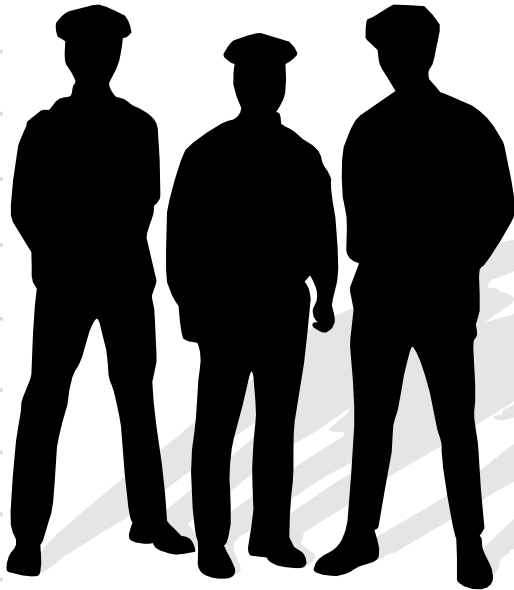


# FY 2004 Local Law Enforcement Block Grant Program Management Handbook



Administered by:  
Oregon Office of Homeland Security  
Criminal Justice Services Division

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The Criminal Justice Services Division of the Oregon Office of Homeland Security is the State Administrative Agency (SAA) for the Local Law Enforcement Block Grant Program and is responsible for producing this document.

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# Overview of the Local Law Enforcement Block Grant Program (LLEBG)

The Omnibus Consolidated and Emergency Supplement Appropriations Act, Public Law 105-277, provides \$115 million for the Local Law Enforcement Block Grant Program (LLEBG), to be administered by the Bureau of Justice Assistance (BJA), U.S. Department of Justice. The purpose of the LLEBG Program is to provide general purpose units of local government with funds to underwrite programs to reduce crime and improve public safety. These programs must fall within at least one of the seven purpose areas listed in this document.

**Please note, this will be the final year of funding for the LLEBG Program. The Edward Byrne Memorial Justice Assistance Grant (JAG) Program will replace the LLEBG and Byrne Formula programs into a single funding mechanism. In addition to combining the programs, Oregon's allocation will be reduced significantly from approximately \$6.1 million to \$3.5 million. For more information about the new JAG program, please refer to: <http://www.ojp.usdoj.gov/BJA/grant/jag.html>**

The Criminal Justice Services Division (CJSD) of the Oregon Office of Homeland Security is responsible for administering and disbursing LLEBG funds for the State of Oregon. **These funds are available only to those general purpose units of local government who did not receive a direct award from BJA under this program.**

CJSD has prepared this *FY 2004 Local Law Enforcement Block Grant Program Management Handbook* to assist grantees in complying with state and federal requirements. Federal requirements are set forth in the *OJP Financial Guide*, May 2002. Copies of this document may be obtained by contacting the

U.S. Department of Justice Response Center at 800.421.6770, or via Internet at [www.ojp.usdoj.gov/FinGuide](http://www.ojp.usdoj.gov/FinGuide)

## Program Requirements

### Program Purpose Areas

Local Law Enforcement Block Grant funds may be used for one or more of the following seven purpose areas:

- ❖ **Purpose Area 1:** Law enforcement support for:
  - **Hiring, training, and employing on a continuing basis new, additional law enforcement officers and necessary support personnel.** (For the purposes of this program, a law enforcement officer is defined as any individual involved in crime and juvenile delinquency control or reduction or criminal law enforcement, including but not limited to police, corrections, probation, parole, and judicial officers.) **Hiring:** If funds are used to hire law enforcement officers, there must be a net gain above the department's currently appropriated number of law enforcement officers who perform nonadministrative public safety service. The net gain must be above the number of nonadministrative law enforcement positions appropriated as of the start of the program period. **Training:** Training should cover training of new employees to perform basic law enforcement functions. This training should not include in-service training requirements.
  - **Paying overtime to employed law enforcement officers and necessary support personnel for the purposes of increasing the number of hours worked by such personnel.** (Funds used under this purpose area may be used for overtime salary, which includes all appropriate federal and state taxes, and related expenses.)

Assess which programmatic activity the use of overtime is intended to support, then select the appropriate Purpose Area. If the overtime will provide additional regular patrols or other basic law enforcement functions, select Purpose Area 1. If the overtime is for crime prevention program support, select Purpose Area 6.

- **Procuring equipment, computer technology, and other materials directly related to basic law enforcement functions.** Equipment and computer technology purchased under this purpose area must support basic law enforcement functions. Allowable types of equipment are, but are not limited to, service revolvers and other weapons, main frame computers, lap-top computers, printers, computer cartridges, and other basic law enforcement equipment. The purchase of computer technology to support basic law enforcement, such as that used to enhance a 911 system or to institute a jurisdiction wide criminal record information system, is also acceptable. Installation and maintenance are also included as part of the equipment or computer technology purchase.

