



APPALACHIAN REGIONAL COMMISSION

GRANT ADMINISTRATION MANUAL

FREQUENTLY ASKED QUESTIONS

**1666 Connecticut Ave NW, Suite 700
Washington DC 20009-1068
(202)-884-7750**

I. WRITTEN PROGRAM REPORTS

(A) Progress Reports

- *When should the grantee submit reports of project activities described in the project application and approved by ARC?*

A *progress report* is due for each 120-day period of the grant period, unless otherwise noted in your grant agreement. The reporting period begins with the start date of the grant agreement. *Progress reports* should be submitted within 30 days of the end of the reporting period. If program activities did not start within this period, or the project is delayed any time during the reporting period, a *progress report* is still required, explaining the reasons for the delay and how problem(s) are being resolved.

- *What information should be included in the progress report?*

Each *progress report* should describe the progress being made in achieving the goals and objectives specified in the grant, and it should be keyed to the project's performance measurements. The report should outline activities scheduled for the next reporting period and describe problems encountered, if any. If you have questions regarding the information needed, call the ARC Project Coordinator identified on page one of the Grant Agreement. Always include the complete contract number on all correspondence.

- *Is it permissible to fax or e-mail progress and financial expenditure reports?*

ARC will accept faxed and e-mailed copies of *progress reports*. See Section II for rules governing financial reporting.

- *To whom does the grantee send reports and how many copies does ARC need?*

Two (2) copies of the *progress report* should be sent to the ARC project coordinator. The report should be stapled but unbound. One copy of the *progress report* should also be sent to the State Administration and Liaison Officer (usually the State Program Manager) listed on page one of the Grant Agreement.

(B) Final Reports

- *When is the final report due and how many copies should be submitted?*

A draft of the *final report* is due within 30 days of the end of the project. Once the draft is accepted by your ARC project coordinator, send two copies of the final and a reproducible master copy to ARC. If a delay in submitting the *final report* is expected, the grantee should notify the ARC project coordinator.

- *What information should the grantee include in the final report?*

A final report covers more than the final reporting period. The *final report* should review and highlight all activities that occurred during the entire implementation phase of the project. A summary of performance measures achieved to date, keyed to those contained in the proposal accepted by ARC and referenced in your contract, should be included. See ARC's "Guidelines for Compiling Final Reports" at the end of this document for a suggested format.

II. FINANCIAL REPORTS AND PAYMENTS

(A) Progress Payments – Reimbursements and Advances

- *What type of financial reports are required?*

The ARC Grant Agreement, Part II, Article 11, outlines the conditions which must be met for a grantee to receive reimbursement for incurred expenses. This usually entails submission of a worksheet showing a breakdown of expenditures by major, approved line item and a Standard Form 270, the federal government's "Request for Advance or Reimbursement," included with your grant agreement and available on ARC's website. Financial reports are required even if no reimbursement is being requested for a particular reporting period.

- *How does ARC make project payments?*

ARC makes electronic payments to grantees using the ACH [Automated Clearinghouse] payment system. All grantees are required to receive payments through the ACH process; no payments will be made without a completed ACH enrollment form (SF 3881) on file. A copy of the enrollment form with instructions was included with your grant agreement and is available on ARC's website. You may also download a copy from the Internet at: <http://www.fms.treas.gov/eft/forms.html>.

- *Can the ACH Form be revised during the grant period?*

Yes. Complete a new ACH enrollment form along with a note indicating that it is revised and submit the revised form directly to the ARC Finance Office, 1666 Connecticut Ave. NW, Suite 700, Washington, DC 20009-1068.

- *How does the grantee request a payment?*

To receive a payment, the grantee must submit the original and one copy of the following: (1) a progress report that covers the same reporting period as the payment request; (2) a "Request for Advance or Reimbursement" (SF 270); and (3) a backup worksheet(s) that summarize actual expenditures by approved budget line items. Payment forms and recommended formats for backup worksheets were enclosed with your grant agreement and are available on ARC's website. Other backup formats may be acceptable with approval from your ARC project coordinator. Copies of the SF270 and many other forms can also be found at the Office of Management and Budget's website at: http://www.whitehouse.gov/omb/grants/grants_forms.html. **Please note that both ARC and matching funds must be identified in the backup documentation that accompanies all payment requests.**

- *Can advance payments be received?*

At this time, ARC will advance funds, but usually for not more than a reporting period. The advance payment request should include (1) a statement explaining why an advance is needed; (2) a "Request for Advance or Reimbursement" (SF 270); and (3) a backup worksheet showing *estimated* expenditures for each approved line item in the official budget for the forecasted period. A reimbursement and advance may be included in a single payment request. Your ARC project coordinator may require additional information. Call him/her if assistance is needed.

- *How does ARC process a payment request?*

The ARC project coordinator reviews your written report to confirm that appropriate progress is taking place. Financial forms are reviewed to confirm that expenditures are consistent with the approved budget. After the project coordinator approves the request, it is forwarded to ARC's finance staff, who then process the payment for delivery from the U.S. Treasury through the ACH System. Funds are deposited directly to the account listed on the SF3881. If ARC has your correct email address on file, we will send a notice once the payment has been processed.

