Federal Grants for Non-profits

May 10, 2018

Dina Colarossi
Fund Development Manager
Office of Strategic Partnerships & Government Affairs
City of Dallas

Presentation Overview

- How to get ready to submit a federal grant
- Putting together a federal grant package
- Implementing your federal grant award

Grants Life Cycle

Grants Life Cycle – Step 1

The Federal Government

U.S. CONGRESS

Sets appropriation for grant programs

GRANT OR PROGRAM OFFICES

Offices within the funding agency responsible for administering grant programs

Are We Ready to Submit a Federal Grant?

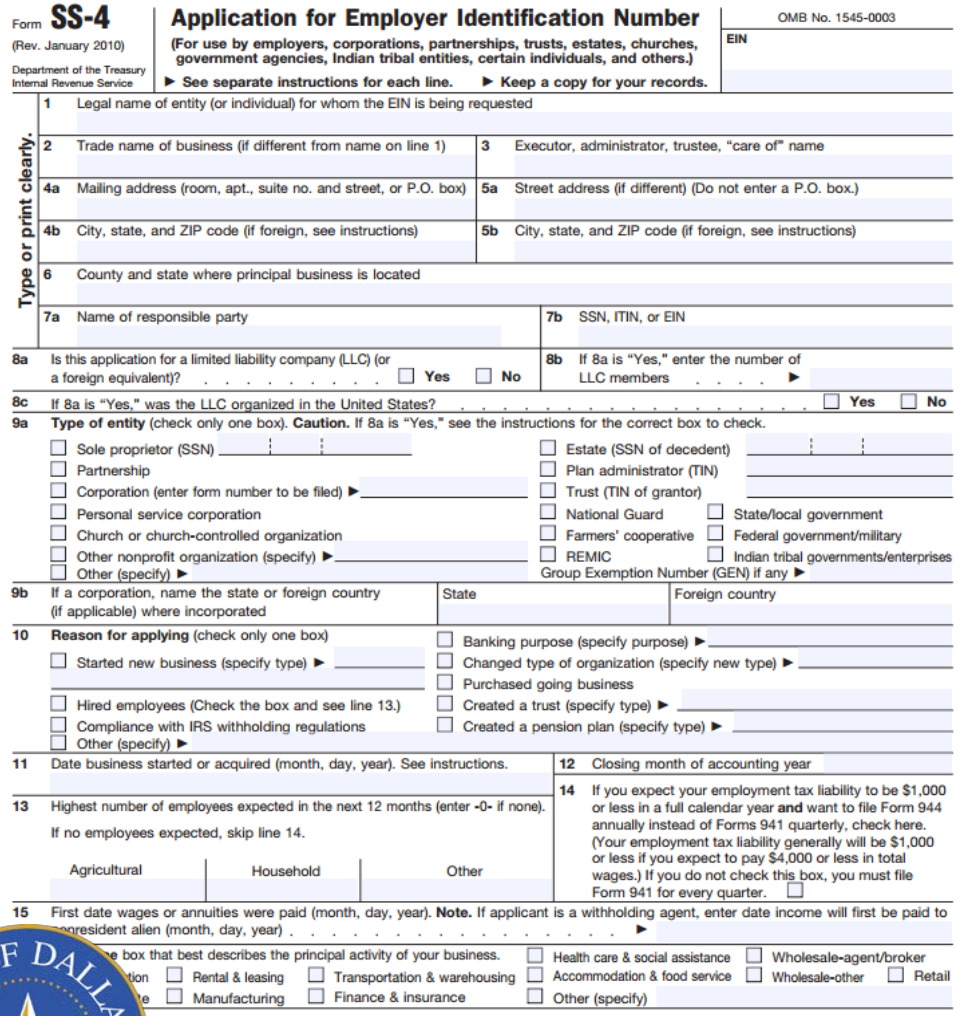
- Are we legally incorporated?
- Does our financial management system meet federal standards?
- Do we have good internal controls?
- Do we have enough cash in the bank to cover program costs until we get reimbursed?
- Does our work line up with federal priorities?

