<table>
<tr><td colspan="2">Massachusetts
Department of Correction
POLICY</td><td>Effective Date
7/24/2026

Annual Review Date
7/24/2026</td><td>Responsible Division
Executive Director, Strategic Planning and Research</td></tr>
<tr><td colspan="2">Policy Name
103 DOC 176
GRANT MANAGEMENT</td><td colspan="2">Regulation Reference:
2 C.F.R. Part 200, Uniform Administrative Requirements, Cost Principles, and Audit requirements for Federal Awards;

DOC Policy Reference:

ACA/PREA Standards:</td></tr>
<tr><td>Attachments
Yes ☒ No ☐</td><td>Library
Yes ☒ No ☐</td><td colspan="2">Applicability: Staff</td></tr>
<tr><td colspan="2">Public Access
Yes ☒ No ☐</td><td colspan="2">Location:
Department’s Central Policy File
Each Institution’s Policy File</td></tr>
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PURPOSE:

To establish guidelines for the Department of Correction (Department) to ensure compliance with federal, state, and local grant agreements. The Department shall establish internal controls to determine compliance with Title 2 of the Code of Federal Regulations, Part 200 (2 C.F.R. Part 200) and the Department of Justice (DOJ) Financial Guide (2024).

RESPONSIBLE STAFF FOR IMPLEMENTATION AND MONITORING OF POLICY:

Commissioner
Executive Director, Strategic Planning & Research
Department’s Grant Manager
Executive Director, Administrative Services
Superintendents

CANCELLATION:

103 DOC 176 cancels all previous Department policy statements, bulletins, directives, orders, notices, rules and regulations regarding grants management which are inconsistent with this policy.

SEVERABILITY CLAUSE:

If any part of 103 DOC 176 is for any reason held to be in excess of the authority of the Commissioner, such decision shall not affect any other part of this policy.

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ATTACHMENTS

176.01 DEFINITIONS

Budget Narrative: A Budget Narrative explains and justifies the estimated costs by line item or category in the budget.

Budget Worksheet: A grant budget worksheet is a document that provides a detailed breakdown of the costs for a specific project or program that shall be funded by a grant. It serves as a financial plan, itemizing how grant funds shall be allocated to different line items or budget categories such as personnel, operating expenses, and equipment to demonstrate the project's financial feasibility to potential funders.

Grant: For purposes of this policy, a Grant is an award of financial assistance for which the Division/Institution of the Massachusetts Department of Correction (Department) has applied to a public or private entity and is subject to requirements imposed by the awarding agency.

Grant Manager: The Grant Manager shall act as a centralized repository and shall be responsible for the maintenance of all data & electronic access/password information related to Department grants.

Grant Project Director: The Grant Project Director role is identified during the grant application time/process by Department Administration with the help of the Subject Matter Experts. When the grant is awarded the Grant Project Director becomes responsible for running the program, and for reporting the milestones and achievements to the Grant Manager.

Program Narrative: A detailed description of the proposed program, the nature of the project, how it will be conducted, the timetable of the project, anticipated outcomes, justification of staffing, and volunteer needs. The Program Narrative consists of the executive summary or abstract, table of contents, main body, and appendixes.

Special Conditions: A document that describes specific terms and conditions of a grant and the legally binding requirements and restrictions set by a grantor during the award acceptance period, which a recipient organization (grantee) must comply with in order to use the grant funds. These conditions cover how money can be spent, reporting obligations, prohibited uses, personnel changes, and consequences for non-compliance; they are crucial for all parties to understand.

176.02 PURPOSE

A. The Department encourages employees to work on identifying problems and areas in need of additional financial assistance and to seek grant funds. Adequate planning, following the requirements imposed by the awarding agency, and quality control is required at all stages and during all activities related to administering grants. The purpose of any grant is to address problems and/or pursue new initiatives that are beyond operational budget.

B. Grant requirements include, but may not be limited to, implementing an agreed upon program, providing progress reports in a timely manner, being accountable for use of grant provided funds to accomplish Department-related purposes and providing matching funds or other contributions of Department resources.

