

# Arizona Criminal Justice Commission

Publication of the Executive Director

Our mission is to sustain and enhance the coordination, cohesiveness, productivity and effectiveness of the Criminal Justice System in Arizona



## *Grant Management*

## *Resource Manual*

January

2004

# ARIZONA CRIMINAL JUSTICE COMMISSION



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## Introduction

This Grant Management Resource Manual has been prepared as a reference guide for questions arising in the administration of Federal and State grants awarded through the Arizona Criminal Justice Commission. Content includes financial management policies, grant agreement, and procedures required of grantee organizations to ensure the establishment of sound and effective business management systems. Such procedures will ensure that funds are properly safeguarded and used only for the purposes for which they were awarded. By following the required reporting procedures, grantees will ensure a trouble-free process and compliance with Federal and State requirements.

The manual is provided as a quick reference guide for day-to-day use by grantees. The manual is not inclusive and is not intended to be the only document utilized by sub-grantees when administering a grant. Grantees are still required to comply with all applicable rules, regulations, and guidelines.

Grantees are encouraged to contact their grant program manager or coordinator at the Commission office whenever questions arise not covered in this manual.

Our goal is to facilitate the grant management process while ensuring reporting requirements are met. In short, we want your project to succeed!



# Arizona Criminal Justice Commission

## OVERVIEW

***Mission: "To sustain and enhance the coordination, cohesiveness, productivity and effectiveness of the Criminal Justice System in Arizona."***

The Arizona Criminal Justice Commission is a statutorily authorized entity mandated to carry out various coordinating, monitoring and reporting functions regarding the administration and management of criminal justice programs in Arizona. In accordance with statutory guidelines, the Commission is comprised of 19 members who represent various areas of the criminal justice system. Five of the 19 commission members are state agency directors, and the remaining 14 members are appointed by the Governor to serve a two year term.

The Commission was created in 1982, defined by A.R.S. § 41-2401 through § 41-2420 to serve as a resource and service organization for Arizona's 480 criminal justice agencies on a myriad of issues ranging from drugs, gangs, victim compensation and assistance to criminal record improvement initiatives. The Commission works on behalf of the criminal justice agencies in Arizona to facilitate information and data exchange among statewide agencies by establishing and maintaining criminal justice information archives, monitoring new and continuing legislation relating to criminal justice issues and gathering information and researching existing criminal justice programs.

The six program areas which support the Arizona Criminal Justice Commission are: Crime Victim Services, Criminal Justice Records and Integration, Drug Control and System Improvements, Finance and Administration, Legislation and Policy, and the Statistical Analysis Center.

For detailed program information, visit our website: [www.acjc@state.az.us](http://www.acjc@state.az.us)

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Appendix B [Financial Report Sample](#)

Appendix C [Budget Category Guidelines](#)

Appendix D [Crime Victim Assistance Financial Report Sample](#)

Appendix D1 [Crime Victim Assistance Financial Report Definitions/Guidelines](#)

Appendix E [Computer Hardware and Software Guidelines](#)

Appendix F [Accounting System and Financial Capability Questionnaire](#)

**Appendices G through L can be found on the Office of Management and Budget Web Site. The address for each site is directly below the Circular title.**

Appendix G Circular A-21 Cost Principles for Educational Institutions  
<http://www.whitehouse.gov/omb/circulars/a021/a021.html>

Appendix H Circular A-87 Cost Principles for State, Local and Indian Tribal Governments  
<http://www.whitehouse.gov/omb/circulars/a087/a087-all.html>

Appendix I Circular A-102 Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments  
<http://www.whitehouse.gov/omb/circulars/a102/a102.html>

Appendix J Circular A-110 Uniform Administrative Requirements for Grants and Cooperative Agreements to Institutions of Higher Education, Hospitals and other Non-Profit Organizations  
<http://www.whitehouse.gov/omb/circulars/a110/a110.html>

Appendix K Circular A 122 Cost Principles for Private Non-Profit Organizations  
<http://www.whitehouse.gov/omb/circulars/a122/a122.html>

Appendix L Circular A-133 Audits of States, Local Governments and No-Profit Organizations  
<http://www.whitehouse.gov/omb/circulars/a133/a133.html>



## **CHAPTER 1**

### **Condition of Award and Acceptance**

Congratulations, you have received a grant award! What comes next? There will be several documents mailed to you after you receive an award, called the "grant award package."

#### **1.0 Grant Agreement or Conditions of Award**

When a Grantee is awarded money for a project or program, a *Grant Agreement* must be executed between the grantee and the Commission. This grant agreement contains information such as the award amount, required match if any, budget, record retention, report schedule and rules that you have to abide by for the grant award period. These rules may extend beyond the grant period if there is equipment involved. A sample Grant Agreement is provided for your information in Appendix A to this manual. The conditions of the grant are to satisfy federal and state statutes, as well as special conditions required by the Justice Department.

#### **1.1 Required Signatures**

This agreement must be signed by the individual authorized to enter into agreements for your governmental subdivision or non-profit agency:

- County offices, the Chairman of the County Board of Supervisors;
- City offices, the Mayor or City Manager; and
- State Agencies and Non-Profit Institutions, the Director or Chief Executive Officer of the Agency.

If someone else is designated to sign the agreement, enclose a copy of the authorizing resolution signed by the Clerk of the Board/Council. If the Council/Board requires an attestation or certification of signature by the Clerk, it may be included anywhere it is convenient on the signature page.

Counties and Cities must also provide a copy of the Council/Board approved agenda or resolution listing the Grant Agreement on the agenda.

For State, County and City agencies, legal counsel needs to attest that the body has the legal authority to enter into agreements and has the legal authority to perform the agreed upon activities. The governing body legal authority to enter into an agreement must also be included.

The signed document must be returned to the Commission office for final execution. A copy or original (if more than one is provided) will be returned to you. No money can be reimbursed or forwarded to you until this document is received by the Commission, approved by the Attorney General, and signed by the Commission's Executive Director.

## 1.2 Elements of the Grant Agreement

Some of the essential elements included in the Grant Agreement are listed below. This list is only a sampling and it is not meant to be all inclusive:

- Grant funds must be used to provide services specific to each program as stated in the grant application.
- The Commission staff will monitor the performance of the grantee against the performance standards outlined in the grant; non-compliance will result in notification and, in extreme cases, suspension or termination of the agreement.
- Financial reports are required for reimbursement of expenditures. For those grants that are reimbursable, see the agreement for details.
- The grantee must comply with all applicable Office of Management and Budget Circulars (see Chapter 3).
- All grant files, reports, and account records relating to the agreement must be kept by public agencies in accordance with the approved record retention policy mandated by the Arizona State Library, Archives and Public Records Management Division; in no event less than three (3) years. Non-profit agencies must keep all such records for five (5) years after the program was created or money received.
- Financial and Activity/Progress Reports must be submitted to the Commission in accordance with the schedule provided in the grant agreement. Funds may be suspended if reports are delinquent.
- Commission staff approval must be received, in advance, for all **sole-source** procurements in excess of \$100,000 .
- All computer hardware and software purchases must comply with the guidelines in Appendix E.
- Grant funding can **not** be used to supplant Federal, State, or local funds that would otherwise be available for the project. Supplanting means reducing State or local funds because of the existence of Federal funds.

Example: State funds are appropriated for a stated purpose and Federal funds are awarded for that same purpose. The State replaces its State funds with Federal funds, thereby reducing the total amount available for the stated purpose.

- Criminal justice records systems should, to the extent possible, integrate with other criminal justice records systems in the state, in order to enhance the overall effectiveness of the Arizona Criminal Justice Records System.
- Grantees must notify the grant Program Manager in writing within ten (10) days anytime the project official is replaced.
- The Grant Agreement will be cancelled if not returned to the Commission with authorized signatures within 90 days of commencement of award.

## CHAPTER 2 Reporting Requirements

### 2.0 Financial Report

A financial report form will be included in the grant package. Please make copies of this report as you will submit one either monthly or quarterly depending upon the requirement of your grant. If you need additional copies of the financial report form, please contact the Commission staff and one can be emailed or faxed to you.

Several financial reports are used by the Commission. These reports are grant-specific. See Appendix B and D for samples of financial reports.

To develop consistent reporting, the Budget Category Guidelines on page 15 provide definition of line items on the financial report.

### 2.1 Changes on Financial Reports

Grant programs administered by the Commission are either reimbursed or paid in advance.

If a program is paid in advance, financial reports may be amended and resubmitted to the Commission with authorized signatures.

If a program is reimbursed, financial reports may **not** be amended. Corrections must be included with the next monthly or quarterly report. Corrections may be documented on the following financial report and financial records that are kept in your office to be made available for financial reviews.

### 2.2 Activity or Progress Report

A copy of the activity report or progress report will be included with the grant package. Please make copies of this report as you will submit one either monthly, quarterly or annually depending upon the requirement of your grant. If you need additional copies of the Activity/Progress report, please contact the Commission staff and one can be emailed or faxed to you.

### 2.3 Other Reports

Other documents may be included as required by each grant.

## CHAPTER 3 Office of Management and Budget Circulars

### 3.0 Overview - Office of Management and Budget (OMB) Circulars

This chapter provides a listing and brief summary of the Office of Management and Budget Circulars (OMB) all grantees should review. It is meant to serve as a guide, not a substitute, in locating the complete OMB Circulars and relevant text. The full circulars can be found at [www.whitehouse.gov/omb/circulars/](http://www.whitehouse.gov/omb/circulars/) :

- A-21: Cost Principles for Educational Institutions
- A-87: Cost Principles for State, Local, and Indian Tribal Governments
- A-102: Grants and Cooperative Agreements with State and Local Governments
- A-110: Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations
- A-122: Cost Principles for Private Non-Profit Organizations
- A-133: Audits of States, Local Governments, and Non-profit Organizations

### 3.1 Terminology

Circulars - Provide minimal guidance to Federal agencies. Circulars guide the agencies in their implementation of the common rules, which must be followed by the recipients. Circulars provide basic information such as purpose, authority, and action required, responsibilities of OMB, effective date, and termination review date.

Common Rule – Provide language agencies are to adopt in their regulations. Common rules set standards for acceptable financial and management systems. Common rules are structured to follow the grant process:

- Pre-award
- Post-award
  - ✓ Financial System
  - ✓ Property Management
  - ✓ Required Reports & Records
  - ✓ Termination & Enforcement of Award

- After the close of the grant

### 3.2 Circular A-21 Cost Principles for Educational Institutions

Purpose: This Circular establishes principles for determining costs applicable to grants, contracts, and other agreements with education institutions. The principles deal with cost determination.

All State agencies that sponsor research and development, training, and other work at educational institutions shall apply the provisions of this Circular in determining the costs incurred for such work. The principles shall be used as a guide in the pricing of fixed price and lump sum agreements.(see Appendix G)

### 3.3 Circular A-87 Cost Principles for State, Local, and Indian Tribal Governments

Purpose: This Circular establishes principles and standards for determining costs for Federal awards carried out through grants, cost reimbursement contracts, and other agreements with State and local governments, and federally-recognized Indian tribal governments.(see Appendix H)

### 3.4 Circular A-102 Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments

Purpose: This Circular establishes consistency and uniformity among Federal agencies in the management of grants and cooperative agreements with State, local, and federally recognized Indian tribal governments.(see Appendix I)

### 3.5 Circular A-110 Uniform Administrative Requirements for Grants and Cooperative Agreements to Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations

Purpose: This Circular sets forth standards for obtaining consistency and uniformity among Federal agencies in the administration of grants and agreements with institutions of higher education, hospitals, and other non-profit organizations.(see Appendix J)

### 3.6 Circular A-122 Cost Principles for Private Non-Profit Organizations

Purpose: This Circular establishes principles for determining costs of grants, contracts and other agreements with non-profit organizations. (see Appendix K)

### 3.7 Circular A-133 Audits of States, Local Governments, and Non-profits Organizations

Purpose: This Circular describes the non-Federal entity's responsibilities for managing Federal assistance programs and the auditor's responsibility with respect to the scope of the audit. Auditors are required to follow the provisions of Circular A-133.(see Appendix L)

- a. Non-Federal entities that expend \$300,000 (\$500,000 for fiscal years ending after December 31, 2003) or more in Federal funds (from all sources including pass-through subawards) in the organization fiscal year (12-month turnaround reporting period) shall have a single organization-wide audit conducted in accordance with the provisions of OMB Circular A-133.
- b. Non-Federal entities that expend less than \$300,000 a year (\$500,000 for fiscal years ending after December 31, 2003) in Federal awards are exempt from Federal audit requirements for that year. Records must be available for review or audit by appropriate officials including the Federal agency, pass-through entity, and General Accounting Office (GAO).

