



OGAPP Manual

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Date: 12-21-17



# Ohio Department of Health Grants Administration Policies and Procedures (OGAPP)

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Signature

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Changes to the October 1, 2016 OGAPP Manual effective December 1, 2017

Page 3-6	Table of Contents Revised
Page 9	Subgrant Type and Requirements – New language
<b>Chapter 1</b>	
Page 19	Section C1.2 Application Requirements – Updated language regarding A-133 and financial audit submissions
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Page 26	Section C1.4 Application Review Criteria – Updated language regarding past fiscal and programmatic performance
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Page 33	Section A2.3 Budget Revision – New deliverable and Reproductive Health & Wellness language
Page 38	Section B2.4 Personnel Costs – New deliverable language
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**Appendix**

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Changes throughout manual:

- The section numbers may have changed due to the addition of deliverable language.

## Preface

The revised Ohio Grants Administration Policy and Procedure (OGAPP) Manual is structured to be user friendly and is strictly a policy and procedures manual.

The OGAPP manual provides applicants and subrecipients with the steps necessary to take from the beginning to the end of the grant process.






Emphasized details are highlighted in yellow.

### **Note to first-time ODH applicants:**

The OGAPP manual can be intimidating due to its volume; please do not let it intimidate you by its size. As a new ODH applicant, you only need to be concerned with the first 32 pages of the OGAPP manual until you have been awarded an ODH grant.



# Symbols Legend

 <p><b>What</b></p>	
 <p><b>How/Why</b></p>	
 <p><b>When</b></p> <p>Paragraph contains a due date or has a time limit for submission</p>	 <p><b>Warning</b></p>

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## Online Web Resource Links

- [Office of Management and Budget \(OMB\) Circulars](#)
- [Data Collection Form \(Form SF-SAC\)](#)
- [Code of Federal Regulations \(CFR\)](#)
- [Executive Order 2011-03K](#)
- [GMIS](#)
- [Local Health Districts Improvement Standards](#)
- [Subgrant Solicitations](#)
- [Title VI of the Civil Rights Act of 1964](#)
- [Title VII of the Civil Rights Act of 1964](#)
- [Travel Policy per OBM](#)
- [US Health and Human Services \(HHS\) Grants Policy Statement](#)

## Common Acronyms

AG - Office of the Attorney General	GOV - Government
BR – Budget Revision	GRF – General Revenue Fund (i.e., State Funds)
CCA – Confirmation of Contractual Agreement	GSA – General Services Administration
CFDA – Catalog of Federal Domestic Assistance	HHS – Health & Human Services
CFR – Code of Federal Regulation	LHD – Local Health District
CY – Calendar Year	
EEO – Equal Employment Opportunity	NOA – Notice of Award
EFT – Electronic Funds Transfer	NOAF – Notice of Available Funds
EIN – Employer Identification Number	NOIAF – Notice of Intent to Apply for Funding
ER – Expenditure Report	NPO – Non-Profit Organization
FER – Final Expenditure Report	OAC – Ohio Administrative Code
FFY – Federal Fiscal Year	OBM – Office of Budget and Management
FLSA – Fair Labors Standard Act	ODH – Ohio Department of Health
FMV – Fair Market Value	OFA – Office of Financial Affairs
FOIA – Freedom of Information Act	OGAPP – ODH Grants Administration Policies & Procedures Manual
FR – Federal Register	OMB – Office of Management & Budget
FTI – Federal Tax Identification Number	ORC – Ohio Revised Code
FY – Fiscal Year	PBR – Program Budget Revision
GAAP – Generally Accepted Accounting Principles	QER – Quarterly Expenditure Report
GAGAS – Generally Accepted Government Auditing Standards	SC – Special Condition
GAEM – Grant Application Eligibility Matrix	SFY – State Fiscal Year
GAO – Government Accountability Office	SV – Site Visit
GMIS – Grants Management Information System	TA – Technical Assistance
GSU – Grants Services Unit	UGG – Uniform Grants Guidance

# Ohio Department of Health (ODH) Mission Statement

To protect and improve the health of all Ohioans by preventing disease, promoting good health and assuring access to quality health care.

## Purpose

The ODH Grants Administration Policy and Procedures (OGAPP) Manual establishes standards for the consistent management of ODH program objectives and funding for subrecipients of Ohio Department of Health (ODH) grants. It provides guidance for subrecipients for the entire grant cycle. Other objectives for this manual are:



1. To ensure that grant management procedures comply with federal, state and local rules and regulations;
2. To ensure that all ODH grants are administered in a uniform and consistent way; and
3. To ensure ODH funds are used for the purposes intended by ODH, federal rules and regulations, ORC or OAC.

ODH receives both federal and state funding and provides grants to various public health programs and organizations in Ohio. ODH administers each grant based on required federal, state, and departmental rules and regulations. The Code of Federal Regulations “Common Rule for Uniform Administrative Requirements for Grants and Cooperative Agreements” requires that subrecipients receiving federal funds at a minimum must follow specific federal rules and regulations. This Code also states that **local (i.e., ODH) rules and regulations can be more restrictive than the federal rules and regulations requiring that additional local rules and regulations be followed**. In some instances, ODH rules and regulations are more restrictive than federal requirements due to administrative program responsibilities imposed. Therefore, subrecipients for all ODH federal and state funded grants must follow all OGAPP Manual policies and procedures to ensure compliance with both federal, state and local (i.e., ODH) rules and regulations.



ODH is a pass-through entity of federal funds and is required to follow the federal guidelines as listed below:

Uniform Grants Guidance, Subpart D, Section 200.331 Requirements for pass-through entities.  
[http://www.ecfr.gov/cgi-bin/text-idx?SID=6b4620b0c9f2f2e78f3e02fcffe9ccd5&mc=true&node=pt2.1.200&rpn=div5#se2.1.200\\_1331](http://www.ecfr.gov/cgi-bin/text-idx?SID=6b4620b0c9f2f2e78f3e02fcffe9ccd5&mc=true&node=pt2.1.200&rpn=div5#se2.1.200_1331)

## **Subgrant Types and Requirements (Requirements include but are not limited to the lists below)**

### **100% Base Funding**

- Subrecipients must follow all the policies spelled out throughout this manual except for the policies related to 100% deliverables.
- Examples:
  - Time and Effort reporting must be completed for all staff charged less than 100% to a specific funding source.
  - Program and fiscal monitoring will occur.

### **Base and Deliverable Funding**

- For base funding, refer to the base funding information listed above.
- For deliverable funding, refer to the deliverable funding information listed below.
- Subrecipients are required to complete Time and Effort reports for the base funding.

### **100% Deliverable Funding**

- Subrecipients do not have to maintain Time and Effort reports for deliverable funding.
- ODH will reimburse subrecipients for the successful completion of a deliverable.
- Subrecipients will not be reimbursed if the deliverable is not successfully met by the timeline set forth in the solicitation.
- Subrecipients cannot use budget leverage to move money between deliverable line items. Any movement of funding must be pre-approved by program staff prior to the submission of a budget revision. Deliverable costs to the project shall not exceed the amount in the approved budget.
- Indirect costs cannot be charged against a deliverable line item.
- Subrecipients must be able to properly account for all revenue received from ODH and can tie the revenue back to each subgrant program. Agencies are not required to have separate accounts. If a subrecipients does not have a separate account, a unique identifier must be established to identify each subgrant program.
- Payments for deliverables are based on the deliverable payment schedule, the subrecipients completion of each deliverable and ODH's validation of the completion.
- The automatic payment for subrecipients who request costs more than 2 times for unmet deliverables will be removed.
- Deliverable-based subgrant programs match will not be reported on the expenditure reports in GMIS. A match reporting form will be provided and must be attached in GMIS with the submission of the monthly or quarterly expenditure report.
- Subrecipients are not required to provide a copy of contracts established to complete deliverables.
- Subrecipients must follow their internal policies and procedures.
- Subgrant programs may vary. Subrecipients should thoroughly review the solicitation for any program specific deliverable requirements.

## **ODH Grants Administration Policies and Procedures (OGAPP) Manual**

The revised OGAPP Manual is a user-friendly policy and procedure manual regarding the ODH grants process. Grants Management Information System (GMIS) procedures are provided as an appendix. The OGAPP Manual chapters are as follows:

**Chapter 1 - ODH Grant Requirements:** This chapter provides grant eligibility requirements, application processes, matching funds and income information. It provides information so the potential applicants can assess whether they can meet the necessary grant requirements.

**Chapter 2 - Managing an ODH Grant:** This chapter provides subrecipients with cost considerations and requirements, procurement procedures, monitoring and reporting requirements.

**Chapter 3 - End of Grant and Compliance:** This chapter discusses completion of the final program and expenditure reports, records retention policies, duties of the ODH's compliance committee, determination of high-risk status, and the appeals process.

The OGAPP Manual takes subrecipients and applicants through the entire grant process. Detailed information regarding all requirements and policies are highlighted in gray.

# CHAPTER 1 - ODH GRANT REQUIREMENTS

## Section A - General Information

### A1.0 - Overview

As a state agency receiving funding from multiple sources, ODH is responsible to the Federal and State Government for carrying out and ensuring compliance with all applicable requirements. ODH seeks to ensure integrity and accountability in the award and the administration of grants by relying on a system of checks and balances and separation of responsibilities within its own staff.

ODH is also responsible for providing applicants and subrecipients specific information regarding the award and the federal requirements, if applicable. Subrecipients are also required to maintain effective internal control and comply with all applicable laws and regulations provided to them in the federal and state guidelines, the Solicitation, and the OGAPP manual.

### A1.1 Roles and Responsibilities

The ODH **Grants Services Unit** (GSU) is comprised of four teams: 1) Processing, 2) Disbursement, 3) Reporting, and 4) Compliance. The GSU staff works with program staff to assure fiscal accountability for all federal and state grant projects. This includes monitoring and enforcing compliance with all federal/state reporting and spending requirements.

ODH awards grants to either subrecipients or Administrative Agents and these entities are legally responsible for the performance of the award and the expenditure of funds.

Even if the subrecipient contracts with another agency for completion of a project or a component of the grant, the subrecipient is responsible for all aspects of the project including proper accounting and financial record keeping. Responsibilities include accounting for receipts and expenditures, cash management, maintaining adequate financial records, and refunding expenditures disallowed by audits.

Additional responsibilities and requirements, other than those listed may apply. GSU must be notified in writing of any changes in key personnel at the subrecipient agency, including the agency head, the agency financial officer, or any other significant positions, which could include but is not limited to the project director, grants manager, or other project contact in GMIS upon knowledge of the event. Please submit all changes for GMIS users on agency letterhead. Changes should be e-mailed to Jennifer McCauley, Chief, Grants Services Unit at [jennifer.mccauley@odh.ohio.gov](mailto:jennifer.mccauley@odh.ohio.gov).

### A2.0 GMIS Access for ODH Subrecipients

#### Key Personnel

The subrecipient agency is responsible for notifying GSU in writing of any changes in key personnel at the subrecipient agency. This includes the agency head, the agency financial officer, or any other significant positions, such as the project director, grants manager, or other project contact listed in GMIS upon knowledge of the event to keep the “Contacts” page in GMIS 2.0 current. The following documentation must be submitted via e-mail:

1. Letter on agency letter of changes for GMIS users

2. Agency Board Minutes
3. GMIS Access form for new employee(s)
4. GMIS Deactivation form for employee(s) that need to be deactivate

## New Personnel

A GMIS Access form must be submitted for all new employees at the subrecipient agency that need GMIS 2.0 access. The form must be completely filled out, signed by the Agency Head or the Agency Financial Head listed in GMIS on the “Contacts” page in GMIS 2.0 and submitted via e-mail to the ODH staff person listed on the bottom of the Access form.

### A2.1 Subrecipient Name Change/Merger

The subrecipient must notify ODH, in writing on Agency letterhead via email, when a merger occurs or the legal agency name changes. The following documentation must be submitted via email:

1. Letter of changes for GMIS users (include a list of ALL GMIS project numbers)
2. Agency Board Minutes
3. New W-9
4. New EFT
5. New Proof of Non-Profit (if applicable)
6. New Proof of Liability (if applicable)
7. GMIS Access Forms for employees needing access to GMIS

## Section B -Fiscal and Statutory Requirements

### B1.0 Conditions of a Subrecipient

**No applicant shall be funded if the terms and conditions of the Solicitation have not been met by the submission due date of the application.**

Enforcement of the OGAPP begins when the application is submitted. Before the Director of Health can approve an applicant for funding, the applicant must meet the following criteria:

1. Applicant must prove eligibility as a qualifying organization (i.e., the applicant must be a local government, hospital, educational institution, or non-profit corporation).
2. Applicant must submit all required assurances. The assurances shall be current and have been signed by the applicant in the calendar year of application. The assurances shall be accurate. Any assurance found by an audit to be untrue shall cause immediate suspension of funds with an obligation to return any funds disbursed. Any costs incurred shall be the responsibility of the applicant. Assurances for non-governmental agencies shall include evidence of the appropriate liability insurance coverage.
3. Applicant must show capacity to achieve program and fiscal objectives. Letters of support, if required, shall be signed in the current fiscal year and be specific to the subrecipient project objectives.



4. Applicant must demonstrate the ability and willingness to comply with ALL applicable federal and state laws, regulations, and policies.

Conditional funding shall apply only to item #3 above. Applicants with deficiencies related to items 1, 2, and 4 may not be funded.

### **B1.1 Eligibility**

Eligible organizations may include State, Local and Indian Tribal Governments, institutions of higher education, non-profit organizations (including faith-based, community-based, and tribal organizations), and hospitals. Specific eligibility requirements are found in the program specific Solicitation.

Organizations interested in applying for and administering public health grants from ODH must use the Grants Management Information System [GMIS](#) to submit grant applications. All subrecipients must submit applications in a complete and timely manner according to the applicable federal and state laws, regulations and the OGAPP manual in order to be considered an eligible applicant. Incomplete and/or late applications will result in the entire application not being considered for review.

The ODH Grant Application Eligibility Matrix (GAEM) (Appendix 8) standardizes the eligibility criteria of subrecipient applications for all ODH programs. All applicants must meet the requirements set forth in the GAEM to be considered for funding.

All attachments in GMIS must be labeled using the same name listed in the Solicitation. This will ensure that your agency is in compliance with the Solicitation and not subject to any of the infractions listed in the GAEM.

The following fiscal criteria must be met for grant applications to be eligible for review:

1. Applicant has not been certified to the AG's Office due to late payment of ODH invoice.
2. Applicant submitted application and all required attachments by 4:00 p.m. on the due date listed in the Solicitation.



### **B1.2 Public Health Accreditation Board (PHAB) Standards**

The current Public Health Standards, [Ohio Revised Code 3701-36](#) (reference [Ohio Revised Code 3701.342](#)), became effective in 1984.

Program-specific Solicitations will identify the Public Health Accreditation Board (PHAB) standards that will be addressed by the grant activities. More information on the PHAB standards can be found at <http://www.phaboard.org>.

### **B1.3 Federal Suspension and/or Debarment**

Organizations or individuals that are suspended or debarred cannot apply for or be paid from ODH grants during the period of the suspension or debarment. In the event that an agency is debarred, another entity from within the county, an adjoining county, or regional provider can compete for the program dollars. As a result, the entity awarded the grant, cannot contract and/or hire the debarred agency in any capacity. Any expenditure charged to an ODH grant for such individuals or agencies will be disallowed.



Applicants are required to disclose to ODH if any of the following conditions apply to the agency or agency personnel:

1. Applicant has been convicted of or had a civil judgment rendered against them within the three year period preceding the application for ODH funding for any of the following:
  - a. Fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public transaction or contract under a public transaction;
  - b. Violation of a federal or state antitrust statute;
  - c. Embezzlement, theft, forgery, bribery, falsification or destruction of records, or
  - d. False statements or receipt of stolen property.
2. Applicant is presently indicted or otherwise criminally or civilly charged by a governmental entity (federal, state, or local) with the commission of any of the offenses enumerated above.
3. Applicant has had any public transaction (federal, state or local) terminated for cause or default within the three-year period preceding the application for ODH funding.

#### **B1.4 Delinquency on Federal/State Debt**



Any agency that is indebted to the United States Government and/or has a judgment lien filed against it shall not be listed as a participant in any application if they are delinquent on any federal/state debt.

Any individual who is indebted to the United States Government as documented on [www.sam.gov](http://www.sam.gov) and/or has been judged to be in default on a federal debt and who has had a judgment lien filed against him or her should not be listed as a participant in an application for a federally funded grant until the judgment is paid in full or otherwise satisfied. No funds may be re-budgeted following an award to pay such an individual. ODH will disallow costs charged to awards that provide funds to individuals in violation of this requirement.

In addition, any agency that is found to have unpaid questioned costs on the Auditor of States Questioned Costs Database will not be eligible to receive funding from ODH. The following web link will take you directly to the selection screen: <https://ohioauditor.gov/findings.html>. Remember, it is your responsibility to verify this information for the contractors that you hire using ODH monies.

#### **B1.5 Lobbying**

Applicants and recipients of federal grants, cooperative agreements, contracts, and loans are prohibited by [31 U.S.C. 1352](http://www.uscourts.gov/uscourts/1352). “Limitation on use of appropriated funds to influence certain Federal contracting and financial transactions,” from using appropriated federal funds to pay any person for influencing or attempting to influence any officer or employee of an agency, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress with respect to the award, extension, continuation, renewal, amendment, or modification of any of these instruments. ODH applies this regulation to State and Federal monies distributed to subrecipients.

#### **B1.6 Conflicts of Interest and Mandatory Disclosers**

All subrecipient agencies, officials, and personnel must adhere to the following requirements:

No subrecipient official (including board members) or employee shall participate personally in any activities of the grant in which that individual holds any personal financial interest. Subrecipient officials or employees with or who acquire a personal financial interest in any activity of the grant must disclose in writing any potential conflict of interest to ODH in accordance with the federal awarding agency policy. UGG, Subpart B – Section 200.112

Subrecipients must disclose all violations of Federal criminal law involving fraud, bribery or gratuity violations potentially affecting the Federal award. UGG, Subpart B – Section 200.113

Subrecipient agencies, officials, and employees shall avoid any action that might result in or create the appearance of:

1. Giving preferential treatment to any person,
2. Losing complete independence or impartiality,
3. Making an official decision outside official channels, or
4. Adversely affecting the public confidence in the integrity of the program.

All agencies, officials, and employees must follow all requirements in [State Ethics Law](#) the Ohio Administrative Code, and [the Ohio Revised Code](#). No employee or board member of the subrecipient agency is eligible to participate as a contractor for ODH grants.

More information about the Ohio Ethics Law may be found by contacting the Ohio Ethics Commission at (614) 466-7090 or at <http://www.ethics.ohio.gov/>.

### **B1.7 Civil Rights Requirements**

The policy of ODH is to ensure that ALL people have equal access to ODH-funded programs and are not treated differently because of race, color, national origin, age, gender, disability, veteran status or sexual orientation.

When a subrecipient accepts ODH grant funds, the subrecipient agency and its contractors agree to comply with [Title VI](#) and [Title VII](#) of the 1964 Civil Rights Act, and any amendments.

Title VI of the Civil Rights Act of 1964 prohibits subrecipients from discriminating on the basis of race, color, or national origin in any program or activity. Title VI does not extend to a Subrecipient's employment practices unless providing employment is the primary purpose of the grant.

Any program or activity that provides services, financial aid or other benefits to individuals is covered by Title VI. Services, financial assistance or benefits may take the form of education, training, health, welfare, rehabilitation, or other services. Assistance such as work opportunities, cash or loans is included, but assistance in the form of insurance or guaranty contracts is not.

Title VII of the 1964 Civil Rights Act prohibits discrimination on the basis of race, color, religion, sex, pregnancy, or national origin in all respects of employment for employers with 15 or more employees and their agents regardless of whether those employers are federal fund recipients.

Additionally, Title IX of the Education Amendments of 1972, prohibits discrimination in employment and the delivery of services based on sex in federally-funded education or training programs, and the Age

Discrimination Act of 1975, prohibits discrimination in the delivery of services based on age by federally-funded agencies. This is applied to all funding sources distributed by ODH.

Additional Civil Rights Acts include but are not limited to:

- a) If grant funding is from the U.S. Department of Justice (DOJ), subrecipients must also comply with the nondiscrimination provision of the Violence Against Women Act of 1994,
- b) as amended (42 U.S.C. § 13925(b)(13)), which prohibits discrimination on the basis of race, color, national origin, religion, sex, gender identity, sexual orientation,
- c) or disability in the provision of services and employment practices; 28 C.F.R. pt. 42, subpt. C (the DOJ regulations implementing Title VI of the Civil Rights Act of 1964);
- d) 28 C.F.R. pt. 54 (the DOJ regulations implementing Title IX of the Education Amendments of 1972); 28 C.F.R. pt. 42, subpt. G (the DOJ regulations implementing Section 504 of the Rehabilitation Act of 1973);
- e) 28 C.F.R. pt. 42, subpt. I (the DOJ regulations implementing the Age Discrimination Act of 1975); 28 C.F.R. pt. 38 (the DOJ regulations on the Equal Treatment for Faith-Based Organizations);
- f) Ex. Order No. 13279 (Equal Protection of the Laws for Faith-Based and Community Organizations); and Ex. Order No. 13559 (Fundamental Principles and Policymaking Criteria for Partnerships with Faith-Based and Other Neighborhood Organizations).

The subrecipient agency, its contractors and its subcontractors must adopt and implement personnel management policies and procedures that meet the guidelines of the Civil Rights Act and the Rehabilitation Act, and must provide to the ODH, upon request, data, statistics, and other information not prohibited by law to enable ODH to ascertain compliance. See Appendix 7 for Major Civil Rights laws.

The Equal Employment Office (EEO) monitors and ensures compliance of all ODH subrecipients through on-site reviews and technical assistance. All subrecipients must have an ODH Civil Rights Review Questionnaire (CRRQ) on file via GMIS. The questionnaire consists of three parts: Affirmative Action Plans, Personnel Policies, and Procedures. During the on-site review, the information obtained from the CRRQ is verified. Statistical data regarding staff composition and client services are evaluated while building and site accessibility is assessed.



Subrecipients must maintain written plans, policies and procedures to ensure compliance with all federal, state, and local rules and regulations related to the Civil Rights Act and must ensure prompt corrective action to eliminate disparities, findings of discrimination, and/or deficiencies cited during an ODH compliance review.

ODH requires annual re-certification of the CRRQ for active subrecipients. The subrecipient must notify ODH of any major changes to the agency's compliance areas during the grant period. Failure to do so may result in the subrecipient agency being non-compliant.

Questions regarding civil rights requirements should be directed to the ODH EEO and Labor Relations Officer via following contact information:

EEO & Labor Relations Officer  
Ohio Department of Health  
246 North High Street, 8<sup>th</sup> Floor  
Columbus, Ohio 43215

(614)466-2434 phone  
(614) 564-2463 fax

In addition, the Ohio Civil Rights Commission may be reached at 1-888-278-7101 or via the Internet at <http://www.crc.ohio.gov/>.

### **B1.8 The Public Records Act**

“Public record” means records kept by any public office, including, but not limited to, state, county, city, village, township, and school district units, and records pertaining to the delivery of educational services by an alternative school in Ohio kept by a nonprofit or for-profit entity operating the alternative school pursuant to section 3313.533 of the Revised Code.

A “public office” includes any state agency, public institution, political subdivision or other organized body, office, agency, institution, or entity established by Ohio law for the exercise of any function of government

ODH, the applicable federal agency, or any of their authorized representatives, may access any books, documents, papers or other records related to the grant, including those records held by subrecipient contractors, in order to examine, audit, transcribe and copy any or all material. The right of access shall last as long as the records are retained.

Subrecipients must comply with the Ohio Public Records Act, including [Ohio Revised Code \(ORC\) 149.43](#) and [149.431](#), and must keep accurate and complete financial records of funds received under the grant. These records are public records. Subrecipients must comply with the [Federal Freedom of Information Act \(FOIA\), Title 5 of the United States Code, section 552](#), and grant access to agency public records. Subrecipients must comply with the associated Public Information Regulations of the U. S. Department of Health and Human Services, which requires the release of certain grant information requested by any member of the public. The intended use of the information may not be considered in a determination of whether a document is a public record and whether it should be released. Public access to program records is to be determined by applicable federal, state, and local regulations governing “Freedom of Information” and “Privacy.” Any questions regarding release of grant related records can be directed to the ODH Grants Services Unit.

### **B1.9 Data Stewardship**

Any document or combination of documents that pertain to a patient’s medical history, diagnosis, prognosis or medical condition, and that is generated and maintained in the process of the patient’s health care treatment is considered a medical record. All subrecipients shall maintain medical records created, obtained, or retained by the grant program for no less than six (6) years from the date of discharge. However, subrecipients should maintain records in accordance to their agency’s records retention policy so long as they are not for a shorter period of the ODH policy. Medical records must be maintained until the age of consent or longer.

To the extent any medical record is created, obtained or retained by the subrecipient as part of the grant program, ODH shall maintain a proprietary interest in the record for purposes of ensuring the continuity of care and the integrity of the overall program. Medical records will be made available upon request to ODH or an agent of ODH and/or another subrecipient presently treating or in anticipation of treating the patients, so long as the subrecipient has reasonable assurances of the propriety of the records made available. Medical records should not be withheld because of an unpaid bill for medical services or other outstanding fiscal concerns. Assurances from the designated ODH point of contact for the grant program will be sufficient for purposes of disclosing, copying, or transferring medical records.



## Section C - The GMIS Application

### C1.0 Application Process



Regardless of whether an applicant has submitted any preliminary documentation, to be considered for grant funding an applicant must be an eligible entity and must submit a **complete** application with all required documentation. The application must comply with ODH instructions within the Solicitation and the OGAPP manual and must be submitted by the indicated due date.

Agencies interested in applying should read each Solicitation thoroughly. Incomplete and/or late applications will not be considered for review.

ODH uses the following two types of Solicitation applications:

1. **Competitive Solicitation** establishes the program period, funding criteria, the project scope, and other program requirements.
2. **Continuation Solicitation** may only be responded to by agencies currently funded under that respective program under the terms of the competitive Solicitation.

#### To submit an application an agency must:

1. Review the Solicitation to ensure the agency can comply with and fulfill all of the necessary requirements. The Solicitation is located on the ODH website under “Funding Opportunities.” A competitive Solicitation also includes a Notice of Intent to Apply for Funding (NOIAF) form, and a GMIS 2.0 Training Form (Appendix 1). The Solicitation contains detailed information about the background, intent and scope, policy, procedures, performance expectations, a review-scoring sheet, and general information and requirements associated with the administration of the grant. The applicant must read and follow all directions carefully.
2. Once an agency determines that it can comply with the requirements of the Solicitation, a NOIAF must be submitted to ODH. The applicant must complete the form providing the organization’s tax identification number and legal name as it appears on the official Internal Revenue Service (IRS) letter.  
**Waivers will not be accepted for late submission of NOIAF’s and subrecipients will not be permitted to submit an application. The agency head must sign the NOIAF and the agency must select a reimbursement type. Forms submitted without the agency head’s signature (as listed in GMIS) or no reimbursement type selection will not be accepted. Waivers will not be accepted for incomplete forms or forms not containing the agency head’s signature.**
3. Subrecipients must submit the Reimbursement Type form for continuation subgrant opportunities. The form must be signed by the agency head and the agency must select a reimbursement type.
4. **A minimum of two (2) individuals from a new applicant agency, who would be responsible for administering ODH grants, must complete GMIS Training.** To register for GMIS training, a completed GMIS 2.0 Training Form (Appendix 1), contained in the Solicitation, must be faxed to the designated ODH personnel who will assign a training date. Once training is complete, the individual will receive a username and password to access GMIS.

Agency employees who have completed ODH GMIS training can train additional staff within their respective agency.

If an agency has already met this requirement during a previous year, written documentation demonstrating prior attendance must be submitted to the Grants Services Unit in order to receive authorization for application submission.

The Agency Head or Agency Financial Head must request additional usernames and passwords by contacting the GSU and providing the names of the employees.

Agency personnel with lost usernames and passwords can click on “I forgot my username” or “I forgot my password” to reset.

5. To access GMIS, the agency will sign into ODH Application Gateway using the assigned username and password at <https://odhgateway.odh.ohio.gov>. The agency will complete the application, including all requested attachments. If not all requested attachments are placed in GMIS, the application will be considered incomplete and may be denied.

**Note: GMIS has functional capacity to accept a zipped file, not to exceed 4mb in any comment section.**

6. To submit the application, the agency verified that all attachments have been included and then hits the submit button.
7. Once the application is submitted to ODH, no changes to the application may be made. An agency can check the status of the application by selecting the “Approval History” button and printing the history report.
8. If the application is approved, ODH notifies the subrecipient via a Notice of Award (NOA) (Appendix 2) posted in GMIS. The applicant will receive an email notification and the NOA will appear in their GMIS worklist. If the application is disapproved, ODH notifies the subrecipient via a letter posted within GMIS. The Notice of Award remains viewable by the subrecipient within the “Reports” tab in GMIS.

## **C1.0a How to Submit your application via GMIS**



The Solicitation may provide specific instructions for completion and submission of various forms that may differ from the standard instructions for completion.

## **C1.1 Explanation of Project Number**

A project number (Appendix 4) is assigned by ODH to each applicant/subrecipient for each grant. The project number is a fourteen digit alphanumeric that identifies the county, the agency type, the number assigned to the agency type, the office, the program, the title and the grant fiscal year in GMIS. The project number may also be referred to as the grant number.

## **C1.2 Application Requirements**

Any granted award is contingent upon the availability of funds. Thus, the subrecipient agency must be prepared to cover the costs of operating the program in case there is a delay in grant payments. **All grants**



**are awarded on a reimbursable basis.** An agency must have funds to cover their expenditures and the grant will only reimburse allowable costs.

1. **Application Information** - agency address; this must be a mailing address and not a P.O. Box.
2. **Project Narrative**- Applicants will complete several narrative sections as part of the grant submission. Narrative components include: A Description of Applicant Agency/Documents of Eligibility/Personnel, Executive Summary, Problem/Need, and a Health Disparities Statement. The Department and Program specific requirements are detailed in the Solicitation.
3. **Project Contacts** - includes Agency Head, Agency Financial Head, Program Director and Program Fiscal Contact
4. **Budget** - actual breakdown of estimated expenditures and personnel costs that will be utilized to complete the requirements of the program Solicitation. This includes the following:
  - a. **Primary Reason:** Explains reason for the submission of the application.
  - b. **Funding:** Project funding amount an agency is requesting from ODH. Subrecipient awards shall be made in amounts of \$30,000 or greater unless a waiver is granted by the Director of Health for a lesser amount.
  - c. **Justification:** The justification must be concise. It should specifically describe how each item would support the achievement of proposed objectives. It must clearly describe each cost element and explain how each cost contributes to meeting the project’s objectives/goals. (The application should include any equations used to form the allocation percentage and an explanation of the details of the equation). All sources and total estimated amounts of project income (if applicable) and any other pertinent information required by the Solicitation must be listed. Please see the attached budget justification examples in Appendix 9.