C. Projects funded as a whole or in part with grant money are not independent of Department operations and must be created in alignment with the Department's vision and mission, and in a manner consistent with Department policies and regulations. Projects that cannot be addressed with current available budgetary funds should be identified and concepts built to prepare the bases for future grant programs. Department personnel should be proactive in pursuit of any supplementary funding sources. Available resources and grant possibilities should be analyzed to determine whether pursuing a grant is an appropriate course of action to undertake. A clear grant program implementation mechanism should be in place to allow all Department institutions and divisions which may be affected by the grant project to be involved at its earliest stages.

D. The existence of grant funds does not exempt Department employees or project staff from conducting activities in accordance with Department policies and procedures. Requirements imposed by the awarding agency are in addition to, not in replacement of, Department policies and procedures. It is recognized that an additional effort must go into grant projects at all stages of the process to ensure proper implementation and overall success. To support the effort of grant administration at all stages, the Grant Manager shall coordinate the process of grant applications and maintenance of grant awards.

E. Positions for any personnel to be hired with grant funds must be posted and filled in accordance with 103 DOC 201, *Selection and Hiring*. Personnel shall be advised that grant-funded positions are only funded for the duration of the grant and may be considered contract positions.

F. U.S. Department of Education grants shall be handled through the Department's Education Division in conjunction with the Grant Manager.

176.03 DELEGATION OF AUTHORITY

A. Administrative Authority

1. The Grant Manager shall be responsible for programmatic administration of the grants within the Department.

2. All grants awarded to the Department must be included in reports under federal and state reporting guidelines. The Commissioner of Correction signs all grant applications and agreements. However, the Commissioner may delegate authority to sign amendments, modifications and other grant-related documents to the Grant Manager.

B. <u>Accounting, Monitoring and Financial Reporting Authority</u>

1. The Department's Administrative Services Division shall be the fiscal agent through which all grant accounts must be established and all financial transactions processed where the Department is the primary applicant for the planned project. The only exception to this may be projects in which Department has entered a partnership with another agency or organization and where the partner entity is the more appropriate applicant for a particular funding source with no funding going directly or indirectly to the Department.

2. All Department grant accounts shall be established and funds shall be disbursed in accordance with Department policies and procedures, state and federal Financial Law, including all information technology, equipment, materials and supplies purchases, salaries, fringe benefits and travel expenses, construction, contractual services, indirect costs and matching funds.

3. The Department's Administrative Services Division shall adjust estimated budget costs and prices in accordance with the Department rules and regulations and provide a modified Budget Worksheet to the Grant Manager and to the applicable institution/division initiating the grant, in a timely manner.

4. The Department's Administrative Services Division shall be responsible for the official financial records and maintaining adequate records to ensure compliance with federal and state accounting and reporting requirements for all grants administered by the Department.

5. Allowed and Disallowed Costs shall be determined in accordance with the Federal Uniform Administrative Requirements, Cost Principles and Audit Requirements 2 C.F.R. Part 200 and the applicable grant contract. Once identified as allowable, costs shall be posted as an expenditure to the applicable grant. For costs to be considered allowable to a grant project, it must be determined to be reasonable by the Department and be given consistent treatment

through application of those generally acceptable accounting principles appropriate to the circumstances and conform to any limitations or exclusions set forth in these principles or in the sponsored agreement as to types and amounts of cost items. Any Disallowed Costs shall be charged, as appropriate, to the institution/division responsible for the administration of the grant received.

6. Direct and indirect costs shall be determined pursuant to 2 C.F.R. Part 200 and the applicable grant contract. Direct costs are those costs necessary to perform the project's stated scope of work shall be expensed against the applicable grant. Project accounting shall be utilized to record direct and indirect costs for the appropriate grant. Indirect costs shall be assessed to the appropriate institution/division, or pre-approved sub-awardee by the Granting Agency, responsible for the administration of the grant received. Direct costs may include salaries and fringe benefits of staff and other personnel directly engaged in performing the project's scope of work, supplies and materials necessary for performing the project's scope of work. In addition, direct costs may include other such costs such as travel, contractual, printing, long-distance telephone and other directly related costs necessary for performing project within its specified scope of work. If allowable under grant, capital equipment may be purchased along with any service/maintenance agreements on capital projects.