❖ **Purpose Area 2: Enhancing security measures in and around schools or other facilities or locations that the unit of local government considers to be at risk for incidents of crime.** Program funds may be used to hire or pay overtime to personnel directly involved in activities such as school-related security. Program funds may also be used to purchase equipment necessary to secure an "at-risk" facility location.

**Program legislation requires grantees intending to spend award funds to enhance security in and around schools to complete and submit to BJA an annual written assessment of the programs funded. Grantees must include a brief statement regarding security enhancement outcomes with the final progress report.**

❖ **Purpose Area 3: Establishing or supporting drug courts.** A drug court program established or supported with LLEBG Program funds must include continuing judicial supervision over non-violent offenders with substance abuse problems, and the integrated administration of other sanctions and services including:

- for each participant, mandatory periodic testing for the use of controlled substances or other addictive substances during any period of supervised release or probation;
- substance abuse treatment for each participant;
- probation or other supervised release involving the possibility of prosecution, confinement, or incarceration based on noncompliance with program requirement or unsatisfactory progress; and programmatic, offender management, and aftercare services such as relapse prevention, vocational job training, and job and housing placement.

Substance abuse treatment is allowed only as a component of a drug court program. Furthermore, the hiring of drug court support personnel is allowed only if they enhance the adjudication process of cases processed in drug court.

❖ **Purpose Area 4: Enhancing the adjudication process of cases involving violent offenders, including the adjudication of cases involving violent juvenile offenders.** For the purposes of the LLEBG Program, a violent offender is defined as a person charged with committing a Part I violent crime under the Uniform Crime Reports (UCR). Part I violent crimes include murder, rape, robbery, and aggravated assault.

❖ **Purpose Area 5: Establishing a multijurisdictional task force, particularly in rural areas, composed of law enforcement officials representing units of local government. These task forces must work**

**with Federal law enforcement officials to prevent and control crime.**

BJA encourages law enforcement agencies from all levels of government to participate in operational partnership. While the participation of both Federal and local law enforcement agencies is required for funding under this purpose area, BJA strongly encourages the participation of State law enforcement officials with the task forces.

Activities funded under this purpose area may include the use of grant monies as confidential funds. *Confidential funds are monies allocated for the purchase of services, evidence, and informant-provided information.* The use of grant monies as confidential funds is subject to prior approval by BJA and the Office of the Comptroller.

Task force activities may result in the generation of program income. (*Program income is defined as "all income generated as a direct result of an agency funded project".*) Program income must be used in accordance with the seven specified purpose areas and under the conditions applicable to the award of LLEBG funds.

**❖ Purpose Area 6: Establishing cooperative crime prevention programs between community residents and law enforcement personnel to control, detect, or investigate crime or to prosecute criminals.**

**Enabling legislation requires grantees using award funds to establish crime prevention programs to submit to BJA an annual written assessment of the programs funded. This must be included with the final progress report.**

Programs funded under this purpose area must meet the following criteria.

- Programs must include the active involvement of law enforcement personnel.

- Program goals must include the control, detection, investigation of crime, and/or the prosecution of criminals.

**❖ Purpose Area 7: Defraying the cost of indemnification insurance for law enforcement officers.** Indemnification insurance for law enforcement officers covers damages from willful acts of officers in lawfully carrying out their duties. Criminal liability is not covered by this insurance. Because law enforcement officers acquire their unique authority from the governmental entity by which they are sworn, only that entity may purchase indemnification insurance. Individual law enforcement indemnity insurance policies do not exist.

Thus, BJA interprets the language of the legislation, "indemnification insurance for law enforcement officers," to mean indemnification insurance policies that can be purchased by government entities to cover the lawful acts of law enforcement personnel in the discharge of their official duties. Indemnification insurance policy refers to a policy issued by a licensed insurance carrier and does not include funds appropriated by a self-insured jurisdiction to cover potential liabilities or to pay individual judgements.

As with all other LLEBG purpose areas, funds cannot be used to supplant locally appropriate funds currently used for this purpose. In other words, BJA funds should not be used to take the place of existing local funds set aside for any of the seven purpose areas.

### **Prohibition on Use of Funds**

Units of local government may not expend funds provided under the LLEBG Program to purchase, lease, rent or acquire any of the following:

- Tanks or armored vehicles.
- Fixed-wing aircraft.
- Limousines.
- Real estate.

- Yachts.
- Consultants.
- Vehicles not primarily used for law enforcement purposes.
- Construction.

In addition, federal funds may not be used to supplant state or local funds, but instead must be used to increase the amount of funds that would otherwise be available from state and local sources.

### Award Process

In order to comply with federal law, it is mandated that when CJSD makes awards to general purpose units of local government, a one-time lump sum payment is to be deposited to the grantee's trust fund. This is different from the reimbursement process utilized by CJSD to administer numerous other federal grant programs. It is the intent of Congress that recipients of grant funds under the LLEBG Program receive the full award and have the opportunity to earn interest on their award.

