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GRANTS ASSISTANCE ADMINISTRATION  
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## GRANTS ASSISTANCE ADMINISTRATION

## Introduction

## 1. INTRODUCTION

1.1 Policy. It is the policy of the Bureau of Indian Affairs that grants awards to organizations be administered consistent with pertinent statutes and Federal requirements. Sound management principles shall be used by grant-awarding activities to facilitate accomplishment of the grants assistance programs.

1.2 Authority. Authorizing legislation for Bureau grants governed by this Supplement is contained in the Snyder Act of November 2, 1921, 42 Stat. 208; the Indian Self-Determination and Education Assistance Act of 1975 (88 Stat. 2203); the Indian Child Welfare Act of 1978 (92 Stat. 3069); and, Pub. L. 95-471 (Tribally Controlled Community College Assistance Act), as amended by Pub. L. 98-189. Additionally, two Federal Executive agencies have issued regulations governing administration of grants: the Office of Management and Budget (OMB), and the Department of Treasury (Treasury). Major applicable management circulars promulgated by those agencies are: OMB Circular A-102 (Uniform Administrative Requirements for State and Local Governments); OMB Circular A-110 (Grants and Agreement with Institutions of Higher Education, Hospitals and Other Non-Profit Institutions); OMB Circular A-87 (Cost Principles for State and Local Governments); and Treasury Circular 1075 (Withdrawal of Cash from the Treasury for Advances under Federal Programs).

1.3 Scope. The scope of this issuance includes project or institutional grants awarded under the Indian Self-Determination and Education Assistance Act (Pub. L. 93-638), the Indian Child Welfare Act (Pub. L. 95-608), the Tribally Controlled Community College Assistance Act (Pub. L. 95-471, as amended by Pub. L. 98-189), and any other Bureau project grant programs which have incorporated 25 CFR Parts 272 and/or 276 in their program regulations. Federal (grants) assistance made available to individual persons are not subject to this Supplement.

1.4 Responsibility.

A. The Division of Contracting and Grants Administration (Office of Administration) is responsible for providing Central Office direction, issuing non-programmatic policies and procedures described in Section 2., and reviewing Area/ Agency Office implementation of those processes and procedures in awarding and administration of grant programs under this Supplement. The Director, Office of Indian Education Programs serves as the program coordinator for those grants awarded under Pub. L. 95-471.

B. Area Directors/Agency Superintendents shall be responsible for the administration and management of non-college grants in accordance with the policy and procedures presented in this Supplement.

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1.5 Definitions. The following terms in this release are defined, as follows:

A. "Grant" (or Assistance) means a legal instrument reflecting a relationship between the Federal government and a State or local government or other organizational recipient whenever:

(1) The primary purpose of the relationship is the transfer (rather than the acquisition by purchase, lease, or barter) of money, property, services, or anything of value to accomplish a public purpose of support or stimulation authorized by Federal statute; and

(2) No substantial involvement is anticipated between the Bureau (acting for the Federal government) and the State or local government or other organizational recipient during performance of the contemplated activity.

B. "Grants (Assistance) Officer" means a Bureau official designated to enter into or administer assistance agreements. For the Bureau, the awarding official is a warranted Level III or IV Contracting Officer, with their respective appropriate ceiling signatory authority.

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## 2. GENERAL ADMINISTRATION

2.1 Budget Periods for Project Grants. The initial budget period is the period in effect at the time the grant is awarded. One or more amendments may subsequently change the start-end dates of the initial budget period. The initial budget period for a grant shall be no longer than one calendar year in length. It may extend over portions of two succeeding fiscal years. For example, a grant may commence June 1, of one year, and terminate May 31, in the following year.

A. Where sufficient justification exists, a grant activity which was initially planned and funded for completion within a 12 month period may be extended beyond the 12 month period. Such an extension shall be accomplished by a grant amendment. The Grants (Assistance) Officer may approve a written request for extension provided that:

- (1) Additional time is required by the grantee to complete the activity; and
- (2) No significant changes have been made in the scope of grant activity. (If significant changes are planned in the scope of the grant activity, a new grant application should be submitted for review); and
- (3) Funds remain legally available for expenditure by the grantee.

B. Under the provisions cited above, the grant extension may be made with or without an award of additional funds. Requests for additional funds must be justified by the grantee and reviewed by the Bureau in the context of the needs for the grant project.

C. When a grant project is initially expected to take more than one year to complete, principles shall be followed as contained in Section 2.2.

## 2.2 Multi-Year Grant Projects Funded By Appropriations From More Than One Fiscal Year.

A. A multi-year project is a grant project in which a clear inter-relationship exists between activities undertaken in the project; and, the project will require more than one calendar or two succeeding fiscal years to complete.

B. Completion of one portion of a multi-year project lays the foundation for another portion, and the nature of the overall project is such that individual phases cannot be undertaken simultaneously. As an example, a project could consist of a study of the effectiveness of law enforcement and judicial processes under Pub. L. 93-638, Section 104. This could be followed by an implementation phase which would include preparation of operational procedures and the training of staff in those new procedures.

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C. The following general principles govern the review, award, and monitoring of multi-year projects.