7. Administrative costs shall be treated as direct costs pursuant to 2 C.F.R. Part 200 when they meet certain conditions to demonstrate that they are directly allocable to the grant.

8. Compensation and benefits shall be charged to the grant as administrative costs and treated as direct costs when the expenditures demonstrate they are allocable to the particular grant. Only those compensation and benefits as allowable by the Federal Uniform Administration Requirements and the terms of the applicable grant shall be charged to that grant.

9. Reporting on all grant revenues and expenditures shall be in compliance with Generally Accepted Accounting Principles (GAAP), the laws of the Commonwealth of Massachusetts, the laws of the federal government and any reporting required by the specific grant agreement.

10. The Department's Administrative Services Division shall authorize user access to the accounting and financial system. Access shall be limited to those personnel who are duly authorized to utilize the

system. Personnel who are directly involved in the activities related to the utilization of grant funds are limited to inquiry only access in the accounting system for reporting and management information. All charges and adjustments made to any financial information within the accounting system shall be performed by the authorized personnel in the Fiscal Department.

11. Proper segregation of duties must be in place to ensure adequate internal controls of accounting procedures to prevent fraud and misappropriation of grant funds. All expenditures shall require appropriate documentation and authorization from personnel with approval authority. All expenditures shall be subject to review by the Department's Administrative Services Division prior to any disbursements.

12. A Budget Worksheet shall be utilized to track the revenues (incomes) and expenditures. Any income received for grant purposes shall be recorded to such grant and utilized in accordance with any grant agreement. Any debts determined to be owed to the federal government shall be promptly paid in accordance with any debt agreements with the federal government or in accordance with instructions provided to the Department upon notification of the existence of such debt.

13. Any cash drawdown process relative to federal grants shall consider the need to coordinate the timing of the drawdown with prior internal approvals so that funds that are required and the cash flow needs of the grant project are matched. Drawdowns shall also be submitted and reviewed on the basis of any specific grant agreements. The Massachusetts Office of the Comptroller oversees the federal automated drawdown process based on weekly expenditures. The fiscal activity of the grant shall be monitored and reconciled by the Department's Administrative Services Division on a continuous basis. Careful planning for cash flow in the project shall be budgeted and requirements assessed before any drawdowns are requested. Any grant funds received from a drawdown shall be utilized to pay grant activities as soon as practical after receiving grant funds.

14. The Massachusetts Office of the Comptroller shall engage external independent auditors to perform the requisite Statewide Single Audit in the preparation of audited financial statements as required by state and federal regulation and the Single Audit Act. The Grant Manager and the Department's Administrative Services Division shall perform a pre-audit on all expenses prior to payment to ensure proper coding and compliance with GAAP, relative contracts,

budgetary compliance and any grant agreements. This pre-audit and review are performed in an effort to ensure accuracy prior to any review by external auditors.

15. Upon receipt of any observations identified in an external audit, the Department's Administrative Services Division, in coordination with the Grant Manager, shall formally respond in writing to the reporting auditors and shall either confirm or dispute the findings. If the findings are found to be valid, the Executive Director of Administrative Services shall indicate the corrective actions to be taken to resolve any deficiencies. The Executive Director of Administrative Services shall log and monitor any external findings and corrective actions. If corrective actions are not being followed, the Executive Director of Administrative Services shall notify the Grant Manager's Supervisor of noncompliance and suggest further corrective action

C. Grant Manager

The Grant Manager acts on behalf of the Commissioner, as required by all grantors:

1. The decision to apply for a grant, must have the Commissioner's approval prior to the Grant Manager's review.

2. Awarded grants shall be reviewed by the Grant Manager with the Department's Administrative Services Division and Fiscal department. Special Conditions shall be approved on behalf of the Commissioner.

