



CRIMINAL JUSTICE COMMISSION GRANTS MANAGEMENT HANDBOOK



The Oregon Criminal Justice Commission (CJC) is the State Administrative Agency (SAA) for various state and federal grant programs. The Grant Management Handbook was prepared to assist grantees in complying with state and federal requirements.

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Section 1: Introduction

The mission of the Oregon Criminal Justice Commission (“CJC”) is to improve the legitimacy, efficiency, and effectiveness of state and local criminal justice systems. The agency is tasked with developing and maintaining a state criminal justice policy and a comprehensive long-range plan for a coordinated state criminal justice system that encompasses public safety, offender accountability, crime reduction and prevention, and offender treatment and rehabilitation (ORS 137.656).

State Grant Programs

- Specialty Court Grant Program
- Justice Reinvestment Grant Program (JRGP)

Federal Grant Programs

- Edward Byrne Memorial Justice Assistance Grant
- Justice Reinvestment: Maximizing State Reforms
- Residential Substance Abuse Treatment for State Prisoners
- Sex Offender Notification Act

1.1 SPECIALTY COURT GRANT PROGRAM

The Specialty Court Grant Program calls for evidence-based problem-solving court strategies designed to address the root causes of criminal activity and substance use disorders by coordinating efforts of the judiciary, prosecution, defense, probation, law enforcement, treatment, mental health, social services, and agencies. These courts offer nonviolent offenders an alternative to incarceration and teach participants to become productive law-abiding citizens, reducing recidivism and promoting healthier communities.

In 2013, the Oregon Legislative Assembly’s passage of HB 3194 expanded the CJC’s charge to include serving as a “clearinghouse and information center for the collection, preparation, analysis and dissemination of the best practices applicable to specialty courts” (ORS 137.680). The clearinghouse function includes coordinating research and distributing research results; coordinating specialty court-specific trainings; and supporting the implementation of programs and evidence-based practices.

The goal of the program is to financially support established treatment courts serving adults, juveniles, and families. Treatment courts have shown positive cost-effective results for people struggling with a substance use disorder as demonstrated by reduced recidivism rates and through the use of interdisciplinary team collaboration, court-directed treatment, and compliance.

1.2 JUSTICE REINVESTMENT GRANT PROGRAM

Justice Reinvestment is Oregon’s proactive approach to spending resources more effectively by controlling prison growth and investing savings from avoided prison operational costs in the state’s local public safety systems.

JRGP is a state grant program monitored by the CJC requiring a data-driven approach that (1) analyzes criminal justice trends to understand drivers of local prison use; (2) promotes the effective implementation of investments that improve public safety and offender accountability; (3) measures the impact of the policy changes and reinvestment resources; and (4) ties results to future funding.

The purpose of this program is to provide funding to counties to plan, implement, or expand initiatives

that enhance public safety, avert prison costs, and improve the accessibility and effectiveness of offender services that reduce recidivism and increase accountability. Innovative strategies that align with the goals of HB 3194 are expected.

1.3 EDWARD BYRNE MEMORIAL JUSTICE ASSISTANCE GRANT (JAG)

[CFDA 16.738] The Edward Byrne Memorial Justice Assistance Grant is intended to support a range of activities to prevent and control crime and improve the criminal justice system. The CJC works in collaboration with the governor's office to determine the funding priorities for this formula grant. JAG funds may be used for state and local initiatives, technical assistance, training, personnel, equipment, supplies, contractual support, and information systems for criminal justice, as well as criminal justice-related research and evaluation activities. In Oregon, JAG funds support various components of the criminal justice system, including law enforcement, public safety community improvements, and specialty courts.

1.4 FEDERAL JUSTICE REINVESTMENT INITIATIVE (JRI) GRANT

[CFDA 16.827] The Justice Reinvestment Initiative: Maximizing State Reform is a competitive federal grant intended to support justice reinvestment efforts at local sites to achieve greater impact; promote the use of evidence-based programs and strategies; enhance patrolling authorities' use of evidence-based policy, practice, and decision making; create or expand the continuum of pretrial options in one or more jurisdictions; develop and pilot measures and analyses that account for population characteristics including crime type, risk level, and criminal history; establish or enhance performance incentive funding programs to encourage successful integration of evidence-based practices in community supervision; pilot or scale up swift and certain or intermediate and graduated sanctions; or other uses that further the state's justice reinvestment goals. In Oregon, 2014 federal JRI funds support two counties with implementation of the 416 Prison Diversion Program. 2016 funds support six Local Public Safety Coordinating Council (LPSCC) Coordinators serving 15 Oregon counties.

1.5 RESIDENTIAL SUBSTANCE ABUSE TREATMENT (RSAT) GRANT

[CFDA 16.593] The Residential Substance Abuse Treatment (RSAT) Program is designed to assist formula grant recipients consisting of states, tribes, and units of local government to provide residential substance abuse treatment services for inmates/detainees; prepare participants for reintegration into communities by incorporating reentry planning activities into treatment programs; and assist participants and their communities in the reentry process through the delivery of community-based treatment and responsive aftercare services. RSAT funds may be used to implement three types of programs: prison-based residential, jail-based, and aftercare. In Oregon, the RSAT grant award supports jail based treatment through ADAPT Oregon in Douglas County which provides quality substance use disorder treatment to offenders.

1.6 SEX OFFENDER NOTIFICATION ACT (SORNA) GRANT

[CFDA 16.750] The Adam Walsh Child Protection and Safety Act of 2006 (AWA) established a penalty for jurisdictions that failed to substantially implement the Sex Offender Registration and Notification Act. The SORNA penalty is calculated by subtracting 10 percent from the state government's JAG allocation (60 percent of the total award), after deduction of the mandatory variable pass-through that states are required to send to local governments. Oregon State Police receive the annual SORNA penalty to support local installation of Live-Scan devices and implementation of SOR Mobile Application.

