

SFY19 Grant Instructions and Requirements

State of Nevada
Department of Health and Human Services
Office of Community Partnerships and Grants

Effective July 1, 2018 through June 30, 2019

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Office of Community Partnerships and Grants

Effective July 1, 2018

GIR-19-1 SUBJECT: GIRS DEFINED

The Department of Health and Human Services (DHHS or the Department) Office of Community Partnerships and Grants (DIVISION) has adopted these Grant Instructions and Requirements (GIRS) to provide Subrecipients with essential information relative to financial and administrative requirements for programs funded through the DIVISION. **The GIRS apply to all Subrecipients.**

This edition of the GIRS applies to all grants awarded from July 1, 2018 forward. Grants awarded in any prior fiscal year are subject to the provisions of the GIRS effective in that fiscal year.

Sections of the GIRS are identified by the term GIR (a single provision in the Grant Instructions and Requirements), followed by the last two digits of the State Fiscal Year, and numbered serially. The funding source and program codes are as follows.

- Agency Grants

Each instruction applies to grants from all funding sources unless otherwise noted.

Each Subrecipient is instructed to maintain a copy of the GIRS, which will be verified during program and/or fiscal monitoring. Programs that do not follow the instructions and requirements outlined in the GIRS will jeopardize their receipt of funds.

GIR-19-2 SUBJECT: GRANTOR AND SUBRECIPIENT DEFINED

The **Grantor** is the Department of Health and Human Services, DIVISION, formerly known as the Grants Management Unit (GMU). This is the State agency responsible for the award and oversight of the funding sources listed above in GIR-19-1 as well as any other funding sources that may be assigned to the DIVISION.

For the purposes of this document, the **Subrecipient** is the recipient of the funds listed in GIR-19-1 and any other funding sources that may be assigned to the DIVISION. The Subrecipient includes all employees, board members and designated representatives of the recipient organization or agency.

For the purposes of this document, an entity that receives a portion of these funds through the Subrecipient is known as the Subrecipient.

GIR-19-3 SUBJECT: GRANTOR AUTHORITY

The Grantor cannot be limited in its rights by the Subrecipient, as Grantor rules and regulations shall supersede Subrecipient rules and regulations. The State's ability to evaluate the grant includes full access to any document and/or record pertinent to the program and the right to interview staff, clients, agency personnel or board members in accordance with the procedures of confidentiality as described in GIR-19-4 and any pertinent State or Federal regulations.

GIR-19-4 SUBJECT: CONFIDENTIALITY

All Subrecipients are required to comply with applicable State and Federal confidentiality and privacy rules. Subrecipients shall collect, maintain, and transmit personal information about service recipients in a manner that ensures security and protects individual privacy (e.g., use of identifiers instead of names or Social Security numbers on any information submitted to the Grantor). Any Subrecipient that is a covered entity under the Health Insurance Portability and Accountability Act of 1996 (HIPAA) shall also comply with the security and privacy safeguards set forth in Public Law 104-191 (45 CFR 160 and 164). Such safeguards shall not restrict the Grantor's access to protected health information which may be necessary to determine program compliance [45 CFR 164.512(d)(1)(iii)].

GIR-19-5 SUBJECT: CONTROLLING DOCUMENTS

For purposes of administration and decisions regarding compliance and operations, the approved grant proposal (including scope of work, outputs and outcomes), budget, assurances, GIRS and any applicable Federal or State regulations and requirements constitute the controlling documents. Both the Subrecipient and the Grantor shall reference these documents when interpreting or applying rules.

The DIVISION has elected to use the Uniform Guidance (Title II of the Code of Federal Regulations) as the basis for grant administration, regardless of whether the funds are derived from a federal source. Deviations may be more restrictive but not less restrictive than the Uniform Guidance. Below is a link to 2 CFR 200 and to the Nevada State Administrative Manual (SAM), which is also integral to grant administration.

- Uniform Guidance – <http://www.ecfr.gov/cgi-bin/text-idx?node=2:1.1.2.2.1&rgn=div5>
- State Administrative Manual – <http://budget.nv.gov/uploadedFiles/budgetnv.gov/content/Governance/SAM.pdf>

GIR-19-6 SUBJECT: SUBRECIPIENT RIGHTS AND RESPONSIBILITIES

1. The Subrecipient organization assumes full responsibility for the overall program which includes: fiscal administration, timely submission of required reports, program management including personnel, and meeting the goals and objectives in the approved grant applications.
2. The Subrecipient shall maintain effective control and accountability for all grant funds, property, and other assets. The Uniform Guidance addresses Standards for Financial and Program Management in 2 CFR 200.300.309 and refers non-federal entities to "The Green Book" at <http://www.gao.gov/products/GAO-14-704G> or the "Internal Control Integrated Framework" at <http://www.coso.org/ic.htm>.
 - a. Source documentation for all transactions, controls and other significant events must be clear and **readily available** for examination. All documentation such as invoices, contracts, subgrant awards, etc., should be maintained at the Subrecipient's principal

place of business. Source documentation is addressed in 2 CFR 200.302(b)(3).

Timelines for record retention are addressed in GIR 19-21.

Any activities that deviate from the scope of work/goals and objectives identified in the grant agreement must receive prior written approval from the Grant Manager and may require a written amendment to the grant agreement. [See 2 CFR 200.201(b)(5).]

3. Subrecipients must notify the Grant Manager immediately regarding any legal action or negative publicity related to grant-funded events, activities, services, purchases, or outreach. (In this case, "immediately" means as soon as the Subrecipient becomes aware of such legal action or negative publicity.) [See 2 CFR 328(d)].
4. All instructions, requirements, rules and regulations for grants administered through the DIVISION are applicable to subawards, mini-grants, contracts or other mechanisms passing on these funds. Although the DIVISION or a designee will conduct reviews and/or audits of Subrecipient, it is the primarily responsibility of the Subrecipient to establish and carry out policies and procedures for monitoring. (See 2 CFR 200.330-332.)
5. Subrecipients must establish policies and procedures for procurement that comply with 2 CFR 200.319-326.
6. Decisions made by Grant Managers must be based on the GIRS, grant agreements, approved budgets, grant assurances, written program policies and procedures, and written fiscal policies and procedures including those in Title 2 of the Code of Federal Regulations (CFR), the State Administrative Manual (SAM), and in any other Federal or state regulations and guidance that apply to the funding source. If a Subrecipient disagrees with a decision, the Subrecipient has the option to dispute the decision by taking the following steps.
 - a. Request in writing that the Grant Manager provide the specific documentation upon which a decision is based. Written response will be made within seven (7) working days.
 - b. If this does not resolve the disagreement, request in writing that the Grant Manager consult the Chief of the DIVISION, as well as the Deputy Director of Programs and/or Fiscal Services, for review of the issues. Written response will be made within seven (7) working days.
 - c. If the disagreement is still unresolved, request in writing that the matter be reviewed by the Department Director, whose decision will be final and will not be open to further discussion or challenge.
7. All interactions between Subrecipients and DIVISION staff will be conducted with honesty, courtesy, and respect. It is essential that a professional relationship be maintained in order to properly administer the grant and provide effective services in the community.
 - a. Conduct that interferes with the administration of the grant or negatively impacts the ability to provide effective program services may result in termination of the grant. The Department will report termination decisions to the Grants Management Advisory Committee (GMAC) or the Advisory Committee on Problem Gambling (ACPG). [See [GIR-19-23\(5\).](#)]
8. Technical assistance within the capacity of DIVISION or fiscal staff or through available resources will be provided to Subrecipients on the following basis.
 - a. At the request of the GMAC or ACPG
 - b. At the request of the Subrecipient
 - c. At the request of the Grant Manager
 - d. In accordance with direction from the Chief of the DIVISION, the Deputy Director of Fiscal Services, the Deputy Director of Programs or the Department Director.
9. All Subrecipients and Subrecipients that provide direct services to clients are required to submit organizational and service information to Nevada 2-1-1 and to update that information annually. Proof of submission and/or updates will be required as part of the Subrecipient's second quarter progress report. (Instructions about how to submit updates will be provided before proof of update is due.)