3. All reports are submitted on behalf of the Commissioner.

4. The Grant Manager is responsible for the following:

   a. Overseeing the acquisition and administration of grants.
   b. Collecting information regarding areas within the Department in need of additional financial assistance.
   c. Identifying appropriate funding opportunities.
   d. Notifying Executive Staff of all related general grant announcements in a timely manner.
   e. Notifying appropriate Command Staff of all subject-specific grant announcements in a timely manner.
   f. Notifying appropriate institutions/divisions in a timely manner of specific grants available in accordance with submitted requests for grant funding.
   g. Providing training/assistance in concept paper and grant

application/proposal writing to help the grant applicant meet the funding agency's requirements.

h. Providing a timely response for any necessary approvals.
i. Providing all required paperwork to comply with state law governing federal grants pursuant to Administrative Bulletin A&F 3.
j. Coordinating staff responsible for the content of the grant (budget assistance, contract management services, research, etc.).
k. Working with appropriate staff on obtaining Memorandums of Understanding, Letters of Support and other additional materials required for grant announcements.
l. Ensuring that grant requirements are met by reviewing all concept papers, grant applications, progress reports, budget, budget narratives, performance data, quarterly narrative and financial reports.
m. Overseeing concept paper and grant submission/reporting processes to successful completion, including submitting grant-required materials electronically or by mail according to funding agency's requirements.
n. Monitoring grants awarded (e.g. allowable expenditure of funds, reconciliation of expenditures, reporting requirements, grant amendments and extensions, electronic filing).
o. Maintaining all materials associated with grants.
p. Coordinating with partners and working with other agencies, organizations and individuals on grants when relevant.

D. Institution/Division

1. The Institution/Division initiating the grant is responsible for the following:

a. Identifying problem areas that require additional grant funds.
b. Informing the Grant Manager of needs and grant project plans.
c. Planning grant activities to ensure that operational personnel and cooperating agencies and companies that are essential to implementing the program are involved at the earliest stages.
d. Designing grant projects with focus on measurable results and in such a way that when appropriate, successful temporary grant programs can be permanently sustained by the Department in the future.
e. Assigning a Grant Project Director.
f. Working with the Grant Manager throughout the planning, application and implementation processes.
g. Providing subject matter language and relevant information for concept papers, grant applications, progress and final

program narrative reports and evaluations to the Grant Manager in a timely manner for review and filing and in accordance with the funding agencies instructions and requirements.

h. Creating initial program budgets that detail program expenses for the grant, Budget Narratives, Budget Worksheets, and/or financial quarterly reports to justify all proposed costs and submitting them to the Grant Manager for review before the filing deadline to allow time for fiscal changes.

i. Submitting all budget disbursement requests and expenditure information to the Grant Manager in a timely manner to be approved and processed by the Department's Administrative Services Division.

j. Managing the grant project activities and funds in accordance with proposed program and regulations and deadlines of the funding agency while following Department policies & procedures.

k. Maintaining copies of all grant-related materials.

l. Coordinating with partners and working with other agencies, organizations and individuals on grants when relevant.

176.04 APPLICATION PROCESS

A. The Grant Manager is the employee designated by the Commissioner, that initiates a grant application and receives an award. The Grant Manager is responsible for complying with all grant requirements. The Grant Manager is the primary point of contact for all Department grant activities. It is their responsibility to:

1. Seek funding and prepare proposals, considering
   a. Program guidelines
   b. Staffing requirements
   c. Budget obligation
   d. Purpose of the project
   e. Legal Obligations

2. Identify projects and evaluate feasibility of completion within the grant period, if awarded.

3. Establish project budgets.

4. Identify matching funds and confirm availability with the Fiscal department.

5. Evaluate resources needed for projects.

6. Submit applications to the appropriate grant agency.

B. Grant proposals and grant budgets should be clear, straightforward, and readable. Good proposals identify problems and demonstrate how suggested solutions shall address these problems. Comprehensive and reasonable budgets play a critical role in the grant planning process and in justification of why one (1) grant application shall be recommended for funding and not another. It should be taken into consideration that grant awards seldom increase. Proposed projects should be accomplished with the requested funds in the time frame allotted.

C. A Grant Funding Request Form, Attachment #1, shall be completed and submitted via e-mail to the Grant Manager to notify them of grant-related plans.

1. If a specific grant program has been identified as a potential funding source without the assistance of the Grant Manager, you must include the following:

    a. Name and description of the funding agency;
    b. Grant title and requirements;
    c. A request for the appropriate letters of support; and
    d. If available, a hyperlink to the electronic grant announcement or a copy of the announcement.

