
Learner Manual – Module 4 Grants Management Systems

TRIBAL, U.S. TERRITORIES AND INSULAR AREAS ADMINISTRATIVE AND FINANCIAL GUIDANCE MANUAL FOR ASSISTANCE AGREEMENTS

*“A Nation is a stable, historically developed community of people
who share territory, economic life, distinctive culture, and language.”*

Office of Environmental Justice, U.S. EPA

U.S. Environmental Protection Agency
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This manual was originally developed by the U.S. Environmental Protection Agency for Tribal Nations, but content also pertains to U.S. Territories and Insular Areas. Exception: U.S. Territories and Insular Areas are treated as states under Part 31 (and also under Part 35, Subpart A for PPGs, unlike Tribes that are covered under Subpart B).

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Module 4: Grants Management Systems

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Tribal, U.S. Territories and Insular Areas Administrative and Financial Guidance for Assistance Agreements

Module 4:
Grants Management Systems

Financial systems guide how we control the money. They tell us:

- Where the money comes from
- Who is authorized to spend it
- How expenses are tracked and reported

A successful grants management system requires the grantee to:

1. Have written policies and procedures,
2. That conform to federal requirements, and
3. Provide internal controls to ensure policies and procedures are followed.

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Module 4: Grants Management Systems

- Module 9: Disadvantaged Business Enterprises (DBEs)
- Module 10: Assistance Agreement Monitoring and Closeout
- Module 1: The Grant Application Process
- Module 2: Assistance Agreements
- Module 3: Federal Funding Accountability and Transparency Act (FFATA)
- Module 6: Financial System Requirements
- Module 7: Accounting Policies and Procedures
- Module 8: Source Documentation and Purchasing
- Module 4: Grants Management Systems
- Module 5: Administrative System Components

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Responsibilities Timeline: Management

| TIME→ | Application | Startup | Management | Closeout | After |
|---------------|---|--|--|--|---|
| ACTION | <ul style="list-style-type: none"> • Locate award opportunity. • Complete application package. • IF NOT already in place, write administrative and financial management policies and procedures. | <ul style="list-style-type: none"> • Read award carefully. • Get training. • Learn regulations. • Contact EPA regional office. • Meet with Tribal grant management staff. | <ul style="list-style-type: none"> • Keep accurate records. • Submit progress reports (quarterly, semi annually, or annually as directed). • Conduct internal audit. • Submit Financial Reports as directed. | <ul style="list-style-type: none"> • Submit final progress reports. • Complete all fund transfers. • Submit final financial status reports. | <ul style="list-style-type: none"> • Secure records. • Maintain records for the number of years specified (typically 3-10). |

Required Systems

| | |
|---|---|
| <p>Administrative Systems</p> <ul style="list-style-type: none"> • Guide the project • Guide the people working on the project • Assure accountability • Identify roles and responsibilities • Delegate authority • Monitor progress • Assess results | <p>Financial Systems</p> <ul style="list-style-type: none"> • Document the source of funds • Determine how funds are being used • Guide how money is controlled • Tracking and reporting |
|---|---|

What is the *most* important reason why we need administrative systems?

- A. To assign personnel to specific tasks
- B. To document the awards process
- C. To ensure accountability and consistent progress
- D. To evaluate personnel according to EPA standards
- E. All of the above



Required Systems

Why do we need grants management systems?
 Administrative systems guide the project and the people working on it to assure accountability. Administrative systems identify roles and responsibilities for the delegation of authority, to monitor progress, and assess results. Financial systems help to document the source of funds and determine how funds are being used.

Why do we need financial systems?

- A. To document the source of funds
- B. To determine how the funds are being used
- C. To comply with regulations
- D. Because there are so many objectives and costs to track
- E. All of the above



One Financial System



Why are financial systems so important?

The source of funds (where the money comes from) is especially important when a Tribal Nation has multiple funding sources: EPA, Bureau of Indian Affairs (BIA), Indian Health Service (IHS), U.S. Department of Agriculture (USDA), Housing and Urban Development (HUD).

