

ARPA Ag Infrastructure Grant

1) General Responsibilities

MDA Program Staff

MDA's program staff manage the ARPA AIG Grant Agreements. Program Staff monitors Subrecipients' compliance with Federal and State statutes and regulations, grant terms and conditions, and reporting requirements. Program Staff also provide Subrecipients with technical assistance and consultation throughout the Grant Agreement term.

Grant section staff will be responsible for the monitoring of awards including:

- Risk assessment
- Monitoring progress on Performance measures
- Site visits
- Initial claim review
- Transparency reporting

Fiscal staff will be responsible for:

- Claim processing and payment
- Financial reporting

Fiscal and grant staff will reconcile Amplifund to SABHRS to track funds

Subrecipient

The subrecipient is legally accountable for the performance of the award and the expenditure of funds. Subrecipients must:

- Staff the project appropriately;
- Manage project resources efficiently;
- Ensure compliance with both Federal and State requirements;
- Establish measurable program outcomes and conduct activities that will contribute to achieving those outcomes;

Roles and responsibilities of designated individuals who serve as agents of the Subrecipient are as follows:

Grant Project Contact

The Grant Project Contact is the individual, designated by Subrecipient, responsible for the technical and programmatic aspects of the grant and for day-to-day management of the project. This individual ensures the project is administered as outlined in the approved grant proposal and monitors compliance with the terms and conditions of the award. The Grant Project Contact should maintain contact with the

MDA Program Staff with respect to business, administrative, technical, or programmatic aspects of the award.

The Grant Project Contact generally is an employee of the Subrecipient. If the Grant Project Contact is not an employee of the Subrecipient, a formal written agreement with the Grant Project Contact must be in place that specifies an official relationship between the parties.

Grant Management Contact

The Grant Management Contact is the designated representative of the Subrecipient with authority to act on the organization's behalf in matters related to the award and administration of grants. In signing a grant application, this individual agrees that the organization will assume the obligations imposed by applicable Federal and State statutes and regulations and other terms and conditions of the award, including any assurances. These responsibilities include accountability both for the appropriate use of awarded funds and the performance of the grant-supported project or activities as specified in the approved application. Although MDA requires you to designate such an individual, MDA does not specify the organizational location or full set of responsibilities for this individual.

2) ARPA AIG Process

1. Pre-Application

- a. Applications will be screened for responsiveness by AGR staff
 - i. Nonresponsive or incomplete applications will be removed from competition
 - ii. This is a light screening erroring on allowing the pre-application to be reviewed by the Review Committee.

2. Review Committee

- a. A review committee will be formed consisting of geographically disbursed members representing a broad group of ag interests from around the state.
- b. Applications will be provided to the review committee.
 - i. The review committee will consider the following categories in assessing proposals
 - 1. Basic business considerations
 - 2. Level of Impact to Montana Agriculture relatively sufficient for level of investment
 - 3. Level of Economic Impact relatively sufficient for level of investment
 - 4. Potential for the proposed activity to provide for agricultural/economic development success
 - 5. Innovation/Project Originality
 - 6. Geographic considerations
 - ii. Reviewers will apply a single score from 1 to 6 based on the following matrix

Scoring #	Funding Priority	
1	Low	Shows significant deficiencies. Does not demonstrate a need for the project or does not provide a compelling plan
2		

		to address a need. Does not show the ability to execute the proposed plan
3		Demonstrates a need and a plan to address the need.
4	Medium	Responds to all questions.
5	High	Illustrates and meets a compelling need in the State and demonstrates the ability to execute a high quality project
6		

- iii. Once applications are scored, they will be put in ranked order and the Review Committee will select which applications will be invited to submit a full application.
 1. Reviewers' primary determination will be on whether an application has a plausible chance of receiving a grant award based on funds available.
 - iv. Approved concept papers will be invited to submit a full ARPA AIG application.
3. Full proposals
- a. Selected applicants will be invited to submit a full proposal to APRA AIG
 - i. Full applications will require financial statements and projection in addition to the proposal.
 - b. Department staff will perform full risk assessment of all applicants invited to submit full proposals. Risk assessment will include:
 - i. Verification of business registration with Montana Secretary of State
 - ii. Verification of registration on SAM.gov
 - iii. Review of state and federal debarred and suspended lists
 - iv. Review of the individuals' association with the applying business
 - v. Check of good standing with Department of Agriculture and Livestock
 - vi. Review of other Covid relief funds received
 - c. Applications with issues discovered in screening will be allowed to take corrective action or their application will be withdrawn.
 - d. Applications passing screening will be ranked and provided to the EWAC Commission for funding decisions.

3) Grant Management Platform

The Amplifund online platform will serve as the central repository for grant materials.

- Relevant grant documents will be saved to Amplifund in the Documents folder for each award.
- Claim approval will be documented in Amplifund.
- Contract and all amendments for each award will be stored in the system.
- Budget to actual will be monitored for each award with each request.
- Performance measure information and any other required programmatic reports will be completed and stored in the system.

4) Grant Agreements

MDA will enter into a contract with Subrecipient. The signature of an authorized representative of the Subrecipient on the Grant Agreement constitutes acceptance of an award and its associated terms and conditions.

MDA must receive a copy of Subrecipient's signed Grant Agreement prior to any payment being made on the project. Should the Subrecipient choose not to accept an award, the Subrecipient must notify MDA immediately.

The contents of the Grant Agreement are binding on Subrecipient and MDA once Subrecipient's authorized representative has accepted the Grant Agreement unless and until modified.

Grant Award Agreements are intended to incorporate all provisions required by federal law. If MDA learns that a provision required by federal law has not been incorporated in the Agreement, the parties agree to promptly amend the Agreement to include the provision.

If there is a perceived conflict between the statutory and regulatory requirements and the terms and conditions in this part, or if there are questions, Subrecipient may request written clarification from MDA at any time; however, if the inclusion of the term or condition would cause Subrecipient not to accept the award or to be unable to comply, Subrecipient must raise the question before award acceptance.

Special Conditions

MDA Program Staff may impose special conditions on Subrecipients who are considered moderate to high-risk or those considered noncompliant with Federal and State laws and regulations, Grant Agreement terms and conditions, and the Grant Management Manual. Special condition examples include:

- More frequent submission of progress reports
- More frequent submission of invoices
- Submission of supporting documents with each invoice
- Additional site visits, and/or desk reviews

Reasons for imposing special conditions include but are not limited to:

- Inadequate financial management systems
- Late invoices or progress reports
- Audit findings
- Poor performance on previous grants

Assignments

The parties mutually agree that there will be no assignment, transfer, or other delegation of this agreement, nor any interest in this agreement, unless prior agreement has been stipulated elsewhere in this agreement or with the express written consent of both parties.

Legal Relationship between the Parties

In performing proposal activities, Subrecipient is not an agent, employee, or independent contractor of the state.

The agents, employees, cooperators and independent contractors, associated with or hired by the Subrecipient to perform or assist in performing proposal activities are not agents, employees, cooperators or independent contractors of Montana Department of Agriculture.

The grant agreement does not create a partnership, joint venture, joint enterprise or joint undertaking of any sort between Subrecipient, its agents, employees, cooperators, and independent contractors and the State of Montana, for the performance of proposal activities.