### Trust Fund

Each general purpose unit of local government must establish a trust fund to deposit all federal payments received under the LLEBG Program, including local matching requirements.

Only allowable program expenses may be paid from this account. This fund may *not* be utilized to pay debts incurred by other activities beyond the scope of the LLEBG Program.

**The trust fund should be established by the local unit of government, NOT the implementing agency.**

For example, for a city award, the city manager or mayor's office should establish the trust fund, not the police department.

In order to be in compliance with the trust fund requirement, a recipient's account must include the following three features:

1. The recipient must be able to account for the federal award amount.
2. The recipient must be able to account for the local match amount.
3. If the recipient chooses to deposit the grant funds into an interest-bearing trust fund account, they must be able to account for any interest earned.

**If these requirements can be met within the recipient's current financial management system, there is no need to establish a separate account.**

**It is no longer a requirement that the LLEBG funds be deposited into an interest-bearing trust fund account. It is, however, still permissible to deposit the funds into an interest-bearing account if it is so desired by the local unit of government.**

The local unit of government must include in their application a signed Trust Fund Certification attesting that they will be fully compliant with the federal requirement of establishing the trust fund. The form is included in this application kit. In addition, the unit of local government must include verification with each quarterly Financial Status Report as to the existence and activity of this account. This verification may be in the form of a bank statement showing account activity.



## Match Requirement

Grant funds may be used to pay up to 90 percent of the total cost of the program. At least 10 percent of the funding for the program must come from the applicant as a match contribution.

**The applicant's matching share must be in the form of cash and can be deposited in the same account as previously outlined.**

The amount of the required match may be computed by calculating one-ninth of the federal grant portion of program costs. For example, if \$9,000 of federal grant funds is requested, this amount divided by 9, requires a local entity to match it with \$1,000. The grant amount (\$9,000) plus the match (\$1,000) equals the total program cost.

<b>Grant Amount</b>	<b>Match</b>
\$9,000 ÷ 9	= \$1,000

<b>Total program costs</b>
\$9,000 + \$1,000 = \$10,000

The match requirement is only applicable to the amount of the federal award, not to interest or income derived therefrom. Specifically, any interest earned from the trust fund cannot be used to match the federal award. All interest and program income must be spent on program-related activities within the grant period.

The unit of local government is responsible for ensuring that a source for the matching funds is available prior to the expiration of the grant period. The subrecipients must certify that the funds required to pay the non-federal portion of the cost of each program proposal will be made available for expenditure during the award period. This certification is made by

including the total match amount on the application form and signing the Standard Assurances document which was submitted as part of the application. Regardless of the source of match, it must be expended during the grant award period.

All subrecipients must maintain records that clearly show the source and the amount of all matching contributions.

**There is no waiver provision for the match requirement.**

Allowable sources of the match include funds from the following:

- States and units of local government.
- Housing and Community Development Act of 1974.
- Appalachian Regional Development Act.
- Equitable Sharing Program (federal assets forfeiture distributions to state and local officials).
- Private funds.

## Supplanting

An assurance that LLEBG funds will not be used to supplant local funding was included as part of the application submitted to CJSD. This certification attests that federal grant funds will be used to supplement existing funds for program activities, not replace funds already appropriated for the same purpose. Potential supplanting will be the subject of postaward monitoring and audit. If there is a potential presence of supplanting, the applicant or grantee will be required to supply documentation demonstrating that the reduction in non-federal resources occurred for reasons other than the receipt or expected receipt of federal funds. Signing the Assurances commits the applicant to compliance with the coordination and non-supplanting requirements of the Omnibus

Crime Control and Safe Streets Act of 1968, as amended. Violations may result in a range of penalties, including suspension of future funds under this program, suspension or debarment from federal grants, and recoupment of monies provided under this grant in addition to possible civil and/or criminal penalties.

## **Audit Report**

Non-federal entities that **expend** \$500,000 or more in federal funds (from all sources) in the organization's fiscal year shall have a single organization-wide audit conducted in accordance with the provisions of OMB Circular A-133. Copies of all audits must be submitted to CJSD within 30 days of completion. Non-federal entities that expend less than \$500,000 a year in federal funds are exempt from federal audit requirements for that year. Records must be available for review or audit by appropriate officials including the federal agency, pass-through entity, and General Accounting Office (GAO).

Audit costs for audits not required in accordance with OMB Circular A-133 are unallowable. If the grantee did not expend \$500,000 or more in federal funds in its fiscal year, but contracted with a certified public accountant to perform an audit, these costs may not be charged to the grant.

## **Certifications Regarding Lobbying; Debarment, Suspension, and Other Responsibility Matters; and Drug-Free Workplace**

Applicants should have reviewed and signed the Certification form included in the application kit. Signing this form commits the applicant to compliance with the certification requirements under 28 CFR Part 69, "New Restriction on Lobbying," and 28 CFR Part 67, "Government-Wide Debarment and Suspension (nonprocurement) and Government-wide Requirements for Drug-Free Workplace (Grants)." The certification will be treated as a material representation of the fact

upon which reliance will be placed by CJSD in awarding grants.