(1) Initial Application. The program narrative portion of the application for the first budget period of the project must be prepared to describe the overall project objectives as well as the approach and expected benefits for each budget period of the project.

The budget period will normally be twelve (12) calendar months in length. The budget period dates need not correspond with the beginning and ending dates of the fiscal year. A three-year project normally will be funded by three grants.

The program narrative statement shall contain a general statement for the estimated total dollar requirements for the entire multi-year project with a general breakdown for each year. The budget data portion of the application must provide detailed information on items requested for the initial budget period of the project just as though it were a one year project.

Block 13 of the application form (SF-424, Application for Federal Assistance) must be completed by entering the dollar amount requested only for the first year of the project.

(2) Application Review. When an application is reviewed for the initial year of a project of more than one year duration, the review will be conducted in the context of the entire project. Approval of the application will represent programmatic approval of the entire project.

Although a project may be approved for a period of more than one year, funding in future fiscal years is contingent upon satisfactory performance and the availability of appropriations. The Special Conditions section of grants agreement assistance documents shall include a statement to that effect.

(3) Application for Subsequent Project Year. The grantee must resubmit an application annually in order to be considered for continuation of a grant for each subsequent budget period of the project. A continuation application will be considered to incorporate, by reference, data/information from the initial application unless revised statements are submitted. If unchanged from the initial application, approval of the program data portion of a continuation application by the Bureau is not required, since programmatic approval of the entire project was made in the initial year. However, budget data for each succeeding year must be prepared in detail by the grantee and approved by the Grants (Assistance) Officer since only general estimates were provided in the initial application. The grantee may apply for more or less than the future year estimates shown in the initial application. A grant agreement shall be prepared for each subsequent year of the project to reflect the current year's budget, special terms and conditions and revised goals of the project, if any.

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(4) Carry Forward of Funds. Unexpended funds from one grant year may be carried forward into a succeeding grant year for approved budgeted purposes. Such carryover funds shall be considered to be the first funds expended in the new fiscal year. The Grants (Assistance) Officer shall ensure that the sum of carryover funds and new funding for the current year do not exceed reasonable estimates of need based on the grantee's project plans.

2.3 Signatory Authority for Grants. The following individuals are designated as having signatory authority to execute, award and modify grant assistance agreements for the Bureau.

- (A) Assistant Secretary - Indian Affairs;
- (B) Deputy to the Assistant Secretary - Indian Affairs (Operations);  
and
- (C) Any Warrant Level III or IV Contracting Officer, at the ceiling of signatory authority.

2.4 Agency Office Responsibilities for Review of Grant Applications.

A. Self-Determination Grants. Regulations require Agency Offices to "review the application for completeness of information", to "assess the completed application for appropriateness of purpose", and for "overall feasibility." In order to assure a complete understanding of the review process and avoid duplication or gaps in the application review, Area Office Directors shall provide Agency Office Superintendents with written instructions for their application review, prior to forwarding applications to the Area Office for action. The review shall include:

(1) Ascertaining that all appropriate blocks on the face page of the application are completed and that the information is accurate;

(2) Ascertaining that an acceptable tribal resolution is enclosed with the application;

(3) Reviewing the project in the context of the statutory authority provided under Pub. L. 93-638; the regulatory authority of 25 CFR 272 and 276, OMB Circulars A-87 and A-102; and, making a judgment as to whether it is an eligible project;

(4) Making a determination whether the project can feasibly be accomplished as proposed, considering the amount of funds requested, the capabilities of the grant applicant, the complexity of the project, and the time allotted for completion;

(5) Ensuring that the program narrative statement contains clear goals and objectives; and, outlines an approach to achieve the objectives in sufficient detail to provide a clear description of sub-activities and intermediate goals. [This statement will assist both the tribe and the Grants (Assistance) Officer in carrying out their responsibilities to monitor the

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extent of progress in completing the project]. The narrative shall also contain specific language that states the performance criteria, standards, and accountability measures to be used by the grantee;

(6) Reviewing the budget for arithmetic accuracy and ensuring that the justification is provided for items in the budget in instances where relevance is not immediately clear. It should not be a function of the Agency Office review to negotiate budget amounts. However, clarification of budget items should be a function of this review.

B. Child Welfare Grants. Although program regulations for the Child Welfare grant program have incorporated much of 25 CFR Parts 272 and 276, they do not require Agency Office review of the application.

C. Community College Grants. Applicants for grants under this authority submit grant applications directly to Central Office, Director, Office of Indian Education Programs (OIEP). The OIEP Grants (Assistance) Officer Representative serves in a similar role to the Agency Office Superintendent in terms of carrying out duties and responsibilities in the areas of planning, reviewing, administering, approving, and monitoring of grant instruments consistent with Federal requirements and Bureau policies and procedures.

#### 2.5 Time Limits for Processing Self-Determination Grant Applications.

Area Office Directors are required by 25 CFR Part 272 to take action to approve or disapprove Self-Determination Grant applications within 30 calendar days of receipt. No regulatory time limit is imposed for negotiation and issuance of a grant award following the approval. This Section requires that all grants and grant amendments be processed and awarded within 30 calendar days following completion of the application review by the Area Office Director. Grant awards in excess of \$100,000 must be reviewed by the Office of Field Solicitor for legal sufficiency and that action must also take place within the 30 calendar day period.