Further Information: Further information concerning this Circular may be obtained by contacting the Office of Federal Financial Management, Office of Management and Budget, Washington, DC 20503, telephone (202)395-3993 or the Federal Domestic Assistance Catalog Division, General Services Administration, Room 4032, 1800 F Street, NW, Washington DC 20405, Telephone (202) 208-1582.

Note: To keep up to date, check the Federal Register: [www.access.gpo.gov](http://www.access.gpo.gov) or OMB's grant management page: [www.whitehouse.gov/omb/grants/index.html](http://www.whitehouse.gov/omb/grants/index.html)

## Chapter 4 Payments

### 4.0 Payment Methods

The Commission uses two payment methods, reimbursement and installments. To determine which method is used for your grant program, refer to your Grant Agreement.

The reimbursement method is the most commonly used method for the Commission grant programs. The grant funds are reimbursed based on the expenditure reported on the financial report submitted to the Commission. These reimbursements are either monthly or quarterly based on the reporting requirement for the grant.

Reimbursements can not be sent unless a financial report is filed with the Commission.

The installment method is used for service type programs, such as Victim Compensation and Victim Assistance. The total award is divided into 12 equal installments and paid over the term of the award. All Commission reports must be current prior to the disbursement of grant funds.

For grants that are paid in allotments, it is important to check the rate of expenditure periodically during the grant period to ensure that expenditures are on track so funds can be reallocated or reverted if necessary.

Local Law Enforcement Block Grants (LLEBG) are disbursed at the beginning of the grant period.

### 4.1 Commission Cash Management Policy

All Federal grants administered by the Arizona Criminal Justice Commission, when permissible and allowable, will be paid on a reimbursement basis. This will bring the Commission and its grantees into compliance with the requirements of Public Law 101-453, Cash Management Improvement Act of 1990 (CMIA).

Confidential Funds, if awarded by the Commission, may be paid in advance if no other sources of funds are available for such purposes. Each request will be reviewed and considered on an individual basis.

If the grantee should determine that the reimbursement method is unacceptable, the project official must submit a letter from the authorized unit of government, i.e. State Agency, County Board of Supervisors or City/Town Council, to the grant Program Manager. The letter must contain a detailed explanation of why this method is unacceptable. If a large equipment purchase expense is involved, a "notice of bid



awarded” or other such document must be included. Each request will be reviewed and considered for an exception to this policy on an individual basis.

Grantees who have received an exception to the reimbursement policy must time the cash advance request as close as administratively feasible to the time of disbursement, preferably within three (3) days of receipt.

#### 4.2 Interest Earned

All grantees are required to and shall account for interest earned on Federal funds.

Government units may keep interest earned on Federal grant funds up to \$100 per federal fiscal year. This limit is not per award. It is inclusive of all interest earned as a result of all Federal grant program funds received per year.

Non-profit organizations may keep interest earned on Federal grant funds up to \$250 per federal fiscal year. This limit is not per award it is inclusive of all interest earned as a result of all Federal grant program funds received per year.

Interest earned on Local Law Enforcement Block Grants (LLEBG) must be accounted for and reported as program income, and used on the program.

#### 4.3 Withholding Funds

The Commission will withhold funds if the grantee demonstrates any of the following:

- Failure to submit accurate and/or timely reports.
- Failure to demonstrate effort or ability to attain program or project goals.

A grantee may be required to finance its operation with its own working funds until such time as the grantee is in compliance with its award requirements.

Reference:

Office of Justice Programs,  
Office of the Comptroller, *Financial Guide 2002*

## Chapter 5 Match or Cost Sharing

### 5.0 Match / Cost Sharing

Some grant programs require the recipient agency to provide cost sharing or matching funds to supplement the grant award. There is a difference between cost sharing and cash match.

Funds provided as match must be used to support the Federally funded project and must be in addition to, and therefore supplement, funds that would otherwise be made available for the program purpose the federal funds are supporting. Match is restricted to the same use of funds as allowed for the Federal funds.

### 5.1 In-Kind Match (Cost Sharing)

In-kind match (soft) includes, but is not limited to, the valuation of in-kind services. It is the value of something received or provided that does not have a cost associated with it. For example, if in-kind match is permitted by law, then the value of donated services could be used to comply with the match requirement. Also, third party in-kind contributions may count toward satisfying match requirements provided the grantee receiving the contributions expend them as allowable costs.

In-kind match, or cost sharing, does not require a cash outlay by your agency, yet it must represent real dollars. If you had to pay for services rendered, for example, time contributed by volunteers who did not donate their services, you would have paid someone else to perform those same services. Personnel services are the most common form of cost sharing, since they can include salaries, fringe benefits, and associated indirect costs.

### 5.2 Cash Match

Cash match occurs when "hard dollars" are contributed toward your project. For example, if your agency was awarded a \$100,000 grant with a 25% cash match requirement, your actual award will consist of \$75,000 federal funds and \$25,000 local cash matching funds. Depending on the terms and conditions of the award, your agency may either be required to submit a check to the Commission for the match portion or absorb the match by receiving a reduced reimbursement throughout the award period.

Matching contributions need not be applied at the exact time or in proportion to the obligation of the Federal funds. However, the full matching share must be obligated by the end of the grant period.

### 5.3 Records of Match

Grantees must maintain records which clearly show the source, the amount, and the timing of all matching contributions. In addition, if a program or project has included within its approved budget contributions which exceed the required matching portion, the grantee must maintain records of the excess match in the same manner as the required match funds.

For all block/formula funds, the Commission has the primary responsibility for the grantee compliance with the match requirements. For all discretionary funds, the Commission and grantee have shared responsibility for ensuring compliance with the requirements regarding matching funds.

Reference:

OMB Circular A-102 §\_\_.24 (State and Local Units of Government) or A-110 §\_\_.23 (Education Institutions, Hospitals and Non-Profits).

### 5.4 Supplanting (Updated 9/2008)

Grant funds can **not** be used to supplant Federal, State, or local funds that would otherwise be available for the project. Supplanting means the deliberate reduction of State or local funds because of the existence of any grant funds.

Example 1: Agency funds are appropriated for a specific purpose and grant funds are awarded for the same purpose. The Agency replaces its appropriated funds with grant funds, thereby reducing the total amount available for the stated purpose.

Example 2: The City of Anytown appropriated \$50,000 to pay overtime for warrant task force officers; the Anytown Police Department was awarded \$25,000 in grant funds to be used for overtime pay for warrant task force officers. The total amount available was \$75,000. The City reduced their appropriated overtime from \$50,000 to \$25,000. The lowered appropriation reduced the total amount available for the overtime from \$75,000 to \$50,000.

Example 3: In order to cut costs, the Mayberry County Agency freezes or eliminates appropriated drug task force positions. The Agency then creates new positions using XYZ grant funds. This results in knowingly reducing funding, by maintaining the staffing level instead of increasing the number of positions.

## Chapter 6 Program Income

### 6.0 Program Income

Grantees who generate program income as a direct result of Federal grant funds for a project must report program income and program expenditures. Example: Byrne and interest on LLEBG Block Grant.

Program income means income received by the grantee directly generated by a grant-supported activity, or "earned" as a result of the grant during the grant period. "During the grant period" is the time between the effective date of the award and the ending date of the award reflected in the final financial report.

### 6.1 Examples of Program Income:

- Income from fees for services performed;
- Income from the use or rental of real or personal property acquired with grant funds;
- Income from the sale of commodities or items fabricated under a grant;
- Proceeds from the sale of property or equipment;
- Income from royalties and license fees for copyright materials, patents and inventions developed by the grantee;
- Income received from a court ordered award of attorney's fees or cost, to the extent that it represents a reimbursement for attorney's fees and costs originally paid under the award;
- Reimbursement received from the IRS if award funds were used in the information and investigation leading to the recovery of Federal taxes imposed with respect to illegal drug-related activities or money laundering in connection with such activities.
- Income received from asset seizures and forfeitures is considered "earned" when the property has been adjudicated to the benefit of the law enforcement agency.

## 6.2 Use of Program Income

Program income may be used to supplement or reduce project costs, or may be refunded to the Federal government. Program income may only be used for allowable program costs and **must be expended prior** to federal grant funds.

Program income shall be added to the funds committed in the Grant Agreement, known as the "Addition Method" and used by the grantee for any purpose that furthers the objectives of the legislation under which the award was made.

The following policies apply to program income from asset seizures and forfeitures: The "Addition Method" shall be followed unless an alternate method is designated by the Commission. Program income may be retained by the agency earning the program income or used by the grantee for any purpose that furthers the objectives of the legislation under which the grant was made.

Program income may be used as matching funds when assets are adjudicated by the State, County, or Local Court in accordance with State law. In addition, cash received under the equitable sharing program may also be used as matching funds.

## 6.3 Accounting for Program Income

Program income must be accounted for up to the same ratio or percent as Federal dollars provided to the project.

For example:

- A project funded with 100 percent Federal funds must account for and report on 100 percent of the total program income earned. If the total program income earned was \$20,000, the recipient must account for and report the \$20,000 as program income on the Financial Report.
- If a project was funded with 75 percent Federal funds and 25 percent non-Federal funds (match) and the total program income earned by the grant was \$100,000, \$75,000 must be accounted for and reported, by the recipient, as program income on the Financial Report.

Program income received is line I, page 1, on the Financial Report.

Program income expenditures is on the second page of the Financial Report. (see Appendix B)

Reference:

Uniform Administrative Requirements

OMB Circular A102 §\_\_\_\_.25 - State and Local Governments

OMB Circular A110 §\_\_\_\_.24 – Institutions of Higher Education, Hospitals, and Other  
Non Profit Organizations.

Department of Justice Codified: 28CFR Part 66.25 – State and Local Governments

## Chapter 7 Allowable Costs

### 7.0 Allowable Costs

To be considered an allowable cost, the expenditure must meet the criteria specified in the appropriate and applicable cost principle. It is important to note that each set of cost principles will vary in its definitions of allowable costs. The examples below were taken from OMB Circular A-87, which contains the most stringent criteria. To meet Federal standards for allowability, a cost must meet the following general criteria:

- Be necessary and reasonable for proper and efficient performance and administration of Federal awards;
- Be allocable to Federal awards;
- Be authorized or not prohibited under State or local laws or regulations;
- Conform to any limitations or exclusions set forth in the appropriate cost principle, Federal laws, terms and conditions of the Federal award, or other governing regulations as to types or amounts of cost items;
- Be consistent with policies, regulations and procedures that apply uniformly to both Federal awards and other activities of the governmental unit;
- Be accorded consistent treatment. A cost may not be assigned to a Federal award as a direct cost if any other cost incurred for the same purpose in like circumstances has been allocated to the Federal award as an indirect cost;
- Except as otherwise provided in the circular, be determined to be in accordance with generally accepted accounting principles (GAAP);
- Not be included as a cost or used to meet cost sharing or matching requirements of any other Federal award in either the current or prior period, except as specifically provided by Federal law or regulation;
- Be the net of all applicable credits;
- Be adequately documented.

While most of the items on this page are quite self explanatory, there are two elements that may require further explanation; the notion of allocability and the term “net of applicable credits”.

To be considered allocable, an expense must be treated consistently with other allowable costs incurred for the same general purpose in similar situations and it must:

- Be incurred specifically and totally (100%) for the award;
- Be chargeable or assignable to cost objectives in reasonable proportion to the benefits received; or
- Is necessary to the overall operation of the organization, although a direct relationship to a particular cost objective cannot be shown.

To be an allowable cost, the expense must be the net of applicable credits, which are reductions in expense items allocable to a Federal award such as purchase discounts, rebates and adjustments of overpayments or erroneous charges. Should the agency receive such credits relating to allowable costs, the Federal award must be credited as a cost reduction or a cash refund.