Section 2: General Provisions

All grantees are subject to the following general provisions regardless of their funding source.

2.1 GRANT AWARD AGREEMENT

CJC staff will conduct the initial review of all applications. All applications that are responsive to the guidelines outlined in the solicitation will be provided to the appropriate entity for review and evaluation based on the program's criteria. Applications that are recommended for awards will be sent to the commission for determination of funding amounts.

Following awarding decisions, CJC will issue an *Intent to Award* to the applicant. Upon receipt of outstanding and/or requested items, an *Award Letter* and *Grant Award Agreement* ("Award Agreement"). The Award Agreement serves as the contract between CJC and the grantee; it contains the award terms, conditions, and budget.

CJC may negotiate the terms of the Award Agreement. Modifications to the Award Agreement must be requested in writing. In the event that mutually agreeable terms cannot be reached within a reasonable time, as judged by CJC, the commission reserves the right to cancel the award to the applicant.

The Award Agreement will be considered "fully executed" when all parties have signed the document. The fully executed Award Agreement will be returned to the grantee electronically and should be retained by all parties.

By accepting the award, the grantee agrees to comply with the program objectives, reporting requirements, and fiscal requirements. Failure of the grantee to operate the program in accordance to these terms may constitute immediate grounds for suspension and/or termination of the Award Agreement.

Program requirements are contained within the solicitation and the Award Agreement. All grantees and sub-grantees are governed by the Award Agreement and must comply with the requirements as outlined.

2.2 AMENDMENT PROCEDURES

When applicable, amendment requests must be submitted through CJC's grant administration website at <https://cjcgrants.fluidreview.com>.

- Amendment requests require written approval from CJC and are processed administratively.
- Requests cannot increase the award.

All modifications to the Award Agreement require an amendment request, including the following:

- Adjustments to the project period;
- Program modification including outputs, outcomes, and performance measures;
- Change in target population;
- Change grant-funded positions;
- Add a new program;
- Change the match requirement;
- Reallocate funding between budget categories;
- Add a new budget category; and
- Remove a budget category.

Amendments are not required to:

- Expand or decrease the geographic area to be served;
- Change grant-funded personnel;
- Modification of the methodology, approach, or scope of the approved program; and
- Add, remove, or adjust funding within a budget category without program modification.

Amendment approval is required prior to implementation. One program and/or budget revisions will be accepted during Quarters 1 – 7 of the biennium. Requests to amend budgets must be submitted 45 days prior to the end of the project period to be considered.

2.3 CLOSEOUT PROCEDURES

To close out the Award Agreement, the grant analyst will verify that the grantee has completed all applicable administrative actions and required work. All program and financial reports will be reviewed to ensure compliance with the terms and conditions of the award and that funds were spent appropriately.

Within 90 days of the project end date, the grant analyst will send an electronic *Award Closeout Letter* to the grantee. If there are financial concerns or questions to reconcile, the closeout process may be extended.

2.4 EQUAL OPPORTUNITY

CJC strives to create an inclusive environment that welcomes and values the diversity of the people we serve. The agency fosters fairness, equity, and inclusion to create a workplace environment where everyone is treated with respect and dignity regardless of race, color, religion, gender, disability, physical stature, age, national origin, sexual orientation, marital status, political affiliation, personal experience with the justice system, or gender identity and expression.

All employees, applicants, grantees, sub-grantees and program participants shall be in compliance with state and federal civil rights laws. CJC's policy encourages those involved to report and address incidents of discrimination.¹ Complaints will be addressed promptly and consistently, using procedures that are fair and effective from the point of view of the person and the state, and be resolved at the lowest organizational level possible.

¹ Criminal Justice Commission. (2016). *Discrimination Compliant Form*. Retrieved August 9, 2017, from http://www.oregon.gov/cjc/grants/Documents/Discrimination_Complaint_Form.pdf.

2.5 CJC DETERMINATIONS

The determinations listed apply to all grantees receiving state and federal general funds.

2.5.1 Incentives

The 2015 Department of Justice Financial Guide prohibits spending on entertainment, “including amusement, diversion, social activities, and any associated costs (such as tickets to shows or sports events, meals, lodging, rentals, transportation, and gratuities.) OJP advises that the allowable costs of all incentives must be very low per participant (for example, in \$5 to \$10 increments).

Based on this language, CJC has made a determination about the specific types of incentives considered allowable costs. Allowable costs will be categorized as non-entertainment-related items of less than \$25 that are accessible to everyone. Examples of allowable expenses include bus passes, completion or achievement certificates, commemoration coins, and personal care items. Anything considered entertainment will not be allowable. Examples of unallowable expenses include movie passes, tickets to shows and/or sporting events, and all food and beverages (including gift cards for restaurants, fast-food establishments, and coffee shops). The current guidance prohibits food and beverage costs at conferences, meetings, and events. Graduation parties and other celebratory gatherings are considered events.

Note: These restrictions do not limit your ability to use other funds or donations as resources to provide incentives for your program participants.

2.5.2 Gift Cards, Vouchers, and Other Like Items

Programs that use gift cards, vouchers, bus passes and similar items for participants must establish internal controls through written policies and procedures that, at a minimum, do the following:

1. Ensure the security of the item(s); and
2. Address appropriate distribution to participants.

Programs must use a log and track distribution and use of all items purchased. The log must track the following:

1. Card, voucher, or pass number;
2. Date issued to participant;
3. Name of participant;
4. Purpose of pass or description of items to be purchased with the card; and
5. For gift cards, the participant must return a receipt to the program that is kept in the participant’s file.