#### 2.6 Length of Availability of Grant Funds for Obligation and Expenditure.

The authority contained in Section 8 of Pub. L. 93-638 for obligation and expenditure of grant funds permits carryover of unobligated and unexpended funds to the succeeding fiscal year. However, subsequent Appropriation Acts have always limited the availability of funds for obligation to a current fiscal year, by language such as: "No part of any appropriation contained in this Act shall remain available for obligation beyond the current fiscal year unless expressly so provided herein." Funds remain available under Self-Determination grants for expenditure by the grantee for two fiscal years. Funds must be completely expended before the end of the fiscal year succeeding the fiscal year in which the funds were obligated.

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2.7 Savings. Under narrowly defined circumstances, "savings" by a grantee who completes a program and expends less than the grant amount may be deobligated and used by the Bureau as an obligation to increase the availability of funds under a new grant or an existing grant. This is permissible only when all the following conditions are met:

A. The "savings" are deobligated and reobligated within the same fiscal year for which the funds were appropriated.

B. All final grantee financial reports have been received and accepted as complete.

C. Application of the funds to a new or existing grant is made under the same regulations and procedures governing the award of other grants of that program.

2.8 Standards for Financial Management Systems.

A. Standards for grantee financial management systems are established in 25 CFR 276. To receive a grant, an applicant must either:

(1) Have in place a financial management system which meets or exceeds the requirements of 25 CFR 276; or, if the applicant has no prior grants from the Bureau,

(2) Submit a written agreement to establish a system that meets those standards, prior to disbursement of any funds under a grant awarded as a result of that application.

B. An applicant's financial management system will be considered as having met the requirements of 25 CFR 276 if:

(1) A certification has been made by a licensed accountant within 24 months preceeding the date of the application that the components of the financial management system meet the standards of 25 CFR 276, or

(2) The Grants (Assistance) Officer has made (and formally documented for the file) an informed decision that a review she/he made or caused to be made has shown that the applicant tribe meets the standards for financial management systems. This alternative shall be used in situations where the total dollar amount of a tribe's grants with the Bureau is sufficiently small and the nature of the grant project is sufficiently simple so as not to require review by a licensed or certified accountant.

C. Although the question of review of financial management systems arises with each grant application, the broad concern is with the total tribal financial management system. Reviews of financial management systems must be made in the context of overall tribal financial management strength. The financial management review, whether performed by a licensed accountant or by the Grants (Assistance) Officer, shall, as a minimum, provide answers to the



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eleven questions shown on Illustration 2. The level of sophistication required in order to meet the standards will necessarily vary from tribe to tribe, depending on the total amount of grant activity and the complexity of the project. Each grants folder in the Area/Central Office must reference the Financial Management Systems Review; the date, name and title of reviewer; and, must bear the signature of the Grants (Assistance) Officer accepting the review findings.

**2.9 Allowable Costs Under Grants.** Principles for determining allowable costs are published in OMB Circular A-87 and 25 CFR 276.

**2.10 Purchase of Vehicles by Grantees.** Administrative provisions in the Appropriations Act annually limit the number of passenger-carrying motor vehicles which can be purchased with appropriated funds. That restriction does not apply to passenger-carrying vehicles purchased by a grantee with grant funds. Passenger-carrying vehicles are considered to be an allowable cost item, provided that the vehicles fulfill a relevant need under the project. Lease vs. purchase analysis should be conducted to determine the best possible arrangement.

**2.11 Travel Management.** Travel costs may be charged to grants on an actual or a per diem or mileage basis in lieu of actual costs incurred, or on a combination of the two, provided the method used is applied to the entire trip and the resultant charges are consistent with those normally allowed in like circumstances for non-Federally sponsored activities. Regardless of the method chosen, charges to the grant and reimbursements to the traveler must stand the test of reasonableness. The existence of an acceptable travel policy is a management system requirement under grants.

A. The following are minimum standards for acceptance of travel policies:

(1) The policy shall apply equally to all official travel, regardless of the source of funds used to reimburse the traveler.

(2) When meals, lodging or other costs normally associated with travel are paid by a third party or included in other costs (in whole or in part), the travel allowance shall be reduced to reflect those contributions.

(3) Travel costs may be reimbursed only to cover travel performed in an official capacity.

(4) Travelers must file a travel voucher upon completion of travel. An amount received as an advance cannot be recorded as travel expense without certification that the travel was actually performed and the expenses incurred.

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(5) Pursuant to Federal regulations, reimbursement for air travel must be at a rate less-than-first class, unless less-than-first class accommodations are not available.

B. Periodically, Grants Officer Representatives (GOR's) will review a sampling of travel costs claimed. Such costs will be reviewed for consistency with the grantee's travel policy.

2.12 Advance Payments to Grantees With Small Grant Awards. The administrative costs associated with processing advance payments for small grants are approximately the same as for larger grants and, in proportion to the size of the grant, the costs are much higher. Therefore, when a grantee is not on a Letter of Credit payment basis certain measures are justified which will reduce the number of advance payments made for small grants. Use of such measures should not lose sight of the Department of Treasury requirements to time advance payments to assure that only minimal balances of cash are held by grantees.

