

## CVS Financial Post-Award Training Webinar Transcript

Welcome to the CVS Grants Financial Post-Award Training. The goal of today's workshop is to help grantees to successfully follow CVS grant post-award financial requirements. This presentation is an overview geared toward all CVS grantees, independent of funding source. In addition to this workshop that focuses on the financial aspects of your grant. Project directors should view the programmatic post-award training, as this will cover the programmatic responsibilities associated with managing your award. To begin, please note that our office uses many acronyms. These are the most common acronyms used throughout this presentation. You will also see these in email communications, or hear them during phone calls with your agency. Of course, this list is not exhaustive, but it does capture the main acronyms we use.

First things first, we have to talk about commingling funds, which means to combine funds from different sources into one account. For example, combining your VOCA grant funds with a private foundation grant without a means to identify which costs belong to which projects would constitute commingling of funds. Another great example of commingling funds would be if you have a VOCA grant, as well as a VAWA grant in your accounting records under Victim Services Program. Again, all funds must be tracked separately with their own chart of accounts. This means the VOCA funds would be shown on one chart, and the VAWA funds would be shown on a separate chart. Grant expenses, such as personnel, supplies and operating, etc, must be clearly identified in your accounting system as separate from other organizational funds. Accounting systems must be set up to specify not only the amount designated to the grant, but also the precise name and number of the grant. For programs that have received any previous CVS funding, this is especially important as we begin the current cycle. The grant name and number are separate from any previous grants, and it's important that your accounting ledger reflect this as you begin to code expenses and revenue.

For those of you who have client-related expenses, such as rental or transportation assistance, please make sure that you are properly redacting or blacking out the client's name or any other personally identifying information. This is for both primary and secondary victims. Accounting ledgers cannot contain victim information in description lines. Also, here's a tip. Create an internal numbering system for victims. This can be used on physical, electronic, and accounting records. Please note that submitting documentation that contains personally identifying information or breaking victim confidentiality is a direct violation of your grant agreement.

We're going to take a deeper dive into each specific budget category, and how to have the proper supporting documentation on hand in your grant file. If the documentation doesn't exist, the expense doesn't either. I know it can seem like a daunting task to have the paperwork for each expense, but it's a lot less daunting than having an expense not reimbursed because a document is missing. In addition to this training, we have an essential grant accounting and financial documentation packet that can be found on our website listed here on this slide. It is a helpful go-to reference for the information we are about to go over. Now, let's get into the grant budget categories that make up your grant funds. Personnel is composed of the salary and fringe benefits expenditures related to your staff members. It's composed of salary and fringe. Fringe benefits can include numerous benefits an organization provides. Time and effort records, digital or written timesheets, must reflect all hours worked by the staff person or volunteer, even if they're used only as match. And include holidays, vacation, and sick leave as applicable. Timesheets must clearly show the amount of salary charged to the grant, either by number of hours or percentage of time, and list the grant number. These figures must match your accounting ledger, as this will be verified when your supporting documentation is reviewed. Timesheets must also be signed by the employee and or volunteer being used as match, the supervisor and the project director, if they are not the grant-funded staff person supervisor. Timesheets and accounting ledgers must reconcile to payroll records. Again, with fringe benefits, they must be reflected in

payroll records in the accounting ledger. Fringe benefits requested should be consistent with what your organization usually offers for the position in the budget, and be prorated based on the percentage of time devoted by each person to the project. Time worked must be incurred during the grant period to be eligible. A sample timesheet is included in the Essential Grant Accounting and Financial Documentation packet. Timesheets should list the full grant number and a breakdown of the percentage being charged to the grant. Additionally, timesheets must be signed by the employee, their supervisor, and the project director for the grant, if different than the supervisor of the grant-funded position. The payroll distribution ledger must identify paid employees by name, gross pay, withholdings, and net pay. Timesheets should be used in preparation of payroll, and the ledger should document the allocation of the payroll expenses in accordance with the approved percentage of that position as outlined in your grant agreement. Any staff changes should be approved by your grant program manager.

This budget category includes expendable supplies, office rental, telephone, printing, copying, conference registration fees, software, and individual items with a unit cost of less than \$10,000. All receipts and invoices should be labeled with the grant number and marked with Approve for payment. Dated receipts or invoices are required for all supplies and operating expenses. Purchases must be made within the grant period, and if a cost is shared by more than one project, the prorated amount applied to your CVS grant should be clearly shown on the documentation and in your accounting system. Please reach out to your grant program manager if you have questions about a cost. This receipt has a description of the purchase with the approved items to be charged the CVS grant highlighted. Here is an example of an itemized expense approval form with signature approval. The utility bill indicates the amount charged to the grant. To ensure the expenses are properly coded, your accounting system should show the same amount was applied to the grant also, as shown on the next slide. The accounting ledger example shows the items highlighted that were charged to the grant. This budget category includes all travel related to staff members, including authorized airfare, mileage, and lodging, and

travel-related meal reimbursement expenses in the approved budget. A travel reimbursement request must document all travel expenses with receipts attached, unless your agency is using a per diem rate. In general, travel reimbursement requests should follow similar guidelines as expenditures in supplies and operating. In that staff, it should include a staff person's name, dates of travel, the grant number should be clearly shown, and the expenses should be properly coded and approved.