Modifications

No letter, email, or other communication passing between the parties shall be deemed a part of this agreement unless it is distinctly stated and such letter, email, or communication is attached as an Appendix to the grant agreement and is signed by the authorized representative of each of the parties. This grant contains the entire agreement between the parties, and no statements, promises or inducements made by either party or agents of either party, which are not contained in this writing, shall be valid or binding. This agreement shall not be enlarged, modified or otherwise altered without written agreement of both parties.

Non-Discrimination

Subrecipients must agree to comply with [Montana Human Rights Act \(Title 49 of the MCA\)](#). Any hiring of employees under this agreement by the Subrecipient shall be on the basis of merit and qualification, and there shall be no discrimination in such hiring on the basis of race, color, religious creed, political ideas, sex, age, marital status, physical or mental disability, national origin, or ancestry. As used herein, "qualifications" means qualifications that are generally related to competent performance of the particular occupational task.

Permitting

ARPA AIG funded projects may involve conducting work that requires permits and clearances from various agencies. MDA does not determine which, if any, permits are required for specific projects nor does it review permits for accuracy or appropriateness. Applicants are responsible for determining that all necessary permits that apply to their project are identified and obtained.

Conflict of Interest or Other Violations of Governmental Ethics

Grant Award Agreements will be subject to cancellation for any violation of [MCA Title 2 Chapter 2](#).

Arbitration

Subrecipients must agree to use arbitration, after exhausting all applicable administrative remedies, to resolve disputes arising out of the Grant Award Agreement to the extent required.

Indemnity & Liability

The Subrecipient shall protect, indemnify, defend, and save Montana Department of Agriculture and the State of Montana and its agents harmless from and against any and all claims, portions of claims,

liabilities, demands, causes of actions, judgments, and settlements, including costs and reasonable attorney's fees arising in favor of or asserted by any person or entity; on account of personal injury, death, or damage to real or personal property which is, or alleged to be the result, in whole or in part of any acts or omissions of the Subrecipient, its employees, agents, or independent contractors, or cooperating landowners, their employees, agents, or independent contractors, in connection with the proposal activities described in this agreement and attachments; on account of the failure of the Subrecipient to perform under and comply with "Purpose & Scope of Work" and "Contract Terms" of this agreement.

The duty of Subrecipient to defend is not contingent upon an admission or jury determination that the Subrecipient committed any negligent acts or engaged in any willful misconduct. Subrecipient shall pay the reasonable cost and attorney's fees incurred by the State in establishing its right to defense or indemnification provided herein.

Protected Personal Information (PPI)

All information submitted to Grantor by Applicant, including, but not limited to, business name, location, amount requested, amount received, and use of funds shall be considered public information, except sensitive personally identifiable information and information such as driver's license, Social Security Number, and financial information, which will be protected from public disclosure.

5) Federal Requirements

Subrecipients are responsible for identifying the Federal regulations appropriate to their organization and for the consistent application of these regulations to the ARPA AIG grant funds. Subrecipients are also responsible for ensuring their contractors/consultants comply with applicable Federal regulations.

Uniform Administrative Requirements

The Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, are contained in the Code of Federal Regulations (CFR) at [2 CFR 200](#).

Cost Principles

All recipients of federal funds should familiarize themselves with the [Cost Principles](#). The following general guideline is provided as a reference on determining the allowability of costs to be charged to a federal grant. All spending of grant funds should be accompanied by a thorough review of [2 CFR 200](#).

2 CFR 200.403 Factors affecting allowability of costs.

Except where otherwise authorized by statute, costs must meet the following general criteria in order to be allowable under Federal awards:

- (a) Be necessary and reasonable for the performance of the Federal award and be allocable thereto under these principles.
- (b) Conform to any limitations or exclusions set forth in these principles or in the Federal award 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. A cost may not be assigned to a Federal award as a direct cost if any other cost incurred for the same purpose in like circumstances has been allocated to the Federal award as an indirect cost.
- (e) Be determined in accordance with generally accepted accounting principles (GAAP), except, for state and local governments and Indian tribes only, as otherwise provided for in this part.
- (f) Not be included as a cost or used to meet cost sharing or matching requirements of any other federally-financed program in either the current or a prior period. See also §200.306 Cost sharing or matching paragraph (b).
- (g) Be adequately documented. See also §§200.300 Statutory and national policy requirements through 200.309 Period of performance of this part.

The fact that the MDA awards a request for funds by an applicant does not indicate a determination of allowability.

6) Cost Considerations

Direct costs are those costs that can be identified specifically with a particular final cost objective, such as a Federal award, or other internally or externally funded activity, or that can be directly assigned to such activities relatively easily with a high degree of accuracy. Typically, examples of direct costs include, compensation of employees who work directly on the award to include salaries and fringe benefits, travel, equipment, and supplies directly benefiting the grant-supported project or program.

Indirect (facilities & administrative (F&A)) costs means those costs incurred for a common or joint purpose benefitting more than one cost objective, and not readily assignable to the cost objectives specifically benefitted, without effort disproportionate to the results achieved. **MDA does not allow indirect costs to be charged to ARPA AIG awards.**

Allocation of Costs

The following is adapted from [2 CFR 200.405](#)

- (a) A cost is allocable to a particular Federal award or other cost objective if the goods or services involved are chargeable or assignable to that Federal award or cost objective in accordance with relative benefits received. This standard is met if the cost:
 - (1) Is incurred specifically for the project;
 - (2) Benefits both the project and other work of the subrecipient and can be distributed in proportions that may be approximated using reasonable methods; and
 - (3) Is necessary to the overall project and is assignable in part to the project in accordance with the principles.

- (b) All activities which benefit from the non-Federal entity's indirect (F&A) cost, including unallowable activities and donated services by the subrecipient or third parties, will receive an appropriate allocation of indirect costs.

(c) Any cost allocable to a particular Federal award under the cost principles may not be charged to other Federal awards to overcome fund deficiencies, to avoid restrictions imposed by Federal statutes, regulations, or terms and conditions of the Federal awards, or for other reasons. However, this prohibition would not preclude the non-Federal entity from shifting costs that are allowable under two or more Federal awards in accordance with existing Federal statutes, regulations, or the terms and conditions of the Federal awards.

(d) Direct cost allocation principles. If a cost benefits two or more projects or activities in proportions that can be determined without undue effort or cost, the cost must be allocated to the projects based on the proportional benefit. If a cost benefits two or more projects or activities in proportions that cannot be determined because of the interrelationship of the work involved, then, notwithstanding paragraph (c) of this section, the costs may be allocated or transferred to benefitted projects on any reasonable documented basis. Where the purchase of equipment or other capital asset is specifically authorized under a Federal award, the costs are assignable to the Federal award regardless of the use that may be made of the equipment or other capital asset involved when no longer needed for the purpose for which it was originally required. See also the following sections of [2 CFR 200.310 Insurance coverage through 200.316 Property Standards](#) and [2 CFR 200.439 Equipment and other capital expenditures](#).

7) Financial Management

Financial Management System

Subrecipient is required to meet the standards and requirements for financial management systems set forth or referenced in [2 CFR 200.302](#) , as applicable. Subrecipients must use Federal funds in a responsible manner that includes adequate internal controls and cash management consistent with Department of the Treasury requirements.