GIR-19-7 SUBJECT: REQUEST FOR FUNDS INSTRUCTIONS

1. All Monthly Financial Status and Request for Funds Report must be submitted in this workbook by the 15th of the month for the previous month. There is a worksheet for each month; select the worksheet for the month the reimbursement is for. The workbook has been protected to ensure that formulas are not altered and to minimize the required input each month.
2. **Contact Information**
 - a) Contact information has been entered and automatically carries forward, so it doesn't have to be retyped. However, if you need to change the address, phone number or contact information, notify GMU.
3. **Grant Reporting Information**
 - a) Grant information has been entered. Verify accuracy and that the right month/year is entered. Are you on the right tab?
4. **Final Report:** Indicate whether this is a final report for the grant by marking an "X" next to Yes or No.
5. **Amended Report:** Indicate whether this is an amended report for the period by marking an "X" next to Yes or No.
6. **Prepared By:** Enter the name of the preparer of the report even if they are not the person that signs the report.
7. **Expenditures**
8. **Approved Budget:** Approved Budget amounts will be pre-populated by the GMU based on the proposal and scope of work. If this does not match current scope of work and/or budget, notify GMU.
9. **Previously Reported Expenditures:** Total expenditures for all previous reimbursement periods for each category. The field is formula-driven and will auto-populate the amount from previous reimbursements.
10. **Current Period Expenditures:** Enter the current month's expenses for each of the budgeted categories based on approved scope of work. Please note that reimbursement may only be requested for expenditures within approved budget categories. Enter WHOLE dollar amounts. If agency has multiple grants, allocated share of costs for this grant.
11. **Personnel:** Required documentation includes activity-based timesheets
12. **Travel/Training:** Required documentation includes mileage logs, invoices, training description, registration, receipts and State Travel Reimbursement Form.
13. **Operating Supplies:** Includes communication, public information and supplies. This includes required purchase orders, invoices.
14. **Equipment:** Required documentation includes purchase orders, invoices, receipts
15. **Contractual:** Required documentation includes activity-based timesheets
16. **Other Expenses:** Required documentation includes purchase orders, invoices, receipts.
17. **Indirect Expenses:** Required documentation includes purchase orders, invoices, receipts.
18. **Current Request for advance funds:** Advance funds requires prior approval.
19. **Verification of amounts:** you must verify expenditure amounts match cash flow amounts

GIR-19-8 SUBJECT: COST SHARING OR MATCHING REQUIREMENTS

Any match requirements will be discussed in the Request for Applications (RFA) for each funding source. Match may be cash contributions or in-kind. Proposed matches are checked during site reviews. Subrecipients must maintain documents substantiating any cost sharing or matching. All matches must directly benefit the program for which the funds are granted.

GIR 19-9 SUBJECT: COST ALLOCATION

Cost allocation means that if a Subrecipient incurs a cost for goods or services used by more than one program, the cost must be charged to all programs. Each program will be charged for the percentage of the cost of the goods or services used by each program. The method for determining that percentage is discussed below.

This requirement must be taken into consideration when a Subrecipient incurs a cost that benefits more than one cost objective (program). One example would be having one employee who works for two different programs. Another example would be a utility bill for a building used for two different programs, each with separate and distinct funding.

When there are multiple cost objectives, the Subrecipient must do the following.

1. Develop and document a reasonable methodology for determining how each applicable cost will be allocated to each cost objective (program) involved. This method must be designed to allocate to a program the portion of the cost that benefits the program. Examples of reasonable methodologies include, but are not limited to the following.
 - a. The salary of a single person performing duties for multiple programs will be allocated based on the time the person spends on each program as documented by time studies or on timesheets indicating time actually spent on each program.
 - b. Facility expenses for a building housing multiple programs will be allocated based on the number of square feet used by each program as documented by a building-use study or by determining a reasonable percentage of the space utilized by staff associated with the funded program.
 - c. General office supplies should be allocated based upon the number of FTE working on each funding source and the same percentages used to allocate salaries to different programs. For example, if a position is working 100% of the time for a specific grant, that grant should be charged 100% of the per FTE charge for general office supplies. If a position is allocated 25% to one grant and 75% to another grant, the per FTE charge for general office supplies for that position should be split in the same 25% / 75% ratio. The per FTE charge for general office supplies is the total amount spent on office supplies divided by total FTEs.

Resources for more in-depth and authoritative guidance for cost allocation include the following. Although the intent is to justify federal indirect rates, the principles are relevant to the grant budgeting process.

- Code of Federal Regulations – 2 CFR 200
<http://www.ecfr.gov/cgi-bin/text-idx?node=2:1.1.2.2.1&rgn=div5>
 - Sample Indirect Cost Proposal – Health and Human Services
https://rates.psc.gov/fms/dca/np_exall2.html
 - U.S. Department of the Interior – Indirect Cost Services for Non-Profits
http://www.doi.gov/ibc/services/indirect_cost_services/nonprofit_orgs.cfm
2. Maintain documentation that supports the allocation of a cost to each program. The Grantor may ask to review this documentation before approving the project budget or Budget

Modification Requests, during fiscal reviews, to support Requests for Funds, or at any other time deemed necessary to verify that allocations are reasonable and equitable.

Examples of this type of documentation include, but are not limited to the following.