#### 7.1 Costs Requiring Prior Approval

Changes to your project scope and/or budget after an award has been made require prior written approval from the grant Program Manager. Due to the extensive financial and program impact on the grant if changes were permitted without approval, written consent is required.

Some examples of expenditures and changes requiring prior approval for state, local and Indian governments are:

- Capital equipment (use the more stringent policy to determine capital equipment);
- Cost of membership in civic and community, social organizations;
- Pre-award costs;
- Direct costs for preparing proposals for potential Federal awards;

All requests for prior approval must be submitted in writing (email is acceptable) to the Program Manager identified in your award letter. Be sure to keep your budget adjustment request in the same format as your original budget as identified in your Grant Agreement. A budget adjustment request must be accompanied by a narrative description of the reason the change is necessary.



Upon receipt and review of the request, a decision will be provided in writing. A Grant Adjustment Notice (GAN) will be sent to your agency upon the approval of the grant Program Manager. Verbal approval is considered non-binding. Failure by the grantee to obtain prior approval may result in the disallowance of costs.

## 7.2 Indirect Costs

Indirect costs are costs of an organization that are not readily assignable to a particular project and are difficult to allocate. Indirect costs are commonly referred to as "overhead."

Examples:

- Payroll Processing
- Utilities
- Maintenance Costs
- Administrative Salaries
- Depreciation

The Arizona Criminal Justice Commission **does not** award grant funds for indirect costs. Even if the grantee has an approved indirect cost rate, these expenses are unallowable in Commission funded projects.

## Chapter 8 Time and Attendance

### 8.0 Time and Attendance

For personnel systems, the primary documentation concern is employee time and effort reporting. It is important to keep track of which employee is doing what task in order to avoid cost disallowances.

The chart on the next two pages shows the documentation standards for two OMB circulars. If agency requirements are greater than OMB Circulars, Agency requirements will take precedence.

<b>Circular</b>	OMB Circular A-87, Cost Principles for State, Local, and Indian Tribal Governments Attachment B. §11	OMB Circular A-122, Cost Principles for Nonprofit Organizations Attachment B. §7
<b>Activity Reports</b>	<ul style="list-style-type: none"> <li>Any employee involved in multiple activities or cost objectives must have a personnel activity report maintained.</li> <li>The report must be prepared monthly and must coincide with one or more pay periods.</li> </ul>	<ul style="list-style-type: none"> <li>Reports reflecting distribution of the activity of each employee must be maintained. Each report must account for the total activity for which an employee is compensated. The report must reflect a reasonable estimate of actual work performances.</li> <li>Nonprofessional employees fall under the same regulations as professional staff; however, additional information regarding how many hours per day was worked is also required.</li> <li>The report must be prepared at least monthly and must coincide with one or more pay periods.</li> </ul>
<b>Verification of Time Worked</b>	<ul style="list-style-type: none"> <li>The employee must sign the report which outlines the activities for which he/she is being compensated.</li> </ul>	<ul style="list-style-type: none"> <li>Documentation must be signed by the employee or responsible official having first hand knowledge of the activities performed by the employee.</li> </ul>

<p>Single Federal award or cost objective</p>	<ul style="list-style-type: none"> <li>Where employees are expected to work solely on a single Federal award or cost objective, charges for their salaries and wages will be supported by periodic certifications that the employees worked solely on that program for the period covered by the certification. These certifications will be prepared at least semi-annually and will be signed by the employee or supervisory official having first hand knowledge of the work performed by the employee.</li> </ul>	<ul style="list-style-type: none"> <li>No reference</li> </ul>
<p>Budget Estimations</p>	<ul style="list-style-type: none"> <li>Budget estimations determined before services are performed do not qualify as support for charges for federal awards.</li> </ul>	<ul style="list-style-type: none"> <li>Budget estimations do not qualify as support for charges to awards.</li> </ul>

## Chapter 9 Grant Adjustments

### 9.0 Grant Adjustments

The grant Program Manager can authorize changes in a grant through a Grant Adjustment Notice (GAN). A GAN officially modifies the grant award and is just as binding as the Grant Agreement issued with the initial award. Examples of circumstances under which the GAN are completed include:

- A deviation from the approved budget, a budget adjustment.
- Grant extension, this extends the time for the project to be completed. Requests for extensions must be submitted 60 calendar days before the award is scheduled to end.
- Additional money is added to the project.
- Change in the scope of the project.

The grant Program Manager carefully reviews requests for changes to a grant to make sure they are in compliance with the *OMB Circulars* and to ensure that the grant program's goals and objectives are addressed. Changes are officially recognized once the GAN is issued with a date and number. You will receive a copy of the approved GAN for your grant file.

### 9.1 Budget Modifications

Please refer to your Grant Agreement to check if your program allows you to make budget adjustments.

If an award is less than \$100,000 and the scope of the project does not change, prior approval to modify your budget is not required. However, you still need to contact your program manager to inform him or her of the proposed changes and make sure that these changes are allowed under the grant program.

If an award exceeds \$100,000 and the cumulative changes between the approved budget categories exceed ten (10) percent of the total grant amount or change the scope of the project, you are required to get prior approval from your program manager. Please check the Grant Agreement or any subsequent Grant Adjustment Notices (GAN), if the budget was revised after the award was made. The Grant Agreement will show the amount of money in each approved budget category (personnel, fringe benefits, consultants/contracts, travel, equipment and operating expenses).

The ten (10) percent rule applies to awards that exceed \$100,000 or any award that has a change in scope.

To obtain a budget modification, you must submit a written (mail, fax or email) request to your program manager. The request should explain the reason for the budget modification and clearly indicate how the money is being reallocated and for what it will be used. It should also include a chart that shows the new budget. The chart should have four columns.

**Example:**

<u>Budget Category</u>	<u>Current Budget</u>	<u>Change (+/-)</u>	<u>Revised Budget</u>
Personnel Expenses			
Overtime	\$40,000	\$0	\$40,000
Employee Related Expenses	\$6,000	(\$4,000)	\$2,000
Consultants/Contractual	\$15,000	\$0	\$15,000
Travel In-State	\$20,000	<b>\$10,000</b>	\$30,000
Travel Out-of-State	\$15,000	(\$10,000)	\$5,000
Operating Expenses	Not Approved	\$0	\$0
Equipment	\$1,500	<b>\$1,500</b>	\$3,000
TOTAL	\$2,500	<b>\$2,500</b>	\$5,000
	\$100,000		\$100,000

This example requires the grantee to seek prior approval because the change exceeds ten (10) percent. The cumulative change amount for this example equals \$14,000, therefore prior approval is required.

If your budget modification request is approved, you will receive a Grant Adjustment Notice (GAN) that shows the new approved budget for the grant. The grantee agency must be current with all programmatic and financial reports for the budget modification to be approved.

**9.2 Budget Modification Request for Equipment**

The Grant Agreement may contain a statement indicating that prior approval is required for the purchase of equipment. Request for equipment must be made in writing (mail, fax or email) to your program manager. The request must include the type of equipment to be purchased, how it will be used, the cost, what budget category the money will come from and why the money is no longer needed in that category. It is important to note that equipment must be placed into service and used during the award period purchased.

Reference:

Office of the Comptroller *Financial Guide*

## **Chapter 10 Procurement**

### **10.0 Procurement**

Subgrantees shall follow the same policies and procedures for Commission funds as used for procurement from other sources. It is strongly recommended that the grantee contact their procurement department prior to expenditure of funds from any Commission grant to ensure all expenditures are in accordance with approved policies and procedures.

### **10.1 Competition**

All procurement transactions, whether negotiated or competitively bid and without regard to dollar value or funding source, shall be conducted in a manner so as to provide maximum open and free competition. All sole-source procurements in excess of \$100,000 must receive prior approval of the grant Program Manager.

### **10.2 Federal Funds**

Grantees receiving federal funds shall follow the appropriate OMB Circular that pertains to their agency to determine allowable and unallowable costs. Please refer to Circulars A-21, A-87, and A-122.

### **10.3 Debarment and Suspension**

Per the Commission Grant Agreement and the OJP Financial Guide, subgrantees are prohibited from conducting business with vendors who have been placed on the Suspension and Disbarment List. Prior to making a transaction with a vendor, the grantee must ensure the vendor is in good standing with the Federal government.

A current listing of suspended and disbarred vendors can be located at <http://epls.arnet.gov>

### **10.4 Acquisition of Property and Equipment**

Subgrantees are required to be prudent in the acquisition and management of property purchased with Commission grant funds whether federal or state funded. Careful screening should take place before acquiring property in order to ensure that it is needed. All equipment purchases not previously approved in the Grant Agreement must be pre-approved in writing by the grant Program Manager prior to the expenditure of grant funds.

Grantees are advised to work with their procurement departments prior to any purchase of property or equipment. For hardware and software guidelines see Appendix E.

**Commission grant funds CANNOT be used for land acquisition.**

10.5 Management of Property and Equipment

Capital Outlays are determined to be equipment purchases of \$5,000 or more with a useful life of more than one year. If an agency has a lower capital policy, the agency policy will govern.

Property records must be maintained and include the following information:

- Description of the property;
- Serial number or other identification number;
- Source of the property;
- Identification of title holder;
- Acquisition date;
- Cost of the property;
- Percentage of Federal participation in the cost of the property;
- Location of the property;
- Use and condition of the property; and
- Disposition data, including the date of disposal and sale price.

A physical inventory of the property must be taken, and the results reconciled with the agency's property records, at least once every two years.

A control system must exist to ensure adequate safeguards to prevent loss, damage or theft of property. Subgrantees are responsible for replacing or repairing the property which is willfully or negligently lost, stolen, damaged, or destroyed. Any loss, damage, or theft of the property must be investigated and fully documented and made part of the official project records.

Adequate maintenance procedures must exist to keep the property in good condition.

Records for equipment shall be retained for a period of five years from the date of the disposition. If any litigation, claim, or audit is started before the expiration of the five-year period, the records shall be retained until all litigations, claims, or audit findings involving the records have been resolved.

10.6 Disposition of Property and Equipment

Items with a current per unit fair market value of less than \$5,000 may be retained, sold, or otherwise disposed of with no further obligation to the Commission. Disposal of equipment must be in accordance with the State procedures.

When the fair market value is more than \$5,000 at the time of disposal, please contact your grant Program Manager for further instruction.

In addition to the Commission Grant Agreement, grantees receiving federal funds must follow the guidelines set forth in the OJP Financial Guide.

Grantees must also follow their own established policies and procedures when acquiring property and equipment.



## Chapter 11 Confidential Funds

### 11.0 Confidential Funds

Confidential funds are those monies allocated to:

- a. Purchase of Services (P/S). This category includes travel or transportation of a non-Federal officer or an informant; the lease of an apartment, business front, luxury-type automobiles, aircraft or boat, or similar effects to create or establish the appearance of affluence; and/or meals, beverages, entertainment, and similar expenses (including buy money and flash rolls, etc.) for undercover purposes, within reasonable limits.
- b. Purchase of Evidence (P/E). This category is for the purchase of evidence and/or contraband, such as narcotics and dangerous drugs, firearms, stolen property, counterfeit tax stamps etc., required to determine the existence of a crime or to establish the identity of a participant in a crime.
- c. Purchase of Specific Information (P/I). This category includes the payment of monies to an informant for specific information. All other informant expenses would be classified under P/S and charged accordingly.

### 11.1 Allocation of Funds

These funds should only be allocated when:

- a. The particular merits of a program/investigation warrant the expenditure of these funds.
- b. Requesting agencies are unable to obtain these funds from other sources.

Confidential funds are subject to prior approval by the Commission as indicated in the Grant Agreement. Such approval will be based on a finding that they are a reasonable and necessary element of project operations. In this regard, the approving agency must also ensure that the controls over disbursement of confidential funds are adequate to safeguard against the misuse of such funds.

### 11.2 Confidential Funds Certification

A signed certification that the Project Director has read, understands, and agrees to abide by these provisions is required from all projects that are involved with confidential funds from either Federal or matching funds. The signed certification must be submitted at the time of grant application.