2. If a specific funding source has not been yet identified, the Grant Manager shall keep the request for funding in the database and work on identifying funding possibilities. If and when the funding source is identified and the decision is made to pursue the grant, a potential applicant (institution/division) shall be notified in a timely manner.

3. To begin the application process, a potential applicant, the applicable institution/division should assign a Grant Project Director and start working on a Grant Application/Proposal.

    a. The grant announcement shall state what an applicant must include in the proposal to be considered for funding. Each funding organization has its own program, budget restrictions, requirements, and guidelines for applicants to follow.
    b. The Grant Project Director shall schedule a meeting(s) with the Grant Manager to review funding organization guidelines, drafts of application, and budget schedule.

4. All final versions of Concept Papers, Grant Applications, Budget Worksheets, and Budget Narratives should be submitted

electronically to the Grant Manager three (3) business days prior to the grant application deadline provided by the funding agency. Copies of all grant proposal materials are to be kept by the applicant and by the Grant Manager.

D. Preparing a Program Narrative

The Program Narrative shall include the following sections, the executive summary or abstract, table of contents, main body, and appendixes. It is important not to exceed the word and/or page size of each section recommended by the awarding agency.

1. Executive summary or abstract is an umbrella statement and a summary of the entire proposal. It should be an accurate standalone description of the proposed work.

2. Table of contents lists the main headings in the proposal and their page numbers.

3. The main body of the proposal includes:
   a. Statement of the problem/need section which explains why this project is necessary.
   b. Relevant research section to provide the connection of the proposed work to the existing research literature (if applicable) or published supportive evidence.
   c. Project description section which contains detailed explanation of the purpose and strategy of the program and its goals and objectives.
   d. Impacts and outcomes of the project section which provides performance evaluation and suggestions on the anticipated contribution of the program to current activities and/or knowledge.
   e. Management plan section which lists major events and activities, provides a timeline (sometimes a freestanding section) for all proposed tasks, and the reporting schedule.
   f. Dissemination strategy section which helps build a long-term support for the program sustainability after the grant project ends (if applicable).

4. Appendixes include bibliography and references, lists of key personnel, letters of support, and other materials required by the grant announcement.

E. Preparing a Budget Narrative and Budget

1. This section of the application is a financial description of the project and the explanatory notes of proposed expenses. It is important to list not only new costs incurred during the grant project, but also any ongoing expenses for items that shall be allocated to this project. If matching funds or in-kind contributions are required by the funding agency, the Grant Manager and/or the Department's Administrative Services Division shall provide information on what costs may be applied to fulfill this requirement.

2. Depending upon the type of agency and grant proposal, the expected level of budgetary detail shall vary by application. In all cases, the instructions provided in the grant announcement should be followed and all forms provided be completed. Beyond the requirements outlined in the grant application, all funding sources expect the same basic principles to apply in the budget part of the application:

    a. Budget Worksheet and Budget Narrative must present all major budget categories and/or line items clearly and separately. Same budget categories, order, descriptors, and names must be used in Budget Worksheet and Budget Narrative.
    b. Budget Worksheet should clearly present a breakdown of costs associated with each budget category and/or line item.
    c. All items requested in the budget should be justified elsewhere in the application. There should be no unjustified items in the budget section of the proposal.
    d. All expenses must be realistic and reasonable. Expenses must directly relate to the activities which shall be conducted as part of the proposed project.
    e. All estimated costs should be based on actual rates at the time of application. The costs must be in a reasonable proportion to the outcomes anticipated.
    f. All the areas of the grant project that require expenditure must be carefully considered. Information must be presented on what areas of the project shall be paid for out of grant funds and what areas shall be paid for by matching funds or in-kind contributions.
    g. The Department's Administrative Services Division requires that all Department fiscal policies, procedures, rules, and regulations are followed during the duration of the grant:
    h. All estimated costs for equipment, materials, supplies and services, etc., must be listed in the Budget Worksheet as provided by the State Approved Vendor where the proposed items or services must be purchased.
    i. Most funding categories and/or line items shall indicate if indirect costs are an allowable expense. The Negotiated

Indirect Rate Agreement information shall be provided to the Grant Manager and to the applicant by the Department's Administrative Services Division before the budget worksheet is completed.

j. All salaries should be calculated using the Department's Division of Human Resources personnel rates in effect at the time of the application.