## **Standard Assurances**

Applicants should have reviewed the Standard Assurances form included in the application kit. By signing the Standard Assurances form, the jurisdiction is committing itself to compliance with all federal statutes, regulations, policies, guidelines, and requirements, including OMB Circulars A-21, A-110, A-122, A-128, A-133 and A-87; Executive Order 12372; and Uniform Administrative Requirements for Grants and Cooperative Agreements (28 CFR Part 66, Common Rule) that govern the application for and acceptance and use of federal funds. These assurances will be treated as a material representation of the fact upon which reliance will be placed by the U.S. Department of Justice in awarding grants.

## **Suspension or Termination of Funding**

CJSD may suspend, in whole or in part, terminate funding for, or impose another sanction on a grantee for any of the following reasons:

- Failure to comply substantially with the requirements or statutory objectives of the Omnibus Crime Control and Safe Streets Act of 1968, as amended, LLEBG Program guidelines issued thereunder, or other provision of federal law.
- Failure to adhere to the requirements, standard conditions, or special conditions.
- Proposing or implementing substantial program changes to the extent that, if originally submitted, the application would not have been approved for funding.
- Failure to submit reports or filing false reports or certifications or other reports or documents.
- Other good cause shown.

Before imposing sanctions, CJSD will provide reasonable notice to the grantee of its intent to impose sanctions and will attempt to resolve the problem informally.

## **Award Period**

The unit of local government must obligate and expend LLEBG funds and local match funds, as well as any interest derived therefrom, within the grant period. **This date cannot be extended under any circumstance.**

For FY 2004, the grant period will begin from the date of the award to June 30, 2006.

**Any portion of the federal award amount and interest earned on the award that remain unobligated or unexpended at the end of the grant period (June 30, 2006) must be returned to CJSD within 90 days, who will return it to BJA.**

## **Grant Agreement and Conditions**

### **Grant Agreement**

Grants are awarded subject to completing a contract (Grant Award Conditions and Certifications) between CJSD and the grantee. The Grant Award and Certifications and application constitute an agreement between the grantee and the state of Oregon. The grantee agrees to operate the program, work toward the objectives, and spend funds in accordance with the approved application. Grantees may not deviate from the approved application or budget without prior written approval from CJSD.

## **Civil Rights Requirements**

All recipients of federal grant funds are required to comply with nondiscrimination requirements of Title VI of the Civil Rights Act of 1964, as amended, 42 U.S.C. § 2000d et seq. (prohibiting discrimination in programs or activities on the basis of race, color, and national origin); Omnibus Crime Control and Safe Streets Act of 1968, as amended, 42 U.S.C. §3789d(c)(1) (prohibiting discrimination in employment practices or in programs and activities on the basis of race, color, religion, national origin, and gender); Section 504 of the Rehabilitation Act of 1973, 29 U.S.C. § 794 et seq. (prohibiting discrimination in employment practices or in programs and activities on the basis of disability); Title II of the Americans with Disabilities Act of 1990, 42 U.S.C. § 12131 (prohibiting discrimination in services, programs, and activities on the basis of disability); The Age Discrimination Act of 1975, 42 U.S.C. § 6101-07 (prohibiting discrimination in programs and activities on the basis of age); and Title IX of the Education Amendments of 1972, 20 U.S.C § 1681 et seq. (prohibiting discrimination in educational programs or activities on the basis of gender).

If required to formulate an Equal Employment Opportunity Program (EEO), the grantee must maintain a current copy on file which meets the applicable requirements.

### **Services to Limited English Proficient Persons**

National origin discrimination includes discrimination on the basis of Limited English Proficient Persons (LEP). To ensure compliance with Title VI and the Safe Streets Act, recipients are required to take reasonable steps to ensure that LEP persons have meaningful access to their programs. Meaningful access may entail providing language assistance services, including oral and written translation, where necessary. The U.S. Department of Justice has issued guidance for grantees to assist them in

complying with Title VI requirements. The guidance document can be accessed at [www.lep.gov](http://www.lep.gov) or by contacting the Office of Justice Program's (OJP) Office for Civil Rights at 202.307.0690.

In the event that a court or administrative agency makes a finding of discrimination on grounds of race, color, religion, national origin, gender, disability, or age against a recipient of funds after a due process hearing, the recipient must agree to forward a copy of the finding to the Office of Civil Rights of OJP.

### **Immigration and Naturalization Service Requirements**

Organizations funded under the LLEBG Program must agree to complete and keep on file, as appropriate, the Immigration and Naturalization Service Employment Eligibility form (I-9). This form is to be used by the recipient of federal funds to verify that persons employed by the recipient are eligible to work in the United States.

### **Employment Preference for Former Members of the Armed Forces**

The unit of local government must demonstrate, if LLEBG funds are used for the hiring and employing of new, additional law enforcement officers and support personnel, that the recipients or units of local government will establish procedures to give suitable preference to members of the Armed Forces who have been involuntarily separated or retired due to reductions in the Department of Defense. BJA defines "suitable preference" as having in place a mechanism to ensure that veterans are given consideration in the hiring process. Units of local government should determine what that process entails.