When a Tribal Nation accepts an assistance agreement award from any federal agency, it must set up a separate set of expense and revenue accounts to track those funds. The funds received from EPA need to be reported separately from funds generated through Tribal businesses and other federal assistance agreement awards. If funds are not reported separately, it could jeopardize the Tribal Nation's ability to receive future funds.

Why are administrative and financial systems so important?

- A. Written policies assure consistent management
- B. Each award needs to be tracked separately
- C. Written procedures ensure control of all awards
- D. Regulations require these systems
- E. All of the above



Improve Your Grants Management System

- Some grants can be revised to provide funds for system improvements.
- Ask your EPA Project Officer for details.

| Objective | % FTE | % of Total Funds | Costs per FY |
|-----------------------|-------|------------------|--------------|
| Computer and software | | 15% | \$7,500 |
| File Clerk | 25% | 10% | \$5,000 |
| Auditor | 30% | 45% | \$22,500 |
| Accountant | 100% | 30% | \$15,000 |

Sample Budget Summary: Financial Systems Upgrade

Can we use award funds to develop or improve grants management systems?

Yes, especially if you have a General Assistance Program (GAP) grant. Tribal Nations need to have administrative and financial systems in place to properly implement grants and provide accurate reports to EPA after an assistance agreement is awarded.

- Does your Tribal Nation want to improve administrative and/or financial systems?
- Does your Tribal Nation have a General Assistance Program (GAP) grant?

A revision can be made to some assistance agreement awards, which allows a Tribal Nation to use part of the funds and work hours to assist in developing, implementing, or improving the Tribal Nation's grants management systems. If your Tribal Nation applies for a General Assistance Program (GAP) grant, and you want to improve the administrative and/or financial systems, explain what you wish to do in the work plan. **The EPA Project Officer must approve adjustments and revisions to your Tribal Nation's General Assistance Program work plan.**

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How can General Assistance Program award funds be used on grants management systems?

- A. To develop new components
- B. To develop new strategies
- C. To improve existing systems
- D. Only when written into the GAP work plan
- E. All of the above



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Record Keeping is Crucial

Having up-to-date and accurate information is critical for managing financial accounts, and:

- Forms the basis for providing information to decision makers
- Allows for the comparison of budgets with actual expenditures

What is the value of a record keeping system?

A Tribal Nation needs to know how funds are being used. Tribal Nations need to know:

- Which programs or projects are the funds being applied against?
- Who or which organization within the Tribal Nation is using the funds?
- Who requested and who authorized the expenditures?
- Are the funds being spent according to the EPA-approved budget?
- Are the funds spent in accordance with applicable federal cost standards?
- Are the funds being spent within the agreed upon budget?

For example, Standard Industry Classification (SIC) codes are used by accountants as reference codes for line items.

Good management is all about the paperwork.

