



6.02
Attachment #1

STATE OF WEST VIRGINIA
DEPARTMENT OF HEALTH AND HUMAN RESOURCES

Bob Wise
Governor

Paul L. Nusbaum
Secretary

MEMORANDUM

Date: May 6, 2002
To: Financial Processing Personnel
From: Warren D. Keefer, Director
Office of Accounting
Subject: Grant and Inter/Intra Agency Agreement Forms

DHHR WVFIMS PROCEDURE NUMBER 23, EFFECTIVE July 1, 1999
REVISED May 6, 2002

This revision to DHHR WVFIMS Procedure Number 23 was necessitated to clarify the definition of Object Code 083.

As a reminder, no longer do grant agreements to "for profit" entities need to be placed on Purchasing Requisition Forms (WV-35) for processing through the Department of Administration Purchasing and Attorney General's Office. Grants to "for profits" may now be processed in exactly the same fashion as those to "non profit" entities.

A new Object Code 128 (Federal Subrecipient Disbursement) was established by the Department of Administration for Fiscal Year 2000. This was done in order to satisfy the Federal requirement to track Federal subrecipient agreements. The Department of Administration defines Object Code 128 "disbursements of Federal awards made to subrecipients to carry out a Federal program. The definition of subrecipient is any non Federal entity, not-for-profit organization, county, or municipality that expends Federal awards received from a pass-through entity; i.e., a State agency, to carry out a Federal program but does not include an individual who is a beneficiary of such a program. This object code should be used for Federal awards only and is not to be used for processing vendor payments or payments made with State Funds." A simplified federal definition of a subrecipient is as follows:

An entity (subgrantee) that receives federal and/or matching dollars from the primary grantee (the legal administrative entity having direct responsibility to administer the grant award from the federal grantor) with the same or similar "substantive program operational" authority.

The West Virginia Purchasing Division in its Policies and Procedures Handbook defines a grant as follows:

"Grant - Money distributed to recipients, including state agencies and political subdivisions, in which no direct commodity or service is received by the granting agency."

The West Virginia Purchasing Division in its Policies and Procedure Handbook, Section 9.6 further states:

"State agencies shall use a grant as the legal instrument reflecting a relationship between state government and a local government or other recipient whenever:

- (1) the principle purpose of the relationship is the transfer of money, property, services or anything of value to the local government or other recipient in order to accomplish a public purpose of support or stimulation authorized by federal and/or state statute rather than by acquisition, by purchase, lease or barter, of property or services for the direct benefit or use of the state government; and,
- (2) no substantial involvement is anticipated between the executive agency acting for the state government and the local government or other recipient during the performance of the contemplated activity.

Accordingly, the attached forms have been developed to facilitate the appropriate posting of these encumbrances. These forms are the Grant Form and the Inter/Intra Agency Agreement Form and associated change order forms. All grants, subrecipient agreements and inter/intra agency agreements encumbered after Fiscal Year 2000 must be reflected on one of these forms.

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Grant Form

(DHHR FINANCE-200/DHHR FINANCE-210)

The attached Grant Form is a DHHR document to be used for identifying attached (1) subrecipient agreements and (2) "Other" grants. A check box for each category of grant can be found in the upper left hand corner of the grant form. One of these boxes is to be checked.

Subrecipient agreements are defined as those between the Department and a non-Federal entity that expends Federal awards received from a West Virginia Department of Health and Human Resource (DHHR) program to carry out a Federal program, but does not include an individual that is a beneficiary of such a program. Subrecipient agreements must have Federal funding, but may also contain State or Special Revenue matching funds as well. The box marked "Subrecipient Agreement" should be checked if these above conditions are met.

Any questions as to whether a subrecipient relationship exists should be directed to the Office of Grants Management, Division of Grant Administration and Reporting.

The box marked "Other Agreement" on the forms is to be used for the grant agreements which are not considered subrecipient agreements.

Inter/Intra Agency Agreement Form

(DHHR FINANCE-220/DHHR FINANCE-230)

The attached Inter/Intra Agency Agreement Form is for agreements within and between State agencies other than Federal subrecipient agreements within or between State agencies.