Subrecipient must expend and account for grant funds in accordance with State and Federal laws and procedures for expending and accounting for funds. Subrecipient's financial management systems, including records documenting compliance with this award, must be sufficient to permit: 1) preparation of required reports; and 2) traceability of expenditures to establish that award funds were used in accordance with all applicable terms, conditions, and restriction. These financial management systems must provide:

- Identification, in its accounts, of all Federal awards received and expended and the Federal programs under which they were received.
- Accurate, current, and complete disclosure of the financial results of each Federal award;
- Records that adequately identify the sources of funds for Federally-funded activities and the purposes for which the funds were used, including authorizations, obligations, unobligated balances, assets, expenditures, program income, and interest. Accounting records must be

supported by source documentation such as canceled checks, paid bills, payrolls, time and attendance records, contracts, and subgrant award documents;

- Effective control over and accountability for all funds, property, and other assets to assure they are adequately safeguarded and used only for authorized purposes. In cases where projects are not 100% federally funded, effective internal controls must be in place to assure that expenditures financed with Federal funds are appropriately allocated to the grant-supported project;
- Comparison of actual to budgeted expenditures for each approved subgrant;
- Written procedures for determining the allowability of costs in accordance with the applicable Federal cost principles, program regulations, and other requirements cited in applicable award terms and conditions;
- Written procedures to minimize the time elapsing between the transfer of Federal funds to Subrecipient and the disbursement of the funds for direct program costs and the proportionate share of any allowable indirect or facilities and administrative costs; and
- All grant funds must be obligated (encumbered) by the expiration date of the grant agreement and liquidated within 90 days after the expiration date.

Subrecipient must notify MDA when financial management problems are discovered. Deficiencies in Subrecipient's financial management system, whether Subrecipients report them or they are identified by MDA, may result in the imposition of special award conditions or other increased monitoring by MDA.

Request for Payment

Payments will be contingent upon compliance with guidelines set forth by MDA. Each payment is conditioned upon receipt and approval by the Program Manager and must be accompanied by reasonable assurance (documentation, receipts, invoices, etc.) that the goods and services for which payment is requested were actually received and performed. MDA has the right to disallow costs determined inappropriate or unreasonable. The Program Manager shall have a minimum of thirty (30) working days to approve or request clarification on a submitted request for payment. In the case that clarification is requested, the program manager may withhold payment until all questions on the request are adequately addressed. Requests must be submitted using the online Amplifund system.

There are two payment methods for allowable costs – advance payments and reimbursement payments.

Advance Payments

Requests for fund advances will be considered on a case by case basis. Funding advances shall **not exceed 25%** of the total grant award. During the period under which the advance payment is being expended, source documentation must be submitted to MDA by the final day of each month until funds are expended. The subrecipient may not request an additional disbursement of funds, either as advance or reimbursement, until source documentation has been received to account for the entirety of the previous advance. Advance payment requests will not be accepted in the final three months of a grant.

Interest Earned

Subrecipients must follow sound financial management practices that minimize the potential for excessive Federal cash on hand and to comply with the cash management requirements of [2 CFR 200.305](#).

Interest earned amounts up to \$500 per year may be retained by the sub-recipient for administrative expense. Any additional interest earned on advance payments deposited in interest-bearing accounts must be remitted annually.

Reimbursement Payments

Subrecipients are required to submit requests for reimbursement via the Amplifund system. Reimbursements must be based on actual expenditures. Source documentation of expenditures must be submitted.

Failure to draw down funds in a timely manner may result in the suspension or termination of obligation of funds without further cause.

Final invoices are due no later than 45 calendar days following the expiration date of the Grant Agreement term or the project is complete, whichever comes first.

MDA will make payments to Subrecipient via Electronic Fund Transfer (EFT) to the bank account specified in EFT form submitted. If Subrecipient's banking information is not correct or changes at any time prior to the end of your agreement, notify the ARPA AIG Program Manager as soon as possible. If EFT is not an option, MDA can provide additional payment options, such as mailed checks.

All obligated (encumbered) grant funds must be liquidated within 30 days after the close of the grant. Any unobligated (unencumbered) balance of cash at the end of the grant period must be repaid to MDA.

Unexpended Awarded Funds

If the Subrecipients anticipates that a significant amount of awarded grant funds will not be expended they should notify MDA as soon as possible.

Non-Availability of Funds

Every payment obligation under the Grant Agreement will be conditioned upon the availability of funds. If funds become unavailable, the Agreement may be terminated by the State. No liability shall accrue to the State in the event this provision is exercised, and the State shall not be obligated or liable for any future payments or for any damages as a result of termination under this paragraph.

Program Income

Program income is gross income earned during the grant period resulting from activity supported by the grant award. Program income includes, but is not limited to, income from fees for services performed; the sale of commodities or items fabricated under an award (this includes items sold at cost if the cost of producing the item was funded in whole or partially with grant funds); registration fees for conferences, workshops, etc. Royalties or equivalent income earned from patents, inventions, trademarks, and copyrighted works is not subject to this section.

Ordinarily program income must be deducted from total allowable costs to determine the net allowable costs. Program income must be used for current costs unless the Federal awarding agency authorizes otherwise. Program income that the non-Federal entity did not anticipate at the time of the Federal award must be used to reduce the Federal award and non-Federal entity contributions rather than to increase the funds committed to the project..

8) Reporting Requirements

Subrecipients are required to submit the following:

1. Performance Reports, semi-annually;
2. Final Reports, at the end of the project;
3. Problems and delays, as they occur;

Subrecipients are responsible for timely submission of reports. Failure to submit timely reports may result in forfeiture of funds or corrective actions.

ARPA AIG Program Manager will review performance reports to ensure the reports meet the required criteria and that substantial progress is being made toward meeting the project goals and measurable outcomes. ARPA AIG Program Manager will notify Subrecipient if additional information is required after the initial review of the report.

Performance Reports

Subrecipients are required to submit a performance report after each reporting period ends, using the [Amplifund system](#):

Reporting Periods	Report Due on or before
April 1 - September 30	October 31
October 1 - March 31	April 30

Performance reports should not include language that disparages the mission, goals and/or actions of another organization or individual or include protected personally identifiable information (Protected PII). Protected PII means an individual's first name or first initial and last name in combination with any one or more of types of information, including, but not limited to, social security number, passport number, credit card numbers, clearances, bank numbers, biometrics, date and place of birth, mother's maiden name, criminal, medical and financial records, educational transcripts, etc.

Final Report

Subrecipients are required to submit a Final Report by April 30 of the year in which the project was completed. Reports must be submitted using the Amplifund, and the report will be made available to the public. The final report must be approved by MDA. MDA will not disburse final payment until all requirements of the Agreement have been fulfilled. All remaining grant funds or outstanding grant funds must be reconciled.

Final Performance Reports must illustrate the completion of the activities and outcomes associated with each project and should be free of grammatical and spelling errors.

Problems and delays

Subrecipient must immediately notify the MDA Program Staff of any problems, delays and/or adverse conditions that will materially affect the project. Examples include but are not limited to: inability to collect data or complete any planned activity; substituting commodities; inability to fill vacant positions so activities are delayed or eliminated. Some problems and delays may require a revised scope of work.

8) Compliance Reviews

Compliance reviews are conducted on a basis determined by the risk evaluation matrix tool. The risk evaluation matrix is a tool used by MDA to quantify the risk factors demonstrated by a grantee and is completed by staff at the start of each grant. The purpose of compliance review is to determine whether measurable outcomes are being met, evaluate accomplishments, and review financial practices and documentation to ensure that necessary policies and procedures are in place to comply with Federal cost principles and grant terms and conditions.