### 11.3 Written Procedures

Each project agency authorized to disburse confidential funds must develop and follow internal procedures which incorporate the elements listed below. Deviations from these elements require prior approval of the grant Program Manager.

- a. Imprest Fund. The funds authorized will be established in an imprest fund which is controlled by a bonded cashier.
- b. Advance of Funds. The supervisor of the unit to which the imprest fund is assigned must authorize all advances of funds for the purchase of information. Such authorization must specify the information to be received, the amount of expenditures, and the assumed name of informant.
- c. Informant Files. Information files are confidential files of the true names, assumed names, and signatures of all informants to whom payments of confidential expenditures have been made. To the extent possible, pictures and/or fingerprints of the information payee should also be maintained. In the Regional Information Sharing System (RISS) program, the informant files are to be maintained at the member agencies only. Project Headquarters may maintain case files.
- d. Cash Receipts.
  1. The cashier shall receive from the agent or officer authorized to make a confidential payment a receipt for cash advanced to him/her for such purposes.
  2. The agent or officer shall receive from the information payee a receipt for cash paid to him/her.
- e. Receipt for Purchase of Information. An information payee receipt shall identify the exact amount paid to and received by the information payee on the date executed. Cumulative or anticipatory receipts are not permitted. Once the receipt has been completed, **no alteration is allowed**. The agent shall prepare an information payee receipt containing the following information:
  1. The jurisdiction initiating the payment;
  2. A description of the information/evidence received;

3. The amount of payment, both in numerical and word form;
  4. The date on which the payment was made;
  5. The signature of the informant payee;
  6. The signature of the case agent or officer making payment;
  7. The signature of at least one other officer witnessing the payment;
  8. The signature of the first line supervisor authorizing and certifying the payment.
- f. Review and Certification. The signed receipt from the informant payee with a memorandum detailing the information received shall be forwarded to the agent or officer in charge. The agent or officer in charge shall compare the signatures. He/she shall also evaluate the information received in relation to the expense incurred and his/her evaluation remarks in the report of the agency or officer who made the expenditure from the imprest fund. The certification will be witnessed by the agent or officer in charge on the basis of the report and informant payee's receipt.
- g. Reporting of Funds. Each project shall prepare a reconciliation report on the imprest fund on a quarterly basis. Information to be included in the reconciliation report will be the assumed name of the informant given and to what extent this informant contributed to the investigation. Grantee shall retain the reconciliation report in their files and have it available for review unless the Commission staff requests that the report be submitted to them on a quarterly basis.
- h. Record and Audit Provisions. Each project and member agency must maintain specific records of each confidential fund transaction. At a minimum, these records must consist of all documentation concerning the request for funds, process (should include the review and approval/disapproval), modification, closure or impact material, and receipts and /or other documentation necessary to justify and track all expenditures. Refer to the documentation under "Informant Files" below for a list of documents which should be in the informant files. In projects where grant funds are used for confidential expenditures, it will be understood that all of the above records are subject to the record retention requirements and audit provisions of the awarding agency and program legislation. However, only under extraordinary and rare circumstances would such access include a review of the true name of confidential informants. When access to the true name of confidential

informants is necessary, appropriate steps to protect this sensitive information must and will be taken by the recipient, awarding agency, and auditing agency. Any such access, other than under a court order or subpoena pursuant to a bona fide confidential investigation, must be approved by both the OJP program office head and the Comptroller.

#### 11.4 Informant Files

- a. Security. A separate file should be established for each informant for accounting purposes. Informant files should be kept in a separate and secure storage facility, segregated from any other files, and under the exclusive control of the office head or an employee designated by him/her. The facility should be locked at all times when unattended. Access to these files should be limited to those employees who have a necessary legitimate need. An informant file should not leave the immediate area, except for review by a management official or the handling agent, and should be returned prior to the close of business hours. Sign-out logs should be kept indicating the date, information number, time in and out, and the signature of the person reviewing the file.
- b. Documentation. Each file should include the following information:
  1. Informant Payment Record, kept on top of the file. This record provides a summary of informant payments.
  2. Informant Establishment Record, including complete identifying and locating data, plus any other documents connected with the informant's establishment.
  3. Current photograph and fingerprint card (or FBI/State Criminal Identification Number).
  4. Agreement with cooperating individual.
  5. Receipt for Purchase of Information.
  6. Copies of all debriefing reports (except for the headquarters case file).
  7. Copies of case initiation reports bearing on the utilization of the informant (except for the Headquarters case file).
  8. Copies of statements signed by the informant (unsigned copies will be placed in appropriate investigative files).

9. Any administrative correspondence pertaining to the informant, including documentation of any representation made on his behalf or any other non-monetary considerations furnished.
  10. Any deactivation report or declaration of an unsatisfactory informant.
- c. Informant Management and Utilization. All persons who will be utilized as informants should be established as such. The specific procedures required in establishing a person as an informant may vary from jurisdiction to jurisdiction but, at a minimum, should include the following:
1. Assignment of an informant code name to protect the informant's identity.
  2. Creation of an informant code book controlled by the office head or his/her designee containing:
    - Informant's code name;
    - Type of informant (i.e., informant, defendant/informant, restricted-use informant);
    - Informant's true name;
    - Name of establishing law enforcement officer;
    - Date the establishment is approved; and
    - Date of deactivation.
  3. Establishment of each informant file in accordance with Documentation, under 11.4.b (Informant Files)
  4. Review of all active status informant files on a quarterly basis to assure they contain all relevant and current information. Where MATERIAL fact that was earlier reported on the Establishment Record is no longer correct (e.g., a change in criminal status, means of locating him/her, etc.), a supplemental establishing report should be submitted with the correct entry.
  5. A search of all available criminal indices for informants being established. If a verified FBI number is available, request a copy of the criminal records from the FBI. Where a verified FBI number is not available, the informant should be fingerprinted, with a copy sent to the FBI and appropriate State authorities for analysis. The

informant may be utilized on a provisional basis while awaiting a response from the FBI.

d. Payment to Informants

1. Any person who is to receive payments charged against PE/PI funds should be established as an informant. This includes persons who may otherwise be categorized as sources of information or informants under the control of another agency. The amount of payments should be commensurate with the value of services and/or information provided and should be based on the following factors:
  - The level of the targeted individual, organization, or operation;
  - The amount of the actual or potential seizure; and
  - The significance of the contribution made by the informant to the desired objectives.
2. There are various circumstances in which payments to informants may be made:
  - Payments for Information and/or Active Participation. When an informant assists in developing an investigation, either through supplying information or actively participating in it, he/she may be paid for his/her service either in a lump sum or in staggered payments. Payments for information leading to a seizure, with no defendants, should be held to a minimum.
  - Payment for Informant Protection. When an informant needs protection, law enforcement agencies may absorb the expenses of relocation. These expenses may include travel for the informant and his/her immediate family, movement and/or storage of household goods, and living expenses at the new location for a specific period of time (not to exceed six months). Payments for these expenses may be either lump sum or as they occur and should not exceed the amounts authorized by law enforcement employees for these activities.
  - Payments to Informants of Another Agency. To use or pay another agency's informant, he/she should be established as an informant. These payments should not be a duplication of a payment from another agency; however, sharing a payment is acceptable.

3. Documentation of payments to informants is critical and should be accomplished on a receipt for purchase of information. Payment should be made and witnessed by two law enforcement officers and authorized payment amounts should be established and reviewed by a least the first line supervisory level. In unusual circumstances, a non-officer employee or an office of another law enforcement agency may serve as a witness. In all instances, the original receipt must be submitted to the Project Director for review and recordkeeping.

### 11.5 Accounting and Control Procedures

Special accounting and control procedures should govern the use and handling of confidential expenditures as described below:

- a. It is important that expenditures which conceptually should be charged to PE/PI/PS are in fact so charged. It is only in this manner that these funds may be properly managed at all levels and accurate forecasts of projected needs be made.
- b. Each law enforcement entity should apportion its PE/PI/PS allowance throughout its jurisdiction.
- c. Headquarters management should establish guidelines authorizing officers to spend up to a predetermined limit of their total allowance on any one investigation.
- d. In exercising his/her authority to approve these expenditures, the supervisor should consider:
  - The significance of the investigation;
  - The need for this expenditure to further that investigation; and
  - Anticipated expenditures in other investigations. Funds for PE/PI/PS expenditures should be advanced to the officer for a specific purpose. If they are not expended for that purpose, they should be returned to the cashier. They should not be used for another purpose without first returning them and repeating the authorization and advance process based on the new purpose.
- e. Funds for PE/PI/PS expenditure should be advanced to the officer on a suitable receipt form. A receipt for purchase of information or a voucher for purchase of evidence should be completed to document funds used in the purchase of evidence or funds paid or advanced to an informant.
- f. For security purposes, there should be a 48-hour limit on the amount of time funds advance for PE/PI/PS expenditure may be held outstanding. If it becomes apparent at any point within the 48-hour period that the

expenditure will not materialize, then the funds should be returned to the advancing cashier as soon as possible. An extension to the 48-hour limit may be granted by the level of management that approved the advance. Factors to consider in granting such an extension are the amount of funds involved, the degree of security under which the funds are being held, how long an extension is required, and the significance of the expenditure. Such extensions are generally limited to 48 hours.

Recipients should consult with the program office prior to determining the final course of action. Beyond this, the funds should be returned and re-advanced, if necessary. Regardless of circumstances, within 48 hours of the advance, the fund cashier should be presented with either the unexpended funds, an executed voucher for payment for information or purchase of evidence, or written notification by management that an extension has been granted.

- g. Purchase of Services (P/S) expenditures, when not endangering the safety of the officer or informant, need to be supported by canceled tickets, receipts, lease agreements, etc. If not available, the office head, or his/her immediate subordinate, must certify that the expenditures were necessary and justify why supporting documents were not obtained.



## Chapter 12 Standards for Financial Management Systems

### 12.0 Standards for Financial Management Systems

The financial responsibility of grantees must be such that the grantee can properly discharge the public trust which accompanies the authority to expend public funds. All recipients are required to establish and maintain accounting systems and financial records to accurately account for funds awarded to them. These records shall include both grant funds and matching funds of state, local and private organizations when applicable.

### 12.1 Accounting System

An efficient accounting system should meet the following criteria:

- a. Accounting records should provide information needed to adequately identify the receipt of funds under each grant awarded and the expenditure of funds for each grant.
- b. Entries in accounting records should refer to subsidiary records and/or documentation which support the entry and which can be readily located.
- c. The accounting system should provide accurate and current financial reporting information.
- d. The accounting system should be integrated with an adequate system of internal controls to safeguard the funds and assets covered, check the accuracy and reliability of accounting data, promote operational efficiency and encourage adherence to prescribed management policies.
- e. Presents and classifies projected historical cost of the grant as required for budgetary and evaluation purposes.
- f. Provides financial data for planning, control, measurement and evaluation of direct and indirect costs. The Commission does **not** award grant funds for indirect costs. Even if the grantee has an approved indirect cost rate, these expenses are unallowable in Commission funded projects.
- g. New Commission Grantees will be required to complete the Accounting System and Financial Capability Questionnaire in Appendix F

## 12.2 Total Cost Budgeting and Accounting

Accounting for all funds awarded by the granting agency shall be structured and executed on a "total program cost" basis. That is, total program costs, including federal, state and local matching shares and any other fund sources included in the approved project budget or received as program income shall be the foundation for fiscal administration and accounting.

## 12.3 Commingling of Funds

The accounting system must ensure that agency funds are not commingled with grant funds. Each grant award must be accounted for separately. Grantees are prohibited from commingling funds on either a program-by-program or project-by-project basis.

Funds specifically budgeted and/or received for one project may not be used to support another.

## Chapter 13 On-site Monitoring and Assistance Visits

### 13.0 On-site Monitoring and Assistance Visits

Pass-through entities, such as the Commission, are responsible for monitoring grants and providing reasonable assurance that:

- a. Grant funds are expended in ways that meet provisions of pertinent statutes, regulations, agency administrative requirements, relevant Office of Management and Budget (OMB) circulars and the term of the award notice.
- b. Adequate progress is being made toward achieving the projects goals and objectives.