Table 1: Standard Industry Classification (SIC) Codes

| Standard Industry Classification (SIC) codes | |
|--|--|
| The following standard industrial classification codes may be relevant on EPA funded projects. | |
| Activity | SIC Code |
| Construction | |
| Industrial buildings | 1541 |
| Heavy construction water/sewer | 1623 |
| Other heavy construction (non-residential) | 1629 |
| Concrete work | 1771 |
| Excavation work | 1794 |
| Equipment/Supplies | |
| <u>Manufacturers</u> | |
| <i>If items purchased from manufacturer</i> | |
| Office furniture | 2521, 2522, 2531, 2441, 2424, 2591, 2599 |
| Office supplies (paper, etc.) | 2676, 2677, 2678 |
| Computer/Office | 3571, 3572, 3575, 3577, 3578, 3579 |
| Lab equipment | 3826, 3829 |
| <u>Retail Equipment/Suppliers</u> | |
| Courier services | 4215 |
| Local trucking | 4212 |
| Travel agencies | 4724 |
| Telephone services | 4822 |
| Clean-up (oil spills, pesticides) | 4959 |
| Furniture sales (office) | 5021 |
| Office equipment | 5044 |
| Computer | 5045 |
| Office supplies | 5046 |
| <u>Motor Vehicle Supplies</u> | |
| Wholesale sales | 5012 |
| Parts | 5013, 5015, 5531 |
| Tires | 5014 |
| Dealers | 5511 |
| Gasoline | 5541 |
| Services | |
| <u>Motor Vehicle Services</u> | |
| Rental (cars) | 7514 |
| Rental (trucks) | 7513 |
| Motor vehicle repairs | 7532-7539 |
| <u>Computer Services</u> | |
| Rental | 7377 |
| Maintenance | 7378, 7379 |
| <u>Professional Services</u> | |
| Engineering services | 8711 |
| Architects | 8712 |
| Surveyors | 8713 |
| Accountants | 8721 |
| Testing laboratories | 8734 |
| <u>Miscellaneous Services</u> | |
| Hotels | 7011 |
| Photocopying | 7334 |
| Pest control | 7342 |
| Janitorial | 7349 |
| Air conditioning/heating service and repair | 7623 |

Module 4: Grants Management Systems

Tribal Nations can see from the explanations and examples provided that having up-to-date and accurate information is critical for managing the Tribal Nation's financial business. Grants management systems help to ensure that what the Tribal Leaders have agreed to is being accomplished in an effective and efficient manner.



Systems Implementation

How should we structure our administrative systems?

Administrative systems establish methods for compliance with grant requirements through:

- Operational effectiveness and efficiency
- A workable system of internal controls
- Updates to written grants management policies and procedures, as needed
- Effective checks and balances
- Separation of duties
- Clearly defined lines of authority

Adequate administrative systems provide accurate and reliable information. In a system of checks and balances, duties are separated and assigned to trained and experienced personnel. Administrative personnel typically include Tribal Leaders, a general manager, a grants manager, and a financial officer.

Tasks can be monitored and reminders provided by other groups, so reports are accurate and filed on time. Division of responsibilities prevents total control of funds by one group or individual. Supervisors in each department regularly review the work in other departments to ensure all essential functions are performed as proposed.

Linear or Hierarchical Systems

- A linear or hierarchical system does not provide the necessary internal control.
- Each department is separate from the other.
- Communication flows in only one direction (usually from the top down).
- Decisions are made by a single individual.

Circular or Flat Systems

- A circular or flat system of control provides checks and balances necessary for effective internal control.
- Work is processed by three people to avoid errors.
- All departments work together sharing information vital to project success.
- Information flows in all directions facilitating the decision making process.
- Decisions are made based on input from teams of people.



Figure 1: Administrative Systems Control

Communication between all groups or individuals involved in the grant is very important to ensure the systems are set up properly. Administrative personnel should meet periodically to discuss the grant and determine if the systems are working properly and update the written policies and procedures when necessary.

Having a comprehensive administrative and financial system in place will greatly enhance a Tribal Nation's ability to achieve award objectives.

A financial system should:

- Provide accurate and complete disclosure of financial results
- Adequately identify source and use of funds
- Establish effective controls and accountability for all grant assets, including:
 - Cash
 - Accounts Receivables
 - Equipment
 - Buildings
 - Etc.

EPA reviews a Tribal Nation’s written policies and procedures to help determine the adequacy of the system. The intended use of this training manual is to identify and describe the elements a Tribal Nation’s business and financial operations must have in order to apply for and accurately report on the financial activities of each EPA assistance agreement awarded to them.

For example, a financial policy and procedure might authorize the environmental program director to review accounting entries to ensure accuracy. The person that makes deposits should not be the same person that balances the accounts. Trust, but verify.

A financial system should: (continued)

- Compare actual expenditures to the budgeted amounts
- Ensure applicable Office of Management and Budget cost principles are followed
- Maintain adequate support documentation
- Maintain adequate cash management procedures



How do we set up grants management systems?