Site visits are generally conducted during the term of the Grant Agreement, but may be conducted after the Grant Agreement has ended. Subrecipients must allow access to records and documentation relevant to the Grant Agreement, as well as any employees who may reasonably have information related to the Grant Agreement.

Subrecipients may be required to submit supporting documentation for desk review by MDA. Documentation may include but is not limited to policy and procedure manuals, timesheets and payroll records, travel logs that document mileage, invoices/receipts for operating costs, lodging, and meals, and contractor/consultant contracts and invoices.

9) Project Changes

MDA anticipates that Subrecipient may need to modify the award budget or other aspects of the approved project to accomplish the award's objectives. In general, Subrecipient has a certain degree of latitude to re-budget within and between budget categories to meet unanticipated needs and to make other types of post-award changes. In some cases, Subrecipient is required to request prior written approval from MDA. Prior approval means that Subrecipient must request and obtain approval from MDA **in advance** of the change or obligation of funds. Subrecipient may contact MDA Program Staff with questions about the need for prior approval for an activity or cost under a specific project.

Prior Approval

The recipient may need to make modifications, such as budget, personnel, or contracts, to accomplish the objectives during the period of performance. Recipients are required to request prior written approval for the following items in advance of a change or obligation of funds. Every request for a prior written approval must include the following information:

1. Grant agreement number;

2. Project title;
3. Name of the recipient organization; and
4. Project point of contact name.

The following are the required procedures for submitting project changes that require prior approval.

Change in Scope or Objectives

A Scope of Work (SOW) change is defined as any modification to the project purpose, expected measurable outcomes, or substantial change to the proposed work plan activities of an award. To change the scope of work, the subgrantee must submit a request for amendment in writing. The request must provide sufficient information to explain the need and how the change affects the project. Revision requests must be submitted by Grant Project Contact, and approved by MDA Program Staff.

Examples of project changes that require a SOW amendment include but are not limited to:

- Transfer of project work to a third party through a contract, sub-grant, or any other means.
- Replacement or changes in the status of the Principal Investigator or Grant Project Contact such as withdrawing from the project entirely, being absent during any continuous period of three months or more, or reducing the time base by 25% or more.
- The addition or deletion of activities, deliverables, or a contractor/consultant.
- Change of Subrecipient, Subrecipient organization name, or Subrecipient organizational status.

Deviation from the Approved Budget

Subgrantees may deviate from their approved budget without submitting any formal notification to MDA. However, there are several instances under which a subgrantee must request prior approval from MDA to deviate from their budget. These situations are:

1. A budget deviation that represents an equipment purchase that was not included in the approved budget.
2. A budget deviation that represents a significant change in the scope of the project.
3. When a budget deviation is the result of a change in the principal investigator assigned to the project.

Additionally, any budget change that would result in an increase in the total awarded amount to the project must be approved by MDA and subrecipient in a contract amendment signed by both parties.

Change in Key Personnel/Time Devoted to the Project

Prior approval is required for changes in key personnel or if key personnel disengages from the project for a period of more than three months, reduces the time devoted to managing the project by 25 percent (25%) or more, or severs his/her connection to the activities of the grant agreement. Key personnel include the recipient project coordinator or other key project contributors. The request must include:

1. The name of the individual(s) being replaced and the new individual name and contact information;
2. The qualifications of the new individual(s);
3. The capacity in which the new individual will serve;

4. Written notification from the new individual signifying his/her willingness to serve on the project;
5. The effective date.

A change in key personnel may affect the project narrative, budget, or timeline. If it does, the recipient must include this in their request by following the applicable guidance in this section.

One-Time Extension

If the grant activities cannot be completed within the grant agreement's period of performance, the recipient must request written approval to extend the grant agreement's end date (no-cost extension of time) prior to the grant's expiration. The request must be submitted no later than **30 days prior to the ending date of the grant agreement**. The request must include:

1. The length of additional time requested, and the new ending date requested;
2. A justification for the extension;
3. A summary of progress to date in terms of the project timeline and objectives. The summary may reference the most recent Performance Report and indicate how circumstances have changed since then;
4. An estimate of the amount of remaining funds, and if applicable, the amount of matching resources yet to be expended, and a description of how they will be used in the remaining time; and
5. A new timetable for completing the project.

Unused or unobligated funds at the end of the award are not in themselves justification to receive a no-cost time extension. AMS will provide case-by-case extension approval, based on the written justification provided. If an extension is approved, the period of performance will be amended to end at the completion of the extension.

Contracting or Subawarding for Activities Central to the Award's Purpose(s)

Prior approval is required for a change that involves subawarding, transferring, or contracting out of any work under an award. This provision does not apply to the acquisition of supplies, materials, equipment, or general support services. The request must include:

1. A brief description of and justification for the change;
2. A brief description of the contractor's qualifications, and how their work will fulfill the project goals;
3. If a modification to the budget is required:
 - a. A description of the proposed modification,
 - b. The last approved budget
4. If the third party was not identified in the original application, a description of the third party's qualifications, how its work will fulfill the project goals, and an itemized budget (if applicable) showing cost categories with appropriate justification.

Changes to Recipient Name or Address

If the recipient is contemplating changing the name or address of the recipient organization, the recipient is advised to contact its MDA for additional information on how this action may affect the award. The request must include the new name or address of the recipient organization and the effective date of the change.

NOTE: A request to have a new recipient organization (that has a new DUNS number) assume responsibility for the project is not allowable.

Recipients are responsible for properly updating their registration within both DUNS and SAM.gov.

10) Audit Requirements

Subrecipients are responsible to obtain audits in accordance with the requirements of [2 CFR Subpart F – Audit Requirements](#). The standards require any non-Federal entity that expends \$750,000 or more in Federal awards during their fiscal year to have a single or program-specific audit conducted.

The audit must meet the standards specified in Generally Accepted Government Auditing Standards (GAGAS). Subrecipients must follow a systematic method to ensure timely and appropriate resolution of audit findings and recommendations, whether discovered because of a Federal audit or an audit initiated by the pass-through entity.

11) Other Policy Requirements

You agree to comply with the following Federal statutes and regulations as applicable to your award. These include but are not limited to the ones listed below. The full text of Code Federal Regulations references can be found at: [eCFR-Code of Federal Regulations](#).

Federal statutes and regulations found on the SF-424B “Assurances –Non-Construction Programs.”

[2 CFR § 25](#) – *System for Award Management and Universal Identifier Requirements*

[2 CFR § 170](#) – *Reporting Subaward and Executive Compensation Information*

[2 CFR § 175](#) – *Award Term for Trafficking in Persons*

[2 CFR § 182](#) – *Governmentwide Requirements for Drug-Free Workplace (Financial Assistance)*

[2 CFR § 183](#) – *Never Contract with the Enemy*

[2 CFR § 200](#) – *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*

[2 CFR § 400](#) – *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*

[2 CFR § 415](#) – *General Program Administrative Regulations*

[2 CFR § 416](#) – *General Program Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments*

[2 CFR § 418](#) – *New Restrictions on Lobbying*

[2 CFR § 421](#) – *Requirements for Drug-Free Workplace (Financial Assistance)*

[7 CFR § 1, subpart A](#) – *Official Records (Freedom of Information Act)*

[7 CFR § 1\(b\)](#) – *National Environmental Policy Act*

[7 CFR § 3](#) – *Debt Management (OMB Circular No. A-129)*

[7 CFR § 15, subpart A](#) – *Nondiscrimination in Federally-Assisted Programs of the Department of Agriculture—Effectuation of Title VI of the Civil Rights Act of 1964*

[37 CFR § 401](#) – *Rights to Inventions made by Nonprofit Organizations and Small Business Firms under Government Grants, Contracts, and Cooperative Agreements*

[41 CFR §§ 301-10.131 to 301-10.143](#) – *Use of United States Flag Air Carriers*, which implements the *Fly America Act* (49 U.S.C. 40118). For more information see <http://www.gsa.gov/portal/content/103191>.