The purpose of an on-site monitoring and assistance visit is to ensure the success of a project and to identify problems before they become serious, and to document changes and trends in conditions and strategies related to grant-funded activities.

The Commission has developed two different types of site visits. One is a financial review and the other is a programmatic review.

### 13.1 Financial Review

The financial review will consist of an analysis and evaluation of your office's accounting system to ensure that it provides full accountability for revenues, expenditures, assets and liabilities. The Commission staff will check to make certain that there is proper segregation of duties.

A review of all expenditures will be performed and evaluated to ensure they were made only for allowable services and were within the proper time period. There will also be an examination of prepared financial reports to ensure they contain accurate and reliable financial information and are presented in accordance with the terms of the Grant Agreement.

The following financial reports, as well as all original documents must be made available for review for the time period requested:

- a. Detailed revenue, expenditure and encumbrance reports;
- b. General ledger;
- c. Task force records for confidential fund expenditures;

- d. Agency reconciliation reports;
- e. Payroll – list of employees paid by the grant, timesheets, etc.; and
- f. Check register, bank statements and cancelled checks if any.

### 13.2 Programmatic Review

The programmatic review will consist of questions that deal with the administrative functions as well as questions that relate to activities that are supported by the grant funds. There are certain questions that will be consistent between all programs such as:

- a. Do the project goals, objectives, activities and services continue to reflect those proposed in the grant application;
- b. Are the objectives time bound, observable, measurable, activity related;
- c. What kind of agency evaluation is being done that shows progress toward the goals and objectives of the program;
- d. If changes have been made, have they had prior approval of the Commission;
- e. Are performance or activity and financial reports submitted on time;
- f. Does the agency have a written code of conduct regarding the performance of employees regarding conflict of interest;
- g. What type of information is included in property records and is a physical inventory of equipment taken and how often;
- h. What precautions have been taken so that there is no business being done with a suspended or debarred party; and
- i. How can the Commission staff assist you in the management of the grant.

Additional program specific questions will be asked. This list indicates what types of administrative questions may be expected during a site visit.

## Chapter 14 Equal Employment Opportunity Plan

### 14.0 Equal Employment Opportunity Plan

The purpose of an Equal Employment Opportunity Plan (EEO) is to ensure full and equal participation of men and women in the workplace of the recipient agency, regardless of race, color or national origin. A recipient agency is defined as any State or local unit of government or agency thereof, and any private entity, institution, or organization, to which Office of Justice Programs (OJP) financial assistance is extended directly or through a government entity such as the Commission.

### 14.1 Criteria

Recipient agencies that meet all the following criteria are required to maintain an EEO on file for review by OJP, if requested. (See 28 CFR §42.301 et seq.):

- a. have 50 or more employees, **and**
- b. received a total of \$25,000 or more in grants or sub-grants; **and**
- c. have 3 percent or more minorities in service population (however, if less than 3 percent minorities in service population, and EEO must be prepared, but must focus on employment practices affecting women only).

Grantees that meet criteria (a) and (c), and that receive over \$500,000 (or \$1 million during an 18 month period) are required to submit an EEO to the Office of Justice Programs (OJP), U.S. Department of Justice, Office for Civil Rights, 810 7<sup>th</sup> Street N.W., Washington D.C. 20531 for review.

### 14.2 Plan Acceptability

Comprehensive guidelines for developing an Equal Employment Opportunity Plan can be found at 28 CFR § 42.301 et seq. For more information and a guide to the design and development of an Equal Employment Opportunity plan consult the Office for Civil Rights (OCR) website at [www.ojp.usdoj.gov/ocr](http://www.ojp.usdoj.gov/ocr)

An EEO must be developed by each grantee with 50 or more employees that receives an award of \$25,000 or more either directly from the Office of Justice Programs (OJP) or as a sub-grant from a state planning agency such as the Commission. Exceptions: Regardless of the amount of funding or number of employees, if the recipient agency is an educational institution, non profit organization, Indian tribe or medical institution, it is exempt and is not required to develop an EEO.

Submissions of the EEOP vary depending on the entity type, number of employees and funding level of a grantee agency. The following guidelines should be used to determine what information, if any must be submitted to Office for Civil Rights (OCR).

An agency **does not** need to return any EEOP related information to OCR if it is a non-profit organization, educational institution, Indian tribe or medical institution or is not receiving a signed grant or sub-grant award of at least \$25,000.

An agency **must submit** a Certification to OCR if it is receiving a single award for at least \$25,000, but has less than 50 employees or has 50 or more employees and is receiving a single award for at least \$25,000, but less than \$500,000.

An agency **must submit** a copy of its EEOP or EEOP Short Form to OCR if it is receiving a single grant award of \$500,000 or more or an aggregate of grant awards for \$1,000,000 or more during an 18 month period and has 50 or more employees.

**All grantees must forward to OCR a copy of any finding for discrimination made against their agency after a due process hearing (within the past five years) within 30 days of such finding.**

CERTIFICATION

Grant Title:

Grantee Name:

Contact Person:

Tel#:

Address:

Award Amount:

Grant Number:

Date and effective duration of EEOP:

Policy Statement:

CERTIFICATION (EEOP ON FILE)

Certification Statement:

I, \_\_\_\_\_ (executive officer), certify that the \_\_\_\_\_ (organization) has formulated an Equal Employment Opportunity Plan in accordance with 28 CFR 42.301 et seq., subpart E, that it has been signed into effect by the proper authority and disseminated to all employees, and that it is on file in the Office of \_\_\_\_\_ (name), \_\_\_\_\_ (address) \_\_\_\_\_ (title), for review or audit by officials of the cognizant State planning agency or the Office for Civil Rights, Office of Justice Programs as required by relevant laws and regulations.

\_\_\_\_\_  
(signature)

\_\_\_\_\_  
(title)

\_\_\_\_\_  
(date)

-----  
-

CERTIFICATION (NO EEOP REQUIRED)

I HERBY CERTIFY THA THE FUNDED ENTITY HAS LESS THAN 50 EMPLOYEES AND THEREFORE IS NOT REQUIRED TO MAINTAIN AN EEOP, PURSUANT TO 28 CFR 41.301, et seq.

\_\_\_\_\_  
(signature)

\_\_\_\_\_  
(title)

\_\_\_\_\_  
(date)

## Chapter 15 Closeout

### 15.0 What is Closeout

Closeout of a grant takes place when the awarding agency makes a determination that all applicable programmatic and administrative actions under the grant have been completed. In short, it is the final step which completes the grant agreement mutually consented to by both parties (the Commission and the grantee). In order to successfully closeout the grant, mutual collaboration and cooperation will be required between the Commission staff and the grantee.

It is the responsibility of the Commission grant manager or designee to inform the grantee of the closeout requirements. The grant manager or designee will actively work with the grantee to ensure these requirements are met and will provide necessary assistance. There are some circumstances under which grant closeouts should not occur:

- a. If litigation, including an appeal, is pending
- b. In the case of terminated grants, if termination actions are pending
- c. If allowable costs have not yet been paid to the recipients

Office of Management and Budget (OMB) Circulars A-102 §.50 and A-110 §.71 address the closeout requirements specified by the Federal government. Grantees must submit all performance and financial reports within 90 calendar days after the date of completion of the award; they must also return or dispose of government property. All accounts, including reimbursement for any outstanding costs and refunds must be settled.

The grant manager or designee may authorize an extension to the 90-day period if unusual circumstances exist. The grantee must request an extension to the grant agreement end date 60 days prior to the end date.

### 15.1 Reports

Several reports must be submitted within 90 days after the termination date stated on the grant agreement. They are:

- a. Financial Status Report (SF-269 or SF-269A);
- b. Progress report;
- c. Report of federally owned property (if applicable);



- d. Final Federal Cash Transaction Report (SF-272);
- e. Last payment request (if applicable).

## 15.2 Closure of Accounts

Upon closeout, the Commission will make prompt payment to grantees for allowable reimbursable costs covered under the grant agreements and included within the approved budget. Grantees must immediately refund the government any unencumbered (unobligated) cash advanced that is not authorized to be retained for use on other grants.

Grantees should remember that once a grant has been closed, any subsequent invoices received by the grantee shall be the responsibility of the grantee. This is applicable even if the money was obligated before the grant was closed.

Grantees are obligated to refund to the Commission:

- a. Any overages paid to the grantee by the Commission, after the closeout account balancing determines there are any;
- b. Any investment income or interest that was earned on an advance of grant monies that are due to the government;
- c. Any other monies that are due the government under the provisions of the grant agreement.

There is no requirement, under A-102 or A-110, for completion of an audit before a grant closeout.

## 15.3 Later Disallowances and Adjustments

The closeout of a grant does not affect:

- a. The Commission's right to disallow costs and recover funds on the basis of a later review or audit;
- b. The grantee's obligation to return any funds due as a result of a later correction, refunds, or other transaction;
- c. Records retention is required in §\_.42;
- d. Property management requirements in §\_.31 and §\_.32;

- e. Audit requirements in §\_.26 .

#### 15.4 Collection of Amounts Due

Any funds paid to a grantee in excess of the amount to which the grantee is finally determined to be entitled under the terms of the awrd constitute a debt to the Federal government. If not paid within a reasonable period after demand, the government may reduce the debt by:

- a. Making administrative offset against other requests for reimbursements;
- b. Withholding advance payments otherwise due to the grantee;
- c. other action permitted by law

Except where otherwise prohibited by statutes or regulations, the award agency may charge interest on an overdue debt in accordance with the Federal Claims Collection Standards (4 C.F.R. Ch.II). The date from which interest is computed is not extended by litigation or the filing of any form of appeal.

# Appendix A

## Grant Agreement



ARIZONA CRIMINAL JUSTICE COMMISSION  
GRANT PROGRAM  
GRANT AGREEMENT

SAMPLE

ACJC Grant Number (**number**)  
Catalog of Federal Domestic Assistance (CFDA) Number

This Grant Agreement is made this 1<sup>ST</sup> day of July, 2004, by and between the ARIZONA CRIMINAL JUSTICE COMMISSION hereinafter called "COMMISSION" and **NAME OF JURISDICTION**, through **NAME OF AGENCY** hereinafter called "GRANTEE". The COMMISSION enters into this Agreement pursuant to its authority under the provisions of A.R.S. § 41-2405 (B)(6), and having satisfied itself as to the qualification of GRANTEE;

NOW, THEREFORE, it is agreed between the parties as follows:

1. This Agreement will commence on July 1, 2004 and terminate on June 30, 2005. This Agreement expires at the end of the award period unless prior written approval for an extension has been obtained from the COMMISSION sixty (60) days prior to the end of the award period.
2. The GRANTEE agrees that grant funds will be used to provide services **specific to each program** as stated in the grant application.
3. The COMMISSION will monitor the performance of the GRANTEE against goals and performance standards outlined in the grant application. Sub-standard performance as determined by the COMMISSION will constitute non-compliance with this Agreement. The GRANTEE shall operate in a manner consistent with and in compliance with the provisions and stipulations of the approved grant application and this Agreement. If the COMMISSION finds non-compliance, the GRANTEE will receive a written notice which identifies the area of non-compliance, and the appropriate corrective action to be taken. If the GRANTEE does not respond within thirty calendar days to this notice, and does not provide sufficient information concerning the steps which are being taken to correct the problem, the COMMISSION may suspend funding or permanently terminate this Agreement or revoke the grant. Any deviation or failure to comply with the purpose and/or conditions of this Agreement without prior written COMMISSION approval may constitute sufficient reason for the COMMISSION to terminate this Agreement, revoke the grant, require the return of all unspent funds, perform an audit of expended funds, and require the return of any previously spent funds which are deemed to have been spent in violation of the purpose or conditions of this grant.
4. This Agreement may be modified only by a written amendment signed by the Executive Director or by persons authorized by the Executive Director on behalf of the COMMISSION and GRANTEE. Any notice given pursuant to this Agreement shall be in writing and shall be considered to have been given when actually received by the following addressee or their agents or employees:

A. If to the COMMISSION:

Arizona Criminal Justice Commission  
1110 W. Washington Street, Suite 230  
Phoenix, Arizona 85007  
Attn: Program Manager

B. If to the GRANTEE:

**Address Block**

Attn: **Title, First Name, Last Name**

5. For grant awards above \$100,000, the GRANTEE may make budget adjustments of up to ten (10) percent of the total grant within any approved budget category excluding equipment. If the GRANTEE wishes to make adjustments or reprogram in excess of ten (10) percent or purchase equipment, written approval from the COMMISSION in advance is required. For grant awards less than \$100,000, the GRANTEE may make budget adjustments within approved categories excluding equipment as long as there are no changes to the purpose or scope of the project. If the GRANTEE wishes to purchase equipment, written approval from the COMMISSION in advance is required.