- (1) Time studies
- (2) Vehicle use studies
- (3) Building use studies

GIR-19-10 SUBJECT: DIRECT AND INDIRECT COSTS

1. Direct and indirect costs are explained in 2 CFR 200.412-415.
2. The DIVISION applies the following protocols to indirect rates.
 - a. Grants funded with state dollars (e.g., Fund for a Healthy Nevada and the Revolving Account for the Prevention and Treatment of Problem Gambling) may request a maximum of 8% indirect on the direct expenses in the approved budget.
 - b. Grants funded with other federal dollars (e.g., Social Services Block Grant and Community-Based Child Abuse Prevention) are entitled to claim an approved federal indirect cost rate, if one exists. If one does not exist, the prescribed indirect cost rate is 10%. [See 2 CFR 200.331(a)(4) and 2 CFR 200.414.]
3. Direct costs can be identified specifically with particular cost objectives such as a grant, contract, project, function or activity. Direct costs generally include, but are not limited to, the following:
 - a. Salaries and wages including vacations, holidays, sick leave, and other excused absences of employees working specifically on objectives of a grant or contract (e.g., direct labor costs)
 - b. Other employee fringe benefits allocable to direct labor employees
 - c. Consultant services contracted to accomplish specific grant/contract objectives
 - d. Travel of employees that is directly related to the grant objectives
 - e. Materials, supplies and equipment purchased directly for use on a specific grant or contract (such as telephones, cell phones, fax machines, and computers)
 - f. Communications costs identifiable with a specific award or activity
 - g. Rent or occupancy costs

[See GIR-19-9 for details on how to allocate costs across different funding streams.]

As illustrated by the list above, direct costs may be considered either “programmatic” or “administrative” in nature. Administrative costs that can be traced directly back to the program should be identified within the grant budget as a line item expense. For example, a Director of a non-profit who has completed a **time study** (i.e., has maintained a detailed record of the hours/minutes spent on his/her work tasks for a representative span of time) may be able to directly relate a certain percentage of time to a particular grant. This would be considered a direct administrative cost. Rent can be considered a direct cost but is normally allocated among all grants or projects managed by a Subrecipient.

3. Indirect costs represent the expenses of doing business that are not readily identified with a particular grant, contract, project function or activity, but are necessary for the general operation of the organization and the conduct of activities it performs. Indirect costs include, but are not limited to: Depreciation and use allowances, facility operation and maintenance, memberships and general administrative expenses such as management and or administration, accounting, payroll, legal and data processing expenses that cannot be traced directly back to the grant project.

In order to compensate Subrecipients for indirect costs associated with managing their grants, the Department has established a policy of allowing Subrecipients to charge an indirect cost rate computed on total direct expenses. The Department has adopted a maximum of 8% for all grants (with two exceptions described in Item 4 below). Subrecipients may include an indirect charge of up to 8% of direct charges listed on Requests for Funds. This is separate from, and in addition to, administrative costs that can be traced directly to the program. If a Subrecipient has an indirect rate that is less than 8% and approved by an authoritative entity, the Subrecipient is required to disclose the lower rate to the Grantor and must use the lower approved indirect rate in its budget.

To be eligible for reimbursement of indirect costs, indirect rates must be included in a Subrecipient's original, approved budget and the rate may not be renegotiated during the grant year (unless the indirect is a federally negotiated rate that increases or decreases during the grant year). Reimbursement may not exceed the agreed-upon rate. Subrecipients must calculate and request indirect based on the direct expenses listed in **each Request for Funds**. Quarterly or annual requests for reimbursement of indirect costs are not allowed.

4. There are two exceptions to the 8% indirect limit described in Item 2 above. Both relate only to the use of Federal funds [e.g., Community Services Block Grants (CSBG), Social Services Block Grants (SSBG/Title XX), Temporary Assistance for Needy Families, and Community-Based Child Abuse Prevention (CBCAP)].
 - a. The indirect rate for CSBG is applied in accordance with Federal regulations.
 - b. 2 CFR 200.331(a)(4) requires the Department, as a pass-through entity, to honor "an approved federally recognized indirect cost rate negotiated between the Subrecipient and the Federal government."

GIR-19-11 SUBJECT: PROGRAM INCOME ACCOUNTING PROCEDURES

1. Program income is money received by the Subrecipient specifically for the project funded by this grant. Examples of program income include fees for service in accordance with a sliding fee scale or contributions for a particular event related to the grant-funded project.
2. At the beginning of each grant year, the anticipated program income must be reported on the Budget Summary page submitted to the Grantor along with the project budget. Funds must be listed by budget category (e.g., Personnel, Communications, Travel).
3. Each program must maintain a system that assures donor confidentiality.
4. All participant contributions, fees or other income generated through the use of grant funds must be credited to the appropriate grant and used to support that grant. Program income may not be used to support other grant-funded programs or general operations.
5. The Subrecipient's procedures must ensure full accountability for all program contributions and fees. The Subrecipient must clearly document the amount and source(s) of program income, and exactly how the money was used for the grant purpose. Income should be reconciled within the grant period.

Refer to 2 CFR 200.307 for additional information on program income.

GIR-19-12 SUBJECT: ALLOWABILITY AND ALLOCABILITY OF COSTS

For a cost to be allowable as a charge against grant funds, it must first be specifically included in the approved grant budget, must benefit (or be allocable) to the grant, and must be consistent with the goals and objectives of the grant. If a reimbursed cost is later disallowed, for example through a retrospective fiscal review, it must be repaid to the State.

1. Refer to 2 CFR 200 Subpart E for Cost Principles including explanations about the allowability of specific expenses.
2. Refer to GIR 19-12, below, for explanations about costs for which the DIVISION has established special policies. The allowability of these costs may or may not be more restrictive than other federal and state rules.

GIR-19-13 SUBJECT: ALLOWABILITY OF SPECIFIC COSTS

This section provides more detailed information about costs that DIVISION Subrecipients frequently wish to include in budgets and budget modifications. These policies supersede any less restrictive State or Federal policies that may apply to grant-funded programs.

1. Meals and Food
 - a. Meals for an employee are reimbursable only when the employee is in travel status and when the final destination is more than 50 miles from the employee's work station. Reimbursement is subject to the Department's written travel policies and procedures.
 - b. Meals or refreshments served during meetings to employees, boards of directors, professional associations or members of the public are **not** allowable. This policy applies regardless of the purpose of the meeting.
 - c. General host funds are **not** allowable.
 - d. Meals, snacks or beverages provided to program participants are allowable provided that these expenses are included in the Subrecipient's approved budget. For example, a program that offers parenting classes in the evening may be allowed to serve a casual supper to parents and children as an attendance incentive. An after-school or summer activity program for youth may be allowed to provide healthy snacks. A program that organizes or sponsors a professional conference may be allowed to provide a meal or snacks to registered participants. In any case, only food or beverages directly related to program activity is allowable. Subrecipients will be reimbursed only for eligible participants. This excludes guests, conference attendees who are not Nevada residents and Subrecipient employees.
2. Bottled water or distilled water delivered by a vendor for routine use is not allowable unless documentation is provided indicating that the domestic water available at the Subrecipient's place of business is unsafe or that the water delivery system is inadequate. [The only exception is bottled water provided as a direct program supply, as described in [GIR-19-11\(2\)](#).]
3. Kitchen supplies (including, but not limited to, paper products, cleaning supplies, and beverage service) are not allowable unless they are direct program supplies.
4. Volunteer recognition is allowable (may include gifts, award banquets or a combination). The cost must be included in the Subrecipient's approved budget and may not exceed \$25 per volunteer per year. Program employees and members of boards or commissions are not covered under this provision.
6. Subrecipients that include audit costs in their budgets must allocate the expense equitably across all funding sources.
7. Late fees, NSF fees, credit card interest charges, and reconnect fees are not allowable.
8. Travel costs are allowable only if they provide direct benefit to the grant-funded project and are included in the Subrecipient's approved budget. (See GIR-19-15 for details about travel reimbursement.)
9. Subrecipients are discouraged from contracting with State employees for work that pertains to the grant. It is the responsibility of the State employee to ensure that he/she complies with all State rules and regulations regarding outside employment. (See [AB466](#) for new regulations)