We ARE Ready to Submit a Federal Grant!

- What do we need?
  - Tax Identification Number (TIN)
  - DUNS Number
  - SAM.gov registration
  - grants.gov registration

We ARE Ready – Tax ID Number

- Issued by the IRS
- Must be legally incorporated prior to applying
- Immediate if you apply online
  - 2-3 weeks if you fill out and submit a SS-4



Form **SS-4** (Rev. January 2010)
Department of the Treasury
Internal Revenue Service

Application for Employer Identification Number
(For use by employers, corporations, partnerships, trusts, estates, churches, government agencies, Indian tribal entities, certain individuals, and others.)
▶ See separate instructions for each line. ▶ Keep a copy for your records.

OMB No. 1545-0003
EIN

Type or print clearly.

1 Legal name of entity (or individual) for whom the EIN is being requested

2 Trade name of business (if different from name on line 1) | 3 Executor, administrator, trustee, "care of" name

4a Mailing address (room, apt., suite no. and street, or P.O. box) | 5a Street address (if different) (Do not enter a P.O. box.)

4b City, state, and ZIP code (if foreign, see instructions) | 5b City, state, and ZIP code (if foreign, see instructions)

6 County and state where principal business is located

7a Name of responsible party | 7b SSN, ITIN, or EIN

8a Is this application for a limited liability company (LLC) (or a foreign equivalent)? ☐ Yes ☐ No | 8b If 8a is "Yes," enter the number of LLC members ▶

8c If 8a is "Yes," was the LLC organized in the United States? ☐ Yes ☐ No

9a **Type of entity** (check only one box). **Caution.** If 8a is "Yes," see the instructions for the correct box to check.

☐ Sole proprietor (SSN) ☐ Estate (SSN of decedent)
☐ Partnership ☐ Plan administrator (TIN)
☐ Corporation (enter form number to be filed) ▶ ☐ Trust (TIN of grantor)
☐ Personal service corporation ☐ National Guard ☐ State/local government
☐ Church or church-controlled organization ☐ Farmers' cooperative ☐ Federal government/military
☐ Other nonprofit organization (specify) ▶ ☐ REMIC ☐ Indian tribal governments/enterprises
☐ Other (specify) ▶ Group Exemption Number (GEN) if any ▶

9b If a corporation, name the state or foreign country (if applicable) where incorporated | State | Foreign country

10 **Reason for applying** (check only one box)

☐ Started new business (specify type) ▶ ☐ Banking purpose (specify purpose) ▶
☐ Changed type of organization (specify new type) ▶
☐ Purchased going business
☐ Hired employees (Check the box and see line 13.) ☐ Created a trust (specify type) ▶
☐ Compliance with IRS withholding regulations ☐ Created a pension plan (specify type) ▶
☐ Other (specify) ▶

11 Date business started or acquired (month, day, year). See instructions.

12 Closing month of accounting year

13 Highest number of employees expected in the next 12 months (enter **-0-** if none).
If no employees expected, skip line 14.