# Progress Reports and Financial Status Reports

## Progress Reports

Grantees must submit Progress Reports to CJSD on the 30th day following the end of each calendar quarter. A copy of this form is on page 19. Progress Reports have the following purposes:

- To determine if the grantee is operating the program as agreed.
- To determine if the grantee is making progress towards meeting its objectives.
- To provide information for the CJSD Annual Report on implementation of the Local Law Enforcement Block Grant Program in Oregon.
- To help other agencies which might undertake a similar program.
- To present information to the Governor, the Legislature, the U.S. Department of Justice, and Congress.
- To justify continued funding of the Local Law Enforcement Block Grant Program.

Progress Reports must be cumulative so that the final report covers the entire grant period. Progress Reports must include data and narrative showing the activities initiated and progress achieved in meeting the objectives of the program for the reporting period.

**Grantees are required to submit progress and financial reports quarterly even if no funds have been expended during that reporting period.**

A Progress Report must be submitted for every quarter the award is open, or until all funds are expended and the program is complete and the grantee receives a close-out letter from CJSD. Once all grant and match funds are expended from the trust account, the grant is considered to have ended. At this time the final report is due and will fulfill all progress reporting requirements for the grant.

A brief written assessment of the funded programs must be submitted with the final report if grantees expended funds under Purpose Area 2 or 6.

## Financial Status Reports (FSR)

Required Financial Status Reports are due quarterly on the 30th day following the end of each calendar quarter. A copy of this form is on page 17.

**Copies of supporting documentation (e.g., invoices, receipts, payroll reports, etc.) must accompany all Financial Status Reports. Written statements are not acceptable documentation for program expenses.**

In addition, the grantee must verify with each quarterly Financial Status Report as to the existence and activity of the trust fund or interest-bearing account. This verification may be in the form of a bank statement showing account activity.

Once all grant and match funds are expended from the trust account, the grant is considered closed. At this time the final Financial Status Report is due and will fulfill all financial reporting requirements for the grant.

## **Reporting Due Dates**

Progress Reports and Financial Status Reports  
are due on the following dates:

<b>Quarter</b>	<b>Date Due</b>
July 1 - September 30	October 31
October 1 - December 31	January 31
January 1 - March 31	April 30
April 1 - June 30	July 31

# Publicity and Publications

## Publicity

Grantees are encouraged to inform the public and the media about the accomplishments of their programs. Responsibility for the direction of the program should not be ascribed to the U.S. Department of Justice. Press releases or other published accounts of program activities and results must include the following statement:

“The opinions, findings, and conclusions or recommendations expressed in this publication, program, or exhibition are those of the author(s) and do not necessarily reflect the views of the U.S. Department of Justice, or the Criminal Justice Services Division.”

Any publication (written, visual, or sound, but excluding press releases, newsletters, and issue analyses) issued by the grantee or any of its subgrantees describing programs funded in whole or in part with federal funds, shall contain the following statement:

“This program was supported by Grant# \_\_\_\_\_, awarded by the Bureau of Justice Assistance, Office of Justice Programs, U.S. Department of Justice. The Bureau of Justice Assistance is a component of the Office of Justice Programs which also includes the Bureau of Justice Statistics, National Institute of Justice, Office of Juvenile Justice and Delinquency Prevention, and the Office for Victims of Crime. Points of view or opinions contained within this document are those of the author and do not necessarily represent the official position or policies of the U.S. Department of Justice.”

When issuing statements, press releases, requests for proposals, bid solicitations, and other documents describing projects or programs funded in whole or in part with

federal money, the grantee shall include an acknowledgment similar to the following:

“A \$\_\_\_\_\_ grant awarded by the U.S. Department of Justice paid \_\_\_\_\_ portion of the cost of this program.”

## Publications

All publications and distribution agreements with a publisher shall include provisions giving the federal government a royalty-free, non-exclusive and irrevocable license to reproduce, publish, or otherwise use the material in any fashion it deems appropriate. Unless otherwise specified in the agreement, the recipient may copyright any books, publications, films or other material developed or purchased as a result of grant activities subject to the right of the federal government.

# Accounting and Auditing Requirements

## Accounting Systems

Grantees must establish and maintain accounting systems which accurately account for grant and matching funds. Grantees must maintain, for a minimum of five years after completion of the grant or until an audit is completed, whichever is later, adequate books, records, and supporting documents to verify the amounts, recipients, and uses of all disbursements of funds passing in conjunction with this agreement. Federal requirements for accounting systems begin on page 12 of this document.

## Commingling of Funds

Federal agencies shall not require physical segregation of cash deposits or the establishment of any eligibility requirements for funds which are provided to a recipient. However, the accounting systems of all recipients and subrecipients must ensure that agency funds are not commingled with funds from other federal agencies. Each award must be accounted for separately. Recipients and subrecipients are prohibited from commingling funds on either a program-by-program basis or a project-by-project basis.