A. Treasury Check Advance. In an effort to strike a balance toward meeting these two considerations, the following applies when the Letter of Credit system is not used but a Treasury check advance payment method is used:

(1) When the amount of the grant award is \$7,000 or less, the entire amount of the grant may, at the discretion of the Area Director, be advanced at one time.

(2) When the amount of the grant award is between \$7,001 and \$16,000, advances may (at the discretion of the Area Director) be made on a semi-annual basis.

B. Notwithstanding the above, procedures for advance payment by Treasury check must be consistent with the provisions of 25 CFR 276. In determining whether or not to process an advance for a period of time as (1) and (2) above, the Grants (Assistance) Officer must have assurance that the grantee's system for fund control and accountability is adequate.

2.13 Responsibilities of Grants Officer Representative (GOR). The Grants (Assistance) Officer is responsible for ensuring that grant agreements are reviewed and executed in accordance with applicable laws, regulations, and sound business practices. The Grants (Assistance) Officer is responsible for administering a grant project until completed, as well as for specified additional actions prior to closing out grants and retiring grant records.

A. Certain tasks may be performed by appropriate staff persons under supervision of the Grants (Assistance) Officer, or authorities delegated to a representative of the Grants (Assistance) Officer. It is imperative that all such delegations and authorities be clearly defined in writing. Such representatives are designated as "Grants Officer Representatives" (GOR's). The primary GOR for all grants to tribal governments and grants within the Agency Office jurisdiction shall be the Agency Office Superintendent.

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Subordinate GOR's may be appointed from Area Office staff or from Agency Office staff depending upon the nature of the grant activity, Area/Agency staff limitations, and individual expertise. Appointment of the subordinate GOR is a responsibility of the Grants (Assistance) Officer, but appointment should be made with approval of the Area Director or Agency Superintendent whose personnel are involved. It is advantageous to appoint a Subordinate GOR during the application review process. An early appointment provides an opportunity to become familiar with the proposed activity and it establishes program responsibility for resolving preaward problems. The Director, OIEP has authority to select and appoint Central Office GOR's for community college awards.

B. All of the following procedures shall be included when establishing the authority and duties for GOR's:

(1) The Agency Superintendent will recommend an employee to serve as Subordinate GOR at the time she/he forwards the grant application and recommendation for action to the Area Office. That Agency Office employee should participate in the Agency Office review of the application in order to gain maximum familiarity with the project prior to funding.

(2) The Grants (Assistance) Officer will formally appoint the Senior GOR and Subordinate GOR by letter. The GOR shall sign and return a copy of that letter, signifying understanding and acceptance of the authorities and duties.

(3) The Senior GOR will perform the following functions, as a minimum:

(a) Certify adequacy of the program narrative as a document which can be used to monitor the grantee's performance during the life of the project. Criteria, standards, and other performance accountability elements shall be a part of the document.

(b) Prepare a Monitoring Plan which outlines the actions to be taken for each three-month period to monitor the project and keep the Grants (Assistance) Officer advised. The Plan shall contain target dates and specific actions to be taken. (Illustration 1 contains an example of a Monitoring Plan that accompanies an application in order to monitor grantee performance). The Plan is subject to revision depending on events during the life of the grant. A copy of the Monitoring Plan shall be forwarded to the Grants (Assistance) Officer with the grants application prior to award.

(4) Hold a post-award briefing with a representative of the grantee within 10 work days following grant award. To ensure that the grantee understands the financial and performance reporting that will be required and the method and procedures for receiving payments under the grant, the grantee shall be encouraged to designate an individual working on the grant to be the tribe's point-of-contact with the Bureau (a tribal counterpart to the GOR). Where distances are great or when travel is restricted or otherwise impractical, the post-award briefing may be accomplished by other means.

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(5) Maintain a record of grantee reporting dates with a follow-up, in writing, to secure overdue grantee reports. Follow-up will begin on the fifth calendar day following the day the report becomes overdue and be repeated in 30 calendar days if the report has not been received by that time. At the end of the subsequent 30 day period, the Grants (Assistance) Officer will be notified first by telephone and then in writing.

(6) Contact the grantee representative on a periodic basis (at least quarterly) to discuss the grantee's performance, progress and problems. Advise the grantee, in writing, of any violations of grant provisions and conditions, and promptly bring the matters to the Grants (Assistance) Officer's attention if the grantee fails to correct or stop the violations.

(7) Review proposed grant modifications initiated by the grantee and furnish written recommendations before forwarding the proposals to the Grants (Assistance) Officer.

(8) Review all Periodic Performance Reports and the Final Report. Sign off on Performance Reports which are accepted, thereby demonstrating a satisfactory level of effort under the grant. The GOR signature on the Performance Report indicates the professional judgment that the Report demonstrates satisfactory effort under the grant. When the Report does not demonstrate such effort, it should be returned to the grantee and the GOR should personally assess whether the Report or the effort or both are deficient. In the case of a deficient effort, the GOR shall inform the Grants (Assistance) Officer and suspension of the grant should be considered.

(9) Obtain a personal property listing from the grantee upon completion of the grant, identifying all items of property and equipment purchased during the life of the grant as described in Section 2.14. Such property will normally continue to reside with the grantee but it is necessary for accountability purposes to identify and record the items that were purchased with grant funds.