F. Preparing Program Attachments

The funding agency may require several forms. Reference to these required forms may be listed in the Additional Requirements section of the grant announcement. Depending on the grant program, required forms may include a "disclosure of lobbying activities" and/or "privacy certificate and protection of human subjects form." Contact the Grant Manager if these forms have been listed in the grant announcement.

176.05 ACCEPTANCE PROCEDURES

A. Awarding

The grant award section includes the initial accounting procedures required when a grant is awarded. Most of these functions shall be processed by the Grant Manager and include communicating with the funding agencies, determining revenue and expenditure departments/accounts and providing the Department's Administrative Services Division and Fiscal Department with information relating to the grant.

1. The Grant Manager shall send a copy of an award letter, acceptance requirements and/or other notification to the initiating institution/division Grant Project Director, the Department's Administrative Services Division, and to the Department's Budget Office.

   a. If the application is not funded, a copy of any response from the funding agency regarding review results shall be forwarded to the initiating institution/division Grant Project Director, the Department's Administrative Services Division, and to the Department's Budget Office.

   b. If the institution/division Grant Project Director receives a response from the awarding source directly, the Grant Manager shall be notified immediately.

2. The Grant Manager shall send a copy of any Special Conditions, regulations, contracts, report forms, revised budgets or other requirements of the funding agency to the initiating

institution/division Grant Project Director and the Department's Administrative Services Division.

3. The Department's Administrative Services Division, the Department's Budget Office, and the Grant Manager shall follow necessary policies and procedures to except grant award.

4. The Grant Manager distributes copies of award information to all appropriate institutions/divisions, and to partnering agencies and organizations.

5. The Grant Manager shall prepare and maintain a file for each grant which shall be available for inspection by the internal, independent, and any state and federal auditors.

6. The Department's Administrative Services Division shall process and submit the paperwork to the Massachusetts Office of the Comptroller who establishes an account for each grant. This process shall vary depending upon the source of grant funds. No expenses may be incurred until an account is established. The Department's Administrative Services Division shall notify the Grant Manager when the new grant account has been established. The Grant Manager shall inform the grantee that grant funds have become available.

   In the unlikely event that the Department would perform cash advance activities under federal awards, the Department would abide by 2 CFR Part 200Uniform Administrative Requirements, Cose Principles, and Audit Requirements for Federal Awards.

<u>176.06</u> <u>GRANT IMPLEMENTATION AND REPORTING</u>

A. Implementation of the grant program is the responsibility of the grantee. All program activities and budget expenses listed in the grant application should be followed and completed. All required materials listed below in 176.06 (B-D) should be submitted electronically to the Grant Manager two (2) weeks prior to the funding agency deadline.

B. Programmatic reporting is the responsibility of the grantee and must be submitted electronically and a copy be mailed to the Grant Manager in accordance with funding agency's format, content requirements and deadlines.

C. Budget/expense reporting is a responsibility of the grantee. Information on all financial transactions should be submitted to the Grant Manager and to Department's Administrative Services Division. The Department's

Administrative Services Division shall provide the final version of budget/expense reports to the Grant Manager in accordance with funding agency's format, content requirements and deadlines.

D. Evaluations are to be submitted to the Grant Manager by the grantee in accordance with funding agency's requirements and in a timely manner.

E. The grant accounting and reporting section relates to the functions dealing with the monthly, quarterly and yearly accounting and reporting requirements. In order to facilitate the orderly, timely and accurate accounting, reporting, and auditing of federal and state grant transactions, the Department's Administrative Service Division, in conjunction with the Grant Manager and Fiscal department, shall strive to ensure the following:

   1. An effective tracking system is initiated by routing all approved grants (with an original document) to the Grant Manager.

   2. Appropriate budgetary and accounting controls are in place to separately identify grant transactions.

   3. Appropriate administrative controls are in place to ensure that costs claimed are in compliance with appropriate grant requirements. The Grant Manager is responsible for reviewing all information submitted for financial accuracy.