<b>APPROVED LINE ITEM PROGRAM BUDGET</b>	
Personnel Expenses	
Overtime	
Employee Related Expenses (ERE)	
Consultant/Contractual	
Travel In-State	
Travel Out-of-State	
Operating Expenses (Type: <b>expense</b> )	
Equipment (Type: <b>name equipment</b> )	
<b>TOTAL</b>	
<b>Personnel Positions Funded:</b>	
<b>Position 1, Position 2, etc</b>	

6. It is agreed and understood that the total to be paid by the COMMISSION under this Agreement shall not exceed (\$) in Federal funds awarded to the COMMISSION by the U.S. Department of Justice, Office of Justice Programs, **and/or** (\$) in State funds. (\$) in local **cash/in-kind** matching funds representing **twenty-five/ten** (#) percent of the total award will be supplied by the GRANTEE from the **source**.
7. The GRANTEE understands that financial reports are required for reimbursement of expenditures. **OR** The GRANTEE understands that grant funds will be paid in monthly allotments through the grant period of award. (**NOTE: varies by program**)
8. Every payment obligation of the COMMISSION under this Agreement is conditioned upon the availability of funds appropriated or allocated for the payment of such obligation. If funds are not allocated and available for the continuance of this Agreement, this Agreement may be terminated by the COMMISSION. No liability shall accrue to the COMMISSION in the event this provision is exercised, and the COMMISSION shall not be obligated or liable for any future payments or for any damages as a result of termination under this paragraph.

9. The GRANTEE certifies that it will comply with *OMB Circular A-102 Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments* as codified in 28 CFR Part 66 and *OMB Circular A-87 Cost Principles for State, Local and Indian Tribal Governments*. **(Federal programs)** OR The GRANTEE agrees to abide by State laws and provide accounting, auditing and monitoring procedures to safeguard grant funds and keep such records to assure proper fiscal controls, management and the efficient disbursement of grant funds. **(State programs)**

Link: *OMB Circulars* <http://www.whitehouse.gov/omb/circulars/index.html>

10. The GRANTEE agrees to account for interest earned on Federal grant funds and shall remit interest earned in excess of the allowable amount as indicated in the *Office of Justice Programs Financial Guide* and all unexpended grant funds to the COMMISSION within 30 days of written request received from the COMMISSION. The GRANTEE agrees to expend all encumbered funds within 90 days of expiration of this award. **(Most Federal Programs except LLEBG)** OR The GRANTEE agrees to remit all unexpended grant funds to the COMMISSION within 30 days of written request received from the COMMISSION. The GRANTEE agrees to expend all encumbered funds within 90 days of expiration of this award. **(State Programs)**

Link: *OJP Financial Guide* <http://www.ojp.usdoj.gov/FinGuide/>

11. The GRANTEE agrees to retain all books, account reports, files and other records, (paper and/or electronic) relating to this Agreement and the performance of this Agreement as required pursuant to the approved record retention policy as mandated by the Arizona State Library, Archives and Public Records Management Division in no event less than three (3) years. All such documents shall be subject to inspection and audit at reasonable times. OR The GRANTEE agrees to retain all books, account reports, files and other records, (paper and/or electronic) relating to this Agreement and the performance of this Agreement for a period of five (5) years after fiscal year created or received. All such documents shall be subject to inspection and audit at reasonable times pursuant to A.R.S. § 35-214. **(Victim Non-Profits)**

Link: *Records, Retention and Disposition Manuals* <http://www.lib.az.us/records/forms.cfm>

12. For the purpose of this grant, a capital expenditure is \$5,000 or above. If the GRANTEE'S policy defines a capital expenditure as less than \$5,000, the GRANTEE will use its own policy.

13. The GRANTEE agrees to follow equipment disposition policies outlined in *OMB Circular A-102 Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments* as codified in 28 CFR, Part 66.32 (e) (1-3) when the equipment is no longer needed for the grant program. **(Federal Programs)** OR The GRANTEE agrees to follow its own agency equipment disposition policies when the equipment is no longer needed for the grant program. If the GRANTEE has no policy, reference the *Uniform Accounting Manual for Arizona Counties* authorized by the Auditor General for disposition guidelines and guideline development. **(State Programs)**

Link: *Uniform Accounting Manual for Arizona Counties* <http://www.auditorgen.state.az.us>

Link: *OMB Circulars* <http://www.whitehouse.gov/omb/circulars/index.html>

14. The GRANTEE agrees to maintain property records for equipment purchased with grant funds and perform a physical inventory and reconciliation with property records at least every two years or more frequently based on GRANTEE policy.
15. The GRANTEE agrees to keep time and attendance sheets signed by the employee and supervisory official having first hand knowledge of the work performed by the grant funded employees.
16. The GRANTEE will comply with the audit requirements of *OMB Circular A-133 Audits of States, Local Governments and Non-Profit Organizations* and provide the COMMISSION with the audit report and any findings within 90 days of receipt of such finding. If the report contains no findings, the GRANTEE must provide notification that the audit was completed. **(Federal program)**

Link: *OMB Circular A-133* <http://www.whitehouse.gov/omb/circulars/index.html>

17. The GRANTEE agrees that it will submit financial and activity reports to the COMMISSION on forms/format provided by the COMMISSION, documenting the activities supported by these grant funds and providing an assessment of the impact of these activities. In the event reports are not received on or before the indicated date(s), funding will be suspended until such time as delinquent report(s) are received. These reports are submitted according to the following schedule: ( **Some due monthly**)

Report Period:	Due Date:
July 1, 2004 to September 30, 2004	October date, 2004
October 1, 2004 to December 31, 2004	January date, 2004
January 1, 2005 to March 31, 2005	April date, 2005
April 1, 2005 to June 30, 2005	July date, 2005

More frequent reports may be required for GRANTEES who are considered high risk.

18. The GRANTEE assures that it will collect and maintain information on victim services provided by ethnicity, sex, age and disability. **(Victim Assistance program)**
19. All goods and services must be received by the GRANTEE within 60 days of the expiration of this award.
20. The GRANTEE agrees to obtain COMMISSION approval for all sole-source procurements in excess of \$100,000.
21. The GRANTEE agrees to obtain COMMISSION approval prior to the expenditure of grant funds for consultant fees in excess of \$450 per day.
22. The GRANTEE agrees to check the U.S. General Service Administration (GSA) Excluded Parties Listing Service as required by Executive Order 12549, as defined in 28 CFR Part 67.510 for individuals, agencies, companies and corporations debarred or suspended from doing business with recipients receiving Federal funds. The GRANTEE agrees not to do business with any individual, agency, company or corporation listed in the Excluded Parties Listing Service. **(Federal program)**

Link: *Excluded Parties Listing System* <http://epls.arnet.gov>

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23. The GRANTEE agrees to utilize the *Computer Hardware and Software Vendor Guidelines* distributed by the COMMISSION when purchasing hardware and software with grant funds.
  24. The GRANTEE agrees not to use grant funds for food and/or beverage unless explicitly approved in writing by the COMMISSION.
  25. No funds shall be used to supplant Federal, State, county or local funds that would otherwise be made available for such purposes.
  26. The GRANTEE agrees that it is acting as an independent contractor and agrees to hold the COMMISSION harmless for the actions of the GRANTEE'S employees.
  27. The GRANTEE assigns to the COMMISSION any claim for overcharges resulting from antitrust violations to the extent that such violations concern materials or services applied by third parties to the GRANTEE in exchange for grant funds provided under this Agreement.
  28. The parties agree to use arbitration in the event of disputes in accordance with the provisions of A.R.S. § 12-1501 et seq.
  29. The laws of the State of Arizona apply to questions arising under this Agreement and any litigation regarding this Agreement must be maintained in Arizona courts, except as provided in paragraph 28 of this Agreement pertaining to disputes which are subject to arbitration.
  30. The GRANTEE understands that grant funds will not be released until all required reports and reversion of funds from the prior year grant are submitted to the COMMISSION.
  31. The GRANTEE agrees that grant funds are not to be expended for any indirect costs that may be incurred by GRANTEE for administering these funds. This may include, but is not limited to, costs for services such as accounting, payroll, data processing, purchasing, personnel, and building use which may have been incurred by the GRANTEE.
  32. The GRANTEE agrees to comply with the applicable laws and provisions of the **(Cite Program Rules)** program administered by the COMMISSION.
  33. The GRANTEE agrees to utilize the *Data Dictionary*, approved and distributed by the COMMISSION, as the data entry standard for information systems when improving or updating an existing Information System. The GRANTEE agrees to utilize the *Data Dictionary* as the data entry standard in any new system or when an existing Information System is replaced. **(government programs only)**

**Link:** *Data Dictionary* <http://www.acjc.state.az.us> (Currently not available on-line. Call for copy, we will email.)



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34. The GRANTEE should, to the extent possible and practical integrate their criminal justice records system with other criminal justice agency record systems in the state. This will enhance the overall effectiveness of the Arizona Criminal Justice Records System. **(government programs only)**
  35. The GRANTEE should, to the extent possible and practical share criminal justice information with other authorized criminal justice agencies. The process control number (PCN) shall be used in accordance with A.R.S. § 41-1750 when sharing data with other criminal justice agencies as electronic data systems are developed or improved. **(government programs only)**
  36. The GRANTEE agrees to comply with all Federal Civil Rights Laws, including Title VI of the Civil Rights Act of 1964, as amended. All applicable state laws of A.R.S. § 41-1463, and Executive Orders 1999-4 and 2000-4. These laws prohibit discrimination on the basis of race, color, religion, sex and national origin including Limited English Proficiency (LEP) in the delivery of service. In the event that a Federal or State court or Federal or State administrative agency makes a finding of discrimination after a due process hearing against the GRANTEE, the GRANTEE will forward a copy of the findings to the COMMISSION.
  37. The GRANTEE agrees to submit an acceptable Equal Employment Opportunity Plan to the U.S. Department of Justice, Office of Justice Programs (OJP) (if grantee is required to submit one pursuant to 28 CFR 42.302), that is approved by the Office of Civil Rights. Failure to comply may result in suspension of the receipt of grant funds. Copies of all submissions to or correspondence with OJP regarding this requirement must be provided to the COMMISSION by GRANTEE. **(Federal programs)**
  38. The GRANTEE certifies to comply with the Drug-Free Workplace Act of 1988, and implemented in 28 CFR Part 67, Subpart F, for grantees, as defined in 28 CFR, Part 67 Sections 67.615 and 67.620. **(Federal programs)**
  39. The GRANTEE agrees to complete and keep on file, as appropriate, Immigration and Naturalization Form (I-9). This form is to be used by recipients to verify that persons are eligible to work in the United States. **(Federal programs)**
  40. The GRANTEE agrees to notify the COMMISSION within ten (10) days in the event that the project official is replaced during the award period.
  41. No rights or interest in this Agreement shall be assigned by GRANTEE without prior written approval of the COMMISSION.
  42. The GRANTEE agrees that no funds provided, or personnel employed under this Agreement shall be in any way or to any extent engaged in conduct of political activities in violation of U.S.C. Title 5, Part II, Chapter 15, Section 1502.
  43. The GRANTEE certifies that it presently has no financial interest and shall not acquire any financial interest, direct or indirect, which would conflict in any manner or degree with the performance of service required under this Agreement.