2.14 Responsibility for Non-Expendable Personal Property. When non-expendable personal property is acquired by a grantee with grant funds, title normally vests in the grantee. When title is held by the grantee, no property records are required to be kept by the Bureau. However, the grantee is required to maintain a property management system which will safeguard the property. The Grants (Assistance) Officer will arrange for onsite reviews of property management systems, making determinations as shown in Illustration 3.

A. The Bureau will retain title to the property only when: the property had an acquisition cost of \$1,000 or more; and, was financed solely with Bureau funds; and, is unique, costly or difficult to replace, or represents property which the Bureau foresees a need to reclaim and use. It is anticipated that conditions will rarely occur to require property title to be held by the Bureau.

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B. Upon completion of the grant project, 25 CFR 276 requires that a determination be made as to the grantee's future needs for that equipment to which it holds title. Normally, it is expected that the grantee will have need for the property in order to continue programs and purposes consistent with activities supported by the Bureau or other Federal agencies. In order to formally waive accountability in such cases, it is necessary that the GOR obtain a property listing from the grantee that describes all equipment purchased under the grant. The listing shall include a descriptive nomenclature, date of purchase, unit cost, total cost, designation of serviceable or unserviceable condition, and a statement from the grantee as to whether the property is required for purposes consistent with those described above.

2.15 Close Out of Completed Grants. This Section establishes basic requirements for the close out of completed grants. "Close out" refers to the process by which it is determined that all required activities and all applicable administrative actions under the grant have been completed. Procedures described below amplify the instructions contained in 25 CFR 276 and pertain both to grants which have been completed and grants which have been cancelled. A checklist which includes all actions identified in Illustration 10 shall be used to facilitate the close out process. Following are specific close out responsibilities of the Grants (Assistance) Officer, some of which may be delegated to the GOR for more effective administration.

A. Obtain Final Reports. A final expenditure report (SF-269 "Financial Status Report) and a Final Report must be submitted by the grantee. If the grantee has not submitted the required financial and performance reports within 30 calendar days following the date of completion of the grant, the Grants (Assistance) Representative Officer shall make a written request to the grantee that:

(1) All outstanding reports be submitted within the next 30 calendar days.

(2) If the grantee asserts that such reports cannot be submitted within that period of time, the reasons therefor and a projected date for submission shall be requested from the grantee.

B. Follow-ups shall be continued every 30 calendar days until all reports are received. Technical assistance shall be offered if the grantee indicates she/he is unable to prepare and submit a specific report. All financial and performance reports shall be reviewed by (or on behalf of) the Grants (Assistance) Officer to ensure relevancy, accuracy and completeness prior to final acceptance. (Illustrations 5, 6, and 7 contain suggested followup letters).

C. Property Settlement. Upon completion of the grant, accountability must be formally waived by the Grants (Assistance) Officer for all grant-purchased property for which the grantee has a continuing requirement. This may be done on the property listing by adding a statement that:

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"Further accountability to the U.S. Government is waived for this property as long as the grantee has a continuing need for the property in carrying out programs and activities consistent with Bureau or other Federal agency sponsored programs. The grantee agrees to notify the Bureau at such time as a requirement no longer exists for such property."

The above statement must be signed and dated by the Grants (Assistance) Officer and by an authorized grantee representative. In other instances when the grantee has no continued need for personal property purchased in whole or in part with grant funds, disposition shall be made in accordance with individual circumstances and alternatives as described in 25 CFR 276.

D. Financial Settlement. Within 30 calendar days following receipt and acceptance of all required reports, procedures shall be completed for effecting final financial settlement. If allowable reimbursable costs are due the grantee, reimbursement procedures should be instituted. If the grantee holds an unencumbered cash balance, a request shall be made within the aforementioned time period for immediate refund to the Bureau. No final settlement shall be made until the final financial reports are reviewed and any necessary adjustments are made to determine the final Federal share of costs.

E. Audit Resolution. A completed grant may be closed out prior to audit. In such cases, the Bureau retains the right to recover amounts that may result from subsequent audits which recommend disallowance of certain costs. A grant may not be closed out while there are unresolved questions that were raised by an audit.

F. Other Documentation. Copies of all significant actions affecting the grant relationship which were documented shall be placed in the official grant file. Such actions include all applications, grant agreements and amendments, all financial and performance reports, all correspondence relating to actions under the grant, all correspondence and checklists relating to the monitoring of progress of the grantee, and any other documents which may have a bearing on the administration of the grant.

G. Reporting Non-Closed Grants. For grants which have been completed for six months and have not been closed, Area/Central Office Grants (Assistance) Officers shall make monthly written reports to the Division of Contracting and Grants Administration (Central Office) showing the:

- (1) Grant number.
- (2) Grantee, name, and identifying information.
- (3) Dollar amount of the grant, and
- (4) Reason for failure to close out the grant.

H. Closing Action. When the Grants (Assistance) Officer is assured that documentation is complete and that all required actions were completed, a signed certification to that effect shall be placed in the grant file and the file removed from active records. Retired grant files shall be maintained in accordance with the Bureau's records retention requirements.