10. Grant funds may not be used:
 - a. To purchase real property (e.g., real estate, land, buildings);
 - b. To make donations to organizations or individuals; or
 - c. For employee/staff funds that typically cover expenses such as birthday gifts, holiday parties, retirement congratulations, and bereavement condolences.
11. Use of grant funds to pay out accrued leave and/or compensatory time upon an employee's separation from service requires prior review and approval by the Department. Extended use of leave for illness, family illness or maternity is allowable, but Subrecipients are still responsible for meeting outcomes. When extended leave is taken by an employee whose salary is paid in full or in part with grant funds, the Subrecipient must submit a plan to the DIVISION stating how the work will be accomplished in the employee's absence.

GIR-19-14 SUBJECT: DISBURSEMENT OF FUNDS

1. All federal and state grant programs are eligible to receive grant payments in advance; however, reimbursement is the preferred method. Payment amounts are to be requested to meet actual cash needs of the project.

- To be eligible to receive grant payments in advance, the grantee must have a written procedure that minimizes the time elapsing between the transfer and disbursement of grant funds by the grantee.
- The advances to the grantee shall be limited to the minimum amount needed and be timed to be in accordance with the actual immediate cash requirements of the organization in carrying out the purpose of the approved program or project.
- The request for grant payments may be quarterly, however, in accordance with federal regulations; programs receiving federal funds cannot maintain federal cash on-hand that is greater than one month's operating expenses. Therefore, all payments will be calculated and made monthly (Quarterly request to include amounts for the 3 months in the quarter, each month is paid separately.)
- If it is determined there is cash on-hand greater than a month's amount, then the subsequent request for funds will be adjusted accordingly. For the most grants that are funded for a twelve-month period and to assure that the program has sufficient funds to operate the entire grant award period, monthly requests for funds should average around 1/12 of the grant award amount.

If the grantee does not have a written procedure for minimizing the time elapsing between receiving grant funding and disbursement of funds, they may be placed on a reimbursement basis.

Grant funds are disbursed using the reimbursement method. Advance payments may be approved under certain circumstances.

2. Requests for Funds must be submitted on the Department's approved reimbursement form and are required to be submitted within thirty (30) days after the end of each month. Deviation from the monthly reimbursement schedule may be possible but only with prior **written** approval from the Grant Manager.
4. Multiple Requests for Funds for the same grant award should not be submitted simultaneously since each must be processed chronologically. Any changes made to or errors corrected in a Request for Funds will necessitate revisions to subsequent Requests for Funds.
5. The Request for Funds form must be completed in full. Late submission, questionable costs, incomplete fields, missing documentation, or mathematical inaccuracies will result in a delay of funds being issued. Correction of errors identified by the Grantor is the Subrecipient's

responsibility. Note that it is also the Subrecipient's responsibility to ensure that their records are updated and/or revised to avoid inaccuracies on future Requests for Funds.

6. With the exception of the final Request for Funds at the end of the grant year (see GIR 19-17), Subrecipients must not submit requests with a negative number in the Balance Remaining column for any budget category.

7. For categorized budgets, documentation supporting the Request for Funds must be submitted along with the request in the form of a detailed transaction list, by budget expense category. The transaction list may be in the form of an Excel spreadsheet if the Subrecipient does not have an accounting software package that generates a transaction list. The detailed transaction list **MUST** reconcile completely to the Request for Funds. It is the Subrecipient's responsibility to include appropriate subtotals and totals on the transaction list to demonstrate that it does, in fact, reconcile completely to the Request for Funds. The transaction list and supporting documents must be kept on file for review at the time of the Department's fiscal monitoring. The detailed transaction list must include, at a minimum:
- Every single item the Subrecipient is asking to be reimbursed for by expense category
 - Brief description of the expense (internal note: to be able identify that the expense is allowable, included in the budget, and charged to the correct budget category)

Check number or other transaction identifier

- Date of payment
- Payee
- Total amount of payment
- Amount charged to grant with cost allocation

The transaction list must be grouped by budget category and have totals that reconcile to the amounts shown on the RFF. RFFs will not be approved without a transaction list.

The following information must also be included on the transaction list or attached to the Request for Funds.

- (1) Payroll Backup- Employees names and position that are being charged to the subaward, % of time charged, and amount requested. If employees or positions change, the Grant Manager must be notified and it must be noted on the backup.
 - (2) Match must be attached using the Match Table Template.
 - (3) All backup for Travel to include the state approved travel claim form as required on the travel claim form. Hotel, air and ground transportation including rental cars, motor pool, public transportation/taxis/shuttles, meals unless using the per diem rate. If travel is due to a meeting, convention, training, etc., required backup includes a copy of the agenda. Travel expenses consisting of local mileage only can be noted on the transaction list with name of traveler, date, miles and rate.
 - (4) Any purchases of Equipment must have a copy of the receipt attached.
 - (5) Any large purchases over \$5000.00 such as gift cards, food, etc. purchased for distribution to clients require receipts to be attached
 - (6) If the Subrecipient received a rebate or credit associated with an expense charged to the grant, the amount must be included on the transaction list and deducted from the reimbursement request.
8. For fee-for-service budgets, documentation supporting the units of service provided during the reimbursement period does not need to be submitted along with the Request for Funds. However, documentation **does** need to be maintained for review during site visits and program monitoring by Department staff. Specific documentation will depend on the kind of service provided and will be determined by the Department prior to submission of the first Request for Funds. Subrecipients will be reimbursed on a fee-for-service basis only if the budget was submitted and approved as a fee-for-service budget prior to the start of the

fiscal year. Problem Gambling Treatment Subrecipient's should refer to the Nevada Treatment Strategic Plan for more details on fee-for-service reimbursement.

9. In special circumstances, advances may be allowed.
 - a. A fully executed Notice of Grant Award must be in place before an advance will be considered.
 - b. A Subrecipient may submit a request for advance funds if the agency does not have sufficient working capital to operate the program on a reimbursement basis. Advances may be utilized to cover up to 30 days of expenses that are part of the approved grant budget. Examples include routine operating expenses, payroll, and equipment purchases. **Advances will not be approved for the sole purpose of providing the Subrecipient with a financial cushion.**
 - c. Unless the federal granting authority does not authorize advances a 30 day period. The requirements of the federal granting authority must be considered prior to authorizing advances.
 - d. An Advance Request form must be submitted indicating the reason for the advance along with Commercial Crime Insurance coverage that covers the amount of the advance.
 - e. An advance will be paid upon approval of the completed request form.
 - f. Subrecipients must establish and maintain policies and procedures that minimize the time elapsed between the transfer of advance funds and disbursement.
 - g. The amount must be accounted for and reduced from the total and available funds on the following Requests for Funds. **Advances must be fully repaid on or before the final Request for Funds for the grant period.**
 - h. The Department's Fiscal Unit will closely monitor the use of the advance to ensure it is used solely for the purposes of the grant that funded the advance.
 - i. A specific condition of receiving an advance is the Subrecipient's agreement to attach a copy of the most recent bank statement into which the advance was deposited to each subsequent Request for Funds. Advances may not be deposited in any bank account other than the Subrecipient's main operating checking account.
 - j. Misappropriation of advance funds will result in denial of future advance requests and may result in immediate termination of the grant.