Note: It is the grantee’s responsibility to identify the purpose of pass or description of items to be purchased with the card. Gift cards, vouchers, and other like items may **not** be used for any unallowable expense.

2.5.3 Rewards Program

Grantees shall not use grant funding for private gain, either their own gain or that of others. The use of a rewards program when making purchases induces such benefit and is therefore prohibited.

2.6 TEXT MESSAGING

Consistent with all state laws and regulations, all employees, applicants, grantees, sub-grantees and program participants shall not engage in text messaging when driving any vehicle, including personally owned vehicles, while performing work under an Award Agreement.

2.7 TRAVEL REIMBURSEMENT REQUESTS

Travel expenses shall not exceed those allowed by Oregon's Statewide Travel Policy OAM 40.10.00 and Federal Travel Regulations.² Travel expenses for personnel include costs for private-vehicle mileage, lodging, per diem expenses, motor pool fees, commercial transportation, conference registration fees, airfare, tolls, and parking fees. Rates and requirements can be found on the website of the federal General Services Administration (GSA).³

Note: First-class tickets are considered "luxurious travel" and are not reimbursable, in whole or in part. Lodging must be at or below the federal GSA rate. Lodging expenses that exceed the federal rate are not reimbursable, in whole or in part. The Application of Meal Per Diem rates follows OAM 40.10.00.117 for the initial and final day of travel.

² Department of Administrative Services. (2017). *Oregon Accounting Manual: Statewide Travel Policy*. Retrieved August 9, 2017, from <http://www.oregon.gov/das/Financial/Acctng/Documents/40.10.00.pdf>; GSA. (2016). *Federal Travel Regulation (FTR)*. Retrieved August 9, 2017, from <https://www.gsa.gov/portal/content/104790>.

³ GSA. (2016). *Per Diem Rates Look-Up*. Retrieved August 9, 2017, from <https://www.gsa.gov/portal/category/100120>.

Section 3: Program and Fiscal Monitoring

CJC monitors grantees for Award Agreement compliance through program and fiscal monitoring. Grantees are expected to be working toward the program objectives as outlined in the application and Award Agreement while following appropriate fiscal procedures.

CJC performs these types of monitoring:

- Regular correspondence
- Review of progress and financial reports
- Desk monitoring
- On-site monitoring (formal)
- In-person engagement

During the grant award period, grant analysts will review program and fiscal records, policies, and procedures and will meet with program participants, staff, and other stakeholders. Monitoring visits are intended to verify compliance with grant and fiscal requirements, provide technical assistance, offer program development guidance, and observe program activities.

3.1 PROGRESS REPORTS

Grantees must submit complete progress reports according to established timelines in the Award Agreement. Progress reports have the following purposes:

- To determine whether the grantee is implementing the program as agreed;
- To determine whether the grantee demonstrates fidelity to identified evidence-based practices and/or programs;
- To determine whether the activities the grantee performs are linked to the specific outcomes identified for the program;
- To allow the grantee to present information on any problem encountered (for example, what problems existed, how they affected the program, and how they were resolved);
- To develop data for criminal justice planning and the statewide criminal justice strategy;
- To assist other localities that might undertake a similar program;
- To present information to the governor, the legislature, the U.S. Department of Justice, Congress, and research consultants; and
- To justify continued grant funding.

When applicable, progress reports must be submitted through CJC's grant administration website at <https://cjcgrants.fluidreview.com>.

Progress report due dates can be found in the Award Agreement under section 3(a). Reporting requirements are specified in Exhibit B.

It is the full responsibility of the grantee to ensure that CJC receives progress reports by their due date. In the event that an unavoidable circumstance arises, a grantee may submit a written deadline extension request. To be considered for approval, the request must be received prior to the due date. CJC will provide a written response to all requests.

Failure to Submit Reports: Failure to submit timely reports can affect reimbursements and future funding opportunities. In addition, missing progress report timelines may result in the suspension and/or termination of the grant.

3.2 FINANCIAL REPORTS

CJC requires accurate, clear, and verifiable expenditure documentation. Financial reporting must reflect all program expenditures as outlined in the Award Agreement. Detailed records must be maintained as supporting documentation for all expenditures listed by category, separated by match (if applicable) and grant expenses. In addition, backup documentation and invoices must be maintained with the grant file and will be subject to review upon request.

Awards funded with state dollars must adhere to the Oregon Accounting Manual (OAM) for the accounting of state governmental fiscal operations.⁴

Federally funded awards are subject to the Department of Justice Financial Guide and 2 CFR 200 on cost accounting principles, in addition to the OAM. Additional requirements are outlined in Section 4.3.⁵

When applicable, financial reports must be submitted through CJC's grant administration website at <https://cjcgrants.fluidreview.com>.

3.2.1 Budget Categories

Budget categories are to be used as stipulated:

- *Personnel* – Salaries, wages and fringe for all personnel and must be an employee of the grantee
- *Contractual/Consultant* (subgrantee) – An individual or organization providing a service or programmatic aspect of the work that is not provided by the grantee. Subgrantees require evidence of commitment from the subgrantee including an MOU or contract, and proposed budget.
- *Rent/Utilities* – Rent and/or utilities for the program (not individuals)
- *Supplies* – Consumable materials and supplies including the cost of small items of equipment that do not meet the threshold for the "Equipment" category. Items are normally used up within the project period.
- *Travel/Training* – Include eligible expenses for transportation, lodging, per diem, registrations,
- *Equipment* – Permanent equipment with a purchase price of \$5000 or more and a useful life of two or more years. Required to be itemized and justified.
- *Administrative* – Indirect costs related to the grant. No more than 10% of the grant award.
- *Evaluation* – Review and evaluation of the program.
- *Other* – Other allowable expenses such as telephone, photocopying, transportation, memberships, housing, other participant support, repair and maintenance of equipment, communication costs.

