

# What to Expect for FY 2017



Overview of the grantee registration  
and pre-qualification for CAOs

# Pre-Qualification - Phase 2

## ▶ *Grantee Experience*

- ▶ *two year or less, the fiscal and administrative risk will not be conducted until they are notified their grant application has been approved*
  - ▶ *Three or more years of experience, will proceed to the fiscal and administrative risk stage.*
  - ▶ *5 years or more, will proceed to the fiscal and administrative review and if the grant programs meet the requirements for multi-year awards, than the grantee is eligible to receive a multi-year award.*
- ▶ Number of Full time employees
  - ▶ Number of Part time employees

# Pre-Qualification - Phase 2

- ▶ List of Officers:
  - ▶ Name of Chief Executive Officer or equivalent and title
  - ▶ Name of Chief Financial Officer or equivalent and title
  - ▶ Name of Chief Operating Officer or equivalent and title
- ▶ Previous Funding - provide total revenue/expenditures in the most recent fiscal year from the following sources:
  - ▶ Direct Federal Grants
  - ▶ Federal Pass-through Grants
  - ▶ State Grants
  - ▶ Other

## Pre-Qualification - Phase 2

The fiscal and administrative risk assessment will not be conducted until notification they are a finalist for a grant award under the following conditions:

- ▶ Grantees received less than \$20,000 in grant funding from all sources in the prior fiscal year
- ▶ Grantees that have less than two years experience of grant administration experience

***NOTE: The grantee will still be responsible to provide any changes to information previously provided and the validation and risk assessments are required to be completed annually.***

## B. Internal Control Questionnaire – Financial and Administrative Risk

- ▶ Uniform for all agencies
- ▶ Utilizes standard questions based on 2 CFR 200.205 and specific conditions in 2 CFR 200.207
- ▶ Will be relied-upon for all agencies
- ▶ For new grantees - automatic high risk - will be completed prior to the award

# Internal Controls - continued

## 2 CFR 200.62 Internal control over compliance requirements for Federal awards

*Internal control over compliance requirements for State and Federal pass-through awards* means a process implemented by an awardee entity designed to provide reasonable assurance regarding the achievement of the following objectives for State and Federal pass-through awards:

# Internal Controls

(a) Transactions are properly recorded and accounted for, in order to:

- ▶ (1) Permit the preparation of reliable financial statements and State and Federal Pass-through reports (Both\*)
- ▶ (2) Maintain accountability over assets (F&A\*)
- ▶ (3) Demonstrate compliance with Federal statutes, regulations, and the terms and conditions of the Federal award (Both\*)

\*Note: items are marked Fiscal and Administrative (F&A), Programmatic or Both - which includes Fiscal and Administrative and Programmatic

# Internal Controls - continued

(b) Transactions are executed in compliance with:

- ▶ (1) Federal statutes, regulations, and the terms and conditions of the Federal award that could have a direct and material effect on a Federal program
- ▶ (2) Any other Federal statutes and regulations that are identified in the Compliance Supplement; and

(c) Funds, property, and other assets are safeguarded against loss from unauthorized use or disposition.

## C. Uniform Notice of Funding Opportunity

- ▶ Template for minimum general information requirements for compliance with 2 CFR 200, Appendix I
- ▶ Centralized link to the grant making agency
- ▶ Link to additional content specifying the terms of the funding opportunity
- ▶ Currently forms are not automated; **agencies are responsible for integrating into their current processes and systems**

## D. Uniform Grant Application

- ▶ Template based on Federal Application Form SF 424 inclusive of all required data fields for compliance with 2 CFR 200, Appendix I
- ▶ Link to Agency specific forms and documents based on the terms of the funding opportunity
- ▶ Currently forms are not automated; **agencies are responsible for integrating into their current processes and systems**

## E. Merit Based Review Policy

- ▶ Uniform required criteria for all agencies: Need, Capacity, and Quality (allows for definitions and additional criteria based on grant and agency requirements)
- ▶ Evaluation based solely on criteria stated in grant application in accordance with 2 CFR 200.204
- ▶ Evaluation conducted by committee
- ▶ Appeal process for grantees (appeals only allowed on alleged process violations)

## F. Programmatic Risk Assessment

- ▶ Uniform framework and template to evaluate programmatic risk of the applicant
- ▶ Utilizes standard questions based on 2 CFR 200.205 and specific conditions in 2 CFR 200.207
- ▶ Includes agency (grant) specific questions based upon the notice of funding opportunity and unique requirements of the individual grant