2.16 Audits. OMB Circular A-128 directs Federal granting agencies to require grantees which receive \$100,000 or more annually to schedule audits every year. The Bureau will implement that directive by regulation revision of 25 CFR 276. It is Bureau policy to require all grantees to schedule A-128 audits.

Example of Program Narrative  
from Grant Application

The tribe has no formal personnel system. No position descriptions exist for any of the 14 full-time and 5 part-time employees. No standard salary schedules have been established, nor training programs established to improve skills or cross-train employees in other jobs areas. The tribe hereby makes application for a grant in the amount of \$27,000 to do the following:

1. Contract with a management consulting firm for 130 hours (at no more than \$13,000.00 total fee) to develop position descriptions and salary ranges for the 14 full-time positions. Three or more firms will be sent an RFP specifying our needs. The end product will be a written report submitted to the Council within 90 days after contract award.
2. The Executive Director and the Personnel Specialist will draft personnel policies for Council approval covering education and experience backgrounds required for: (a) all full time positions; (b) hiring, termination and promotion policies; (c) annual and sick leave plans; (d) holiday policies; and (e) promotion practices. Upon approval, these items will become part of the tribe's approved manual system.
3. The Chief Accountant and the Personnel Specialist will jointly develop a training program for the four junior employees to train them in (1) property management, (2) purchasing procedures, (3) typing skills, (4) bookkeeping principles.



EXAMPLE OF MONITORING PLAN

Project Life: May 1, 1985 - April 30, 1986

0-3 Months

Step

- |         |   |                                                                                                                                                                              |
|---------|---|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| May 3   | 1 | Become familiar with project through reading application and award.                                                                                                          |
| May 7   | 2 | Hold post-award briefing to ensure understanding of all provisions and conditions of award document, especially financial and performance reporting, and payment procedures. |
| June 15 | 3 | Establish at least one meeting date during the quarter to discuss the project with the grantee representative.                                                               |
| June 30 | 4 | Discuss grant performance problems and progress at least once with the Grants Officer following the meeting with grantee.                                                    |
| July 15 | 5 | Obtain copy of RFP and grantee's agreement with consultant.                                                                                                                  |

4-6 Months

- |           |    |                                                                                                                                    |
|-----------|----|------------------------------------------------------------------------------------------------------------------------------------|
| August 15 | 6  | Review and forward Periodic Performance Reports.                                                                                   |
| August 15 | 7  | Review and forward Financial Status Report (SF-269).                                                                               |
| Sept. 1   | 8  | Make written follow-up on overdue performance reports.                                                                             |
| Sept. 19  | 9  | Meet with the grantee representative for the grant.                                                                                |
| Oct. 10   | 10 | Review the consultant's final product.                                                                                             |
| Oct. 15   | 11 | Review actions by Project Director and Personnel Specialist to carry out items No. 2 and No. 3 described in the Program Narrative. |
| Oct. 30   | 12 | Discuss the grant project and problems, if any, with the Grants (Assistance) Officer.                                              |

7-9 Months

Repeat Steps 6 through 12. Compare with level of progress from previous three month period. Is progress satisfactory?

10-12 Months

Repeat Steps 6 through 12. Compare with level of progress from previous three month period. Is progress satisfactory toward completion?

Post Project

Within 30 days following completion of the Grant:

- (1) Follow-up on all reports not submitted.
- (2) Review and forward Final and Financial Reports.
- (3) Obtain listing of grant-purchased equipment.
- (4) Discuss project with Grants (Assistance) Officer if there is reason to believe the grant is not satisfactorily completed and cannot be properly closed out.
- (5) Assist Grants (Assistance) Officer in closing out grant.

CHECKLIST FOR REVIEW OF FINANCIAL MANAGEMENT SYSTEMS

1. Does a system of records exist which identifies the source and application of funds, including separation of financial data for individual grants, subgrants and other projects? Yes \_\_\_\_\_ No \_\_\_\_\_
2. Can the system of records identify costs by category or purpose, e.g., total authorizations, obligations, assets, liabilities, income, unobligated balances, travel expense, salary expense, equipment expense, etc.? Yes \_\_\_\_\_ No \_\_\_\_\_
3. Do internal review and administrative control procedures exist for safe-guarding grant funds, grant records, and grant purchased property? Yes \_\_\_\_\_ No \_\_\_\_\_
4. Does the system of records facilitate comparison of actual vs. planned budgeted amounts for each grant or subgrant? Yes \_\_\_\_\_ No \_\_\_\_\_
5. Are procedures in place which serve to minimize the time elapsing between transfers of advanced funds from the government and disbursements? Yes \_\_\_\_\_ No \_\_\_\_\_
6. Does the applicant agree to draw advanced funds as close as possible to the time of need for disbursements? Yes \_\_\_\_\_ No \_\_\_\_\_
7. Does the applicant have procedures for reviewing allowability of costs under the requirements of 25 CFR 276? Yes \_\_\_\_\_ No \_\_\_\_\_
8. Are source documents maintained? Yes \_\_\_\_\_ No \_\_\_\_\_
9. Does the applicant have a procedure to assure timely and appropriate resolution of audit findings? Yes \_\_\_\_\_ No \_\_\_\_\_
10. Does the applicant agree to require all subgrantees and contractors to adopt financial management principles which meet the requirement of 25 CFR 276? Yes \_\_\_\_\_ No \_\_\_\_\_
11. Is the system of records structured to permit timely and accurate reporting in accordance with Bureau regulations? Yes \_\_\_\_\_ No \_\_\_\_\_

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12. Other comments by reviewer.

