

GENERAL PROVISIONS

Enclosure VIII

GENERAL GRANT PROVISIONS

GRANT AND COOPERATIVE AGREEMENTS

I. ADMINISTRATIVE PROVISIONS

This grant is subject to requirements in Federal law, and the administrative standards governing United States Department of Labor (USDOL) grants and agreements set forth in 29 Code of Federal Regulations (CFR), Part 96, Audits of Federally Funded Grants, Contracts and Agreements and 29 CFR 97, Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments, as amended March 11, 1988, and set forth in Office of Management and Budget (OMB) Circular A-102.

II. MODIFICATIONS TO THE GRANT

A. Unilateral Modification by Grant Officer.

This grant may be unilaterally modified in writing by the Grant Officer whenever there has been a change in any Federal statute, appropriation, regulation, Executive Order, funding exigencies, or other Federal laws enacted, which, as determined by the U.S. Department of Labor, is relevant to the financial assistance provided under the grant.

B. Grant Changes Requiring Grant Officer Approval.

29 CFR 97.30 sets forth requirements for obtaining Grant Officer approval for deviations from the grant objectives, scope or budget. Expenditures requiring prior written approval are found in the Federal Cost Principles listed in paragraph III of these General Provisions, and in section of the Special Grant Provisions .

Whenever a modification of the approved grant is requested, the request is to be submitted to the Director for Veterans' Employment and Training (DVET) by the grantee and must include: an application for proposed funding at the new total funding level (Standard Form 424, rev. 4-88); a revised State Fiscal Operating Plan for DVOP and LVER; and a narrative in sufficient detail to adequately describe the modification requested; the need for the request; and the expected result, if approved. The DVET will forward this request with his/her analysis and recommendations

October 1, 2000

for approval/disapproval through the Regional Administrator for Veterans' Employment and Training (RAVET) to the Grant Officer.

III. ALLOWABLE COSTS

Payment up to the amount specified in the grant will be made only for allowable, allocable, and reasonable costs actually incurred in conducting the work under the grant. The determination of allowable costs will be made in accordance with 29 CFR 97.22 and OMB Circular A-87, Cost Principles for State and Local Governments.

IV. INTEREST EARNED AND PROGRAM INCOME

Requirements for the use and disposal of income earned are set forth in 29 CFR 97.25. Program income earned during the period of the grant shall be added to funds committed to the project and used to further eligible program objectives.

V. PROPERTY ACQUISITION AND MANAGEMENT

OMB Circular A-87 requires prior Grant Officer approval for "acquisition of non-expendable, tangible personal property" with a unit acquisition cost of \$5,000.00 or more and "having a useful life of more than one year." A unit will be construed in its broadest sense to encompass component parts, sets, etc. The regulations at 29 CFR 97.32 must be followed in the acquisition, accounting for, and disposition of property and are incorporated by reference into the grant. The grantee will comply with the provisions at 29 CFR 97.32 (b) regarding disposition of such acquisitions.

VI. ANNUAL FINANCIAL RECONCILIATION OF MULTI-YEAR GRANTS

- A. The Department of Labor requires, throughout the life of a multi-year grant, a series of annual or planned periodic administrative actions. These include:
1. The conduct of a financial reconciliation for each annual plan period between the Department of Labor's and the grantee's records for expenditures, obligations, and federal funds drawn down;
 2. A certification by the grantee for each annual funding period which attests that property records are being maintained in accordance with USDOL and grantor agency policies and regulations. On a periodic basis, the USDOL will verify the property held by the grantee;
 3. The conduct of audits according to the requirements outlined in 29 CFR Part 96 and described at 29 CFR 97.26;
 4. Financial closeout of annual grant operations, using audits which cover the grant period. Upon resolution of all audit issues for that

October 1, 2000

GENERAL PROVISIONS

period of time, the grant will be considered " partially closed" as defined below:

" Partial closeout" means for multi-year grants, the completion of financial reconciliation, receipt of property certification and resolution of the audit for a specific time frame of a still active grant. Except when questions of fraud, or malfeasance are raised, no further administrative action is required on the time period covered by the audit;

5. If the grantee fails to cooperate and provide the information required to complete the " partial" closeout of a multi-year grant, the USDOL has the authority to suspend funding of the grant or agreement until compliance with the established requirements is achieved; and
6. The reconciliation process, aside from audit, shall be completed no later than 60 days after receipt of the final expenditure reports for each funding cycle, but never more than 120 days beyond the end of each annual funding cycle.

B. Financial Reconciliation Process. The Office of the Assistant Secretary for Administration and Management (OASAM) has established the following procedures for financial reconciliation of multi-year grants:

1. When National Capital Service Center (NCSC) serves as the Grant Officer, the Directorate of Procurement and Grant Management's Office of Cost Determination (OCD) will complete the USDOL section of a Financial Reconciliation and Property Certification (FRPC) form based on USDOL accounting records and transmit it to the grantee for completion.
2. The grantee, upon receipt of the FRPC form, shall review the form for accuracy and complete the appropriate parts of Section B (1) and (2).
3. If there are any disagreements between the USDOL and State figures, the difference must be resolved before the grantee signs the certification.
4. If not in agreement, the grantee shall forward the unsigned FRPC form along with a final financial report and Federal Cash Transaction Report (SF-272 or PMS-272) to the OCD.
5. If the reconciliation process results in adjustments to either USDOL or grantee figures, a new FRPC form must be issued for grantee signature.
6. Once all the figures are reconciled, if required, the grantor issues a new Notification of Obligational Authority (NOA) leaving the grantee with an unobligated balance of zero. An NOA cannot be issued for funds in excess of amounts on the face sheets of the Notice of Grant Award.
7. The grantee shall make payment in the form of a check or credit coordinated through DOL to the HHS/PMS. OCD will review the grantee's compliance with this agreement.
8. The grantee shall ensure that the FRPC form is properly signed and the name, address and telephone number of a person with direct knowledge of the financial status of the grant to contact for information is included.
9. The grantee shall attach a final financial report (VETS 300) and a separate SF-272/PMS-272 for each grant to the FRPC form.