⁴ Department of Administrative Services. (2003). *Oregon Accounting Manual*. Retrieved August 9, 2017, from <http://www.oregon.gov/das/Financial/Acctng/Pages/OAM.aspx>.

⁵ Department of Justice Office of Justice Programs. (2015). *2015 DOJ Grants Financial Guide*. Retrieved August 10, 2017, from <https://ojp.gov/financialguide/DOJ/index.htm>.; U.S. Government Publishing Office. (2016). *2 CFR 200 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Retrieved August 14, 2017, from <https://www.gpo.gov/fdsys/granule/CFR-2016-title2-vol1/CFR-2016-title2-vol1-part200/content-detail.html>.

3.2.2 Financial Reimbursement Report

CJC reimburses approved actual and allowable expenditures during the project period. CJC may withhold funds for an unbudgeted expense, any expense in excess of the approved budget (category and total funds), and/or any unallowable expense. Grantees may not obligate funds, order goods, enter into new contracts, or request purchase orders prior to the start of the project period unless they receive prior written approval.

Requests for reimbursement (RFR) due dates can be found in the Award Agreement under section 3(b). The final RFR must be submitted no later than 30 days after completion of the project or 15 days after the project end date, whichever is sooner.

Grantees must keep all documented expenses (time sheets, invoices, travel charges, incentives, confidential fund receipts) on file and available for future audit. Administrative costs may not exceed 10 percent of the award amount.

3.2.3 Financial Advance Report (State Funding Only)

CJC will provide grant funds in two installments during the biennium to the designated county applying for Justice Reinvestment Grant Program funding. Year 1 funding will be provided following the execution of the CJC Grant Award Agreement. Because this is incentive performance funding, CJC will evaluate county performance and progress toward the goals of justice reinvestment quarterly to assess the impacts of the JRGP investments prior to releasing Year 2 funding.

Financial reporting due dates can be found in the Award Agreement under section 3(b).

Grantees must keep all documented expenses (time sheets, invoices, travel charges, incentives, confidential fund receipts) on file and available for future audit. Administrative costs may not exceed 10 percent of the award amount.

3.3 DESK MONITORING

A desk review may focus on multiple progress reports and/or financial reports and include review of the following areas:

- Internal controls;
- Procurement and contracting procedures and practices;
- Compliance with specific grant requirements and guidelines;
- Current and past audit reports; and
- Previous monitoring reports and other correspondence.

CJC may also conduct a limited-scope review that focuses on one or more categories of cost for a specific payment or financial report.

3.3.1 Process

Notification: At least 10 business days prior to a review, the assigned grant analyst will notify the grantee of the upcoming review. This communication will also include a detailed list of requested documents that CJC must receive before the review. Documents should be e-mailed to cjcgrants@oregon.gov. The grantee is expected to respond to this request within 10 business days to avoid delays in the monitoring process.

Review: The grant analyst will review the requested documentation and, if necessary, seek clarification or additional information from the grantee. Findings and observations will be based on the information provided during the review. Requested documentation is expected to be presented in an organized manner.

Note: Reviews that include capital asset purchases, including equipment costs higher than \$5,000, may require a brief on-site visit by the grants coordinator. If required, CJC will schedule a time with the sub-recipient to complete this portion of the review.

Corrective Action Plan: If the review has findings, the grantee has 30 days from notification to do the following:

- Dispute the findings with written comments and supporting documentation; or
- Complete and return the Corrective Action Plan (or CAP, included with the notification from CJC), identifying a plan to remedy the findings. The CAP must be fully implemented within six months of the date the notification is received. CJC may conduct follow-up reviews to ensure timely execution of the CAP.

Technical Assistance: The grant analyst will continue to follow up with the grantee and provide ongoing technical assistance to facilitate grant compliance as needed or requested.

3.4 ON-SITE MONITORING (FORMAL)

An on-site review is more extensive than a desk review, but not equivalent to an audit. This review may focus on multiple programs and assess the grantee's capability, performance, and compliance. All cost categories, cost items, and supporting documentation related to the program may be reviewed, including:

- Internal controls;
- Procurement and contracting procedures and practices;
- Compliance with specific grant requirements and guidelines;
- Current and past audit reports; and
- Previous monitoring reports and other correspondence.

3.4.1 Process

Notification: At least 10 business days prior to review, the assigned grant analyst will notify the grantee of the upcoming review. This communication will also include a detailed list of requested documents that CJC must receive before the review. Documents should be e-mailed to cjcgrants@oregon.gov. The grantee is expected to respond to this request within 10 business days to avoid delays in the monitoring process.

Entrance Conference: The grant analyst will conduct an entrance conference with the appropriate grantee staff (such as the program director and staff, fiscal officer, etc.) to discuss the review's scope and purpose, explain the process, and answer any questions.

The Review: The grant analyst will observe program elements and review requested documentation and interview program staff. The grant analyst may also request clarification or additional information. Findings and observations will be based on the information discussed and provided as part of monitoring.

Exit Conference: At the conclusion of the on-site review, the grant analyst will conduct an exit conference to discuss any compliance issues, findings, and observations. If applicable, the analyst will also provide suggestions for appropriate corrective action. Grantees will have an opportunity to ask questions and shall provide additional documentation within a predetermined amount of time to address identified issues, findings, or observations.

Monitoring Report: The grant analyst will prepare a written report of the review. The report will include any identified compliance issues, findings, observations, and advisory recommendations, along with the specific guidance citations associated with each (if applicable). The grant analyst should provide the report to the grantee within two weeks of completing the review.