The grantee's Financial Management System meets/does not meet the minimum requirements of 25 CFR 276. (Draw a line through the inappropriate word(s).)

\_\_\_\_\_  
Reviewer

\_\_\_\_\_  
Date

CHECKLIST FOR REVIEW OF GRANTEE PROPERTY MANAGEMENT SYSTEMS

1. Are property records maintained that provide a description of the property, serial number (if any) acquisition date, cost, source, location, use and condition? If the answer to any portion of this question is "No", check "No" and comment in item 7. Yes \_\_\_\_\_ No \_\_\_\_\_
2. Is a physical inventory taken at least every two years and are results reconciled with property records in order to verify existence, useage, condition and continued need? If the answer to any portion of this question is "No", check "No" and comment in item 7. Yes \_\_\_\_\_ No \_\_\_\_\_
3. Is an internal control system in effect to minimize loss, damage, theft and misuse? Yes \_\_\_\_\_ No \_\_\_\_\_
4. Are such incidences investigated and documented when they occur? Yes \_\_\_\_\_ No \_\_\_\_\_
5. Are adequate maintenance procedures established and practiced? Yes \_\_\_\_\_ No \_\_\_\_\_
6. Are procedures established to dispose of unneeded property at fair market value? Yes \_\_\_\_\_ No \_\_\_\_\_
7. Other comments by reviewer:

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I have reviewed the property management system of the \_\_\_\_\_  
through review of documentation and spot checks of practices. I find the  
grantee's system adequate/inadequate to manage purchased property.

(Draw a line through the inappropriate word.)

\_\_\_\_\_  
Reviewer

\_\_\_\_\_  
Date

CHECKLIST FOR REVIEW OF GRANTEE ACQUISITION SYSTEMS

1. Does the applicant maintain a Code of Standards of conduct for its officers and employees that meets the requirements of 25 CFR 276? Yes \_\_\_\_\_ No \_\_\_\_\_
2. Are all procurement transactions conducted in a manner to provide full and open competition? Yes \_\_\_\_\_ No \_\_\_\_\_
3. Are all proposed procurement actions reviewed by a single official to avoid purchasing unnecessary or duplicative items? Yes \_\_\_\_\_ No \_\_\_\_\_
4. Where applicable, are lease alternatives considered along with purchasing to insure economical and practical procurements? Yes \_\_\_\_\_ No \_\_\_\_\_
5. Are competitive procedures (sealed bids and negotiations) based upon clear descriptions of technical requirements? Yes \_\_\_\_\_ No \_\_\_\_\_
6. Are positive efforts made to utilize small business, Buy Indian, and minority-owned businesses as sources? Yes \_\_\_\_\_ No \_\_\_\_\_
7. Is the type of procurement approach used appropriate to the type and requirement of procurement? Yes \_\_\_\_\_ No \_\_\_\_\_
8. Is full and open competition used except as described in the Federal Acquisition Regulations? Yes \_\_\_\_\_ No \_\_\_\_\_
9. Are contracts made only with responsible contractors who possess the ability to perform successfully under the terms and conditions of the contract? Yes \_\_\_\_\_ No \_\_\_\_\_
10. For purchases over \$25,000.00, do contract files contain justification for use of other than full and open competition in lieu of advertising, justification for contractor selection and the basis for the cost or price negotiation? Yes \_\_\_\_\_ No \_\_\_\_\_
11. Is a system in place for contract administration which monitors contract performance and assures adequate and timely follow-up on undelivered products or services? Yes \_\_\_\_\_ No \_\_\_\_\_

12. Are appropriate provisions included in all contracts and subgrants in accordance with 25 CFR 276.12?

Yes \_\_\_\_\_ No \_\_\_\_\_

I have reviewed the acquisition management system of the \_\_\_\_\_  
through review of documentation and spot checks of practices and I find the grantee's system adequate/inadequate to manage procurement using federal funds. (Draw a line through the inappropriate word.) If inadequate, explain below:

13. Other comments by reviewer.

\_\_\_\_\_  
Reviewer

\_\_\_\_\_  
Date



Suggested letter for follow-up on overdue reports.

(First follow-up)

Dear Grantee:

The           (name of report)           for grant           (grant no.)           was due on           (date)          . We have not yet received the report which is a requirement under the special provisions and conditions of your (Self-Determination) grant. Please forward a completed report to reach us within 30 calendar days of the above date.

\_\_\_\_\_  
Grants Officer Representative

Suggested letter for follow-up on overdue reports.

(Second follow-up)

Dear Grantee:

We have not received a response to our letter of       (date)       requesting submission of the       (name of report)      . That report is a requirement under the special provisions and conditions of your grant       (grant no.)      .

Failure to submit an acceptable report on time places the grant in noncompliance with Federal Regulations governing the grant.

To avoid suspension of this grant and/or loss of future grant awards, I request that you complete and submit the report immediately.