- 
44. The GRANTEE assures that it will comply with all state and federal laws regarding privacy during the course of the award. All information relating to clients is to be treated with confidentiality. **(Victim Assistance program)**
45. The Grantee certifies that no federal funds will be paid, by or on behalf of, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into any cooperative agreement, and for the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan or cooperative agreement. If any funds other than Federal funds are paid or will be paid to any person for influencing or attempting to influence an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal award, grant loan, or cooperative agreement, the GRANTEE will complete and submit to the COMMISSION Standard Form-LLL, "Disclosure Form to Report Lobbying" in accordance with its instructions. **(Federal Programs)**

**Reserved for Federal Special Conditions per award**

46. Special Condition 1
47. Special Condition 2
48. Special Condition 3
49. This Agreement is subject to cancellation pursuant to the provision of A.R.S. § 38-511.
50. This Agreement will be cancelled if not returned with authorized signatures to the COMMISSION within 90 days of commencement of the award.
51. If any provision of this Agreement is held invalid the remainder of the Agreement shall not be affected thereby and all other parts of this Agreement shall be in full force and effect.

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IN WITNESS WHEREOF, the parties have made and executed the Agreement the day and year first above written.

**FOR GRANTEE:**

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Authorized Signature

Date

Note: If applicable, the Agreement must be approved by the appropriate county supervisory board or municipal council and appropriate local counsel (i.e. county or city attorney). Furthermore, if applicable, resolutions and meeting minutes must be forwarded to the Commission with the signed Agreement.

**Approved as to form and authority to enter into Agreement:**

---

Legal counsel for GRANTEE

Date

**Statutory or other legal authority to enter into Agreement:**

---

Appropriate A.R.S., ordinance, or charter reference

**FOR CRIMINAL JUSTICE COMMISSION:**

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Michael D. Branham, Executive Director  
Arizona Criminal Justice Commission

Date

# Appendix B

## Financial Report



SAMPLE

ARIZONA CRIMINAL JUSTICE COMMISSION
FINANCIAL REPORT

Grant Number:«GrantNumber»
Report Period:
Name of Agency Submitting Report: «Agency»
Task Force/Project Title:

Please round to the nearest dollar.

Table with 3 columns: Line #, Status of Funds, Current Period. Rows A-I detailing outlays, obligations, and program income.

Please round to the nearest dollar.

All interest, if earned, must be reported for all programs receiving federal monies. Amounts over\$100.00 must be reverted to the Arizona Criminal Justice Commission at the end of the grant period. Refer to Part III, Chapter 1; Page 33-34 OJP Financial Guide, 2002. The current version of the OJP Financial Guide is available at http://www.ojp.usdoj.gov/FinGuide/ to check if a vendor/contractor have a debarment or suspension as required in the Grant Agreement check the Excluded Parties Listing System web site at http://epls.arnet.gov

CERTIFICATION: I certify that to the best of my knowledge and belief, this report is correct and complete and that all outlays and unpaid obligations are for the purposes set forth in the grant award documents.

Prepared by:

Typed Name/Date/Telephone/Fax Number

Certified by:

Signature of Authorized Official Date

**CURRENT REPORT PERIOD FINANCIAL DETAIL**

Name of Agency Submitting Report: «Agency»

Report Period: \_\_\_\_\_

**Please round to the nearest dollar.**

Expenditure Category	Period Expenses	Outstanding Obligations
Personnel/Salaries	\$	\$
Personnel/Overtime	\$	\$
Employee Related Expenses (ERE)	\$	\$
Professional/Outside Services(list below)	\$	\$
In-State Travel	\$	\$
Out-of-State Travel	\$	\$
Confidential Expenses	\$	\$
Other Operating Expenses	\$	\$
Equipment: (See Budget Category Guidelines for definitions)		
Capital (List Below)	\$	\$
Non-Capital (List Below)	\$	\$
<b>Total Period Expenses (Enter on Page 1, Line B)</b>	\$	
<b>Total Outstanding Obligations (Enter on Page 1, Line D)</b>		\$
Program Income Expenditures***	\$	\$
<b>Total</b>	\$	\$

**Please round all line items to the nearest dollar.**

\*\*\*Refer to Part III Chapter 4: Program Income; OJP Financial Guide, 2002 for explanation of Program Income.

Type of Equipment Purchased: <b>List Each Item Included Above</b> (Written Approval is Required)			Quantity	Amount Each (\$)
√ Capital	Non- Capital	Type of Equipment		
<input type="checkbox"/>	<input type="checkbox"/>	_____	_____	_____
<input type="checkbox"/>	<input type="checkbox"/>	_____	_____	_____
<input type="checkbox"/>	<input type="checkbox"/>	_____	_____	_____
<input type="checkbox"/>	<input type="checkbox"/>	_____	_____	_____

# Appendix C

## Budget Category Guidelines

## **Budget Category Guidelines**

These budget category explanations and guidelines are to be used with the Commission financial report in the previous page.

a. Personnel/ Salaries

Regular Base Pay including On-Call; Incentive Pay; High Risk (Hazardous) Duty; Shift Differential; Annual Leave; Sick Leave; Military Leave; Other Compensated Leave (Jury Duty, etc.).

b. Personnel/Overtime

Some grants do not allow for overtime. Charges for any time worked which is in excess of normally set limits (either straight or time and one-half pay) including compensation time.

c. Employee Related Expenditures (ERE)

ERE includes insurance (FICA Taxes, Medical Insurance, Basic Life, Long Term Disability, Unemployment compensation, Dental Insurance, Workers Compensation); Retirement Plan; Uniform Allowance; Other Employee Related Expenditures.

d. Professional / Outside Services

Consultant Fees including Expenses; Education and Training (Payments to companies or individuals providing education and training services); Legal Services (Charges provided by lawyers); Engineering and Design (Engineering costs incurred prior to the construction phase).

e. In-State Travel

This category includes Airfare; Mileage-Private Vehicle; Motor Pool Charges; Lodging; Per Diem (Meals and Incidental Expenses); Other Miscellaneous In-State Travel.

f. Out-of State Travel

The out-of-state travel category includes Airfare; Car Rental; Lodging; Per Diem (Meals and Incidental Expenses); Other Miscellaneous Out-of-State Travel.



g. Confidential Funds

Confidential Funds are those monies allocated to the categories listed below. Some grant programs do not allow confidential funds.

1. Purchase of Services (P/S)- Travel or transportation of an informant; the lease of an apartment, business front; luxury-type automobiles; aircraft or boat used to create or establish the appearance of affluence; and/or meals, beverages, entertainment (including buy money and flash rolls, etc.) For undercover purposes, within reasonable limits.
2. Purchase of Evidence (P/E)- This is the purchase of evidence and/or contraband, such as narcotics and dangerous drugs, firearms, stolen property, counterfeit tax stamps, etc., required to determine the existence of a crime or to establish the identity of participant in a crime.
3. Purchase of Specific Information (P/I)- This is the payment of monies to an informant for specific information. All other informant expenses would be classified under P/S and charged accordingly.

Confidential funds are awarded only if the merits of a program/investigation warrant the expenditure of these funds and requesting agencies are unable to obtain these funds from other sources. Adequate controls over disbursement of confidential funds must be established to safeguard against the misuse of such funds, consistent with the *Office of Justice Programs Financial Guide*. An approved Confidential Funds policy must be submitted to the Commission office.

**Web Link:** *Office of Justice Programs Financial Guide*  
<http://www.ojp.usdoj.gov/FinGuide/>

h. Other Operating Expenses

This category includes Insurance & Related Charges (Risk Management, General Liability); Information Technology including rental charges (Computer Equipment); Communications including rental charges (Telephone, Pager, Cellular); Utilities; Rent of Land and or Buildings; Repair and Maintenance (Buildings, Vehicles, Information Technology; Operating Supplies (Office, Data Processing, Fuel and Lubricants, Publications); Training Registration; Dues; and Other Miscellaneous Operating.

To check if a vendor or contractor has a debarment or suspension from doing business with federal funds as required in the Grant Agreement check the *Excluded Parties Listing System*. This is important so you do not use a debarred vendor.

**Web Link:** *Excluded Parties Listing System* <http://epls.arnet.gov>

i. Equipment

Equipment is the cost associated with the purchase of vehicles, furniture telecommunications, computers, etc.

1. Non-Capital Equipment: \$1,000 - \$4,999 and Technology Equipment \$0-4,999 with a useful life of 1 yr or more.
2. Capital Equipment: \$5,000 or above, If the grantee policy defines capital equipment as less than \$5,000 then the grantee must use its own policy.

j. Program Income

All income generated as a direct result of an agency funded project is program income. Program income should be used as earned and expended as soon as possible. This includes but is not limited to sale of seized and forfeited assets and money. State and local units of government may use program income funds from seized and forfeiture assets as match. For additional information see the *OJP Financial Guide* Chapter 4: Program Income, and Chapter 10 in this manual.

1. Program Income Earned this Period: Income received from the sale of seized and forfeited assets (personal or real property) or from seized and forfeited money.
2. Program Income Expenditures: Program income shall be used by the grantee for any purpose that furthers the broad objectives of the legislation under which the award was made (i.e., expanding the project or program, continuing the project or program that furthers the objectives, obtaining equipment or other assets needed for the project or program, or for other activities that further the statutes' objectives).

Other Federal Grant Program materials that should be referenced are the *OMB Circulars*. These, along with the Grant Agreement, will give guidance to manage your grant program.

**Web Link:** *OMB circular A-87 Cost Principles for Governments, A-122 Cost Principles for Non-Profit Organizations, A-102 Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments and Indian Tribes, A-110 Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations. A-133 Audit of Federal Grants and Cooperative Agreements.*  
<http://www.whitehouse.gov/omb/circulars/>

Appendix D  
Crime Victim Assistance  
Financial Report Sample

SAMPLE



**Arizona Criminal Justice Commission  
Crime Victim Assistance Program  
Fiscal Year 04/05**

Program Name: Victim Assistance ACJC Grant #: \_\_\_\_\_

Agency Name: \_\_\_\_\_

Address: \_\_\_\_\_

Contact Person: \_\_\_\_\_

Telephone Number: \_\_\_\_\_ FAX Number: \_\_\_\_\_

E-Mail: \_\_\_\_\_

Report Period (Check appropriate box):

- First Quarter Jul 1, 2004 thru Sep 30, 2004 due 10/31/04
- Second Quarter Oct 1, 2004 thru Dec 31, 2004 due 01/31/05
- Third Quarter Jan 1, 2005 thru Mar 31, 2005 due 04/30/05
- Fourth Quarter Apr 1, 2005 thru Jun 30, 2005 due 08/15/05

Prepared by: \_\_\_\_\_  
Signature of Person Completing Report Date

\_\_\_\_\_  
Typed Name and Title

Certified by: \_\_\_\_\_  
Signature of Authorized Official Date

\_\_\_\_\_  
Typed Name and Title

## PART I - FINANCIAL SUMMARY

PROGRAM NAME: \_\_\_\_\_ ACJC GRANT \_\_\_\_\_

Provide budgetary information as requested below

### A. ACJC FUNDS

	Status of Funds	Current Period
1.	Total Outlays Previously Reported (From Line 3 previous quarters report)	\$
2.	Total Outlays this Period (from pg 2)	\$
3.	Total Outlays to Date (Line 1 + 2)	\$
4.	Total Outstanding Obligations (from pg 2)	\$
5.	Total Outlays and Unpaid Obligations (Line 3 + 4)	\$
6.	Total Grant Award Authorized	\$
7.	Unobligated Funds (Line 6 - 5)	\$

### B. FUNDS REQUIRED AS MATCH TO GRANT

(Report match up the required amount only. Include value of in-kind contributions, if applicable see note.)

**NOTE:** In-kind contributions are allowable as match for NEW programs only. A NEW program is defined as an agency that began providing victim services on or after June 30, 2001.

	Status of Funds	Current Period
1.	Total Outlays Previously Reported (From Line 3 previous quarters report)	\$
2.	Total Outlays this Period (from pg 2)	\$
3.	Total Outlays to Date (Line 1 + 2)	\$
4.	Total Match Funds Required	\$
5.	Unobligated Funds (Line 4 -3)	\$

**PART II - FINANCIAL DETAIL**

Provide the following **DETAILED** Budget information.