The systems explained in this training manual are systems that a Tribal Nation should have, not only to report on EPA and other federal government projects, but also to administer the Tribal Nation’s financial resources effectively and report back to Tribal Leaders.

EPA does not require a Tribal Nation to install, implement, or purchase any specific accounting, management, financial, budgeting, integrated system, or information technology. However, EPA does require there be a financial management system that:

- Provides accurate and complete disclosure of financial results
- Adequately identifies source and use of funds
- Establishes effective controls and accountability for all grant assets, including cash, supplies, equipment, buildings, etc.
- Is able to compare actual expenditures to the budgeted amounts
- Ensures applicable Office of Management and Budget cost principles are followed
- Maintains adequate support documentation
- Maintains adequate cash management procedures

Learner Notes

Learner Notes

Please take a few minutes to do **Activity 4.a** (found online at www.petetribal.org).

You will search the **Appendix** to locate key information, such as federal codes, goals and objectives for administrative and financial guidance, checklists, surveys, the onsite questionnaire, and examples of policies and procedures. Knowing where to find the information is “half the battle” when managing federal grants.

Which systems are required to comply with federal and EPA regulations?

- A. Administrative and financial systems supported by written policies and procedures
- B. A computerized accounting system supported by standardized financial forms
- C. Separate financial systems for each award
- D. Formal evaluation systems
- E. All of the above



Internal Review and Approval Process

- Everyone must agree and sign their approval



Internal Review and Approval Processes

What policies and procedures are needed?

A Tribal Nation should have written policies and procedures that identify responsibilities in the process. A single individual should be responsible within each process for granting approval or concurrence on official documents by signing his or her name.

For many Tribal Nations, the process will require **approvals or concurrence** from Tribal Leaders, program administration, financial and budget personnel, and/or human resources. This process may take a few weeks or more.

Learner Notes

Learner Notes

The administrative and financial structures described below are generalized examples. Individual Tribal Nations may structure their systems differently.

Human Subjects at Risk

- Tribal Nations may find the Institutional Review Board (IRB) internal review process to be a helpful grants management strategy.
- A written policy on research involving human subjects is required for all EPA projects.

The National Science Foundation (NSF) has expanded the definition of “risk”. NSF now requires proposals to go through an internal review process. An Institutional Review Board (IRB) is established by the grant recipient to review proposals before they are submitted. An IRB will determine if there is human risk involved in the project. This process assures that research involving human subjects protects those subjects from risk.

Human Risk now includes any “soft or social science” (personal) questions, such as those found on an average survey. Any questions that can be traced back to the person responding are now covered under the definition of Human Risk. The expansion of this definition protects personal and community information from misuse made possible by new technologies. With advancements in computer science, it is now possible to trace seemingly disparate information back to the person interviewed.

An Institutional Review Board is developed by the grant recipient. Tribal Nations may find the institutional review board, internal review process to be a helpful grants management strategy. For NSF and EPA the IRB process requires a written policy. A written policy might include:

The Tribal Nation does not conduct research involving human subjects and is therefore exempt from the Basic Health and Human Services Policy for Protection of Human Research Subjects as stated in 45 CFR 46.101. No human beings will be at risk from involvement in this EPA project as determined by an Institutional Review Board.

Administrative Unit

- Identify or approve parties responsible for:
 - Writing
 - Reviewing
 - Approving
 - Signing
- Applications, awards, and amendments
- Communicating with EPA



Administration

What should an administrative unit do to ensure the application approval process flows smoothly?

Part of the administrative unit’s role in the application approval process is to identify or approve parties responsible for writing, reviewing, approving, and signing applications, awards, and amendments, and communicating with EPA. Administrative approval should clearly indicate which individuals within the Tribal Nation’s leadership have **authority to approve** a funding assistance application.

Authorized Certifying Official

- Named on the award document
- Responsible for ensuring compliance with federal regulations

This approval process is usually tied to the administration functions in the organizational chart, which identifies departments with responsible parties listed first. The designated party is the **Authorized Certifying Official** named on the award document. The Authorized Certifying Official is responsible for ensuring compliance with federal regulations.