Corrective Action Plan: If the report contains findings, the grantee has 30 days from receipt of the report to do the following:

- Dispute the findings with written comments and any supporting documentation; or
- Complete and return the Corrective Action Plan (or CAP, included with the report from CJC), identifying a plan to remedy the finding. The CAP must be fully implemented within six months of the date that the report is received. CJC may conduct follow-up reviews to ensure timely execution.

Technical Assistance: The grant analyst will continue to follow up with grantees and provide ongoing technical assistance to facilitate grant compliance as needed or requested.

3.5 IN-PERSON ENGAGEMENT

CJC will work with grantees to meet the implementation and program needs through flexible in-person engagement, whether through association meetings, LPSCC attendance, or various other interactions. Engaging with grantees as needed throughout the project period is one of the most efficient methods of monitoring a project's progress and potential success.

Section 4: Federally Funded Grant Requirements

4.1 CIVIL RIGHTS LAW COMPLIANCE

All State Administering Agencies (SAAs) have a responsibility to monitor their sub-recipients to ensure that the sub-recipients are complying with the federal civil rights laws applicable to recipients of federal financial assistance. The CJC has established policies, procedures, training, and technical assistance to help sub-recipients with compliance. Additional detail can be found in Section 2.4 Equal Opportunity.

Compliance with Federal Equal Employment Opportunity regulations is also required. Within 60 days of receipt of award, grantees must complete and submit a certification form for compliance with the Equal Employment Opportunity Plan (EEOP) requirements.⁶

4.2 PROGRESS REPORTS

Federally funded grantees are required to complete reporting questions outlined in Exhibit B of the Award Agreement. Federal reporting questions shall be submitted to cjcgrants@oregon.gov. CJC will input the information directly into the federal reporting system.

Failure to report on time results in federal funding accounts being frozen and will delay RFR payment processing.

4.3 FISCAL REQUIREMENTS

Federally funded awards are subject to the Department of Justice (DOJ) Financial Guide and 2 CFR 200 on cost accounting principles, in addition to the OAM.⁷

4.3.1 Financial Guide

The DOJ Financial Guide serves as a primary reference manual to assist grantees in fulfilling their fiduciary responsibility to safeguard grant funds and ensure that funds are used for the purposes for which they were awarded. The guide should serve as a day-to-day management tool for grantees in administering their grant programs. It is the responsibility of grantees to comply with the federal guidelines in the manual.

⁶ Office of Justice Programs. (2015). *Compliance with the Equal Employment Opportunity Plan (EEOP) Requirements*. Retrieved August 14, 2017, from <https://ojp.gov/about/ocr/pdfs/cert.pdf>.

⁷ Department of Justice Office of Justice Programs (2015). *Financial Guide*. Retrieved August 14, 2017, from <https://ojp.gov/financialguide/DOJ/index.htm>.; U.S. Government Publishing Office. (2016). *2 CFR 200 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Retrieved August 14, 2017, from <https://www.gpo.gov/fdsys/granule/CFR-2016-title2-vol1/CFR-2016-title2-vol1-part200/content-detail.html>.

4.3.2 Office of Management and Budget (OMB) Circulars

It is the responsibility of the recipient agency to comply with the federal guidelines contained in the relevant Office of Management and Budget (OMB) circulars.⁸

OMB 2-CFR-220: *Cost Principles for Educational Institutions*. This circular establishes principles and standards for determining costs applicable to grants and contracts with educational institutions.

OMB 2-CFR-225: *Cost Principles for State, Local and Indian Tribal Governments*. This circular establishes principles and standards for determining costs applicable to grants and contracts with state, local, and Indian tribal units of government.

OMB 2-CFR-215: *Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Nonprofit Organizations*. This circular establishes standards for the administration of grants to institutions of higher education, hospitals, and other nonprofit organizations.

OMB 2-CFR-230: *Cost Principles for Nonprofit Organizations*. This circular establishes principles for determining costs of grants, contracts, and other agreements with nonprofit organizations.

OMB Circular A-133: *Audits of States, Local Governments, and Nonprofit Organizations*. This circular cover audit requirements for states, local governments, and nonprofit institutions.

Common Rule: *Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments, 28 CFR Part 66*. This Common Rule contains government-wide fiscal and administrative conditions governing federal grants and cooperative agreements and sub-awards to state, local, and Indian tribal governments.

Note: Units of government and other organizations receiving federal financial assistance from the state shall adhere to applicable state laws and procedures. Grantees shall also adhere to any fiscal procedures established by CJC.

⁸ The White House. (2017). *Office of Management and Budget: Information for Agencies – Circulars*. Retrieved August 14, 2017, from <https://www.whitehouse.gov/omb/information-for-agencies/circulars>.

4.4 SUB-GRANTEE OR PROCUREMENT DESIGNATIONS

Consideration must be taken when determining whether a financial arrangement should be classified as a sub-agreement or procurement transaction. Appropriate designation is critical to ensure proper accounting for costs and compliance requirements.

The requirements found in OMB Circular A-133 §210(b) provide the following guidance to distinguish between a sub-award or procurement transaction.⁹

<u>SUB-AWARD FACTORS</u>	<u>PROCUREMENT FACTORS</u>
Distributes financial assistance in the form of money or property to eligible sub-recipients.	Provides the goods or services within its normal business operations.
Performance is measured against the objectives of the federal award.	Provides similar goods or services to many different purchasers.
Has responsibility for programmatic decision making.	Operates in a competitive environment.
Has responsibility to comply with applicable federal program requirements.	Not subject to the compliance requirements of the federal program.
Uses the federal funds to carry out its own program, as compared to providing goods or services for the program of the grantee.	Provides goods or services those are ancillary to the operation of the federal program.