Category	Period Expenses	Outstanding Obligations
Personnel	\$	\$
Employee Related Expenses	\$	\$
Professional/Outside Services	\$	\$
Travel	\$	\$
Other Operating Expenses	\$	\$
Equipment	\$	\$
SUB TOTAL	\$ Enter: Pg 1, Line # A 2	\$ Enter: Pg 1, Line # A 4

**B. FUNDS REQUIRED AS MATCH TO GRANT:**

(Report match up the required amount only. Round to the nearest whole dollar)

Category	Period Expenses
Personnel	\$
Employee Related Expenses	\$
Professional/Outside Services	\$
Travel	\$
Other Operating Expenses	\$
Equipment *	\$
SUB TOTAL	\$ Enter: Pg 1, Line # B 2

\*Equipment Expenditure Detail

Type of Equipment	√ Capital	Non- Capital	Amount
			\$
			\$

**Appendix D-1**  
**Crime Victim Assistance**  
**Financial Report Definitions / Guidelines**



## **Financial Report Instructions/Definitions and Guidelines**

Each agency receiving victim assistance funds from the Arizona Criminal Justice Commission Victim Assistance Fund is required to complete the Financial Report at the end of every quarter. Please ensure that the information provided includes only that part or percentage of your program which is funded by the Commission Victim Assistance Grant, and the funds required as match to be used in the program according to your Grant Agreement paragraph 6.

- Respond to all sections of the Report.
- Use a zero (0) in any space requiring a numerical response wherever no data exists.
- Cover Page - Check the appropriate box to identify the time period for which this report is being submitted. Note the due date of each quarterly report.
- A completed report must be received on or before the due date listed.

### **Definitions**

"Encumbrance" is an obligation in the form of a purchase order, contract, or other commitment which is chargeable to an appropriation or other authorized fund source and for which a part of such fund source is reserved. It ceases to be an encumbrance when paid or canceled.

"New Program" is an agency that began providing victim services on or after June 30, 2001.

"Matching Funds" are the amount of funds, other than Commission funds, required to be spent in the program as a condition of the Commission award. Do not report above the required amount.

"Non-Capital Equipment" is equipment with a value of \$1,000 - \$4,999, and technology equipment \$0- \$4,999 with a useful life of 1 year or more.

"Capital Equipment" is equipment with a value of \$5,000 or above. If the grantee policy defines capital equipment less than \$5,000, then the grantee must use its own policy.

## **Budget Category Guidelines**

Section A, ACJC Funds (Part I Financial Summary), requests information on the disbursement of ACJC Crime Victim Assistance funds only. (Arizona Administrative Code, Title 10, Chapter 4, Section R10-4-203)

- a. Line #1 - Total Outlays Previously Reported

If this is the first reporting period, this line should be zero (0). In all subsequent reporting periods, this amount will equal line 3 of Section A on Page 1 of your prior Quarterly Financial Report.

- a. Line #2 - Total Outlays This Period

This information is the sub-total of "Period Expenses" of the current Financial Detail form SUB TOTAL (page 2).

- b. Line #3 - Total Outlays to Date

Add line 1 and line 2 and enter results.

- c. Line #4 - Total Outstanding Obligations

This information is the sub-total of the Outstanding Obligations column of the current Financial Detail form (page 2).

- d. Line #5 - Total Outlays and Unpaid Obligations

This amount equals your total ACJC award amount. The award amount is in paragraph 6 of your Grant Agreement.

- e. Line #7 - Unobligated Funds

Subtract line 6 from line 5 and enter results.

Section B, Part I, requires the grantee to list the funds used as the match and requests information on the disbursement of "Matching Funds".

- a. Line #1 - Total Outlays Previously Reported

If this is the first reporting period, this line should be zero (0). In all subsequent reporting periods (in a given fiscal year) this amount would equal line 3, Section B, Page 1 of the previous Quarterly Financial Report.

- b. Line #2 - Total Outlays this Period

This information is the sub-total of Section Period Expenses" as reported on the current Financial Detail, Section B, SUB TOTAL (page 2).

- c. Line #3 - Total Outlays to Date

Add line 1 and line 2 and enter results.

- d. Line #4 - Total Other Funds Required

Enter the total amount of "Match" required to be used. The match amount is in paragraph 6 of your Grant Agreement.

- e. Line #5 - Unobligated Funds

Subtract line "4" from line "3" and enter results.

Section A, ACJC Funds (Part II Financial Summary), requests an accounting of expenses and encumbrances within each budgetary category of ACJC funds.

- a. Personnel

Charges for time worked by regular employees paid through your payroll system.

- b. Employee Related Expenses

Charges for payment of the employers' portion of FICA, health and accident insurance, retirement, etc.

- c. Professional/Outside Services

Charges for outside services for non-employees to provide services. Example: audit costs, contract labor, etc.

- d. Travel

In-State- This category includes Airfare; Mileage-Private Vehicle; Motor Pool Charges; Lodging; Per Diem (Meals and Incidental Expenses); Other Miscellaneous In-State Travel.

Out-of State- The out-of-state travel category includes Airfare; Car Rental; Lodging; Per Diem (Meals and Incidental Expenses); Other Miscellaneous Out-of-State Travel.

- e. Other Operating Expenses

Supplies, maintenance costs, operating leases, postage, etc. Only those operating expenses approved in paragraph 5 of your Grant Agreement are to be included.

f. Equipment

Cost associated with the purchase of equipment such as furniture, computers, etc. Enter the detailed information on equipment purchases in the box provided, check Non-Capital or Capital (see definition). **Do Not** charge lease costs of equipment to this line.

g. SUB-TOTAL - Period Expenses column

Add lines Personnel through Equipment and enter here.

Note: This figure will reflect actual ACJC funds spent this reporting period.

h. SUB-TOTAL -Outstanding Obligations column

Add lines Personnel through Equipment and enter here.

Note: This figure will reflect ACJC funds obligated (encumbered) for this reporting period.

Section B, ACJC Funds (Part II Financial Summary), requests an accounting of expenses within each budgetary category of "Matching Funds" (R10-4-203 of the Crime Victim Assistance Program Rules).

Note: Line definitions for Personnel through Equipment are the same as Section A, Part II on previous page.

i. SUB-TOTAL -

Add lines Personnel through Equipment and enter here. This figure will reflect actual "Matching Funds" spent this reporting period.

Appendix E  
Computer Hardware and  
Software Guidelines

## **Computer Hardware**

In contracting with any computer hardware vendor, ACJC requires that the following guidelines be applied to your selection process if grant funds are used to purchase:

- If the vendor is not a local company, please ensure they have a toll free 1-800 telephone support number for you to call in problems. Ensure that their support hours cover your regular business day at minimum.
- The vendor as part of their service should provide minimum 3 years parts and labor warranty.
- An ISO9000 and/or current ISO vendor certification will ensure that the vendor has high quality standards
- If you have PC hardware repair issues, ensure that the vendor has A+ certified technician on staff.
- Use the guidelines provided by the Government Information Technology Agency (GITA) from the State of Arizona. The guideline for Platform Architecture (P720) and Platform Infrastructure (S102) can be obtained from their website at [www.gita.state.az.us](http://www.gita.state.az.us) in the category of Policies/Standards along with other helpful articles. Please note that in the GITA documents listed above, PC's are referred to as Clients.
- Purchase higher end PCs to avoid having obsolete machines prior to 3 years.
- Assume your PCs as well as other computer equipment has only a 3-year life cycle at best.
- The vendor should provide you with their own Internet Website to obtain information and product support.
- The Vendor should be able to provide a 4-hour response time to emergency repair issues if there is an existing maintenance/support contract.
- Whenever possible, work with vendors who have been in continuous business for at least 5-years and are showing a profit.

In contracting with any computer software vendor, ACJC requires that the following guidelines be applied to your selection process if grant funds are used to purchase:

- The Vendor should have Microsoft Certified Systems Engineers (MCSE), Product Specialists (MCPS), or Certified Novell Administrators (C.N.A.), or certified UNIX Administrators to answer operating system, software products, and network questions.

- If the vendor is not a local company, please ensure they have a toll free 1-800 telephone support number for you to call in problems. Ensure that their support hours cover your regular business day at minimum.
- An ISO9000 and/or current ISO vendor certification will ensure that the vendor has high quality standards
- The vendor should provide you with their own Internet Website to obtain information and product support.
- The Vendor should be able to provide a 4-hour response time to emergency software issues if there is an existing maintenance/support contract.
- Whenever possible, work with vendors who have been in continuous business for at least 5-years and are showing a profit.
- Whenever possible, contract with vendor to obtain the source code for any custom software in case the vendor declares bankruptcy or becomes in any way insolvent.
- Make sure that any vendor provides you with the hardcopy documentation as well as all proper licensing.

Appendix F  
Accounting System and Financial  
Capability Questionnaire





## ACCOUNTING SYSTEM AND FINANCIAL CAPABILITY QUESTIONNAIRE

SAMPLE

1. If your agency or organization publishes a general information pamphlet setting forth the history, purpose and organizational structure of your business, please provide this office with a copy, complete the following items:	
1. When was the agency/organization founded/incorporated (month,day,year)	b. Principal Officers <span style="float: right;">Titles</span> <hr/> <hr/> <hr/>
c. Employer Identification Number	<hr/> <hr/> <hr/>
d. Number of Employees Full Time: <span style="margin-left: 100px;">Part Time:</span>	<hr/> <hr/> <hr/>
<b>ACCOUNTING SYSTEM INFORMATION</b>	
1. Has any Government Agency rendered an official written opinion concerning the adequacy of the accounting system for the collection, identification and allocation of costs under Federal contracts/grants? <input type="checkbox"/> Yes <input type="checkbox"/> No	
a. If yes, provide name and address of Agency performing review: b. Attach a copy of the latest review and any subsequent Correspondence, clearance documents, etc.	
2. Which of the following best describes the accounting system>	<input type="checkbox"/> Manual <input type="checkbox"/> Automatic <input type="checkbox"/> Combination
3. Does the agency/organization use a double-entry system in accounting for program funds?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Sure
4. Does the accounting system identify the receipt and expenditures of program funds separately for each grant?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Sure
5. Does the accounting system provide for the recording of expenditures for each grant by component project and budget cost categories shown in the approved budget?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Sure
6. Are time distribution records maintained for an employee when his/her effort can be specifically identifies to particular cost objective?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Sure
7. If the organization proposes an overhead rate, does the accounting system provide for the segregation of direct and indirect expenses?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Sure
8. Does the accounting/financial system include budgetary controls to preclude incurring obligations in excess of:	
a. Total funds available for a grant?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Sure
b. Total funds available for a budget cost category (e.g. Personnel, Travel, etc.)?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Sure
9. Is the agency/organization familiar with the existing regulations and guidelines pertaining to the cost principles and procedures for determination and allowance of costs in connection with Federal grants?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Sure

<b>FUND CONTROL</b>	
1. Is a separate bank account maintained for grant funds?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Sure
2. If a grant funds are commingled with agency/organizations funds, can the grant funds and related costs and expenses be readily identified?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Sure
3. Are the officials of the agency/organization bonded?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Sure
<b>FINANCIAL STATEMENTS</b>	
1. Did an independent certified public accountant (CFA) ever examine the financial statements?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Sure
2. If an independent CPA review was performed please provide this office with a copy of their latest report and any management letters issued	<input type="checkbox"/> Enclosed <input type="checkbox"/> Not Any
3. If an independent CPA was engaged to perform a review and no report was issued, please provide details and an explanation below:	
4. If an independent CPA has never examined your financial statements, please develop and provide this office with a copy of the following financial statements: a. A detailed "Balance Sheet" for the most current and previous year; and b. A detailed "Income Statement" for the most current and previous year.	
<b>ADDITIONAL INFORMATION</b>	
1. Use this space for any additional information (indicate section and item number if a continuation).	
<b>APPLICANT CERTIFICATION</b>	
I CERTIFY THAT THE ABOVE INFORMATION IS COMPLETE AND CORRECT TO THE BEST OF MY KNOWLEDGE.	
Signature	Agency/Organization Name, Address and Telephone Number
Title	
<b>CPA CERTIFICATION</b>	
The purpose of the CPA certification is to assure the Commission that the recipient can establish fiscal controls and accounting procedures which assure that grant funds available for the conduct of the grant programs and projects are disbursed and accounted for properly.	
Signature	Agency/Organization/Firm Name, Address and Telephone Number
Title	