Funds specifically budgeted and/or received for one project may not be used to support another. Where a recipient's or subrecipient's accounting system cannot comply with this requirement, the recipient or subrecipient shall establish a system to provide adequate fund accountability for each project that it has awarded.

## Audit

Grant funds are awarded subject to fiscal and program conditions to which the grantee

expressly agrees. Accordingly, the audit objective is to review the grantee's administration of the project for the purpose of determining whether the grantee has:

- Established an accounting system integrated with adequate internal fiscal and management controls to provide full accountability for revenues, expenditures, assets, and liabilities.
- Prepared financial statements which are presented fairly, in accordance with generally accepted accounting principles.
- Prepared financial reports to support claims for reimbursement which contain accurate and reliable financial data and are presented in accordance with the terms of the applicable agreements.
- Expended project funds in accordance with the agreement and federal and state rules.



# Federal Accounting Requirements

The grantee is responsible for establishing and maintaining an adequate system of accounting and internal controls for itself.

a. Elements of Accounting System.

Accounting systems are made up of a series of operations which involve classifying, recording, summarizing, and reporting transactions. Elements of the system must consist of an account structure, accounting records, source documents, a system for coding financial transactions, and written procedures prescribing the manner in which and by whom these operations are performed. A grantee's accounting system must include the following:

1. System coding or classification must permit summarization and reporting of grant expenditures by specific programs, projects, uniform receipt and expenditure classifications, and major steps funded in the approved budget cost categories.
2. Accounting records should adequately identify the receipt and the expenditures of each grantee, subgrantee or contractor.
3. Accounting records, which must include a ledger and supporting books of account, should refer to subsidiary records or documentation which support each entry and which can be readily located and identified with the grant.
4. Accurate, current, and complete financial reporting information.
5. Systems integration with an adequate system of internal controls to safeguard grant funds and properties, check the accuracy and reliability of accounting data, promote operational efficiency, and

encourage adherence by the grantee to prescribed management policies.

b. Accounting Systems are generally one of three kinds:

1. Cash Basis — Expenses are recorded when cash is spent and revenues are recorded when cash is received. This system provides little information on which to base expenditure planning.
2. Obligation Basis — Where expenses are recorded when the funds are obligated. This system is little used and is not preferred.
3. Accrual Basis — Revenues are recorded when goods or services are delivered and expenses are recorded when goods or services are consumed without regard to the timing of the exchange of cash. This system is preferred because it best matches revenues and expenses with the period in which they are actually earned or accrued. Accrual accounting also contains information on the receipt and disbursement of cash.

c. Internal Controls. The grantee must establish and maintain a system of internal controls adequate to safeguard grant funds and resources, check the accuracy and reliability of the grant accounting and financial data, promote the operational efficiency of the grantee, and encourage adherence to the grantee's prescribed managerial policies.

Appropriate internal controls are comprised of a plan of organization (grantee policies, structure, division of staff functions, procedures, staff qualifications, etc.) designed to provide the grantee with effective financial and operational control over both its grant programs or projects. The degree of internal control is dependent upon the size of the grantee and the funds and resources for which the grantee is

responsible. The following criteria are basic to an adequate system of internal control:

1. Operating policies must be clearly stated; systematically communicated throughout the organization; in conformance with applicable laws and external regulations and policies; and designed to promote the execution of authorized activities effectively, efficiently, and economically.
2. Organizational structure must define and assign responsibility for the performance of all duties necessary to carry out the functions of the grantee.
3. Responsibility for assigned duties and functions of the grantees must be classified according to authorization, performance, record keeping, custody of resources, and review, to provide proper internal checks on performance and to minimize unauthorized internal checks on performance and to minimize unauthorized, fraudulent, or otherwise irregular acts.
4. A system of forward planning, embracing all phase of the grantee's operation, must be developed to determine and justify financial, property, and personnel requirements and to carry out grant operations effectively, efficiently, and economically.
5. Grant procedures must be simple, efficient, and practical, giving due regard to the nature of the grant and applicable legal and regulatory requirements. Feasibility, cost, risk of loss or error, and availability and suitability of personnel are factors that should be considered in formulating the procedures.
6. An adequate system of authorization, record keeping, and transaction coding procedures must be designed by the grantee to ensure compliance with prescribed grant requirements and restrictions of applicable laws, regulations, and internal management policies; to prevent illegal or unauthorized transactions;

and to provide proper accounting records for the expenditure of grant funds.