Supplies that will be required to meet the goals of the project must be listed. Office supplies must be separated from medical and educational purchases and each item must be listed separately with estimated or actual costs. If more than one project will be using the supplies, the application must provide how the supplies will be allocated with an accurate and detailed explanation on how the allocation was derived. (The application should include any equations used to form the allocation and an explanation of the details of the equation). The written budget justification should not have vague words like “miscellaneous”, “various”, or “sundry.”



**To the extent possible, all contract budgets and justifications should be listed. The justification should provide a clear explanation on the purpose of each contract, how the costs were estimated, and the specific contract deliverables. When the applicant is preparing a contractor’s budget narrative, travel, supplies, and equipment costs should be included, if applicable.**

**NOTE:** Budgeted lined items in the Other Direct Costs and Equipment categories should not be listed for staff who are not included in the Personnel category in GMIS. The only exception is for regional subgrant programs and allowable costs must be outlined in the Solicitation.

List any travel costs including the mileage rate, number of miles, the reason for the travel, and the staff member completing the travel. Travel expenses associated with participation in meetings and other proposed trainings or workshops should be outlined including an

explanation of the benefit to the project. In addition, please indicate what the agency's mileage reimbursement rate is. If the agency's rate exceeds the state's maximum reimbursement rate, please acknowledge that the agency will not pay in excess of Ohio's Office of Budget and Management (OBM) stated rate. For more information on the OBM travel rules, please go to <http://obm.ohio.gov/MiscPages/TravelRule/>. The Director of OBM evaluates the maximum mileage reimbursement rate on a quarterly basis and publishes a memorandum that can be found at <http://obm.ohio.gov/miscpages/memos>.

- d. **Personnel:** Must be employees of the agency that will devote time and effort specifically on the project. (Refer to Chapter 2 B2.4) If an employee is split-funded, please provide the other funding source.

Personnel costs should be explained by listing each staff member who will be supported by funds, name (if possible), position title, percent of full time equivalency, annual salary and the exact amount requested for each project year.

Fringe Benefits must be listed by the components that compromise the fringe benefit rate (e.g., health insurance, taxes, unemployment insurance, life insurance, retirement plan). The fringe benefits should be directly proportional to that portion of personnel costs that are allocated for the project

- e. **Other Direct Costs:** Costs that can be specifically identified with a particular project. (Refer to B2.5) Direct costs must be listed separately with estimated or actual costs. If more than one project will be using the listed item, the application must provide how the allocations will be utilized with an accurate and detailed explanation on how the allocation was derived. (The application should include any equations used to form the allocation and an explanation of the details of the equation). Please reference Section C1.3

- f. **Equipment:** Equipment is defined as an item of tangible property having a useful life of one year or more, costing \$1,000 or more for a single item, and is purchased in whole or in part with program funds. (Refer to Chapter 2 B2.6) For example, three bicycle racks that cost \$375 each would be considered an "Other Direct Cost", but a single bicycle rack that costs \$1,050 would need to be listed as equipment.

List equipment costs and provide justification for the need of the equipment to carry out the project goals. Extensive justification and a detailed status of current equipment must be provided when requesting funds for the purchase of computer and furniture items that meet the definition of equipment in section Chapter 2 B2.6. If more than one project will be using the equipment, the application must provide the allocation plan that will be utilized with an accurate and detailed explanation on how the allocation plan was derived. (The application should include any equations used to form the allocation and an explanation of the details of the equation).

- g. **Contracts:** Written agreement with a person(s) or organization(s) who is not an employee of the subrecipient agency to perform services or provide goods for the program. **For each contract, the subrecipient must obtain ODH prior approval for the expenditure through the CCA module.** No employee or board member of the subrecipient agency is eligible to participate as a contractor within the ODH project. (Refer to Chapter 2 B2.7)

- h. **Compliance:** Questionnaire ensuring compliance with the administrative standards of ODH and federal grants. Answer each question on this form as accurately as possible. Do not leave a question response blank; if the question is not applicable for the agency, respond with "N/A".





- i. **Summary:** Displays budget-funding sources, budget categories and allotments, which is a summary of funding, the budgeted categories, and cash needs.

**Note:** ODH grants are reimbursed after the expenditures are made and therefore all grant funds must be spent or obligated during the grant budget period stated on the ODH Notice of Award.

**Note for WIC Users:** Enter applicable information into the additional WIC fields, which include Nutrition, Clinic, Breastfeeding, and Administration fields.

- 5. **Civil Rights Review Questionnaire** - designed to ensure awareness of and compliance with state and federal laws that prohibit discrimination in employment and access to services.
- 6. **Assurances and Ethics Certification** - The agency agrees by electronic acknowledgment to the financial standards of conduct and ethics stated there. This certification sets forth standards of financial conduct relevant to receipt of grant funds and is provided for informational purposes in a read-only format. The listing is not all-inclusive and any omission of other statutes does not mean such statutes are not assimilated under this certification. The electronic acknowledgement is completed with the submission of the application.

By submitting the grant application and the Ethics Certification, the submitter, as a duly authorized representative of the subrecipient certifies that in accordance with [Executive Order 2011-03K](#):

- a. Subrecipient agency has reviewed and understands the Governor’s Executive Order 2011-03K.
  - b. Subrecipient agency has reviewed and understands the Ohio ethics and conflict of interest laws.
  - c. Subrecipient agency will take no action inconsistent with those laws and this order.
  - d. Subrecipient agency understands that failure to comply with the Executive Order 2011-03K is grounds for termination of this grant and may result in the loss of other grants with the State of Ohio.
- 7. **Attachments, if required** – are indicated in the Solicitation and vary according to the project. These are necessary documents for the completion of a project application.
  - 8. **Audit** – The agency’s A-133 single audit or financial audit is an agency document rather than program specific document. As such, it is important that the project director verifies with the fiscal officer that the audit has previously been submitted to ODH. If the agency has previously submitted their most current audit, they are not required to attach the audit to the application page of the grant.

Applicants are required to submit their current independent audit report, a copy of the auditor’s management letter, a corrective action plan for findings in the audit and in the management letter (if applicable) and the Data Collection Form (DCF) for single audits. (Refer to Chapter 2 B2.9)

Current subrecipients must submit a current independent audit report, a copy of the auditor’s management letter, a corrective action plan (if applicable) and a DCF (for single audits) within 30 days of the receipt of the auditor’s report, but no later than 9 months after the end of the subrecipients fiscal/accounting year. (Refer to Chapter 2 B2.9).

**The A-133 single audit should be submitted to the Federal Audit Clearinghouse at <https://harvester.census.gov/facweb/>. A-133 single audits should no longer be emailed to the ODH audits email.**



**The required financial audit documents may be sent as an attachment and e-mailed to [audits@odh.ohio.gov](mailto:audits@odh.ohio.gov) or mailed to ODH at:**

Ohio Department of Health  
35 E. Chestnut Street  
Grants Services Unit  
Central Master Files, 4<sup>th</sup> Floor  
Columbus, OH 43215

The subject line of the email must include the agency name and audit period. Emails that do not include the correct information in the subject line will be returned and will need to be resubmitted.

**Mail (printed documents)**

9. **IRS Form W-9** - for new agencies and existing agencies needing to report changes to their information. One of the following forms must accompany the IRS Form W-9 and/or EFT form:

- a. **Supplier New Form:** New agency only
- b. **Supplier Change Form:** Existing agency with tax identification number, name and/or address change(s)

**Letter of Explanation:** Existing agency with tax identification number, name, and/or address change(s). Written on agency letterhead with an explanation of why the changes are being requested. The letter must be signed by the agency head or agency fiscal head.

10. **Electronic Funds Transfer (EFT)**—For new agencies and existing agencies needing to report changes to their information. The form is used to establish an agency in the Ohio Administrative Knowledge System (OAKS), so that the agency can receive ODH funds. It is a requirement that agencies receive funds via EFT.

11. **Public Health Accreditation Board (PHAB) Summary** - A one-page project summary regarding the impact to proposed grant activities on the Local Health Districts Improvement Standards. All applicants that are not local health districts must communicate with local health districts regarding the impact of the proposed grant activities on the Local Health Districts Improvement Standards. (Refer to B1.2)

**Required for all competitive cycle applicants or if standards have changed from prior year on a continuation cycle application.** The Public Health Impact Statement Summary must include the following:

- a. The Public Health Accreditation Board (PHAB) Standard(s) to be addressed by grant activities;
- b. A description of the demographic characteristics (i.e., age, race, gender, ethnicity, socio-economic status and education level) of the target population and the geographical area in which they live (e.g., census tracts, census blocks, block groups);
- c. A summary of the services to be provided or the activities to be conducted; and
- d. A plan to coordinate and share information with appropriate local health districts.

The applicant must submit the above summary as part of their grant application to ODH. This will document that a written summary of the proposed activities was provided to the local health districts with a request for their support and/or comment about the activities as they relate to the Local Health Districts Improvement Standards.

12. **Public Health Impact Response/Statement** - Response/Statement of support from the local health district(s) (LHDs). The LHD response/statement of support must describe the impact of the applicant's proposed grant activities on the Local Health Districts Improvement Standards. If a statement of support from the LHDs is not obtained, the applicant must indicate this when submitting the program summary part of the grant application. If an applicant agency has a regional and/or statewide focus, a statement of support must be submitted from at least one local health district, if available. **A public health impact response/statement is required for all competitive cycle applicants or if statement has changed from prior year on a continuation cycle application.**
13. **Statement of Intent to Pursue Health Equity Strategies**—The Ohio Department of Health is committed to eliminating health inequities. All applicant agencies must submit a statement that outlines how the agency addresses or will address health disparities. Information that may help in completing this statement include the following:

**Health Equity Component (Standard Health Equity Language):**

Certain groups in Ohio experience a disproportionate burden of diseases or health conditions (such as increased incidence, prevalence, or mortality). These are commonly referred to as health disparities. Health disparities are not mutually exclusive to one disease or health condition. Different public health data systems (e.g., disease surveillance) collect information on diseases and health conditions and disparity information can be measured and monitored through these systems. Most health disparities are seen in groups that are marginalized because of socioeconomic status, race/ethnicity, sexual orientation, gender, disability status, geographic location, or some combination of these factors. People in these groups often have less access to resources such as healthy food, good housing, good education, and safe neighborhoods, and they may be subjected to racism and other forms of discrimination. These are referred to as **social determinants**. Understanding social determinants is necessary to support optimal health in all people. The systematic and unjust distribution of social determinants among these groups is referred to as health inequities. As long as **health inequities** persist, marginalized groups will not achieve their best possible health. The ability of marginalized groups to achieve optimal health is referred to as **health equity**. Public health interventions that incorporate social determinants in the planning and implementation of programs will help eliminate health disparities. Additional information is available on the ODH website at <http://www.healthy.ohio.gov/healthequity/equity.aspx>. This statement should not exceed 1 ½ pages and must do the following:

- a. Explain the extent to which health disparities are manifested within the health status of individuals (i.e., morbidity and/or mortality) or health systems (e.g., accessibility, availability, affordability, appropriateness of health services) within the affected community;
- b. Identify specific group(s) experiencing a disproportionate burden of the disease or health condition addressed by this application; and
- c. Identify specific social and environmental conditions, which lead to health disparities (i.e., social determinants) in the affected community.

**The statement of intent to pursue health equity strategies is required for all competitive cycle applicants. Updated strategies are required if the strategies have changed from the prior application submission.**

14. **Liability Coverage** - Documentation validating current liability coverage. **Non-Profit Organizations are required to submit proof of liability coverage at every insurance renewal period. If an agency cannot document proof of insurance, ODH will suspend payments until proof of insurance is provided. ODH recommends that subrecipients carry at least \$1 million dollars per occurrence in liability insurance.**
15. **Non-Profit Organization Status** - Internal Revenue Service letter approving tax-exempt status. This requirement only applies to **Non-Profit Organizations during a competitive cycle or if changes occur for a continuation cycle.**
16. **Federal Funding Accountability and Transparency Act (FFATA) Requirements:**  
The Federal Funding Accountability and Transparency Act (FFATA) was signed on September 26, 2006. The intent of FFATA is to empower every American with the ability to hold the government accountable for each spending decision. ODH is required to report information on all subrecipients receiving \$25,000 or more of federal funds on [usaspending.gov](http://usaspending.gov). All applicants applying for ODH grant funds are required to complete the FFATA Reporting Form in GMIS.



All applicants for ODH grants are required to obtain a Data Universal Number System (DUNS) and a Central Contractor Registration Number (CCR) and must submit the information in the grant application.

DUNS information is available at <http://fedgov.dnb.com/webform/pages/CCRSearch.jsp>. Information about the CCR is available at <https://www.sam.gov/portal/public/SAM/>. Information on Federal Spending Transparency is available at [www.USAspending.gov](http://www.USAspending.gov) or at the Office of Management and Budget's website for Federal Spending Transparency at <https://www.whitehouse.gov/omb>.

**The FFATA is required by all applicants. The FFATA form is located on the GMIS 2.0 Application Page and must be completed in order to submit the application.**

**It is imperative that the information in [sam.gov](http://sam.gov) and DUN and Bradstreet match exactly, otherwise it will reject your submission.**

**ODH will hold all future payments if a subrecipient's FFATA contains errors. Subrecipients will be contacted by their grant consultant via email regarding errors. Payments will not be released until a subrecipients FFATA is successfully uploaded into the federal system.**

### **C1.3 Deliverable-based Subgrants**

ODH subgrant programs consists of three types: 100% base, base and deliverables and 100% deliverables.

## **Deliverables:**

1. Deliverable requirements, which includes a description and value of each deliverable, are outlined in Appendix C1 and C2 of the competitive solicitation and Appendix B1 and B2 of the continuation solicitation.
2. Deliverable line items (ex. Deliverable-Objective 1, Deliverable-Objective 2....) are included in the drop down list within the Other Direct Costs category and applicants are required to choose the exact deliverable line item in GMIS as referenced in the solicitation.
3. Unless otherwise indicated, applicant's budgets must reflect the deliverable value referenced in Appendix B2 or C2.
4. Appendix B1 and C1 identifies the budget justification scenario that must be used when completing the budget justification.

### **C1.4 Application Review Criteria**

ODH determines which applicants will be approved or disapproved for funding and reserves the right to reject any or all applications for any given Solicitation. ODH's decision is final and there is no appeals process after the decision has been made.



All proposals will be judged on the quality, clarity, completeness of the application. Proposals will be judged on criteria that includes how well the proposal:

1. Contributes to improving the health of Ohioans;
2. Demonstrates that the proposed activities meet the program objectives for which grant dollars are being made available;
3. Is well executed and will attain program objectives;
4. Describes specific objectives, activities, milestones and outcomes with respect to time-lines and resources;
5. Estimates reasonable cost to ODH considering the anticipated results;
6. Describes how project personnel are qualified through their experience and/or training for their roles in the project. Some programs may need to submit the resumes for personnel on the project and this will be noted in the Solicitation;
7. Demonstrates that the applicant has adequate facilities and personnel for the project;
8. Provides a project evaluation plan including a method for determining project success;
9. Is responsive to special concerns and project priorities specified in the Solicitation;
10. Demonstrates acceptable past performance in programmatic and financial stewardship of grant funds (if applicable);
11. Demonstrates compliance to OGAPP; and

12. Explicitly identifies the specific groups in the service area who experience a disproportionate burden of the diseases or health condition(s) that the project will address and explains the root causes for these health disparities.

Applicants should define program goals, objectives, and activities in the Project Narrative portion of the application. The Budget Justification of the application should include a detailed description of how categorical costs were derived and discuss the necessity, reasonableness, and allocable use of proposed costs. ODH will take into consideration the past fiscal and programmatic performance when scoring applicants applications.

The Subrecipient Combined Application Review (CAR) ensures that all ODH areas responsible for subrecipients (i.e., Program, Grants Services Unit [GSU] Processing and GSU Compliance), are in agreement with the approval of grant applications submitted to ODH, communicate risk issues, and discuss technical assistance to be provided during the subsequent grant year. While Program, GSU Processing, and GSU Compliance will review all grant applications, only some application are reviewed at the CAR meeting. If any ODH area is concerned about an application, then the application is discussed at the CAR meeting. The goal of the CAR process is for ODH fiscal and program staff to meet and discuss critical information and ultimately reduce subrecipient and ODH risk.

ODH staff reviews the application via GMIS and apply comments and/or special conditions. After final approval of the application, funding level recommendations are made to the Director of Health.

## Section D - Local Funding and Income

### D1.0 Cost Sharing or Match

As a general rule, only those items eligible to be paid by the grant activities themselves may be eligible and contributed to meet the statutory match requirement. Match is the contribution of the grantee toward the eligible grant cost or cost sharing. This can include cash contributions, in-kind, and donated materials that could otherwise be charged to the grant.

If an application requires cost sharing or match, that means that the subrecipient must contribute funding to the project. Cost sharing or match increases the level of commitment by the subrecipient to the project because the subrecipient is financially invested in the project as well. Matching funds are costs required by ODH or the federal funding authority. Matching requirements are usually set as a percentage of the total dollar amount available by the grant. Refer to the program Solicitation to determine whether your application required costs sharing or match. When cost sharing or matching funds are required, grant payments are made in proportion to cost sharing funds to pay allowable costs, not to exceed the grant amount. Cost sharing funds must be spent according to the approved budget.

Section 10 of the Notice of Award summarizes the program's budget, including cost sharing, as entered in the grant application. Section 8 indicates the cost sharing required to support the project. If Section 8 requires no cost sharing, the agency is still expected to provide the cost sharing part indicated in Section 10; however, grant payments will not be adjusted in the event the cost sharing in Section 10 falls short of anticipated or budgeted amounts. See Appendix 2

### Federal funds cannot be used to match ODH Federal grant funds.

The subrecipient must budget and report all cost sharing support to ODH. If the subrecipient anticipates problems in meeting cost-sharing requirements, a budget revision must be submitted to ODH that requests an adjustment to the required cost-sharing ratio.



The source and amount of costs and/or the value of third-party in-kind contributions proposed by an applicant to meet a matching or cost sharing requirement must be identified in the application budget. Determining whether certain costs may be used for matching or cost sharing purposes, (i.e., the “allowability” of costs) is based on the same requirements, which apply to the use of Federal funds, including the cost principles.

Deliverable-based subgrant programs’ match will not be reported on the expenditure reports in GMIS. A match reporting form will be provided and must be attached in GMIS with the submission of the monthly or quarterly expenditure report.

### **D1.1 Applicant Contributions**

Applicant contribution may be defined as the difference between the total allowable cost sharing or matching funds during a grant year and the program income expended during the year. It is the support provided by the subrecipient agency that is used with the program income to match the grant funds in maintaining the program.

### **D1.2 In-kind Contributions**

In-kind contributions are defined as the value of non-cash contributions provided by the subrecipient or third parties for project activities. In-kind contributions made by non-federal third parties may be used as cost sharing or matching funds if they have not been counted toward any other federal grant, federal procurement contract, or any other award of federal funds on a matching or cost sharing stipulation of specific grants, if these contributions are normally considered allowable costs.

All in-kind contributions counted as allowable or matching cost sharing funds must be documented and assigned dollar values at the rates established for comparable items or services. In-kind contributions may consist of charges for real property and non-expendable property, and the value of goods and services directly benefiting and specifically identifiable to subrecipient project activities.

The subrecipient may not retain grant funds or program income as compensation for in-kind contribution provided.

### **D1.3 Fair Market Value**



For in-kind contributions that are used as part of cost sharing or matching contributions, the subrecipient must maintain records that show how the fair market value of the in-kind contribution was determined.

The fair market value is the fair and reasonable value placed on in-kind contributions for cost sharing or matching purposes. The following guidance is provided for determining fair market value:

1. **Valuation of Volunteer Services** - Unpaid services provided by individuals must be valued at rates consistent with those paid for similar work in the subrecipient’s organization. If the subrecipient does not have similar work, the rates must be consistent with those ordinarily paid by other employers for similar work. In both cases, a reasonable amount for fringe benefits may be included in the valuation.
2. **Valuation of Employees of Other Organizations** - When an employer, other than the grantee or subrecipient, provides the services of an employee, in the employee’s line of work, free of charge to the subrecipient, the services will be valued at the employee’s regular rate of pay exclusive of

the employee's fringe benefits and overhead costs. If the services are in another line of work, then the valuation is as stated for volunteer services.

3. **Donated Supplies and Loaned Equipment or Space** - Donated supplies will be valued at the market value of the item at the time of donation. When a third party donates the use of equipment or space but retains title, the contribution will be valued at the fair rental rate of the equipment or space.
4. **Valuation of Donated Equipment, Buildings and Land** - How donated equipment, buildings and land are valued depends on the purpose of the project.
  - a. **Grants for Capital Expenditures** - If the purpose of the project is to assist the subrecipient in acquiring property, the market value of the property at the time of the donation may be counted as cost sharing or matching.
  - b. **Other grants** - If assisting in the acquisition of property is not the purpose of the project, then the value of the property should be determined as follows:
    - i. If ODH approves the use of donated equipment, buildings, or land for cost sharing or matching, the market value of the equipment or buildings at the time of the donation or the fair rental rate of the donated land may be counted as cost sharing or matching. The terms of the grant agreement may require that approval be obtained from the federal agency as well as ODH. In all cases, approval may be given only if purchase of the equipment or rental of the land would be approved as an allowable direct cost. If any part of the donated property was acquired with federal funds, only the nonfederal share of the property may be counted as cost sharing or matching.
    - ii. If ODH does not approve the use of donated equipment, buildings or land for cost sharing or matching, then no amount may be counted for donated land, and only depreciation or use allowance may be counted for donated equipment and buildings. The depreciation or use allowances are not treated as third party in-kind contributions. Instead, they are treated as costs incurred by the subrecipient. They are computed and allocated (usually as indirect costs) in accordance with federal cost principles specified in [2 CFR 215 - 230](#) in the same way as depreciation or use allowances for purchased equipment and buildings. The depreciation or use allowance for donated equipment and buildings is based on the property's market value at the time it was donated.
5. **Valuation of Donated Real Property for Construction or Acquisition** - If a subrecipient donates real property for a construction or facilities acquisition program, the current market value of that property may be counted as cost sharing or matching. If any part of the donated property was acquired with federal funds, only the non-federal share of the property may be counted.
6. **Appraisal of Real Property** - Sometimes, it will be necessary to establish the market value of land or a building or the fair rental value of land or of space in a building. In these cases, the subrecipient may require the market value or fair rental value to be set by an independent appraiser and the value or rate be certified.

## D1.4 Project Income

In the original project application, applicants/subrecipients must include the amount of estimated project income that will be earned as a direct result of project activity.





Project income is listed by source and as a total amount in the Budget Justification of the project application. Subrecipients must account for the receipt and use of project income for allowable project costs. Subrecipients must submit a budget revision request before the end of the project period to notify ODH of any variations between anticipated (budgeted) and actual income. **Medicaid/Medicare revenue is not considered project income, with the exception of the programs receiving Title X funding, which represents the Reproductive Health grant currently identified as RH and HW.**

The use and reporting of project income can differ based upon federal funding regulations and/or project requirements. Federal regulations allow project income to be handled in three different ways: deductive alternative, additive alternative, and matching alternative. The federal funding agency determines which alternative to apply to each federally funded program. Section 11 of the subrecipient's Notice of Award will indicate how program income must be used relative to total program funding. Subrecipients should carefully review this to ensure compliance with the specified requirements for the receipt, spending and reporting of project income. Federal regulations require use of the deductive alternative unless a federal funding agency's regulations or its grant agreement with ODH stipulates otherwise, and the majority of projects funded by ODH use the deductive alternative for program income. The three alternatives for the use of project income are described as follows:

1. **Deductive Alternative-** Project income is used to reduce the amount budgeted for grant funds and applicant share proportionately. Project income is deducted from the total allowable costs to determine the net amount to which the respective matching ratios (i.e., grant funds and applicant share) are applied. If during the project period, the subrecipient is generating more project income than indicated on the original application budget, the subrecipient should submit a budget revision request to increase budgeted project income and to expand project activity. The generation of more project income than budgeted on the original application budget may be the result of the subrecipients employee(s) devoting more time and effort to the project than the percentage of time/effort indicated for the employee(s) on the budget. If that were the case, a budget revision request to increase the employee(s) time on project activity would be appropriate. Project income in excess of the amount anticipated and budgeted is used to reduce further the ODH grant funds and the applicant share contributions.
2. **Additive Alternative-** Project income is used to further the objectives of the legislation under which the grant was made and to increase the total project budget. Project income is added to funds already committed to the project by the subrecipient and ODH. Project income is used for purposes identified in the grant and must meet the conditions of the grant agreement. Project income in excess of the amount anticipated and budgeted is deducted from total costs of the project.
3. **Matching Alternative-** Project income is used to finance part or all of the applicant share or subrecipient matching requirement for the project and to reduce the amount of applicant contribution. Project income exceeding the sum of the budgeted applicant share and the budgeted project income is used to reduce the amount of ODH funds contributed to the project.



When income falls short of the budgeted level, and the shortage cannot be replaced by additional applicant contribution, the subrecipient must submit a budget revision explaining the effects of the reduced funding on the approved project. This is critical especially when the shortage affects the subrecipients ability to meet required cost sharing or match agreements, in which case grant funds will be reduced. When income exceeds the amount budgeted, the excess income must be budgeted by the subrecipient and approved by ODH.

When program income is used during a grant year, the subrecipient must complete Item F-H of the Final Expense Report Summary. Failure to submit this report will result in a reduction of allowable program expenditures eligible for reimbursement.

## D1.5 Interest Income

Income earned by the subrecipient on the subrecipient's own financial resources may be used to support the program as program funds. Interest earned on federal funds must be treated according to the federal regulations governing the program funding source (e.g., [7 CFR 3016](#) for non-entitlement USDA funded programs, [7 CFR 3015](#) for USDA entitlement programs, or OMB Circulars A-102 or A-110).

*Nongovernmental recipients* – For all federal grant awards and sub-rewards, any interest earned by nongovernmental recipients on advances of federal funds that exceeds \$250 per year in the aggregate must be remitted annually through the Payment Management System PMS, the government-wide agent for collection. (The year is based on the recipient's or subrecipient's fiscal year.) Recipients with electronic funds transfer (EFT) capability should remit interest electronically.

*Governmental recipients other than States* - Except as provided in [Uniform Guidance](#), for all federal grant awards and sub-awards, any interest earned by local governments or Indian tribal governments on advances of federal funds that exceeds \$500 per year in the aggregate must be remitted at least quarterly. (The year is based on the recipient's or subrecipient's fiscal year.)

## D1.6 Investment Income



At no time can federal or state funds received by the subrecipient to operate the program be used for investment purposes.

Income from stocks, bonds, etc. earned by the subrecipient on the subrecipients own financial resources may be used to support the program.

## D1.7 Rebate

The amount of money refunded under cost containment measures to the grantee from the manufacturer of a particular product as the result of the purchase of the product for use in the program. In some instances, there may be conditions on the rebate such that the rebates must be used before the expenditure of federal grant funds.

# CHAPTER 2 - Managing an ODH Grant

## Section A - Notice of Terms and Conditions

### A2.0 Overview

The terms and conditions of an award include general administrative and public policy requirements that apply to all subrecipients. The subrecipient is accountable for the performance of the project, ensuring appropriate expenditure of funds under the award by all parties and all other obligations incurred by the project. The project requirements that apply to the subrecipient also apply to their contractors, unless an exception is specified in the Solicitation.



**Failure to meet the terms and conditions of an award at any time during the grant period nullifies the agreement between ODH and the subrecipient; the subrecipient will be required to return part or all of the issued grant funds.**

## A2.1 Notice of Award

The Notice of Award (NOA) (Appendix 2) or its subsequent revisions are the Department's official notification to the subrecipient of the grant award.

**The Notice of Award along with the GMIS application constitutes the contractual understanding between ODH and its subrecipients.** The NOA is the legally binding document between ODH and the subrecipient. It contains or refers to all terms of the grant and documents the distribution commitment of federal or state funds. **Other communications regarding the awarding of funds or the authorization of expenditures of program funds (i.e., verbal communication, e-mails or letters) are unofficial and therefore do not obligate ODH.**

The NOA states the following:

1. Date issued
2. Program title
3. Revision
4. Project number
5. Agency tax ID number (or Employer Identification Number [EIN])
6. Project director, agency name and address
7. Budget period
8. Percentage of allowable costs to be paid for from ODH funds
9. ODH award computation
10. Source of financial assistance
11. Alternative program income method that will apply to grant (if any)
12. Applicable terms and conditions
13. Remarks and directions to access Special Conditions, if applicable, and payments

The Notice of Award Addendum provides information related to the federal grant received by ODH. It does not provide the subrecipients' individual award amounts.

## A2.2 Special Conditions

On the 2<sup>nd</sup> day of the grant period, a Special Conditions link within GMIS is available. If Special Conditions are given, the subrecipient must respond to all Special Conditions within 30 days via GMIS. **If a subrecipient does not respond to the Special Conditions within 30 days, future payments may be delayed.**

Special Conditions include terms and conditions of the grant award. A special condition may include program, GSU (fiscal), and/or compliance provisions (e.g., corrections of work plan deficiencies, the disposition of program income, budget revisions, budget justifications, report of total expenditures, submission or corrections to the audit or the Internal Control Questionnaire [ICQ]).

**Note: Although it is the typical methodology to apply special conditions during the application cycle, ODH reserves the right to place special condition(s) outside of the application cycle, when a new policy is released or when the subrecipient fails to attach the required documentation such as contracts, audits, supporting documentation, etc.**



## A2.3 Budget Revisions

A budget revision request can be initiated by either ODH or the subrecipient to increase or decrease the total project budget, to document changes in estimated project income or applicant share, to increase or decrease contractual line items, to remove or reallocate between cost categories, and/or to respond to a special condition.

