

Grants Budget Authority Process

General Information

Grants are a major source of revenue for the District of Columbia Government (District or DC). Grants are awarded to agencies of the government of the District to provide financial resources to finance a need, program, or project. Most of the District's grants are funded by the Federal government (for example, Medicaid), but some are also funded by private sources. Private grantors are typically foundations that provide grants for educational, research and other specified purposes. Each grant has a specific purpose and is governed by an agreement between the grantor and the respective District agency. The DC agencies that apply for and receive grants to support their operations have the primary responsibility for managing the expenditures against the grants, as well as all required reporting to the grantor.

The Office of Budget and Planning (OBP), is the unit within the District's Office of the Chief Financial Officer (OCFO) that provides oversight for the administration of budget authority for grants funded by both the federal government (including Medicaid) and private grantors.

The District's main grants management systems are:

- SOAR – the System of Accounting and Reporting - the District's General Ledger system of record; and
- CFOSolve – a gateway to the District's financial information for reporting and analysis.
 - * The three subsystems within CFOSolve are:
 - GRAMS – Grants Management System – a central repository for maintaining grant information and providing reports for analysis.
 - PROMS – Project Management System – a central repository for maintaining capital project information and providing reports for analysis
 - The Executive Dashboard – a comprehensive tool that provides a consolidated view of organizational financial performance.

Budgeting for Grants

Federal and private grants are integral to the District's budget. OBP's budgeting guidelines require that District agencies budget grant dollars in one of the following funds, according to the nature of the grant:

[8200 Federal Grants fund];

[8250 Federal Medicaid fund]; or

[8400 Private Grants fund].

The District's budget formulation process begins almost a year in advance of the beginning of the fiscal year. During this process, agencies use estimates to determine the level of grant budget authority primarily because of the

Federal and Private Resources:

- **Federal Grants** are grants the District receives from federal agencies, including block grants, formula grants, certain entitlements, and competitive grants. This category also includes pass-thru grants where the original funding source is from a federal agency.
- **Federal Payments** are direct appropriations from Congress to the District, usually to a particular District agency for a specific time, purpose, and amount.
- **Federal Medicaid Payments** are the federal share of the District's Medicaid costs. Generally, the federal government pays 70 percent of the cost of Medicaid while the District pays 30 percent for provider services, although the proportions differ in certain circumstances.
- **Private Grants** are grant the District receives from non-Federal sources.
- **Private Donations** are funds donated to the District that do not have any specific reporting requirements and carries its own budget authority upon receipt of revenue.

uncertainty in projecting the availability of unobligated funds, approved carryover balances, rates of spending, and the funding of new grant awards after the budget has been formulated. As a result, establishments/modifications in grant budget authority are required during each fiscal year.

OBP's Interface with Individual Agencies

OBP is the District's central, responsible unit for managing each agency's grant budget authorizations. Specifically, OBP Budget Analysts review all agency grant requests to ensure that the establishment/modification of grant budget authority is done in accordance with each grant's NOGA. OBP is also responsible for providing quarterly grant budget versus actual reports to District agencies; collaborating with District agencies to produce a quarterly and annual lapsed grant report; producing monthly grant budget reconciliations between OBP and SOAR; and providing quarterly reports to Congress regarding modified grant budgets. In cooperation with OCFO agency field staff, OBP uses the OBP – Budget Administration Grants Application SharePoint, CFOSolve, GRAMS and SOAR to accomplish these objectives.

OBP provides guidance and assistance to all District agencies that receive federal and/or private grant funds. OBP interacts with each agency through the OCFO agency staff to establish grant budget authority for new grant awards, increase/decrease budget authority due to increases/decreases in existing grant awards, as well as provide a variety of financial reports to assist the agencies with managing grant expenditures.

Grants Setup and Data Entry

As District agencies apply for and receive new grant funds throughout the year, a non-offsetting revision to the budget is required. District agencies are not authorized to obligate or expend any grant funding until an official notice of grant award or award letter is received and the agency has obtained the District's grant budget authority (through the grant budget authority process) to expend the grant funds awarded.

OCFO agency staff is required to enter the grant award profile into GRAMS to obtain the required approvals and establish appropriate budget authority. The information entered into GRAMS is uploaded on a daily basis to SOAR.

Individual agencies are responsible for maintaining the Notice of Grant Awards (NOGAs) received from the federal or private grantor. Effective FY 2008, a copy of the NOGA in a portable data format (PDF) must be uploaded and maintained in GRAMS.

