

# Building Your Grant Management Infrastructure

# General Housekeeping Rules

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- Hold your questions until the question slide
- Some questions I may not be able to answer and I will tell you why
- This is a safe space!



Due Diligence



# What is Due Diligence?

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- Making sure the right **policies, systems, and documents** are in place before and during the grant.
- Protects your organization from risk (findings, repayment, loss of funding).
- **How It Works in This Program**
  - We'll use this due diligence process to **check what you already have** (policies, templates, systems).
  - From there, we'll **build a plan**:
    - Identify where you're strong
    - Spot gaps or risks
    - Provide training and tools to fill those gaps

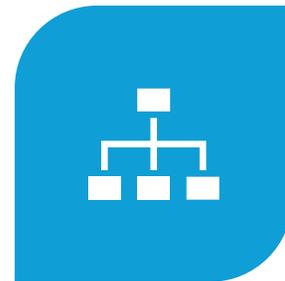
# What will be requested at the start?



ACTIVE UEI & SAM.GOV  
REGISTRATION (CANNOT  
RECEIVE FUNDS OTHERWISE)



CONFLICT OF INTEREST  
POLICY



ORGANIZATIONAL CHART



FINANCIALS

# Policies & Documents Requested During Full Proposal



Financial Management Policy



Internal Controls Policy



Procurement Policy



Whistleblower Protections



Quality Assurance Project Plan (QAPP)



Equipment & Property Management Policy



Personnel Policy



Employee Benefits Policy



Indirect Cost Documentation –  
NICRA or 10% de minimis rate



Travel Policy

# Survey QR



# Things to consider when thinking about these policies



Federal regulations = **baseline**



Your organization's policies may be **stricter** than federal rules



**Always follow whichever is more restrictive** (federal vs. your own)

# Examples

## **Procurement (2 CFR 200.320)**

- Federal thresholds:
  - Micro-purchase  $\leq$  \$10,000
  - Small purchase  $\leq$  \$250,000
- If your org's threshold is lower (e.g., micro-purchase  $\leq$  \$5,000), you must follow your \$5,000 policy

## **Travel Policies (2 CFR 200.475)**

- Federal rule: Costs must be reasonable and consistent with written policies
- If your org limits reimbursement to state per diem rates (lower than federal GSA rates), you must use state rates
- Employees cannot claim higher federal per diem if your org's policy is stricter

# Key Takeaways

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Have a UEI

Federal Rules  
are the baseline

Build a  
compliance  
culture early



Questions?

Break



# Budgeting

# Why budgeting matters?



BUDGET = FINANCIAL  
ROADMAP OF THE PROJECT



MUST SHOW COSTS ARE  
REASONABLE, ALLOCABLE,  
ALLOWABLE UNDER 2 CFR 200



NARRATIVES EXPLAIN THE  
“WHY” BEHIND EACH NUMBER



GOOD BUDGETS = FEWER  
REVISIONS, FASTER  
APPROVALS, EASIER  
MONITORING



# General Rules for Subrecipient Budgets



Consistent with your org's written policies



Linked directly to workplan tasks/deliverables



Transparent — clear assumptions (rate × time × quantity)



Compliant — prior approval items flagged early



No hidden costs (management fees, padded rates are unallowable)

## Reasonable

Would a prudent person pay this price under the same circumstances?

Is it consistent with market prices for similar goods/services?

Did the organization act with sound business judgment?

## Allowable

Necessary and reasonable for performance of the award

Consistently treated as either direct or indirect

Conforms to limitations/exclusions in 2 CFR 200 & EPA GTC

Supported by adequate documentation

## Allocable

Directly benefits the project

Assigned in accordance with relative benefit across projects

Not shifted to overcome funding shortfalls or avoid restrictions

# Case Study Analysis

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Phineas and Ferb

CLIP

Disney

XD



## Case Study – “Tree to Get Ready” Overview

- **Objectives:**
  - Build safe, functional, durable tree houses
  - Make one that reflects Candace’s style (remodel her old one)
  - Include fun but realistic upgrades (observation deck, protection devices)
  - Keep competition friendly and within budget
  
- **Scenario:**
  - Phineas and Ferb decide to build a brand new tree house for themselves and remodel Candace’s old tree house, making it more personalized for her. They plan ambitious features: observation deck, protective tires (“Crash” button), swings, view platforms, decorative elements. They want to invite Isabella over to see and use parts of the structure.

# Personnel (2 CFR 200.430)

## **Associated Cost**

- Salaries and Wages of employees working on project tasks

## **Narrative Justification**

- Job title
- % effort (FTE)
- Hourly/salary rate
- Role in project

## **Policies/Documentation**

- Personnel Policy
- Timekeeping Policy
- Payrolls Records
- Timesheets

# Case Study Alignment: Example 1

## Weak Justification:

- “We will need \$2,000 for staff time. This covers Phineas, Ferb, and helpers to work on the project.”