Grants Management

- Monitor and oversee awards once they are received from EPA.
- Ensure compliance with EPA’s “terms and conditions”.



Grants Management

What is the role of grants management?

Grants management’s role is to monitor and oversee awards once they are received from EPA. Management procedures ensure compliance with EPA’s “terms and conditions”.

Grants Managers are typically responsible for:

- Ensuring compliance with EPA “terms and conditions”
- Submitting programmatic progress reports to EPA
- Regularly communicating with the EPA regional office personnel
- Tracking, monitoring, and reporting on environmental results
- Establishing and obtaining approval of a quality action plan (QAP if required).
 Your region may refer to this as a:
 - Quality Assurance Project Plan (QAPP),
 - Quality Management Plan (QMP), or
 - Tribal Quality Action Plan (TQAP).

Larger Tribal Governments may have a Grants and Contract Analyst or Administrator to coordinate administrative requirements.



Finance

- Ensure proper tracking of:
 - Funds received and disbursed
 - Costs incurred
 - Payments made
- Establishing new accounts, reports, and cost centers

Finance

What is the role of the finance department?

Financial policies and procedures are important to ensure that program and financial personnel within a Tribal Nation are informed about proposed projects and can **ensure proper tracking** of funds, received and disbursed, costs incurred, and payments made (e.g., establishing new accounts, new reports, and new cost centers).

The finance department ensures policies and procedures comply with EPA regulations for cash management and closeout of awards after the performance and budget periods. Reports are scheduled and completed on a regular basis.

An internal auditor, audit staff, or Tribal Administrator arranges an independent audit of the accounting and financial management process, cash receipts and payments, and safeguarding of assets. This assures their internal controls are maintained for all assets.

The Chief Financial Officer (sometimes the Treasurer) is responsible for:

- Establishing:
 - Accounts
 - Cost centers
- Tracking:
 - Funds (received and disbursed)
 - Costs incurred
 - Payments made
- Complying with EPA regulations
- Submitting financial status reports
- Arranging Audits
 - Filing OMB A-133 single audit statements
- Safeguarding assets
- Closing out awards

Accounting

- The budget and accounting process ensures:
 - Award funds
 - Program income, and
 - Matching funds are:
 - Identified
 - Authorized
 - Accounted for, and
 - Limitations placed on usage



Accounting

How does the budget and accounting function work within the finance process?

Some Tribal nations maintain a separate accounting department. **The budget and accounting process ensures award funds, program income, and matching funds are identified, authorized, accounted for, and limitations placed on usage.** Someone other than the finance department should be involved in the budget and accounting process.

At least monthly, environmental directors should review the budget as entered in the accounting system and accounting entries made to the funds for which they are responsible. If the budget and accounting review process is separate from the financial process it gives Tribal Leaders assurance that it is within the Tribal Nation's resources to complete the project and use of project funds is beneficial to the Nation.

Accountants:

- Make entries in project accounts
- Ensure expenditures are reasonable, allowable, and allocable
- Provide monthly budget statements

Learner Notes

Learner Notes

Some Tribal Nations have separate finance and accounting departments. If so, policies and procedures need to be clearly defined so that each department knows what must be done and who is responsible.

Human Resources

- Written policies and procedures establish:
 - Salary ranges and standards for each position
 - Describing the
 - Duties
 - Responsibilities, and
 - Actions expected



Human Resources

Which functions could human resources manage?

The human resources department ensures that the costs associated with the project's **human capital** are identified correctly and appropriate costs are charged to the project.

Written policies and procedures establish salary ranges and standards for each position, describing the duties, responsibilities, and actions expected. Also, when there are new employees to be hired, a Tribal Nation can plan a recruiting strategy.

Human resource policies and procedures establish standards for each project position, such as:

- Salary ranges
- Recruitment
- Hiring and firing
- Benefits
- Duty and responsibility descriptions

The human resources process manages personnel functions, such as employment, and may include payroll, leave, benefits, conflict of interest, travel policy, etc., even if the finance units do not.

