

BEGIN SESSION 3

Kathleen Sample: Hi thank you Rocky. I am Kathleen Sample, the Grants Management Officer for the Substance Abuse and Mental Health Services Administration.

And I thank you for participating today. Actually Rocco LaMonaca and I are in the same office. His role is different from our - the Grants Management Specialist role in that as Rocky, you know, explained to you that, and you may have been in contact with him, regarding your policies and procedures and internal controls.

And I generally want to talk to you about the role of the Grants Management Specialist and touch on the Project Officer's role and talk some about the Notice of Award.

First, I'd like to talk about the organizational charts in the Division of Grants Management. At the top we have our Director, Christine Chen. And you will probably meet Christine eventually at some conference or meeting.

And as you can see to the left the Grants Management Officer, that's me Kathleen Sample, and that's for discretionary grant programs.

We have several - many programs under SAMHSA, Drug Free Communities being one of them.

And if you go to the left of that organizational chart, you can see under discretionary grant programs we have three centers. There's a Center for Mental Health Services, Center for Substance Abuse Treatment and the Center for Substance Abuse Prevention.

And the Team Leader for that center, which is drug free is under that center is Edna Fraser. And you will meet Edna eventually, also at some conferences and meetings.

And then directly under that center you'll see the Drug Free Communities Program. And the Grants Management Specialists assigned to this - to these programs, to this program, excuse me, you can see Natalie Gibson, Zakiea Jones, Karen Warner and Eddie Whitehurst.

Those specialists' names and the Project Officers' names, they're listed on the Notice of Award on the last page. So those will be your primary contacts regarding grants management.

It seems a little complicated or confusing at the beginning because, you know, you hear different offices and names thrown at you. But if you - if you're not sure call your Grants Management Specialist and they can direct you to the right person okay.

To start, I'd like to talk about the Division of Grants Management a little bit and what we do in this office.

The Division of Grants Management coordinates the business, administrative and fiscal aspects of the Federal grant process.

Once we received your applications, when you submitted your new application it was reviewed and approved for funding. We reviewed it in grants management.

We reviewed the budget. And we issue a Notice of Award. And we coordinate post-award actions with the Project Officer. We work very closely as a team with your Project Officer.

I would like to talk about the budget. That's prob - our primary role in grants management. Your Grants Management Specialist will look at your budget after your application is received or post-award request.

And I'll talk more about that. The budget is an estimate often itemized of expected income and expenses for any given period. Well in this case it's for a 12-month budget period.

And you must meet the following four tests, reasonable, allowable, allocable and consistency. When we review your budget, those are the areas that we're going to - we're going to look at your costs in that way to see if it is reasonable, allowable, allocable and consistent.

And if it isn't, then we probably will need to talk to you and look at a revised budget.

The Grants Management Specialist reviews the Application of Federal Assistance, the face page. The 424-A, that's the budget information on construction programs form that has all the budget categories.

This is all in the 516 - PHS 5161-1. We will also review your budget breakdown and your narrative justification.

Your budget breakdown should be as clear and concise as possible. How did you arrive at a particular dollar amount? Your narrative justification needs to explain those costs as clearly as possible.

Included with your budget is match. Match is the recipient share of the project cost. The definition match may either be in kind or cash, in kind match includes the value of donated services or it could be salaries also in kind.

For instance your organization is paying for a position. Cash match includes actual cash sent by the recipient. It must have a cost relationship to the Federal award that is being matched.

You can't match a cost that's not allowable. In other words, if the Federal Regs do not allow a cost, you can't use those - that as a match because the match has to follow the same rules.

The grantee match mu - excuse me, match funds must meet the four budget tests also, allowable, reasonable, allocable and consistent.

Grantees must specify the following matching percentages. In Year 1 through 6 it's 100% of the total Federal award. Year 7 and 8 it's 125% of the total Federal award. And Year 9 through 10 is 150% of the total Federal award. So that's important to know, as you submit applications from year to year.

Match can also be volunteer hours, in kind donations or salaries or it could be space. It could really be, you know, many different costs as an in-kind donation. Other non-Federal grants or foundation funds can also be used as match.

Indirect costs - there is often many questions about indirect costs. Indirect costs are those that are incurred for a common or joint objective and cannot be readily identified with a particular final cost objective.

Which sounds a little confusing I know, but if you're going to claim indirect costs on your notice of - in your application for your Notice of Award you need to negotiate an indirect cost rate agreement with the government agency.

On our Web site, the SAMHSA Web site, we have listed the HHS government offices to call the Division of Cost Allocation.