## Strong Justification:

- “Phineas will provide 100 hrs at \$20/hr to design and manage construction.
- Ferb will provide 80 hrs at \$18/hr for structural building and carpentry.
- Two youth helpers will provide 40 hrs at \$12/hr for finishing tasks.
- All effort will be supported by time & effort documentation.”

# Case Study Alignment: Example 2

## Phineas – Project Manager

- Annual base salary: \$41,600
- Level of Effort: 5% dedicated to project design & oversight
- Budgeted cost:  $5\% \times \$41,600 = \$2,080$

## Ferb – Lead Carpenter

- Annual base salary: \$37,440
- Level of Effort: 4% dedicated to structural construction
- Budgeted cost:  $4\% \times \$37,440 = \$1,498$

## 2 Assistants – General Labor

- Annual base salary: \$24,960 each
- Level of Effort: 2% each dedicated to finishing work
- Budgeted cost:  $2\% \times \$24,960 \times 2 \text{ assistants} = \$999$

# Fringe Benefits (2 CFR 200.431)

## **Associated Cost**

- Health, retirement, leave, and other employee benefits allocated to project staff

## **Narrative Justification**

- Show fringe rate (e.g., 20% of salaries)
- Confirm applied consistently across all programs
- Explain components included (health, FICA, retirement, etc.)

## **Policies/Documentation**

- Personnel Policy
- Benefits Policy

# Case Study Alignment

## Weak Justification:

- “Fringe will be about \$800 for staff benefits.”

## Strong Justification:

- “Fringe calculated at 20% of salaries per org’s written policy.
- Covers health insurance, retirement contributions, and paid leave.
- Applied consistently to all employees.  
 $\$3,920 \text{ (Personnel)} \times 20\% = \$784.$ ”

# Travel (2 CFR 200.475)

## **Associated Cost**

- Transportation, lodging, per diem, mileage for staff travel

## **Narrative Justification**

- Identify purpose of travel and connection to workplan deliverables
- Estimate cost (mileage × rate; airfare + lodging + per diem)
- Confirm within org's travel policy and consistent with federal rules

## **Policies/Documentation**

- Travel Policy
- Receipts
- Mileage Logs

# Case Study Alignment

## Weak Justification:

- “We will need \$145 for trips to get supplies from the store.”

## Strong Justification:

- “10 round trips × 25 miles = 250 miles total.
- Mileage reimbursed at \$0.58/mile per org travel policy = \$145.
- Travel limited to local store runs; no overnight or foreign travel.”



Questions

# Equipment (2 CFR 200.313 / 200.439)

## **Associated Cost**

- Tangible property  $\geq$  \$5,000/unit, useful life > 1 year

## **Narrative Justification**

- Explain necessity for achieving project objectives
- Provide unit cost, quantity, and purpose
- Address thresholds (federal \$5,000 vs org threshold) and prior approval needs

## **Policies/Documentation**

- Procurement Policy
- Equipment and Property Management Policy
- Purchase Order
- Vendor Quotes
- Inventory Log
- Invoices
- Receipts

# Case Study Alignment

## Weak Justification:

- “About \$3,500 is needed for equipment such as a saw. This will help us build the tree house.”

## Strong Justification:

- “Purchase of 1 table saw @ \$3,500 for precision lumber cuts.
- While under federal \$5,000 equipment threshold, org policy defines equipment  $\geq$ \$2,000, so prior approval required.
- Necessary for safety and efficiency in building the observation deck.”

# Supplies (2 CFR 200.453)

## **Associated Cost**

- Tangible items under \$5,000 (materials, consumables, software, small equipment)

## **Narrative Justification**

- Itemize or group by type (office supplies, lab supplies, etc.)
- Tie each supply to a specific project activity or deliverable
- Avoid vague “miscellaneous supplies”

## **Policies/Documentation**

- Procurement policy
- Equipment and Property Management Policy
- Purchase Order
- Vendor Quotes
- Inventory Log
- Invoices
- Receipts

# Case Study Alignment

## Weak Justification:

- “We estimate \$1,850 for supplies like wood, nails, paint, and other materials to finish the project.”

## Strong Justification:

- “Lumber (\$1,200) – framing and deck.
- Nails/bolts/screws (\$300) – assembly.
- Paint & sealant (\$200) – weatherproofing.
- Safety tires (\$150) – crash-protection system.
- All supplies directly tied to construction tasks.”

# Contractual (2 CFR 200.317–327)

## **Associated Cost**

- Services performed by vendors & contractors

## **Narrative Justification**

- Define scope of work and why outside expertise is required
- Show estimated cost and procurement method (competitive quotes)
- Describe expected deliverables/timelines

## **Policies/Documentation**

- Procurement policy
- Solicitation vehicle
- Bids
- Debarment checks
- Signed contract

# Case Study Alignment

## Weak Justification:

- “We may spend about \$2,000 on a contractor if we need extra help with building the tree house.”