The subrecipient must submit a budget revision via GMIS to modify an existing project budget. The information contained in the request must include the subrecipient's accounting records for the budget periods that have already concluded by the time of the revision request. **ODH reserves the right to verify all information submitted in the budget revision.** When approved by ODH, the revised budget supersedes the previously approved budget. No retroactive approval of expenditures is allowed.

The subrecipient must submit the budget revision using the Budget screens in GMIS and indicate the changes from the most recently approved budget; the reason for those changes must be noted in the budget justification.

GSU needs at least one month to review and respond to budget revisions. **A maximum of three subrecipient-initiated budget revisions will be allowed per budget period; with no more than one budget revision per quarter being permitted. All approvable budget revisions must be submitted no less than 60 days before the end of the budget period. In the event that the original budget revision is declined, subsequent corrections and submission on the declined budget do not count towards the three allowed submissions.**

Project funds may be spent after submission of a budget revision request and before the budget revision approval is received by the subrecipient. However, expenditures made pending approval of a budget revision request are done so at the risk of the subrecipient. If the budget revision is disapproved, the expenditures must be paid from the subrecipient's non-program funds. At no time will project expenditures be allowed when the budget revision request is submitted after the expenditure is incurred.

Line items within a budget category may experience cost overruns. Budget categories, however, are limited to the total amount of each category in the approved budget. A line item must be listed either in the original budget approved by receipt of a NOA or in a subsequent ODH-approved budget revision. Any unauthorized expenditure must be paid for by the subrecipient with non-project funds.

ODH-initiated budget revisions are revisions that result from changes in overall funds available through ODH, changes in program scope, or changes in administrative requirements. These situations may warrant reconsideration of the limit on the number of budget revisions permitted in the grant cycle or the time limits as described above. ODH staff will request revisions for these reasons in writing via GMIS.

Requests by ODH staff for changes or additional information on a budget revision that results from an improperly submitted budget revision, inadequate subrecipient justification, or other negotiated items are not considered ODH-initiated. Thus, the number of allowable budget revisions and the time limits for these revisions still apply.

If the initial budget results in a change in the grant project period or resource composition, a revised Notice of Award (NOA) will be forwarded to the subrecipient. The ODH-initiated budget revision will be posted on GMIS. The subrecipient has 30 days from receipt of initial payment to submit a revised budget. This ODH-initiated budget revision does not count against the subrecipients three allowable revisions.



Budget revisions to adjust funding between deliverable line items must be pre-approved by ODH program prior to submission. ODH program staff will enter a comment in GMIS regarding the approval or disapproval of the request.

Reproductive Health and Wellness subgrant program only – Subrecipients are permitted to submit a final budget revision 14 days prior to the end of the budget period to increase or decrease project income. No additional adjustments, outside of increasing or decreasing project income, is allowed and will be disapproved. The budget revision cannot be resubmitted.

## A2.4 – Budget Leveraging

In our continuing efforts to reduce unnecessary bureaucracy and further enable subrecipients in providing public health services to Ohioans, ODH developed a Budget Leverage Policy. The policy is designed to provide greater leverage to subrecipients with unused funds within a grant cycle.

The Budget Leverage Policy will allow subrecipients, who have not been certified to the Attorney General’s Office, to adjust their budgets up to 10% of the total award or up to the \$50,000 maximum (whichever is less) without submitting a budget revision to ODH if a budget line item already exists, as illustrated in Table 1. However, please note that new budget lines will still require a budget revision. Budget leverage cannot be used to move funding in or out of a “Deliverable – Objective” line item.

Subrecipients who have been certified to the Attorney General’s Office will be ineligible for budget leverage until the monies have been repaid and for an additional 12 months.

**Table 1**

(Example of awards, eligible amounts, and actual amounts approved for leveraging)

<b>A Subrecipient Award</b>	<b>B Maximum Amount eligible to be leveraged</b>	<b>C 10% of subrecipient award eligible to be leveraged</b>	<b>D Actual amount pre- approved to be leveraged (lesser of B or C)</b>
\$59,000	\$50,000	\$5,900	\$5,900
\$290,000	\$50,000	\$29,000	\$29,000
\$1,205,000	\$50,000	\$120,500	\$50,000
\$2,100,000	\$50,000	\$210,000	\$50,000
\$3,000,000	\$50,000	\$300,000	\$50,000

## A2.5 Copyrights, Patents, and Publications



The publication or patenting of inventions by agencies, subrecipients, or employees resulting from program activities is not allowed unless the appropriate ODH program approves of this in writing.

The provisions outlined in the applicable Code of Federal Regulations will be followed for all ODH funded activities. As a general policy, ODH will approve or request approval for the patenting of inventions when it is determined that a patent is in the public interest.

The copyrighting of materials or the permitting of others to copyright materials developed under program activities is unauthorized without the written approval from the appropriate ODH program. ODH shall have a royalty-free, non-exclusive, and irrevocable right to reproduce, publish, or otherwise use, and to authorize others to use, any program-developed copyright material.

## Section B - Cost Considerations & Requirements

### B2.0 Cost Principles

Cost principles dictate that subrecipients employ sound management practices when administering ODH grants. Subrecipients must conduct project-related activities in a manner consistent with underlying agreements, project objectives, and the terms and conditions of the grant.

The Office of Management and Budget New Uniform Guidance at <http://www.ecfr.gov> are federal documents that establish standards for determining costs applicable to federal grants. These principles apply as a matter of policy to the expenditures of all grant funds at ODH. To be allowable under a project program, costs must meet the general criteria established within the OMB Uniform Guidance and Costs Circulars.

Budgeted estimates or other distribution percentages determined prior to the performance of services or the delivery of goods do not qualify as proper support for charges to Federal awards. Only documented actual charges should be charged to the award for goods and services.

### B2.1 Allowable Costs



Allowable costs are those costs identified by the state or federal granting authority and the expenses in budgeted categories and line items that have been approved by ODH and specified in the Solicitation. The authorized budget categories for ODH grants are Personnel, Other Direct Costs, Equipment, and Contracts. Allowable costs include all subrecipient expenditures, whether paid by grant funds, applicant funds, or program income.

The NOA, which constitutes approval of the original program budget or a subsequently approved budget revision, is used to approve line item expenditures as allowable costs.

To be allowable under ODH, subrecipient project costs must be budgeted and must meet the following general criteria:

- a. Be necessary and reasonable for proper and efficient performance and administration of the program; be allocable to the program under the proper cost principle, and not be a general expense required to carry out overall agency responsibilities;
- b. Be authorized or not prohibited under State or local laws or regulations;
- c. Conform to OGAPP guidelines and any limitations or exclusions set forth in Federal or State laws, terms and conditions of the award, or other governing regulation/limitations on types or amount of cost items;
- d. Be consistent with policies, regulations, and procedures that apply uniformly to both Federal or State awards and other activities of the subrecipient agency;

- e. Be accorded consistent treatment through the application of generally accepted accounting principles appropriate to the circumstances;
- f. Be supported by adequate documentation;
- g. Not be allocable to or included as a cost or used to meet cost sharing or matching requirements of any other state or federally funded program in either the current or a prior period; and
- h. Are net of applicable credits (refers to those receipts or reductions of expenditure-type transactions that offset or reduce expense items allocable to Federal awards as direct costs). This may include vendor rebates, discounts, or refunds granted to project expenditures.

A cost is reasonable if, in its nature and amount, it does not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision was made to incur the cost. In determining reasonableness of a given cost, consideration shall be given to:

- a. Whether the cost is of a type generally recognized as ordinary and necessary for the operation of the agency or the performance of the Award;
- b. The restraints or requirements imposed by such factors as sound business practices; arm's length bargaining; Federal, State and other laws and regulations; and, terms and conditions of the award;
- c. Market price for comparable goods or services;
- d. Whether the individuals concerned acted with prudence in the circumstances considering their responsibilities to the agency, its employees, the public, and the Federal or State Government; and
- e. Significant deviations from the established practices of the agency, which may unjustifiably increase the cost of the program.

**Note: If a line item is deemed noncompliant with rules and regulations, that cost will be disallowed.**

Items normally considered allowable costs include but are not limited to costs pertaining to accounting, advertising for recruitment of personnel, soliciting procurement bids, books, periodicals, communications, contracts for goods and services, equipment, employee salaries and fringe benefits, employee travel and per diem, exhibits, educational or training materials, maintenance, medical and office supplies, and printing of items that benefit the project. Please refer to the Other Direct Costs definitions to determine where items should be budgeted.

**Note:** Refer to your Solicitation to determine whether Client Incentives and Enablers are allowed.

**Even if a federal program or cost principle allows an expense, ODH reserves the right to be more restrictive and disallow the cost for simplicity or to reduce the burden of monitoring certain expenses.**

## B2.2 Unallowable Costs

Grant costs cannot be considered allowable by ODH unless they meet the appropriate OMB cost principles and have been approved either in the initial application budget or in a subsequent approved budget revision. Funds must be used solely for the purpose as specified in the grant announcement or the Solicitation. However, costs that were previously approved on a budget, but have been found to be unallowable through



a site monitoring visit or an audit, will be disallowed. **The use of funds for prohibited purposes will result in the loss of grant funds and may require the subrecipient to return funds to ODH.**

Grant funds **may not** be used for the following:

1. Advancement of political or religious points of view
2. Fund raising and investment management costs
3. Dissemination of factually incorrect or deceitful information
4. Consulting fee for salaried program personnel to perform activities related to grant objectives
5. Advertisement – other than for recruitment or procurement or if required by the specified program’s Solicitation
6. Bad debts of any kind
7. Contributions to a contingency fund or reserve
8. Entertainment
9. Alcoholic Beverages
10. Fines and penalties
11. Legal fees incurred in defense of any civil or criminal fraud proceeding
12. Membership fees, unless related to the program and approved by ODH
13. Loan or the principle amount of mortgage payments
14. Contributions made by program personnel
15. Costs to rent equipment or space owned by the funded agency
16. Inpatient services
17. Purchase or improvement of land; the purchase, construction or permanent improvement of any building
18. Satisfying any requirement for the expenditure of non-federal funds as a condition for the receipt of federal funds
19. Lodging, travel and meals over the current state rates (See Ohio Shared Services Website for hotel rates and Meals Per Diem at:  
<http://www.ohiosharedservices.ohio.gov/TravelandExpense.aspx>)
20. All costs related to out-of-state travel, unless prior approved by ODH
21. Training longer than one week in duration, unless prior approved by ODH
22. Contracts, for compensation, with advisory board members
23. Goods or services for personal use regardless if reported as taxable income to employee
24. Grant-related equipment costs greater than \$1,000, unless justified and approved by ODH
25. Payments to any person for influencing or attempting to influence members of Congress or the Ohio General Assembly in connection with awarding of grants or other lobbying costs
26. Gas Card/Vouchers unless specified in the Federal program guidelines and included in the Solicitation
27. Promotional items (include items with slogans, logos, agency name/address, messaging). Promotional like items must be preapproved prior to submitting in agency subgrant program budget (e.g., to water bottles, t-shirts, totes that do not include slogans, logos, agency name/address, messaging).
28. Office furniture\*
29. Additional program specific Unallowable Costs per the CFDA, Program regulations and directives or state law specifications, which may be provided in the Solicitation.

\*Subrecipients will no longer be permitted to purchase office furniture, including but not limited to desks, chairs, file cabinets, using funding received from ODH. Subrecipients are permitted to purchase office furniture using the indirect funding collected from ODH subgrant funding. The transition to deliverable-based subgrants also provides another avenue for subrecipients to purchase office furniture. If office furniture is included in your current budget, you must attach a purchase order showing the purchase date. Any office furniture purchased on or after August 1, 2016 will be disallowed. Office furniture is being



added to the Unallowable List in the solicitations and the OGAPP manual. With prior written approval, the ODH WIC subgrant program is permitted to purchase replacement office furniture within the first two quarters of the grant year. The ODH Director may grant a waiver to this policy under special circumstances. The written waiver request must clearly detail the circumstance for the need to purchase replacement office furniture (i.e., fire, flood). If a subrecipient no longer receives subgrant funding used to purchase office furniture, the furniture must be returned to ODH or transferred to another subrecipient receiving those subgrant funding. Please contact your grant consultant if you have any further questions.

### **B2.3 Applicable Credits**

Applicable credits refer to those receipts or reduction of expenditure-type transactions that offset or reduce expense items allocable to Federal awards. This may include purchase discounts, rebates or allowances, recoveries or indemnities on losses, insurance refunds or rebates, and adjustments of overpayments or erroneous charges.

An agency receiving applicable credits that apply to allowable expenditures shall be credited to the Federal award either as a cost reduction or as a cash refund, as appropriate.

### **B2.4 Personnel Costs**

Project funds may be used to compensate employees for the time and effort devoted specifically to the execution of a grant program. Employees are individuals that are entered into the subrecipient employment system, receive fringe benefits (i.e., unemployment and worker's compensation), are eligible to participate in the subrecipient's retirement program and are subject to subrecipient personnel policies. Individuals who do not meet these criteria are not considered employees but are considered contractual personnel.

Compensation of employees includes all remuneration, paid currently or accrued, for services rendered during the period of performance under the grant agreement. Remuneration includes but is not limited to wages, salaries, fringe benefits, overtime and bonus payments if the compensation is reasonable for the services being rendered. See UG Subpart E. Section 200.403, Factors affecting allowability of costs.



1. Overtime and bonuses are chargeable to federal grant awards as long the following criteria affecting allowability are satisfied:
  - (a) Be necessary and reasonable for the performance of the Federal award
  - (b) Conform to any limitations or exclusions set forth in these principles or federal grant agreement as to types or amount of cost items.
  - (c) Be consistent with policies and procedures that apply uniformly to both federally-financed and other activities of the non-Federal entity
  - (d) Be accorded consistent treatment. Costs assigned to a Federal award as direct costs should not again be allocated and charged to the grant as an administrative (indirect cost) for the same purpose or work in which the costs were already incurred and reimbursed.
2. Even though the costs of overtime/bonuses are chargeable to federal grants, they are only allowable to the extent that the costs comply with the following guidelines:
  - Comply with existing limitations based on the agency's personnel policies, grant agreements, union contracts, etc.
  - The total time compensated/reported does not exceed percentage of time actually devoted to the funded project unless properly authorized.
  - Overtime and bonuses must be allocated and charged to the grant based on the employee's approved budget percentage(s).

- Overtime salaries and wages for general clerical assistance and admin staff are normally not allowable because these costs should be included in indirect costs.
- Should be disclosed in grant application or approved in writing by the pass through or Federal sponsor.
- Overtime pay and bonus policies should include a methodology for determination of bonuses including amount, period basis, calculation of premium rate vs regular rate, etc.
- Overtime is properly authorized and the time is sufficiently documented clearly indicating the work that is being performed and why overtime is necessary.
- Overtime payments and bonuses require the use of a special account code to identify and track overtime pay and bonuses.
- Bonuses are limited to 3% of an employee's gross wages (not including fringes) or \$1,500, whichever is less. The Ohio Department of Health program administrator must approve all bonuses and enter a comment in GMIS in the project comments section.

Compensation must follow the Ohio Department of Administrative Services regulations and meet federal merit system or other requirements, where applicable. **Federal guidelines require subrecipients to maintain Time and Activity or Time and Effort reporting to verify time worked for all employees who are charged less than 100% to a specific funding source. See Appendix 5 for a sample of an appropriate time and effort report. However, Time and Effort reporting is not required for deliverable funding (Please refer to page 9). Staff charged at 100% must complete bi-annual certifications. The certifications must include a statement certifying the employee worked 100% on a specific funding source, be signed by the employee and employee's supervisor.**

Compensation will be considered reasonable as long as it is consistent with compensation paid for similar work in other activities of the subrecipient agency. Compensation surveys that provide data on compensation for similar jobs can be used to demonstrate reasonableness.

Compensation of employees includes employee fringe benefits. Fringe benefits includes compensation paid to employees for authorized absences from the job, such as annual leave, sick leave, court leave, and military leave, if they are provided in accordance with an approved leave system. The cost of fringe benefits must be equitably allocated to all related employee activities including program activities and the accounting basis for costing each type of leave (i.e., cash or accrual) must be consistently followed by the agency.

Employee fringe benefits may also be in the form of employer's contribution for items such as social security, employee life insurance and health insurance plans, unemployment insurance coverage, workers compensation insurance, pension plans, and severance pay provided such benefits are granted under approved plans and are distributed equitably to program and non-program activities. Actual claims paid to or on behalf of employees for workers' compensation, unemployment compensation, severance pay, and similar employee benefits are allowable in the year of payment.

According to [45 CFR 92.23](#) and [2 CFR 215.22](#), grant funds must be expended in the grant period for which they are intended. Therefore, current funds cannot be used for past years' expenses. It is the agency's responsibility to budget for leave and other benefits earned during the grant period. During the grant period earned, if all leave and other benefits are not used, then the dollar value of the leave balance and other benefits earned during that grant period are allowable costs and should be maintained in an account designated by the agency. In accordance with the agency's policies and procedures, this account would be used to cover the costs for accrued leave and other benefits earned during previous grant periods when a long-time staff person retires or leaves the agency.

Invoices for Workers Compensation Insurance are generally issued twice in each calendar year. Subrecipients should only report obligations for Workers' Compensation Insurance in the period in which an invoice is received. Payments for Workers Compensation Insurance are to be reported in the project period in which the invoice is paid.

ODH reserves the right to disapprove the use of program funds for any specific employee fringe benefit item included in the budget request if, in ODH's opinion, the item is inconsistent with allowable cost requirements.

Charges to awards for personnel will be based on documented payrolls approved by designated official(s) of the organization. Detailed time and effort reports reflecting the distribution of activity of each employee must be maintained for all staff members whose compensation is charged directly to a project in order to support the allocation of costs. Such documentary support will be required where employees work on:

1. More than one federal award
2. A federal award and a non-federal award
3. An indirect cost activity and a direct cost activity

Reports maintained by any approved agency must meet the following standards:

1. The reports must reflect an after-the-fact determination of the actual activity of each employee.
2. Each report must account for the total activity for which employees are compensated and which is required in fulfillment of their obligations to the organization.
3. The reports must be signed by the individual employee, or by a responsible supervisory official having first-hand knowledge of the activities performed by the employee, to verify that the distribution of activity noted on the report represents a reasonable estimate of the actual work performed by the employee during the periods covered by the reports.
4. The reports must be prepared at least monthly and must coincide with one or more pay periods.

## **B2.5 Other Direct Costs**

Other Direct Costs are allowable costs not included in the GMIS budget categories of Personnel, Equipment, or Contracts. A direct cost is a cost that can be specifically identified with a particular final cost objective. Direct costs include, but are not limited to, supplies and travel directly benefiting the project or activity. All costs must be identified in the budget category by individual line items

Direct costs to the project shall not exceed the percentage of project utilization. Usage records are required for costs that are not used exclusively by the program in order to support and document the amount charged to the program. Adequate accounting records must be maintained.

**Facility Costs include rent and lease** costs for items such as office and meeting space, used by the program but not owned by the agency, depreciation, interest on a mortgage debt and use allowance. Rent and lease costs must be supported by a copy of the current rent or lease agreement which must be signed by both the lessor and lessee and properly dated.

**Supplies** are all tangible property, other than equipment, that is purchased with grant funds. Supplies include expendable office, medical or general supply items with a unit cost of less than \$1,000 that are used

for the performance of the applicable award. Software costing less than \$1,000 should be listed under the supply line in the Other Direct Cost category.

OBM Travel Rule 126-102 (A)(5) states “**Reimbursable travel** expenses include the following expenses, in addition to lodging, meals, and transportation, which are actually incurred as a necessary part of approved travel” and must comply with [OBM Travel Policy rates](#):

1. Miscellaneous transportation expenses including parking charges, road tolls and other reasonably incurred transportation expenses directly related to authorized travel provided such expenses be listed separately on a travel expense report. Receipts are required for all miscellaneous living and business expenses exceeding ten (\$10) dollars.
2. Commercial transportation expenses paid by the subrecipient agent including taxi cabs, rental cars, airlines, ferries, subways, buses, trains, and other commercial transportation providers. Receipts shall be required for each individual riding in a commercial vehicle if the total trip costs over ten (\$10) dollars.
3. Registration fees paid by the subrecipient agent, which includes conferences, seminars, meetings, and other professional events. Receipts are required for all registration fees paid.
4. Telephone, facsimile, internet, and other similar charges for official state business. A receipt shall be required for any single charge over ten (\$10) dollars. The subrecipient shall first use any free internet services offered prior to incurring internet expenses.
5. Lodging, meals, and transportation, which are actually incurred as a necessary part of approved travel and must comply with OMB Travel Policy rates.
6. Miscellaneous living and business expenses for laundry, dry cleaning, personal telephone calls, postage and other expenses if the subrecipient is in overnight lodging for more than one week including a weekend. Receipts are required for all miscellaneous living and business expenses exceeding ten (\$10) dollars.

Non-reimbursable travel expenses include, but are not limited to, the following:

1. Alcoholic beverages
2. Entertainment expenses
3. Personal expenses incurred during travel that are primarily for the benefit of the traveler and not directly related to the official purpose of the grant. Examples include, but are not limited to, the purchase of personal hygiene items, magazines or books, movie rentals and other miscellaneous items.
4. Political expenses
5. Travel insurance expenses
6. The cost of traffic fines and parking tickets
7. Travel expenses incurred by any volunteer serving without compensation but listed on the budget application

Contractual employees are not considered subrecipient agency employees under these rules. **Personnel, Other Direct Costs, Equipment, and Services for contractual employees must be included in the contractual agreement.** Contractor travel should be budgeted and reported by classification (e.g., U.S. travel, out of country, patient) under the GMIS Contract category. Priority is given to travel that most directly benefits the project goals. Details describing the activity of each trip for subrecipient and contractual employees should be provided in the budget justification.

The subrecipient should assure that unspent, unobligated funds are available for travel in the approved project budget. In the event there is insufficient funding available in the approved budget for such travel, a budget revision may be needed.

The subrecipient is obligated to minimize travel costs. The difference in costs between first-class air accommodations and economy-class air accommodations is unallowable except when economy class air accommodations are not available. To obtain further clarification please refer to the OBM [Travel Policy](#), ODH updates, and the GMIS Bulletin Board postings, as issued.

**Travel Stipends** for non-subrecipient agency staff that are supporting the project (e.g., some programs have parents attend specific workshops and pay their travel costs) are allowable. In this case, the line item should be titled "Travel Stipends for Parents." The subrecipient is to maintain a copy of their Travel Stipend Policy in their respective agency for later ODH review. The agency maintains expenditure records of the stipends and reports the total in one line item. The Agency records must provide the audit trail.

**Patient/Client Travel** consisting of transporting patients to the site where services are provided is allowable, if patient care is an approved activity of the grant supported program and is necessary to meet program objectives. These are transportation costs via use of an agency van (at the approved state rate), tokens, or cost of public transportation. If your program allows gas cards/vouchers, the agency must maintain a log that lists the following: card number, date given, client name, and signature of client and signature or initials of a staff member.

**Depreciation and use allowance** are means of allocating the costs of fixed assets to periods benefiting from the asset's use. Compensation for the use of buildings, capital improvement to land and building on hand may be made through depreciation or use allowances. A subrecipient cannot claim both depreciation and use allowance.

1. The computation of depreciation or use allowance shall be based on acquisition costs of the asset involved.
2. The computation of depreciation or use allowance will exclude:
  - a. The cost of the land,
  - b. Any portion of the cost of buildings purchased in part or in full by or donated by the Federal Government, and
  - c. Any portion of the cost of buildings contributed by or for the organization, in satisfaction of a matching requirement.
3. Depreciation methods once used shall not be changed unless approved by the Federal cognizant or awarding agency.
4. If the use allowance method is followed, the use allowance will be computed at an annual rate not to exceed two (2) percent of the acquisition costs.
5. Charges for use allowance or depreciation must be supported by adequate property records. Physical inventories must be taken at least once every two years to ensure the asset exists and is in use.
6. When the depreciation method is followed, depreciation records indicating the amount of depreciation taken each period must also be maintained.

See Appendix 11 for depreciation log with instructions.

Example: A local not-for-profit agency purchases a building for \$1,000,000 by obtaining a \$500,000 U.S.D.A. loan and \$500,000 from a local bank. The maximum acquisition cost the not-for-profit agency can depreciate is \$500,000. Using the IRS guidelines for commercial buildings, a useful life of 39 years is considered reasonable. If the organization's written capitalization policy uses the straight-line method of depreciation, the following is the mathematical calculation for annual depreciation:  $\$500,000/39 \text{ years} = \$12,820$  annual depreciation. The organization could therefore charge each of their programs a fair-share percentage of the annual depreciation up to \$12,820.

**Note: Please refer to the Other Direct Costs definitions posted on the GMIS bulletin board. The definitions are updated as new line items are added.**

## B2.6 Equipment Costs

Capital Expenditures for equipment are allowable as direct costs, if prior approval of the awarding agency is given. All equipment purchases must be completed in the first two quarters of the grant period. Additionally, the Subrecipient must include the complete project number in the Subject line of their email when requesting an equipment waiver.

If a program finds that they must purchase equipment outside of the first two quarters, they must request in writing to GSU- Chief, Jennifer McCauley detailing why they could not have purchased the equipment within the prescribed time. The purchase of equipment outside of the prescribed time will require a waiver from the ODH director or his/her designee.

Equipment is defined as any single item of tangible property having a useful life of one year or more, costing \$1,000 or more, and which is purchased in whole or in part with project funds. Real property, such as land, buildings, or improvements other than buildings, is not classified as equipment. Equipment includes, but is not limited to, machinery, tools, motor vehicles, furniture and furnishings. Items that meet the definition of equipment for which early obsolescence is expected, such as films, tapes, videos, and books, are not classified as equipment even if the item exceeds the unit cost of \$1,000. These items should be budgeted and reported as supplies under the Other Direct Cost Category. Software that costs in excess of \$1,000 is considered equipment.

Project funds may be approved to purchase equipment necessary to the project's operation. Project funds will not be approved to compensate a subrecipient agency in spreading costs over multiple periods on equipment, buildings, or capital improvements.

Ownership of property purchased in whole or in part with project funds rests with ODH and the title rests with the subrecipient agency. All subrecipients shall provide, at a minimum, insurance coverage for real property and equipment acquired with Federal or State funds equivalent to coverage provided to property owned by the recipient.

ODH shall have the right to transfer or require the transfer of project property to an eligible subrecipient agency, to the Federal Government, or to itself. ODH will generally only require the return of equipment when project activities are discontinued by the subrecipient or the project is discontinued or granted to another agency. Otherwise, upon notification, ODH will instruct the subrecipient to dispose of obsolete or unusable equipment per the subrecipient's policies and procedures.

The percentage of equipment cost charged to the subrecipient project budget shall not exceed the percentage of equipment usage for program activities per the allocation plan.



For example, if an item is used by the project twenty-five percent (25%) of the time and by non-project activities seventy-five percent (75%) of the time, then the program shall not be charged more than twenty-five percent (25%) of the cost of the equipment. Usage records are required for equipment that is not used exclusively by the project as supportive documentation for the amount charged to the program. ODH subrecipients must maintain adequate detailed accounting records.

All equipment must be tagged or otherwise marked as the property of ODH and reported on the inventory listing of the Subrecipient Final Expense Report. Subrecipient acquires, maintains, inventories, and disposes of equipment with ODH approval. The equipment inventory listing, which must be provided annually, must give a cumulative record of equipment purchased in whole, or in part, with program funds for all of the grant periods (years) of the program. The ODH program unit may require the subrecipient to provide an equipment inventory during the course of the grant period and prior to submission of the Final Expense Report. Subrecipients must report any equipment stolen, damaged, or otherwise inoperative to GSU and Program within five (5) days of the event.

The agency must notify the GSU Chief in writing when equipment is no longer needed for the purpose for which it was purchased, either during the period of grant support or after.

The sale, transfer, or disposal of such equipment is not permissible without prior written approval from GSU and the ODH funded Program. All notifications regarding the transfer of equipment must be in writing and submitted at least thirty (30) calendar days prior to the requested date of the transfer, sale, or disposal. The notification must include the intended purpose of the equipment and whether its retention is desired. Unless otherwise directed by ODH, the agency may use the equipment in other programs currently or previously funded by ODH or by the state or federal government in the following order of priority:

1. Programs currently or previously funded by ODH or the federal granting agency from which the grant funds were obtained.
2. Programs currently or previously funded by state funds, other than through ODH, or by a federal agency other than that from whom the grant funds were obtained.

Subrecipients must retain records for equipment acquired under a grant for three years after disposition of the property.

1. **Sale of Equipment** - When project equipment is sold, the program share of the selling price shall be proportionate to that part of the purchase price that was paid by project funds. If the project, for which the equipment was acquired, is still receiving grant support at the time of sale, the subrecipient, with approval from ODH, may re-budget and use the revenue for project expenses. If the grant has been discontinued and if the subrecipient does not request to use the revenue or if such request is disapproved; the subrecipient is to remit to ODH, within sixty (60) calendar days of the date of sale, the program share of the selling price less ten percent (10%) for handling and selling expenses. Equipment may be exchanged for replacement equipment with written authorization from GSU. When equipment is exchanged, the replacement may take place either through trade-in or through the sale and application of the proceeds to the acquisition cost of the replacement equipment.

For example: \$1,000 of program funds were used toward the purchase of equipment costing \$1,334, and the project owns 75% of the equipment. The equipment is later sold for \$900, so 75% of the sales price (or \$675) is the program's share. The replacement equipment is purchased for \$1,500 and the subrecipient applies the \$675 program share of the sales price along with an additional \$825 of program funds towards the purchase price. The program share of the replacement equipment is computed using the following method:

Compare the program's total investment in the original equipment and the replacement equipment to the replacement equipment's cost. In this example, the project share of the original equipment, being sold or traded (\$625) is added to the additional project funds used (\$166) to arrive at the program's total investment (\$791). The project share of the replacement equipment cost is 53% ( $\$791/\$1,500$  or 0.53).

2. **Transfer of Equipment and Supplies** - If office, medical or general supplies whose total aggregate market value exceeds \$1,000 are leftover upon termination or expiration of the grant for which they were acquired and the supplies are not needed for the project, these supplies may be transferred to another ODH or federally funded project or sold, if ODH approves. The same conditions that apply to the sale of equipment apply to the sale of supplies.
3. **Disposal** - The agency must use its established equipment management system (e.g., purchase, depreciation, inventory, and disposal) policy and procedure for the disposal of property (i.e., equipment, inventory, and supplies).

The purchase of real property (i.e., land, building, or improvements) with project funds is normally disallowed. In unusual circumstances, when program funds are used to purchase real property, the appropriate governing state and federal regulations prevail.