Contact that office and you can discuss it with them. If you only have one grant, it may not be in your best interest to negotiate a rate. But if you have more than one grant, I would suggest calling them and talking to the Division of Cost Allocation.

They'll tell you if you need to contact another government agency. Research rates are not acceptable. Indirect or administrative costs may be charged as a direct cost if a rate agreement is not available.

So in other words, if you don't - if you choose not to negotiate, it's not a requirement to have a negotiated indirect cost rate agreement. But if you have one you need to use it because you need to use it against all - the same manner as your other projects.

But if you choose not to negotiate an indirect cost rate agreement, then you can claim all of those overhead costs or costs that are used for common or joint objectives as a direct charge to the grant.

In other words, you can charge for instance a - an accountant or your administrative person, the CEO. Those costs can be claimed or charged as a direct cost.

I wanted to go over the Notice of Award because this is so vital and important. And we really need to go over this very, very carefully; not only the Project Director but the Authorizing Official.

And please go over this with your fiscal people because many times one doesn't know what the other one is doing. And also they'll - everyone needs

to know the requirements of this grant project. Because we find that there are problems when, for instance, the fiscal staff is not aware of the rules.

If you have the Notice of Grant Award in front of you, fine. If not, you can look at this later. But on the cover letter you will see your grant number. This is one of the most important numbers that you need to remember and use when you correspond with the Grants Management Specialist either by letter or email.

You can submit your request either way. We're happy with both. It's just that we do need to see the correspondence from the Project Director and the Authorizing Official. But always include your grant number.

If you could see our office, you would understand. We're - we have a sea of green files - 2000 files if you can imagine. And so it's vital that we have that grant number, okay. And it's at the top of the letter - the Notice of Award.

The next point I wanted to make is you will see the Project Director's name. Now that's important - and I'm going to go into that a little bit more in a few minutes about post-award and terms and conditions. But that's an important person because - to remember - because that person has daily oversight of the program. That person is responsible for the daily oversight of this program.

Addresses - this is also an area that needs to be taken very seriously. If your organization moved for any reason—the business office or the grantee address office moves—it's vital that you inform us of the change. And I like to see a new face page and a checklist signed by the Authorizing Official if your address changes and an explanation why it's changing.

Also you'll see the budget and project periods on the Notice of Award. That, too, is important because each budget period is a 12-month period. And then

your project period is the entire period that has been designated for this program. It could range from anywhere from one to ten years. So it's important to know that date - those dates also.

And then, of course, it's important to see that the Grants Management Officer has signed this letter. That's - creates the legal document.

In Section 1 of the Notice of Award - that's the award data. Now I know all of you looked at that first because you wanted to know how much money you're receiving.

So - but first you'll see award calculation area. These are the cross categories meaning this is how the grant is broken down and how you presented it to us on your 424-A and 5161 - Application for Federal Assistance.

Now it may have changed from the original application if the Grants Management Specialist contacted you and asked you to revise some costs. But the final figures is what was approved. And it's the cost categories are salaries, fringe, travel, contracts, indirect costs and then the total cost.

And then the amount of this action - this - that's the total amount of this award, okay. And then the summary of totals for all years - those are your future years. If you see any problems with future-year costs, you need to contact your Grants Management Specialist.

And that reminds me, always contact your Grants Management Specialist. This is stated on the Notice of Award. If you have any questions or concerns, please contact your specialist. And correspond with your specialist. You can always copy your Project Director but correspond with your Grants Management Specialist.

Then in Section 2 - this is the Payment Hotline information. Now Nicole Dunning just went over everything you needed to know about the Division of Payment Management. And - but we did include the Web site and the main number.

But if you go to the Web site you can find your account rep listed by state and office. Most of you are non-profit organizations so you would fall under that non-profit branch, okay. So be sure to contact your rep if you're having any problem.

But if for some reason there are some issues and you can't resolve them with DPM, please contact your Grants Management Specialist and that individual will be happy to help you with payment management.

But Payment Management is a different office. So they're not - physically we're not together. So you need to contact them if you're having any concerns or problems with drawing down funds first.

And in Section 2 there's also the HHS Inspector General Hotline Number. Rocco LaMonaca mentioned this too. And if you have any concerns about your organization or any individuals associated with the organization, please contact that telephone number. There's an address also in Section 2 for the Inspector General.

Continuing with the Notice of Award in Section 3 - Order of Precedence - Rocco LaMonaca went over this some. And I wanted to point out how important this is, because quite often when grantees receive an award and they don't realize that they are numerous rules, regs, policies and procedures that you need to follow.