GIR-19-15 SUBJECT: TRAVEL REIMBURSEMENT

Subrecipients **must** follow these instructions in order to be reimbursed for allowable travel expenses that are allocable to the grant and are included in the Subrecipient's approved budget. Instructions are based on Departmental travel policies and/or policies documented in the State Administrative Manual, which may be accessed online at:

<http://budget.nv.gov/uploadedFiles/budgetnv.gov/content/Governance/SAM.pdf>

1. Forms for travel reimbursement, and instructions for completing the forms, may be found on the DIVISION website:
[http://dhhs.nv.gov/Programs/Grants/Links to GMU Reports and Subrecipient Documents /](http://dhhs.nv.gov/Programs/Grants/Links_to_GMU_Reports_and_Subrecipient_Documents/)
2. Reimbursement is allowed in accordance with the Subrecipient's established policies or up to the U.S. General Services Administration (GSA) rate established for the employee's destination, whichever is less. Information on GSA rates may be found on the GSA website: <https://www.gsa.gov/portal/category/26429>. The Nevada State Administrative Manual referenced above allows an exception to the GSA rates for lodging that is procured at a prearranged place such as a hotel when a meeting, conference or training session is held. The following rules apply.
 - a. An exception may be made for all out-of-state travel and for in-state non-surveyed areas.

- b. There are **no** exceptions for in-state surveyed areas.
3. Least Expensive Means
As a general rule, Subrecipients should always execute travel by the most economic means reasonably available. For example, the use of courtesy shuttles from airport to hotel is preferable to the expense of taxis.
4. Grant funds may not be used to cover fees for early flight check-in or excessive baggage.
5. **All expenses related to a single trip must be submitted on the same Request for Funds in order to avoid duplication of payment on different elements of the same trip. The Grant Manager may approve exceptions on a case-by-case basis.**
6. Trips That Include Expenses Beyond Local Mileage
When billing for a trip that includes any expense other than local mileage reimbursement, the State's Travel Expense Reimbursement Claim form (found at the link to the DIVISION website) must be utilized to detail the specific trip.
 - a. The following documents must be attached to the associated Request for Funds.
 - (1) An agenda if the purpose of the trip was to attend a conference or meeting.
 - (2) A printout of the GSA rate for the area visited (showing allowable hotel and per diem costs).
 - (3) Receipts for parking, airfare, baggage fees, lodging, conference registration, internet access for business purposes, and car rental or other ground transportation (e.g., taxi or shuttle).
 - (4) Note that the receipt for lodging reimbursement **must** include a hotel front desk receipt obtained at checkout. If a room is booked via a service such as Expedia or hotels.com, that receipt must also be attached. *(Providing both the front desk receipt and the booking receipt verifies that the employee not only paid for the hotel but also made the trip and used the hotel room.)* The amount charged to the grant must be limited to the lodging rate plus applicable taxes and fees, and must either be limited to the GSA rate for the destination or meet the exception criteria set forth in Item 2 of this Section. Personal expenses such as movies, internet access for personal use and charges to deliver meals via room service will not be reimbursed.
 - b. Receipts are not required for incidental expenses (e.g., fees for luggage carts, metered parking, toll charges and tips). Reimbursement will be limited to the GSA approved amount per night. Incidentals are only paid for overnight trips (\$5 per night).
7. Meals
 - a. Meals will be reimbursed at the GSA rate for the employee's destination (whether in-state or out-of-state). A printout of the GSA rate for the area visited **must** be attached to the Request for Funds.
 - b. If a Subrecipient's written travel policies require that the employee be reimbursed for actual costs, then meal receipts must be attached to the Request for Funds. The Department will reimburse the Subrecipient for the actual cost or the GSA rate, whichever is less. The Subrecipient may not submit a mix of GSA rate reimbursement and meal receipts. Only one reimbursement method will be accepted.
 - c. To be allowed reimbursement, the employee **must**:
 - (1) Travel to a destination that is at least 50 miles from his/her work station;
 - (2) Depart at or before 7 a.m. for breakfast;
 - (3) Depart at or before 11 a.m. and return to the work site after 1:30 p.m. for lunch, and
 - (4) Depart at or before 5:30 p.m. and return to the work site after 7 p.m. for dinner.*Note that departure and return are defined as the time that the employee left or returned to his/her work station or his/her home, whichever is closer to the final destination (or to the airport if flying).*
 - d. Meals provided as part of the meeting or conference agenda are not eligible for reimbursement, should not be claimed, and a note should be included indicating that the

employee is not requesting reimbursement for that reason. Per the Nevada State Administrative Manual (0212), continental breakfasts are not considered meals so per diem for breakfast is allowed in such circumstances.

8. Local Mileage Reimbursement

When submitting a request for local mileage reimbursement, Subrecipients do not have to submit a Travel Expense Reimbursement Claim form. However, on the transaction list, Subrecipients must include a breakout of the number of miles traveled and the reimbursement rate. Any travel that includes expenses beyond local mileage reimbursement must be submitted in accordance with GIR 19-13-6 above.

9. Mileage Reimbursement Standards

- a. Mileage will be reimbursed at the current State rate or the rate in the Subrecipient's written policies and procedures, whichever is less.
- b. Mileage will not be paid for travel to/from the employee's home and work station.
- c. An employee using his own personal vehicle will be compensated for any miles driven in excess of their normal commute. An employee's normal commute is the roundtrip mileage between the employer's residence and their official duty station.
- d. Special reimbursement rules apply when an employee chooses to use a personal vehicle for his/her own convenience when other, less costly options are available.
 - (1) Reimbursement will be at half the regular rate if a personal car is used for Subrecipient business when an employee could have used a less costly means of transportation such as a company car or motor pool vehicle.
 - (2) In the circumstance listed in Item 8(d)(1) above, if the employee could have flown to the destination at a cost that would have been less than half the regular mileage rate, reimbursement should be limited to the cost of the airfare.

