



Corporation for National and Community Service Policies and Procedures

Policy Number: AOM-2007-001
Revision Number: N/A

Effective Date: September 24, 2007

Subject: Holds on Award Funds for Significantly Late Program Progress Report and Financial Status Report Submissions

1. **Purpose:** To provide the Corporation's policy for holding grant award funds for significantly late program progress reports and financial status reports.
2. **Who is covered:** Corporation staff responsible for the receipt, review, and oversight of program progress reports and financial status reports.
3. **Policies Superseded:** Any conflicting requirements or standards in program-specific policies are superseded by those in this Corporation-wide policy.
4. **Originating Office:** Office of the Chief Operating Officer
Contact: Director of Award Oversight and Monitoring

Corporation employees can access this document electronically at intranet.cns.gov

Approved By:

/s/

David Eisner
Chief Executive Officer

[Signed version on file with Office of the CEO]

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Section A: Overview

1. What does this document do?

This document establishes for the first time Corporation-wide consistency and formal policy for withholding access to grant award funds when program progress reports or financial status reports are significantly late. The Corporation defines significantly late as 45 calendar days after the established due date, including extended due dates, when applicable. Any changes to this policy will be issued through a formal policy revision.

2. What is the Corporation's policy for significantly late reports (i.e., program progress reports, financial status reports)?

The Corporation restricts grantee access to award funds when a program progress report or financial status report is more than 45 calendar days late. This policy does not apply to VISTA projects or grants because VISTA funds are used to directly support VISTA members, the majority of which is payroll and the sole income source for members.

The Corporation requires all award recipients that are subject to program progress reporting and/or financial status reporting to submit all reports in accordance with established submission timelines and requirements as articulated in the award terms and conditions or grant provisions. The reports serve as a basis to ensure award recipients make adequate progress toward achieving the targets and outcomes specified in the award and to ensure the Corporation's financial statements are accurate. The submission and review of these reports are important components of the Corporation's oversight and monitoring of its award portfolio.

Section B: Late Report Submissions and Restricted Access to Funds

1. When does the Corporation *place* a hold on grant funds for late report submissions?

The Corporation initiates action to place a hold on grant funds when a program progress report or financial status report is not submitted within 45 calendar days after the established due date. (Note: an established due date includes an extended due date, when applicable.)

2. Are extended due dates considered in determining late submissions and follow up actions?

Yes. When a program or grants officer approves an extended due date, the extended due date is considered the established due date for purposes of issuing late submission notices and placing holds on grant funds. Extended due dates are documented in eGrants for reports submitted through eGrants and should be requested by grantees and approved or disapproved by program officers or grants officers prior to the original due date.

3. Are there exceptions to placing a hold on grant funds when a report is significantly late?

The Corporation does not maintain a central list of standing exceptions. If there are extenuating circumstances that may warrant an exception to placing a hold on grant funds, program officers and

grants officers consult with one another to ensure a coordinated response to the grantee and review the circumstances with the program or office director, or his/her delegate, respectively for approval. In State Offices, the Area Manager serves as the approving authority for exceptions. Actions to place holds on grant funds for late reports are expected to be limited in occurrence. Exceptions to these actions should be rare and in extenuating circumstances only and must be documented.

4. How are grantees notified when report submissions are late and a hold will be placed on funds?

EGrants automatically sends notifications to grantees and Corporation staff with reminders of coming deadlines for report submissions and also automatically sends notifications to grantees and Corporation staff for late report submissions at set intervals. Grantees are notified via late submission notifications that failure to submit a late report will result in the Corporation placing a hold on grant funds if the report reaches a 45-day late status (calendar days). Under the procedures described below in paragraph 7 of this section, grantees are also notified by the Corporation when the report has reached a 45-day late status (calendar days) and the funds are placed on hold.