There may be unusual circumstances or exceptions to the characteristics identified. Written approval from CJC is required for an exception. CJC will review characteristics of a sub-grantee and ensure that the procurement, receipt, and payment for goods and services comply with state and federal laws, regulations, and the provisions of the Award Agreement.

⁹ The White House. (2017). Circular No A-133. Retrieved August 14, 2017, from https://www.whitehouse.gov/sites/whitehouse.gov/files/omb/circulars/A133/a133_revised_2007.pdf.

4.5 PROCUREMENT STANDARDS

If a proposed financial arrangement does not meet the criteria for a sub-award, the grantee must initiate a procurement transaction. Federal requirements state that “all procurement transactions will be conducted in a manner providing full and open competition consistent with the standards of OMB 2-CFR-215 §66.36 and §70.44.” These requirements apply to all procurements, including but not limited to procurements for goods, services, and equipment. Grantees shall follow their own established procurement procedures and regulations, provided that they adhere to applicable federal and state guidelines and standards at a minimum. If a grantee’s established procurement procedures are less competitive than the federal requirements, the grantee must adhere to the following:

- Procurement less than \$10,000: Grantee may solicit goods or services in any manner deemed practical or convenient.
- Procurement more than \$10,000 but less than \$100,000: Grantee must solicit quotes or bids from at least three sources.
- Procurement more than \$100,000: Grantee must formally advertise the proposed procurement through an invitation for bids (IFB) or a request for proposals (RFP).

Note: Grantees must follow the threshold limitations established in their own procurement procedures if their internal procedures are more restrictive than the federal threshold.

In accordance with ORS 279B, grantees must submit all IFBs and RFPs greater than \$100,000 that involve the use of federal or matching funds to CJC for review and approval prior to their issuance. Interagency agreements between units of government are excluded from this provision.

4.6 SOLE-SOURCE PROCUREMENT

In rare and unusual circumstances, it may be necessary to waive the competitive bid process and use a noncompetitive sole-source procurement. If a grantee’s established sole-source requirements are less stringent than the identified requirements, the grantee must adhere to the following.

Grantees may make the determination that competition is not feasible if one of the following circumstances exists:

- An item or service is available only from a single source;
- A public exigency or emergency will not permit a delay resulting from a competitive solicitation or it can be shown unequivocally that desired time frames for delivery must be met or the entire program will suffer as a direct result of the delay; or
- After solicitation of a number of sources, competition is considered inadequate.

If sole-source procurement is pursued, documentation reflecting actions taken and the position of the grantee is required. A justification statement for all sole-source contracting should include the following:

- A brief description of the program, the amount to be designated for the sole-source procurement, and the purpose of the contract.
- An explanation of why it is necessary to contract in a noncompetitive manner by providing supporting information as identified below in the applicable section(s):
 - Available from only one source: Describe the contractor's expertise related to the current program, the uniqueness of items to be procured from the contractor, and any additional information that would support the case.
 - Public exigency or emergency: Describe when the contractual coverage is required, the impact on the program if deadline dates are not met, how long it would take an alternate contractor to reach the same level of competence, and any additional information that would support the case.
 - Competition is determined inadequate after solicitation: Describe the market survey or similar effort used to determine competition availability—and any additional information that would support the case.
- A declaration that this action is in the "best interest" of the agency.

For all sole-source procurements in excess of \$100,000, grantees must submit a justification statement for review and approval from CJC prior to the procurement. Interagency agreements between units of government are excluded from this provision.

4.7 SUB-AGREEMENTS

Financial arrangements with other entities or individuals to accomplish a portion of the program activities, sub-awards, and procurement transactions must be formalized in written and signed agreements between the parties involved. Sub-agreements must be made available for CJC review upon request.

An agreement must include the following:

- Activities to be performed;
- Budget;
- Project start and end dates;
- All required representations, certifications, and assurances;
- Program policies and procedures to be followed;
- Dollar limitation of the award or contract and any match requirements;
- Payment procedure and schedule;
- Cost principles to be used in determining allowable costs; and
- All clauses required by the Award Agreement to be included in agreements with sub-grantees.

The written agreement will not affect the grantee's overall responsibility for the duration of the federally funded program and accountability to CJC. The grantee is responsible for monitoring the sub-grantee and monitoring program and financial responsibilities.

4.8 PROGRAM INCOME

Program income is gross income received by the grantee or sub-grantee directly generated by a grant-supported activity or earned only as a result of the grant agreement during the project period.

Examples of program income include but are not limited to income from fees for services performed; registration fees; usage/rental fees from real or personal property acquired with grant funds; sales of commodities or items fabricated under a grant; sale of property; royalties; attorney's fees and costs; and proceeds received through asset seizure and forfeiture.

Unless specifically identified in the grant agreement, program income does *not* include interest on grant funds; rebates, credits, discounts, or refunds; or taxes, special assessments, levies, fines, or other such revenues raised by a grantee or sub-grantee. Specifically, fines as a result of law enforcement activities are not considered program income.

Use of Program Income: The grantee must retain program income earned during the grant period and must use it in one or more of the following ways:

- *Addition:* This reflects income added to the funds committed to the grant by CJC and the grantee and used to further eligible program objectives.
- *Cost sharing or matching:* This is income used to meet the non-federal matching requirement of the grant agreement. The amount of the federal grant award remains the same.
- *Deduction:* Program income may be deducted from the total allowable costs to determine the net allowable costs.

Program income must be used to further eligible objectives of the grant award and must be used under the conditions applicable to the award. If the cost is allowable under the grant program, the cost would be allowable using program income.

Program income and expenditures must be reported on the Program Income Report (PIR) form and submitted quarterly with each request for reimbursement. If any program income remains unexpended upon expiration of the Award Agreement, it must be reported on the PIR submitted with the final RFR.