GIR-19-16 SUBJECT: BUDGET MODIFICATIONS

1. Changing line items within a budget category requires prior approval by the Grant Manager, which must be documented in writing (may be via e-mail). Approval must be received before expenses are incurred.
2. All transfers of funds between budget categories (or program categories for CSBG) require a Budget Modification Request (BMR) form and a copy of the updated budget. Proposed expenditures must be consistent with approved goals for the current grant agreement. Approved BMRs must be received by the Subrecipient prior to implementation of request.
3. The Indirect rate /category total may not be renegotiated or changed (unless the indirect is a federally negotiated rate that increases or decreases during the grant year).
4. **Requests for budget modifications must be made prior to expenditure of funds for non-budgeted items.** Failure to request modifications in advance of expenditures may result in not receiving reimbursement for the expenditures, and/or corrective action.
5. Modifications up to and including \$2,000 or 10% of the Grant amount, whichever is less, may be approved by the Grant Manager, subject to the guidelines above.
6. Modifications between \$2,001 and \$4,999 or 15% of the Grant amount, whichever is less, requires prior approval from the Grant Manager and the Chief of the DIVISION or an authorized designee.
7. Modifications of \$5,000 and above or 25% of the Grant amount, whichever is less, requires prior approval from the Grant Manager, Chief of the DIVISION, and the Deputy Director of Fiscal Services or an authorized designee.
8. Justification for modifications must be complete and include an explanation of **why** funding has become available in certain categories, **why** funding is needed in other categories, and **how** the changes will affect the Subrecipient's ability to meet established goals. Simply stating that costs were over-estimated or under-estimated is insufficient justification.

9. If a BMR is initially declined, the Grant Manager may direct the Subrecipient to make corrections or provide additional justification for reconsideration. All revisions are the responsibility of the Subrecipient and cannot be completed by the Grant Manager.

GIR-19-17 SUBJECT: END OF GRANT YEAR INSTRUCTIONS

1. Each grant year, final Budget Modification Requests must be submitted by **the last Friday of April**. On rare occasions, and with reasonable justification, an extension may be allowed.
2. All goods and services **received** by the last day of the program's grant year, but not yet paid, are to be treated as an accounts payable of that grant year.
3. Final Requests for Funds must be submitted to the Department 15 days after the end of the State fiscal year (i.e., by **July 15th**).
5. On the final Request for Funds, Grant Managers may approve a negative balance shown in one or more budget categories as long as the following conditions are met.
 - a. There is no negative balance in the Indirect category.
 - b. The total negative balance from all categories does not exceed \$2,000.
 - c. Total expenditures from all categories do not exceed the total grant budget.
 - d. The Subrecipient submits a detailed request/justification to the Grant Manager via e-mail prior to over-expending funds for the category (or categories) in question.
 - e. The budget variances do not constitute substantive changes to the original agreement or scope of work.
 - f. The Grant Manager pre-approves the request via e-mail.
 - g. Subrecipients that over-expend budget categories and then ask for approval may be denied.
6. For CSBG grants, the conditions listed in Item 5 above may be applied to **each Program Budget**, not just the combined Request for Funds.

GIR-19-19 SUBJECT: PROCEDURES FOR PROCESSING CARRYOVER OF FUNDS

1. FOR FHN, FRC, DR, CTF, TXX, TANF AND PROBLEM GAMBLING GRANTS ONLY

- a. Funds may not be carried over from one fiscal year to the next. Grant funds not expended at the end of the fiscal year will revert to the appropriate funding source.

GIR-19-19 SUBJECT: EQUIPMENT AND INVENTORY REQUIREMENTS

1. Subrecipients must establish a system of accounting for all equipment purchases of \$5,000 or more and for computer purchases of any amount. The system must include, at a minimum, a listing of all equipment purchased with grant funds, the date purchased, the funding source, the cost, the serial number or other identifying number, the physical location, and disposition.
2. An ongoing inventory must be maintained for all items purchased with grant funds that meet all the following criteria.
 - a. Has an anticipated useful life extending beyond one year
 - b. Is not consumed in use
 - c. Is not attached permanently as a non-movable fixture
 - d. Had a purchase price of \$5,000 or more or (as noted in GIR 19-19-1 above) or is a computer regardless of cost.
3. Grant Managers may also request that Subrecipients inventory certain other items (e.g., furniture, GPS systems, computer-related devices, digital cameras and video equipment).

4. Subrecipients should conduct a physical inventory periodically (no less than annually) and compare it to the written records. If a Subrecipient has equipment or property purchased with grant funds they no longer use, a listing of the items must be sent to the DIVISION for review and follow up.
5. Following termination of a grant issued by under the DIVISION, the Department may direct the Subrecipient to retain, transfer, or liquidate equipment and non-consumable materials purchased with grant funds. If equipment is liquidated, use of the proceeds must be approved by the Department. If equipment or property was purchased with Federal funds and the fair market value is at least \$5,000, the Federal granting agency must be reimbursed after liquidation.
6. When a designated FRC or DR program chooses to cease providing FRC and/or DR services or is relieved of its designation by the process described in [GIR 19-23-5](#), all equipment and other items purchased with FRC and DR funds will be transferred to an agency that is providing these services.

GIR-19-20 SUBJECT: SPECIAL REQUIREMENTS FOR GIFT CARDS, VOUCHERS, AND OTHER LIKE ITEMS

1. Programs that use grant funds to purchase gift cards, gift certificates, bus passes, vouchers, and other like items for clients must establish internal controls in the form of written policies and procedures that, at a minimum:
 - a. Ensure the security of the items; and
 - b. Address appropriate distribution to clients.
2. Programs are required to use a log to inventory and track distribution and use of the cards, certificates, passes, vouchers, etc. (hereafter collectively referred to as "item"). A log template is available from the Grantor, but the Subrecipient may create one of its own as long as it tracks the following information:
 - a. Source of each item (e.g., Wal-Mart, Safeway);
 - b. Individual serial number or other identifier of each item;
 - c. Denomination (value) of each item;
 - d. Date each item was purchased (if applicable);
 - e. Date issued to client;
 - f. Date item was documented in client's case file;
 - g. Identification of client (name or confidential identifier);
 - h. Name of case manager;
 - i. Purpose of item or description of products or service to be purchased with item; and
 - j. In the case of gift cards, a checkmark to indicate whether a receipt was returned to the Subrecipient by the client.
3. The written policies and procedures, as well as the log, must be made available to the Department upon request and may be reviewed during program site visits.

GIR-19-21 SUBJECT: RETENTION AND DISPOSAL OF PROJECT DOCUMENTS

1. Financial records, supporting documents, statistical records, and all other records pertinent to a grant agreement (whether in electronic or hard copy form) must be retained in accordance with agency guidelines or other applicable retention rules for a minimum of three years from the date of the submission of the final expenditures report. If no litigation, claims, or audits are pending that involve project records, Subrecipient staff may dispose of materials three or more years subsequent to the submission of the final expenditures or financial status reports. If any litigation, claim, or audit is started before the end of the three-

year period, then all pertinent documents must be retained until all actions involving the records have been resolved.

2. During the three-year retention period or any extended period resulting from litigation, claims, or audits, the Deputy Director of Fiscal Services or any of the Department's **DULY AUTHORIZED REPRESENTATIVES** shall have access to any pertinent books, documents, papers, or records of Subrecipients to review audits, examinations, excerpts, and transcripts.