And it really is your responsibility to know these regs and policies and procedures. We have informed you through the Terms and Conditions of the Award. On the award you will see, in this Section 3, the Order of Precedence that you need to follow.

And this is referenced in there is the Appropriations, the Code of Federal Regulations -- which Mr. LaMonaca mentioned -- the HHS Grants Policy Statement and the Notice of Award including Terms and Conditions. So you need to sit down and with your fiscal person as I said and your Authorizing Official and go over all of the rules so you have a good understanding of what you need to do over the next few years with this project.

In Section 4 there's Remarks - mainly that was talking about the appeals process. Then there was an introduction about the program itself; and then the Rules and Responsibilities of the Grantee, of the Project Officer and Grants Management. This is important for you to understand.

Special Conditions of Award - you may or may not have conditions of award. Your Specialist may have included a condition. This is where if your organization becomes high risk for any reason we will place a condition on the award that needs to be resolved by you.

And a condition usually is sort of an action item. There's a due date. You need to comply within a certain amount of time.

Special Terms of Award - now I listed some of the important, highlighted areas in the Special Terms of Award. Many of this - these are programmatic. And I hope that you have talked to your Project Officer. I know that Project Officers have been calling the grantees in the last couple of weeks to discuss different issues with them.

So I wanted to point out that there is a condition -- a special term -- regarding match. And it's - there's more information in the Program Announcement about match also. There's data collection, national evaluations, possibly a corrective action plan. There are some required training workshops. I believe two.

And there are some annual strategic prevention frameworks and no, excuse me. That's not a report - sustainability plan that's due for grantees in the third and seventh year. So that's some - these are important areas to follow up with your Project Officer about.

In Section 4 - Standard Terms of Award - I wanted to point out that the grantee or fiscal agent -- one and the same -- is legally and financially responsible for all aspects of the grant. This is so important for all of you to understand that your - the grantee is more than just a pass-through.

The grantee or fiscal agent is responsible for everything - every aspect of this project. And if you have an idea of changing the fiscal agent or grantee, we really discourage it. Because we have so many of these changes we find that it's just not - it's not good for the organization to keep changing fiscal agents. We want a stable organization responsible for this grant. You can contact your Grants Management Specialist about this too.

Also in the Terms and Conditions you will find a Change in Project Director and Project Coordinator including level of effort requires approval. Any change in the Project Director or Project Coordinator needs to be approved by the Grants Management Officer. And you need to submit that in writing from the Authorizing Official and include a resume and the level of effort.

Also in this section there's a reporting requirement, Financial Status Report, Standard Form 269 long form. This is the only form - this is the only

requirement that Grants Management has associated with this project. This can be found on our SAMHSA Web site.

You must submit the long form. There's a short form and a long form. You need to submit the long form because you need to include program income if you have earned it and used it.

This is due within 90 days from the end of each 12-month budget period. And if it's not included or it's - I'm sorry. If it's not submitted within 90 days we will remind you. But if you don't submit it by the time a Continuation Application is funded, we will restrict your funding.

This is important to understand. It's a fairly easy form to complete. So I'm always surprised when some grantees don't submit it.

Quarterly Financial Cash Transaction Reports - Nicole talked about this. This is very important too. I don't know if Nicole mentioned it, but I believe that they freeze your account if you don't - do not submit your Quarterly Report. So I know you don't want that to happen either.

There's an Annual Comment Report and an Annual Coalition Classification Tool Survey. Those two reports are - it's in the Reporting Requirements. Those are programmatic. You need to talk to your Project Officer about those two reports.

There will be some training, I was told, in January. So, you know, don't feel that you don't understand because you probably don't. But there will be some training on this. You can find all our rules and policies on our Web site as you can see on this slide.

Post-award requirements or requests - I wanted to talk to you about the role that the Grants Management Specialist and Project Officer have. And I think I did mention this. We work very closely together to monitor the grant's progress to assure that the program is successful and it's - and accomplishes the mission.

We really are here for you. And we're happy to help in any way we can. Both staff discuss and make recommendations related to prior approval requirements to the Grants Management Officer.

So if it does require approval, it needs to be approved either by letter or Notice of Award. Verbal messages do not mean anything really. It needs to come from the Grants Management Specialist or the Grants Management Officer for approval. Primarily we send - issue Notices of Award when we approve post-award requests.

The standard post-award administrative changes - these are just some of the changes. It's your responsibility to go to our HHS Policy Statement and review all of them. There could be some other requirements too in the announcement or in the Terms and Conditions. So you need to pay attention or -- and read -- or talk to your Grants Management Specialist.