Agricultural | Household | Other

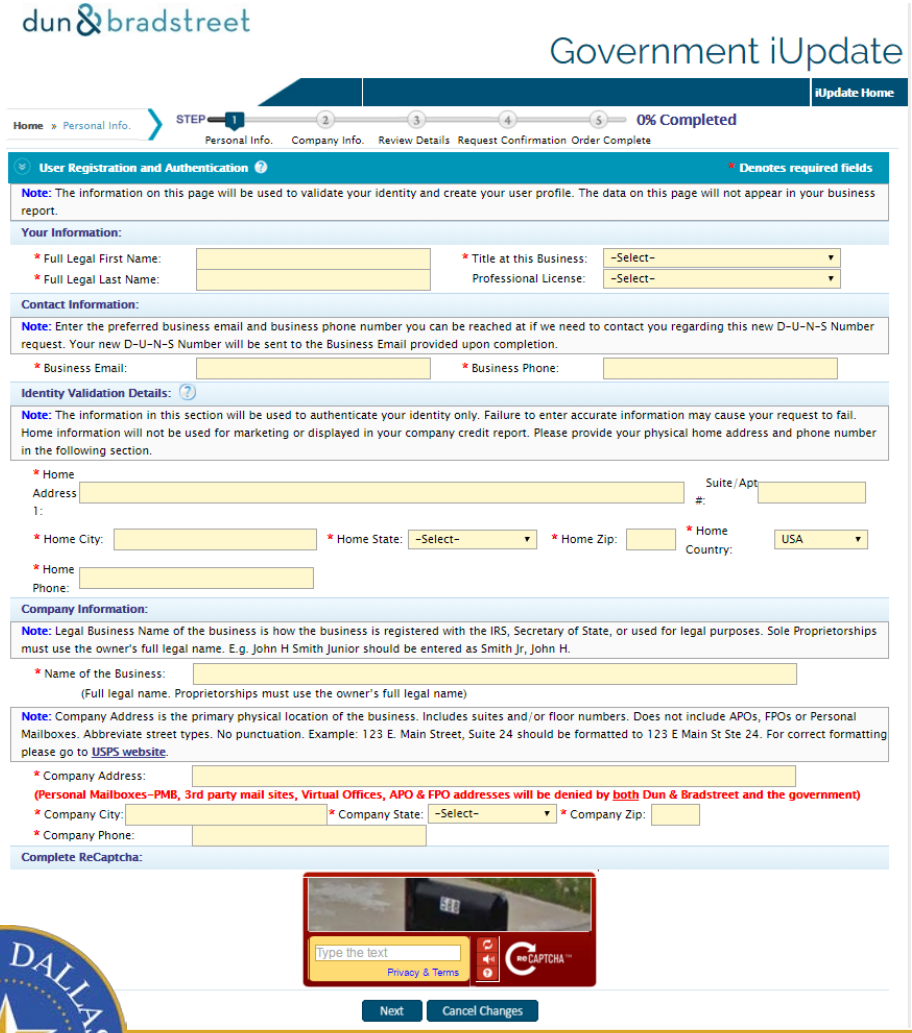
14 If you expect your employment tax liability to be $1,000 or less in a full calendar year **and** want to file Form 944 annually instead of Forms 941 quarterly, check here. (Your employment tax liability generally will be $1,000 or less if you expect to pay $4,000 or less in total wages.) If you do not check this box, you must file Form 941 for every quarter. ☐

15 First date wages or annuities were paid (month, day, year). **Note.** If applicant is a withholding agent, enter date income will first be paid to nonresident alien (month, day, year) ▶

e box that best describes the principal activity of your business.
☐ Rental & leasing ☐ Transportation & warehousing ☐ Health care & social assistance ☐ Wholesale-agent/broker
☐ Manufacturing ☐ Finance & insurance ☐ Accommodation & food service ☐ Wholesale-other ☐ Retail
☐ Other (specify)

We ARE Ready – DUNS Number

- A unique, 9 digit number issued by Dun & Bradstreet to identify your organization to the federal government
- Must verify that you are the authorized agent for your organization
- Takes one business day



We ARE Ready – SAM.gov Registration

- One-stop portal for doing business with the federal government
- Registration must be maintained for the life of your federal grant
  - Must be renewed annually
- Takes 7-10 days to be approved
- You will also get a CAGE code

SAM
SYSTEM FOR AWARD MANAGEMENT

Quick Start Guide For New Grantee Registration

Helpful Information

What is an Entity?
In SAM, your company / business / organization is referred to as an "Entity." You register your entity to do business with the U.S. Federal government by completing the registration process in SAM.

SAM is the official **free, government-operated website** – there is NO charge to register or maintain your entity registration record in SAM.