## F. Programmatic Risk Assessment Continued . . .

- ▶ Applicant responses will be evaluated for a programmatic risk determination
- ▶ Level of programmatic monitoring will be determined based on the assessment
- ▶ The grantee must be notified of the additional requirements in accordance with 2 CFR 200.207

## G. Uniform Grant Agreement

- ▶ Template with all required state and federal clauses
- ▶ Exhibits are included for specific requirements and exceptions unique to the grant
- ▶ Currently forms are not automated; **agencies are responsible for integrating into their current processes and systems**

## H. Uniform Budget and Reporting Template

- ▶ Standard summary line items
- ▶ Specific reporting detail / requirements may be set by the agency and are required to roll up to the summary budget
- ▶ Budget must comply with 2 CFR 200.308 - Revision of budget and program plans
- ▶ Financial Reporting (including Budget to Actual) will use the same template for quarterly reporting (risk assessment may require more frequent reporting requirements)

## H. Uniform Budget and Reporting Template Continued . . .

- ▶ Performance reporting based on the executed award will be required on a quarterly basis and must relate financial data to performance accomplishments in accordance with 2 CFR 200.301
- ▶ Annual Financial Report will be required with the Audit and must contain a “in relation to opinion” with the audited financial statements

# I. Uniform IGA, additional boilerplate required when federal funds pay contractors

Templates with all required state and federal clauses

- ▶ Exhibits are included for specific requirements and exceptions
- ▶ Currently forms are not automated; **agencies are responsible for integrating into their current processes and systems**

## J. Illinois Stop Payment List, State-wide Debarred and Suspended List

- ▶ State-wide policy will establish uniform terms for invoking stop payment status and uniform consequences for grantees on stop payment status
- ▶ Policy statements will be issued regarding enforcement of:
  - ▶ Illinois' Stop Pay System
  - ▶ Illinois' Debarred and Suspended List

## K. Indirect Cost Rate

Illinois GATA policy on Indirect Cost Rates:

- ▶ Illinois is required to accept a Federally negotiated indirect cost rate
- ▶ Research rates will only be accepted for research grants
- ▶ Grants that do not allow indirect costs rates, place limitations on the rates or caps on salaries charged must be supported by state or federal statute
- ▶ Grants that previously did not allow indirect rates to be charged must instead require an indirect cost rate and replace with a matching requirement
- ▶ Grants that previously had a matching requirement and did not allow indirect cost rates to be charged to a grant must increase their matching requirement to cover the indirect not previously allowed

# K. Indirect Cost Rate

- ▶ Leverages the Federal Model
- ▶ The Indirect Cost Rates will be negotiated centrally and state grant making agencies will be required to accept the rate
- ▶ Received permission from the Illinois Cognizant Agency to centrally approve and outsource
- ▶ Contract in negotiation process
- ▶ Selected Vendor will provide:
  - ▶ Web based system for grantee to enter required information or upload via excel and word documents
  - ▶ Provide training on preparing an indirect cost rate proposal
  - ▶ Provide training on how to use the system to submit an indirect cost rate proposal
  - ▶ Negotiate an indirect cost rate

## L. Initial Training Implementation

- ▶ First training areas
  - ▶ General Grant Management Overview
  - ▶ Cost Principles
  - ▶ Direct/Indirect Costs
  - ▶ Pre-Qualification
  - ▶ Uniform Notice of Funding Opportunity
  - ▶ Uniform Grant Application
  - ▶ Uniform Budget Template
  - ▶ Uniform Grant Agreement

