

Competitive Grants Technical Assistance Guide - Homeless Veterans Program Grants – Option Year Request Procedures for Program Year 2018 and Subsequent Years

1. Requirement to Collect and Report Follow-up Employment and Earnings Data

Beginning July 1, 2018, all competitive grants are required to collect and report follow-up employment outcomes. A current grant recipient who applies for an option year award must indicate in its Planned Goals Chart the planned figures for follow-up employment and earnings outcomes. The requirement to collect and report follow-up employment outcomes applies to all competitive grants funded in PY 2018 and in subsequent program years. The grant recipient will be responsible for:

- Tracking and reporting post-program outcomes for participants who exit during the 12-month grant period of performance;
- Tracking and reporting post-program outcomes for 12 months after exit for participants who were enrolled in a homeless veterans grant operated by the grant recipient in the previous year; and
- PY 2016 grant recipients that were exempt from collecting follow-up outcomes and did not report follow-up outcomes in PY 2017 can request up to an additional 3% of their initial award for follow-up employment tracking services to be conducted under the PY 2018 option year. Thus, the applicant may request up to 103% of its PY 2017 or current grant award amount. For example, if your total current grant award amount is \$300,000, applicant can request up to \$9,000 for follow-up services.

2. Critical Performance Indicators and Option Year Funding Decisions

VETS expects performance levels or goals for the critical performance indicators to be both challenging and realistic for each competitive grant recipient in light of the economic situation for its service area and the needs of its homeless veteran client population. As stated in the grant award package for the homeless veterans programs, planned performance on each critical indicator is an anticipated project deliverable that should remain unchanged during the grant period of performance. “Deliverable” is a term used in grants management to describe an expected end-result produced by the grant’s project.

There are four critical performance indicators that will be used in making option year award determinations for PY 2018 and subsequent program years. Performance on each indicator is defined as a range, bounded by an upper value representing the performance goal as stated in the grant award and a lower value representing 85% of the performance goal. The value representing 85% of a performance goal is considered to be the minimum expectation. Actual performance below 85% of the goal during the measurement period on an indicator is

considered failure. Failure to meet the minimum performance expectations on over 50% of the critical performance indicators constitutes failure in the aggregate or failure overall on the critical indicators. The four critical performance indicators are:

- The number of enrollments,
- The overall placement rate,
- The overall average hourly wage at placement, and
- The placement rate for the chronically homeless.

In rare instances, a grant recipient may face unforeseen compelling circumstances beyond management control of the grant recipient that may jeopardize the success of the grant. In order to account for these adverse impacts, VETS developed guidance for a grant recipient to request grant modifications to adjust planned targets on the performance indicators and to make corresponding changes to the project plan, such as changes to program activities, project staffing, and budgets that are commensurate with the changes in performance targets. Please refer to Veterans' Program Letter (VPL) No. 03-18 for guidance on requesting a modification to revise one or more performance goals.

A grant recipient seeking an option year award that is performing poorly on one or more of the critical indicators due to unforeseen compelling circumstances beyond its management control should consider requesting revisions to its performance goals in a timely manner. As stated in VPL 03-18, VETS will only consider modification requests that are received by the GOTR no later than 45 days after the start date or identification date of the unforeseen compelling circumstance. Only those revision requests received by the Grant Officer prior to the due date for option year award applications will be considered when determining a grant's eligibility for the option year award.

March 23rd is the due date for applications for PY 2018 option year awards. The referenced March 23rd due date will change to March 10th for PY 2019 option year requests and requests in subsequent years.

3. Eligibility for Option Year Funding

In deciding whether to exercise any option year funding, VETS will evaluate grant recipient performance at the conclusion of the second quarter review to determine eligibility for option year funding. The sources for the cumulative performance results used in the evaluation are the Competitive Grants Planned Goals Chart (VETS-700) and the second quarter Technical Performance Report workbook (VETS-701) submitted by each grant recipient.

The following will qualify a grant recipient for consideration for a first or second option year award:

- The current grant met or exceeded minimum expectations on 50% or more (i.e., two or more of the current four indicators) of the applicable critical performance indicators at the time of the second quarter review of cumulative performance;
- The current grant is not designated as high risk at the end of the second quarter of the PY or by December 31st; and
- The current grant is either an initial award or a first option year award.