[48 CFR subpart 31.2](#) – *Contracts with Commercial Organizations*

[8 U.S.C. § 1324a](#) – *Unlawful employment of aliens*

[29 U.S.C. § 794](#) – *Nondiscrimination under Federal grants and programs*

[41 U.S.C. § 22](#) – *Interest of Member of Congress*

[41 U.S.C. § 4712](#) – *Pilot program for enhancement of contractor protection from reprisal for disclosure of certain information*

[44 U.S.C. § 3551 et seq. \(P.L. 107-347\)](#) – *Federal Information System Security Management Act of 2002 (FISMA)*

[EO 13166](#), *Improving Access to Services for Persons with Limited English Proficiency*, take reasonable steps to ensure that LEP persons have meaningful access to programs in accordance with [LEP Implementation Strategy for AMS' Federally-Assisted Programs](#).

[EO 13798](#), *Promoting Free Speech and Religious Liberty*. As a recipient you must not discriminate against sub recipients on the basis of their religious character.

[EO 13858](#), *Strengthening Buy- American Preferences for Infrastructure Project (Except for Section 5, revoked by EO 14005)*

[EO 13864](#), *Improving Free Inquiry, Transparency, and Accountability at Colleges and Universities*

[EO 13933](#), *Protecting American Monuments, Memorials, and Statues and Combating Recent Criminal Violence*

[EO 13988](#), *Preventing and Combating Discrimination on the Basis of Gender Identity or Sexual Orientation*

[EO 13991](#), *Protecting the Federal Workforce and Requiring Mask-Wearing*

[EO 13999](#), *Protecting Worker Health and Safety*

[EO 14005](#), *Ensuring the Future Is Made in All of America by All of America's Workers*

Motor Vehicle Safety – *Highway Safety Act of 1966*, as amended ([23 U.S.C. §§ 402 & 403](#)); *Government Organization and Employees Act*, as amended ([5 U.S.C. § 7902 \(c\)](#)); *Occupational Safety and Health Act of 1970*, as amended ([29 U.S.C. § 668](#)); *Federal Property and Administrative Services Act of 1949*, as amended ([40 U.S.C. § 101, et seq.](#)); *Increasing Seat Belt Use in the United States* ([EO 13043](#)); *Federal Leadership on Reducing Text Messaging While Driving* ([EO 13513](#))

Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2012, [P.L. No. 112-55](#), Division A, Sections 738 and 739 regarding corporate felony convictions and corporate Federal tax delinquencies.

12) Property Management

A title to equipment and supplies acquired will vest, upon acquisition, to the subrecipient. Non-federal subrecipients must provide the equivalent insurance coverage for equipment acquired with Federal funds.

Subrecipients are subject to the full range of acquisition, use, management, and disposition requirements of [2 CFR §§200.313 \(c\) through \(e\)](#) and [200.314 \(b\)](#). Subrecipients must meet the following property management standards for equipment acquired in whole or in part under a grant:

- Use the equipment for the authorized purposes of the project until funding for the project ceases, or until no longer needed for the purposes of the project
- Must not encumber the equipment without prior approval
- When the equipment is no longer needed for the original program or project, the equipment may be used in other activities supported by a Federal agency, in the following order of priority: (i) activities under a Federal award from the Federal awarding agency that funded the original projects; then (ii) activities under Federal awards from other Federal awarding agencies. [SF-428-C](#) may be used at any time during the grant award, except at close out, to request disposition instructions
- Must make the equipment available for use on other projects or programs currently or previously supported by the Federal government, provided that such use will not interfere with the work on the projects or program for which it was originally acquired
- Must not use equipment or supplies acquired with grant funds to provide services for a fee that is less than private companies charge for equivalent services and use fees in accordance with program income requirements
- May use the equipment to be replaced as a trade-in or sell the equipment and use the proceeds to offset the cost of replacement equipment
- Maintain property records that include a description of the property, a serial number or other identification number, the source of funding for the property, who holds title, the acquisition date, and cost of the property, percentage of Federal participation in the project costs for the Federal award under which the property was acquired, the location, use and condition of the property, and any ultimate disposition data including the date of disposal and sale price of the property
- Take a physical inventory of the equipment, at least once every two years, and reconcile the results with the property records
- Develop control procedures and safeguards to prevent loss, damage, and theft
- Develop adequate maintenance procedures to keep the equipment in good condition
- Establish proper sales procedures when the subrecipient is authorized to sell the equipment to ensure highest rate of return

Subrecipients must obtain prior written approval to acquire special purpose equipment.

Final Disposition of Equipment and Supplies upon Closeout

If the equipment has a per-unit fair market value of less than \$5,000, and the equipment is no longer needed for the original project or program or for other activities currently or previously supported by a Federal awarding agency, you or your subrecipient may retain, sell, or dispose of equipment with no further obligation to AMS.

If the special purpose equipment or supplies have a per-unit fair market value of \$5,000 or more, and the equipment or supplies are no longer needed for the original project or program or for other

activities currently or previously supported by a Federal awarding agency, Subrecipient may retain the equipment and supplies or they may be sold. In this case, MDA must complete a Tangible Personal Property Final Report (SF-428-B).

If the equipment and/or supplies are sold, Subrecipient is permitted to deduct and retain from the Federal share \$500 or 10 percent of the proceeds, whichever is less, for its sale and handling expenses.

13) Procurement Management

Subrecipients may acquire commercially available goods or services in connection with a grant project. In doing so, you must use your own documented procurement procedures which may reflect applicable State, local, and tribal laws and regulations, provided that the procurements conform to applicable Federal law and the standards [2 CFR §200.318 GENERAL PROCUREMENT STANDARDS](#) through [§ 200.326 CONTRACT PROVISIONS](#).

- All other non-Federal recipients and subrecipients, including subrecipients of a state, must follow [2 CFR §200.318 GENERAL PROCUREMENT STANDARDS](#) through [§200.326 CONTRACT PROVISIONS](#).
- The requirements of the Federal award also apply to any subcontract. You are responsible to ensure that all of your contracts made in connection with the project contain the applicable provisions described in [Appendix II of 2 CFR §200](#).

14) Inventions, Patents & Copyright

If the outcomes of experimental, developmental, or research work funded in whole or in part under a grant, contract, or cooperative agreement result in inventions, the provisions of the Bayh-Dole Act and the Technology Transfer Commercialization Act of 2000, as implemented in [37 CFR part 401](#) apply.

The regulations apply to any subject invention—defined as any invention either conceived of or first actually reduced to practice in the performance of work under the Federal award—and to all types of recipients of Federal funding. This includes nonprofit entities and small businesses or large businesses receiving funding through grants, cooperative agreements, or contracts as direct recipients of funds or as Subrecipient or subcontractors under those awards. The term invention means any invention or discovery which is or may be patentable or otherwise protectable under [Title 35 of the United States Code](#), or any novel variety of plant which is or may be protectable under the Plant Variety Protection Act ([7 U.S.C. 2321 et seq.](#)).