Human resources personnel may manage functions, such as:

- Payroll
- Authorizations and vouchers
- Signature routing
- File initiation and maintenance
- Conflict resolution

Which administrative unit ensures proper tracking and reporting of award funds?

- A. Administration
- B. Grants Management
- C. Finance
- D. Accounting
- E. Human resources



Which administrative unit manages personnel?

- A. Administration
- B. Grants Management
- C. Finance
- D. Accounting
- E. Human resources



Which administrative unit approves a party as the authorized certifying official?

- A. Administration
- B. Grants Management
- C. Finance
- D. Accounting
- E. Human resources



Which administrative unit monitors progress and compliance?

- A. Administration
- B. Grants Management
- C. Finance
- D. Accounting
- E. Human resources



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Which administrative unit ensures budgetary records are accurate?

- A. Administration
- B. Grants Management
- C. Finance
- D. Accounting
- E. Human resources

- Procurement (equipment, supplies, and services)
- Organizational chart with administrative policies for checks and balances and internal controls with defined lines of authority

Personnel and payroll processes are described in Module 5.



Organizational Chart

How can an organizational chart help?

Internal control policies should include an approved organizational chart showing various responsibility centers within the Tribal Nation. The chart aligns with administrative procedures for checks and balances on internal systems with clearly defined lines of authority.

What written organizational policies and procedures are necessary for proper grants management?

A Tribal Nation should have the following policies and procedures documented in their management systems. Nations may choose to have additional written policies and procedures in place. Only the basic ones are described in this manual.

An organizational chart is helpful to have when initiating the grant application process. It helps to identify key personnel and show EPA that the Tribal Nation has the ability to properly manage the grant.

- Policies and procedures described in this manual include:
- Application review and approval process
 - Documentation process for financial and programmatic recordkeeping
 - Internal controls for protection of EPA funds
 - Personnel and payroll processes
Time and effort tracking, monitoring and reporting; conflict of interest disclosure; and codes of conduct
 - Financial management
EPA-Electronic Funds Transfer enrollment and processing functions

- One benefit of having an updated organizational chart is to ensure better communications and understanding within a Tribal Nation's organizations.
- Additional benefits may include teaching visitors and federal agencies how the Tribal Nation's government is organized. The organizational chart also helps to educate others on a Tribal Nation's cultural values.

If a Tribal Nation does not have something showing responsibilities and workflow, it becomes more difficult for the organization to ensure proper procedures and processes are followed by the individuals involved in applying or accepting responsibility for EPA funds. However, an effective system enables personnel to work

together, within and between departments, to ensure work is complete and of good quality.



Learner Notes

Learner Notes

Activity 4.b (found online at www.petetribal.org) asks you to sketch an organizational chart for your Tribal Nation's administrative and financial systems. Knowing who is responsible for what makes work a lot easier.

Documentation Process

- Demonstrates how funds are:
 - Controlled
 - Disbursed
 - Safeguarded
- Include records from project development up to and including the final closeout letter

Documentation Process

What kind of documentation process needs to be in place?

A paper trail of all required documents with signatures should be kept on file and made available to anyone concerned. Once a Tribal Nation accepts an award, they agree to provide documentation to EPA demonstrating how funds are controlled, disbursed, and safeguarded.

A signature sheet (similar to the sample pictured below) should be circulated with the application package. Official signatures indicate the enclosed EPA assistance agreement application has been reviewed and approved.

Signature Sheet

| Function | Signature | Date |
|--------------------------------|-----------|------|
| Authorized Certifying Official | | |
| Grants Management | | |
| Finance | | |
| Accounting | | |
| Human Resources | | |

Circulate a signature sheet with the application package to ensure department heads have reviewed and approved the project plan.

Documentation of procedures and policies may include:

- Official written policies detailing the procedures listed in the application review and approval process
- Official file(s) showing all documentation starting with the:
 - Initial application
 - Additional guidance received from EPA

What does an organizational chart do?