Processing Instructions

Because of differences in funding streams for the Division of Health and the Division of Human Services, listed below are specific instructions for the completion of the forms for units within each of these organizations.

Division of Health (0506)

The type of agreement and funding source used determines the object code to be used for committing grants and inter/intra agency agreements. Appropriated Federal funds committed on subrecipient agreements will use the State level Object Code 128. Any matching funds from State appropriated and/or Special Revenue accounts on subrecipient agreements will use the renamed extended Object Code.

252 (Subrecipient - Non Federal Funds). Also please note, State level Object Code 025 has been extended to include 258 (Quasi-Subrecipient No Federal Fund) to identify agreements that are 100% funded by non federal sources which would constitute a subrecipient if federal funds were present. Object Code 083 is used to identify agreements which transfer money from DHHR in which no benefit to the Department is anticipated and which require little or no oversight. Agreements marked "Other" will use either Object Code 258 or 083.

Division of Human Services (0511)

The State level Object Code 128 (Federal Subrecipient Disbursement) has been extended as listed below. Extended Objects Code 252 and 258 are not to be used for any purpose with the Division of Human Services.

- 441 Subrecipient - Federal Funds
- 442 Subrecipient - State Funds
- 443 Subrecipient - Other Funds

Based on the makeup of the funding within the spending account, use these extensions to describe the funding sources involved.

Agreements marked "Other" will use Object Code 083.

Document Flow

WVDHHR Grant Agreement Form, DHHR FINANCE-200
and Inter/Intra Agency Agreement Form, DHHR FINANCE-220

Attached to this procedure is a DHHR authorization and routing cover sheet that is to accompany grant or inter/intra agency agreements and is to be signed and dated by duly authorized individuals at each step of the document flow. The DHHR Authorization/Routing Sheet (DHHR FINANCE-170) is a routing document as well as an indicator of authorization from the spending unit.

i. Spending Unit

- A. Request agreement number from Office of Accounting, Division of General Accounting and Reporting
- B. Prepare/complete template
- C. Prepare/complete exhibits
- D. Add appropriate completed exhibits to completed grant agreement template

- E. Complete DHHR Grant Form DHHR FINANCE-200 or DHHR FINANCE-220 (Inter/Intra Agreement)
- F. Complete Authorization/Routing Sheet (DHHR FINANCE-170) and secure office and bureau level review and signatures by appropriate designated parties
- G. Forward to Division of General Accounting and Reporting Building 3, Room 426
1900 Kanawha Blvd., East
Charleston, WV 25305

II. Division of General Accounting and Reporting

- A. Record document on grant "tracking system" at time agreement number is requested (I.A.)
- B. Validate grantee vendor information
 - FEIN
 - BEP default
 - Business designation
 - Remittance address
 - etc.
- C. Review DHHR FINANCE-170
 - Signature of person coordinating the subgrant
 - Signatures from the office and bureau designees who are authorized by Bureau Commissioner
 - Dates affixed to above signatures
- D. Forward to the Division of Grant Administration and Reporting

III. Division of Grant Administration and Reporting

- A. Review for federal compliance
- B. Verify financial coding appropriateness
- C. Verify legitimacy of grant structure
 - Scope
 - Time period
 - etc.
- D. Compare language and amounts on DHHR Grant Form DHHR FINANCE-200 to grant agreement template and to grant exhibits
- E. Compare language and amounts on DHHR Grant Form DHHR FINANCE-220 (if DHHR Inter/Intra Agency Agreement) to agreement
- F. Determine overall acceptability of document in order to provide direction to the Division of General Accounting and Reporting concerning distribution
- G. Return to Division of General Accounting and Reporting