   4. The Grant Manager assembles all quarterly state and federal reports, and/or other reports as may be required.

   5. All financial reporting is provided to the Executive Director of Administrative Services for review and approval prior to submission.

   6. The Grant Manager notifies the appropriate Department Staff of the required reporting interval required for performance reports by the awarding agency.

   7. If there are any significant events during the project that affect the grant, the Grant Manager notifies the granting agency by letter of the event, requests guidance on report requirements, and forwards a copy of the notification to the Department's Administrative Services Division. These events include, but are not limited to: problems, delays, or adverse conditions which shall materially impair the ability to meet the objective of the grant award. This disclosure must include a statement of the action taken or contemplated, and any assistance needed to resolve the situation, favorable developments which enable meeting time schedules and objectives sooner or at

less cost than anticipated or producing more or different beneficial results than originally planned.

8. Financial records, supporting documents, statistical records and all Department records pertinent to a grant award shall be retained for a period of three (3) years, in accordance with 2 CFR §200.333, or longer depending on the grant program guidelines, from the date of submission of the final expenditure report or, for federal awards that are renewed quarterly or annually, from the date of submission of the quarterly or annual report, respectively.

9. Financial records, supporting documents, statistical records and all Department records pertinent to a grant award shall be collected, transmitted and stored in open and machine-readable formats and made accessible to authorized representatives of the Office of the Comptroller General of the United States, and the pass-through entity for as long as the records are retained.

F. General Standards for Supporting Documentation

Expenditures are governed by the cost principles established by federal, state, and other grantors and must conform to respective policies, and grant special provisions. federal cost principles are defined in §200.400-§200.475 of OMB's Uniform Guidance. Costs claimed by the Department under its grants must be allowable, allocable, and reasonable.

G. Grant File Management

Files associated with a grant award must maintain a file structure that includes the important documents that chronicle the application, receipt of the award, and all management related documents through award close out. Original files must be maintained for each grant based on grantor agency requirements, including retention period and method (paper or electronic copy).

Copies of all reports, Budget Narratives, Budget Worksheets, and evaluations shall be kept by the grantee and the Grant Manager.

H. Grant Amendments

1. Time Extensions

a. Grant Manager shall coordinate with the grant agency and request time extensions within 90 days of the grant expiration date.
b. Notify the Department's Administrative Services Division

of the request for time extension and submit a copy of the request for inclusion in grant file.

2. Amendments to Contract

a. Grant Manager shall submit all grant contracts or budget amendments to the Department's Administrative Services Division for inclusion in grant file and proper adjustments to accounts.

b. Budget amendments must be approved by the Executive Director of Administrative Services however, budget adjustments due to the movement of funds between existing approved budgetary line items and/or changes in scope, duration, activities, or other significant areas of the award, shall require **prior approval** by the Grant Agency and, where applicable, the Department as well. Support documentation to that effect must be included with budget amendment/adjustment requests when it is submitted to Grants Accountant. Changes include, but are not limited to:

i. Altering programmatic activities
ii. Changing the purpose of the project
iii. Changing the project site
iv. Experiencing or making changes to the organization or staff without primary responsibility for implementation of the award, contracting out, sub-awarding (if authorized by law), or otherwise obtaining the services of a third party to perform activities which are central to the purpose of the award
v. Changes in scope that affect the budget

176.07 YEAR-END PROCEDURES AND AWARD CLOSEOUTS

A. The Grant Manager must review and ensure all reimbursements have been received and that all expenses in the general ledger match invoices & reimbursements on file. If there are any unreceived reimbursements, it is the Grant Manager's responsibility to request payment from the granting agency. The Grant Manager may coordinate with the Department's Administrative Services Division and the granting agency on any outstanding issues.

B. The closeout of an award, in addition to roles and responsibilities in the process, are highlighted in the Uniform Guidance, 2 CFR §200.343-344. Refer to §200.344, in addition to respective grant contract, for any post-closeout responsibilities such as record retention, oversight, and conduct of a single audit, audit rights and adjustments.

