APPALACHIAN REGIONAL COMMISSION

GRANT ADMINISTRATION MANUAL

FREQUENTLY ASKED QUESTIONS

1666 Connecticut Ave NW, Suite 700
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I. WRITTEN PROGRAM REPORTS

(A) Interim Progress Narrative

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

  An *interim progress narrative* is due for each 4-month period of the contract's *period of performance*, unless otherwise noted in your grant agreement. **The reporting period begins with the start date of the grant agreement.** *Interim progress narrative* reports should be submitted within 30 days of the end of each 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 any problems are being resolved.

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

  Each *interim progress narrative* must include the cover page, which is available on <u>ARC's Web site</u> as the "ARC Performance Progress Report" form (ARC-PPR). The performance narrative (section 10 on ARC-PPR) should follow the outline prescribed in Section IX of this document, describing the progress in achieving the goals and objectives specified in the final proposal. Performance measures achieved to-date, when available, should be noted in the report. Other elements of the project that should be reported include a description of any problems encountered to-date and a schedule of activities for the next reporting period. If you have questions regarding the information needed, call the ARC Project Coordinator identified on page one of the Grant Agreement. Include the complete grant number (including all hyphens) on the subject line of all correspondence.

- *How do I submit interim progress narrative and interim financial expenditure reports?*

  Grantees are required to prepare progress and financial reports in appropriate electronic formats and submit them as file attachments to the body of an email message. The ARC grant number must be included in the email subject line. See Section II for other guidance governing financial reporting. Grantees that do not have the technological capability to submit electronic files, or have report content that cannot be submitted electronically, should make alternate arrangements with their ARC project coordinator, identified on page one of the grant agreement.

- *To whom does the grantee send reports?*

  All reports should be sent, via email, to the ARC project coordinator (e.g. jdoe@arc.gov). The State Administration and Liaison Officer (usually the State Program Manager), listed on page one of the Grant Agreement, should be cc'd on the email. Other ARC State contacts, as specified by your state ARC program office, should be copied as well, in addition to other required individuals within the grantee's organization.

(B) Final Narrative

- *When is the final narrative report due?*

  The *final narrative report* is due within 30 days of the end of the project. Once your ARC project coordinator accepts your submission, he/she will prepare a closeout report which becomes the basis for bringing the contract to a close. If a delay in submitting the *final narrative 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 narrative report* must 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 Progress and Final Reports" at the end of this document for the required format.

II. FINANCIAL REPORTS AND PAYMENTS

(A) Progress Payments – Reimbursements and Advances

- *What types 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 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 Web site. Financial reports are required even if no reimbursement is being requested for a particular reporting period. A suitable worksheet can be found on ARC's Web site.

- *How does ARC make project payments?*

  ARC makes electronic payments to grantees using the ACH [Automated Clearinghouse] payment system. 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 is available on ARC's Web site. Note for grantees who have a bank account registered with the federal government's System for Award Management (SAM) – all ACH transfers will be sent to the SAM-registered account, formerly known as the Central Contracting Registry (CCR).

- *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 by mail or by fax to the ARC Finance Office, 1666 Connecticut Ave. NW, Suite 700, Washington, DC 20009-1068; Fax number (202) 884-7691

- *How does the grantee request a payment?*

  To receive a payment, the grantee must submit, by email attachment, a signed and scanned original 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 that summarizes 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 Web site. 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 Web site at: http://www.whitehouse.gov/omb/grants/grants_forms.html. **Please note that 1) both ARC *and* matching funds must be identified in the backup documentation that accompanies all payment requests, and 2) the reporting period covered for all reimbursement requests should coincide with the beginning of the contract period of performance through the last day of the progress reporting period.**

- *Can advance payments be received?*

  At this time, ARC will advance funds, but usually for not more than one 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 if accompanied by separate worksheets for the reimbursement and for the advance. 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. Note that payment will be made via electronic funds transfer from the General Services Administration. If your organization has a bank account on file with the United States government's System for Award Management (SAM), it must match the information on file at ARC or delays may occur in the processing of the payment. Payments may be tracked via your ARC.net project record.

  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?*

  A copy of your worksheet and the completed SF270, signed by an authorized individual, should be scanned and sent as email attachments to your ARC project coordinator along with the interim or final progress report. If it is impossible to email the reports, alternate arrangements should be made with the ARC project coordinator.