Even after a grant is closed, grantees remain obligated to use program income generated *during* the award period for purposes that further the objectives of the original award.

There are no federal requirements governing the disposition of program income earned *after* the end of the award period. Income generated from grant activities after the grant is closed is not program income for these purposes and does not need to be reported or expended in furtherance of grant objectives.

If CJC funding accounts for only a portion of the program's overall budget, grantees must report only that portion of the earned program income. For example: If a grantee is funded at 75 percent federal funds and 25 percent nonfederal funds and the total program income earned by the grant was \$100,000, then the grantee must account for and report only \$75,000 as program income.

Program Income from Asset Seizures and Forfeitures: Program income from asset seizures and forfeitures is considered earned when the property has been adjudicated to the benefit of the plaintiff (such as a law enforcement entity or task force), all appeals have been finalized, and income is available for the grantee's use.

Statutory direction for seized and forfeited assets (personal and real property) can be found in ORS 131.550 to 131.600.

4.9 TRAVEL REIMBURSEMENT REQUESTS

As outlined in Section 2.7, travel expenses shall not exceed those allowed by Oregon's Statewide Travel Policy OAM 40.10.00 and Federal Travel Regulations.¹⁰ Travel expenses for personnel include costs for private-vehicle mileage, lodging, per diem expenses, motor pool fees, commercial transportation, conference registration fees, airfare, tolls, and parking fees. Rates and requirements can be found at GSA Travel: Per Diem Rates.¹¹

4.10 REIMBURSABLE EXPENSE CATEGORIES

Please refer to the OJP Financial Guide Part III for Allowable and Reimbursable Expenses, specifically:

- Part III, Chapter 12: Property and Equipment
- Part III, Chapter 14: Allowable Costs
- Part III, Chapter 17: Confidential Funds

Personnel Costs: Personnel costs include employee salaries and wages, fringe benefits, and payroll taxes. In order to be reimbursed, overtime must be specifically listed and approved in the budget. Reimbursement for taxes and benefits for overtime cannot include fixed costs that do not increase with overtime pay; this typically pertains to health care benefits, but may include other taxes and benefits.

Documentation must include copies of actual payroll reports showing the full amount paid for each employee (wage, tax, and benefits) as well as a calculation to show how the amount reported was determined and reconciled through time sheets. If an employee works less than full time, the time sheet must reflect an after-the-fact distribution of the employee's actual time on the program and must also account for the total time for which the employee is compensated.

Administrative 10%: Administrative costs are program administration costs such as accounting, program management, legal services, and payroll preparation. These costs may not exceed 10 percent of the award, including all match amounts for the program and sub-grantees. Indirect cost rates do not apply to CJC Award Agreements.

4.11 UNALLOWABLE COSTS

For unallowable costs, refer to the OJP Financial Guide Part III, Chapter 18.¹²

CJC will hold a grantee accountable for any overpayment, audit disallowances, or any other breach of Award Agreement that results in a debt owed to the federal government, audit disallowances, or any other breach of Award Agreement that results in a debt owed to the federal government.

¹⁰ Department of Administrative Services. (2017). *Oregon Accounting Manual: Statewide Travel Policy*. Retrieved August 14, 2017, from <http://www.oregon.gov/das/Financial/Acctng/Documents/40.10.00.pdf>; GSA. (2016). *Federal Travel Regulation (FTR)*. Retrieved August 14, 2017, from <https://www.gsa.gov/portal/content/104790>.

¹¹ GSA. (2016). *Per Diem Rates Look-Up*. Retrieved August 14, 2017, from <https://www.gsa.gov/portal/category/100120>.

¹² Department of Justice. (2015). 3.13 *Unallowable Costs*. Retrieved August 14, 2017 from <https://ojp.gov/financialguide/DOJ/PostawardRequirements/chapter3.13a.htm>.

4.12 SUPPLANTING

Federal funds must be used to supplement existing funds and not replace (supplant) nonfederal funds that have been appropriated for the same purpose. Grant funds may not be used to pay for program activities the recipient is already obligated to pay or has already funded. Grant funds must be used to increase the total amount of funds available to deliver program services. The rules governing supplanting also apply to any funds used as match.

Supplanting will be a subject of post-award monitoring and audit. If there is a potential presence of supplanting, the grantee will be required to supply documentation demonstrating that the reduction in nonfederal resources occurred for reasons other than the receipt or expected receipt of federal funds.

4.13 MATCHING FUNDS

The purpose of matching contributions is to *increase* the amount of resources available to a program supported by grant funds. Funds allocated for use as match funds must be used to support a federally funded program and supplement funds that would otherwise be made available for the stated program purpose. Grantees must maintain records that clearly show the source, amount, and period during which the match was allocated. Grantees must ensure that a match is identified in a manner that guarantees accountability during an audit.

Further guidance on the calculation, documentation, and auditing of the match requirement can be found in the OJP Financial Guide Part III, Chapter 8, and in the OMB Circular A-110 §23(c).

For grant programs that require a matching contribution, the full match amount must be expended by the end of the grant period. Match and grant funds constitute program funds and must be reported.

4.13.1 Cash Match

A cash match must be from a nonfederal source, be spent on allowable program-related costs, and be included in the grantee's financial records.

4.13.2 In-kind Match

In-kind matches may include donations of expendable equipment, office supplies, workshop or classroom materials, work space, or the monetary value of time contributed by professional and technical personnel and other skilled and unskilled labor if the services they provide are an integral and necessary part of a funded program. The following stipulations apply:

- The value placed on loaned or donated equipment may not exceed its fair rental value.
- The value placed on donated services must be consistent with the rate of compensation paid for similar work in the organization or the labor market.
- Fringe benefits may be included in the valuation.
- Volunteer services must be documented and, to the extent feasible, supported by the same methods used by the recipient organization for its own employees.
- The value of donated space may not exceed the fair rental value of comparable space as established by an independent appraisal of comparable space and facilities in a privately owned building in the same locality.