What do I need to get started?

DUNS Number
You need a Data Universal Numbering System (DUNS) number to register your entity in SAM. DUNS numbers are unique for each physical location you are registering.

If you do not have one, you can request a DUNS number for **free** to do business with the U.S. Federal government by visiting Dun & Bradstreet (D&B) at http://fedgov.dnb.com/webform
It takes no more than 1-2 business days to obtain a DUNS number.

Taxpayer Identification Number
You need your entity's Taxpayer ID Number (TIN) and taxpayer name (as it appears on your most recent tax return). Foreign entities that do not pay employees within the U.S. do not need to provide ...r TIN is usually your Employer ... Number (EIN) assigned by ...evenue Service (IRS).

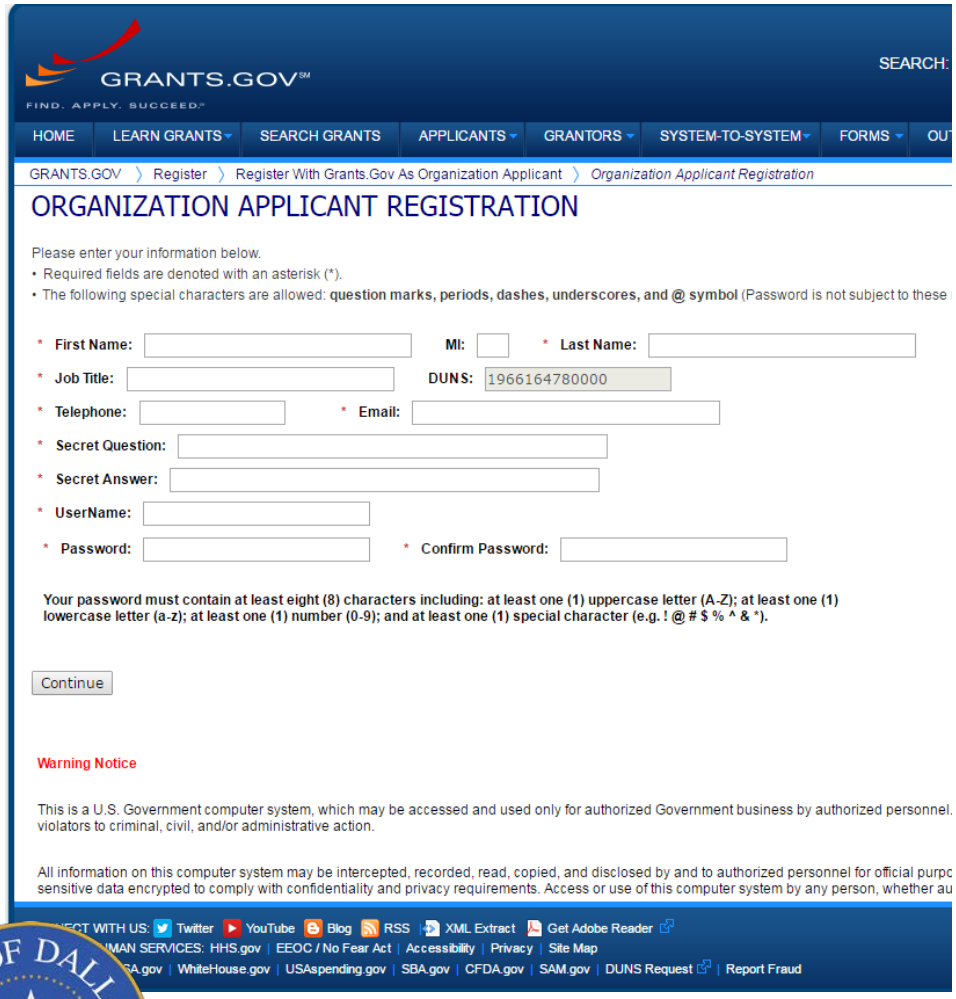
...ay use their Social Secu... ...ssigned by the Social

