4.11 DoIT: Department of Information Technology.
- 4.12 Drawdown: The process to request and receive awarded funds.
- 4.13 Federal Program Officer (FPO): The Department of Commerce official responsible for the technical, scientific, or other programmatic aspect of an award/program.
- 4.14 Financial Coordinator: The individual responsible for the financial reporting obligation for the grant.
- 4.15 Grant: A federal grant is an award of financial assistance from a federal agency to a recipient to carry out a public purpose of support or stimulation authorized by a law of the United States.
- 4.16 Grant Files: The source of record for grant related documents and is known as the official grant file.
- 4.17 Grantor: A federal grantor agency; i.e. Department of Commerce

- 4.18** MAPs: State of New Mexico Model Accounting Practices
- 4.19** Recipient: Organization awarded a grant to implement a project. Recipient or Award Recipient is the preferred term in place a Awardee or Grantee.
- 4.20** Reimbursement Grant: Grant which requires the grantee to make grant expenditures first prior to invoicing the grantor for the reimbursement.
- 4.21** Sponsored Project: A project that has received a federal grant award to fund all or part of the project.

5. POLICY:

- 5.1** The Department shall comply with The Office of Management and Budget (OMB) Circular A-102 Grants and Cooperative Agreements with State and Local Governments and the 15 C.F.R. Part 24 – Uniform Administrative Requirements for Grants.
- 5.2** All Department Divisions and Offices shall submit proposals for grants through the ASD Director, CFO and AOR prior to submission to federal authorities or grantor and only after review at the Department’s Executive Team.
- 5.3** The Department shall establish a Grant File to maintain comprehensive documentation on all aspect of grant funds and activities to meet audit requirements and enable sufficient oversight by federal representatives. See reference OBM Circular A-133 Audits of States, Local Governments, and Non-Profit Organizations.
- 5.4** Grant funds and matching funds must not be commingled with funds from any other grant award. Each award must be accounted for separately.
- 5.5** Grant funds cannot be used to supplant or replace any other funds that have been budgeted for the same purpose.
- 5.6** Assets acquired with federal grants shall be properly accounted for in accordance to State of New Mexico Model Accounting Practices.
- 5.7** The Department shall not sell, transfer, convey or mortgage any interest in the property, nor will the Department use the property for purposes other than those for which the award was made, for the useful life of the real property.
- 5.8** All Divisions shall coordinate with each other prior to close out a grant to ensure alignment between grant programs activities, reported expenditures and drawdowns.
- 5.9** The Department must follow the State of New Mexico Manual of Model Accounting Practices, Policy and Procedure FIN 11 Receivable (Federal Grant).

6. PROCEDURES:

- 6.1** All Department Divisions and Offices should submit proposals for grants through the ASD Director, and CFO prior to submission to federal authorities or grantor and after review at the Division level.
- 6.2** All Divisions and Offices receiving a grant award should ensure that the Office of the Secretary, ASD Director or designate, and Program Division Directors receive a copy of the award notification.
- 6.3** The Financial Coordinator should work with ASD to establish the accounting structure to include the following:
- Ensure the grant award is equal to the budget plan
 - Establish the proper chartfields to be used for SHARE Financial System
 - Work with DFA to establish fund and department codes
 - Work with DFA to establish budget on SHARE Financial System
 - Work with the Cost and Recovery Bureau to establish reporting category
 - Work with Human Resources Bureau to establish the combo codes for payroll
- 6.4** All documents related to a grant fund management and administration should be filed in the Grant Files and made available for a single audit.. The Grant File should include the following but not limited to:
- Full award package
 - Contacts lists
 - Original grant application
 - All grant amendments.
 - Procurement-related documents, including justifications
 - Approved Project Baseline Plan
 - Match documentation
 - Quarterly reports
 - Subrecipient agreements
 - Financial checklists
 - Audit and close-out documentation
- 6.5** At the end of the grant period the AOR, Grant Program Manager, Grant Analyst, and Financial Coordinator in conjunction with ASD should review grant funding status and identify the ninety (90) day liquidation period to process any open invoices or other related costs, not yet processed to the grant. At the end of the ninety (90) day liquidation period the final federal report and completion of the close out requirements, including any final cash drawdown, the project and related activities should be authorized for deactivation by Grants Principle Investigator and the Chief Financial Officer.
- 6.6** All Department staffs who are assigned work related to a grant should read and sign the Acknowledgement Form for this policy.

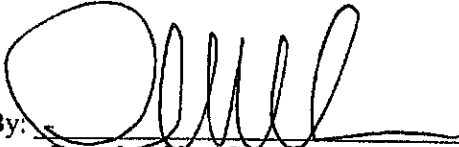
7. FORMS:

- 7.1** Policy Acknowledge Form

8. MANAGEMENT:

- 8.1 Appropriate and timely notification will be made regarding change(s) in policy or procedures, as deemed appropriate by the Department Secretary.
- 8.2 Each reported infraction of this policy will be handled on it's own merit and may be subject to disciplinary action in conjunction with the State Personnel Board Rule, 1 NMAC 7, 11 Discipline.
- 8.3 The Department's Office of Policy and Assessment will review this policy in accordance with the Department's Policy Management Plan.

9. APPROVAL:

Approved By:  Date: 8/31/11
Darryl Ackley, Secretary
Department of Information Technology

ATTACHMENT A: Acknowledgement Form

I have received, read, and understood the **Policy: *Policy Title* DOIT-361-107**. I understand it is my responsibility to adhere to this policy.

Should I have any questions I will notify the DoIT Human Resources Office.

Printed Name

Signature

Title

Date (mm/dd/yyyy)