Payments will be made promptly if an acceptable progress report and financial documentation are submitted together. Payments will not be authorized until the ARC project coordinator has accepted the grantee's progress report for the corresponding period.

- *Is it permissible to fax or e-mail financial expenditure reports?*

Yes, a scanned and emailed version of the worksheet and signed SF270 will be accepted. A legible, faxed copy is also fine.

- *When will ARC make a final payment?*

The final payment due the grantee is contingent upon submission to ARC, and ARC's approval, of the *final project report* and a *final financial report*. Final written and financial reports should reflect activities and costs for the entire grant performance period. The reports are due within 30 days of the end of the grant period.

III. PROJECT CHANGES

- *Are time extensions allowed to the period of performance?*

If there are reasons that the project can not be completed within the approved time period, a request should be made in writing **in advance of the end date**, which includes the reason for the extension request and the proposed revision to the end date. Forward the extension request to your ARC project coordinator and the State Program Manager. ARC's approval is contingent on the state's concurrence.

- *Can the work activities or equipment items be changed after ARC approves the project?*

All *substantial* changes must be proposed in writing and approved by the ARC, with State concurrence, **prior to any implementation of the changes**. The reason for adding, modifying, or deleting an activity should be fully described. Information should be provided explaining any revisions to the expected outcomes that would result from the proposed changes. The State Program Manager should receive a copy of your request at the same time it is submitted to ARC in Washington. ARC's approval is contingent on the state's concurrence with the request.

IV. BUDGET REVISIONS

- *Can changes be made to the budget after ARC approval?*

If the ARC grant exceeds \$100,000, prior ARC approval is required when proposing changes to major line items where the total transfer exceeds ten percent of the project's total budget as last approved by ARC. Any other budget change that involves a substantial revision to the scope of work or objectives of the project (regardless of the grant amount) also requires prior ARC approval. If changes become necessary, submit a revised budget and narrative justification to the ARC project

coordinator and your State Program Manager. Budget changes should receive state concurrence prior to ARC action. You should also send copies of minor budget revisions that do not require ARC approval to ARC and the State Program Manager so that files will reflect the correct budget at all times.

V. SUBCONTRACTS

- *Can a grantee subcontract for services?*

Subcontracted services are allowable if identified in the original, approved workplan and budget, or any approved revision. See Part II, Articles 5 and 6 of your ARC contract for more detail about contracting procedures, particularly the competitive bidding requirements in Article 5. Whenever in doubt, ask your ARC Project Coordinator.

VI. RECORD KEEPING AND AUDITS

- *What are a grantee's audit requirements?*

All grantees must maintain accurate and complete records relating to ARC grant awards and make these available for audit, as necessary, by ARC or the Government Accountability Office. Each year, ARC's Office of the Inspector General conducts random audits of selected ARC projects to ensure compliance with our grant agreement and applicable regulations.

Audit requirements are noted in Office of Management and Budget (OMB) Circular A-133, (June 2003), *Audits of States, Local Governments, and Nonprofit Organizations*. This circular consolidated several prior circulars and exempted non-Federal entities that expend less than \$500,000 per year in Federal awards from *Federal* audit requirements, under most circumstances. The Circular should become familiar to any entity receiving substantial amounts of Federal grant funds. A grantee receiving less than \$500,000 per year in Federal awards cannot charge the cost of an audit conducted during the year to a Federal award.

- *Where does the grantee find the detailed administration requirements for ARC grants?*

ARC grants are administered in accordance with the applicable OMB Circulars, with such modifications in the requirements of the Circulars as the Commission may from time to time approve. The grantee is expected to use the OMB Circular appropriate for their type of organization. If you do not know which OMB Circular you should be using, ask your ARC project coordinator.

A-102 Grants and Cooperative Agreements With State and Local Governments (Grants Management Common Rule)

A-110 Uniform Administrative Requirements for Institutions of Higher Education, Hospitals, and Other Non-profit Organizations

A-21 Cost Principles for Educational Institutions

A-122 Cost Principles for Non-profit Organizations

A-87 Cost Principles for State, Local and Indian Tribal Governments

- *What are some key issues we should be aware of with respect to record keeping and eligibility of expenditures?*
1. Separate Accounts: If your organization manages several grants, each grant should be accounted for separately, including receipts, expenditures, and any matching requirements.
 2. Documentation identifying in-kind and third party contributions and the valuation of such contributions. If your project will be using in-kind or third party contributions for matching purposes, documentation should be maintained including a listing of sources and an indication of how the contributions were valued, (e.g., comparable or similar type positions or services in area). Invoices should support services and other expenditures.
 3. Costs with respect to travel. Travel claims should be consistent with written policies of the grantee, or in the absence of such, Chapter 301 of the Federal Travel Regulations, which can be found at: http://www.gsa.gov/graphics/ogp/FTR_entire.pdf. Invoices should support costs and expenditures.
 4. Costs incurred during the grant period. ARC will not reimburse expenditures occurring before or after the grant period. As noted in Section III above, *Project Changes*, grant period extensions should be requested and approved by ARC before the grant period expires.
- *What kind of accounting system does our agency need to maintain?*

The project expenditures should be maintained in a format acceptable under the OMB Circular appropriate for your agency. If the financial officer of your organization does not have the appropriate OMB circular, copies may be downloaded from the Internet at: http://www.whitehouse.gov/omb/grants/grants_circulars.html. You may also receive hard copies of OMB circulars directly from the Office of Management and Budget by telephoning that office at 202/395-7332.