- *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 cannot be completed within the approved time period, a request should be made in writing **prior to 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 your 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. Budget changes that involve substantial revision to the scope of work or objectives of the project (regardless of the grant amount) also require prior ARC approval. If changes are deemed necessary, submit a revised budget and narrative justification to the ARC project coordinator. Budget changes should receive state concurrence prior to ARC action. Copies of minor budget revisions should be sent to ARC 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, or any approved revision. See Part II, Articles 5 and 6 of your ARC contract for detail about contracting procedures, particularly the competitive bidding requirements in Article 5. All recipients of federal funds must be vetted through the Excluded Party List System, which is now part of the System for Award Management (https://www.sam.gov/portal/public/SAM/). Grantees are responsible for ensuring that all recipients of subcontracts and subawards do not appear on the Excluded Party List for the duration of the ARC project.

VI. RECORD KEEPING AND AUDITS

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

  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.

5. Support of Salaries and Wages. Grantees should be familiar with the provisions of the appropriate OMB Circulars relating to maintaining documentation supporting charges to grants for salaries and wages. (Circular A-87 Appendix B Section 8.h and Circular A-122 Appendix B Section 8.m) **Grantees should note, in particular, that reports of salaries and wages must reflect an after-the-fact determination of the actual activity of each employee. Budget estimates, such as estimates determined before the services are preformed, do not qualify as support for charges to grants.**

- *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. (The A-102 Common Rule applicable to ARC projects may be found at the following Web site: http://www.arc.gov/publications/AdminReqforGrantstoStateLocalGovts.asp#partA).
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 INTERIM PROGRESS AND FINAL REPORTS

The grant agreement for your Appalachian Regional Commission project requires you to submit interim and final reports. The outline found in Section IX will form the basis of the project performance narrative of these reports.

In completing your final report, keep in mind that this may be your final chance to share salient features of your project with the public. 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. You are required to report a snapshot of outputs and outcomes attained as of the end date of the project. The projected metrics for your project were included in the official ARC approval memo, developed at the time your grant was awarded, and stored on the 'files' tab of your electronic project record. Log in to ARC.net to access your electronic project record. If you have not established an account, click on the link for new users on the main page and follow the instructions to create a new account.

Other subsequent opportunities to share the success of your project may come if your project is selected for validation by ARC staff or to participate in an independent program evaluation performed by an outside contractor. Program evaluations are required by Congress and often involve large numbers of ARC grantees currently or formerly involved in similar types of activities, e.g. infrastructure, education, business development, etc.

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, email the reports to your ARC project coordinator for review, distribution, and archiving. For detailed information about final reports, refer to **Article 4 Reports**, found in Part II of the ARC Grant Agreement.

Emailing Instructions: Please send an electronic copy of the each narrative report, together with each financial report (SF270 and worksheet), to your project coordinator at the ARC central office in Washington, DC. Final payments are processed when the project closeout is complete and typically take longer than interim payment requests. Also send a copy of the final report to your state ARC Program Manager.

IX. FORMAT FOR INTERIM/FINAL PROJECT NARRATIVE

Cover Page:
A completed form ARC-PPR, serving as the cover page, should accompany each interim progress report and final report. Note that, depending on your version of Adobe Reader or Acrobat, a digital version of the file may be difficult to save. Unless instructed by your ARC project coordinator, attach a narrative (section 10 on the ARC-PPR) covering the elements found below.

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

Recent/Upcoming Activities:
Describe in detail what actually happened during this reporting period, and explain how you implemented the project activities. If there have been 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 have retained a consultant, list credentials and define exactly what they were paid to do for the project.

Progress Made Toward Project Outcomes:
Provide any statistical information that helps document the outputs and outcomes of your project to date. Data will vary according to the type of activities you completed, and it may be difficult to document outcomes at this time. But it should be possible to report progress made as of the reporting date and to predict the likelihood of meeting your original targets. Your ARC project coordinator can help you determine exactly what outputs and outcomes ARC needs to track.
For the final report, write an assessment of how your project has impacted the problems you were trying to solve. Were there unexpected benefits? Shortfalls?

Problems Encountered:
What would you do differently if you were starting this project again? Describe any major issues that arose during the implementation of the project. Knowing the types of difficulties you encountered and how you resolved them will guide us in offering technical assistance to future grant applicants. Address each issue separately, in its own section, and describe how it was resolved.

Outlook for Program Continuation and Sustainability:
Describe your current expectation about 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: (for Final Report only)
Summarize your entire 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.