Grant Budget Authority Process

When an agency receives notification of the award of a non-budgeted grant, or needs to increase or reduce a previously funded grant's current fiscal year budget authority, the OCFO agency staff submits a request for a budget revision termed a "grant budget modification," or GBM in accordance with the procedures set forth in the District law. If approved, the modification results in the agency increasing or decreasing the grant's total authorized spending limit for that grant. *A budget modification is different from a reprogramming. A budget modification results in either an increase or decrease, whereas a reprogramming has a net zero impact on an agency's budget.*

Administrative and Passive Approvals

Requests for administrative approvals to increase or decrease agency current fiscal year grant budget authority have been delegated by the Chief Financial Officer to the Deputy Chief Financial Officer of OBP. Effective FY 2014, administrative approval authority has been further delegated to the Director for Budget Administration by the Deputy Chief Financial Officer for OBP.

Effective with the enactment of the FY 2005 budget, the District was given the authority to utilize a “passive” approval process for grant budget establishments. There have been no subsequent changes to this process.

Requests for passive approvals for grant budget establishment are administered through recommendations to the District Council through the Director for Budget Administration and the Deputy Chief Financial Officer of OBP. Under the passive approval process, the Council must be given fourteen (14) business days from the date of receipt from the Mayor’s office, to distribute the package to all Council members, review, and file any notices of disapproval.

If a notice of disapproval is filed by a Council member, the package is severable, and the establishment with disapproval will not be passively approved. However, the remaining establishments within the package will still be deemed passively approved.

If a council member files a formal disapproval, the establishment cannot be approved until the disapproval is released. If a notice of disapproval is not filed by a Council member during the review period, the package is legally considered completely “passively” approved, authorizing the execution of the budget establishments without an actual vote of the Council.

Under unusual circumstances or to meet year-end deadlines, and subject to the approval of the Council chair, the Council may still vote “active” approval of grant budget establishments.

SharePoint Submission and Review Process

OBP-Budget Administration’s Grants Application SharePoint site provides a valuable resource for tracking the status of agency budget establishment and modification requests throughout stages of the review/approval workflow process within OBP. The site provides status information along with detailed information regarding each grant request submitted to OBP for processing.

Effective FY 2013, all District agencies are required to electronically transmit their GBM requests to OBP via the OBP-Budget Administration Grants Application SharePoint.

Documentation required for each grant budget modification includes the following:

- Grant Application – maintained by the responsible agency.
- Grant Award Profile (GAP) Form – provides detailed grant-level information from GRAMS.
- Notice of Grant Award or Grant Award Letter – the authority given to spend funds during a specific budget or performance period.
- Grant Reconciliation Sheet – provides a historical snapshot of each grant from funding actions through current expenditures and remaining balances.
- SOAR screen shots – reflects the budget and expenditures charged to each grant in SOAR to-date.

All requests must also include a cover memo (an Excel spreadsheet) to assess the request for completeness and accuracy and to determine whether the request is within the limitations allowable for OCFO/OBP approval (Administrative) or requires Council approval (Passive). The cover memo must include the appropriate signatures to certify the validity of the request.

The OCFO agency staff routing and approval process is as follows:

1. The OCFO agency staff prepares a request for budget establishment/modification.
2. The OCFO Agency Fiscal Officer (AFO) (working with the individual agency to make any necessary revisions) approves the request and submits it to the Associate Chief Financial Officer (ACFO) for cluster-level approval.
3. The ACFO approves the request. The request is then uploaded to the OBP – Budget Administration Grants Application SharePoint site.

The OBP review and notification process is as follows:

1. OBP budget analysts review all GBMs submitted in the SharePoint for completeness and accuracy. If there are any discrepancies with a proposed establishment or modification request, OBP informs the OCFO Cluster Grant Manager or submitting OCFO agency staff of the discrepancies via both auto-generated and case-specific email notifications. The OBP budget analyst is responsible for detailing discrepancies and providing guidance to the OCFO agency staff for revisions and SharePoint resubmission.
2. Once the OBP budget analysts determine the GBMs are complete and accurate, the GBMs are reviewed, approved by the Deputy Directors for Budget Administration and forwarded for inclusion in the administrative or passive approval package.
3. OBP informs the OCFO Cluster Grant Manager or submitting OCFO agency staff of approvals via auto-generated email notifications. Email notification of passive approvals will also be sent to Agency Grant Managers, Agency Fiscal Officers and Agency Budget Officers.

NOTE: The OCFO Cluster Grant Managers or assigned approval level Managers are responsible for ensuring that grant budget authority establishment or modification requests are complete, accurate, contain the appropriate signed documentation, and are uploaded to the OBP – Budget Administration Grants Application SharePoint site.