Steps for Registering

1. Type www.sam.gov in your Internet browser address bar.
2. Create a SAM Individual User Account (be sure to validate your e-mail address), then Login.
3. Select "Register New Entity" under "Register/Update Entity" on your "My SAM" page.
4. Select your type of Entity. Definitions are in the Glossary to the right.
5. If you are registering in SAM.gov so you can apply for a Federal financial assistance opportunity on Grants.gov, and are not interested in pursuing Federal contracts, you will have a much shorter registration path. To chose this "grants only" path:
   - Select "No" to "Do you wish to bid on contracts?"
   - Select "Yes" to "Do you want to be eligible for grants and other federal assistance?"
6. Complete the "Core Data" pages:
   - Validate your DUNS information.
   - Enter Business Information (TIN, etc.) This page is also where you create your Marketing Partner Identification Number (MPIN). Write the MPIN down as it will serve as a password for you in other government systems. You will need it for your Grants.gov registration.
   - Enter your CAGE code if you have one, but remember, CAGE codes are tied to DUNS numbers and cannot be reused. Don't worry if you don't have a CAGE code for the DUNS number you are registering: one will be assigned to you after your registration is submitted. Foreign registrants must enter their NCAGE code before proceeding.
   - Enter General Information (business types, organization structure, etc.) about your entity.
   - Provide your entity's Financial Information, i.e. U.S. bank Electronic Funds Transfer (EFT) Information for Federal government payment purposes. Foreign entities do not need to provide EFT information.
   - Answer the Executive Compensation questions.
   - Answer the Proceedings Details questions.
7. Complete the "Points of Contact" pages:
   - Your Electronic Business POC is integral to your Grants.gov registration and application process. Your Government POC will be used by other government systems, such as CAGE, when they contact you. List someone with direct knowledge of this registration for both of those POCs.
8. Make sure to hit [Submit] after your final review. You will get a *Congratulations* message on the screen. If you do not see this message,

We ARE Ready – grants.gov Registration

- Centralized portal to find and apply for federal grants
- Multiple logins are allowed but only one can be the Authorized Official (AOR)
  - Multiple people can work on a single application using the Workplace feature
- Approval is same day



Grants Life Cycle – Step 2

Where to Look for Federal Grants

- grants.gov
  - Not a one stop shop
  - Sign up for grants.gov notifications
- Federal Register
  - Lots of extra information
- Google
  - Best research tool for finding grants
- Agency Websites and Mailing Lists

Grants Life Cycle – Step 3

Getting Started on Your Application

- Read your Funding Announcement very carefully for required elements
  - Put together a checklist or matrix
- Are we eligible?
  - Is our organization the kind of organization the funder wants?
  - Do we meet all the special criteria?
- Do we have a good project fit?
  - Does our project do what the funder wants to do?
  - Look up prior awards to see if they've funded similar projects

Putting Together Your Application Packet

- Reviewers will come from across the country
  - Do not assume they know our community or your organization
  - Attachments can be helpful to orient readers
- Show how your project fits with the national priority
  - Tie goals and objectives back to the goals outlined in the Funding Announcement
- Federal dollars are an investment of tax-payer money
  - Organizational Capacity and Sustainability are especially important to the federal government

Putting Together Your Application Packet (con't)

- The budget is the single most important part of your application
- Costs should be reasonable, allocable, and necessary
  - Can't pay a premium just because you have grant funds
  - Use federal guidelines or agency guidelines – whichever is more restrictive
- Also not already funded
  - This is supplanting and is very bad

What is Supplanting?