Here are some of the highlights - change of grantee institution. As I said before this change of grantee institution or recipient should be a rare occurrence. We want the grantee to be responsible and have some continuity throughout the project.

Change in Project Director or Program Coordinator - I talked about that a little bit. And just remember that it does require our written prior approval before you can change those key staff positions. It's listed in the Terms and Conditions of Award - also the change in percent of effort or level of work.

Significant changes in budget - now this is always an - a big question by grantees. You do have some latitude to move monies around between cost categories. Say, for instance, someone called me and said that they weren't going to travel as often as they thought. So could they hire - was it allowable to hire someone?

So I said it was allowable if it was under 25%. My suggestion was to let their Project Officer know that they were hiring another staff. But if it's under 25% or - we really do not want to see it necessarily because it doesn't require approval.

If you'd like for us to place a note in your file, we would be happy to. The Division of Grants Management maintains the official file for the period - the entire project period.

Change in scope of work - if your scope changes then you need to inform us in writing. This is also important because if you're going to expand we need to know that you'll be able to use the same amount of money to expand.

If you're going to reduce the scope, then that is also important too to see how you're going to move monies around and what you're going to do. Please contact your Project Officer or Specialist about it.

Carryover of unspent funds - this means if you have monies remaining from one budget period or at the end of your budget period which ends on the 29th next year of 2009 - that if you have monies remaining after that date, that you do not have the authority to spend it. You need to request it.

And without going into a lot of detail about it, it's important for you to know that you do not have that authority to spend. You need a written prior approval

and a Notice of Grant Award that includes those dollars from one year to the next. So you need to think about that particularly when you're completing your Continuation Application.

Requests are not considered approved until a Notice of Award is issued. Prior approval means written approval by an Authorized Official (the next highest authority except for sole source), evidencing consent prior to budgetary or programmatic changes in the award. In other words, you need to have written prior approval by either the Authorizing Official or the Project Officer, okay.

All of these areas that require prior approval can be found in the HHS Policy Statement. As I said there could be other requirements. Remember to look at your Terms and Conditions in the announcement.

I wanted to talk a little bit about the Continuation Application. I know you just started but, believe it or not, we're already talking about Continuation Applications.

And the thought is that you'll - we are going to send letters at the - I didn't want to give a definite date. But we're saying probably towards the end of December -- 19th or 20th -- we probably will be sending our letters to you to complete your Continuation Application.

So it's fairly early on. And I know that does seem too soon. However, different offices need time to review your application. So we need your Project Officer's input. We need the Grant Management Specialist's input. We also need budget. ONDCP works with us.

So as you can see, it takes a lot of time in order to accomplish the final budget and issuance of a Notice of Grant Award. So that's why we need to start early.

Grantees need to submit the application by that due date. It's very important to be on time. Unfortunately we have to take, you know, some stringent actions if you're late. And we need to do something because we can't just hold onto your application and, you know, for any length of time. We need to issue it.

So either high risk or some other - well high risk would be the worst thing we'd have to do because that's a restriction of your money. So please do submit your application on time along with your report.

The Project Officer and Grants Management Specialist review the application. So you could be contacted by either your Project Officer or Grants Management Specialist about the application. And you may be asked for revisions.

I wanted to provide some SAMHSA Web site information to you. As you could see at the top the SAMHSA Web site. You can also access the ONDCP Web site too.

But under the SAMHSA Web site we have all the rules, the policies and the procedures that you need—all the tools you need to be a successful grantee. There's SAMHSA Grants Management as you can see that's their link - that link and the important offices; for instance, the Division of Cost Allocation that we talked about.

Also we've included here the Grant Specialist contact information by state. So even though this is also on your Notice of Grant Award, we thought this would be helpful to you. And this shouldn't change in the next 12 months. So please contact them if you need to.

Some more useful Web sites - ONDCP, Drug-free Communities, the Grants.gov - many of you probably used that system to apply for the new

grant so you can continue to use that as you apply every 12 months through your Continuation Application. The CADCA Coalition Institute,¹ GSA - if you're having some problems with possibly your travel regs, you can find the per diem and travel rates on this Web site.

The Clearinghouse - any information - additional information - they have some interesting information there. Indirect cost rates - you can link onto that Web site. Financial Status Report is also there. And the Federal Cash Transaction Report Web site - that was Nicole's area.

Well I want to thank you for listening. And as I said, if you have any questions or concerns, you can call your Grants Management Specialist.