

# FEDERAL GRANT PROCEDURES

Office of Resource Conservation (ORC)

## GENERAL GUIDELINES

### Applicability

The following procedures have been established to ensure that employees seeking federal funding understand their responsibilities and to identify the roles of various other Department staff. The procedures described below apply to ORC divisions and staff, and any other Department employee when ORC programs are involved. These procedures generally apply to all federal grant programs, but do not supercede the established practices of the Sport Fish and Wildlife Restoration Programs. These procedures complement and clarify Department policy (Coordinated Federal Financial Assistance Administration, Section 1-14, Chapter 1, IDNR Policy and Procedures Manual), and financial requirements (Federal Financial Assistance Chapter, IDNR Finance Handbook) and will help ensure compliance with federal and state laws and regulations.

### Establishment of ORC Federal Aid/Special Funds Section

The ORC Federal Aid/Special Funds Section has been established to seek out and assist in obtaining federal funding by providing administrative coordination between ORC Divisions and the Office of Fiscal Management. The administrative requirements for receiving federal funding are often cumbersome and complicated. The Federal Aid/Special Funds Section will act as a liaison to assure compliance with all such requirements so that federal funding opportunities are maximized.

### DNR Office Responsibilities Related to Federal Financial Assistance

The Office of Fiscal Management (OFM) is responsible for the overall coordination of the Department's participation in Federal financial assistance programs. This includes maintaining a master data file of all such programs which includes program or contract names, managing Division or operational unit and other appropriate information. The OFM is empowered to establish criteria and standards for the submission of reports and billings, to act as a contact with other government agencies, and to oversee all programs that receive Federal funding.

The ORC is responsible for identifying and applying for Federal assistance; notifying the OFM prior to submitting an application for Federal assistance; establishing procedures for managing federal programs to ensure compliance with all Federal and State requirements; and, documenting all federal program expenditures and the Department's matching costs. The ORC Federal Aid/Special Funds Section will act as a liaison to the other DNR Offices for all ORC Divisions.

The Office of Administration, Division of Systems and Licensing, is responsible for maintaining

the computerized capabilities of the Programmatic Accounting System.

## PROCEDURES

### 1. Internal Review and Approval Process

#### Request for Approval of Federal Aid Proposal

As soon as an employee considers obtaining federal financial assistance, s/he must immediately complete the Request for Approval of Federal Aid Proposal form (see attached two-page form) which is signed by the Division Chief, and forward it to the Federal Aid/Special Funds Section. This form is a synopsis of the federal financial assistance project and is not meant to serve as a full proposal. It will include the project description, impacts on the Department, % of Required State Match, etc. If necessary, the Federal Aid/Special Funds Section can assist with the preparation of this form.

#### Executive Staff Approval

The Request for Approval of Federal Aid Proposal form will be reviewed for completeness, then routed for approval to the Finance Officer, Resource Conservation Finance, the Directors of the Offices of Resource Conservation and Fiscal Management, and finally the DNR Director. Also, any other Office Directors affected by activities of the proposed grant must also approve the proposal. Any questions about its completion may be directed to the Federal Aid/Special Funds Section Manager.

#### Formal Proposal Preparation

While the Request for Approval of Federal Aid Proposal is in route for Executive Staff approval, the ORC Division should continue with the formal Proposal preparation. The Proposal should be completed as instructed by the applicable federal grantor agency.

The Proposal should contain at a minimum, a narrative of the project objectives and methodology, as well as an estimated budget. The budget must use the correct Department Indirect Rate Application, if allowable by the grant program, which is calculated only on personal services. (Check with the Federal Aid/Special Funds Section for the current Indirect Rate.) Additionally, the proposal should address any program income considerations. Program income is defined as gross income received by the DNR (or subgrantee) directly generated by a grant supported activity, or earned only as a result of the grant agreement during the grant period. Program income may be accounted for using the additive or deductive method, which may increase or reduce, respectively, the grant amount.

### 2. Intergovernmental Review Process

The full written proposal with budget must be provided to Federal Aid/Special Funds Section for use in the Intergovernmental Review process as required by state law (PA 87-961; Legislative Commission Reorganization Act of 1984, as amended). The law requires state agencies to file a notice of intent to apply for federal assistance. The Federal Aid/Special Funds Section will coordinate the intergovernmental review process prior to submitting the grant application to the federal agency.

Illinois Commission on Intergovernmental Cooperation

The Federal Aid/Special Funds Section will complete the Application for Federal Assistance (Standard Form 424) with specific information from the written proposal (such as title, CFDA number, proposed beginning and ending dates, estimated funding, etc.) and attach a copy of the proposal. Three copies of this Application are sent to the Illinois Commission on Intergovernmental Cooperation (ICIC). The ICIC will assign a State Application Identifier (SAI) Number, and forward a copy of the application to the Bureau of the Budget (BOB) and the Illinois State Clearinghouse.