Subrecipient and contractors may retain title to any invention conceived of or first actually reduced to practice using ARPA AIG funds provided they do the following:

- Report all subject inventions to MDA
- Make efforts to commercialize the subject invention through patent or licensing
- Formally [acknowledge the Federal government's support](#) in all patents that arise from the subject invention

- Formally grant the Federal government a limited use license to the subject invention

Subawards and contracts under an award must reflect the objectives of the Bayh-Dole Act and the Technology Transfer Commercialization Act of 2000, as implemented in [37 CFR part 401](#), to ensure that inventions made are used in a manner to promote free competition and enterprise without unduly encumbering future research and discovery.

In general, Subrecipient and contractors own the rights to data resulting from a grant-supported project. Any publications, data, or other copyrightable works developed may be copyrighted without prior approval from MDA.

In all cases, whether grant funded all or part of the project or program resulting in the data, MDA reserves a royalty-free, nonexclusive, and irrevocable license to reproduce, publish or otherwise use and to authorize others to use for government purposes (i) the copyright in any work developed under a grant and (ii) any rights of copyright to which a grantee purchases ownership with grant support.

Subrecipient and contractor has no obligation to the Federal Government with respect to program income earned from license fees and royalties for copyrighted material, patents, patent applications, trademarks, and inventions produced under an award.

15) Remedies for Non-Compliance

Subrecipient's failure to comply with the terms and conditions of an award may cause MDA to take one or more remedies for non-compliance, depending on the severity and duration of the non-compliance. MDA will undertake any such action in accordance with applicable statutes, regulations, and policies. MDA generally will afford Subrecipient an opportunity to correct the deficiencies before taking enforcement action unless public health or welfare concerns require immediate action. However, even if Subrecipient is taking corrective action, MDA may take proactive steps to protect the Federal government and State of Montana's interests.

When the special conditions are imposed, MDA will notify Subrecipient of the nature of the additional requirements, the reason why they are being imposed, the type of corrective action needed to remove the additional requirement, the time allowed for completing corrective actions, and the method for requesting reconsideration of the additional requirements imposed. MDA will promptly remove any additional requirements once Subrecipient corrects the conditions that prompted them.

The decision to modify the terms of an award—by imposing special conditions, by withdrawing approval of the Grant Project Contact or other key personnel, or otherwise—is discretionary on the part of MDA and not subject to appeal.

If MDA determines that noncompliance by Subrecipient cannot be remedied by imposing specific conditions, MDA may take one of more of the remedies for noncompliance as outlined in [2 CFR 200.338](#).

- (a) Temporarily withhold payments pending correction of the deficiency by the Subrecipient or more severe enforcement action by the Federal awarding agency or pass-through entity.

(b) Disallow (that is, deny both use of funds and any applicable matching credit for) all or part of the cost of the activity or action not in compliance.

(c) Wholly or partly suspend or terminate the Federal award.

(d) Recommend suspension or debarment proceedings be initiated, as authorized under 2 CFR part 180, by the Federal awarding agency.

(e) Withhold further Federal awards for the project or program.

(f) Take other remedies that may be legally available.

Withholding of Support

MDA may decide not to make an award within the current award cycle for one or more of the following reasons:

- Subrecipient failed to meet the terms and conditions of a previous award;
- Subrecipient failed to submit an application by the published application deadline; and/or
- For whatever reason, continued funding would not be in the best interests of the Federal or State government.

If an award is withheld (denied) because a Subrecipient failed to comply with the terms and conditions of a previous award, Subrecipient may appeal that determination, by submitting a written request to MDA.

Suspension or Termination

The regulatory procedures that pertain to suspension and termination are specified in [2 CFR 200.338 - 342](#)

Suspension

Department may suspend a grant and allow Subrecipient an opportunity to take appropriate corrective action before making a termination decision.

Termination

Department may terminate the Grant Agreement for the following causes:

1. **Failure to Drawdown:** MDA may terminate obligation of funds without further cause unless Subrecipient commences the timely drawdown of funds.
2. **Failure to Comply:** MDA may terminate this agreement at any time for non-compliance with any contract terms or requirements set forth. In the event this agreement is terminated, Subrecipient, at the discretion of Department, shall return to Department all funds awarded and all results of the project to date.
3. **Failure to Perform:** Except as otherwise provided in this section, either party may terminate this agreement for failure of the other party to perform after giving thirty (30) days' written notice

by registered mail or personal delivery to the other party. The written notice must demand performance of the stated failure within a specified time period of not less than thirty (30) days. If the demanded performance is not completed within the specified time period, the termination is effective at the end of that specified time period.

4. **Payment for Work Performed:** Except as provided in the sections entitled "Failure to Comply" and "Failure to Perform", in the event of termination, Subrecipient shall be paid for the work performed and expenses incurred pursuant to this agreement through the date of termination, and all results of the project to the date of termination including, but not limited to, the original copies of all forms, notes, maps, specimens, photographs, and data prepared by the Subrecipient prior to termination shall become the property of Department and shall be delivered to Department.

16) Closeout

Award closeout is the process by which Subrecipient and MDA determine that all required work of the award and all necessary administrative actions have been completed. All awards must be closed out as soon as possible after the end date of the grant agreement, but not later than 30 days after receipt and acceptance of all required final reports. Closeout includes ensuring timely submission of all required reports and adjustments for amounts due to MDA.

Subrecipient must submit the documents described in the Closeout Checklist section. Failure to submit timely and accurate final reports may affect Subrecipient's future funding.

Closeout Checklist

Subrecipients must liquidate all obligations incurred under the award not later than 30 calendar days after the grant ending date.

Due to MDA within 30 calendar days following the grant ending date:

1. Final Performance Report
2. Final Reimbursement Request, if applicable
3. Refund of any balances of unobligated cash
4. Audit Report, if applicable
5. A report of any equipment or residual supplies valued at more than \$5,000.
 - a) If no such equipment or supplies exist, the subrecipient must state so in writing.

Post-Closeout Continuing Responsibilities

The closeout of a grant does not affect any of the following:

- The right of MDA to disallow costs and recover funds because of a later audit or other review. Any cost disallowance determinations and notifications made by MDA must be made within the record retention period.
- The obligation of Subrecipient to return any funds as a result of later refunds, corrections, or other transactions.
- Audit requirements.
- Property management requirements.
- Records retention requirements.

17) Debt Collection

MDA may administratively recover funds paid to Subrecipient in excess of the amount to which Subrecipient is finally determined to be entitled under the terms and conditions of the award, including misspent funds or unallowable costs incurred. If Subrecipient does not pay back the funds in accordance with the demand by MDA, which specifies the period of time for repayment, MDA may collect the debt by:

- making an administrative offset against payments that would be due under other grant awards,
- withholding payments that would otherwise be due, or
- taking any other action permitted by statute.

18) Record Retention & Access Requirements

In accordance with Federal regulations, Subrecipient must retain all records relating to the grant for a period of 3 years after the final report is accepted or until final resolution of any audit finding or litigation. See [2 CFR 200.333-337](#) for exceptions and qualifications to the 3-year retention requirement (e.g., if any litigation, claim, financial management review, 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). Those sections also specify the retention period for other types of grant-related records, including property records.

Methods for Collection, Transmission, & Storage of Information

In accordance with the [May 2013 Executive Order on Making Open and Machine Readable the New Default for Government Information](#), Subrecipient should, whenever practicable, collect, transmit, and store Federal award-related information in electronic formats rather than on paper.