5. When does the Corporation *release* a hold on grant funds for late report submissions?

The Corporation initiates action to release a hold on grant funds once the late report is submitted by the grantee and the Corporation verifies the report is “complete.” A partial or incomplete report submission does not meet the threshold for releasing a hold on funds that was initiated for a significantly late report. Program offices and grants offices determine when program progress reports and financial status reports, respectively, satisfy the requirement for submission and then follow the procedures to release the hold on funds.

6. Who in the Corporation has authority to submit a request to HHS to hold or release grant funds?

The U.S. Department of Health and Human Services (HHS) provides grant fund disbursement services for the Corporation. For the purposes of this policy, only the Director of the Office of Grants Management (OGM) and the Director of the Field Financial Management Center (FFMC) have the authority and responsibility to request a hold or a release on grant funds at HHS.

7. What are the procedures to place and release holds on grant funds?

Specific procedures to place and release holds on grant funds are maintained separate from the actual policy document to facilitate updates when necessary. At a minimum, procedures are maintained on the CNCS Intranet on the Award Oversight and Monitoring Site. An overview of the process is below.

Both the program office and grants office are informed via an eGrants notification when a report is 45 calendar days late and a hold should be placed on grant funds. The request to place and release holds on grant funds is a manual, not electronic, process for transmittal to HHS. In summary, the process involves:

- Within three (3) business days of a report reaching a 45-day late status, the program officer (program progress reports) or grants officer (financial status reports) prepares and transmits the following two letters using the established templates:
 - Letter from the grants office to the grantee: Informs the grantee that grant funds are restricted until the grantee is in compliance with reporting requirements.

- Letter from the grants office director (OGM or FFMC) to HHS: Requests HHS to place a hold on the grant funds. (Program officer/grants officer transmits letter to grants office director for signature and transmittal to HHS.)
- Within three (3) business days of receiving the late report submission from the grantee, the program officer or grants officer determines whether the program progress report or financial status report, respectively, is complete and takes the following action:
 - *Incomplete* Report – The program officer/grants officer notifies the grantee that the report is incomplete and requires resubmission. (The hold on grant funds remains in place.)
 - *Complete* Report – The program officer (program progress reports) or grants officer (financial status reports) prepares and transmits the following letter using the established template:
 - Letter from the grants office director (OGM or FFMC) to HHS: Requests HHS to release the hold that was placed on the grant funds. (Program officer/grants officer transmits letter to grants office director for signature and transmittal to HHS.)
- Program progress report and financial status report reviews and appropriate feedback to grantees are conducted according to program/office procedures.

Section C: Other Program Considerations

1. *Senior Corps* – Are grantees expected to pay stipends if a hold is placed on grant funds for late reporting?

Yes. As AmeriCorps*State and National grantees do with living allowances, Senior Corps grantees are expected to continue to pay stipends out of grantee funds when a hold is placed on grant funds because the grantee is non-compliant with program progress report or financial status report submissions. This applies to grantees funded through the Foster Grandparent Program and Senior Companion Program.

2. VISTA – Why is this policy not applicable to VISTA projects and grants?

This policy does not apply to VISTA because VISTA funds are used to directly support VISTA members, the majority of which is payroll and the sole income source for members.

Section D: Communication and Training Plan

1. How will this policy be communicated to staff?

This policy will be distributed via email to all staff and posted on the Corporation Intranet.

2. How will this policy be communicated to grantees?

The key aspects of this policy as applicable to grantees will be communicated via the following methods:

- eGrants notifications which describe consequences for late reporting
- Corporation and Program Internet Sites
- Grantee listservs/email lists
- AmeriCorps Policy Newsletter

Grantees will be reminded about the importance of compliance with Corporation reporting requirements and informed about the Corporation's policy to place a hold on grant funds when reports are significantly late.

3. How will staff be trained to comply with this policy?

Each Office Director within the following departments is responsible for ensuring that all appropriate staff understand and carry out this policy:

- Chief Operating Officer – All Office Directors
- Chief Financial Officer – Office of Grants Management and Field Financial Management Center Directors