Tracking and Audit Readiness

OBP uses a GBM Log to record all approved grant budget establishments/modifications for reconciliation and audit sampling. The Log records the date the request was received, the type of approval, the date the request was approved, the number of the corresponding approval package, and the date the budget entry was approved by OBP in SOAR.

The OBP tracking process details are as follows:

Assigned OBP Budget Analyst (Or his/her backup)

- On a daily basis, monitors the OBP Grants Application SharePoint site.
- Every other business day, sends a list to the Team Leader and Deputy Directors of the grant requests currently uploaded to the SharePoint with the status of “Analysts Review.”

Assigned OBP Budget Analyst (Or his/her backup) (continued)

- Highlights any grants that have been posted to the SharePoint for more than 2 business days.
- Follows up with the Executive Assistant/Team Leader regarding updating the SharePoint status of any outstanding grant requests that have been approved (or denied) by the Deputy Directors.

Executive Assistant (Or Team Leader backup)

- Ensures that the SharePoint is updated upon receipt of grant packages approved by the Deputy Directors. (i.e. “Pending OBP,” “Pending Council” and “Denied”.)
- Coordinates the assembly of DD approved grant establishment/modification packages for the Budget Administration Director’s signature and final approval of administrative requests.
- Ensures that the SharePoint is updated upon receipt of approvals from the Budget Administration Director and/or the District Council.

Assigned Team Leader

- Ensures that the Grants Modification Log is timely and accurately updated.
- Notifies Deputy Directors on a monthly basis of any issues with the Grants Modification Log.

Deputy Directors

- Ensures that all grant requests are processed by Analysts within 24-48 hours of posting to the SharePoint.
- Ensures that all grant requests are Deputy Director approved within 24 hours of receipt of grant package.
- Follows up with Budget Analysts regarding processing grants that have been posted to the SharePoint for more than 2 business days.
- Addresses any issues with Budget Analysts regarding the completion of the Grants Modification Log.

Overview of OBP Grants Budget Authority Process

(Revised January 30, 2014)

Submission Process

Budget Administration Analyst

OBP Management & the District Council



1 The assigned agency staff must upload each request for grant budget authority separately and complete all required fields on SharePoint. Once the file is uploaded, the BA Analysts will receive an email notifying them that a GBM has been submitted indicating the grant number and submitting agency.

2 OBP BA has 24 hours to review the GBM package to determine completeness and sufficiency.

***All Grant documents must be processed within 1 – 2 business days of receipt of a complete package.**

3 Prints and reviews package to ensure it contains all required documents:

- Cover Memo
- Notice of Grant Award Document
- Grant Award Profile (GAP) Form
- Reconciliation Sheet
- SOAR Screen Shots
- SOAR Grant Budget Journal Entry Form
- FTE Approval Form (if appl.)

4 If package is complete, confirms whether or not the grant has budget authority in the current fiscal year to determine appropriate approval path (Passive or Administrative) and completes an OBP Transmittal Sheet.

5 Enters required information in the Grants Tracking Log.

6 Completes and attaches the checklist and submits the package to the appropriate Manager.

If applicable, forwards copy of FTE Approval Form with GBM package to BA Executive Assistant for tracking.

-OR-

4 If package is incomplete, completes Checklist, completes and attaches the checklist, and submits to assigned DD indicating the reason for denial on the checklist.

5 Send Agency an email explaining the reason for denial with instructions to upload the complete package with necessary revisions to SharePoint again.

6 Process restarts at #1

7 Managers
 - Review checklist and package to ensure completeness and sufficiency.
 - Sign approval and/or disapproval checklists.
 - Submits signed packages to EA for approval packaging.

8 BA Executive Assistant
 Prepares approval packages for appropriate approval (Administrative or Passive):

Administrative (Internal) Approval
 - BA Executive Assistant prepares cover memo from the Director for Budget Administration to BA Deputy Directors; routes for approval signatures.

-OR-

Passive (Council) Approval
 - BA Executive Assistant prepares cover letter from the Mayor to Council Chair;
 - Routes package to BA Deputy Director, BA Director, and OBP Deputy CFO for approval.
 - Upon full OBP approval, routes package to OCFO General Counsel, OCFO Front Office, the Executive Office of the Mayor, District Council, and the Office of the Secretary.

NOTIFICATION OF FINAL APPROVAL
 (w/in 24 hrs. of receipt)

9 Administrative (Internal) Approval
 - Cover memo signed by the Director for Budget Administration.
 - SharePoint will be updated accordingly.
 - Automated email notification to Agency.
 - Grants Tracking Log will be updated accordingly.

Passive (Council) Approval
 - After 14th day after submission to the Council, Grants Team will send an email notification of approval to the agency along with PDF approval document.
 - Grants Tracking Log will be updated accordingly.