- A. Delineate various responsibility centers within the Tribal Nation
- B. Facilitate communications and understanding within a Tribal Nation's organizations
- C. Educate others about how the Tribal Nation's government is organized
- D. Show that a Tribal Nation has the capabilities to manage an EPA grant
- E. All of the above



Module 4: Grants Management Systems

- Official signed assistance agreement award document granting funds to the Tribal Nation
- Revisions or adjustments to the award
- Official file(s) holding all documentation, both programmatic and financial, once the assistance agreement is received from EPA and accepted by the Tribal Nation

The documentation process should include records from project development up to and including the final closeout letter. Records must be kept for at least three years and possibly up to ten years following receipt of the closeout letter.



Folders in the grants management file include **anything with a signature**, such as:

- Narrative
- Budget
- Budget modifications
- Communications with EPA officials
- Partnerships with sub-awardees and contractors
- Progress reports
- Financial status reports
- Closeout

Keep records safe. Don't rely on forensic accounting to recreate files. Backup all paper copies with electronic versions and store backup files in an off-site location. **In the eyes of federal agencies, "If you don't have documentation, then it never happened."**

EPA recommends you email a summary of your understanding after a face-to-face or phone conversation. This way both parties have a record of what was discussed and any decisions that were made. If there is any misunderstanding, it can be

remedied immediately. It won't have time to become a bigger problem.



Documentation should:

- A. Include written policies and procedures
- B. Demonstrate how funds are managed
- C. Track programmatic progress
- D. Maintain financial and accounting records
- E. All of the above



Internal Controls

- Ensure funds are:
 - Protected from:
 - Waste
 - Fraud
 - Abuse
 - Mismanagement
 - Managed by trained personnel using accurate and reliable accounting practices
 - Managed in a way that complies with all applicable laws and regulations



Internal Controls

How do we protect the funds?

All award recipients should have administrative and financial policies and procedures in place to provide internal controls that reasonably ensure funds are protected from:

- Waste
- Fraud
- Abuse
- Mismanagement
- Managed by accurate and reliable accounting practices and personnel
- Managed in a way that complies with all applicable laws and regulations

These policies and procedures are especially important once an EPA assistance agreement is accepted by a Tribal Nation. These policies and procedures are necessary to show that actual practices of the Tribal Nation are being carried out as prescribed in the "terms and conditions" of the award document.

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Examples of Internal Controls

- Signatures
- Duplication of services
- Audits
- Training
- Oversight
- Authorization
- Trip reports
- Copies of Invoices
- Monthly reconciliation of program records
- Inventory
- Follow-up emails
- Tagging of equipment and supplies
- Regular meetings
- Date and initial stamps
- Checks and balances
- Monthly review of general ledger

Establish a policy for effective communication and transition consistency

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Conflict of Interest Policy

Grant recipients must have a conflict of interest policy that clearly defines disciplinary actions and/or consequences for non-compliance.

Reflection

Consider your own systems:

- What policies and procedures are in place to comply with EPA's cash management requirements?
- How can you improve on current protection practices?
- Do you use an internal or external auditor to independently review accounting and financial management processes, cash receipts and payments and safeguarding of assets?