VII. CONTACTING ARC

If you have questions about any aspect of your ARC grant, please contact the State ARC Program Manager or the ARC project coordinator named on the first page of your grant agreement. The main telephone number for the Program Operations Division is 202-884-7750. The mailing address is:

Appalachian Regional Commission
 1666 Connecticut Avenue NW, Suite 700
 Washington, DC 20009-1068
 Fax – (202) 884-7682

Information about ARC programs and additional online resources can be obtained on our Web site, found at <http://www.arc.gov/>.

VIII. GUIDELINES FOR FINAL REPORTS

The grant agreement for your Appalachian Regional Commission project requires you to submit a final narrative and financial report when you complete your project. You may find the attached outline useful in compiling your report, though you have flexibility in how to best present information for your project.

In completing your report, keep in mind that this is your final chance to share salient features of your project from beginning to end. The final document should be written as if no one has had any previous knowledge of the activities evidenced in your project. It should be a reflection of the entire contract period, not just the final reporting period.

The final report also offers an opportunity to gather information about the results – outputs and outcomes – your project has achieved. The report should provide ARC with information that will help us make policy decisions about future programs throughout the Appalachian region. The final report is a way for you to tell your unique story about the program for which ARC provided financial assistance, and also provides background for any future opportunities that may arise to highlight your project's approach and/or results.

Timeline: ARC should receive a draft of the final report, including financial documents, within 30 days of the expiration of the contract. Once your ARC project coordinator approves this report, send two copies and a reproducible master to ARC for distribution and archiving. For detailed information about final reports, refer to **Article 4 Reports**, found in Part II of the ARC Grant Agreement.

Mailing Instructions: Please send the three copies along with a final payment request (SF270 and worksheet) to your project coordinator at the ARC central office in Washington, DC. The final payment will be processed when the final report has been approved. Also, submit one copy of the final report to your state ARC Program Manager.

Final Report Cover Page Sample

(Project Title)
“Skills Upgrade for Limestone County”

(Grantee Name/Address/Phone)
ABC Community College
PO Box 1
University Park, Alabama 34567

ARC Project Number AL-12345-09

(grant period)
December 1, 2008 – November 30, 2009

(Date this report was submitted)
December 24, 2009

(Project director’s name and telephone number)
Mr. John Doe
Continuing Education Services
ABC Community College
(256)-123-4567

Final Report Narrative (Sample)

Name of Project _____ ARC Project Number: _____
Grantee Name: _____ Grant Period: _____
Project Director: _____ ARC Grant Amount: _____

Background:

Provide a short statement regarding the need for this project. What problems did you hope to solve when you applied for ARC funding?

Activities:

Describe in detail what actually happened during this grant cycle, and explain how you implemented the project activities. If there were significant changes to your program during the course of the project, or if the project was implemented differently than described in your original proposal, please describe those changes here. If you retained a consultant, list credentials and define exactly what they were paid to do for the project.

Project Outcomes:

Provide any statistical information that helps document the outcomes of your project. Data will vary according to the type of project you completed, and it may be difficult to document outcomes at this time. However, it is very important to gather this kind of information so both your organization and ARC can document our successes.

In ARC's terms, outputs measure the specific number of actions taken or the number of people directly affected by your activities. Outcomes measure the longer-term results of your activities. For example, a literacy training project organized three training classes. 50 people attended regularly, and 25 people are now able to read as a result of the training classes.

Outputs: 3 classes organized, 50 people attended

Outcomes: 25 people can now read.

In addition to output and outcome measures, write an explanation of how your project has impacted the problems you were trying to solve. Were there unexpected benefits?

Final Report Narrative

(Sample -- continued)

Problems Encountered:

What would you do differently if you were starting this project again? Describe any major problems that may have occurred during the implementation of your project. Knowing the types of difficulties you encountered and how you resolved them will be helpful to other grantees that may be interested in replicating your program.

Program Continuation and Sustainability:

This section should describe whether and how you intend to continue program activities after the end of the ARC grant period. Will the program continue with other funding, and if so, what other sources of funds have been identified? If the program is to be discontinued, has it served its purpose, or is there still a need to solve the problems you were addressing? What additional steps are being taken to obtain other resources needed to continue the project?

Conclusions and Recommendations:

This section summarizes your project and the lessons learned during its implementation. Include a review of your successes and suggest ways that your experience may be helpful to others.

Attachments:

Attach any material that helps to describe your project and documents your success, such as photographs, news clippings, maps, videotapes, or website addresses. Also, please attach copies of any written evaluations that may have been completed for your project.