- When you take an already funded expense and try to replace existing funds with federal funds

- This is Suzie.
- Suzie runs one of your programs, and her position is 100% funded.
- But wait! A federal grant comes along that will provide funding for that program!
- Can Suzie be paid out of the grant?
- **No! This is supplanting.**

Grants Life Cycle – Step 4

Submitting Your Application

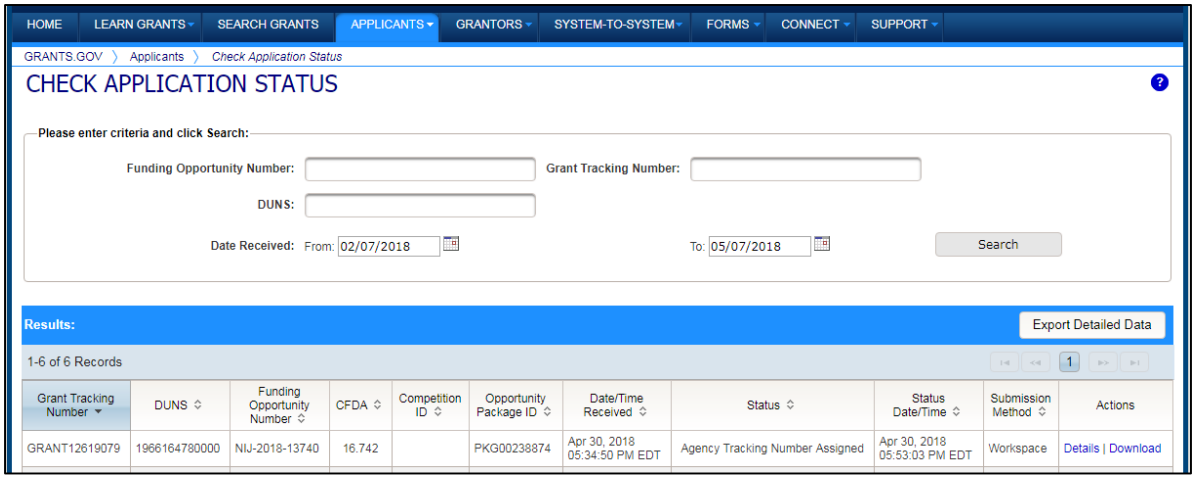
- Carefully review your application for completeness
  - Have someone who doesn't know your program review
- Pay special attention to WHERE to submit each element, especially attachments
  - You may have to submit some items via grants.gov and some to be submitted via another website
- Wait for confirmation that the system has accepted your application

What Happens to My Application?

- Several layers of Review
  - Technical Review
  - Peer Review or Scoring
- Proposals will typically be ranked by score
  - Rankings typically need approval from the head of the Program Office or Secretary
- You should be notified if you were awarded or not

Tracking Your Application

- Check grants.gov or the agency's submission portal for requested corrections



- Pay close attention to email and snail mail
- Don't be afraid to follow up directly

We Weren't Funded ☹

- Don't be discouraged!
  - Only 25 – 35% of grant applications submitted by an agency will be funded

Everybody remembers the guy who planted the flag...

...but nobody remembers all the hikers who didn't make it to the top of the mountain

- Request feedback or scoring sheets from the funding agency

Grants Life Cycle – Step 5

We Got the Grant! NOW WHAT!?!

- Re-read your application and Funding Announcement
- Read your contract – pay attention to key information
  - Award date
  - Performance Period
  - Reporting Requirements
  - Additional Requirements
- Get board approval, if not already done
- Set up your fund in your financial system
- Put together your grant binder

We Got the Grant! (con't)

- What should go in the grant binder?
  - Funding Announcement and Agency Grant Manuals
  - Application
  - Award Letter and Grant Contract
  - Executive Board Approval
  - Project and Budget Changes (GANs)
  - Reports – Financial and Programmatic
  - Drawdown Requests
  - Backup Documentation
  - Monitoring Visits/Audits
  - Misc. Correspondence

Grants Life Cycle – Step 6

What Are Your Responsibilities?

- Spend funds in accordance with the authorized purpose
- Safeguarding all assets
- Develop systems and policies to ensure proper stewardship of funds
  - Financial management systems
  - Internal controls
  - Procurement systems
  - Time & effort reporting systems
  - Monitoring activities

Where Are All the Requirements?