The basis for determining the value of volunteer services, materials, equipment, and space must be documented.

4.14 FEDERAL ACCOUNTING REQUIREMENTS

Grant funds are awarded subject to fiscal and program conditions to which the grantee expressly agrees. The DOJ Financial Guide contains detail about accounting and audit requirements, specifically:

- Part II, Chapter 5: Standards for Financial Management Systems
- Part III, Chapter 21: Retention and Access Requirements for Records
- Part III, Chapter 24: Audit Requirements

4.15 AUDITS

Nonfederal entities that expend \$500,000 or more in federal funds (all sources) in the grantee's fiscal year shall have a single organization-wide audit conducted in accordance with the provisions of OMB Circular A-133. Nonfederal entities that expend less than \$500,000 in a year are exempt. All federally funded projects require a Catalog of Federal Domestic Assistance (CFDA) number that is verified as part of the audit.

Records must be available for review or audit by appropriate officials including the federal agency, pass-through entity, and General Accounting Office (GAO). Grantees must complete and submit a signed audit certification to CJC within 90 days of the end of the grantee's fiscal year.

The audit objective is to review the grantee's administration of the program for the purpose of determining whether the grantee has the following:

- An accounting system integrated with adequate internal fiscal and management control to provide full accountability for revenues, expenditures, assets, and liabilities;
- Prepared financial statements that are presented fairly, in accordance with generally accepted accounting principles;
- Prepared financial reports to support claims for reimbursement that contain accurate and reliable financial data and are presented in accordance with the terms of the applicable agreements; and
- Expended program funds in accordance with the agreement of federal and state rules.

Note: Audit costs for those not required in accordance with OMB Circular A-133 are unallowable. If the grantee did not expend \$500,000 or more in federal funds in its fiscal year but contracted with a certified public accountant to perform an audit, these costs cannot be charged to the grant.

Section 5: Accounting and Auditing Requirements

5.1 ACCOUNTING SYSTEMS

Grantees must maintain accounting systems that accurately account for grant and match funds. Grantees must maintain adequate books, records, and supporting documents to verify the amounts, recipients, and uses of all disbursements of funds passing in conjunction with this agreement for a minimum of six years after completion of the grant or a minimum of three years after an audit is completed, whichever comes later.

5.2 COMMINGLING OF FUNDS

The accounting of grantees and sub-grantees must ensure that Award Agreement funds are *not* commingled with funds from other sources. Each award must be accounted for separately. Grantees and sub-grantees are prohibited from commingling funds on both a program-by-program basis and project-by-project basis.

Funds specifically awarded to one program may not be used to support another. If accounting cannot comply with this requirement, the grantee or sub-grantee shall establish a system to provide adequate fund accountability for each program awarded.

Section 6: Publicity and Publications

Publication shall be construed as the initiation of the procurement of writing, editing, preparation of related illustration material, including videos, from recipients/sub-recipients, or the internal printing requirements of the recipient/sub-recipient necessary for compliance with the terms of the project. However, individuals are authorized to make or have made by any means available to them—without regard to the copyright of the journal and without royalty—a single copy of any such article for their own use. Project directors are encouraged to make the results and accomplishments of their activities available to the public. A recipient/sub-recipient who publicizes project activities and results shall adhere to the following:

1. Responsibility for the direction of the project activity should not be ascribed to the awarding agency. The publication shall include the following statement: “The opinions, findings, and conclusions or recommendations expressed in this publication/program/exhibition are those of the author(s) and do not necessarily reflect the views of the U.S. Department of Justice or the Oregon Criminal Justice Commission.” The receipt of awarding agency funding does not constitute official recognition or endorsement of any project. A separate application for official recognition may be filed with the awarding agency.
2. All materials publicizing or resulting from award activities shall contain an acknowledgement of the awarding agency assistance. An acknowledgement of support shall be made through use of the following or a comparable footnote: “This project was supported by Award No. ____ awarded by the Office of Justice Programs, Bureau of Justice Assistance through the Oregon Criminal Justice Commission.” Or “This project was supported by Award No. ____ awarded by the State of Oregon, through its Criminal Justice Commission.”
3. A recipient/sub-recipient is expected to publish or otherwise make widely available to the public, as requested by the awarding agency, the results of work conducted or produced under an award.
4. All publication and distribution agreements with a publisher shall include provisions giving the State of Oregon and the federal government a royalty-free, nonexclusive, and irrevocable license to reproduce, publish, or otherwise use and to authorize others to use the publication for State of Oregon and federal government purposes. The agreements with a publisher should contain information on the awarding agency requirements.
5. Unless otherwise specified in the award, the recipient/sub-recipient may copyright any books, publications, films, or other copyrightable material developed or purchased as a result of award activities. Copyrighted material shall be subject to the provisions of the State of Oregon and the federal government.
6. The recipient/sub-recipient shall be permitted to display the agency logo in connection with the activities supported by the award. In this respect, the logo shall appear in a separate space, apart from any other symbol or credit.

The words “Funded/Funded in part by OJP and CJC” shall be printed as a legend, either below or beside the logo, each time it is displayed. Use of the logo must be approved by CJC in writing.

Note: The recipient/sub-recipient shall submit a publication and distribution plan to the awarding agency before materials developed under an award are commercially published or distributed. The plan shall include a description of the materials, the rationale for commercial publication and distribution, the criteria to be used in the selection of a publisher, and, to assure reasonable competition, the identification of firms that will be approached. Prior approval of this plan is required for publishing project activities.