C. The Grant Manager is responsible for assembling a project completion package. This package shall contain the following:

1. The final federal or state grant report prepared and certified by the Grant Manager. The final performance report is due 90 calendar days or less, after the period of performance end date, depending on the grant program guidelines. If an extension of the due date for any performance report is justified and needed, the Grant Manager shall request the extension from the grantor agency.

2. All grant funding agency monitoring reports from visits occurring during the life of the grant. All records in reference to grants shall be retained according to Massachusetts Statute for records retention and other applicable policies.

176.08 NONCOMPLIANCE PROCEDURES

The Department's Administrative Services Division shall notify the Grant Manager in writing upon noncompliance with the Grants Administration and Accounting Policy and Procedures. The notification shall be copied to the Executive Director of Administrative Services . The Executive Director of Administrative Services or an approved designee shall notify the employee that is managing the project to cease all operations until a solution on how to bring the project back into compliance is realized, or a modification to the project terms, to bring project into compliance, has been approved by the granting agency and the Department.

176.09 AUDITING

A. Auditors look at past events with the intention of improving future performance. They provide objective, skilled, and impartial technical advice that should result in recommendations that shall make an entity's operations as efficient and effective as possible. Audits play a critical role in improving government operations and services by providing much-needed oversight, transparency, and accountability for government programs.

B. Audits can occur at any time in the life of the grant project., including federal awarding agency audits of specific grant projects (also known as monitoring), as well as audits of entire grant programs. Additionally, the Department's own internal staff may examine grant projects at any time in the lifecycle.

C. In accordance with the federal Office of Management and Budget's (OMB) Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and Government Auditing Standards, 2 CFR Chapter I, and Chapter II, Parts 200, 215, 220, 225, and 230, , the

Department is part of the Single Audit Report which is an entity-wide audit of the Commonwealth of Massachusetts that includes its financial statements, and the expenditures of federal awards by all state agencies, excluding institutions of higher education. The audit reviews internal controls and compliance over financial reporting and federal programs. The focus is on the use of federal funds, which must be shown to be properly spent within program rules, with accurate accounting and controls, and administered through secure systems. The flow of federal dollars to Commonwealth programs is based on meeting these requirements.

D. The Single Audit is conducted by an external audit firm in accordance with the federal Office of Management and Budget's (OMB) Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and Government Auditing Standards.

E. All proposed grant program activities and budget schedules should be followed and all grant obligations fulfilled in order to comply with any internal or external audit.

F. The Executive Director of Administrative Services shall:

1. Act as the point of contact for the Annual Single Audit, should the Department meet or exceeds the statutory thresholds for federal and/or state awards.

2. Act as the liaison between the external auditors and the Department.

3. Respond to any and all follow-up questions from External Auditors concerning grants and the preparation of the Schedule of Expenditures of Federal Awards and State Financial Assistance.

4. Coordinate with the Grant Manager, when necessary, to respond to requests for information from the External Auditors.

G. Department of Correction's Duties:

1. If required in order to receive grant funding, the Department shall provide the statewide Single Audit Report, which shall be made available on the Commonwealth's Internet site and be provided to the funding agency by the Grant Manager in accordance with 2 C.F.R. Part 200 and the Department of Justice (DOJ) Financial Guide.

H. The Grant Manager shall:

1. Maintain all materials related to active and finished grants.

2. Assist the Executive Director of Administrative Services with responding to any requests for information from External Auditors.

3. Forward copies of the Statewide Single Audit and all accompanying statements, notes, etc. to Granting Agencies, per grant award requirements.

4. Provide the Annual Department Audit Report to the funding agency in accordance with 2 C.F.R. Part 200 and the Department of Justice (DOJ) Financial Guide.

Attachment #1

GRANT FUNDING REQUEST FORM

Name:______________________________________ Date:____________________

Institution/Division:___________________________

Title and Project Location (Institution/Division):____

Project Director Name and Contact Information:____

Proposed Project Summary:____

Direct Impact on Institution/Division:____

Estimated Project Costs/Needs:____

Timeframe of Implementation:____

Please e-mail the completed form to:
Natalya Pushkina, Grant Manager @ natalya.pushkina@doc.state.ma.us