GIR-19-22 SUBJECT: PROCEDURES FOR FISCAL MONITORING AND ADMINISTRATIVE REVIEW OF EXTERNAL AUDITS

1. The Department may, at its discretion, conduct a fiscal monitoring of a Subrecipient at any time during or up to three years after the close of a grant year. The monitoring may be conducted by either Department staff or contracted agencies. Although the process is a fiscal function, the DIVISION Chief and Grant Manager will be copied on all correspondence, reports, and action plans to ensure coordination among all parties.
2. For scheduled fiscal monitoring, each Subrecipient will be notified in writing at least fifteen (15) working days prior to the visit. A letter will be sent indicating the types of documents that must be made available to the person conducting the fiscal monitoring prior to their visit and/or during their visit to the Subrecipient's location.
3. If the Department attempts to perform a fiscal monitoring and discovers that adequate records do not exist, or the condition of the records is such that a fiscal monitoring cannot be completed, the Department will issue written notification that the Subrecipient:
 - a. Will be placed on probation, and
 - b. May be subject to withholding of any further funding from the Department until the deficiencies are corrected and the fiscal monitoring is completed.
4. Within thirty (30) calendar days following completion of the Department fiscal monitoring, the Subrecipient will receive a preliminary report that specifies the findings of the Department, subsequent recommendations, and a deadline for responding to the preliminary report.
5. If the Subrecipient is in agreement with the preliminary report, it will be considered the final report.
6. If the Subrecipient is not in agreement, the Subrecipient must submit, within the timeframe specified in the preliminary report, a written response addressing any disagreement of adverse findings. Adverse findings are defined as follows.
 - a. Lack of Adequate Records: The Department determines that either sufficient records do not exist or the records are not in a condition to allow the Department to perform a fiscal monitoring.
 - b. Administrative Findings: Findings that represent weaknesses in the internal accounting and administrative controls but do not include questioned costs or costs recommended for disallowance.
 - c. Questioned Costs: Costs charged to a grant that cannot be supported by documentation. With approved documentation, questioned costs may become allowable. Without documentation, they will become disallowed costs and repayment to the Department may be required.
 - d. Costs Recommended for Disallowance: Costs that are not within the scope of the grant agreement and grant budget or that are in direct violation of State or Federal policies. Repayment to the Department may be required.
7. The Subrecipient must submit to the Department a listing of each point of disagreement and explanations for each disagreement. Within two weeks of receipt of the Subrecipient's written response, the Department will review and consider the points and justification of

disagreement. If warranted, the Department will make corrections and/or adjustments to the report and issue an amended final report.

8. If the Subrecipient remains in disagreement and can furnish additional supportive documentation, a request for an administrative review must be made in writing to the Deputy Director of Fiscal Services within sixty (60) calendar days of receipt of the amended final report. For purposes of calculating date of receipt, the Department will use three (3) working days from the date of the amended final report.
9. Within five (5) working days of receipt of the request for administrative review, the Subrecipient will be notified by letter of the date for the Subrecipient to present their issues of disagreement.
10. Within five (5) working days of the presentation, the Department shall review the disagreement issues, supporting documentation, and the Department files, and forward a decision to the Subrecipient in writing.
11. External Audit Requirements
 - a. Any Subrecipient expending \$750,000 or more in Federal funds during the Subrecipient's fiscal year is required to complete an audit that meets the standards set forth in Subpart F of 2 CFR 200. Audits are to be conducted annually unless the Subrecipient qualifies for biennial audits [see 2 CFR 200.504(b)].
 - b. All Subrecipients that conduct audits, for either Federal or business purposes, are required to submit a copy of the audit to the Grantor no less than thirty (30) days after the Subrecipient receives the auditor's report. This is required even if the grant is closed.
 - c. The Grantor will perform an administrative review of the audits to determine if there are any findings that may negatively affect Federal or State funds.
 - d. If adverse findings are identified, the Grantor will issue a management decision letter that may:
 - Inquire about expected action (e.g., repayment of questioned costs or policy revision);
 - Request a corrective action plan;
 - Establish a timetable for resolution;
 - Require a Departmental fiscal review;
 - Suggest training or offer technical assistance; and/or
 - Inform the Subrecipient of their right to appeal (if any).

GIR-19-23 SUBJECT: PROCEDURES FOR PROGRAM SITE VISITS AND MONITORING

1. Site visits without advance notice may be performed at a Subrecipient location at any time.
2. Formal site visits with program monitoring will be conducted by Grant Managers at a predetermined and mutually agreed upon time.
3. A minimum of fifteen (15) working days prior to the visit date, Subrecipients will be provided with a copy of the monitoring template to review and prepare for the meeting. Documentation requested in the monitoring template must be available at the meeting.
4. Site visits will be documented with a standard report provided to the Subrecipient within thirty (30) calendar days of the site visit. Subrecipients will be notified in writing if exceptions to the 30-day rule are necessary.
5. Reports become an official part of the grant record and may result in corrective action if deficiencies are identified.

GIR-19-24 SUBJECT: CORRECTIVE ACTIONS

If a Subrecipient does not meet expectations, the DIVISION may require the Subrecipient to develop and implement a Corrective Action Plan, apply special award conditions, place the Subrecipient on probation, or terminate the grant. This section describes the reasons, consequences, and process associated with each corrective action. In each case, enforcement of the appropriate consequences is at the discretion of the Department Director. Any level of corrective action may be applied at any time; options may not be applied sequentially.

1. Corrective Action Plans

- a. Corrective Action Plans are generally required when deficiencies are identified as a result of program or fiscal monitoring. However, the Department reserves the right to impose this option under other circumstances if the need arises.
- b. The process for a Corrective Action Plan includes the following steps.
 - (1) The Subrecipient must submit comments on areas of disagreement within fifteen (15) working days of receipt of the report.
 - (2) Within thirty (30) working days of receipt of the report, the Subrecipient must submit a Corrective Action Plan.
 - (3) The fifteen (15) day period and the thirty (30) day period set forth in Items 1b(1) and 1b(2) are concurrent rather than consecutive.
 - (4) Within fifteen (15) working days of receipt of the Corrective Action Plan, the Grant Manager will respond and, if necessary, work with the Subrecipient on any required revisions.
 - (5) A target date for completion will be established by the Grant Manager and progress will be monitored at established intervals.
 - (6) Completion of the Corrective Action Plan will be documented in the Department's grant file.
- c. Failure to complete the Corrective Action Plan may result in special award conditions, probation, or termination as described in this section.

2. Special Award Conditions

- a. Reasons a Subrecipient may be subject to special award conditions include, but are not limited to, the following.
 - (1) History of poor performance or poor management
 - (2) Financial instability
 - (3) Management system that does not reasonably assure grant compliance and accurate accounting records
 - (4) Insufficient governance structure
 - (5) Non-compliance with the terms and conditions of a grant award
- b. Consequences related to special award conditions may include, but are not limited to, the following.
 - (1) Additional reporting
 - (2) Additional backup documentation
 - (3) Audit
 - (4) Accreditation requirement
 - (5) Additional site visits by program and/or fiscal staff, with or without advance notice
- c. Special conditions and/or requirements may be imposed, as needed, at the beginning of the grant period or at any time within the grant period. If the DIVISION determines that special conditions and/or requirements are necessary, the Subrecipient will be provided with written notification that includes the following.
 - (1) Nature of the additional requirements
 - (2) Reason(s) for the additional requirements
 - (3) Nature of the corrective actions needed
 - (4) Time allowed for completing the corrective actions

- d. The special conditions and/or requirements will remain in force until Department staff determines that the precipitating issues have been resolved.
- e. The consequence of failure to comply with special conditions and/or requirements is probation.
- f. If the grant funds are from a Federal source, the State will ensure compliance with provisions in 2 CFR 200.207, "Specific Conditions."