7. An adequate and efficiently operated information system must be designed to provide prompt, essential, and reliable operating and financial data to the grantee responsible for decision-making and performance review.
8. The performance of all duties and functions of grantee personnel must be properly supervised. All performance must be subject to adequate review under an effective internal audit program to determine whether performance is effective, efficient and economical and whether management policies are observed; applicable laws, prescribed regulations, and grant conditions are obeyed; and regulations, and unauthorized, fraudulent, or otherwise irregular transactions or activities are prevented or discovered.
9. The qualifications of officials and employees with regard to education, training, experience, competence, and integrity must be appropriate for the responsibilities, duties, and functions assigned to them.
10. Each official and employee must be fully aware of his/her assigned responsibilities and understand the nature and consequences of his/her performance. Each must be held fully accountable for the honest and efficient discharge of his/her duties and functions, including, where applicable, the custody and administration of funds and property, and compliance with grant regulations and legal requirements.
11. Effective procedures must be implemented for expenditure control to ensure that needed goods and services are acquired at the lowest possible cost; that goods and services paid for are actually received; that quality, quantity, and prices are in accordance with applicable contracts or

other authorizations by grant officials and that such authorizations are consistent with applicable statutes, regulations, policies, and grant requirements.

12. All funds, property, and other resources for which the grantee is responsible must be appropriately safeguarded and periodically inventoried to prevent misuse, unwarranted waste, deterioration, destruction, or misappropriation.

d. Management System. The grantees should have a management system meeting the following criteria:

1. Established State, local government, and organization administrative and fiscal practice and policies must be followed by subordinate bodies in the administration of federal grant funds.
2. When no established policies and practices govern, reasonable and prevailing administrative and fiscal practices in the area (preferably adapted from public practice) shall be formally adopted and made a matter of record. The record must contain documentation showing that the standards of reasonableness and prevailing practice have been met.
3. Administrative and fiscal policies must be applied consistently regardless of the source of funds.

e. Budget and Accounting.

1. Establish indirect cost budgets on a basis consistent with the way resources are to be consumed and accounted for.
2. Record all applied direct costs in work accounts on a basis consistent with the budgets in a formal system that is controlled by the general books of account.

f. Analysis by the Grantee.

1. Identify at the work account level on a monthly basis using data from, or reconcilable with, the accounting system:
    - a. Budgeted cost for work scheduled and budgeted cost for work performed.
    - b. Budgeted cost for work performed and applied direct costs for the same work.
    - c. Variances resulting from the above comparisons classified in terms of labor, materials, or other appropriate elements together with the reasons for significant variances.
  2. Identify on a monthly basis in the detail needed by management for effective control, budgeted indirect costs, actual indirect costs and variances along with the reasons therefor.
  3. Summarize the data elements and associated variances listed in 1 and 2 above through the grantee organization and to the reporting level specified in the grant.
  4. Identify on a monthly basis significant differences between planned and actual technical performance together with the reasons therefore.
  5. Identify managerial actions taken as a result of the above.
  6. Monitor the effectiveness of actions taken to resolve problems or correct deficiencies.
  7. Based on performance to date and on estimates of future requirements, develop revised estimates of cost at completion for elements identified in the grant and compare these with the grant baseline budgets, with current budgets.
- g. Revisions and Access to Data.
1. Incorporate grant changes in a timely manner recording the effects of such changes in budgets and schedules.

2. Prohibit retroactive changes to records pertaining to work performed that will change previously reported amounts for applied direct costs, or indirect costs, except for correction of errors and routine accounting adjustments.
3. Prevent revisions to the grant budget baseline except for Government-directed changes to authorized effort, that is, scope, work, and schedules.
4. At the time changes occur, advise the grantor agency of any changes to baseline budgets or schedules.
5. The duly authorized representatives of the grantor agency shall be provided access to all of the foregoing information and records in support thereof.

h. Personnel and Compensation.

1. The organization will operate under a comprehensive plan that includes a scale of rates or ranges based upon the responsibilities of each position and its relationship to other positions.
2. Compensation paid shall be reasonable. Compensation will be considered reasonable if it is a part of a public compensation plan prescribed for the grantee, or if it is comparable to that paid for similar work in the labor market in which the grantee must compete for the kind of employees involved.
3. The compensation plan must include provisions concerning weekly hours of work; payment, if any, for overtime work; prior approval of all overtime work; and provisions establishing for each authorized part-time position the number of hours to be served each pay period by the incumbent.
4. In the absence of an applicable public fringe benefit plan, fringe benefits extended to employees must be reasonable and of

general application. Fringe benefits will be considered reasonable if they are comparable to the benefits extended to employees of similar organizations in the same area.

- i. Safeguarding of Assets. All funds, property, and other resources for which the grantee is responsible shall be appropriately safeguarded and periodically inventoried under appropriate policies and procedures.

**Local Law Enforcement Block Grant**  
**Quarterly Progress Report**  
**Criminal Justice Services Division-Oregon Office of Homeland Security**

1. Program Grant #: \_\_\_\_\_ 2. Report Period: from- \_\_\_\_\_ to- \_\_\_\_\_

3. Implementing Agency: \_\_\_\_\_

4a. Report Prepared by: \_\_\_\_\_ 4b. Phone number: \_\_\_\_\_

Provide a summary of equipment purchases, overtime use, or the hiring and training of law enforcement and support personnel. Indicate the total dollar amounts for the corresponding seven-program/purpose areas. The sum of the purpose area allocations must equal your total award plus match. If there is no activity during the quarter, please go to item 9 (performance assessment section) included on page 2 to indicate the reason no activity took place.