Unless notified otherwise by ODH, the subrecipient may continue to use equipment for the purpose for which it was purchased after support is terminated. However, maintenance and operating costs of such equipment will be the responsibility of the subrecipient. The subrecipient shall be entitled to payment for any reasonable shipping or storing costs incurred in the transfer.

**The subrecipient must maintain procedures for managing equipment, including replacing equipment, until the transfer, replacement, or disposition of the equipment occurs, even if the grant has terminated.**

The equipment management system must meet the following minimum requirements:

1. An accurate property record-keeping system shall be maintained for equipment costing \$1,000 or more. These records are subject to the conditions regarding retention, maintenance, and accessory. For each item of equipment, the records shall include:
  - a. A description of the equipment, including manufacturer's model number, if any
  - b. An identification number, such as the manufacturer's serial number
  - c. Asset tag number
  - d. Identification of the grant under which the equipment was acquired
  - e. The information needed to calculate the program share of the equipment
  - f. Acquisition date and unit acquisition cost
  - g. Location, use and condition of the equipment and the dates of physical inventory
  - h. All pertinent information on the ultimate transfer, replacement or disposition of the equipment
2. Equipment must be tagged with an asset tag number and marked as property of the appropriate funding project.
3. A physical inventory shall be taken and the results reconciled with the property records **at least once every two years** to verify the existence, current value, utilization and continued need for the equipment unless an annual inventory is specified in the program specific Solicitation.





4. A control system shall be in effect to ensure adequate safeguards to prevent loss, damage, or theft of equipment. Any loss, damage, or theft of equipment shall be investigated, fully documented, and reported to the GSU Chief in writing. **It is the subrecipient's obligation to replace any lost, damaged, or stolen equipment.**
5. The subrecipient shall implement adequate maintenance procedures to keep the equipment in good condition. Any program equipment determined to be inoperative shall be reported to the GSU Chief and the ODH Program Administrator who funded the purchase in writing.

Instructions for the subrecipient equipment disposal, sale, and transfer form are found in Appendix 10.

The subrecipient will provide the following information on the equipment disposal, sale, and transfer form:

- a. Name of the person completing the form or responsible party,
- b. Email address
- c. Subrecipient agency name
- d. Subrecipient agency
- e. Address including the city and zip code
- f. ODH grant number
- g. Asset tag number
- h. Description of item
- i. Date purchased
- j. Reason for action

The form must be signed by the Program Director, Agency Financial Head or Agency Head and include their phone numbers. The form must then be submitted to GSU (names listed on form).

*Personal Computer Configuration Standards* - When ODH grant funds are used in part or in whole to purchase personal computer equipment, certain program standards may need to be met. If the ODH program designates minimum configurations, the subrecipient must adhere to these standards. Maximum allowable costs, if designated in the budget or special conditions, must be followed. For technical assistance regarding personal computer purchases, subrecipients should contact their designated ODH program consultant.

## **B2.7 - Contracts**

A Contract is defined as a written agreement with a person(s) or organization(s) that is not an employee of the subrecipient agency to perform services or provide goods for the project. No employee of the subrecipient agency or Board Member is eligible to participate as a Contractor within the ODH project. Obtaining goods and services for project support through contractual means may be an allowable cost for project funds.

**For each contract, the subrecipient must obtain ODH prior approval for the expenditure.**

To obtain prior approval, the Contract category in GMIS must include a line item for each specific contract and a Confirmation of Contractual Agreement form (CCA) must be completed. The CCA must be completed to provide a brief description of the services to be performed under the contract and the amount budgeted for the contract. A copy of all contracts entered into by the subrecipient on behalf of the project must be attached into GMIS under the Project CCA Comments section. **ODH is granting subrecipients a forty-five (45) calendar day grace period at the start of the grant to obtain signatures from both parties.** ODH will make every attempt to release the NOA at least 30 days prior to the start of the grant; however, there may be extenuating circumstances that may delay the release of the NOA.

Example for July 1 grant start date,

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Contract Start Date	Contract must be signed by
July 1	August 14
August 1	August 14
September 1	September 1
January 1	January 1

In addition, the agency shall maintain a copy of the executed contract.

Subrecipients **shall** not contract for extra compensation with its employees to provide services to the project without prior written authorization of ODH. Consideration will only be given in the following two situations: (1) a salaried faculty member of an educational institution when the consultation is across departmental lines or involves a separate or remote operation, and the work performed by the consultant is in addition to his regular departmental load; or (2) a subrecipient employee when the agency's policies permit such consulting fee payments to its own employees regardless of whether federal or state grant funds are involved, when the work involved is clearly outside the scope of the employee's salaried duties. Any request to approve such a contract must address these issues.

A personal service contract may include travel, per diem and any expenses necessary to fulfill the contract. All contracts entered into by the subrecipient with project funds shall contain sufficient provisions to define a sound and complete agreement. ODH recommends that a legal professional review all subrecipient contracts. Each contract must contain:

- a. Names, dates, and signatures of all parties,
- b. Employer Identification Number, Tax ID, or Social Security Number,
- c. Address,
- d. Effective dates of the agreement,
- e. Activities and services to be performed,
- f. Maximum amount of remuneration/compensation to be paid by the contracting agency under the agreement, including hourly rate and other expenses for the consultants, and
- g. Administrative remedy (i.e., release clause/cancellation) and appropriate remedial actions when contractors violate or breach contract terms, including the manner of termination, the number of days within which parties must provide written notice of such cancellation and the basis for the settlement.

All contracts shall contain a provision requiring compliance with Equal Employment Opportunity ([Executive Order 11246&11375](#)) and as supplemented by [41 CFR part 60](#).

Contracts and subcontracts in excess of \$25,000 (\$5,000 for non-governmental agencies) shall include a provision for compliance with the Copeland “Anti-kick-back Act” ([18 U.S.C. §874](#)). Any suspected or reported violations shall be reported immediately in writing to the ODH GSU by the subrecipient.

All contracts and subgrants subject to the Contract Work Hours and Safety Standards Act ([40 U.S.C. 37 et seq.](#)) shall include a provision requiring the contractor to comply with the applicable sections of the Act and the Department of Labor’s supplementing regulations ([29 CFR Parts 5 and 1926](#)).

Prior approval is needed from ODH Program via the GMIS pre-approval module when a sole source contract is proposed or when a non-governmental subrecipient proposes to grant a contract, after receiving only one bid as the result of a competitive process.

Contracts and subgrants which may give rise to inventions and patents subject to Chapter 2 Section A2.4 of this manual shall include a provision requiring compliance with this section and applicable federal regulations.

Services for interpreters will no longer be considered an Other Direct Cost expense. All interpreter services must have a valid contract to be considered an allowable cost.

## B2.8 - Deliverables

Deliverable costs are included in the GMIS budget category of Other Direct Costs. A deliverable will be reimbursed once the subrecipient has successfully completed the deliverable and it is approved by ODH. Deliverable costs to the project shall not exceed the amount in the approved budget.

## B2.9 - Obligations

Outstanding Obligations can only be reported on the twelfth monthly or fourth quarterly expenditure report unless the subgrant program extends past 12 months. Outstanding obligations at the end of a fiscal year include accounts payable for authorized services and/or goods incurred during the funded fiscal year. This includes costs for employee services during the final pay period of a fiscal year or for equipment and supplies that have been ordered and delivered during the fiscal year and paid within the forty-five day liquidation period following the completion of the grant period.

The total amount of Outstanding Obligations listed on the twelfth monthly fourth quarterly expenditure report is the maximum amount that can be listed as current expenditures upon submission of the Final Expense Report. Any additional amounts of current expenditures or any additional outstanding obligations will not be accepted or paid with program funds.

ODH staff do not have the ability to disapprove monthly or quarterly expenditure reports that do not include obligations. Subrecipients who do not list all of their obligations on the twelfth month or fourth quarter report will be required to submit their general ledgers and invoices to support any additional costs listed on the final report that was not included in the obligations on the twelfth month or fourth quarter report.

## B2.10 - Independent Audit Submission Requirements

Subrecipients are required to submit a complete audit, with necessary documents, within thirty (30) days of receipt of the auditor's report but no later than nine (9) months from the agency's accounting year end. Single audits should be submitted to the Federal Audit Clearinghouse (<https://harvester.census.gov/facweb/>). Single audits should no longer be submitted to the ODH audits ([audits@odh.ohio.gov](mailto:audits@odh.ohio.gov)) email. Financial audits should be emailed to [audits@odh.ohio.gov](mailto:audits@odh.ohio.gov).

New ODH subrecipients must submit an audited financial statement with the grant application. If the subrecipient does not provide audited financial statements, ODH at its discretion can elect not to continue funding of the agency.

Applicants/subrecipients are required to comply with all audit requirements, in accordance with the [Single Audit Act of 1984](#), the [Single Audit Act Amendments of 1996](#), the [Generally Accepted Governmental Auditing Standards \(AKA Yellow Book\)](#), the [OMB Circular A-133 - Audits of States, Local Governments and Non-Profit Organizations](#), the OGAPP guidelines, and any pertinent rules and regulations.

ODH requires submission of subrecipients' audits on an annual basis, unless subrecipient receives approval from ODH to have a financial or project specific audit performed every two years ([https://www.whitehouse.gov/omb/circulars/a133\\_compliance\\_supplement\\_2015](https://www.whitehouse.gov/omb/circulars/a133_compliance_supplement_2015)). A two-year audit must cover both years. In the event an agency elects to change from a single year audit to a two-year audit, the agency must submit a written request on agency letterhead to be on a two-year audit cycle. In addition,



the agency must provide a copy of the board minutes demonstrating that the Board of Trustees or Directors approved the conversion from a single year audit to a two-year audit period.

Audits must be conducted by independent auditors in accordance with Generally Accepted Government Auditing Standards (GAGAS). These independent auditors include certified public accountants, certified public accounting firms, public accountants and public accounting firms licensed on or prior to December 31, 1970, the Auditor of State, and appropriate federal agencies. The auditors and audit organizations must have no affiliation with the subrecipient being audited, as directed by the Government Auditing Standards.

The Auditor of State may conduct financial, program specific and single audits as part of the total audit of a governmental subrecipient; however, the Auditor of State will not normally audit non-governmental entities. **ODH and the Auditor of State reserve the right to participate in an audit conducted by non-governmental individuals or organizations, review audit work papers, and attend the exit conference.**

The auditor's work papers are to be made available to ODH, the Auditor of State, and appropriate federal audit agencies and shall be retained by the audit firm for three years from the date of the audit report. ODH, the Auditor of State, and respective federal audit agencies reserve the right to retest all or part of the audit conducted by non-governmental auditors.

Subrecipient audit reports (i.e., finalized and published, and including the audit Management Letter, if applicable) which include internal control findings, questioned costs, or any other serious findings must include a cover letter that does the following:

- a. Lists and highlights applicable findings
- b. Discloses the potential connection or effect (direct or indirect) of the findings on the subrecipient and the Ohio Department of Health
- c. Includes a Corrective Action Plan (CAP) if applicable. A CAP that addresses the findings in the audit report or issues of noncompliance found in the management letter must be submitted if applicable. A copy of the CAP should be attached to the cover letter.

There are two types of independent audits, a single audit and a financial audit. The requirements for each are as follows:

1. **Single Audit** - All non-Federal entities that expend \$750,000 or more of Federal awards in a year are required to obtain an annual single audit. ODH cannot grant an extension of the A-133 audit submission requirement; the agency's cognizant agent is the only authorized representative that can grant an extension.

Single audits should be submitted to the Federal Audit Clearinghouse (<https://harvester.census.gov/facweb/>).

The fair share of the cost of the single audit may be an allowable cost to Federal awards provided the audit was conducted in accordance with the requirements of the OMB Circular A-133, the cost is budgeted, the cost allocation plan is provided and it is approved by ODH.

The Single Audit Act of 1984 (as amended in 1996) and the OMB Circular A-133 -*Audits of State, Local Governments, and Non-Profit Organizations* provide audit requirements for ensuring that these funds are expended properly. The following lists are general requirements, and there may be additional requirements.

It is the applicant/subrecipient's responsibility to ensure ALL of the following documents are contained in the Single Audit submission:

- a. The financial statements and the Schedule of Expenditures of Federal Awards (SEFA)
  - b. Auditor's opinions on the fair presentation of the financial statements and the SEFA
  - c. The schedule of expenditures of Federal awards, must include the following:
    - i. Federal awarding agency
    - ii. ODH named as the pass-through entity for federal funding
    - iii. Grant title found in box 2 of the ODH Notice of Award (NOA)
    - iv. CFDA # found under box 10a (Authorization) of the ODH NOA
    - v. ODH issued project number/ also known as (AKA) the pass-through entity project number – found in box 4 of the ODH NOA
    - vi. Total federal program expenditures for the agency fiscal period found in box 9 of the ODH NOA
  - d. Independent Accountants' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Required by Government Auditing Standards
  - e. Independent Accountants' Report on Compliance with Requirements Applicable to Each Major Federal Program and on Internal Control over Compliance Required by OMB Circular A-133
  - f. Auditor's schedule of findings and questioned costs
  - g. Agency's corrective action plan
  - h. A summary schedule of prior audit findings which includes planned and completed corrective actions
  - i. Data Collection Form (DCF) for Reporting on Audits of States, Local Governments and Non-profit Organizations (SF-FAC), which can be found on the following link  
<https://harvester.census.gov/fac/dissemin/asp/incompleteEntity.asp>
  - j. Management Letter, if applicable
  - k. Responses to issues of non-compliance found in the Management Letter
  - l. Written authorization for late submission if approved by the subrecipient's cognizant agent
2. **Financial Audit** - An applicant/subrecipient that expends less than the \$750,000 annually in Federal awards per accounting period is required to have an independent financial audit conducted in accordance with Generally Accepted Government Auditing Standards.



The cost to conduct a financial audit is **not** an allowable cost to the project. Financial audits should be emailed to [audits@odh.ohio.gov](mailto:audits@odh.ohio.gov).

**It is the applicant/subrecipient's responsibility to ensure ALL of the following documents are contained in the Financial Audit submission:**

- a. Financial statements
- b. Report on financial statements
- c. Corrective Action Plan, if there are report findings
- d. Management Letter, if applicable
- e. Responses to issues of non-compliance found in the Management Letter
- f. Identification of grants received through ODH, must include the following:
  - i. Naming ODH as pass-through for federal funding
  - ii. CFDA # found under box 10a (Authorization) of the ODH NOA
  - iii. Grant title found in box 2 of the ODH Notice of Award (NOA)
  - iv. ODH issued project number found in box 4 of the ODH NOA
- g. Documentation obtained from the agency's fiscal agent that supports the receipts and expenditures of all Federal awards not separately identifiable on the financial audit. For county-based agencies, the subrecipient should contact their County Auditor's office to obtain the necessary information.

The GSU External Auditor Leads will conduct a review of all audit reports. The review will:

1. Identify type of audit
2. Ensure all documents and required information are included in audit packet
3. Identify audit findings relating to ODH Federal and State grants
4. Ensure that the subrecipient has an action plan for the audit findings or an explanation as to why the corrective action is not required
5. Notify the subrecipient within six (6) months of receipt of the audit of any findings identified
6. Issue a report to ODH management identifying audit findings relating to ODH grants that will require ODH management follow-up
7. Determine if departmental records need adjustment
8. Monitor future audit reports to ensure that the action plan is implemented

**The following matrix will help agencies remain compliant with their audit submission requirements.**

	<u>Agency Accounting Year-End</u>	<u>Audit Due Date</u>
If the accounting period ends on:	March 31st	December 31st
	June 30 <sup>th</sup>	March 31 <sup>st</sup>
	September 30 <sup>th</sup>	June 30 <sup>th</sup>
	December 31 <sup>st</sup>	September 30 <sup>th</sup>

**Many times a subrecipient agency cannot submit their audit by the required due date due to no fault of the agency. This is often seen in agencies who do not obtain an A-133 Single Audit. As a result, ODH can authorize an extension of the audit submission as an exemption to our internal policies and procedures. Subrecipients must inform ODH in advance if the Ohio Auditor of State’s Office changes the agency’s audit period from a one year audit to a two year audit. Any audits submitted after the due date will be considered late. If your agency is required to submit an audit to the Federal Audit Clearinghouse, the ODH extension does not extend your requirement to submit to the Federal Audit Clearinghouse but rather extends your audit submission to ODH only.**

**To request an extension, please submit a written request on agency letterhead at least fifteen (15) days prior to the scheduled due date explaining the reason why the agency needs the extension and include a proposed submission date. Written requests must be submitted to GSU- Chief, Jennifer McCauley at [Jennifer.Mccauley@odh.ohio.gov](mailto:Jennifer.Mccauley@odh.ohio.gov).**

## **B2.11 - Indirect Costs**



Indirect costs apply to costs originating in the subrecipient agency for providing goods, equipment, and services necessary to support the project.

1. Subrecipients’ indirect costs proposal must comply with the Federal Funder’s terms as delineated in the Funding Announcement. A Federal grantor may limit, allow or disallow indirect costs. The ODH subrecipient’s budget must reflect the limitations defined in the Funding Announcement.
2. Uniform Grants Guidance (Title 2 Code of Federal Regulation) allows subrecipients to include indirect costs in subgrant applications. Subrecipients may choose one of the following options with regard to indirect costs:
  - a. Negotiate and execute an Indirect Cost Rate Agreement with the Federal Funder and base the subrecipient application budget on said agreement. In this instance the agreement must be submitted in GMIS as an attachment to the application;

- b. If the subrecipient has not executed a federally approved Indirect Cost Rate Agreement, the subrecipient may elect to charge a de minimis rate of 10% of modified total direct costs (MTDC) which may be used indefinitely.
  - i. Sub-part A § 200.68 of the Federal Uniform Administrative Requirements defines Modified Total Direct Cost as "...all direct salaries and wages, applicable fringe benefits, materials and supplies, services, travel, and sub-awards and subcontracts up to the first \$25,000 of each sub-award or subcontract (regardless of the period of performance of the sub-awards and subcontracts under the award). MTDC excludes equipment, capital expenditures, charges for patient care, rental costs, tuition remission, scholarships and fellowships, participant support costs and the portion of each sub-award and subcontract in excess of \$25,000. Other items may only be excluded when necessary to avoid a serious inequity in the distribution of indirect costs, and with the approval of the cognizant agency for indirect costs.," or,
  - ii. Base the budget solely upon direct costs.
- 3. If a subrecipient gains a federally approved indirect cost agreement during a subgrant budget period it may submit a budget revision during the first two quarters of the budget period.
- 4. **The NOA amount includes any indirect costs budgeted. Including indirect costs in your subgrant application budget does not result in an increase in the Notice of Award amount.**
- 5. Modified Total Direct Costs (MTDC – 10% rate) Personnel Allowance:

Administrative staff are not permitted to be direct billed to an ODH grant when using the MTDC indirect rate. Administrative staff are staff who benefit the entire agency. Administrative staff includes but is not limited to:

- a. Health Commissioner
- b. Director
- c. Assistant Director/Assistant Health Commissioner
- d. Finance Staff (unless charged 100% to a subgrant program)
- e. Legal Staff
- f. Clerical Staff (unless charged 100% to a subgrant program)

Direct/program staff are permitted to be direct billed to an ODH grant. The 10% indirect rate can be applied to these staff's salaries/wages and applicable fringe benefit. Agencies must include the following certification language on the budget justification. (Name of Agency) certifies that this position can be directly attributed to this grant and therefore charging indirect against this position is allowable.

If direct/program staff cannot be directly attributed to an ODH grant then they should not be direct billed to the grant.

ODH Subrecipients' that have not negotiated indirect cost rates with the Federal government and receive less than \$35 million in direct Federal funding per year may use the 10% de minimis indirect cost rate, and must keep the documentation of this decision on file. Thus, a governmental unit below the \$35 million threshold that has truly never had a federally-negotiated rate, whether actual or *de facto*, may opt to use the *de minimis* methodology.

- 6. Indirect costs cannot be charged against a deliverable line item.

## Section C- Standards for Financial Management Systems

### C2.0 Overview

All subrecipients are required to establish and maintain accounting systems and financial records to account accurately for the project funds granted to them. These records shall include both federal funds and all matching funds from state, local, and private organizations, when applicable.

Subrecipients shall expend and account for grant funds in accordance with Ohio laws and with established accounting procedures. Subrecipients shall follow ODH financial management requirements and the financial management standards found in the appropriate [Code of Federal Regulations](#).

### C2.1 Accounting System

All accounting records must be maintained in accordance with generally accepted accounting principles as adopted by the [American Institute of Certified Public Accountants \(AICPA\)](#). Subrecipients are responsible for establishing and maintaining an adequate system of internal fiscal and management controls to provide full accountability for revenues, expenditures, assets, and liabilities.

The primary objectives in accounting for subrecipient activities are to ensure that the record keeping system separately identifies the receipts, disbursements, assets, liabilities and fund balances for each grant; and to provide a summary of financial information that will enable the preparation of periodic reports required by the ODH. In order to ensure an acceptable and adequate accounting system, the subrecipient must do the following activities:

1. The agency must be able to properly account for all revenue received from ODH and can tie the revenue back to each subgrant program. Agencies are not required to have separate accounts. If an agency does not have separate accounts, a unique identifier must be established to identify each subgrant program. For all base funding, the unique identifier must be used to identify revenue and disbursements. For deliverable funding, the unique identifier must be used to identify revenue.
2. The agency must maintain effective internal control and accountability for all project funds, equipment, and other assets. The agency must establish written procedures, which ensure internal control and require proper authorizations by designated officials for all actions to be taken. **Effective internal control requires segregation of duties in that the work of employees is subdivided so that no single employee performs a complete cycle of operations.** For example, an employee handling cash would not post accounts receivable records. Agencies must adequately safeguard equipment purchased with grant funds and ensure that such items are used solely for authorized purposes.
3. All ODH subrecipients are required to complete the Internal Control Questionnaire (ICQ) at least once every two years and are to provide annual updates to the questionnaire if needed. New ODH subrecipients will receive a Special Condition to submit their initial ICQ. **ICQ's must be emailed to**



OBMICQMGMT@obm.ohio.gov. ODH will post to the GMIS bulletin board the ICQ and instructions every two-years. The following table represents the year's for ICQ submission.

<b>ICQ Submission Years:</b>
2018
2020
2022
2024
2026
2028
2030

4. If appropriate or specifically required by the ODH program unit supervising the project, subrecipients shall relate financial information to performance or productivity data, including the production of unit cost information. If unit cost data are required, estimates based on available documentation will be accepted whenever possible.
5. Subrecipient accounting records shall be supported by source documentation such as canceled checks and warrants, paid invoices, payroll journals, personnel time and activity records, purchase orders, travel orders, mileage logs, motor vehicle usage and cost records, contracts, and vouchers.

Full accountability requires complete documentation of expenditures including, but not limited to, signed descriptive time sheets indicating what work was performed and how it benefited the project. Invoices should include the vendor name, date, and amount of purchase, description of material or service provided, and signature of a person authorized to approve project expenditures. Descriptive receipts should be obtained for all purchases and services. All documentation must be compiled in an orderly manner so that a proper matching of expenses and revenues can be performed during ODH desk reviews, on-site visits and/or audits.

## **C2.2 Procurement Standards**

Procurement is the purchase of merchandise or services at the optimum total cost in the correct amount and quality. These goods and services must be purchased at the correct time and location for the express gain or use of the project within the designated period. This process not only involves the purchasing of commodities but also quality and quantity checks.

Subrecipients may use their own procurement policies when using project funds for the procurement of equipment, supplies, and services provided they are made in accordance with the standards in this section and the applicable CFR.

**The subrecipient is responsible for any contract it enters into on behalf of the grant-supported project.**

Neither ODH nor the Federal Government assumes any liability arising from contracts, agreements, or obligations entered into by the subrecipient.

When procuring for project activities, the subrecipient shall maintain a code or standard of conduct for its officers, employees, or agents that shall include provisions for disciplinary actions for its violation.

For governmental subrecipients, such disciplinary actions are required only to the extent otherwise permissible under the government's laws, rules, or regulations and shall provide for action to be taken against contractors or their agents when they violate the code or standard.

Subrecipient officers, employees, or agents shall neither solicit nor accept gratuities, favors or anything of monetary value from ODH contractors or potential contractors. This is not intended to preclude legitimate institutional fund-raising activities.



No employee, officer, or agent of a subrecipient shall participate in the selection, grant, or administration of a contract subject to this section where any of the following has a financial interest in that contract:

1. The employee, officer or agent
2. Any member of his or her immediate family
3. His or her partner
4. An organization in which any of the above individuals are an officer, director, or employee
5. A person or organization with whom any of the above individuals is negotiating or has any arrangement concerning prospective employment

The subrecipient should be alert to organizational conflicts of interests or noncompetitive practices among contractors that may restrict or eliminate competition or otherwise restrain trade. All procurement transactions shall be conducted in a manner that provides open and free competition to the maximum extent practicable.

The Department of Administrative Services (DAS) establishes State Term Schedules with vendors for various supplies and services. Political subdivisions, state universities, vocational schools, community colleges, and other institutions, as defined in Section 125.04(B) of the Ohio Revised Code may use a state term schedule contract. For those agencies that do not have authority to use the STS contracts, but may have a similar practice available within the agency; must thoroughly document such practice in an agency policy.

Solicitations by the subrecipient shall clearly set forth all requirements that the bidder must fulfill in order for the bid to be evaluated. Bids and offers made by vendors for contracts in response to the subrecipient's solicitation must be evaluated based on the lowest bid or offer that provides the most adequate quality of goods or services, which will ensure optimal utilization of grant funds per unit value. Factors such as discounts, transportation costs, and taxes should be considered in determining the lowest bid. Any bid may be rejected when it is in the project's interest to do so, and, in the case of governmental subrecipients, such rejections are in accordance with applicable rules, laws or regulations.

The subrecipient shall establish procurement procedures that provide for the following:

1. Assurances that preclude unnecessary duplication of purchases and/or contracts. The subrecipient shall analyze alternatives to the procurement (such as leasing) to determine the most economical and practical procurement. This analysis should be documented.
2. Solicitations for goods and services must be based on clear and accurate descriptions of the technical requirements for the material, product, or service to be procured. In competitive procurements, such descriptions shall not contain features, which unduly restrict competition.
3. Preferences and opportunities in the procurement of goods and services shall be given to Indians, Indian organizations, and Indian-owned economic enterprises where applicable to Section 7 (b) of the Indian Self-determination and Education Assistance Act ([25 U.S.C. 450e \(b\)](#)).

4. Positive efforts shall be made by procuring parties to utilize small business and minority-owned business sources of supplies and services.
5. The type of procuring instruments used (e.g., fixed-price contracts, cost reimbursable contracts, purchase orders, incentive contracts) shall be determined by the subrecipient but must be appropriate for the particular procurement and for promoting the best interest of the project. The "cost-plus-a-percentage-of cost" method of contracting shall not be used.
6. Contracts shall be made only with responsible contractors who possess the potential ability to perform successfully under the terms and conditions of a proposed procurement. Consideration shall be given to such matters as contractor integrity, record of past performance, financial and technical resources and accessibility to other necessary resources.
7. Prior approval is needed from the Program administering the project in consultation with the ODH Chief Financial Officer when the aggregate expenditure is expected to be greater than or equal to \$40,000, when a sole source contract is proposed, or when a non-governmental subrecipient proposes to grant a contract after seeking competition but only receiving one bid.
8. Non-governmental subrecipients should make some form of price or cost analysis in connection with every negotiated procurement action. Price analysis may include the comparison of submitted price quotations, market prices, and similar indices, along with discounts. Cost analysis is done to determine reasonableness, allocability, and allowability.
9. The subrecipient's records and files for purchases in excess of or equal to \$40,000 shall include the basis for contractor selection; justification for lack of competition when competitive bids or offers are not obtained; and basis for grant cost or price.
10. A system for contract administration shall be maintained to ensure contractor conformance with terms, conditions, and specifications of the contracts, and to ensure adequate and timely follow-up of all purchases.



Governmental subrecipients shall use formal advertising in making procurements whenever practicable or feasible. When formal advertising is not practicable or feasible, procurements may be negotiated with prior written approval from GSU, subject to the conditions of [45 CFR Part A, Appendix A](#).

Competition shall be obtained to the maximum extent practicable whether procuring by advertising or negotiation. All negotiated procurement in excess of \$4,000, a government subrecipient shall have in its procurement files and records written justification for the use of the negotiation in lieu of advertising.

### **C2.3 Cash Management**

Grant funds and project income must be accounted for and as such, must be managed in accordance with subrecipient procedures used in managing non-project funds. Grant funds must be used only for allowable costs. Any unspent balance must be returned to ODH **with forty-five (45) calendar days of the invoice date**. It is the responsibility of the project director to maintain communication with the agency director and the chief fiscal officer to ensure that these conditions are met.



Grant funds received as checks and/or project income must be deposited promptly, **no later than three (3) calendar days after the date of receipt**.

## C2.4 Cost Allocation Plan

A cost is allocable to a subgrant project based on the benefits received by the project. Some costs may be shared by a subgrant project and non-project activities of the agency. When an allocation of joint costs will ultimately result in charges to grant supported projects, an allocation plan is required. This section provides policies for the allocation of joint costs to grant supported projects.

Joint costs charged to any grant projects must be in accordance with an approved cost allocation plan. The cost allocation plan must interface with the agency's accounting system and be supported by the agency's formal accounting records in order to substantiate the propriety of the charges. The agency cost allocation plan must meet the following requirements:

1. The plan should cover all joint costs of the subrecipient agency that are included in the grant-supported project. At a minimum, the plan should contain the nature and extent of services provided and their relevance to the grant supported project; the item of expense included; and the methods to be used in distributing costs.
2. The allocation plan should base the cost distribution on the type of goods or services provided in order to assure that the grant is not charged more than its fair share of the joint costs. Any method can be used that will produce an equitable distribution of cost. In selecting one method over another, consideration should be given to the additional effort required to achieve a greater degree of accuracy.
3. The following are methods for distributing frequently used for joint costs:
  - a. Accounting services: Total dollar volume or number of transactions processed
  - b. Auditing: Direct audit hours
  - c. Data processing: Machine hours
  - d. Disbursing service: Number of checks or warrants issued
  - e. Equipment purchase, leasing or depreciation: Percent of machine usage
  - f. Legal services: Direct hours
  - g. Mail or messenger service: Number of documents handled or employees served
  - h. Motor pool costs: Percentage of vehicle mileage
  - i. Office space rental and related costs (including utilities): Square feet of space occupied or number of grant-supported project employees
  - j. Organization and management services: Direct hours
  - k. Payroll services: Number of grant-supported project employees
  - l. Program personnel: Direct hours
  - m. Personnel administration: Number of employees

- n. Printing and reproduction: Direct hours, job basis, pages printed, etc.
  - o. Local telephone: Direct billing or number of instruments
4. Any cost allocable to one subgrant project under these guidelines may not be shifted to other federal or state subgrant projects to overcome fund deficiencies, avoid restrictions imposed by law or grant agreements, or for any other reason.