To receive an option year award based on performance, the grant recipient must submit an application package to its Grant Officer's Technical Representative (GOTR) consisting of the following items by the application due date:

- A letter or memorandum from the authorized representative of the grant to the Grant Officer through its GOTR requesting funding for another 12 months. The written request should state this request is a continuation of the current program and include the appropriate attachments (below). If the grant recipient is requesting changes to project specifics in addition to asking for a continuation of funding, then the grant recipient should clearly state this request in the correspondence as well by stating this request is a continuation of the current program as modified. Please note that documentation in addition to the below listed attachments may be required depending on the request.
- Attachments for funding for the additional year include the following:
 - A planned goals chart (VETS-700) summarizing planned activities for the option year,
 - Application for Federal Assistance SF-424,
 - Budget Information—Non-Construction Programs SF-424A,
 - Budget narrative, including descriptions for direct costs,
 - System for Award Management (SAM) verification,
 - Approved Indirect Cost Rate, if applicable, and
 - Project Narrative, if applicable.

If approved, the application package will result in a new 12-month grant award based on the current grant's project design and specifics. If a grant recipient wants to change these project specifics, the grant recipient must submit a modification request to the GOTR as a part of the option year application package or as a separate modification request. Please note that if the grant recipient requests lower planned enrollment goals, it must also request a reduction in funding that is consistent with the reduction of its goals. If there are minor changes that do not require a modification, please explain and provide a justification for the changes.

A Notice of Award is sent to the grant recipient after the action has been reviewed, and approved by the Grant Officer.

4. Special Grant Conditions Applied to Grants Qualifying for Option Year Awards That Fail at the End of the Performance Period

A grant recipient receiving an option year award based on satisfactory cumulative performance through the second quarter that failed to meet performance in the aggregate at the end of the period of performance for the award will be subject to:

- Ineligibility for future option year award funding; and
- Special Grant Conditions imposed by the Grant Officer to the newly awarded option year grant that are commensurate with the degree of risk of failure. These special conditions include, but are not limited to, the following:
 - Additional approvals of grant decisions,
 - Required training and/or technical assistance,
 - Payment on a reimbursement basis instead of cash advances,
 - More frequent financial and/or program performance reports, and
 - Increased grant and/or project monitoring.

5. GOTR and Regional Administrator Responsibilities

5.1 Option year award requests are to be processed as quickly as possible, with a funding recommendation submitted to the Office of National Programs by the Regional Administrator for Veterans' Employment and Training (RAVET) no later than 10 business days from the due date for submitting applications. GOTRs must treat and process modification requests submitted in addition to the option year award funding request separately. The GOTR must determine eligibility for option year award funding first.

5.2 The GOTR reviews the application package to ensure completeness. The package will be considered complete if the following are done:

- The applicant complied with the due date for submission (an electronic record is allowable as long as an electronic signature is included where a signature by an authorized representative of the applicant is required¹);
- The required correspondence and attachments are part of the submission (i.e., an updated planned goals chart VETS-700, SF-424, SF-424A, SAM verification, Approved Indirect Cost Rate, if applicable, the Project Narrative, if applicable, and other related documentation used to support the request);

¹ Section 106 of the Electronic Signatures in Global and National Commerce Act ([Public Law 106-229](#)) defines:

(1) *Electronic*– The term 'electronic' means relating to technology having electrical, digital, magnetic, wireless, optical, electromagnetic, or similar capabilities.

(2) *Electronic Record* – The term 'electronic record' means a contract or other record created, generated, sent, communicated, received, or stored by electronic means.

(3) *Electronic Signature*– The term 'electronic signature' means an electronic sound, symbol, or process, attached to or logically associated with a contract or other record and executed or adopted by a person with the intent to sign the record.

- The application transmittal correspondence was submitted and signed in hand-written form or in an electronic form by an authorized representative for the grant award;
- The application transmittal correspondence requests funding for an additional 12 months; and
- The written request says this request is a continuation of the current program or this request is a continuation of the current program as modified.

5.3 The GOTR reviews the Competitive Grants Planned Goals Chart, the second quarter Technical Performance Report and correspondence from the Grant Officer to the grant recipient related to a high risk designation, if applicable.