---

Grants Officer Representative

Suggested letter for following up on overdue reports or for requesting corrective action (Third follow-up)

Dear \_\_\_\_\_ :

As of the date of this letter, you have not taken action to correct the deficiencies on grant number \_\_\_\_\_ as listed by a letter dated \_\_\_\_\_ (copy attached). You have not responded to our prior letters of request.

If corrective action is not taken within 30 calendar days of the above date, your grant will be suspended with no further payments made until you are in compliance with the terms and conditions of this grant. During the period of suspension, you may not accomplish any grant work, incur expenses or make payments from grant funds which you have on hand. (See 25 CFR 276 for regulatory definition of "suspension").

The following action is required to bring this grant into compliance:

Please feel free to contact the Grants Officer Representative or the undersigned with any questions for clarification.

\_\_\_\_\_  
Grants Officer

Suggested letter for suspending a grant for noncompliance with regulations.

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Dear: \_\_\_\_\_:

As you have not complied with the terms and conditions of grant number \_\_\_\_\_ and have failed to respond as requested by our letters dated \_\_\_\_\_ and \_\_\_\_\_ (copies attached), your grant is hereby suspended. No further payments will be made under this grant until such time as you are in compliance with the terms and conditions of the grant. During the period of suspension you may not continue any work under the grant, incur expenses or make payments from grant funds which you have on hand. (See 25 CFR 276 for Regulatory definitions of "suspension").

To comply with the terms and conditions of this grant, the following action is required:

Your failure to take action could cause substantial and permanent loss of Federal funds.

\_\_\_\_\_  
Grants Officer

CHECKLIST FOR PROCESSING APPLICATION AND GRANTS AWARD

By Area/Central Office Grants Assistance Staff

Application Reviews

1. Results of Agency Office review and review checklist received and reviewed. \_\_\_\_\_
2. Area Office 638 Review Committee documentation received and reviewed. \_\_\_\_\_

Management Systems

3. Financial management system adequate. \_\_\_\_\_
4. Property management system adequate. \_\_\_\_\_
5. Acquisition system adequate. \_\_\_\_\_

Feasibility of Application

6. Overall budget is reasonable, considering work to be done. \_\_\_\_\_
7. Details of budget are justified and allowable within cost principles and estimate of work required. \_\_\_\_\_
8. Time period for completion of grant is appropriate, considering work to be done. \_\_\_\_\_
9. Applicant appears to have ability to carry out project, considering time, dollars and personnel available. \_\_\_\_\_

Special Provisions and Conditions

10. Performance reporting is required only at a frequency necessary to properly monitor the project. \_\_\_\_\_
11. Performance reporting requirements have been developed to elicit reporting on sub-goals and sub-parts of the project, thereby facilitating the GOR's monitoring efforts. \_\_\_\_\_
12. The Financial Status Report (SF-269) is requested with a degree of frequency necessary to properly monitor the project. (The requirements may not be imposed more frequently than quarterly). \_\_\_\_\_
13. The payment method selected is consistent with 25 CFR 276 i.e., the grantee's ability to manage Federal funds. \_\_\_\_\_

14. Other reports governing payments and monitoring of grantee cash balances are required with a frequency consistent with 25 CFR 276. \_\_\_\_\_

Other

15. A GOR has been appointed for the grant and a letter of appointment sent to him/her, describing his/her duties and requesting she/he countersign the letter in acceptance of those duties. \_\_\_\_\_
16. The grant application has been reviewed for the purpose of resolving inaccuracies or areas of incompleteness prior to preparing the award. \_\_\_\_\_
17. The application and all required pre-award actions have been completed. \_\_\_\_\_

\_\_\_\_\_  
Grants Specialist

\_\_\_\_\_  
Date

CLOSE OUT CHECKLIST

1. A copy of the initial application is in the file. \_\_\_\_\_
2. A copy of all requests (if any) for grant modification are in the file. \_\_\_\_\_
3. A copy of the Agency Office application review and recommendation is in the file. \_\_\_\_\_
4. A copy of the Area/Central Office summary of review and recommendations is in the file. \_\_\_\_\_
5. A copy of the initial grant award is in the file. \_\_\_\_\_
6. Copies of all grant amendments (if any) are in the file. \_\_\_\_\_
7. Copies of responses to all grantee letter inquiries are in the file. \_\_\_\_\_
8. No questions relating to the grant, raised by the grantee or by the Bureau, are unresolved. \_\_\_\_\_
9. The final Financial Status Report (SF 269) has been received and accepted. \_\_\_\_\_
10. The final Performance Report has been received and accepted. \_\_\_\_\_
11. A property listing has been received (if the grantee purchased property with grant funds) and disposition of the property has been made in accordance with regulations and local procedures. \_\_\_\_\_
12. Final payment of any balance due under the grant has been made (payment to the grantee or to the Government, as appropriate). \_\_\_\_\_
13. Copies of all payment requests are in the file. \_\_\_\_\_
14. Documentation for all systems reviews is in the file. \_\_\_\_\_

To the best of my knowledge, all necessary actions have been completed in connection with this grant and all documentation is complete. Exceptions, if any, are noted below and explained on an attachment.

\_\_\_\_\_  
Grants Officer

\_\_\_\_\_  
Date