ODH will not accept project costs that are determined using a base rate or percentage. Cost allocation plans demonstrating the equation used must be maintained for review during ODH on-site reviews. Furthermore, the cost allocation plan used to determine shared costs must be submitted with the application in the application budget.



### C2.5 Total Cost Budgeting

Accounting for all federal funds granted by ODH shall be structured and executed on a “total project cost” basis. That is, total project costs, including federal funds, state and local match, and any other fund sources included in the approved project budget or received as project income shall be the foundation for fiscal administration and accounting. During the application process, budget and cost estimates are required in order to receive funding.

### C2.6 Co-Mingling of Funds

**Physical segregation of cash deposits or the establishment of any eligibility requirements for funds, which are provided, to a subrecipient is not required.** However, the accounting systems of all subrecipients must ensure that project funds are not co-mingling with other federal or state funds. Each grant must be accounted for separately. Subrecipients **are prohibited** from co-mingling funds on either a project-by-project basis or a program-by-program basis.

Funds specifically budgeted and/or received for one project may not be used to support another. If a subrecipient’s accounting system cannot comply with this requirement, the subrecipient shall establish a system to account adequately for each project separately.



### C2.7 Supplanting

By submitting a complete application, the subrecipient is certifying to ODH that federal funds will not be used to supplant state or local funds. Federal funds must be used to supplement existing funds for project activities and not replace those funds, which have been appropriated for the same purpose. Potential supplanting will be the subject of pre-award and post-award monitoring, and auditing. If there is a potential presence of supplanting, the subrecipient will be required to supply documentation demonstrating that the reduction in non-federal resources occurred for reasons other than the receipt or expected receipt of federal funds.

## Section D - Payments

### D2.0 Grant Payments

Grant payments will be made in a timely manner to support project operations and to minimize the cash flow problems of subrecipient agencies.

The financial support for the subrecipient in meeting the grant's goals objectives include grant payments from ODH , matching funds or cost sharing, in-kind contributions, project income, and donations. In some cases, financial support may also include rebates. This section provides policies and procedures for ODH grant payments.

The grant payment will be released when all of the following conditions are met:

1. Federal Notice of Grant Award and grant funds are received for federally funded projects.
2. Appropriation authority is received from the state legislature for state funded programs.
3. The project budget has been approved.
4. Funds have been encumbered.
5. The Subrecipient Award Approval Notice (SAAN) is approved.
6. NOA is issued by the ODH Director.
7. Expense Report is submitted.

Actual grant payments are based on the approved budget in the project application or its subsequent revision; state or federal grant conditions; and adjustments made based on the most recent expenditure report, grant reduction, or audit findings.

## **D2.1 Payment Process**

All payments of funds by ODH to the subrecipient are in accordance with the conditions of the grant.

Payments are based on actual expenditures and a cost reimbursement basis. Payments are adjusted according to the proportion of required matching funds contributed and the grant cash balances.

All payments are made through electronic funds transfer (EFT) via Ohio Administrative Knowledge System (OAKS).

Payments for deliverables are based on the deliverable payment schedule, the subrecipient's completion of each deliverable and ODH's validation of the completion. Costs will be disallowed if a payment is requested for an unmet deliverable. The automatic payment for subrecipients who request costs more than 2 times for unmet deliverables will be removed.

**Note: For County Based Agencies: The County Auditor can give the subrecipient the access information for the OAKS system.**

The project director receives a transmittal notice in the mail as verification of the payment. After the payment is issued, specific information detailing the amount, the period covered and the date paid will display in the GMIS "Payments" link. Subsequent payment information will display in the "Payments" link as future payments are made.

1. Payment cycle is monthly or quarterly in conjunction with the reporting period unless stated otherwise in the Solicitation.

## D2.2 Payment Schedule

### Reimbursement Schedule

Subrecipients can select either monthly or quarterly reimbursement from ODH.

#### Monthly

Period	Report Due Date
January 1 – 31	February 10
February 1 – 28 or 29	March 10
March 1 – 31	April 10
April 1 – 30	May 10
May 1 – 31	June 10
June 1 – 30	July 10
July 1 – 31	August 10
August 1 – 31	September 10
September 1 – 30	October 10
October 1 – 31	November 10
November 1 – 30	December 10
December 1 – 31	January 10

#### Quarterly

Period	Report Due Date
January 1 – March 31	April 10
April 1 – June 30	July 10
July 1 – September 30	October 10
October 1 – December 31	January 10

## D2.3 Cash Balance



The unobligated balance of grant funds at the end of the grant period (usually the fiscal year) is lapsed and lost to the project. Any cash balance at the end of the grant period must be returned to ODH within forty-five (45) days of the invoice date.

A cash balance is the difference between funds received and allowable expenditures. An unobligated balance is the difference between the cash balance and outstanding obligations. When all outstanding obligations are liquidated and paid or canceled, the unobligated balance will equal the cash balance.

Payments are based on actual expenses in order to minimize grant funds in the field. The same applies to the unobligated balance of project income when specified in the grant. The unobligated balance will increase when obligations are liquidated at a lower amount than estimated. The balance of funds realized after obligations are liquidated must be returned to ODH immediately with the submission of the final expenditure report.

## Section E - Reporting Requirements

### E2.0 Overview

Subrecipients are required to submit program performance reports and financial status reports for each grant as indicated in the Solicitation. The reports must adhere to the OGAPP manual and Solicitation as outlined. Reports must be received before ODH will release any additional funds.

If a subrecipient has not complied with the OGAPP rules related to timely submission of required ODH reports, they may be deemed as non-compliant and the processing of payments will be suspended until all outstanding reports are received and approved.

### E2.1 Program Reports

Subrecipients are required to submit performance reports to ODH on the project activities of each grant. Program reports are required to be submitted monthly, quarterly, or as indicated in the Solicitation by the ODH program.

If the Solicitation requires a monthly Program Reports, it **must** be completed and submitted via GMIS by the 10th of each month.

Subrecipients should monitor the performance of the project activities and assure that adequate progress is being made towards program goals. ODH staff will conduct site visits to review program accomplishments and to provide technical assistance as required.

The subrecipient should inform the Program in writing of any events that may significantly affect project activity as soon as they are known. This includes reporting on developments that would enable the project to achieve goals sooner than anticipated or a lower cost than originally expected, as well as developments that would produce even better results than planned. Information regarding problems or delays, which will impair the ability of the project to meet the program objectives, should also be reported. In addition, the subrecipient should inform ODH Program regarding what actions will be taken or are being planned to address the problem and whether any assistance will be needed.

Subrecipients are to use the following procedures for the preparation and submission of programmatic status reports:

1. Subrecipients are to submit program performance reports quarterly unless otherwise indicated in the Solicitation or NOA.
2. In their report, subrecipients should include the project number, the title of the grant project, and their name.
3. Program reports must be submitted in the format required and requested by the program covering the topics, i.e., narrative report, work plan accomplishments, etc.
4. Program reports must include a statement of the subrecipient's progress in achieving the stated goals from the Solicitation, the subrecipient application, and the Notice of Award.



5. The report should describe the overall progress, including results to date, a comparison of the actual accomplishments with the proposed goals for the period, any current problems or favorable or unusual developments, and the work to be performed during the succeeding period.
6. The report should identify and elaborate on problems, delays, and adverse conditions that may affect the subrecipient's ability to meet the program's objectives or time schedules.
7. Due dates for program performance reporting may be extended by ODH, with a written request to the Program Consultant via GMIS. The request must provide the details and circumstances, which necessitate the request for an extension. The request must be received thirty (30) days prior to the designated reporting due date. ODH will respond to any proposed extension request within fifteen (15) workdays after receipt of the request.
8. Failure to submit required program performance reports may have an effect on future payments.

## E2.2 Monthly or Quarterly Reimbursement Reports

Subrecipient Monthly or Quarterly Expenditure Reports **must** be completed and submitted **via GMIS** within 10 calendar days following the end of the reporting period, which is designated in the Solicitation. These reports provide details on the funds received, disbursed, or obligated.

Subrecipient Monthly or Quarterly Expenditure Reports **must** be completed and submitted **via GMIS** by the 10th of each month. The Subrecipient Monthly or Quarterly Expenditure Report includes the subrecipient summary page, and monthly, and year-to-date, general and payroll ledgers. ODH may withhold subrecipient unobligated balances during the fiscal year.

Due dates for monthly or quarterly reporting may be extended by ODH with a written request to the GSU Chief. The request must be on the subrecipient's agency letterhead and must be from the subrecipient's agency head or financial head. The request must provide the details and circumstances, which necessitate the request for an extension. **The request must be received thirty (30) calendar days prior** to the designated reporting due dates. ODH will respond to any proposed extension request within fifteen (15) calendar days after receipt of the request.

The monthly or quarterly report must be based on the subrecipient's accounting records and supporting documentation, and all documents must be maintained by the subrecipient for review by ODH staff. **The reporting of expenditures and revenues must be on the cash basis; thereby reporting actual expenses paid during the month or quarter.**

Payments for deliverables should only be included on the monthly or quarterly reports once the deliverable has been successfully met. Costs included on the expenditure reports for unmet deliverables will be disallowed. The automatic payment for subrecipients who request costs more than 2 times for unmet deliverables will be removed.

**The total amount of Outstanding Obligations listed on the twelfth monthly or fourth quarterly expenditure report is the maximum amount that can be listed as current expenditures upon submission of the Final Expenditure Report. Any additional amounts of current expenditures or any additional outstanding obligations will not be accepted or paid with program funds.**

ODH considers the 12<sup>th</sup> monthly or fourth quarterly expenditure report as the interim Final Expense Report. The 12<sup>th</sup> monthly or fourth quarter expenditure report must include all expenses to date, all outstanding obligations, and receivables.



## **E2.3 Final Expenditure Report**

The Subrecipient Final Expense Report and any overpayments must be submitted to ODH within thirty-five (35) calendar days following the end of the grant year. The Subrecipient Final Expense Report details the total expenditures for the project period. No extensions will be granted for Final Expense Reports.

The information contained in this report must reflect the project accounting records and supporting documentation. Any cash balances must be returned to ODH when the Subrecipient Final Expense Report is submitted. If the cash balance owed to ODH is not returned at the close of the grant, the second and subsequent payment(s) for all other grants will be held until all outstanding cash balances are received.

## **E2.4 Inventory Report**

A listing of all equipment purchased in whole or in part with current grant funds must be sent to ODH via GMIS as part of the Subrecipient Final Expense Report. At least once every two years, inventory must be physically inspected by the subrecipient unless otherwise specified sooner in the program specific Solicitation. Equipment purchased with ODH grant funds must be tagged as property of ODH for inventory control. Such equipment may be required to be returned to ODH at the end of the grant project period.

## **Section F - Subrecipient Monitoring**

### **F2.0 Overview**

ODH is responsible for monitoring the activities of subrecipients to ensure that federal and state funds are used for authorized purposes in compliance with federal and state program laws, regulations, and OGAPP.

Monitoring is the systematic observation, assessment, and reporting of performance conducted by ODH to determine the project's efficiency and delivery of services.

Factors such as the size of the grant, the percentage of the total project's funds granted to a subrecipient, and the complexity of the compliance requirements will be incorporated into the risk assessment.

Monitoring activities may take various forms:

1. Reviewing reports and supporting documentation submitted by the subrecipient;
2. Performing site visits to the subrecipient to review financial and programmatic records;
3. Observing operations;
4. If necessary, arranging for full-scope, limited scope, and/or agreed upon procedures engagements for certain aspects of subrecipient activities, such as eligibility determinations;
5. Reviewing the subrecipient's single audit or program specific audit results; and
6. Evaluating audit findings and the subrecipients corrective action plan.

## **F2.1 Risk-Based Monitoring**

In our continuing efforts to comply with federal and state rules and regulations, ODH is moving towards risk based monitoring. The risk based monitoring will consist of the following three (3) tiers:

Tier 1 Internal Control Questionnaire (ICQ) Review – will have the subrecipient;s ICQ reviewed by ODH for the current monitoring period. The review will be used to determine the accuracy of the completed ICQ by the subrecipient. ODH may request additional documentation to complete the review of the ICQ.

Tier 2 Mini Desk Review – will require the subrecipient to submit support documentation for one quarter for selected subgrant programs. The required support documentation may consist of contracts/agreements, invoices, general and payroll ledgers. Subrecipients will receive an email notification from ODH outlining the subgrant program being reviewed, the documentation needed and the date the documentation must be uploaded into GMIS.

Tier 3 Expanded Desk Review – will require the subrecipient to submit support documentation for multiple quarters for selected subgrant programs. The required support documentation may consist of contracts/agreements, invoices, general and payroll ledgers. Subrecipients will receive an email notification from ODH outlining the subgrant program being reviewed, the documentation needed and the date the documentation must be uploaded into GMIS.

After the review of the submitted documentation is completed, ODH/GSU staff may determine that an on-site fiscal monitoring visit is warranted.

Subrecipients will need to have all data ready for review upon ODH’s arrival.

ODH may conduct desk reviews for all subrecipients based on the level of risks. Information will be provided to subrecipients regarding the type(s) of monitoring that will be conducted each year.

## **F2.2 ODH Monitoring Responsibilities**

ODH program responsibilities include, but are not limited to, the following activities:

1. Reviewing reports submitted by the subrecipient;
2. Performing site visits to the subrecipient to review financial and programmatic records;
3. Observing subrecipient operations;
4. Ensuring compliance to OGAPP and all applicable federal and state rules and regulations;
5. Tracking inventory;
6. Providing technical assistance and consultation to subrecipient staff on programmatic issues;
7. Serving as ODH primary point of contact for subrecipients; and
8. Facilitate, schedule, convene and post all CAR documents.

The ODH Grants Services Unit (GSU) responsibilities include, but are not limited to, the following activities:

1. Conducting a desk review of the subrecipient's audit reports in accordance with the Single Audit Act and issuing a report to ODH Management for follow-up to ODH subgrants;
2. Monitoring of subrecipient projects based on results on the ODH risk assessment; and
3. Coordinating the issuance of a review memo with reportable conditions and recommendations for ODH management follow-up; and
4. Providing technical assistance and consultation to subrecipient staff on fiscal issues.

### **F2.3 Subrecipient Fiscal Monitoring**

The ODH GSU – Compliance Team is responsible for conducting desk review and on-site fiscal monitoring of ODH’s subrecipients.

Actions that may require an on-site monitoring include the following:

1. Non-compliance issues identified during a budget period;
2. Non-compliance issues identified in the subrecipient's audit report;
3. Non-compliance issues identified during desk review;
4. Subrecipients identified by ODH as higher risk based on the risk assessment;
5. Subrecipient fiscal year expending less than \$750,000 in federal funds;
6. Subrecipient terminating its relationship with ODH;
7. New subrecipient prior to ODH issuing a Notice of Award.

An On-Site Fiscal Monitoring visit is a review of a minimum of one quarter’s worth of transactions for the current budget period of each subgrant program. The review will include, but is not limited to, the examination of the subrecipient’s general and payroll ledgers, invoices, time and activity reporting, board minutes and procedures. The review will assess compliance with special conditions and administrative requirements, reconcile the subrecipient's subgrant fiscal records with the expenditure reports submitted to ODH, test subrecipient transactions for allowability, verify subgrant cash balances, verify equipment inventory, verify that the subrecipient records are being maintained per the record retention schedules, determine if ODH's records need to be adjusted, prepare a review memo identifying review findings and recommendations for ODH management follow-up, and monitoring any implementations of the recommendations or corrective action plan.



The subrecipient will have fifteen (15) calendar days, from receipt of the monitoring memo to appeal. The appeal should be sent to the Office of Financial Affairs – Chief Financial Officer. Failure to appeal within the allowed time constitutes an acceptance of the monitoring memo.

The appeal of the monitoring memo should clearly address the points of contention and the basis for the appeal. It should include supporting documentation and a description of corrective actions taken. A final decision will be issued within thirty (30) calendar days of the appeal review. **No additional appeals will be accepted.**

ODH will not conduct a fiscal on-site monitoring visit or desk review for subgrant programs that are 100% deliverables.

## Chapter 3 - End of Grant and Compliance

### Section A - End of Grant

#### A3.0 Overview

##### Closeout

Closeout is the process by which ODH determines that all administrative actions and required work or services have been completed within the budget period. The project's beginning and ending dates, which determine the funding period, are identified on the NOA. All planned project objectives must be completed and all expenditures obligated by the project ending date.

Subrecipients must submit their final expenditure report and any other closing reports specified with the Program Solicitation within **thirty-five (35) calendar days** after the budget end date. The report must support the goals; objectives; accomplishments; funds received, disbursed or obligated; and unobligated cash balance of the grant. This policy applies to all ODH subrecipients awarded federal or state funds. Failure to submit a timely, accurate final expenditure report may affect future funding to the organization.

Closeout includes ensuring timely submission of all required reports and making adjustments for amounts due to the subrecipient or to ODH. Closeout of a grant does not automatically cancel any requirements for property accountability, record retention or financial accountability. The federal government may recover amounts based on the results of an audit covering any part of the period of grant support.

Each project is awarded for a specific period of time and, for accounting purposes, is independent of prior or subsequent grants, which support the same activity. Therefore, a project's account cannot be closed until all obligations are liquidated, the cash balances are known, the subrecipient Final Expenditure Report is submitted, and final cash adjustments are made by ODH. The subrecipient must return the balance owed by check made payable to the "Treasurer, State of Ohio."

The check should be mailed to:

Ohio Department of Health  
Attention: Revenue Section  
P.O. Box 15278  
Columbus, Ohio, 43215-0278

*Include the 14-digit project key (Grant number) with all remittances.*

A cash balance of twenty-five dollars (\$25.00) or less does not have to be refunded to ODH. Similarly, if cash due to the subrecipient is twenty-five dollars (\$25.00) or less, no reimbursement of funds will be made by ODH.

The closeout of a grant does not negate the federal or state agency's right to disallow costs and recover funds because of a subsequent audit or other review. Furthermore, the grant closeout does not negate the subrecipient's obligation to return any funds due because of subsequent refunds, corrections or other

transactions. The grant closeout does not alter the records retention or the property management requirements described herein.

ODH may disqualify in whole or in part a subrecipient's participation under the Program or take appropriate legal actions if ODH determines that the subrecipient failed to comply with the requirements prescribed by the Program, in this manual, or in the subrecipient agreement. ODH will notify the subrecipient in writing of the disqualification and the effective date.

ODH may disqualify or may restrict the subrecipient's participation in the Program when both parties agree that continuation of the Program would not produce beneficial results. The two parties shall agree upon the conditions of the disqualification, including the effective date and, in the case of partial disqualification, the portion of funds to be disqualified.

Upon termination of a grant, the affected agency shall not incur new obligations for the disqualified portion after the effective date and shall cancel as many outstanding obligations as possible. ODH will allow full credit to the subrecipient for the federal share of the non-cancelable obligations properly incurred by the subrecipient prior to disqualification.

A grant closeout shall not alter the retention period for grant records or ODH access rights to the records. The closeout of a grant does not negate the subrecipient's responsibilities for property or for any Program income.

A final audit is not a required part of the grant closeout, but may be included in situations that require special attention. If ODH requires a final audit, the Ohio Office of the Inspector General (OIG) will be notified by ODH. The OIG will coordinate with other federal, state, or local auditors. If the grant is closed without an audit, ODH reserves the right to disallow and recover appropriate funds after fully considering recommended disallowances resulting from any future audits.

### **A3.1 Outstanding Obligations**

An obligation is created when funds are encumbered on a valid purchase order or purchase requisition for an authorized item. Obligations must be created by the last day of the project period. Any funds not properly obligated by the subrecipient within the project period will lapse and revert to ODH. Obligations listed on the interim report (i.e., fourth quarter or 12<sup>th</sup> month expenditure report) must be liquidated within thirty - five (35) calendar days after the end of the project period.

### **A3.2 Reporting**

Subrecipients are required to submit financial and progress reports by the deadlines listed in the Solicitation and in GMIS. Other required reports may include audit reports, reports to the appropriate payment points, and specialized programmatic reports. Unless otherwise indicated in the Solicitation, all required reports should be submitted via GMIS.

Subrecipients may receive up to a fifteen (15) day extension from the GSU Chief by requesting the extension in writing thirty (30) days prior to the final report due date.

*Overdue reports* - Failure to submit required reports within the allowed time may result in the suspension or termination of an active grant, the withholding of a non-competitive continuation award, or other enforcement actions, including the withholding of future payments. Continued failure to submit required reports may result in the loss of funding for the program.



Submission of a required report does not automatically fulfill the subrecipient's obligation. Such reports must also meet the regulations requirements or other grant terms. If a report needs to be revised in order to be accepted, the subrecipient must provide a revised report by the due date indicated or enforcement actions, such as an immediate fund cutoff, may be taken for the delinquent report.

### **A3.3 Final Expenditure Reports**



The Final Expenditure Report reflecting total expenditures for the grant period must be completed and submitted via GMIS within Thirty-five (35) days after the end of the budget period. The Final Expenditure Report must include program income earned and used. No extensions will be granted for the Final Expenditure Report.

The NOA or Solicitation will specify both the frequency and the due dates of Expenditure Reports. ODH requires quarterly or monthly submission of expenditures as well as a final expenditure report. ODH may review the reported patterns of cash expenditures and assess whether performance or financial management problems exist.

Before submitting any required expenditure report(s), subrecipients must ensure the information submitted is accurate, complete, and consistent with the subrecipient's accounting system. Submission of the final expenditure report in GMIS indicates acceptance of OGAPP. In addition, by clicking the "Approve" button, the subrecipient certifies authorization of the submission by an agency official and constitutes electronic acknowledgement and acceptance of OGAPP rules and regulations. Moreover, it certifies that all outlays and obligations are consistent with the terms and conditions of the grant and represents a claim to ODH. Filing a false claim shall result in the imposition of civil or criminal penalties associated with "Fraud, Waste, and Abuse."

In some cases, a previously submitted expenditure report must be revised or amended by the subrecipient. When the revision results in a balance due to ODH, the subrecipient must submit a revised expenditure report regardless of the original due date. Revised expenditure reports representing additional expenditures by the subrecipient that were not reported to ODH within the required period should be submitted to ODH with an explanation for the revision. The explanation should also describe what action is being taken by the subrecipient to prevent similar situations in the future. The revision should be submitted within fifteen (15) days from the due date of the original report. If an adjustment is to be made, ODH will advise the subrecipient of actions it will take to reflect the adjustment. ODH will not accept any revised report received after that date and will return it to the subrecipient.

The following shall be observed by ODH for all projects during the review and close out:

1. ODH will process payments to the subrecipient for allowable costs, which are included on the final expenditure report and not covered by previous payments.
2. Expenditures paid after the final expenditure report has been submitted to the Grantor will not be paid for with ODH project funds.
3. The subrecipient will refund to ODH any cash balance of project funds within forty-five (45) days of the invoice date.
4. ODH will invoice the subrecipient for refund of any cash balance due if the unobligated funds are not submitted in accordance with policies and procedures. If the balance is unpaid for thirty (30) day after invoicing, a past due notification letter requesting payment will be sent. If the balance remains unpaid for an additional ten (10) days, a final notice will be sent notifying the agency of ODH's intent to certify the past due account to the Ohio Attorney General's (AG's) Office for

collection. If the balance is not received by close of business on day forty-five (45), the invoice becomes eligible for certification. If there are no appeals, the invoice is certified to the Ohio AG's Office for collection. As allowed under Ohio Revised Code section 131.02(A), all collection costs are passed on to the debtor.

5. Payments on current grants with the subrecipient will not be withheld nor will any procedures to certify to the Ohio AG's Office for collection be instituted while an invoiced amount is in the appeal cycle.

### **A3.4 Closeout Inventory**



The subrecipient must provide an inventory of all equipment purchased, in whole or in part, with current grant funds in GMIS as part of the subrecipient Final Expenditure Report. At least once every two years, fixed asset inventory must be physically inspected by the subrecipient. Equipment costing more than \$1,000 must be marked as belonging to the applicable program and tagged as ODH property. Such equipment may be required to be returned to ODH at the end of the grant program period.

The closeout inventory must include the following details:

1. Description of the approved budgeted equipment;
2. Serial number of the equipment;
3. Inventory number assigned to the equipment;
4. Date acquired/purchased;
5. Approved annual budget;
6. Actual expenditures/cost; and
7. Date that equipment was disposed/salvaged/transferred.

### **A3.5 Outstanding Cash Balance**

Any subrecipient with an outstanding cash balance owed to ODH will be subject to having continuation grant payments or payment of all grants withheld. In addition, any agency with outstanding balances owed to ODH, which are not satisfied within forty-five (45) days after the invoice date, will be certified to the Ohio AG's Office for purposes of collection and will be automatically placed in a high risk status for future grants without first receiving written notification.

The following constitutes a debt owed to ODH:



1. Any project funds paid by ODH in excess of the amount to which the subrecipient is determined to be entitled, under the terms of the award;
2. Any amounts due ODH as a result of the sale, transfer or salvage of program property, including patents and copyrights;



3. Any other amounts determined by ODH or the federal government to be due to ODH under the terms of the award.

### **A3.6 Debt Collection**

ODH may recover funds paid in excess of the amount to which the subrecipient is determined to be entitled under the terms and conditions of the award. If the subrecipient does not pay back the funds in accordance with the terms and conditions of the grant, ODH will withhold all payments that would otherwise be due or will take other actions permitted by statute to collect the debt.

Under Ohio Revised Code section 131.02, all delinquent state debt is collected by the Ohio AG's Office.

Unless otherwise specified in law, regulation, or the terms and conditions of the award, debts are considered delinquent forty-five (45) days after the invoice date notifying the subrecipient of the indebtedness and will be certified to the Ohio AG's Office for collections. Once a debt has been certified to the Ohio AG's Office, a ten (10) percent administrative fee will be added to the debt. If the debt remains open for 180 days after the Ohio AG's Office invoice date without any attempt to negotiate a payment plan, the debt may be referred to the Ohio AG's Special Counsel where an additional thirty-three (33) percent will be added to the collection costs.

The interest on delinquent debts will be computed from the original notification date to the subrecipient of the indebtedness. The interest rate applied will be the current value of funds rate or the private consumer rate of interest set by U.S. Treasury, whichever is higher. A higher rate may be charged if necessary to protect the interest of the federal government.

Penalty charges will accrue from the date the debt became overdue until the indebtedness is paid. Additionally, delinquent debtors will be assessed charges to cover the state's administrative cost of collecting overdue debts.

Per Ohio Revised Code section 131.02(F)(2), ODH and the Ohio AG's Office has 40 years to collect most state debts.

### **A3.7 Final Program Performance Report**

All program performance reports must clearly identify the authorized project name and assigned project number. This report should be prepared according to the instructions given in the Solicitation.

### **A3.8 Monitoring**

Subrecipients are responsible for managing the day-to-day operations of ODH approved grant-supported activities using their established controls and policies, which must be consistent with OGAPP and federal requirements. In fulfilling its role concerning the stewardship of federal and state funds, ODH monitors its grants to identify potential problems and areas where ODH technical assistance might be necessary. This active monitoring is accomplished through review of reports and correspondence from the subrecipient, audit reports, site visits and other available information. Program monitoring criteria and required



documentation are specific to each program area and can be found in the Solicitation under Program Requirements.

ODH monitors expenditures for conformance with cost policies. ODH monitoring includes, but is not limited to, responding to prior-approval requests and reviewing financial reports, audit reports and other reports. ODH will use audit findings (questioned costs) as the basis for final cost adjustments.

Monitoring of a project or activity will continue for as long as ODH retains a financial interest in the project or activity because of property accountability, audit needs, and other requirements that may continue after the grant is closed out and ODH is no longer providing active grant support.

### **A3.9 Audits**

An audit is a systematic review or appraisal to determine whether internal accounting and other control systems assure the following:

1. Financial operations are properly conducted.
2. Financial reports are timely, fair, and accurate.
3. The subrecipient has complied with applicable laws, regulations, and the terms and conditions of the award.
4. Resources are managed efficiently.
5. Desired results and objectives are being achieved.

Subrecipients are subject to the audit requirements of Uniform Grants Guidance A-133, as implemented by 45 CFR 74.26 and 92.26, or the audit requirements stated in 45 CFR 74.26(d), and this manual. The Uniform Grants Guidance A-133 requires state government, local government, or non-profit organizations, including institutions of higher education, that expend \$750,000 or more per year under federal grants, cooperative agreements and/or procurement contracts to have an annual audit by a public accountant or a federal, state or a local governmental audit organization. The audit must meet the standards specified in generally accepted government auditing standards (GAGAS).

When a subrecipient procures audit services, the procurement must comply with the procurement standards of 45 CFR parts 74 or 92, as applicable, including obtaining competition and making positive efforts to use small, minority-owned, and women-owned business enterprises. Subrecipients should ensure that comprehensive solicitations made available to interested firms include all audit requirements and specify the criteria to be used for selection of the firm. Subrecipients' written agreements with auditors must specify the rights and responsibilities of each party.

Uniform Grants Guidance A-133 explains in detail the scope, frequency and other aspects of the audit. Some highlights of this circular are as follows:

1. Covered organizations expending \$750,000 or more per year in federal awards are required to have an audit made in accordance with the circular. However, if the awards are under one program, the organization can have either a single organization-wide audit or a program-specific audit of the single program, subject to the provisions of Section 235 of the circular. Covered organizations expending less than \$750,000 in any year are exempt from these audit requirements in that year but must have their records available for review by ODH.

2. An audit under Uniform Grants Guidance A-133 is in lieu of a financial audit of individual federal awards. However, federal agencies may request additional audits as necessary to carry out their responsibilities under federal laws or regulations. Any additional audits will build upon the work performed by the independent auditor.

If the schedule of findings and questioned costs discloses an audit finding related to a federal award or if the schedule of prior audit findings reports the status of any audit finding related to a federal award, ODH will follow up with a review of corrective actions implemented by the subrecipient. In turn, ODH may distribute the findings to the appropriate federal agency for further action as necessary.