The application must meet all of the following criteria to be determined eligible by the GOTR based on second quarter performance:

- The current grant met or exceeded minimum expectations on 50% or more of the applicable performance indicators at the time of the second quarter review of performance;
- The current grant is not designated as high risk at the end of the second quarter (or December 31); and
- The current grant is either an initial award or a first option year award.

5.4 The GOTR reviews the Competitive Grants Planned Goals Chart, SF-424, and SF-424A to Ensure Completeness and Consistency.

- SF-424 Application for Federal Assistance. This form must contain an original hand-written signature reflecting the start and end date (block 17 ‘a’ and ‘b’) for the 12 months of the grant performance year, and indicate that this is a “continuation” or “revision” (if changes to scope are requested) of an existing grant (block 2). Please note that an electronic transmission of the SF-424 is allowable as long as an electronic signature is included. An electronic signature is equivalent to an original hand-written signature. The SF-424 identifies the total amount of projected funding needed to continue operations for the new award period not to exceed period length or 12 months. Please go to <https://www.doleta.gov/grants/pdf/2016template.pdf> for a listing of common terms and conditions applicable to the award.
- SF-424A Budget Information. This form shows the four (4) new quarters of funding. The funding on the SF 424A must crosswalk and equal the funds requested on the SF 424. There will be no carryover funds. All funds must be obligated by the last day of the grant award.
- Competitive Grants Planned Goals Chart (VETS-700). The values entered onto this form must be the same as the planned values for current grant award as modified in the application request accepted by the region.
- SAM verification.

- Approved Indirect Cost Rate, if applicable.
- Project Narrative, if applicable.

5.5 The GOTR prepares a memorandum with a recommendation relating to option year funding for the RAVET's concurrence. The memorandum must be addressed to the Grant Officer, Donna Kelly, through the Office of National Programs' (ONP) Deputy Director, Maria Temiquel. The RAVET may have a different recommendation than that of the GOTR based on the analysis of the application. The memorandum must describe the analysis completed by their region supporting the recommendation. The RAVET will forward the signed memorandum to ONP.

5.6 ONP will review the option year grant application packages for completeness and make a recommendation to the Grant Officer, who authorizes the award. The Grant Officer is responsible for:

- Final review and approval for all funding requests;
- Executing the grant award to obligate funding and providing the recipient with a Notice of Award; and
- Notifying the Department's accounting office to ensure the funds are available to the option year award grant recipient.

6. Actions Required and Due Dates

6.1 GOTRs are to immediately ensure that eligible grant recipients within their respective states are aware of the option year funding requirements as outlined in this Technical Assistance Guide. Note: GOTRs are not authorized to deviate from the instructions and/or due dates contained in this TAG. If the grant recipient is unable to meet the requirements, GOTRs are to inform their respective RAVETs, who will inform the Competitive Grants Lead.

6.2 Grant recipients pursuing option year awards must submit their PY 2018 option year grant funding requests to their respective GOTR ***by no later than close of the business day on March 23rd. The due date is March 10th for subsequent years.*** If the due date falls on a non-business day, then the due date is the first workday before the non-business day. The RAVET may approve requests for extensions to the due date in the event of extenuating circumstances so long as the complete modification packages are uploaded to SharePoint by the due date described in sections 6.4 and 6.5.

6.3 A GOTR will forward the option year award funding request package with a cover memo indicating a recommendation for approval/disapproval and seeking concurrence to the RAVET ***by no later than April 5th (or March 22nd for subsequent years).*** If the due date falls on a non-business day, then the due date is the first workday before the non-business day. GOTRs will ensure any necessary corrections are made prior to submitting grant modification packages to the RAVET.

- 6.4 The RAVET will review the option year grant funding packages and indicate his or her concurrence/non-concurrence in the transmittal memo addressed to Grant Officer Donna Kelly through the Deputy Director of the Office of National Programs, Maria Temiquel. Please save all Option Year Requests :
<https://usdol.sharepoint.com/sites/VETS/onp/Shared%20Documents/Forms/AllItems.aspx?id=%2Fsites%2FVETS%2Fonp%2FShared%20Documents%2FCompetitive%20Grants%2FMODS%2FOption%20Year%20Modifications%2FPY%2D18>, according to the appropriate region.
- 6.5 All completed grant funding request packages are to be uploaded by the regional office to the designated SharePoint site by **no later than close of business April 13th (or March 31st for subsequent years)**.