3. Probationary Status

- a. Reasons a Subrecipient may be placed on probation include, but are not limited to, the following.
 - (1) Unwillingness or inability to comply with special conditions and requirements as described in this section, GIR-19-23, Items 1, 2 or 3
 - (2) Non-compliance with Federal or State rules and regulations
 - (3) Non-compliance with the Department's GIRS
 - (4) Inability or unwillingness to properly manage the program
 - (5) Non-compliance with the approved grant application terms and conditions
 - (6) Non-submission of required reporting or failure to submit reports in a timely manner
 - (7) Significant findings by an independent auditor that affect the programs funded by the Department and/or classification as high-risk by an independent audit
 - (8) Non-compliance with applicable Federal regulations and guidance
 - (9) Classification by the Department as high risk with no significant improvement to correct deficiencies
- b. Consequences related to probationary status may include, but are not limited to, the following.
 - (1) The Subrecipient may not be eligible for any additional funding.
 - (2) The Subrecipient may not be allowed to receive any grant payments in advance but may be reimbursed on an actual cost basis.
 - (3) If the Subrecipient receives Federal funding and its financial management system fails to produce accurate, current and complete disclosure of the financial results of each federally funded grant in accordance with the reporting requirements set forth in 2 CFR 215, as applicable, then the Subrecipient may be prohibited from receiving advance funding.
 - (4) The appropriate DIVISION advisory committee will be informed of the Subrecipient's probationary status.
 - (5) The Subrecipient may be required to appear before the appropriate DIVISION advisory committee. If so, in keeping with the Nevada Open Meeting Law, the Subrecipient will be given at least three (3) days advance notice of the time, date, and location(s) of the meeting.
- c. The process for implementing probationary status and monitoring progress toward corrective action is as follows.
 - (1) The Department will notify the Subrecipient of probationary status in writing, citing the reasons for that action, and will meet with the Subrecipient within ten (10) working days to determine the current status of the program with regard to budget, original goals or any other areas of concern.
 - (2) Within ten (10) working days following the meeting, the Subrecipient will be required to submit new goals, budgets, or other corrective plans and a strategy for achieving those goals to the Grant Manager for approval.
 - (3) The Department will respond to the corrective action plan within ten (10) working days of receipt. The Subrecipient may be asked to make modifications. If so, a timeline will be established by the Department.
 - (4) Progress on the corrective action plan will be reviewed by the Department at a minimum of every sixty (60) calendar days.

- (5) When the corrective actions have been completed, the Deputy Director of Fiscal Services or Programs may remove the probationary status. The appropriate DIVISION advisory committee will be informed of this decision at their next scheduled meeting.
- (6) The consequence of failure to meet the terms of probation is termination of the grant.

4. Involuntary Termination

Grants may be terminated by the Department Director in accordance with the General Conditions that are incorporated with the Grant Agreement. A grant may be terminated at any time during the grant year.

- a. Reasons a Subrecipient may be subject to termination include, but are not limited to, the following.
 - (1) Unwillingness or inability to comply with special award conditions and requirements as described in this section, GIR-19-23, Item 1, 2 or 3
 - (2) Unwillingness or inability to meet the terms of probation as described in this section, GIR-19-23, Item 4
 - (3) Conduct that interferes with the administration of the grant or negatively impacts the ability to provide effective program services
 - (4) Illegal activity of any kind
 - (5) Insolvency
 - (6) Failure to disclose a conflict of interest
 - (7) Influence by a gratuity
 - (8) Any violations of the terms of the grant agreement
 - (9) Substantiated fraud, abuse, or misappropriation of grant funds
- b. Consequences of termination may include, but are not limited to, the following.
 - (1) Repayment to the State of any outstanding advance
 - (2) Non-reimbursement for any grant-related expenses incurred after the termination effective date
 - (3) Transfer or liquidation of all equipment and non-consumables purchased with grant funds during the grant period (including equipment with an original purchase price of \$1,000 or more, all computers and software regardless of original purchase price, and any other items the State has required the Subrecipient to inventory during the course of the grant)
 - (4) Surrender of any and all documents related to the grant that the State deems necessary
 - (5) Repayment to the State of all grant funds found to be unallowable costs
- c. The process for implementing grant termination under this section, GIR-19-23, Item 5a is as follows.
 - (1) The State will notify the Subrecipient in writing.
 - (2) The State will schedule a meeting of the appropriate advisory body (i.e., the Grants Management Advisory Committee or the Advisory Committee on Problem Gambling) to serve as a public hearing and will ensure that the meeting is in compliance with the Nevada Open Meeting Law. The Subrecipient will be given at least three (3) working days advance notice of the time, date, and location(s).
 - (3) The advisory body will review the State's decision, provide an opportunity for the Subrecipient to offer testimony, and will make a recommendation to the Department Director.
 - (4) The Director may or may not accept the advisory body's recommendation. The Director's decision will be final and will be effective immediately upon receipt of a written notice to the Subrecipient (or any date specified therein).

- d. If the grant funds that are to be suspended or terminated are from a Federal source, the State will ensure compliance with provisions in 2 CFR 200.338 through 200.342, "Remedies for Noncompliance."

5. No-Fault Termination

- a. A no-fault termination may occur at any time during the grant year. Reasons a grant may be terminated on a no-fault basis include, but are not limited to, the following.
 - (1) The State and the Subrecipient mutually agree to termination without cause.
 - (2) Funding from the State and/or Federal sources is not appropriated or is withdrawn, limited, or impaired.
 - (3) Other extenuating circumstances exist that render continuation by the State or Subrecipient impossible.
- b. Consequences of termination may include, but are not limited to, the following.
 - (1) Repayment to the State of any outstanding advance
 - (2) Non-reimbursement for any grant-related expenses incurred after the termination effective date
 - (3) Transfer or liquidation of all equipment and non-consumables purchased with grant funds during the grant period (including equipment with an original purchase price of \$1,000 or more, all computers and software regardless of original purchase price, and any other items the State has required the Subrecipient to inventory during the course of the grant)
 - (4) Surrender of any and all documents related to the grant that the State deems necessary
- c. The process for implementing a no-fault termination is as follows.
 - (1) The State will notify the Subrecipient in writing.
 - (2) A public hearing will not be scheduled.
 - (3) Termination will be effective immediately upon receipt of the written notice (or any date specified therein).

APPROVED:

Stacey Johnson
Deputy Director, Fiscal Services

Vanessa Alpers
Deputy Director, Programs

Date: July 1, 2018

Date: July 1, 2018