Subrecipients must follow a systematic method for ensuring timely and appropriate resolution of audit findings and recommendations, whether discovered because of a federal audit or an ODH initiated audit. Subrecipients usually are allowed thirty (30) days from the date of request to respond to the responsible audit resolution official concerning audit findings. Failure to submit timely responses will result in cost disallowance or other actions by the federal agency and/or by ODH. At the completion of the audit resolution process, the subrecipient will be notified of the final audit decision. The subrecipient may appeal this decision if the adverse determination is of a type covered by ODH or the federal oversight agency's grant appeals procedures. Refunds owed to ODH because of audit disallowances must be made in accordance with instructions issued by ODH.

It is imperative that subrecipients submit their required Uniform Grants Guidance A-133 audits within the time limits specified in the circular. If the subrecipients are delinquent in complying with the provisions of the circular, ODH will impose sanctions that may result in the loss of federal funds. No audit costs will be allowed as either indirect costs or direct costs to federal awards if the required audits have not been completed or have not been conducted in accordance with the provisions of Uniform Grants Guidance A-133.

- (a) Audit required. A non-Federal entity that expends \$750,000 or more during the non-Federal entity's fiscal year in Federal awards must have a single or program-specific audit conducted for that year in accordance with the provisions of this Part.
- (b) Single audit. A non-Federal entity that expends \$750,000 or more during the non-Federal entity's fiscal year in Federal awards must have a single audit conducted in accordance with section 200.514 Scope Of Audit except when it elects to have a program-specific audit conducted in accordance with paragraph (c) of this section.
- (c) Program-specific audit election. When an auditee expends Federal awards under only one Federal program (excluding R&D) and the Federal program's statutes, regulations, or the terms and conditions of the Federal award do not require a financial statement audit of the auditee, the auditee may elect to have a program-specific audit conducted in accordance with section 200.507 Program-Specific Audits. A program-specific audit may not be elected for R&D unless all of the Federal awards expended were received from the same Federal agency, or the same Federal agency and the same pass-through entity, and that Federal agency, or pass-through entity in the case of a subrecipient, approves in advance a program-specific audit.
- (d) Exemption when Federal awards expended are less than \$750,000. A non-Federal entity that expends less than \$750,000 during the non-Federal entity's fiscal year in Federal awards is exempt from Federal audit requirements for that year, except as noted in section 200.503 Relation To Other Audit Requirements, but records must be available for

review or audit by appropriate officials of the Federal agency, pass-through entity, and Government Accountability Office (GAO).

Boards of Health and Family and Children First Councils (FCFC) that receive money from the Ohio Department of Health are no longer eligible for reduced audit services (neither AUPs nor Basic Audits). Full GAGAS audits are required for Boards of Health and FCFCs. - <https://ohioauditor.gov/publications/bulletins/2015/001.pdf> .

OMB combined and modified several OMB circulars, including A-87, A-102, and A-133 into this document which governs federal assistance. The sections have different effective dates as well.

## **Section B – Enforcement**

### **B3.0 Overview**

Enforcement levels the playing field for subrecipients and individuals that comply with prescribed federal and state rules and regulations by ensuring that those subrecipients and individuals who violate the law are held accountable. Compliance with the rules and regulations is the goal, but civil and criminal enforcement is an important part of ensuring governments, companies and individuals meet their obligations.

### **B3.1 Enforcement**

A subrecipient's failure to comply with the terms and conditions of an award may result in ODH taking one or more enforcement actions. Any action taken by ODH will be in accordance with applicable statutes, regulations, and policies. The subrecipient will be given an opportunity to correct deficiencies before an enforcement action occurs unless public health or welfare concerns require immediate action. ODH may implement additional compliance measures during the corrective process to protect the state's interest. If ODH takes an enforcement action, ODH will closely monitor an award using special conditions or other means available; ODH may share this information with all federal oversight agencies.

Enforcement actions may include but are not limited to the following:

1. Modification of the terms and conditions of the award (and the nature of the modification will be communicated to the subrecipient);
2. Suspension or termination for cause; and
3. Withholding a non-competitive continuation award.

Suspension and debarment under 45 CFR part 76 is a separate and distinct action than the aforementioned suspension and termination.

Enforcement may be imposed by federal, state, and other oversight agencies and may include, but is not limited to the following:

1. *Remedies for noncompliance* – If a grantee or subrecipient materially fails to comply with any terms or conditions of an award, whether stated in a federal statute or regulation, an assurance in a state plan or application, a notice of award, or elsewhere, ODH may take one or more of the following actions, as appropriate in the circumstances:
  - a. Temporarily withhold cash payments pending correction of the deficiency by the subrecipient;

- b. Disallow all or part of the cost of the activity or action not in compliance (i.e., deny both the use of the funds and the matching credit for those funds);
  - c. Wholly or partly suspend or terminate the current award for the subrecipient's program;
  - d. Withhold further awards for the program; and/or
  - e. Take other remedies that are legally available.
2. *Effects of suspension and termination* – Costs resulting from obligations incurred by the subrecipient during a suspension or after termination of an award are not allowable unless ODH expressly authorizes the expense in the notice of suspension, termination, or closeout. Some subrecipient costs during suspension or after termination, which are necessary and not reasonably avoidable, are allowable under the following circumstances:
- a. The costs result from obligations that were properly incurred before the date of suspension or termination; or
  - b. The award was not suspended, terminated, or closed.

### **B3.2 Termination for convenience**

Awards may be terminated in whole or in part only as follows:

1. An award may be terminated by the awarding agency with the consent of the grantee or subrecipient. The two parties shall agree upon the termination conditions, including the effective date and, in the case of partial termination, the portion to be terminated.
2. An award may be terminated by the subrecipient upon written notification to the awarding agency, setting forth the reasons for such termination, the effective date, and, in the case of partial termination, the portion to be terminated. However, if, in the case of partial termination, the awarding agency determines that the remaining portion of the award will not accomplish the purposes for which the award was made, the awarding agency may terminate the award in its entirety under either § 92.43 or paragraph (a) of this section.

### **B3.3 Later Disallowances and Adjustments**

The closeout of a grant does not affect the following:

1. ODH's right to disallow costs and recover funds on the basis of a subsequent audit or other review;
2. The grantee's obligation to return any funds due as a result of subsequent refunds, corrections, or other transactions;
3. Records retention as required in OGAPP Chapter 3, Section C;
4. Property management requirements found in OGAPP Chapter 3, Section A3.5; and
5. Audit requirements found in OGAPP Chapter 2, Section B2.9.

## Section C – Record Retention

### C3.0 Records Retention and Access

Financial records, supporting documents, statistical records, and all other non-Federal entity records pertinent to a Federal award must be retained for a period of three years from the date of submission of the final expenditure report or, for Federal awards that are renewed quarterly or annually, from the date of the submission of the quarterly or annual financial report, respectively, as reported to the Federal awarding agency or pass-through entity in the case of a subrecipient. Federal awarding agencies and pass-through entities must not impose any other record retention requirements upon non-Federal entities. The only exceptions are the following:

- (a) If any litigation, claim, or audit is started before the expiration of the 3-year period, the records must be retained until all litigation, claims, or audit findings involving the records have been resolved and final action taken.
- (b) When the non-Federal entity is notified in writing by the Federal awarding agency, cognizant agency for audit, oversight agency for audit, cognizant agency for indirect costs, or pass-through entity to extend the retention period.
- (c) Records for real property and equipment acquired with Federal funds must be retained for 3 years after final disposition.
- (d) When records are transferred to or maintained by the Federal awarding agency or pass-through entity, the 3-year retention requirement is not applicable to the non-Federal entity.
- (e) Records for program income transactions after the period of performance. In some cases recipients must report program income after the period of performance. Where there is such a requirement, the retention period for the records pertaining to the earning of the program income starts from the end of the non-Federal entity's fiscal year in which the program income is earned.
- (f) Indirect cost rate proposals and cost allocations plans. This paragraph applies to the following types of documents and their supporting records: indirect cost rate computations or proposals, cost allocation plans, and any similar accounting computations of the rate at which a particular group of costs is chargeable (such as computer usage chargeback rates or composite fringe benefit rates).

(1) *If submitted for negotiation.* If the proposal, plan, or other computation is required to be submitted to the Federal Government (or to the pass-through entity) to form the basis for negotiation of the rate, then the 3-year retention period for its supporting records starts from the date of such submission.

(2) *If not submitted for negotiation.* If the proposal, plan, or other computation is not required to be submitted to the Federal Government (or to the pass-through entity) for negotiation purposes, then the 3-year retention period for the proposal, plan, or computation and its supporting records starts from the end of the fiscal year (or other accounting period) covered by the proposal, plan, or other computation.

In order to avoid duplicate record keeping, ODH may make special arrangements with the subrecipient to retain records that are needed for joint use. ODH will request transfer of the records to its custody when it determines that the records possess long-term retention value. When the records are transferred to or maintained by ODH, the three-year retention requirement is not applicable to the subrecipient.

### C3.1 Records and reports

*Recordkeeping requirements* - Each state and local agency shall maintain full and complete records concerning program operations. These records shall comply with the following requirements:

1. Records shall include, but not be limited to, information pertaining to financial operations; food delivery systems; food instrument issuance and redemption; equipment purchases and inventory; certification; nutrition education, including breastfeeding promotion and support; and civil rights and fair hearing procedures.
2. All records shall be retained for a minimum of three years following the date of submission of the final expenditure report for the period to which the report pertains. If any litigation, claim, negotiation, audit or other action involving the records has been started before the end of the three-year period, the records shall be kept until all issues are resolved, or until the end of the regular three-year period, whichever is later.
3. Records for non-expendable property acquired in whole or in part with Program funds shall be retained for three years after its final disposition.
4. All records shall be available during normal business hours for representatives of ODH and the Comptroller of the United States to inspect, audit, and copy. Any reports or other documents resulting from the examination of such records that are publicly released may not include confidential applicant or participant information.

## Section D - Reconsiderations and Appeals

### D3.0 Overview

This section contains the requirements and procedures applicable to certain disputes arising under ODH grants. It is designed to provide a fair, impartial, quick, and flexible process for reconsiderations and the appeal of invoices or written decisions. In order to request an appeal, the subrecipient must have met all of the special conditions established for the specified project by the assigned date and must have received an invoice or final written decision. The subrecipient must appeal within 10 days after receiving the invoice or final written decision.



### D3.1 Appeals

ODH permits subrecipients to appeal to the Director of Health or his designee when ODH management makes some post-award administrative decisions. The appeals process may occur when:

1. A grant is terminated because a subrecipient failed to carry out an approved project in accordance with the applicable laws or the terms and conditions of the award; or failed to comply with all laws, regulations, assurances, or terms and conditions applicable to the grant;
2. Unallowable expenses were charged to the grant or the subrecipient otherwise failed to fulfill its obligation to account for grant funds;
3. Failure to comply with terms of a previous award has led ODH to deny (withhold) the subrecipient from a non-competitive continuation award;
4. ODH has determined that a grant is void (i.e., it was determined that the grant was not authorized by statute or regulation or it was determined that the grant was fraudulently obtained); or
5. An ODH audit or similar engagement has questioned costs or findings.

A subrecipient must submit a written notice of appeal to the Director of Health or his designee within 15 days after receiving the final written notice. The notice of appeal must include a copy of the final decision, supporting documentation, tabbed and organized chronologically, accompanied by an indexed list identifying each document and a brief statement of why the subrecipient feels ODH has made the incorrect decision. The required documents should be mailed to the following address:

Ohio Department of Health  
ATTN: Chief Financial Officer  
35 E. Chestnut Street, 4th Floor  
Columbus, OH 43215

The appeals process objective is to provide a fair and expeditious decision. Thus, it will not allow any party to delay unduly the appeals process. The Chief Financial Officer (CFO) may grant an extension of time for the submission of documentation, but only if a good reason for the delay is provided.

If the subrecipient has not submitted an appeal request with all required documentation within the established timeframe, the CFO may dismiss the appeal. If the ODH unit responsible for the final statement has not submitted their documentation, the CFO may issue a decision based on the records submitted or it may take other measures considered appropriate.

### D3.2 Reconsiderations



All reconsiderations must be sent to the ODH GSU-Chief.

Reconsiderations include, but are not limited to, closeout decisions. If the subrecipient is given a decision, the subrecipient does not agree with, there is the option of reconsideration. This reconsideration request **MUST** be sent with support documentation within 10 days of receiving the decision. The support documentation must include a copy of the final decision, a statement of the amount in dispute, documentation supporting the claim, tabbed and organized chronologically, accompanied by an indexed list identifying each document and a brief statement of why the subrecipient feels ODH has made the incorrect decision. The required documents should be mailed to the following address:

Ohio Department of Health  
Grants Services Unit, Chief  
35 E. Chestnut St, 4<sup>th</sup> Floor  
Columbus, OH 43215



The GSU-Chief will conduct a review of relevant documents and statements submitted by both parties within 15 days of receipt of the reconsideration request. If the decision is in agreement with the subrecipient, then the GSU-Chief will issue an approval letter to allow the change. However, if the GSU-Chief concludes the initial decision was correct, all documentation will be provided to the Chief Financial Officer (CFO) for consideration. The CFO will provide a recommendation to the Director of Health based on the rules and regulations dictated by the state and federal government, the Solicitation and OGAPP. A decision will be made within 45 days from the receipt of the subrecipient's reconsideration request.



## Section E - Remediation & High Risk Status

### E3.0 Overview

ODH believes that the majority of its subrecipients are competently managed, responsible and fully committed to achieving the goals and objectives of the grants awards received. Experience has shown, however, that a minority of subrecipients are high risk with poor programmatic performance and financial stewardship of funds. These subrecipients subject themselves to a status of high-risk that imposes additional and potentially severe sanctions or requirements.

### E3.1 Remediation

The purpose of remediation is to monitor subrecipients compliance with ODH, federal, and state rules and regulations. On a quarterly basis, the Chief Financial Officer (CFO) will review any subrecipient compliance issues brought forward by Program or Administrative staff. The CFO receives a brief written summary of the subrecipient issue and reviews it with the appropriate Program, OFA, and GSU staff. Upon review, the CFO may make the following determinations:

1. Return the issue to program and/or GSU to resolve based on OGAPP policies and procedures;
2. Recommend to the Director to grant an exception to the policy or procedure (with appropriate corrective and future preventive action included); or
3. Recommend to the Assistant Director of Programs for probation, suspension, termination, or debarment actions pertaining to a grant or a subrecipient agency.

On a quarterly basis, the CFO or their designee will review the list of all grants having outstanding special conditions and/or payments withheld. The CFO may or may not take action based on their review.

On a quarterly basis, the CFO or their designee will receive requests for review of projects or subrecipient agencies from Program, EEO, and GSU staff via an Office Chief, the OFA Chief, or the Assistant Director for Administration. The CFO may or may not take action based on their review.

### E3.2 Sanctions

The severity of the subrecipient issues or deficiencies will dictate the level of sanction that will be imposed, but sanction levels may not be progressive in severity. The subrecipient shall be informed in writing of the specific areas of grant non-compliance that have caused the agency's designation as high-risk.

**Probation**– This is the first (1st) level of high-risk designation and it applies to the whole agency and affects all current ODH grants with the subrecipient.

The goal of probation is for the subrecipient to correct satisfactorily all issues of noncompliance. Probation requires the subrecipient to prepare and submit a written Corrective Action Plan with specific completion dates. The Corrective Action Plan will be reviewed, approved, and returned to the subrecipient for implementation.

**Probation may include any of the following additional requirements:**

1. Requires **all** expenditures to be actual cost reimbursement;

2. Prohibits any increases in current awards; and
3. May require additional reporting and/or documentation.

Probation does not affect the current Notice of Award(s); the current funding will remain unchanged.

When a subrecipient is placed on **probation**, appropriate technical assistance to that subrecipient will be required. The purpose of the technical assistance is to raise the level of subrecipient compliance so that the subrecipient is no longer treated as high-risk. Technical assistance may be offered by individual ODH units or by an on-site review.

**Suspension** – This is the second (2nd) level of high-risk, which is grant specific (i.e., a subrecipient with multiple grants could have one suspended, while the others are not). Suspension of a specific subgrant is imposed for a subrecipient’s failure to satisfy issues of noncompliance in the Corrective Action Plan from Probation. This is a subrecipient’s final chance for resolution of non-compliance on a specific grant. Suspensions remain in effect until corrective action is satisfactorily completed or until ODH terminates the grant.

**Suspension shall include the following actions:**

1. Written notice to the subrecipient stating the reasons for the suspension, the effective date and the requirements for Corrective Action;
2. Halting of all ODH payments for the specific grant; and
3. Prohibiting any new obligations for that specific grant.

Suspension may affect the current Notice of Award, and funding may be adjusted.

Necessary and otherwise allowable expenditures of grant funds or project income, which the subrecipient could not reasonably avoid during the suspension period, will be allowed if they result from obligations properly incurred by the subrecipient before the effective date of the suspension.

At the discretion of ODH, local funds expended and third party in-kind contributions to the project applicable to the suspension period may be allowed in satisfaction of cost sharing or matching requirements.

**Termination** - This is the third (3rd) level of high-risk, which is grant specific. Termination of a specific grant is imposed for a subrecipient’s failure to satisfy issues of non-compliance from probation and/or suspension.

**Termination shall include the following actions:**

1. Written notice to the subrecipient stating the reasons for the termination and the effective date;
2. Prohibition of any new grant obligations; and
3. Return to ODH of any unexpended funds previously advanced.

Termination requires the issuance of a revised Notice of Award.

**Debarment** - This is the fourth (4th) and final level of high-risk, which applies to the entire subrecipient agency. Debarment of an agency is imposed for the failure to satisfy issues of noncompliance from probation, suspension, and/or termination. This is the act of prohibiting the agency from conducting any related business with ODH, including entering into contractual arrangements using ODH funds from another subrecipient.

**Debarment shall include the following actions:**

1. Written notice to the subrecipient stating the reasons for the debarment and the effective date;
2. Prohibition of ANY further related activities;
3. Return to ODH of any unexpended funds previously advanced;
4. Submission of the agency name to Secretary of State for further debarment and suspension consideration; and
5. Submission of the agency name to the federal oversight agency for further debarment and suspension consideration.

Debarment requires the issuance of revised Notice of Award(s) as necessary.

### **E3.3 High-Risk Status**

Placement into high-risk status will be determined for individual subrecipients based upon the subrecipient's failure to comply with applicable federal or state rules and regulations or the terms and conditions of the Award. Deficiencies that place an agency into high-risk status may include the following:

1. Deficiencies in program or business management systems (e.g., substantial failure to comply with the financial management standards or procurement standards);
2. A history of unsatisfactory performance, material violations of grant terms, or large cost disallowance on previous awards from the same or other federal projects; and/or
3. Poor financial stability (i.e., insolvency or threat of insolvency).

The severity of the issues or deficiencies will dictate the level of potential imposed protective conditions that will be applied. High-risk status may be imposed on subrecipients in the form of probation, suspension, termination, debarment, or other remedies as may be legally available and deemed appropriate. The CFO will recommend to the Director of Health whether a subrecipient shall be placed in high-risk status. The decision will be enforced until compliance standards are met, a pre-specified time period has lapsed, or other administrative measures are imposed. The ODH Director or his designee will notify the subrecipient Agency Head in writing of their high-risk status, with copies of this letter sent to the following individuals:

1. Subrecipient Agency Head;
2. Program Director;
3. Respective ODH Office Chief;
4. ODH Program Coordinator; and



## 5. ODH GSU

The imposed protective conditions and/or the monitoring techniques to be used will depend on the nature and the extent of the risk. Special conditions, which constitute deviations from OGAPP or program rules, may be used only when recommended by the CFO and approved by the Director of Health or his designee.

After determining that a subrecipient is high-risk, ODH may minimize risk by electing to do the following:

1. ODH may award the grant (probation) but arrange for appropriate technical assistance to the subrecipient. Based on documentation submitted, the subrecipient is determined to be high-risk by the CFO. The subrecipient would be required to seek additional documented technical assistance. An on-site review by ODH may be conducted.
2. ODH may award the grant (probation) but with imposed protective conditions and closer monitoring. Based on documentation submitted, the subrecipient is determined to be high-risk by the CFO. The subrecipient would be required to adhere to protective conditions and may be restricted to reimbursement status only until corrective actions are agreed upon. Internal ODH reviews would be considered on a quarterly basis, or an on-site review by ODH may be conducted.
3. ODH may choose to not award the grant (suspension/termination/debarment) based on documentation submitted. The subrecipient is determined to be high-risk by the CFO and may not be fundable until corrective actions and time frames are agreed upon and implemented. Internal reviews by ODH will be on going and may require an on-site review.

### **E3.4 High-Risk Progress**

The Chief Financial Officer (CFO) or their designee will monitor the status of each subrecipient deemed high-risk on a monthly basis to ensure implementation and compliance with approved corrective action plans. If the subrecipient demonstrates implementation and completion of satisfactory corrective action, the CFO will recommend to the Director of Health or his designee that the subrecipient be removed from high-risk status. If there are no documented changes, response, or implementation by a subrecipient, the CFO will recommend to the Director of Health or his designee for the next progressive level of high-risk.

The Director's decision will be made from the CFO's recommendation. The Director of Health or his designee will communicate the decision by sending an imposed protective condition notice to the subrecipient by certified mail. The letter will document the deficiencies, the effective periods, and any other administrative measures imposed. A copy of the letter will be sent to: 1) the subrecipient agency head, 2) the Program Director, 3) the respective ODH Office Chief, 4) ODH program, 5) ODH GSU, and 6) the ODH Compliance Team Manager.

Appropriate adjustments to payments under the suspended grant will be made either by withholding subsequent payments, or if the payments have been made, by not allowing the subrecipient credit for disbursements during the suspension period.

### **E3.5 High-Risk Appeal Process**

The subrecipient Agency Head has fifteen (15) calendar days from the receipt of the letter of high-risk notification to request in writing a hearing with the ODH Director or his designee. Supporting documentation must accompany the letter submitted to the Director. The ODH Director or his designee will review the documentation, and notify the subrecipient within 45 calendar days after receipt of the



subrecipient's appeal letter and documentation. All decisions are final. **Appeals received after the deadline will not be reviewed.**

## GLOSSARY

Accounting System	The total structure of an agency's records and procedures which discover, record, classify and report information on the financial position and operations of a project.
Administrative Agent	The legally recognized entity that acts as the subrecipient for receipt of ODH funding for another agency, such as Family Children First Council. The administrative agent is required to comply with all applicable ODH policies and guidelines. An identified administrative agent must serve the complete grant budget period.
Administrative Costs	The subrecipient costs that do not directly contribute to project objectives or direct services. Administrative costs include, but are not limited to, costs associated with the provision of clerical assistance and accounting services. Administrative costs should be charged to the indirect line item.
Administrative Requirements	The programmatic grant regulations are set forth in CFR 42 and CFR 45.
Agency Head	Designated representative of the applicant or subrecipient organization with authority to act on the organization's behalf in matters related to the award and administration of grants. Responsibilities include accountability for the appropriate use of funds awarded and performance of the grant supported project or activities as specified in the approved application. <b>The Agency Head must be an employee of the subrecipient agency.</b>
Agency Financial Head	Designated fiscal representative of the applicant or subrecipient organization within the authority to act on the organization's behalf in matters related to establishing and maintaining accounting systems and financial records. <b>The Agency Financial Head must be an employee of the subrecipient agency.</b>
Allocation Plan	An established plan, detailed in writing, which applicably divides lump sum, shared revenue and/or expenses among two or more accounts, of which at least one is the grant supported project account.
Allocable Costs	A cost is allocable to a particular program cost objective if the goods and services involved are chargeable or assignable to such cost objective in accordance with relative benefits received. Allocable costs to a particular cost objective or award may not be charged to other awards to overcome fund deficiencies.
Allowable Costs	The expenditures that are acceptable by ODH, based on sound management principles, consistent with project objectives, and state or federal terms and conditions. Allowable costs may be fees for service or cost reimbursement.

Applicant Share	Support provided by the subrecipient that is used to match the grant funds in maintaining the project. Applicant share includes, but is not limited to, gifts received, contributed goods and services (in-kind match), local government or agency funds and government revenues such as license fees, taxes, fines, penalties and special assessments or levies.
Assurance	Annual certification that the agency, if audited, can produce documentation to ensure compliance with all Federal and State regulations.
Available Funds	The sum of the grant funds received during a reporting period and the unobligated balance from the previous period.
Award	Grants, cost reimbursement contracts and other agreements between a local government, health districts, education institutions, local school districts, hospitals, and non-profit organizations and the Ohio Department of Health.
Budget Categories	Major groupings of line item expenditures that comprise a subrecipient's budget for a project. The four major budget categories are: Personnel, Other Direct Costs, Equipment, and Contracts.
Budget Justification	The financial plan for reaching the objectives of the project. The initial project budget is included in the project application consists of proposed project expenditures and sources of project funding for the grant period.
Budget Line Item	The smallest unit recorded in any category of the project's budget or expenditure reports. Every line item is expressed in units expended. Units are determined by the nature of the item.
Budget Period	It is the specific period of time in which grant funds must be expended or obligated to meet the grant's objectives. Usually a one-year period.
Budget Revision	A change to the previous ODH total approved budget.
Cash Balances	The difference between available funds and allowable expenditures. Cash balance is used by ODH in the calculation of grant payments to subrecipients.
Central Master Files	The internal ODH central repository of all original grant documents.
Closeout	The process by which ODH determines that all applicable administrative actions and all required work related to the grant have been completed by the subrecipient.
Code of Federal Regulations (CFR)	The codification of the general and permanent rules published in the Federal Register by the Executive departments and agencies of the Federal Government.

Cognizant Agency	The Federal agency responsible for reviewing, negotiating, and approving cost allocation plans or indirect cost proposals developed under the appropriate Circular on behalf of all Federal agencies. OMB publishes a listing of cognizant agencies.
Common Rule	The Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments found in the Uniform Guidance.
Cost Allocation Plan	An equitable method of allocating shared costs so that they may be charged to the project. Such costs should be budgeted, accounted for, and reported as individual budget line items.
Confirmation of Contractual Agreement	An agreement confirming contracted services to be performed during the project period.
Debarment	An administrative action that makes an agency ineligible to be awarded or to participate as a sub-contractor in a grant administered by ODH.
Direct Costs	Costs that can be specifically identified with a particular cost objective or project and charged directly as part of the cost of the project.
Disallowable Costs	The charges to a project that are determined unallowable by ODH in accordance with the applicable federal and/or state regulations, OGAPP or other terms and conditions contained in the Solicitation.
Donations	The value of cash funds that has been contributed by the subrecipient or third parties toward the operation of the project or for a specific aspect of the project. Donations may be used to meet the project's matching requirements.
Encumbrance	An accounting mechanism used to set aside current funds for securing goods or services during a stated period. An encumbrance is liquidated when paid.
Equal Employment Opportunity Office (EEO)	The ODH office responsible for administering and monitoring the compliance of all subrecipients and sub-contractors with all applicable civil rights and non-discrimination regulations and laws.
Equipment	Any single item of tangible property having a useful life of one year or more, costing \$1,000 or more and which is purchased in whole or in part with project funds. Real property, such as land, buildings, or improvements other than buildings is not classified as equipment.
Equipment Inventory	Listing of all equipment purchased at a cost of \$1,000 or more and which must be: a. A description of the equipment, including manufacturer's model number, if any



- b. An identification number, such as the manufacturer's serial number
- c. Asset tag number
- d. Identification of the grant under which the equipment was acquired
- e. The information needed to calculate the program share of the equipment
- f. Acquisition date and unit acquisition cost
- g. Location, use and condition of the equipment and the dates of physical inventory
- h. All pertinent information on the ultimate transfer, replacement or disposition of the equipment

Expenditure	Cost incurred during a given period requiring the provision of funds for: <ol style="list-style-type: none"> <li>1. Goods and other tangible property received; or</li> <li>2. Services performed by employees, contractors, subcontractors and other payees.</li> </ol>
Fair Market Value	The value placed on in-kind contributions for cost sharing or matching purposes, which must be fair and reasonable.
Fringe Benefits	Employee benefits in the form of regular compensation paid to an employee during periods of authorized absences from the job, such as for annual leave, sick leave, court leave, military leave and the like provided pursuant to an approved leave system and the cost is equitably allocated to all related activities, including grant programs. Employee benefits in the form of employer's contribution or expenses for social security, life and health insurance plans, unemployment insurance, workmen's compensation insurance, pension plans, severance pay, etc. are allowable provided such benefits are granted under approved plans and are distributed equitably to grant projects and to other activities.
Grant Payments	All payments of grant funds by ODH to the subrecipient in accordance with the conditions of the grant award.
Grant	An award of a sum of money by ODH to a local governmental agency or a non-profit organization in exchange for performance of a project according to terms specified in the solicitation, grant application, Notice of Award and reporting requirements for a given grant period.
Grant Services Unit (GSU)	The ODH unit responsible for assuring fiscal accountability of all federal ODH grants including monitoring and technical assistance with all fiscal reporting requirements.
GSU – Administration	Responsible for the submission and review of subrecipient financial statement audits to assist in risk management activities, communicates to various ODH personnel the status of subrecipient audit reports and findings, and maintains a

clearinghouse file for audit reports. Reviews the subrecipients Internal Control Questionnaire (ICQ).

GSU – Compliance Team	This unit conducts on-site monitoring, communicate findings and recommendations from monitoring visit to other ODH personnel, monitors submission of corrective action plans in response to monitoring memo and fiscal reviews, assists ODH management in assessing and management risk.
GSU – Subgrant Team Grant Consultant	Responsible for the day-to-day management of the grants. They are the primary point of contact for the subrecipients when dealing with grant related – issues. This unit reviews subrecipient applications, assigns and monitors compliance with special conditions, processes subrecipient budget revisions, and provides GMIS training for subrecipients. They review and approve subrecipient expenditure reports and supporting documentation, create encumbrances and vouchers for subrecipient payments and perform subrecipient close-out.
GSU – Reporting Team	This unit reviews and processes the federal grant applications, federal notices of awards, assigned agency grant numbers for all federal funding sources, reconciles expenditure data, completed federal financial reports, and prepares contract billings for revenue and/or reimbursement,
Grant Funds	Funds awarded by ODH to a subrecipient to support the project and its allowable costs, in accordance with the terms of the grant award.
Grants Management Information System (GMIS)	ODH on-line grant application and management system.
Health Disparities	When certain groups experience a disproportionate burden with regard to the incidence, prevalence and mortality of certain diseases or health conditions.
Health Equity	Absence of unnecessary, avoidable, and unjust differences in health.
Health Inequities	Differences in health that are unnecessary, avoidable and unjust.
High Risk	A determination made by ODH of a subrecipient with potential deficiency to administer adequately the project that imposes additional reporting requirements.
Independent Audit	An audit of financial statements conducted by an outside Certified Public Accountant (one not employed by the agency being examined) according to generally accepted auditing standards (GAAS) for the purpose of expressing an opinion as to whether the statements are a fair presentation in accordance with generally accepted accounting principles (GAAP).