October 1, 2000

10. If cash received is greater than total unliquidated obligations/expenditures made by the grantee, the grantee shall attach a check payable to the USDOL for the difference or credit that amount to the proper HHS/PMS account. In no case may obligations be greater than NOA. If this occurs, the grantee must use other sources of funds to pay the difference.
 11. The grantee is to return a completed Financial reconciliation package to OCD within thirty (30) days after receipt of the package.
- C. Final Closeout of a Multi-year Grant. At the end of last annual modification period for each multi-year grant, formal closeout procedures shall be followed as indicated in these grant provisions and in the regulations at 29 CFR Part 97.50.

VII. GRANT CLOSEOUT PROCEDURES

Each grant will be closed out in accordance with the following procedures as indicated at 29 CFR 97.50:

- A. The grantee shall immediately refund to the grantor any balance of unobligated (unencumbered) cash advanced to the grantee that is not authorized to be retained by the grantee for use on other grants.
- B. Within ninety (90) days after completion of the grant period or final 5th quarter whichever is later, the grantee shall submit all financial, performance and other reports required by the Grant Officer to close out the grant. The Grant Officer may approve extensions when formally requested by the grantee, in writing.
- C. The Grant Officer will make a settlement for any upward or downward adjustments to the Federal share of costs after these reports are received.
- D. The grantee shall account for any property acquired with grant funds, or received from the Government in accordance with the provisions of 29 CFR 97.32 (e).
- E. In the event a final audit has not been performed prior to the close out of the grant, the grantor will retain the right to recover an appropriate amount after fully considering the recommendations on disallowed costs resulting from the final audit.

VIII. SUSPENSION AND TERMINATION PROCEDURES

- A. When a grantee has failed to comply with the terms, conditions or standards of the grant, the Grant Officer may, on reasonable notice to the grantee, suspend the grant, and withhold further payments, or prohibit release of the funds, pending corrective by the grantee of a decision to terminate in accordance with paragraph C. below. The Grant Officer will allow all necessary and proper costs which the grantee could not reasonably avoid during the period of suspension provided that they are consistent with applicable Federal Cost Principles.
- B. Grants may be terminated for cause or convenience, pursuant to 29 CFR 97.43 and 97.44.

October 1, 2000

GENERAL PROVISIONS

IX. ENCUMBRANCE OF GRANT FUNDS

Grant funds may only be encumbered/obligated by the grantee during the Fiscal Year for which the funds are allocated. However, encumbrances/obligations outstanding as of the end of the grant period may be liquidated (paid out) after the end of the grant period. Such encumbrances/obligations may involve only specified commitments for which a need existed during the grant period and which are supported by approved contracts, purchase orders, requisitions, invoices, bills, or other evidence of liability consistent with the grantee's purchasing procedures and incurred within the Fiscal Year for which the funds are allocated. All encumbrances/obligations incurred during the Fiscal Year for which the funds are allocated shall be liquidated within ninety days after the end of the grant period, if practicable.

X. SITE VISITS

The grantor, through its authorized representatives to include VETS, Office of the Inspector General and General Accounting Office staff, has the right, at all reasonable times, to access Central Office records and review State or Central Office records relative to this grant or statewide services to veterans, to make site visits to review records and evaluate project accomplishments, management control systems and to provide such technical assistance as may be required. If any site visit is made by the grantor or other designated representative(s) on the premises of the grantee or a public or private subgrantee/subcontractor operating within the LEDS under this grant, the grantee shall provide notification to and shall require its subgrantee/ subcontractors to provide all reasonable facilities and assistance for the safety and convenience of the Government representatives in the performance of their duties. All site visits and evaluations are to be performed in such a manner as will not unduly delay the work performed or services provided.

XI. PREMISES AND FACILITIES

The grantee, in accordance with 20 CFR 1001.121, will provide adequate and appropriate facilities and administrative support for VETS staff assigned to that State as a condition of receiving grant funds. Adequate and appropriate space is considered space, furniture, telephone, equipment and supplies that would be made available to State employees of equal status in terms of position level rather than compensation.

XII. ORDER OF PRECEDENCE

In the event of any inconsistency between any provisions of this grant, the following order of precedence will apply: (a) Statutory Requirements; (b) Applicable Regulatory Requirements, which include but are not limited to the regulations at 20 CFR, Part 1001 and 29 CFR Part 97; (c) Special

October 1, 2000

Provisions and Special Assurances; (d) General Provisions; (e) VETS Policy Directives (VPLs); (f) Approved State Fiscal Operating Plan for DVOP and LVER Programs; (g) Grantee's Application for Federal Assistance; (h) State policies, procedures and practices. As related to the administration of DVOP and LVER grants, Federal law and provisions take precedence over State legislation and requirements and Federal provisions carrying out statutory and regulatory requirements take precedence over State policies and procedures.

October 1, 2000

GENERAL PROVISIONS

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October 1, 2000