**Summary of Revision(s)**

1. **ADDED** Section 5-B-5-a: Based off request from OJD financial audit. Michele Zander 04/25/2019
1. **AUTHORITY:** Authority for the Federal Grant Funds policy with procedures is found in Chapter 54-23.3 and section 54-06-22 of the North Dakota Century Code, designating the Department of Corrections and Rehabilitation as the agency to administer any crime victims’ grants and related programs and the Office of Management and Budget Circular A-133.

2. **APPLICABILITY:** This policy with procedures applies to all employees of the North Dakota Department of Corrections and Rehabilitation, especially to all management and fiscal staff of the North Dakota Department of Corrections and Rehabilitation who are involved in the management and monitoring of agency federal financial assistance funds.

3. **DEFINITIONS:**

   A. **Director of Administration:** The employee designated by the Director of the Department of Corrections and Rehabilitation to be responsible for the Department of Corrections and Rehabilitation fiscal policies, procedures, budget and management, and includes any authorized representative for the Director of Administration.

   B. **Recipient:** The state agency receiving federal financial assistance funds. The North Dakota Department of Corrections and Rehabilitation is the State Administering Agency and recipient of federal financial assistance funds.

   C. **Sub-recipient:** The agency or organization receiving federal financial assistance funds through and administered by the recipient, the Department of Corrections and Rehabilitation. The sub-recipient agency receiving federal financial assistance funds from the recipient shall carry out and achieve federal program goals. This does not include any individual that is a beneficiary of such a program.

4. **POLICY:** The Department of Corrections and Rehabilitation is the primary recipient of federal financial assistance funds and is responsible for developing and monitoring procedures for sub-recipients who receive federal financial assistance funds from the Department of Corrections and Rehabilitation.

5. **PROCEDURES:**

   A. Recipient monitoring of sub-recipients provided less than $750,000.00 of federal financial assistance funds. In accordance with the Office of Management and Budget Circular A-133, non-federal entities expending less than $750,000.00 a year in federal awards are exempt from federal audit requirements for that year. Records must be available for review or audit by appropriate officials, including the pass-through agency. Recipient monitoring of sub-recipients provided more than $750,000.00 of federal financial assistance funds.
1. Non-federal entities expending $750,000.00 or more in federal funds (from all sources, including pass-through sub-awards) in the organization fiscal year shall have a single organization wide audit conducted in accordance with the provisions of the Office of Management and Budget Circular A-133. Sub-recipients will be required to submit a copy of the final audit report to the Department of Corrections and Rehabilitation. The Director of Administration will be responsible for reviewing these reports to determine if they contain any findings or questioned costs pertaining to the grants provided to the sub-recipient. Any findings and the necessary corrective action will be discussed with the individual responsible for administering the program. A time frame will be determined as to when the corrective action must be implemented and as to when a follow-up procedure will be conducted by the Director of Administration. All procedures will be adequately documented and maintained on file.

B. When a grant is awarded to ND DOCR, the ND DOCR Grant Manager will perform the following:

1. Create a project number in PeopleSoft. This project number will be used to record revenue and expenditures. Each grant has a different Project Number. Federal Funds are provided a number that is created using a “PXXX” format and general funds (match) are always 001.

2. If a grant has more than one budget category, PeopleSoft allows for the Grant Manager to set-up Activity ID’s in PeopleSoft to track the expenditures for each budget category.

3. On a monthly basis, The ND DOCR Grant Manager maintains a Grant Summary spreadsheet to track the financial status of an award. This is distributed to Business Office staff and Pragmatic grant managers.

4. On a quarterly basis, the ND DOCR Grant Manager uses the federal Grant Management System to prepare the FFR’s for each grant based off the PeopleSoft project reports and Grant Summary spreadsheet. Fund request documentation is forwarded to the Assistant CFO for signature. The ND DOCR Grant Manager draws down the funds in the federal GPRS. The account technicians process the receipt of funds in PeopleSoft and forward to the ND Treasurer’s Office.

5. On a yearly basis, the prime awardee (ND DOCR) is required to file a FFATA sub-award report by the end of the month following the month in which the prime recipient awards any sub-grant greater than or equal to $25,000. The ND DOCR grant manager is responsible for filing the sub-award report. The ND DOCR Grants and Compensation Manager is responsible to provide the ND DOCR Grant Manager the new award information for entering into FSRS (Federal Funding Accountability and Transparency Act Sub-Award Reporting System).

   a. The ND DOCR does not pay indirect administrative fees to grantee organizations. The ND DOCR may make exceptions if the grantee is providing necessary service directly related to the grant. On a case-by-case basis, ND DOCR will consider indirect fee payments of up to 10 percent of a proposed grant.
6. When the award is completely drawn, the ND DOCR Grant Manager submits the final FFR and requests the remaining reimbursement amount. After all expenses are posted and funds are received, the ND DOCR Grant Manager inactivates the Project number in PeopleSoft.

7. The grant file is retained for six years from the expiration date of the grant.

8. In the event a contract or sole source procurement process is required, the ND OMB Procurement Policies and Procedures will be followed.

9. The ND State Auditor's Office has statutory responsibility to audit or review each state agency once every two years. The Single Audit Reports are conducted biennially under the Single Audit Act Amendments of 1996, and the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-profit Organizations.

6. **SIGNATURE:** This policy with procedures becomes effective when signed by the Director of the Department of Corrections and Rehabilitation.

   *This copy has been approved by the Director with the original signature on file.*