V. Division of General Accounting and Reporting

- A. If Division of Grant Administration and Reporting finds no issues which require the return of the document to the spending unit for correction:
1. Perform general, overall review of entire document
 2. Keep copy (in case of postal mishap)
 3. Submit to grantee for signature and subsequent return to Division of General Accounting and Reporting after signature by grantee
 4. Review for alteration by grantee
 - a. If altered by grantee, return to spending unit for investigation
 - b. If not altered by grantee, proceed to next step
 5. Generate commitment document ("C")
 6. Electronically post "C" document
 - a. If inadequate spending authority prohibits posting of document, forward the "C" document to Office of Budget or Division of Grant Administration and Reporting (depending upon the budgetary problem) for subsequent return to Division of General Accounting and Reporting after correction
 - b. If no posting problem occurs, proceed to next step
 7. Secure official DHHR signature on the grant agreement (the party who signs the agreement will look to the authorized signatures on the DHHR FINANCE-170 for justification of their binding signature)
 8. Maintain original document in central DHHR file - photocopy document and distribute to:
 - a. Grantee
 - b. Spending unit
 - c. Compliance Unit
- B. If Division of Grant Administration and Reporting DOES find issues which require the return of the document to the spending unit for correction:
1. Return document to spending unit for correction(s) and subsequent return to the Division of General Accounting and Reporting
 2. Forward to Division of Grant Administration and Reporting for review of corrections made by spending unit (document will continue to follow the above referenced steps until all problems are resolved).

DHHR Grant Agreement Change Order, DHHR FINANCE-210 and
DHHR Inter/Intra Agency Agreement Change Order, DHHR-FINANCE-230

I. Spending Unit

- A. Assign sequential change order number
- B. Obtain grantee signature on DHHR Agreement Change Order Authorization Form DHHR FINANCE-190
- C. Grantee return to spending unit
- D. Obtain DHHR signature on DHHR Authorization/Routing Sheet DHHR FINANCE-170 plus DHHR FINANCE-210 (DHHR Inter/Intra Agency Agreement Form) or DHHR FINANCE-230 (if Inter/Intra Agency Agreement) along with any other appropriate documentation
- E. Submit to Division of General Accounting and Reporting

II. Division of General Accounting and Reporting

- A. Record document on grant "tracking system"
- B. Review DHHR FINANCE-170
 - Signature of person coordinating the subgrant
 - Signatures from the office and bureau designees who are authorized by Bureau Commissioner
 - Dates affixed to above signatures
- C. Forward to the Division of Grant Administration and Reporting

III. Division of Grant Administration and Reporting

- A. Review for federal compliance
- B. Verify financial coding appropriateness
- C. Verify legitimacy of change order structure
 - Scope
 - Time period
 - etc.
- D. Determine overall acceptability of document in order to provide direction to the Division of General Accounting and Reporting concerning distribution
- E. Return to Division of General Accounting and Reporting

IV. Division of General Accounting and Reporting

- A. If Division of Grant Administration and Reporting finds no issues which require the return of the document to the spending unit for correction:
 - 1. Perform general, overall review of entire document
 - 2. If questions arise as a result of the review, return to Grants Administration and Reporting for verification. Otherwise, proceed to next step.
 - 3. Generate commitment adjustment document ("Y")
 - 4. Electronically post "Y" document
 - a. If inadequate spending authority prohibits posting of document, forward the "Y" document to Office of Budget or Grant Administration and Reporting (depending upon the budgetary

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- problem) for subsequent return to Division of General Accounting and Reporting after correction
- b. If no posting problem occurs, proceed to next step
- 5. Secure official DHHR signature on the change order (the party who signs the agreement will look to the authorized signatures on the DHHR FINANCE-170 for justification of their binding signature)
- 6. Maintain original document in central DHHR file - photocopy document and distribute to:
 - a. Grantee
 - b. Spending unit
 - c. Compliance Unit
- B. If Division of Grant Administration and Reporting DOES find issues which require the return of the document to the spending unit for correction:
 - 1. Return document to spending unit for correction(s) and subsequent return to the Division of General Accounting and Reporting
 - 2. Forward to Division of Grant Administration and Reporting for review of corrections made by spending unit (document will continue to follow the above referenced steps until all problems are resolved).

Attached are flow charts which depict the flow of the documents. Also, attached are copies of the forms to be used for making copies. If you wish for these forms to be sent to you electronically or by disk or if you have any questions concerning the appropriate form to use, please call the Division of Grant Administration and Reporting at 558-2296.

WDK/eaw

Attachments

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