In regards to per diem rates and mileage reimbursement rates, you should follow your organization's own travel policy and procedures accordingly. If you do not have any, you must follow the state's fiscal travel rules until you come up with your own. This can be found in the Grants Administrative Guidelines. Please note, items not considered travel expenses are registration fees for training or conferences, even if they include lodging. Training registration fees must be shown in the supplies and operating budget category. This reimbursement request example shows the amount of miles traveled along with the calculations. A map showing the route is included to support this expense. Also, when including hotel receipts, they should be itemized and must not include unallowable costs. This is an example of a map to be attached, indicating the mileage traveled in support of the expenses requested. Google Maps is a great resource for mileage requests.

Equipment is defined as an individual item having a useful life of more than one year, and a per unit acquisition cost that equals or exceeds \$10,000. Equipment expenses and CVS grants are not common. If you have an item that costs less than \$10,000, for example, a laptop that costs \$1,000, it would be included in your supplies and operating budget category. If you have this type of cost in your approved budget, please work closely with your grant program manager, as additional DCJ forms are required.

This budget category includes services provided to the project by outside vendors who are under contract with the grantee. Before incurring costs to this budget category, grantees should complete and submit a DCJ Form 16 for approval in the

Fluxx system. A DCJ Form 17 may also be required, depending on whether the consultant or contractor is registered in the federal SAM system. The DCJ Form 16 must be accompanied by the appropriate attachments, including the contract or statement of work, and a description of the procurement process used to select the vendor. The DCJ 16 must be approved by your grant program manager prior to expenditures. All expenses for consultants' contracts must be supported by a valid signed contract between the grantee, usually signed by the signature authority, and the contractor. And by detailed invoices from the contractor that have been approved for payment. These invoices are the basis for payment, and must show time and activity records that should include, at a minimum, the dates, times, types of services, and rate of pay. Invoices must be signed, approved, and coded to the grant, and visible in the grant sub-ledger or transaction detail report. If only a portion of the invoice is being paid with grant funds, this must be clearly indicated on the invoice and in the grant subledger or transaction detail report. Payments must be made to the same vendor name that appears on the contract scope of work. This is the area where we see the most frequent mistakes in both supporting documentation and payment requests. Indirect costs are those costs not readily assignable to a particular project, like facility maintenance and depreciation. Refer to your grant agreement budget for your approved indirect cost rate. Grantees receiving indirect costs will either be using the de minimis rate of 15% or have a federally negotiated rate. The difference between the de minimis 15% indirect cost rate and a federally negotiated rate, is that the de minimis is a standard indirect cost rate, and a federally negotiated rate is a negotiated rate where the grantee establishes an indirect cost rate through negotiations with its cognizant federal agency, which is subject to review and or audit. Your accounting ledger should include an account that allows you to code indirect expenses to your grant number and name, but should not be itemized or posted as specific expense items. Grantees with federally negotiated indirect rates should notify their grant manager if their rate changes. When calculating indirect costs, the rate used should be applied to the grant-related costs for the reimbursement period. Grantees using the de minimis rate must exclude certain types of expenses from this calculation, including agency

rent and individual consultant costs that exceed \$50,000. In an effort to help minimize errors around indirect, we've created an indirect calculator. This calculator can be found using the link on this slide. But it is also available on the OVP website, along with other indirect rate information. To use the calculator from the link on this slide, click the link and download and save it to your computer. Grantees using the 15% de minimis rate who have these types of excluded expenses are required to upload a grant-specific P&L, or detailed cost ledger, along with their payment request in the Fluxx system to help us reconcile their indirect calculations. You can see an example on one of the next slides. Total indirect cost must appear as a line item in the grant sub-ledger or transaction detail report, but should not be itemized or allocated to specific expenses. Please contact your grant financial manager with questions regarding indirect costs and these requirements.