Indirect Costs	The costs of a subrecipient that are not readily assigned to a particular project, but are necessary to the operation of the agency and the performance of the project.
In-kind Contributions	The value of non-cash contributions provided by the subrecipient or third parties for project purposes. In-kind contributions may consist of charges for real property, non-expendable personal property and the value of goods and services directly benefiting and specifically identifiable to the project activity.
Interest Income	Interest earned on federal funds must be treated according to the federal regulations governing the project-funding source outlined in the Uniform Guidance.
Internal Control	The plan of effective control and accountability in place to adequately safeguard all grant funds and assure project funds are used solely for authorized purposes.
Match (Matching Funds)	Cost sharing requirement for subrecipients that is established by state or federal authority. Match requirements are required as a percentage of the grant award. Match is the subrecipient share of the project costs. Match may be “in-kind” or “cash.”
Notice of Award (NOA)	A document signed by the Director of Health, which is the official notification to the subrecipient of the grant award or a grant award revision. It constitutes the agreement between ODH and the subrecipients.
Notice of Availability Funds	The official written request, sent from ODH, which formally announces to local agencies the opportunity to apply for funding for a specific project.
Obligation	An allowable cost incurred during the grant period that a subrecipient may be required to pay legally out of project funds. It includes only actual liabilities and is only permitted to be reported on the 4 <sup>th</sup> quarter expenditure report.
OMB	The United States Office of Management and Budget
Per Diem	Costs incurred in association with travel including lodging, meals, local transportation and parking fees.
Personal Property	Equipment and supplies including intangibles owned by the project or ODH.
Personal Service Contact	Services performed as a result of a contract with an individual that is not an employee of the subrecipient agency.
Personnel	Full or part-time subrecipient agency employee who occupy approved positions to perform project objectives including employees who are not paid from project funds.

Probation	A temporary administrative status during which the subrecipient may continue to operate and obligate funds; but during which ODH may impose additional requirements. A subrecipient will remain on probation status until compliance standards are met or until a specified time period has elapsed.
Program Consultant	The program contact person at ODH assigned as liaison for a specific grant project, responsible for the monitoring of the subrecipient’s programmatic and fiscal activities. Provides assistance for programmatic, scientific, and/or technical aspects of assigned subrecipient applications and projects, reviews and evaluates grant applications, conducts post-award monitoring of project/program performance, reviews progress reports, and conducts site visits as needed.
Program Fiscal Liaison	Responsible for review of the Solicitation prepared under direction of program for completeness, for compliance to all applicable rules and regulations, to verify and secure availability of funding, and for forwarding the Solicitation to the GSU for review and posting.
Program Director	Individual at the subrecipient agency who is responsible for the administration of the grant, typically the contact person for all matters involving a grant to ensure that all terms and conditions of the award are met and that only allowable expenditures are funded.
Program Funds	Program Funds represent the total funds needed to support the project as designed by the project application. Program funds include grant funds, program income and applicant contribution (matching funds). Program funds do not include non-matching funds.
Project	The organization of activities necessary to meet specific goals and objectives, the cost of which may be funded entirely or partially by a grant.
Project Director	The individual at the subrecipient agency responsible for administration of the grant. The project contact person for all matters involving a particular grant to ensure that all terms and conditions of award are met and that only allowable expenditures are funded.
Project Income	The gross income earned by activities supported by project funds. The use of project income along with subrecipient support comprises grant match or cost sharing.
Project Narrative	The portion of the grant application, which explains in detail, the applicant’s project objectives, activities, evaluation plans, personnel responsible for accomplishing the activities and time frames.

Reporting Period	The project period as determined by ODH for which a performance and/or fiscal report is required. The subrecipient may choose monthly or quarterly reporting unless determined otherwise by ODH.
Solicitation	The official instructions, posted on the ODH website, which formally announces to local agencies the opportunity to apply via GMIS for funding for a specific project. All Solicitations follow a standardized order and include all program and fiscal requirements a local agency must meet in order to be considered for funding. Each program area within ODH will have portions of the Solicitation, which are specific to the needs, or objectives of that program. Local agencies interested in responding should be reminded to read each Solicitation thoroughly in order to adequately respond to the requirements of each funding source.
Sliding Fee Scale	A reasonable, graduated fee scale schedule based on family income and family size for the cost of project services or goods provided.
Social Determinants	The economic and social conditions under which people live which determine their health. (e.g., income, social status, gender, race/ethnicity, sexual orientation, disability status, geographic location, etc.)
Special Conditions	A stipulation of the Notice of Award, which the applicant must respond to within a specific period or further payments will be withheld.
Subrecipient	A local government unit, hospital, educational institute, or a non-profit organization awarded a grant by ODH from state or federal funds. The subrecipient is a separate entity, with its own tax identification number, entire in itself, not a division of an organization. The subrecipient is the agency named on the Notice of Award who is responsible for compliance with the conditions of the Solicitation, including the return of unspent grant funds. Responsible for the submission of a complete application, expenditure reports, program narratives/reports, budget revisions, within specific periods, required to maintain effective internal controls and comply with all applicable laws, and maintain current, accurate, and complete records of project revenues, expenditures, obligations, and equipment.
Subrecipient Closeout	The process by which ODH determines that all applicable administrative action and all required work on the project has been completed by the subrecipient.
Supplies	All tangible property purchased with project funds other than equipment. Supplies include expendable items with a unit cost of less than \$1,000.
Suspension	A temporary withdrawal of the subrecipient's authority to obligate grant funds pending corrective action by the subrecipient or by ODH to terminate the grant.
Termination	A permanent withdrawal of the subrecipient's authority to obligate previously awarded grant funds before that authority would otherwise expire.

Total Approved Budget	The subrecipient's financial spending plan for the project. Program funds include ODH grant funds, program income and applicants match if any funds are used to match the grant. The total approved budget period will be specified on the Notice of Award and any subsequent revised or amended Notice of Award and will include both ODH and non-ODH funds.
Travel Expense	Expenditures incurred by approved project personnel for project related activities.

## Appendix 1 - GMIS Training, User Access, Access Change or Deactivation Request

**One request per person.** Requests will only be honored when signed by your **Agency Head** or **Agency Financial Head** and complete. In addition, if a user leaves your agency, you are to notify ODH so that their account is rendered inactive and submit a form for the replacement. The user will receive his/her username and password via e-mail once the request is processed. *Please note: GMIS Training is only required for New Agencies to ODH. If you are new to your agency someone there should train you. Refresher guides can be found on the ODH web site: <http://www.odh.ohio.gov/en/about/grants/grants.aspx> ODH Grants Page - "GMIS Training Resource" Section.* Confirmation of your GMIS training session will be e-mailed once a date has been assigned by ODH. Also use this form when user changes are needed.

**Date:** \_\_\_\_\_

**Check the type of access and complete the information requested:**      **Employee - needs GMIS Training**

**New Employee - needs GMIS Access. Effective Date of Activation:** \_\_\_\_\_

**Existing Employee - New GMIS User or GMIS User Access Change. Effective/Change Date:** \_\_\_\_\_

**Agency Head**     **Agency Financial Head**     **Program Director**     **Program Fiscal Contact**     **User**

**Deactivation - User no longer needs access to ODH Application Gateway/GMIS 2.0 or GMIS 2.0 only:**

**Effective Date of Deactivation (ODH Application Gateway/GMIS 2.0):** \_\_\_\_\_

Or **Effective Date of Deactivation (GMIS 2.0 access only):** \_\_\_\_\_

**Agency Name & Address:** \_\_\_\_\_

**Employee Name (no nicknames):** \_\_\_\_\_

**Employee Job Title:** \_\_\_\_\_

**Employee Office Phone Number:** \_\_\_\_\_

**Employee Office Fax Number:** \_\_\_\_\_

**Employee Office Email Address:** \_\_\_\_\_

**User Access Section: Please check all that applies and enter requested information:**

**Email Notifications:**     **Yes**     **No**

**GMIS Project Number(s) user needs access to:** \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**Authorization Signature for User Access/Change/Deactivation:**

\_\_\_\_\_  
Printed Name of Agency Head or Agency Financial Head

\_\_\_\_\_  
Signature of Agency Head or Agency Financial Head

**To be completed by Grants System Officer ONLY - Date Received:** \_\_\_\_\_ **Date Processed:** \_\_\_\_\_

Deliver Requests to Karen Tinsley, Grants System Officer, 614-644-7546

Mail: ODH/OFA, 35 E. Chestnut St., 4<sup>th</sup> Floor, Columbus, Ohio 43215 Or Scan & Email: [karen.tinsley@odh.ohio.gov](mailto:karen.tinsley@odh.ohio.gov)

## Appendix 2 – Sample Notice of Award

**Ohio Department of Health**  
**Notice of Award**  
 246 North High Street, Columbus Oh, 43215

<b>1. Date Issued:</b> 7/2/2013 <b>3. Revision:</b> Initial X <b>4. Project:</b> 00990099AB0999 <b>5. EIN:</b> 123456789 <b>7. Budget Period:</b> 7/1/2013 to 6/30/2014	<b>2. Program Title:</b> PUBLIC HEALTH EMERGENCY PREPAREDNESS <b>6. Project Director , Agency Name, Agency Address</b> Tom Smith Ohio River Board of Health 123 Sunset Avenue Urbanville OH 43210																		
<b>8. The OHIO DEPARTMENT OF HEALTH will pay</b> 100.00 % of all allowable program expenditures not to exceed line 9(c).	<b>9. ODH Award computation for grant:</b> a. Amount of current ODH funding: \$0.00 b. Amount of ODH funding this action: \$67,883.00 c. Total ODH funding (from 10-a): \$67,883.00																		
<b>10. Source of Financial Assistance:</b>																			
<table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">(a).ODH Funding:</th> <th style="text-align: left;">Source</th> <th style="text-align: left;">Authorization</th> <th style="text-align: left;">Grant Funds</th> </tr> </thead> <tbody> <tr> <td></td> <td>3920</td> <td>C.F.D.A.99.999</td> <td>\$67,883.00</td> </tr> <tr> <td></td> <td></td> <td><b>Total ODH Funding:</b></td> <td><b>\$67,883.00</b></td> </tr> </tbody> </table> <p>(b.) The Ohio Department of Health authorizes Adams County Board of Health to expend the following funding sources at the stated percentage (%) of the total approved budget Funding sources:</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Total Subgrantee Funding Sources</th> <th style="text-align: left;">Total Approved Budget</th> <th style="text-align: left;">\$67,883.00</th> </tr> </thead> <tbody> <tr> <td></td> <td></td> <td></td> </tr> </tbody> </table>		(a).ODH Funding:	Source	Authorization	Grant Funds		3920	C.F.D.A.99.999	\$67,883.00			<b>Total ODH Funding:</b>	<b>\$67,883.00</b>	Total Subgrantee Funding Sources	Total Approved Budget	\$67,883.00			
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	3920	C.F.D.A.99.999	\$67,883.00																
		<b>Total ODH Funding:</b>	<b>\$67,883.00</b>																
Total Subgrantee Funding Sources	Total Approved Budget	\$67,883.00																	
<b>11. Program Income will be used in accordance with:</b> <input type="checkbox"/> Deductive Alternative: Used to reduce the amount budgeted for grant funds and applicant share proportionately. <input checked="" type="checkbox"/> Additive Alternative: Used to further the objectives of the legislation under which the grant was made and increase the total budget. All expenditures of such funds must have prior written approval in the form of a budget revision. <input type="checkbox"/> Matching Alternative: Used to finance part or all of the cost sharing requirement and will reduce the amount of applicant share. Any Program Income generated in excess of 10b (Program Income) must be treated in accordance with the Deductive Alternative.																			
<b>12. This Award is subject to the terms and conditions incorporated directly in the following:</b> a. The Program legislation cited in the Authorization Section above. b. The Ohio Department of Health " Grants Administration Policy and Procedures". c. The Ohio Department of Health Request for Proposals (RFP) and Subgrantee Program Application. d. The notice of award agreement including terms and conditions, if any, noted below in Section 13, Remarks.																			
<b>13. Remarks: Other terms and conditions attached.</b> GRANT AWARD IS CONTINGENT UPON THE AVAILABILITY OF FUNDS. In compliance with ODH Grants Administration Policy, your initial payment will be issued. When payment is issued, specific information will be viewable through your GMS account's Payments link. At the same time, if any conditions have been assigned to the grant, a Special conditions link will become available. All special conditions must be responded to, or a plan submitted detailing how and when those conditions will be met within the 30 days of the appearance of the special conditions link. You will not receive subsequent payment until all assigned special conditions have been satisfied. ODH hereby awards to subgrantee named in section 6 above, funds as specified in section 9 above, subject to and in consideration of the subgrantee's compliance with the terms and conditions set forth in section 10, 11, 12, and 13 above. This award is subject to the availability of federal or state funds (whichever is applicable) and may be terminated by the Ohio Department of Health of the Subgrantee agency in writing at any time prior to the end of the budget period as stated in section 7 above. This Award, signed by the Director of the Department of Health, is effective for the Budget Period dates in section 7 above. Acceptance of the grant terms and conditions is acknowledged by the subgrantee upon receipt and expenditure of funds through the grant system.																			
Theodore E. Wymyslo, M.D. <hr style="width: 20%; margin: auto;"/> DIRECTOR OF HEALTH																			



### Appendix 3 – ODH Contact List

<b>ODH Contact List</b>	
Compliance Team	(614) 644-7566
Director's Office	(614) 466-2253 Director@odh.ohio.gov
Office of Health Improvement and Wellness	(614) 466-3263
Office of Medical Director	(614) 644-1854
Office of Health Assurance and Licensing	(614) 466-7857
Office of Health Policy and Performance Improvement	(614) 644-8508
Grants Services Unit	(614) 466-5250
For GMIS Related Issues – Karen Tinsley	(614) 644-7546
Office of Public Health Preparedness	(614) 644-6133
Bureau of Infectious Diseases	(614) 644-1842

**For a list of GSU Subgrant Team members, refer to the GMIS bulletin board.**

## Appendix 4 – Project Key Number Formula

GRANTS ADMINISTRATION PROJECT KEY NUMBER FORMULA		
XXX	X	XXX
<p>County Code: 001 – 088  099+ out of state</p>	<p>Agency Type: 1. County HD 2. City HD 3. Hospitals 4. Higher Education 5. Local Schools 6. Not for Profit</p>	<p>Agency number: The number assigned to an agency in conjunction with an Agency Type  (01 – 0999)</p>
X	XX	XXXX
<p>Office: 1 (ODH Use Only) 2 (ODH Use Only) 3 (ODH Use Only) 4 (ODH Use Only)</p>	<p>Program: Double Alpha  Example: PA = Pandemic Flu LE = Lead RRC</p>	<p>The first two numbers are sequential numbers for internal use. (01, 02, 03...XX)  The last two numbers are the grant fiscal year  08 = 2008 09 = 2009, etc.</p>
<p>Example: PROJECT KEY 00160011FP0108</p>		
<p>001 = Adams County 6 = Nonprofit 001 = Adams/Brown Counties Economic Opportunities, Inc. 1 = Office (ODH Use Only) FP = Family Planning 0108 = Grant Fiscal Year</p>		

Appendix 5 – Time and Effort Example



OHIO DEPARTMENT OF HEALTH  
Bureau Name  
Time / Activity Sheet

**PAY PERIOD:**  
1/1/09  
Thru  
1/14/09

**NAME:** Name  
**PCN:** 123456  
**FUND:**  
**POSITION:** Position  
**ALI:**  
**PROGRAM:** 123456

ACTIVITY DESCRIPTION	S	M	T	W	T	F	S	S	M	T	W	T	F	S	Activity Total
Activity	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Activity	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Activity	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Activity	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Activity	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Activity	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Activity	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Activity	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Activity	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Activity Time</b> (Page 1 and 2 Totals)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Sign In Hours &amp; Activity Hours Reconciled</b>	<b>Yes</b>	<b>Yes</b>	<b>Yes</b>	<b>Yes</b>	<b>Yes</b>	<b>Yes</b>	<b>Yes</b>	<b>Yes</b>	<b>Yes</b>	<b>Yes</b>	<b>Yes</b>	<b>Yes</b>	<b>Yes</b>	<b>Yes</b>	<b>Yes</b>
Daily Hours Worked Sign-In Log	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

DATE	REMARKS
Employee Signature _____ Date _____	Supervisor Signature _____ Date _____

Revised 03/07/2009

## Appendix 6 Top Ten Audit Findings

### 1. Board of Directors

- a. Lack of involvement with agency fiscal/internal control issues;
- b. Lack of properly maintained minutes and other support for establishing, maintaining and enforcing agency policies;
- c. Lack of written and up-to-date policies and procedures for the agency.

### 2. Independent Audits (OGAPP B2.9)

- a. Failure to timely submit the required audit package;
- b. Failure to contract with competent independent auditor;
- c. Failure to properly identify ODH pass-through grants;
- d. Improper charging of non-Single Audit (A-133) costs to ODH grants.

### 3. Unallowable Costs (OGAPP B2.2)

- a. Alcoholic beverages/ employee meals;
- b. Travel and meals over the current state rates;
- c. Miscellaneous, administrative or indirect costs (excluding up-to-date allocation plans, as pre-approved by ODH);
- d. Contracts, for compensation, with advisory board member

### 4. Reporting Requirements (OGAPP E2)

- a. Expenditure Reports -- failure to support with sufficient original documentation and subrecipient's accounting records;
- b. Expenditure Reports -- to report actual expenditures (as opposed to budget information);
- c. Failure to document, obtain prior approval for and liquidate outstanding obligations at the end of the grant period;
- d. Inventory -- failure to properly tag and report equipment purchased with grant funds; failure to maintain a current and complete inventory listing.

### 5. Conflict of Interest

- a. Subrecipient official or employee participates personally in activities of the grant in which that individual holds a personal financial interest.

### 6. Internal Controls

- a. Lack of segregation of duties;
- b. Lack of proper authorization for payments of goods and services;
- c. Inadequate documentation for expenditures and vouchers;
- d. Failure to maintain an accounting system that includes separate ledger accounts for each program that receives funding (OGAPP C2.1)

### 7. Budget

- a. Expending grant funds for non-budgeted (approved) costs

### 8. Payroll

- a. Failure to support payroll costs with sufficient Time and Activity documentation (for employees that work less than 100% on the grant);

- b. Failure to properly represent alternate source of funding for employees (for employees that work less than 100% on the grant)

**9. Contracts**

- a. Failure to include all required contract elements (OGAPP B-2.7)

**10. Cost Allocation (OGAPP C2.4)**

- a. Failure to maintain a current Cost Allocation Plan for shared expenses (multiple funding sources).

## Appendix 7 - Major Civil Rights Laws

### 1. FEDERAL STATUTES

- a. **The Civil Rights Act of 1866**– “All persons within the jurisdiction of the United States shall have the same right in every state and territory to make and enforce contracts, be sued, be parties, give evidence, and to the full and equal benefit of all laws and proceedings for the security of persons and property as is enjoyed by white citizens, and shall be subject to like punishment, pains, penalties, taxes, licenses, and exaction’s of every kind, and to others.”
- b. **The Civil Rights Act of 1871**– “every person who, under color of any statute, ordinance, regulation, custom, or usage, or any state or territory subjects, or causes to be subjected, any citizen of the United States or other person within the jurisdiction thereof to the deprivation of any rights, privileges, or immunities secured by the Constitution and laws, shall be liable to the party injured in an action at law, suit in equity, or other proper proceeding for redress.
- c. **The Equal Pay Act of 1963**– Requires that individuals must receive equal pay for equal work regardless of sex. The federal enforcement agency is the Equal Employment Opportunity Commission.
- d. **Title VI of the Civil Rights Act of 1964** – Forbids that anyone be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination on the basis of race, color, and national origin through expenditure of federal monies. Title VI is enforced by the appropriate federal grantor.
- e. **Title VII of the Civil Rights Act of 1964**(as amended) – Forbids employment discrimination on the basis of race, color, religion, sex (including sexual harassment), and national origin. The federal agency is the Equal Employment Opportunity Commission.
- f. **The Age Discrimination in Employment Act of 1967**(as amended) – Generally forbids discrimination in employment on the basis of age (40 years or more). The federal enforcement agency is the Equal Employment Opportunity Commission.
- g. **The Rehabilitation Act of 1973** – Requires that governmental agencies receiving federal monies be non-discriminatory toward the disabled. The pertinent section is enforced by guidelines of the respective federal grantors.
- h. **The Americans with Disabilities Act of 1990** – Incorporates portions of the Rehabilitation Act of 1973, but forbids employment discrimination for the disabled whether or not the employer receives Federal funds. Additionally, the ADA Act also prohibits discrimination in the delivery of services, and is enforced by the respective federal grantors. Enforcement is by the Equal Employment Opportunity Commission, the Attorney General, and the Office of Federal Contract Compliance Programs.
- i. **The Civil Rights Act of 1991**– Expands the Civil Rights Act of 1866, provides compensatory punitive damages for sex, religion, national origin and disability discrimination, makes easier proof of disparate impact, bans use of differential test scores,

makes illegal mixed-motive employment decision, makes it possible to grant expert fees to prevailing parties in civil rights lawsuits, expands time limits for challenging seniority systems, extends job bias protections to senate, house and presidential employees as well as those working for state and local government officials, establishes Technical Assistance Training Institute for the Equal Employment Opportunity Commission, and creates a Glass Ceiling Commission to study and make recommendations concerning upward mobility.

- j. **The Violence Against Women Act of 1994** (As amended) – The original act was intended to change attitudes toward domestic violence, foster awareness of domestic violence, improve services and provisions for victims, and revise the manner in which the criminal justice system responds to domestic violence and sex crimes. The act is enforced by the respective federal grantors and prohibits discrimination in the delivery of services, employment practices, on the basis of race, color, national origin, religion, sex, gender identity, sexual orientation, or disability.

## 2. FEDERAL PRESIDENTIAL ORDER

- a. **Executive Order 11246** – Covers all employers with government contracts of more than \$10,000. The order applies to contractors and subcontractors on construction programs financed in whole or in part by federal funds. Requirements are: a non-discrimination clause in every contract regarding race, color, religion, sex, or national origin. In addition, the subsequent Revised Order No. 4 requires such contractors and subcontractors with 50 or more employees and a contract of \$50,000 or more to develop and implement an affirmative action plan. The enforcement agency is the Office of Federal Contract Compliance Programs (OFCCP).

## 3. STATE OF OHIO REQUIREMENTS

- a. **Section 4112 of the Ohio Revised Code** – Forbids employment discrimination on the basis of race, color, religion, sex (including sexual harassment), ancestry, national origin, disability, and age (40 or more years). The state enforcement agency is the Ohio Civil Rights Commission.

In addition, this code also prohibits discrimination on the basis of military status in hiring, promoting, tenure, discharge, pay, fringe benefits, job training, classification and terms/conditions of employment. In addition, employees who leave employment to perform military service, which includes voluntary or involuntary duty, in a uniformed service, under competent authority, must be reemployed upon conclusion of such service.

- b. **The Administration Rule of the Director of the Ohio Department of Administration Services and Gubernatorial Executive Orders**– Forbids employment discrimination within state agencies on the basis of race, color, religion, sex (including sexual harassment), national origin, disability, age (40 years or more), and veteran status (Vietnam Era, Disabled, or Desert Storm/Shield). The enforcement is by the Ohio Department of Administration Services' Equal Opportunity Division.
- c. **Governor's Executive Order 99-25T**– Defines the State of Ohio's stance on Equal Employment Opportunity (EEO) for all state employees and applicants.

- d. Once an application is approved and the Notice of Award is issued, the subrecipient cannot change their program scope, plan or activities without first consulting their Program Consultant for guidance and approval. It is required that any variance from the currently approved plan is provided to ODH in advance of its implementation.

An approved subrecipient must complete and submit programmatic reports, responses to special conditions, quarterly/final expenditure reports and budget revisions as necessary and within the timeframes provided in the Solicitation.



# Appendix 8 – Grants Application Eligibility Matrix

OHIO DEPARTMENT OF HEALTH  
GRANT APPLICATIONS ELIGIBILITY MATRIX (G.A.E.M.)  
As of August 1, 2012

Competitive or non-competitive CYCLE?	Competitive or non-competitive ENVIRONMENT?	Infraction Category Level	Infraction Category Description	As of August 1, 2012	
				Eligible application?	
COMPETITIVE CYCLE - new grant applications	Competitive environment (2 or more applicants seeking to serve the same service area)	1 VERY HIGH	DELINQUENT (F1) - Applicant owes funds to ODH in excess of \$1000 and/or has been certified through AG's office as of grant application due date		
		2 HIGH	LATE - Applicant submits application late after the submission deadline (no grace period)		
		3 MEDIUM	INCOMPLETE (F2) - Applicant did not submit attachments that are of high importance in the application review & approval process		
		4 LOW	INCOMPLETE (F3) - Applicant did not submit attachments that are needed but do not impede the application review process		
NON-COMPETITIVE CYCLE - continuation grant applications	Non-competitive environment (only 1 applicant seeking to serve a service area)	1 VERY HIGH	DELINQUENT (F1) - Applicant owes funds to ODH in excess of \$1000 and/or has been certified through AG's office as of grant application due date		
		2 HIGH	LATE - Applicant submits application late after the submission deadline (no grace period)		
		3 MEDIUM	INCOMPLETE (F2) - Applicant did not submit attachments that are of high importance (Attachments: A, B and J) in the application review & approval process		
		4 LOW	INCOMPLETE (F3 & F4) - Applicant did not submit attachments (F, G, H, I, K, L and M) that are needed but do not impede the application review process (Must be submitted within 5 business days upon receipt of written notification. Program must include a copy of the written notification with the CAR packet.)		
NON-COMPETITIVE CYCLE - continuation grant applications	Non-competitive environment (only 1 applicant seeking to serve a service area)	1 VERY HIGH	DELINQUENT (F1) - Applicant owes funds to ODH in excess of \$1000 and/or has been certified through AG's office as of grant application due date		
		2 HIGH	LATE - Applicant submits application late after the submission deadline (1 business day grace period)		
		3 MEDIUM	INCOMPLETE (F2) - Applicant did not submit attachments that are of high importance in the application review & approval process (Must be submitted within 5 business days upon receipt of written notification. Program must include a copy of the written notification with the CAR packet; A, B, and J)		
		4 LOW	INCOMPLETE (F3) - Applicant did not submit attachments that are needed but do not impede the application review process (Apply Special Conditions: G, H, I, K, L and M)		

ODH's application requirements are as follows:  
 (A) Budget Narrative; (B) Budget, Budget Justification; (C) Civil Rights Questionnaire; (D) Assurance Certification; (E) Federal Funding, Accounting & Transparency Act (FFATA) Requirements; (F) FFR & W-9 (for new agencies or agencies w/changes); (G) Public Health Impact Statement (comprehensive & continuation only if changed); (H) Evidence of Liability Insurance (non-profits only); (I) Program required attachments; (K) Current agency's Independent audit (if not previously submitted); (L) Declaration Material Assistance (DMA) (only non-governmental); (M) Health Equity Strategies (comprehensive & continuation only if changed)

**FOOTNOTES**

- F1 - Effective March 1, 2012, ODH will withhold second quarter payments until all debt has been satisfied or payment arrangements have been made with the Attorney General's (AG's) office.
- F2 - Consists of missing attachments that include budget narratives, renewal/program income projection, program plan, state/service forms and all other Program RFP required attachments that are necessary to evaluate the quality of application.
- F3 - Consists of missing attachments that include signed compliance documents, letters of support, independent audit, etc. Failure to comply within the required 5 business days, application will not be consider for funding.
- F4 - In cases where ODH is not funding all service areas the application will be reviewed under the competitive environment

- \* - This Grant Applications Eligibility Matrix (G.A.E.M.) is in conformity with ODH's SOP policy.
- \*\* - The Director of the Ohio Department of Health reserves the right to make discretionary decisions that are in the best interests of Ohioans needing said services.

APPROVED:

*Theodore E. Wymysla, M.D.*  
 Theodore E. Wymysla, M.D.  
 Director, Ohio Department of Health

Date

7/31/12

## Appendix 9 – Budget Justification Example

### BUDGET JUSTIFICATION EXAMPLE (Base and Deliverable Funding)

#### NOTES:

1. This justification is an example and may include line items that should not be direct billed to a grant if Sub-recipients are charging indirect. The purpose of the example is to assist Sub-recipients who are charging indirect as well as those who are direct billing. Each line item in the budget must be thoroughly detailed in the budget justification.
2. Budget justification line items MUST be in the same order as in the GMIS budget.

#### PERSONNEL

##### Notes:

1. The language below in red is required to be included in all position descriptions when indirect is being charged to the grant. If language is not included, the budget will be disapproved. (Name of Agency) certifies that this position can be directly attributed to this grant and therefore charging indirect against this position is allowable.
2. Any additional breakout of personnel expenses should only be included in GMIS.
3. If a position title does not exist in GMIS, choose a position title in GMIS that closely mirrors the official title. It should be labeled on the justification as follows: Fiscal Officer (Fiscal Director). Fiscal Officer is the title in GMIS but Fiscal Director is their official title.
4. Any match or in-kind, not required to be budgeted in GMIS, must be reported on a separate document and attached in GMIS labeled “In-Kind/Match document.”
5. Subrecipients are only required to include the job responsibilities of the position in the budget justification. The amount charged to the grant should be documented in GMIS.

#### Epidemiologist – Jim Allen

Participate in regional planning and exercise efforts as subject matter expert towards the development of a regional Ebola and other special pathogen concept of operations plan supporting the following planning capabilities.

#### Fiscal Officer (Fiscal Director) – Susan Thomas

This position will be responsible for all accounting, fiscal record keeping and financial reporting and will oversee the accounting and bookkeeping staff. She will also collect data for evaluations and the required reports for all grant funded activities. (Please note: This position cannot be direct billed to a grant if the agency is charging indirect unless the agency has a federally approved indirect rate that allows the position to be direct billed.)

#### Health Educator – TBD

This position will provide direct services to youth in the 4 county areas and to the Juvenile Detention Center of NWO. He/She will assist with Youth Leadership Conference for one week.