**5a. Purpose Area:**

**5b. Summary:**

**5c. Funds Allocated:**

**6a. Purpose Area:**

**6b. Summary:**

**6c. Funds Allocated:**

**7. Total Funds  
Allocated:**

If this is a close out report, please provide a summary of how the funds were used during the grant period.

**8. Closing report summary:**

**9. Performance assessment:**

Has the program experienced any delays and/or problems?

Yes  No

Examples: Delay in hiring staff or ordering equipment

If the program has had delays/problems, what were they and what steps have been taken to resolve them.

Program Contact:

\_\_\_\_\_  
Signature

Printed Name and Title:

Submit this report to:

LLEBG Grants Coordinator  
Criminal Justice Services Division  
Oregon Office of Homeland Security  
4760 Portland Rd NE  
Salem, OR 97305

Due Date:	
For Period:	Report Due:
7/1-9/30	10/31/05
10/1-12/31	1/31/06
1/1-3/31	4/30/06
4/1-6/30	7/31/06

## Quarterly Progress Report Instructions

Please type or print the report form legibly. The following general instructions explain how to complete the form.

Item	Entry
1	Enter the grant number assigned by Criminal Justice Services Division to the program.
2	Enter the beginning and ending dates of the period for which the report covers.
3	Enter the implementing agency name.
4a	Enter name of person preparing report.
4b	Enter the phone number for the person preparing the report.
5a	List the purpose area for the use of funds.
5b	Explain activity under this purpose area and indicate how the funds were utilized.
5c	List total allocation for that purpose area.
6a	List additional purpose area if use of funds covers more than one area.
6b	Explain activity under this purpose area and indicate how the funds were utilized.
6c	List total allocation for that purpose area.
7	List total funds allocated if grant funds were expended under two or more purpose areas.
8	Enter a brief summary of how grant funds were utilized for a close out report. Indicate how the use of funds met the need stated in the original application.
9	List any changes, problems or delays under this section. Please note if no activity occurred during a quarter under this section and submit to CJSD.





## FINANCIAL STATUS REPORT (FSR) Local Law Enforcement Block Grant Program

*Grantees are required to submit progress and financial reports quarterly even if no funds have been expended during that reporting period. No reports need to be submitted if all program funds have been expended and reported on in a prior quarter.*

1. Grantee (Name and complete address, including zip code)		2. Grant Number	
3. Employer Identification Number	4. Period covered by this report From: (Month, Day, Year)	To: (Month, Day, Year)	
5. Transactions	I. Previously Reported	II. This Period	III. Cumulative
a. Federal share of expenditures <i>(not including interest)</i>			
b. Match share of expenditures <i>(not including interest)</i>			
c. Total expenditures (lines a + b) <i>Do not include interest expended</i>			
d. Interest earned			
e. Interest expended			
f. Total federal share expended			
g. Grant award amount			
h. Unobligated balance of federal funds			
6. Certification: I certify to the best of my knowledge and belief that this report is correct and complete and that all expenditures are for the purposes set forth in the award document for the Local Law Enforcement Block Grant Program.			
Type or print name and title		Telephone (area code, number and extension)	
Signature of authorized certifying official		Date report submitted	

### This Financial Status Report must be accompanied by the following:

1. Progress Report.
2. Bank statement or other official document showing the trust fund and interest-bearing (if applicable) account activity.
3. Supporting documentation (e.g., invoices, receipts, payroll reports, etc.)

Mail to: Oregon Office of Homeland Security  
Criminal Justice Services Division  
4760 Portland Road NE  
Salem, Oregon 97305

## FINANCIAL STATUS REPORT Instructions

*Please type or print the report form legibly.  
The following general instructions explain how to complete the form.*

Item	Entry
1	Self-explanatory.
2	Enter the grant number assigned by Criminal Justice Services Division to the program.
3	Enter the employer identification number assigned by the U.S. Internal Revenue Service.
4	Enter the beginning and ending dates of the period for which the report covers.
5	The purpose of these columns is to show the effect of this reporting period's transactions on cumulative financial status. The amounts entered in column "I" should always be the same as those in column "III" of the previous report. If this is the first or only report, leave column "I" blank.
5a	Enter the federal share of the amount listed in 5c.
5b	Enter the matching share of the amount listed in 5c. Do not include earned interest expended.
5c	Enter total program expenditures (lines 5a and 5b must total this amount).
5d	Enter the amount of interest earned.
5e	Enter the amount of interest expended.
5f	Enter the total amount of federal funds expended (line 5b cumulative column).
5g	Enter the original grant award amount.
5h	Enter the amount of unexpended federal funds (lines 5g minus 5f).
6	Self-explanatory.



Oregon Office of Homeland Security  
Criminal Justice Services Division  
4760 Portland Road NE  
Salem, OR 97305