Access to Records

The Federal awarding agency, Inspectors General, the Comptroller General of the United States, and MDA, or any of their authorized representatives, shall have the right of access to any pertinent documents, papers, or other records of Subrecipient which are pertinent to the award, in order to make audits, examinations, excerpts, and transcripts. The right also includes timely and reasonable access to the Subrecipient's personnel for the purpose of interview and discussion related to such documents.

19) Limit of State Liability

The maximum obligation of the MDA to Subrecipient is the amount indicated in the award as obligated by MDA. Nothing in these award terms and conditions or in the other requirements of this award requires MDA to make any additional award of funds or limits its discretion with respect to the amount of funding provided for the same or any other purpose. However, in the event that an erroneous amount is stated in the award, the approved budget, or any supporting documentation relating to the award, MDA must have unilateral right to make the correction and to make an appropriate adjustment in MDA share of the award to align with the Federal amount authorized.

20) Fraud, Waste & Abuse

Anyone who becomes aware of the existence (or apparent existence) of fraud, waste, or abuse related to Port Authority program grants or use of grant funds should report this information to Treasury. The Treasury Office of the Inspector General (OIG) provides several means, including toll-free numbers, for this purpose. You may reach the OIG hotline by:

Office of the Inspector General, United States Department of Treasury,

<https://apps-treas-sites.secure.force.com/treasuryforms/Form?templateID=a1Qt00000028jF0EAI>

Fraud, waste, and abuse includes, but is not limited to, embezzlement, misuse, or misappropriation of grant funds or property, and false statements, whether by organizations or individuals. Examples are theft of grant funds for personal use; using funds for non-grant-related purposes; theft of federally owned property or property acquired or leased under a grant; charging inflated building rental fees for a building owned by the recipient; submitting false financial reports; and submitting false financial data in bids submitted to the recipient (for eventual payment under the grant).

The Federal government may pursue administrative, civil, or criminal action under a variety of statutes that relate to fraud and false statements or claims. Even if the Federal government does not award a grant, the applicant may be subject to penalties if the information contained in or submitted as part of an application, including its certifications and assurances, is found to be false, fictitious, or fraudulent.

ARPA Ag Infrastructure Grant

Risk Evaluation Matrix

Recipient: _____

Primary Contact _____

Does any circumstance exist that would automatically qualify this grantee as high risk?

YES

NO

Comment:

Criteria	Low Risk		Medium Risk		High Risk		Evaluation Score
	Description	Rank	Description	Rank	Description	Rank	
Staff Qualifications							
Program Staff Experience	Staff in key positions have 3 or more years of experience.	1	Staff in key positions have 1-3 years of experience.	2	Staff in key positions have less than 1 year of experience.	3	
Fiscal Staff Experience	Staff in key positions have 3 or more years of experience.	1	Staff in key positions have 1-3 years of experience.	2	Staff in key positions have less than 1 year of experience.	3	
Internal Controls							
Does the org have written policies in place	All policies from Self Assessment are in place.	1	Some policies from Self Assessment are in place.	2	Organization does not have written policies	3	
Are accounting duties separated	Documented policies for separating accounting duties are in place	1	Accounting duties have some separation	2	No policy or practice is in place to separate accounting duties	3	
Allowable Activities and Costs							
Do procedures exist to monitor budgets and ensure allowability	Experienced working with grant awards and have policies in place	1	Policies and practices exist with some deficiencies or lack of federal grant knowledge	2	No policy or practice is in place	3	
Amount of Funding							
Grant Amount	Grant amount is less than \$150,001	1	Grant amount is >\$150,000; <\$300,000	2	Grant amount is >\$400,000	3	
Subcontracts	Org. does not subcontract.	1	<2 subcontracts	2	>2 subcontracts	3	
Audit							
Does the organization complete an annual audit	Yes, compliant with A-133	1	Yes, but not A-133 compliant	2	No	3	
Construction							
Proposal	No construction related costs in the proposal	1	Proposal contains some construction	2	Proposal is primarily construction focused	3	
Equipment Management							
Internal Controls	Few or no internal control weaknesses identified.	1	Several internal control weaknesses identified.	2	Major internal control weaknesses identified.	3	
Total Score							0
Evaluation Score Key		Low Risk = 10 - 15		Medium Risk = 16 - 24		High Risk = 25 - 30	

Completed by: _____

Date: _____

Levels of Monitoring

The below outlines minimum monitoring standards for sub grantees based on their assessed risk level. At any time MDA may reassess the subgrantees risk level using this form or impose additional monitoring as is deemed necessary. While it is preferred that site monitoring be conducted in-person, the use of technology is allowable when travel is not practical.

High Risk

MDA staff will conduct an on-site monitoring visit encompassing the entirety of the monitoring checklist. MDA may conduct additional monitoring as is deemed appropriate. If an area of concern is noted a corrective action plan will be implemented.

Medium Risk

Monitoring will be conducted via phone during the period of the award. The monitoring will encompass the entirety of the monitoring checklist. An additional monitoring may be conducted if there are specific areas of concern and/or lack progress toward identified goals.

Low risk

In any given year, only desk monitoring will be required for low risk subgrantees.

Remote Monitoring

While in person monitoring is generally preferred, MDA staff may substitute the use of technology to conduct monitoring remotely.

Appendix B

Recipient Self-Assessment

Recipient Self-Assessment of Internal Controls and Risks

The Montana Department of Agriculture will use this form to assess the risk level for each grant recipient. Answers will determine the extent to which special conditions may be applied (such as reporting frequency, site visits, etc.).

Staff Qualifications

3 or more	1-3	Less than 1	Internal Control
			How many years of experience does the person who would directly oversee this grant have?
			How many federal grants has the person who would directly oversee this grant worked with as key personnel?
Comments:			

Control Environment

Answer "yes" if activity in question applies to your organization. Each "no" answer indicates a potential weakness of internal controls. All "no" answers require an explanation.

Organizational Structure

Yes	N/A	No	Internal Control
			Do organizational policies exist delegating grant management responsibility among staff?
			In addition to program staff, are financial and management personnel involved in the day to day implementation of projects?
Comments:			

Internal Controls

Yes	N/A	No	Internal Control
			Are personnel policies in writing?
			Are policies, or other documentation, in place that clearly delegate authority within the organization and identify staff responsibilities?
			Are procedures in place to ensure that supervisors, financial staff and managers receive adequate training on federal grant management practices?
			Is a list of authorized check signers maintained?
			Are accounting policies in place to ensure that all organization expenses are accompanied source documentation?

			Does your organization have a written travel policy?
			Are written procurement policies maintained and followed by your organization?
			Do policies exist to separate accounting duties, such as the preparing and signing of checks?
			Are all records, checks, and supporting documents retained according to a written record retention policy complying with state and federal regulations?
			Are periodic (monthly, quarterly) reports of actual to budgeted spending prepared and reviewed by both accounting and grant staff?
			Does your accounting system track the receipt and disbursement of funds by each grant or source of funding?
Comments:			

Allowable Activities & Costs

Yes	N/A	No	Internal Control
			Are procedures in place to ensure that all expenditures of funds are allowable prior to the outlay of funds?
			Have personnel responsible for coding expenditures been trained on federal grant management?
			Are all grant documents made available to grant staff to ensure their ability to adequately review for the allowability of expenditures?
			Are periodic (monthly, quarterly) reviews of the status of actual to planned program performance prepared and reviewed by staff?
			Are the following duties generally performed by different people: preparing, reviewing and approving payments?
Comments:			

Equipment Management

This section is required only if you requested funds for Special Purpose Equipment in your proposal.