Illinois Bureau of the Budget

The Bureau of the Budget will respond to the Federal Aid/Special Funds Section with a letter stating that the agency has complied with Public Acts 80:1029 and 87:961.

Illinois State Clearinghouse

The Illinois State Clearinghouse provides an opportunity to State, regional and local organizations to review and comment on the application. There is a 30-day review period. After this period the Illinois State Clearinghouse responds to the Federal Aid/Special Funds Section with the results of the 30-day review period. If there are no conflicts with the application, then the proposal can then go forward.

3. **Preparation and Submission of Grant Proposals**

Once the Intergovernmental Review Process has been completed and Executive Staff approval has been obtained, the Federal Aid/Special Funds Section will finalize the proposal and submit it to the applicable grantor agency. The Federal Aid/Special Funds Section has authority to sign documents constituting agreements between the Department and the federal agency once the Request for Approval of Federal Aid form has been approved.

3. **Grant Award Notification**

When the Grant is awarded by the federal agency, the Federal Aid/Special Funds Section will notify the ORC Division as well as the Office of Fiscal Management. All required programmatic documents will be set up in accordance with Department policy.

5. **Tracking Costs**

All normal Department costs associated with federal assistance projects must be tracked through the Programmatic Accounting System. The Federal Aid/Special Funds Section will coordinate the development of the programmatic numbers with the Project Leader and the OFM. The Project Leader must ensure that programmatic numbers are used to account for all project costs and are not used for unrelated or ineligible activities. The programmatic numbers, their titles and definitions, are to be distributed by the Project Leader to all staff involved in the project. The Project Leader is responsible for ensuring

that all Department staff who provide time or approve expenditures related to the grant understand their responsibilities for coding programmatic time sheets and vouchers. The Project Leader is responsible for reviewing and approving costs coded to the grant, monitoring completion of grant activities and reporting progress. S/he must also obtain and provide documented expenditures of all non-DNR organizations cooperating in a grant to the Federal Aid/Special Funds Section.

6. **Billings**

The Federal Aid/Special Funds Section will process all Requests for Reimbursement and Advances for federal funds for federal grant programs. They will coordinate Department deposit information with the Office of Fiscal Management to ensure that there are deposit accounts established for all incoming federal dollars.

The total net outlays for billings will be derived from expenditures taken from the Programmatic Accounting System. All eligible expenses for approved federal grant programs must be coded through the official Department accounting system. This includes the use of the official programmatic time sheet completed on a bi-monthly basis and invoice-vouchers coded with the established four-digit programmatic code assigned by the ORC/Finance Office.

In some grant programs, expenditures by other DNR offices or non-DNR entities may be used to provide the matching share. If eligible costs are derived from prior year's expenditures, non-DNR expenditures, or other non-federal programs that do not use the Programmatic Accounting System, adequate fiscal documentation must be provided to the Federal Aid/Special Funds Section so that billings can be reconciled.

7. **Reports and Correspondence**

Copies of all reports required by the grant agreement (i.e. grant contract document approved by the federal funding agency) must be provided to the Federal Aid/Special Funds Section. Ensuring timely preparation or receipt of reports is the responsibility of the Project Leader. Similarly, copies of all contracts or agreements with universities or other entities used to complete the project, and correspondence related to accomplishments (i.e. reporting requirements) must be provided to the Federal Aid/Special Funds Section.

8. **Amendments**

All requests for changes to the grant agreement or requirements contained in it must be processed through the Federal Aid/Special Funds Section. Division Heads and Office Directors have certain limitations for approval of grant amendments, so it is imperative that the Federal Aid/Special Funds Section be contacted as soon as an amendment is anticipated. Amendments in scope, funding or time may also require approval from the Bureau of the Budget and the State Clearinghouse.

9. **Subgrants/contracts and Sufficient Funds**

If the program anticipates subgranting or otherwise transferring any of the federal grant proceeds to another party, please indicate on the proposal information form. Some discussion may be needed to ensure such transfer is allowable and coordinated in accordance with the Illinois Procurement Code and proper appropriation authority exists. Federal grants are not necessarily exempt from the competitive bidding procedures required by the Illinois Procurement Code. (Competitive bidding procedures entail advertisement of the project in the Illinois Procurement Bulletin, formal evaluation procedures, etc.)

These procedures must be conducted in a timely fashion. Failure to do so could affect ability to accept federal funds, having direct impact on programs. Any deviations from these procedures need to be discussed with the Federal Aid/Special Funds Section Administrator.

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