## L. Initial Training Implementation continued

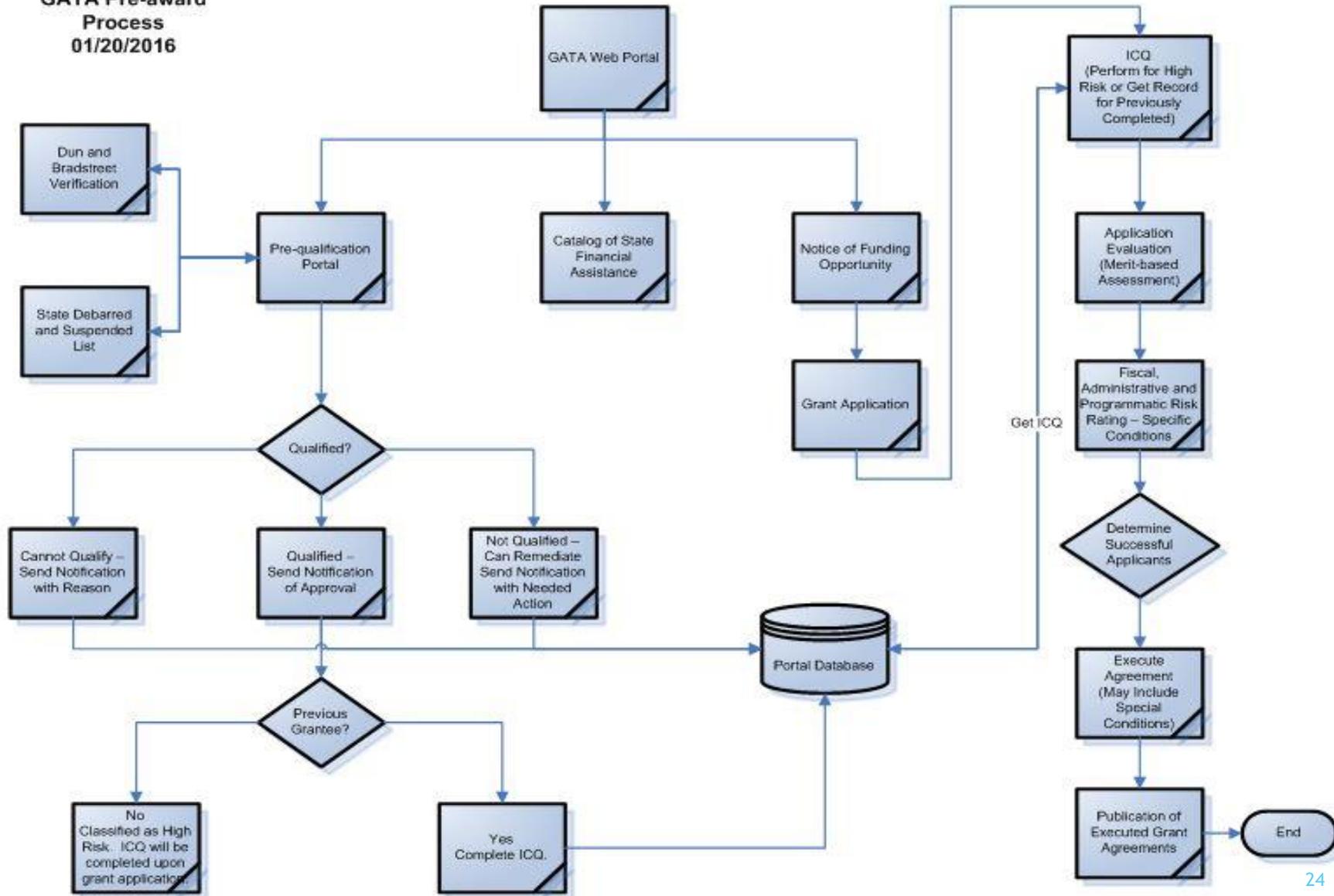
- ▶ Goal is to have training developed and begin implementation in FY16 4<sup>th</sup> Quarter to include:
  - ▶ Completing the Budget template
  - ▶ Evaluating and approving the budget template
- ▶ Based on the initial training evaluation and responses by agencies and grantees additional training will be provided

# Tech Solutions for FY2017

In order to assist Grantees and Agencies in meeting the requirements of GATA, a number of technology solutions are being planned and will be implemented in a phased manner. For FY2017, the following will be available.

1. **grants.Illinois.gov** - this will be the general website related to GATA. It will include a general overview of the purpose and requirements of GATA and links to all GATA-related sub-sites, including the Registration Portal, Catalog of State Financial Assistance (CSFA), and Notice of Funding Opportunity.
2. **Grantee Portal** - Using the same service provider as the Procurement Gateway, the Grantee Portal will provide the pre-registration and clearance process to ensure interested entities meet all requirements necessary to apply for a grant from the State of Illinois. The Portal will interface with Dun and Bradstreet and the State Debarred and Suspended List in addition to requiring other necessary screening information.
3. **Risk Assessment** -TeamMate, routinely used by the State of Illinois, has been identified as the most effective readily available tool to identify, record and track risk factors and compliance related to specific grantees. TeamMate will be made available to agencies through master contract for this purpose.

**GATA Pre-award  
Process  
01/20/2016**



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# QUESTIONS?