- 2 CFR 200
  - 2 CFR 200 Subtitle III – Procurement Standards
  - 2 CFR 200 Subpart E – Cost Principals
  - 2 CFR Subpart F – Audit Requirements
- Agency Financial Guides or Grant Manuals
- Funding Announcement and Grant Contract
- Keep in mind that federal requirements apply to pass-through funds as well

Fraud, Waste and, Abuse

- Grant funds are awarded for specific purposes and grantees must use them accordingly
  - Fraud: lying, cheating or stealing at any point in the grants process for an unlawful benefit
  - Waste: failure to ensure taxpayers get good benefit for the money through mismanagement or lack of oversight
  - Abuse: behavior that a prudent person would not consider reasonable or necessary for business given the situation
- Grantees must disclose all suspected cases of fraud to their awarding agency in writing, and in a timely manner

Common Requirements

- FFATA Requirements
- Purchasing Requirements
- Inventory Requirements
- Single Book Audit Requirements
- Documentation Requirements
- Other Requirements

FFATA Requirements

- Prime recipients must register at FSRS.gov
- Must report first tier subawards and all contracts >$25,000
- Requires that you report the names and compensation for your 5 most highly compensated officials if:
  - 80% or more of your revenue is from federal sources, and
  - You receive $25 million in total federal contracts and assistance, and
  - The public does not have access to information about executive compensation of your agency

Purchasing Requirements

- Must have written procurement procedures
- Must be conducted in a manner providing full and open competition
- All vendors given contracts must be checked against SAM.gov to ensure they are not suspended or debarred
- Sole-source procurements in excess of $150,000 must receive prior approval by your funding agency
  - Sole source procurements are contracts issued without competitive bidding

Inventory Requirements

- Must maintain a list of all equipment purchased with federal grant funds
  - Equipment is tangible property with a unit cost of more than $5,000 and a useful life of more than 1 year, or items likely to get lost or stolen
- Must tag items to indicate they are grant funded
- Must perform a physical inventory once every 2 years
- Must follow federal disposition rules if equipment is disposed or no longer used for the original purpose

Single Book Audit Requirement

- A Single Audit is required if you spend $750,000 or more of federal funds in a given fiscal year
  - Not just on one award, for your organization in total
- Typically is an eligible grant expense
  - But has to be pro-rated across your grants
- Once finished, submit to the Federal Clearinghouse
  - https://harvester.census.gov/facweb/

Documentation Requirements

- **IF IT ISN'T DOCUMENTED, IT DIDN'T HAPPEN**

- Document anything that could be a potential audit finding
  - Late report – especially if it's not your fault
  - Budget or program changes
  - Staff changes
  - Special Approvals

- All records must be maintained for 3 years after grant closeout

Other Common Requirements

- Sub-recipient Monitoring
- Davis-Bacon Act
- Civil Rights Compliance
  - Title VI of the Civil Rights Act
  - Americans with Disabilities Act
  - Equal Employment Opportunity Plan Requirements
- Drug-free Workplace Act
- Environmental and Historic Preservation
  - National Environmental Policy Act
  - National Historic Preservation Act