Module 4: Grants Management Systems

Attachment to Module 4

Answers to Quizdom Actionpoint Questions

| Slide | Question (bold font indicates correct answer) | Explanation |
|-------|---|--|
| 5 | <p>What is the most important reason why we need <i>administrative</i> systems?</p> <p>A. To assign personnel to specific tasks</p> <p>B. To document the awards process</p> <p>C. To ensure accountability and consistent progress</p> <p>D. To evaluate personnel according to EPA standards</p> <p>E. All of the above</p> | <p>An administrative system ensures the Tribal Nation's award projects address the goals and objectives stated in the work plan and continue to make sufficient progress toward achievement.</p> |
| 8 | <p>Why do we need <i>financial</i> systems?</p> <p>A. To document the source of funds</p> <p>B. To determine how the funds are being used</p> <p>C. To comply with regulations</p> <p>D. Because there are so many objectives and costs to track</p> <p>E. All of the above</p> | <p>Documenting the source of funds and how the funds are used help a Tribal Nation comply with EPA regulations that require tracking the many objectives and tasks involved in an award project and the costs required to accomplish the objectives.</p> |
| 12 | <p>Why are administrative and financial systems so important?</p> <p>A. Written policies assure consistent management</p> <p>B. Each award needs to be tracked separately</p> <p>C. Written procedures ensure control of all awards</p> <p>D. Regulations require these systems</p> <p>E. All of the above</p> | <p>The funds received from EPA need to be reported separately from funds generated through Tribal businesses and other federal assistance agreement awards. Systems facilitate communication while providing checks and balances for effective internal control.</p> |
| 16 | <p>How can General Assistance Program award funds be used on grants management systems?</p> <p>A. To develop new components</p> <p>B. To develop new strategies</p> <p>C. To improve existing systems</p> <p>D. Only when written into the GAP work plan</p> <p>E. All of the above</p> | <p>If your Tribal Nation has a General Assistance Program (GAP) grant, you may use part of the funds and work hours to assist in developing or improving grants management systems.</p> |

Module 4: Grants Management Systems

| Slide | Question (bold font indicates correct answer) | Explanation |
|-------|---|---|
| 24 | <p>Which systems are required to comply with federal and EPA regulations?</p> <ul style="list-style-type: none"> A. Administrative and financial systems supported by written policies and procedures B. A computerized accounting system supported by standardized financial forms C. Separate financial systems for each award D. Formal evaluation systems E. All of the above | <p>Administrative and financial systems must be in place but they need not be computerized, formally evaluated, or separate from other systems serving the Tribal Nation. Establish one system with separate accounts for each federal award.</p> |
| 35 | <p>Which administrative unit ensures proper tracking and reporting of award funds?</p> <ul style="list-style-type: none"> A. Administration B. Grants Management C. Finance D. Accounting E. Human resources | |
| 37 | <p>Which administrative unit manages personnel?</p> <ul style="list-style-type: none"> A. Administration B. Grants Management C. Finance D. Accounting E. Human resources | |
| 39 | <p>Why administrative unit approves a party as the authorized certifying official?</p> <ul style="list-style-type: none"> A. Administration B. Grants Management C. Finance D. Accounting E. Human resources | |
| 41 | <p>Which administrative unit monitors progress and compliance?</p> <ul style="list-style-type: none"> A. Administration B. Grants Management C. Finance D. Accounting E. Human resources | |

Module 4: Grants Management Systems

| Slide | Question (bold font indicates correct answer) | Explanation |
|-------|---|--|
| 43 | <p>Which administrative unit ensures budgetary records are accurate?</p> <ul style="list-style-type: none"> A. Administration B. Grants Management C. Finance D. Accounting E. Human resources | <p>Your Tribal Nation may have different names for each of these administrative responsibilities and the personnel charged with implementing policies and procedures. The essential functions remain and acceptance of an EPA assistance agreement award means you agree to manage those functions in accordance with EPA rules and regulations.</p> |
| 49 | <p>What does an organizational chart do?</p> <ul style="list-style-type: none"> A. Delineate various responsibility centers within the Tribal Nation B. Facilitate communications and understanding within a Tribal Nation's organizations C. Educate others about how the Tribal Nation's government is organized D. Show that a Tribal Nation has the capabilities to manage an EPA grant E. All of the above | <p>An organizational chart facilitates communications and understanding within a Tribal Nation's operating organizations.</p> |
| 55 | <p>Documentation should:</p> <ul style="list-style-type: none"> A. Include written policies and procedures B. Demonstrate how funds are managed C. Track programmatic progress D. Maintain financial and accounting records E. All of the above | <p>Documentation is extremely important. Keeping records of all plans and activities enable a Tribal Nation to explain how the award was used.</p> |