## Strong Justification:

- “Licensed carpenter hired to install observation deck railings for safety.
- Three competitive bids obtained; lowest responsible quote selected at \$2,000.
- Contract includes required 2 CFR App II clauses and Section 889 certification.”



Questions

# Other Direct Costs: 2 CFR 200 Subpart E

## **Associated Cost**

- Project-specific costs not in other categories (printing, communications, participant support, training)

## **Narrative Justification**

- Explain necessity for each cost
- Tie to project activity or compliance requirement (e.g., safety inspection, training)
- Provide unit cost/quantity where possible

## **Policies/Documentation**

- Org's financial policies
- Receipts
- Invoices

# Case Study Alignment

## Weak Justification:

- “We will need \$350 for inspections and waste removal.”

## Strong Justification:

- “Safety inspection required by local code = \$250.
- Waste disposal fees for scrap materials = \$100.
- These costs ensure compliance with local safety standards and EPA environmental requirements.”

# Indirect Costs (2 CFR 200.414)

## **Associated Cost**

- Administrative overhead (utilities, HR, IT, rent) benefiting multiple programs

## **Narrative Justification**

- Apply NICRA rate or 10–15% de minimis (if eligible)
- Show base calculation (MTDC definition)
- Confirm consistent application per org policy

## **Policies/Documentation**

- NICRA letter (if applicable)

# Case Study Alignment

## Weak Justification:

- “We will apply a 12% indirect cost rate, which totals about \$900.”

## Strong Justification:

- “Applying NICRA rate of 12% MTDC.
- Base = \$7,500 in direct costs, excluding equipment >\$2,000, participant support, and subaward costs >\$25,000.
- Total IDC = \$900. Rate approved by cognizant agency and applied consistently with org policy.”

# Best Practices for Budget Narratives

- Write in plain language
- Link every budget line to a specific task/deliverable
- Show calculation assumptions (unit × cost × time)
- Flag prior approval items in the narrative (e.g., equipment, foreign travel)
- Avoid vague justifications like “miscellaneous supplies”



Questions

Break



# Post-Award Best Practices

# Monitoring & Oversight

01

**Expect desk reviews and site visits**

02

**Keep records organized and retrievable**

- Procurement files
- Personnel time & effort documentation
- Financial ledgers
- Subaward monitoring reports (if applicable)

03

**Best Practice: Always communicate known issues when they arise early**

# Corrective Actions & Risk Management



**Monitoring may lead to findings**



**Use a Corrective Action Plan (CAP) template:**

Describe issue

Root cause analysis

Corrective steps & timeline

Responsible staff



**Always plan ahead**

# Communication

- Always let us know about:
  - 📄 Budget changes – moving funds, adding new costs, or shifting staff time
  - 🛠️ Equipment purchases – anything near or over the threshold, or unusual items
  - ✈️ Travel plans – especially non-routine or out-of-state trips
  - 🤝 Contracts & subawards – new vendors, service providers, or partners
  - 👤 Key staff changes – project director, financial officer, or other critical roles
  - ⚠️ Challenges or risks – delays, missed deliverables, or compliance issues
  - 📅 Upcoming deadlines – if you think you might not make it, tell us early
- Why this matters:
  - Early communication = more support, faster solutions, fewer findings
  - Surprises make monitoring harder — transparency builds trust
  - We can only help if we **know what's happening**

# Proactive Solutions – Staying Ahead of Problems

- Be proactive, not reactive. Here's how:
  -  Plan Ahead
    - Build timelines for reports, purchases, and major activities
    - Use calendars, reminders, and checklists
  -  Keep Records Organized
    - File receipts, contracts, and approvals as you go — not at the end
    - Maintain a central location for all award documents
  -  Ask Early, Ask Often
    - If you're unsure about a cost, a policy, or a deadline — ask before you act
    - Use the templates and tools provided
  -  Do Your Own Mini-Reviews
    - Quarterly self-checks: are we following our own policies?
    - Compare budget to actuals — spot issues before EPA or the prime does
  -  Address Issues Quickly
    - Small problems grow into findings if ignored
    - Develop a quick Corrective Action Plan (CAP) and communicate it
- Being proactive saves time, reduces stress, and proves your organization is ready, responsible, and reliable in managing federal funds.

# Activity – “Craziest Excuses”

- Brainstorm the most ridiculous excuse you can imagine for any work related reason.
  - “Aliens abducted our budget officer and took the general ledger as evidence.”
  - “Our intern accidentally built the treehouse out of gold-plated lumber.”
  - “We tried to fax the SF-425 but the machine caught fire.”
  - “We thought QAPP stood for ‘Quick And Pretty Pictures,’ so we submitted a photo collage.”
  - “Our travel policy was based on the Oregon Trail video game; supplies ran out halfway.”



Questions