#### Program Coordinator – Joe Pope

This position will be responsible for monitoring grants, grant financials, review of budget revisions organizing grant deliverables and uploading the grant deliverables into GMIS.

Nurse – Joyce Brown (Part-Time Employee)

Responsible for providing clinic and metabolic clinic nursing services and case coordination (70%) plus OCCSN case coordination (10%). In support of component #1 provides Newborn Screening case coordination in support of grant component #2 (20%).

Nurse – Janet Coleman

This position is responsible for providing clinic and metabolic clinic nursing services and case coordination and OCCSN case coordination. In support of component #1 provides Newborn Screening case coordination in support of grant component #2. We will not charge any salary cost for this position only travel.

Total Personnel Cost \$209,005.13

#### OTHER DIRECT COSTS

#### Notes:

1. There is a possibility that any line item listed in Other Direct Costs (ODC) may not be allowed as a direct cost if indirect is being charged to the grant. If the agencies administrative staff and all programs are in one location then certain line items may have to be charged to the indirect costs collected. Also, if ODC line items cannot be directly attributed to a specific subgrant then the line item should not be direct billed to the grant when charging indirect costs.
2. The annual cost and the allowable percentage for a particular program must be included in the justification verbiage if a cost allocation plan is being used to determine costs charged to a grant. Also, the cost allocation plan is required to be submitted with the grant application.

#### Advertising

- Billboard Advertising for a 3 month period to promote the WIC program @ \$200.00 per month.
- Cable television advertising for 12 months specific to the WIC program @ \$110.00 per month.
- Advertising to fill vacant budgeted positions will be utilized throughout the year as needed.
- 156 Radio spots @ \$100.00 per spot will be used to raise awareness to parents and community on effects of <purpose or objective to achieve>.
- Bike trail signage 7 @ \$50 each

#### Client Expenses

- Client Enablers  
Rent, hotel expenses, utility payment (gas and electric) and groceries will be purchased for those clients infected with TB. (Please refer to solicitation to determine if an allowable cost)
- Client Incentives  
100 \$10.00 gas cards will be distributed to eligible clients who attend the smoke-free seminar. (Please refer to solicitation to determine if an allowable cost)
- Client Transportation

Agency anticipates providing taxi service to approximately 20 clients at an estimated cost of \$25.00 per taxi service.

Deliverable – Objectives

(PLEASE REFER TO SUBGRANT SOLICITATION FOR THE REQUIRED SCENARIO) (Note: Budget leverage cannot be used to move funding into or out of any Deliverables – Objective line item. Also, indirect cannot be charged against this line item.)

Deliverable – Objectives

Scenario 1 (please refer to the solicitation to determine which scenario to use)

- Deliverable – Objective 1 \$10,000  
 Note: A brief description of how agency will accomplish meeting the deliverable may be required. Please refer to the solicitation to determine if this is required to be included in the budget justification. A detailed breakout of the deliverable budget is not required and should not be included in the budget justification.
- Deliverable – Objective 2 \$45,000  
 Note: A brief description of how agency will accomplish meeting the deliverable may be required. Please refer to the solicitation to determine if this is required to be included in the budget justification. A detailed breakout of the deliverable budget is not required and should not be included in the budget justification.
- Deliverable – Objective 3 \$75,000  
 Note: A brief description of how agency will accomplish meeting the deliverable may be required. Please refer to the solicitation to determine if this is required to be included in the budget justification. A detailed breakout of the deliverable budget is not required and should not be included in the budget justification.

Scenario 2 (please refer to the solicitation to determine which scenario to use)

- Deliverable – Objective 1

Franklin County	\$40,000
Union County	\$11,000
Madison County	\$20,000
Licking County	\$15,000

Note: A brief description of how agency will accomplish meeting the deliverable may be required. Please refer to the solicitation to determine if this is required to be included in the budget justification. A detailed breakout of the deliverable budget is not required and should not be included in the budget justification.
- Deliverable – Objective 2

Franklin County	\$52,500
Union County	\$9,500
Madison County	\$12,500

Licking County \$16,500

Note: A brief description of how agency will accomplish meeting the deliverable may be required. Please refer to the solicitation to determine if this is required to be included in the budget justification. A detailed breakout of the deliverable budget is not required and should not be included in the budget justification.

- Deliverable – Objective 3
  - Franklin County \$78,750
  - Union County \$16,750
  - Madison County \$8,750
  - Licking County \$38,750

Note: A brief description of how agency will accomplish meeting the deliverable may be required. Please refer to the solicitation to determine if this is required to be included in the budget justification. A detailed breakout of the deliverable budget is not required and should not be included in the budget justification.

Scenario 3 (please refer to the solicitation to determine which scenario to use)

- Deliverable – Objective 1
  - Objective A \$10,000
  - Objective B \$20,000
  - Objective C \$30,000
  - Objective D \$40,000

Note: A brief description of how agency will accomplish meeting the deliverable may be required. Please refer to the solicitation to determine if this is required to be included in the budget justification. A detailed breakout of the deliverable budget is not required and should not be included in the budget justification.

- Deliverable – Objective 2
  - Objective A \$12,500
  - Objective B \$2,500
  - Objective C \$1,500
  - Objective D \$16,500

Note: A brief description of how agency will accomplish meeting the deliverable may be required. Please refer to the solicitation to determine if this is required to be included in the budget justification. A detailed breakout of the deliverable budget is not required and should not be included in the budget justification.

- Deliverable – Objective 3
  - Objective A \$28,750

Objective B	\$8,750
Objective C	\$1,750
Objective D	\$38,050

Note: A brief description of how agency will accomplish meeting the deliverable may be required. Please refer to the solicitation to determine if this is required to be included in the budget justification. A detailed breakout of the deliverable budget is not required and should not be included in the budget justification.

Facility Costs (Indirect cannot be charged against this line unless the federally approved agreement does not exclude)

Rent (Two Locations)

Main Location (1234 Livingston Avenue)

Agency is requesting funds to cover the cost of renting space at the Columbus Medical Association Foundation offices for the WIC program staff (1330 square feet) at \$23.00 per square foot.

WIC Clinic (567 Walnut Street)

Agency is requesting funds to cover the cost of renting space for the WIC Clinic (250 square feet) at \$17.50 per square foot. Building is owned by Community Health Foundation.

- Depreciation

Reproductive Health and Wellness Clinic (321 N. Main Street)

Agency has completed and attached the depreciation worksheet for the 321 N. Main Street clinic. Depreciation is estimated at \$960.00 based on the completed worksheet.

- Interest on a Debt

Immunization Action Plan (100 W. 1st Avenue)

The interest for this location was \$1,345.97 last year. We are estimating the interest will be the same for the upcoming year.

Fees

- WIC website

The website will be used to provide updates regarding the WIC program in our county. The website is \$100.00 per month for 12 months.

- Lab Fees

This includes funds for lab tests provided to patients. Estimating \$250.00 per month for 12 months.

- Pap tests - Historically, 1,042 tests are done annually with a reflex rate of 14%.
- Gonorrhea and Chlamydia tests - ODH grant funds will be allocated to pay for Chlamydia and Gonorrhea tests for individuals that do not qualify for Infertility Prevention Project.

- **Background Check**  
Agency anticipates hiring 2 new staff this budget year. Estimated cost is \$35.00 per background check.
- **Audit Fees – Cost Allocation plan applied**  
Agency expends more than \$750,000 of federal funds we receive from the Federal Government and must have an A-133 Single Audit. The cost of the 2014 audit was \$6,750. We are estimating the cost to remain the same for 2015. A cost allocation plan is in place and this grant will be charged 35% of the annual cost.
- **Fiscal Management Services**  
Agency utilizes fiscal management services to process agency payroll. The cost last year was \$1,200. We are estimating at 5% increase this year and estimate the cost to be \$1,260.

#### Indirect

<Agency Name> used the MTDC rate to calculate indirect. (Please complete the indirect calculation spreadsheet.)

<Agency Name> used our agencies federally approved indirect rate to calculate indirect. The federally approved indirect rate letter has been attached in GMIS. (Please complete the indirect calculation spreadsheet.)

#### Maintenance/Lease

- **Liability Insurance**  
The agency's annual insurance cost in 2015 was \$20,000 and we anticipate a 5 percent increase in 2016. The estimated annual cost in 2016 is \$21,000. A cost allocation plan is in place and this grant will be charged 25% of the annual cost.
- **Liability Insurance (Indirect Cost Budget Example)**  
The agency's annual insurance cost is \$8,000. This cost is for PHEP program staff only and can be direct billed to the grant. We do not anticipate an increase in the upcoming year. (Note: Please remember this may vary for those agencies who have a federally approved indirect rate.)
- **Postage**  
Agency cost for mailing billings and general patient communications.  
  
Agency cost for shipping and handling of supplies.
- **Postage Meter -** The Agency leases a postage meter at an annual cost of \$6,000. A cost allocation plan is in place and 10% is the fair share being charged to this grant program.
- **Copier -** The lease for the copier/fax is based on the amount of copies each program makes and each program is assigned a four digit code. The annual lease is estimated to be \$2,500 and 20% is the fair share being charged to this program based on actual copies made in 2014.
- **Snow Removal -** This cost is shared among all Programs at the agency. Cost is shared accordingly by square footage. A cost allocation plan is in place and this programs fair share is 17.5%. The annual cost is \$2,200.

- Trash Removal - This cost is shared among all Programs at the agency. Cost is shared accordingly by square footage. A cost allocation plan is in place and this programs fair share is 17.5%. The annual cost is \$1,200.

#### Other Costs

This line is being budgeted to support any unexpected allowable costs throughout the budget period.

#### Subscriptions/Publications

Subscriptions to journals related to clinical genetics will provide access to this vital information and give staff the opportunity to be current in their knowledge. Budget is for renewal of <Name of Subscription/Publication>.

#### Supplies

Notes:

1. Any pharmaceuticals listed under medical supplies must be itemized and include the number of each item being ordered and the unit cost.

Medical supplies budgeted at \$700.00 for the year are needed to service patients of the program such as band aids, alcohol swabs, needles, rubber gloves, paper gowns, hand soap, paper towels, tissue, cleaning supplies, hand sanitizer and cotton balls. The budgeted amount includes the pharmaceuticals listed below:

- 100 Zyrtec packets (2 per packet) @ \$1.25 each
- 50 Flu Shots @ \$3.25 each

Office supplies budgeted at \$650.00 for the year are needed for general operation of the program such as binder clips, copy paper, highlighters, labels, markers, pens, portfolios, pencils, message pads, rubber bands, adding machine tape, staplers, staples, binders, file folders, tape and desk trays. Training materials will be developed and used by the investigators to train patrol officers how to preserve crime scene evidence.

Equipment like Office Supplies \$300.00 - \$999.99 (These items must be itemized as listed below)

- 3 Tablets \$500.00 each are to support the Hospital Incident Liaison operations (HIL) on a 24/7/365 basis. The tablets would enhance the ability of the HIL to set up the COTS Incident Command from a virtual location in the event it is not feasible or prudent to travel

#### Program Supplies

- 100 Toothbrushes @ \$1.50 each are used to support good dental hygiene and are distributed to kids under the age of 3 during each of their quarterly visits. This item does not include agency/program logos, messaging, agency name or slogans.
- 150 MyPlate plates @ \$2.75 each will be distributed to program participants to provide a useful tool to assist with healthy eating habits. This item does not include agency/program logos, messaging, agency name or slogans.

#### Educational Materials



7 'Cribs for Kids Safe Sleep Survival Kits' will be purchased @ \$75.00 each and distributed to eligible families. The kits contain the following items (All items included in the kits must be listed):

- Grace Pack n Play
- Halo Sleep Sack
- Grace Pack n Play Sheet with "safe sleep message"
- Safe Sleep DVD
- "Sleep Baby Safe and Snug" Book

#### Travel/Training

Agency's mileage reimbursement rate is \$.40 per mile.

#### Travel

##### Program Coordinator

This person will travel to 5 sites, approximately 6 times each per year, to conduct classroom programming and attend the annual ODH regional meeting.

##### Nurse's Mileage

Mileage for travel to schools for Nurses is estimated to be 36 visits per year.

Conference/Trainings (Include overnight lodging, meals and mileage reimbursement)

##### Nurses

<Name of Conference> <Location> : <Purpose and objective of Out of state travel> for example, Out of state travel for Nurses to attend required curriculum training (costs not to exceed current state rates).

Mileage to and from Airport 100 miles x \$0.40/mile = 40

Airport parking \$30/day x 4 days = 120

Airfare \$300 x 2 people = 600

Hotel \$81/night x 4 nights x 2 people = 324

Per-diem of \$56/day x 4 days x 2 people = 448

#### Links:

OBM Travel: <http://obm.ohio.gov/TravelRule/>

GSA: <http://www.gsa.gov/portal/content/104877>

#### Utilities/Phone Services

- Cell Phone
  - Replace one cell phone @ \$240.00 to be used by the WIC nurses.
  - Service for 2 agency owned cell phones used by WIC only nurses at \$66.70/month each.

- \$30.00 monthly cell phone stipend paid to the Health Educator and Program Coordinator positions. These positions are required to be on call 24 hours a day.
- Telephone Service
  - Agency phone expense is for landline services in the Springfield and New Carlisle offices. The Springfield office has 5 WIC only lines. The New Carlisle office has 12 lines at an average cost of \$3,600.00 per year. A cost allocation plan is in place and 50% is the fair share for this program.
- Utilities
  - These include gas, electric and water & sewage. The budgeted amounts are based on historical expenses. Utilities are allocated based on actual costs. Cost allocation plan is in place and 26.7% is the fair share for this program.
    - Electric: AEP yearly average = \$4,815.84.
    - Gas: Columbia Gas yearly average = \$975.
    - Water: Columbus Water and Sewer yearly average = \$547.20.

Total Other Direct Costs \$107,379.83

#### EQUIPMENT

##### Laptop Computer

2 Laptops @ 1,500 each are to support the Hospital Incident Liaison operations (HIL) on a 24/7/365 basis. The laptops would enhance the ability of the HIL to set up the COTS Incident Command from a virtual location in the event it is not feasible or prudent to travel. Laptops will be used by the 2 Nurse positions.

Total Equipment Cost \$3,000.00

#### CONTRACTS

##### Notes:

1. Your sub-contractors are required to abide by the same rules and regulations as that of an ODH Sub-recipient
2. The "Services" line item should be used to identify contract services for the subrecipient's contractor. For example, if Acme Clinic enters into a contract for interpreters then the amount of the contract is listed under "Services."

##### ACME Clinic

Funding will provide for a free-standing hospital who elects to serve on a 24/7/365 basis as Alternative Care Center in a disaster or emergency situation. The funding shall be used to purchase disaster preparedness supplies, equipment and travel to enhance their Emergency Preparedness efforts. They will also need to subcontract with a speaker to conduct 10 trainings/workshops to address issues specific to hospital safety and access control during an internal or external threat to their facility. Topics addressed will include collaboration with local partnering agencies and lock down protocols; speaker will be paid per training/workshop.

- Personnel \$2,500.00
- Other Direct Costs \$2,000.00

- Equipment \$1,250.00
- Services \$ 500.00

Warner Preparedness Enterprises

Funds will be used to contract WPE to coordinate and plan an exercise for health department staff and other key agencies. This includes cost for staff, supplies, training packets and space rental. The Rand Drill will be included in the exercise as required by the grant.

- Personnel \$1,500.00
- Other Direct Costs \$2,500.00
- Equipment \$0.00
- Services \$0.00

Speaker

A Contractor is needed to conduct 10 trainings/workshops to address issues specific to hospital safety and access control during an internal or external threat to their facility. Topics addressed will include collaboration with local partnering agencies and lock down protocols. Speaker will be paid \$300 per training/workshop.

- Personnel \$3,000.00

Total Contract Cost \$13,250.00

Notes:

1. The budget justification must be signed by the agency head listed in GMIS.
2. Budget revisions that do not include a signed budget justification by the agency head listed in GMIS will be disapproved.
3. Authorized representative certification language must also be included with agency head signature.

Subrecipient's authorized representative certifies the foregoing:

- Subrecipient understands and agrees that it must follow the federal cost principle that applies to its type of organization (2 CFR, Part 225; 2 CFR, Part 220; or, 2 CFR, Part 230).
- Sub-recipient's budgeted costs are reasonable, allowable and allocable under OGAPP and federal rules and regulations.
- The OGAPP and the rules and regulations have been read and are understood.
- Subrecipient understands and agrees that costs may be disallowed if deemed unallowable or in violation of OGAPP and federal rules and regulations.
- The appropriate programmatic and administrative personnel involved in this application are aware of agency policy in regard to subawards and are prepared to establish the necessary inter-institutional agreements consistent with those policies.
- Subrecipient agrees and understands that costs incurred in the fulfillment of the Deliverables must be allowable under OGAPP and federal rules and regulations to qualify for reimbursement.

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[Signature]

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[Print Name & Title]

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[Date]

## **BUDGET JUSTIFICATION EXAMPLE (Deliverable Funding Only)**

### **NOTES:**

Budget justification line items **MUST** be in the same order as in the GMIS budget.

### **OTHER DIRECT COSTS**

Deliverable – Objectives

(PLEASE REFER TO SUBGRANT SOLICITATION FOR THE REQUIRED SCENARIO) (Note: Budget leverage cannot be used to move funding into or out of any Deliverables – Objective line item. Also, indirect cannot be charged against this line item.)

### **Scenario 1 (please refer to the solicitation to determine which scenario to use)**

Deliverable – Objective 1 \$10,000

Note: A brief description of how agency will accomplish meeting the deliverable may be required. Please refer to the solicitation to determine if this is required to be included in the budget justification. A detailed breakout of the deliverable budget is not required and should not be included in the budget justification.

Deliverable – Objective 2 \$45,000

Note: A brief description of how agency will accomplish meeting the deliverable may be required. Please refer to the solicitation to determine if this is required to be included in the budget justification. A detailed breakout of the deliverable budget is not required and should not be included in the budget justification.

Deliverable – Objective 3 \$75,000

Note: A brief description of how agency will accomplish meeting the deliverable may be required. Please refer to the solicitation to determine if this is required to be included in the budget justification. A detailed breakout of the deliverable budget is not required and should not be included in the budget justification.

### **Scenario 2 (please refer to the solicitation to determine which scenario to use)**

Deliverable – Objective 1

Franklin County \$40,000

Union County	\$11,000
Madison County	\$20,000
Licking County	\$15,000

Note: A brief description of how agency will accomplish meeting the deliverable may be required. Please refer to the solicitation to determine if this is required to be included in the budget justification. A detailed breakout of the deliverable budget is not required and should not be included in the budget justification.

Deliverable – Objective 2

Franklin County	\$52,500
Union County	\$9,500
Madison County	\$12,500
Licking County	\$16,500

Note: A brief description of how agency will accomplish meeting the deliverable may be required. Please refer to the solicitation to determine if this is required to be included in the budget justification. A detailed breakout of the deliverable budget is not required and should not be included in the budget justification.

Deliverable – Objective 3

Franklin County	\$78,750
Union County	\$16,750
Madison County	\$8,750
Licking County	\$38,750

Note: A brief description of how agency will accomplish meeting the deliverable may be required. Please refer to the solicitation to determine if this is required to be included in the budget justification. A detailed breakout of the deliverable budget is not required and should not be included in the budget justification.

**Scenario 3 (please refer to the solicitation to determine which scenario to use)**

Deliverable – Objective 1

Objective A	\$10,000
Objective B	\$20,000
Objective C	\$30,000
Objective D	\$40,000

Note: A brief description of how agency will accomplish meeting the deliverable may be required. Please refer to the solicitation to determine if this is required to be included in the budget justification. A detailed breakout of the deliverable budget is not required and should not be included in the budget justification.

Deliverable – Objective 2

Objective A	\$12,500
Objective B	\$2,500
Objective C	\$1,500
Objective D	\$16,500

Note: A brief description of how agency will accomplish meeting the deliverable may be required. Please refer to the solicitation to determine if this is required to be included in the budget justification. A detailed breakout of the deliverable budget is not required and should not be included in the budget justification.

Deliverable – Objective 3

Objective A	\$28,750
Objective B	\$8,750
Objective C	\$1,750
Objective D	\$38,050

Note: A brief description of how agency will accomplish meeting the deliverable may be required. Please refer to the solicitation to determine if this is required to be included in the budget justification. A detailed breakout of the deliverable budget is not required and should not be included in the budget justification.

Total Other Direct Costs	\$Total
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**Note:**

**The budget justification must be signed by the agency head listed in GMIS.**

**Budget revisions that do not include a signed budget justification by the agency head listed in GMIS will be disapproved.**

**Authorized representative certification language must also be included with agency head signature.**

Subrecipient’s authorized representative certifies the foregoing:

- Subrecipient understands and agrees that it must follow the federal cost principle that applies to its type of organization (2 CFR, Part 225; 2 CFR, Part 220; or, 2 CFR, Part 230).
- Sub-recipient’s budgeted costs are reasonable, allowable and allocable under OGAPP and federal rules and regulations.
- The OGAPP and the rules and regulations have been read and are understood.
- Subrecipient understands and agrees that costs may be disallowed if deemed unallowable or in violation of OGAPP and federal rules and regulations.

- The appropriate programmatic and administrative personnel involved in this application are aware of agency policy in regard to subawards and are prepared to establish the necessary inter-institutional agreements consistent with those policies.
- Subrecipient agrees and understands that costs incurred in the fulfillment of the Deliverables must be allowable under OGAPP and federal rules and regulations to qualify for reimbursement.

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[Signature]

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[Print Name & Title]

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[Date]

## Appendix 10 Subrecipient Equipment Disposal Instructions

### Procedures for Review/Approval/Disapproval of SUBRECIPIENT EQUIPMENT DISPOSAL/SALE/TRANSFER FORM

#### **TO BE COMPLETED BY SUBRECIPIENT AGENCY:**

- Subrecipient completes top portion of form including: Date; Program Director's Name and Email address; Agency Name; Full Agency Address; and the ODH Project/Grant Number. (If incomplete, GSU is to complete or contact agency for information).
- Subrecipient indicates (Circle One) whether equipment is: Dispose, Sale or Transfer.
- The ODH Number of the equipment, the Item Description, the Date Purchased, and the Reason for the Request, must be completed.

The Form must be signed by Program/Project Director, and include his/her Phone Number. The Form is acceptable if mailed, or faxed, or emailed, or scanned to ODH:

- *Mail*: Ohio Department of Health, Grants Services Unit Central File Room, 4<sup>th</sup> Floor, 35 E. Chestnut St., Columbus, OH 43215
- *Fax*: Attention – Norma Fletcher at (614)564-2407
- *Email or Scan*: [Norma.Fletcher@odh.ohio.gov](mailto:Norma.Fletcher@odh.ohio.gov)  
and copy [Jennifer.Mccauley @odh.ohio.gov](mailto:Jennifer.Mccauley@odh.ohio.gov)



# Appendix 10 Subrecipient Equipment Disposal Form

## OHIO DEPARTMENT OF HEALTH

### SUBRECIPIENT EQUIPMENT DISPOSAL/SALE/TRANSFER FORM

<b>Date:</b>		<b>From:</b> [Click here and type name],	
<b>To:</b> Chief, Grants Services Unit		<b>Email Address:</b> (Click here and type email address)	
		<b>Subrecipient Agency Name:</b> [Click here and type name]	
		<b>Subrecipient Agency Address:</b>	
		[Click here and type name]	<b>City, State, Zip Code:</b>
		[Click here and type name]	
<b>ODH Grant Number:</b> [Click here and type subject]			

Per the OGAPP Manual, Chapters 2 Paragraph B 2.6, I am requesting permission to **DISPOSE, SELL, or TRANSFER** (Circle One) of the following equipment and to remove it from the program's inventory

ODH Number	Item Description	Date Purchased	Reason for Request

(Attach additional copies of this form if more space needed)

Program Director Signature: \_\_\_\_\_ Phone # \_\_\_\_\_

=====

**FOR STATE GRANTS ADMINISTRATION UNIT ACTION**

Approval \_\_\_\_\_ Disapproval \_\_\_\_\_ Partial Approval \_\_\_\_\_

Reason for Disapproval/Partial Approval:

\_\_\_\_\_

\_\_\_\_\_

Approved by: \_\_\_\_\_ Date: \_\_\_\_\_

Chief, GSU or Designee

### Appendix 11 – Depreciation log with instructions

A	B	C	D	E	E	F	G
			<b>Depreciation Method &amp; Life Expectancy</b>				
<b>Date Place in Service</b>	<b>Description (Including model &amp; Serial numbers)</b>	<b>Acquisition Costs</b>	<b>Method</b>	<b>Life Expectancy</b>	<b>Depreciation Amount</b>	<b>Monthly Depreciation</b>	<b>Status &amp; Disposition Date</b>

## Instructions for Appendix 11

This format can be used for property management purposes and for computing and recording depreciation.

- A. Record the date the item was purchased. If the item was placed into actual use after the date of purchase, identify the purchase date and the date the item was placed into service, which is the effective date for depreciation.
- B. Self-explanatory
- C. Include the purchase price, delivery, set up charges, and any in-transit insurance. **DO NOT INCLUDE** any financing and interest charges. Identify, record, and deduct the amount and source of any Federal funds used to pay for all or any portion of the item's cost or to meet a matching requirement for a Federal grant from the acquisition cost. Deduct any refunds, rebates, and prompt payment discounts received. If the item was received as a result of a trade or a trade-in was used, deduct the amount received for the traded item from the adjusted acquisition cost of the new item, then add back the lesser of: 1) the nonfederal share of the fair-market value, 2) undepreciated nonfederal share of the original item or 3) nonfederal share of the trade-in.

For donated equipment of when the acquisition cost is not known, use the current fair market value of the item at the time of donation. Only the costs incurred in obtaining and placing donated equipment into service may be depreciated.

- D. Identify the depreciation method that will be used (i.e., Straight Line -SL) and the number of years that the equipment is expected to be depreciated (e.g., SL for 39 years)
- E. For the annual amount using the SL method, divide column C by Column D, Life Expectancy. . Record the depreciation amount. For methods other than SL, make the necessary calculations and enter the amount. Depreciation must be recomputed each year for all depreciation methods other than SL or whenever capital improvements to a building are made, regardless of the depreciation method used.
- F. For a monthly depreciation amount, divide the annual amount from Column E by 12.
- G. Record the current location of the item, its condition, current use, and the date this information was recorded. Record how and when (date) the item was taken out of service, sold, disposed of, or traded. Update this information annually.

**Note: A biennial physical inventory is required for items funded with Federal funds or used to meet a Federal matching requirement. Maintain the results of the physical inventory with this format. Depreciation and physical inventory records must be retained permanently.**

## Appendix 12 – Modified Total Direct Cost Example

### Modified Total Direct Cost Definition:

Sub-part A § 200.68 of the Federal Uniform Administrative Requirements defines Modified Total Direct Cost as “...all direct salaries and wages, applicable fringe benefits, materials and supplies, services, travel, and sub-awards and subcontracts up to the first \$25,000 of each sub-award or subcontract (regardless of the period of performance of the sub-awards and subcontracts under the award). MTDC excludes equipment, capital expenditures, charges for patient care, rental costs, tuition remission, scholarships and fellowships, participant support costs and the portion of each sub-award and subcontract in excess of \$25,000. Other items may only be excluded when necessary to avoid a serious inequity in the distribution of indirect costs, and with the approval of the cognizant agency for indirect costs.”;

<b>Modified Total Direct Cost (MTDC) Example</b>	II b. If the subrecipient has not executed a federally approved Indirect Cost Rate Agreement, the subrecipient may elect to charge a de minimis rate of 10% of modified total direct costs (MTDC) which may be used indefinitely.		
<b>Personnel (Salary and Fringe)</b>	Amount Budgeted to Grant	Allowable amount of Indirect (10%)	Comments
Program Administrator	24,995.00	2,499.50	
Program Counselor	15,616.00	1,561.60	
Program Nurse	21,698.00	2,169.80	
Program Physician	51,658.00	5,165.80	
Health Commissioner/Executive Director	-	-	<b>Any position that cannot be directly attributed to the grant may be paid out of the indirect portion of funding. Cannot charge to the grant if using MTDC.</b>
Fiscal Officer	-	-	<b>Fiscal Officer is charged to the Indirect claimed. Cannot charge to the grant if using MTDC.</b>
<b>Total</b>	113,967.00	<b>11,396.70</b>	
<b>Other Direct Costs</b>			
Travel	6,000.00	600.00	
Travel for Health Commissioner and Fiscal Officer	-	-	<b>May be paid out of the indirect portion of funding. Cannot charge to the grant if using MTDC.</b>
Supplies for program staff	1,200.00	120.00	

Rent	-	-	May be paid out of the indirect portion of funding. Cannot charge indirect off of this cost.
Utilities	-	-	May be paid out of the indirect portion of funding. Cannot charge indirect off of this cost.
Indirect	<b>15,616.70</b>	-	This is the total of the allowable amount of indirect.
<b>Total</b>	22,816.70	<b>720.00</b>	
<b>Equipment</b>			
Computer	1,200.00	-	Cannot charge indirect off of this cost.
Laptop	1,100.00	-	Cannot charge indirect off of this cost.
Copier	2,500.00	-	Cannot charge indirect off of this cost.
<b>Total</b>	4,800.00	-	
<b>Contracts</b>			
Children's Hospital	32,500.00	2,500.00	Can only budget indirect on the first \$25,000.
Another LHD	10,000.00	1,000.00	Can budget indirect based on the entire \$10,000.
<b>Total</b>	42,500.00	<b>3,500.00</b>	

## Modified Total Direct Costs (MTDC – 10% rate) Personnel Allowance

### Personnel:

Administrative staff are not permitted to be direct billed to an ODH grant when using the MTDC indirect rate. Administrative staff are staff who benefit the entire agency. Administrative staff includes, but is not limited to:

- a. Health Commissioner
- b. Director
- c. Assistant Director/Assistant Health Commissioner
- d. Finance Staff (unless charged 100% to a subgrant program)
- e. Legal Staff
- f. Clerical Staff (unless charged 100% to a subgrant program)

Direct/program staff are permitted to be direct billed to an ODH grant. The 10% indirect rate can be applied to these staff's salaries/wages and applicable fringe benefit. Agencies must include the following certification language on the budget justification. (Name of Agency) certifies that this position can be directly attributed to this grant and therefore charging indirect against this position is allowable.

If direct/program staff cannot be directly attributed to an ODH grant then they should not be direct billed to the grant.