Yes	N/A	No	Internal Control
			Are fixed asset records maintained that adequately classify and identify individual items, as well as detailing their location?
			Is someone assigned responsibility to ensure that all equipment is properly maintained?
			Is insurance coverage maintained for grant purchased equipment?
Comments:			

Audit

Yes	N/A	No	Internal Control
			Does your organization expend \$750,000 or more during the non-Federal entity's fiscal year in Federal awards?
			If yes, are audits compliant with OMB Circular a-133?
			Does our organization engage in regular audits?

			Was your previous audit free of significant findings?
			Have audits been conducted by a CPA or Licensed Public Accountant
			Are past audit reports kept on file?
Comments:			

Site Visit Monitoring Checklist					
	Subgrantee -				
	Grant Number -				
	Grant Year -				
	Date of Monitoring -				
	Attendees-				
	Pre-visit		Yes	No	N/A
1)	All pre-visit questionnaires, self assessment tools, lists, supporting documentation, etc. ready for site visit?				
	Org Chart				-
	Travel Policy				
	Procurement Policy				
	Accounting manual				
	Most recent audit and management letters				
	Audit		Yes	No	N/A
1)	Do grant expenditures necessitate that an annual audit be conducted? (Expending more than \$750,000 in federal funds annually)				
2)	Has an audit been performed by a Certified Public Account within the past two years?				
3)	Are the audit and management letters on file?				
4)	Were any significant findings reported?				
5)	Is follow-up on significant findings documented?				
	Accounting system		Yes	No	N/A
1)	Is a written accounting manual being used?				
2)	Can the source and use of funds be identified from the accounting system?				
3)	Are records on file that identify adequately the source and application of funds for federally-funded activities?				
	These records must contain information pertaining to Federal awards, authorizations, obligations, unobligated balances, assets, expenditures, income and interest and be supported by source documentation.				
4)	Can the recipient identify, in its accounts, all program income received and expended?				

	Is program income being spent on the advancement of the funded project?				
5)	Can accounting records be matched to draw requests?				
6)	Does the recipient track a comparison of expenditures with budget amounts for the award?				
7)	Does the recipient have written procedures for determining the allowability of costs in accordance with Cost Principles and the terms and conditions of the Federal award?				
	Internal Controls	Yes	No	N/A	Notes
1)	Are procedures in place to minimize time elapsed between receipt and expenditure of funds?				
2)	Are procedures in place for determining allowability and allocability of costs?				
3)	Are written personnel policies and procedures maintained?				
	A position classification guide?				
	Qualification requirements for each position?				
	A recruitment and selection system?				
	A system for compensation determination?				
	Performance appraisals conducted for all employees?				
	A merit promotion plan?				
	Staff development program that includes training and career counseling?				
	Up-to-date, accurate personnel file that protects confidentiality of personnel records on all employees?				
4)	Are procedures in place to adequately monitor grant funded personnel expenses?				
5)	Are internal controls in place to delegate authority and identify staff responsibilities?				
	Are the collection and deposit preparation functions separate from the accounting functions including general ledger and accounts receivable?				
	Are checks signed by individual(s) whose duties exclude recording cash received, approving vouchers for payment, and the preparation of payroll?				
	Internal Controls Continued	Yes	No	N/A	Notes
6)	Is a list of authorized signers being maintained?				
7)	Does a cost allocation plan exist for expenditures split between multiple funding sources?				
8)	Is a written travel policy maintained?				

9)	Are procedures in place to pre-approve all travel requests?				
	Revision of budget and program plans	Yes	No	N/A	Notes
	Has prior approval been granted for:				
1)	Change in the scope or the objective of the project or program (even if there is no associated budget revision requiring prior written approval)				
2)	Change in a key person specified in the application or the Federal award.				
3)	The disengagement from the project for more than three months, or a 25 percent reduction in time devoted to the project, by the approved project director or principal investigator.				
4)	The inclusion of costs that require prior approval				
5)	Unless described in the application and funded in the approved award, the subawarding, transferring or contracting out of any work.				
	Property Standards (for grant purchased equipment)	Yes	No	N/A	Notes
1)	Is equipment being used for the program or project for which it was acquired?				
2)	Are property records maintained that include				
	A description of the property				-
	A serial number or other identification number				
	The source of funding for the property				
	Who holds title				
	The acquisition date				
	The cost of the property and percentage of Federal participation in the cost				
	The location, use and condition of the property				
	Any ultimate disposition data including the date of disposal and sale price of the property				
3)	Has a physical inventory of the property been taken and the results reconciled with the property records at least once every two years?				
4)	Is a control system in place to ensure adequate safeguards to prevent loss, damage, or theft of the property.				
5)	Are adequate maintenance procedures must be developed to keep the property in good condition.				
6)	Have proper equipment disposition procedures been followed.				

Procurement		Yes	No	N/A	Notes
1)	Does the recipient maintain documented procurement procedures which reflect applicable state, local, and tribal laws and regulations?				-
2)	Is oversight maintained to ensure that contractors perform in accordance with the terms, conditions, and specifications of their contracts or purchase orders?				
3)	Does the recipient maintain written standards of conduct covering conflicts of interest and governing the actions of its employees engaged in the selection, award and administration of contracts?				-
4)	If the recipient has a parent, affiliate, or subsidiary organization that is not a state, local government, or Indian tribe, are written standards of conduct covering organizational conflicts of interest.				
	Organizational conflict of interest means that because of relationships with a parent company, affiliate, or subsidiary organization, the recipient is unable or appears to be unable to be impartial in conducting a procurement action involving a related organization.				
5)	Are procedures in place to avoid acquisition of unnecessary or duplicative items?				
6)	Are Procurement records retained?				
Record Retention and Access		Yes	No	N/A	Notes
1)	Are financial records, supporting documents, statistical records, and all records pertinent to a Federal award retained for a period of three years from the date of submission of the final expenditure report.				
Documentation of expenses		Yes	No	N/A	Notes
1)	Are costs reasonable and necessary?				
2)	Are costs in compliance with grant requirements?				
3)	Are costs appropriately allocated?				
4)	Are purchase approval methods documented?				
5)	Are employee payroll reports supported by appropriate documentation (timesheets, leave slips, etc.)?				
6)	Have receipts/vouchers/source document for each purchase or expenditure been signed/approved?				
7)	Are staff travel vouchers signed by traveler and approved by supervisor?				
8)	Do travel expenses comply with written policy?				
9)	Are travel costs reasonable and necessary?				
10)	Are costs being appropriately allocated?				

	Programmatic compliance	Yes	No	N/A	Notes
1)	Are systems in place to engage stakeholders in the direction of the grant?				
2)	Are data being tracked on progress toward performance measures?				
3)	Are systems in place to ensure the accurate measurement of performance measure data?				
4)	Is the project on pace to meet performance targets?				
5)	Do project staff have a copy of the current grant award, including all amendments, on file?				
6)	Do promotional materials solely focus on specialty crops?				
7)	Have program activities remained within the scope of the approved grant narrative?				
8)	Is the project meeting the goals of the workplan as they were scheduled?				
9)	Can all grant purchased equipment be accounted for?				