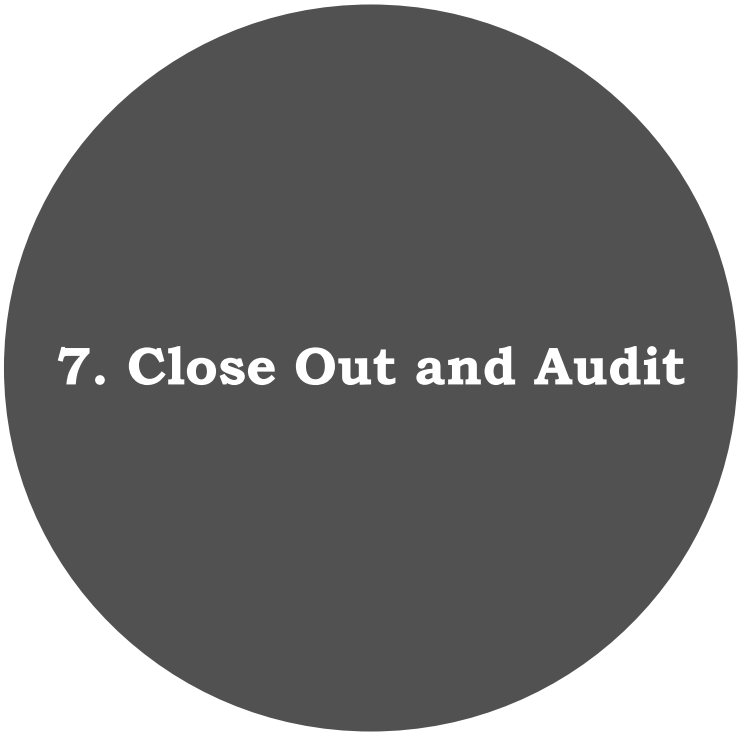
Not So Common Requirements

- Read your grant contract and agency grant manual for less common requirement, such as:
  - Approvals on work plans
  - Credit on published materials or advertising
  - Ownership of inventions or materials produced
  - Approvals on “controlled assets”
  - Special drawdown requirements
  - Qualifying criteria such as maintaining plans
  - Sustained funding for positions or maintenance

Changes to Your Grant

- Funding agencies understand that conditions change and things go wrong!
  - Each program will have it's own standards and processes
- Common changes include:
  - Financial Changes
  - Programmatic Changes
  - Extensions
- Keep in mind that all changes must:
  - Receive PRIOR approval from the program office
  - Comply with grant terms and conditions

Grants Life Cycle – Step 7



Closeout

- Make sure all funds have been obligated and liquidated according to your grant agreement
- Submit your final reports
  - Financial
  - Programmatic
- Complete any closeout processes your agency requires
- Review your grant binder to ensure documentation is complete, and archive for the records retention period

Audits

- Types of audits
  - Desk Reviews
  - Site visits
    - Programmatic
    - Financial
  - Single Audit
- Audits can occur at any time during the grant cycle including the records retention period

Common Compliance Issues

- Late or inaccurate reports
- Unallowable costs
- Insufficient sub-recipient monitoring
- Not getting project or budget changes approved
- Lack of documentation
  - Time and effort records
  - Inventory
  - Suspended and debarred checks
- Special approvals

What Happens if We're Not in Compliance?

- Agency can withhold funds
- Costs can be disallowed
  - You have to refund that money to the grant
- Grant contract can be terminated
- Organization can be put on a high-risk list
  - This can impact future funding requests
  - You may be required to take additional action to stay eligible
- Organization can be suspended or debarred

Questions?

Helpful Links

- Grants.gov
  - www.grants.gov
- EIN
  - https://www.irs.gov/Businesses/Small-Businesses-&-Self-Employed/Employer-ID-Numbers-EINs
- DUNS
  - http://fedgov.dnb.com/webform
- SAM.gov
  - www.sam.gov
- Federal register
  - https://www.federalregister.gov/
- Federal Financial System Requirements
  - http://www.gao.gov/new.items/d05225g.pdf
- 2 CFR 200
  - http://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title02/2cfr200_main_02.tpl
- FFATA Reporting
  - https://www.fsrs.gov/
- GSA.gov
  - http://www.gsa.gov/portal/content/104877
- DOL Volunteer Rates
  - http://www.bls.gov/bls/blswage.htm
- FEMA Equipment Rates
  - http://www.fema.gov/schedule-equipment-rates
- Internal Controls
  - http://www.gao.gov/greenbook/overview

Federal Grants for Non-profits

May 10, 2018

Dina Colarossi
Fund Development Manager
Office of Strategic Partnerships & Government Affairs
City of Dallas