Match is not currently required for VOCA, SASP, or General Fund grantees. A limited number of STOP VAWA grantees are required to provide match for their current cycle. We will briefly go over matching funds in the next couple slides, but if you are required to provide match and have more questions about this requirement, please reach out to your grant program manager. Matching fund requirements, if any, are outlined in your approved budget. Your accounting ledger should include an account that allows you to code cash match to your grant number and name. When using items or staff as cash match, the required documentation is the same as that in which is required for direct expenditures, including receipts and timesheets. Cash match must be non-federal funds. Remember, matching funds are restricted to the same use of funds as allowed by the federal funds. So if it is not allowable under the federal award, it is not allowable as match. In addition to cash match, some grantees who are required to provide match do so using in-kind methods. In-kind match is the value of a good or service provided to your agency, but does not cost you anything, and is provided for free. It includes volunteer time, donated equipment, materials, supplies, space, and services. All donated goods and services must be assigned a dollar value based on fair market value and appear in the approved budget. Rates for volunteer service must be consistent with those rates

ordinarily paid for similar work in your organization. Documentation as to how the hourly rate was calculated should be maintained in your grant file. Volunteer timesheets must have all the same information as an employee timesheet, including the dated signature of the volunteer, project director, and staff person responsible for supervising the volunteer. The first step to successful financial management of your grant is knowing how to navigate to your approved budget in Fluxx. In the table of contents in Fluxx, click on Application Grant Documents. Your executed grant agreement is uploaded in the section, as shown on the slide. Now we're going to dig into completing and submitting your financial reports. Financial reports, or DCJ Form 1As, are submitted quarterly in Fluxx. The financial reports are completed within the Fluxx system, and the financial officer must review the financial report for accuracy prior to submission by the project director. Financial reports are due on the 15th day of the month following the close of the quarter. If the 15th falls on a holiday or a weekend, the report is due on the next business day. Accurately report expenses in alignment with your accounting ledger, and as outlined in your budget category in the grant agreement. Due to state fiscal year end requirements, second quarter financial reports are typically due a week early.

Unfortunately, some grantees struggle to complete and submit their financial reports accurately. This slide covers some of the common errors we see on financial reports. Oftentimes, the indirect calculation is incorrect, so please use our calculator. Expenditures reported in the financial report do not match the amount of the payment request. Grantees are not referring to and using their most current approved budget. There are incorrect signatures for project directors and/or financial officers. Folks are rounding to the nearest whole dollar when they must be using actual expenditures. Submitting for reimbursement in contracts and consultants with no approved corresponding DCJ Form 16s and 17s, and supporting documentation. Reporting match when not required, or submitting full supporting documentation when not requested. Please note that we are required by law to review all backup documentation submitted, whether requested or not. Therefore,

please do not submit backup supporting documentation unless specifically requested or required by OVP staff.

Now that we've discussed the financial reports, let's look at payment requests. Payment requests are due monthly or quarterly, and must reconcile to the quarterly financial report. Grantees who are requesting reimbursement quarterly, but would like to move to monthly reimbursement should contact their grant program manager. Please note that this change can only happen at the beginning of a quarter, not in the middle. Supporting documentation should be collected and available in your grant file, but only submitted with your payment request when requested by OVP staff. Grantees who approve grant budgets including one or more of the following, must submit a detailed cost ledger outlining the grant expenditures for the period, along with their payment request, in the Fluxx system.

Approved grant budgets that include more than one contractor or consultant. The cost ledger must identify contractors and consultants by name or, approve grant budgets that include indirect costs and excluded expenses. For example, the grantee is using the de minimis cost indirect cost rate and has rent expenses that must be excluded from the calculation. Here is an example of a detailed ledger showing the amount of rent expended in the quarter. Showing this expense allows the grant financial manager to easily verify that it has been excluded from the de minimis indirect cost calculation. The second example shows a detailed accounting ledger for the grant and clearly identifies the contractor expenses for the period by name. This allows the grant program manager to ensure they have the corresponding DCJ16 and sometimes 17 on file for that contractor. All of this ensures our team can review and process your payment request as quickly as possible. Like the financial report, some grantees struggle to complete and submit their payment requests accurately. This slide covers some of the common errors we see on payment requests. Requesting funds when progress has not been made on grant activities. Requests do not match expenditures on their quarterly financial report. Payment requests are based on estimates, rather than actual expenditures. And lastly, when a grantee is required to

submit either a detailed cost ledger or full supporting documentation with their payment request, it is very important that this is not only submitted, but submitted in an organized and clear manner. Our financial team reviews millions of dollars in payment requests, and if your submission is missing documents, incorrect, or disorganized, it dramatically affects how quickly we can get your agency reimbursed. Please make sure the staff responsible for this activity within your organization reviews this webinar and other materials to ensure correct submissions. And whenever in doubt about what needs to be submitted, please reach out to your grant financial manager, as we are here to help.

This concludes the Financial Post-Award Training Webinar. These slides are also available on our website to download and refer to later. If you have questions, please contact your grant financial or grant program managers directly. You can also reach out to us at our email address of [cvsgrants@state.co.us](mailto:cvsgrants@state.co.us), or call our main phone number, 303-239-5719 with any other questions. Thank you for all the work you do for crime victims in Colorado. We look forward to working with you over the grant period.