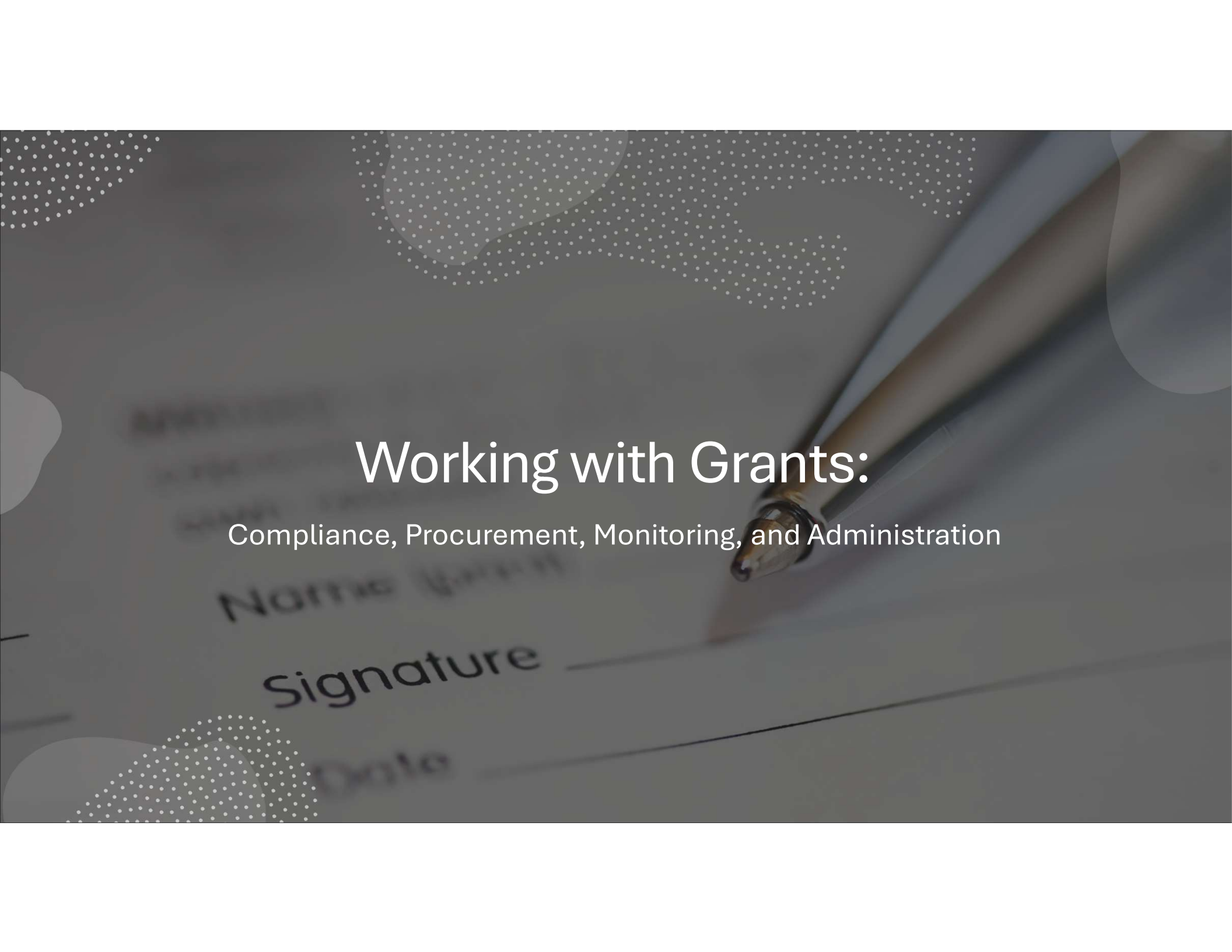


The background is a dark, grayscale image of a document. A fountain pen is visible on the right side, pointing towards the bottom left. The document has several fields with labels: 'Name', 'Signature', and 'Date'. There are also decorative elements consisting of white dots arranged in circular patterns on the left and top. The text 'Working with Grants:' is centered in a large, white, sans-serif font.

Working with Grants:

Compliance, Procurement, Monitoring, and Administration



Compliance preserves the integrity of public funds.

Public funds support the approved purpose.

The grant record explains each decision and expense.

Staff resolve problems early enough to protect reimbursement.

Policies, procedures, and staff experience prevent problems from occurring.

Reimbursement depends on compliance not the final construction of a product or implementation of a program.

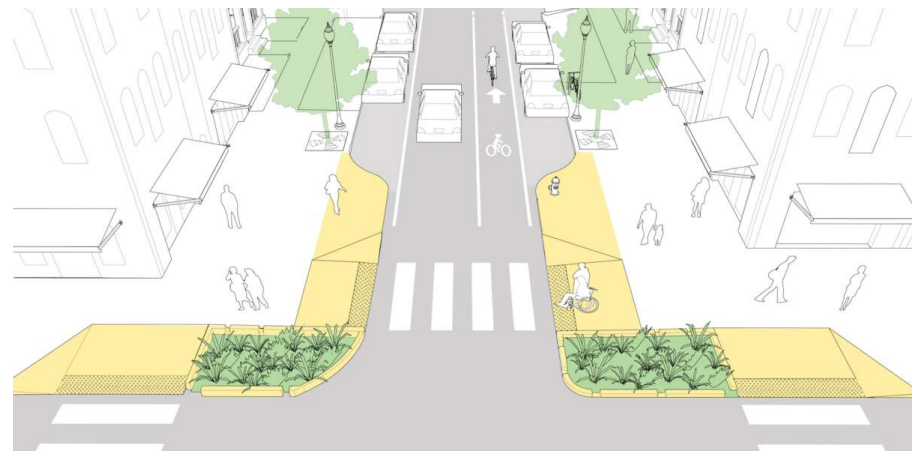
Procurement

Eligible costs

Approvals

Award Terms

Hypothetical accessible sidewalk project



[This Photo](#) by Unknown Author is licensed under [CC BY-NC](#)

Requirements for grant compliance may come from multiple sources. Read them all and work with your program officer to ensure compliance.

Federal statutes and program regulations define the program.

2 CFR Part 200 supplies the federal framework.

Award terms and agency rules establish project-specific conditions.

State law and local policies also govern implementation.

SS4A Grant Award Example



[This Photo](#) by Unknown Author is licensed under [CC BY-SA](#)

The funding source matters more than the check issuer.

Funding route	Compliance starting point
Direct federal award	Federal program rules, Part 200, award terms
Federal funds through a state	Federal requirements plus the subaward terms
State-only grant	State program rules, agreement, local policies
Several funding sources	Separate cost shares and requirements by source

Award Kickoff and Ownership

Award Summary

Approved scope and budget

Budget period and project end date

Match, reports, and approval triggers

Named Responsibilities

- Project lead verifies the work
- Finance reconciles costs and cash
- Grant lead coordinates funder decisions and implementation

Grant Transactions Controls

Controls



Requester explains the purpose and cost.



Reviewer checks eligibility and approvals.



Project staff verify delivery before finance pays.



A separate reviewer reconciles the grant ledger.

Example infrastructure project



Allowable Cost Review: A Budget Line Alone Does Not Establish Allowability

Hypothetical Equipment Purchase

Necessary for the approved project and reasonable in amount

Allocable to the award based on the benefit received

Consistent with policies and award restrictions

Within the applicable period and supported by records



The Evidence Behind a Payment

Transaction Record

Purchase request and selection record

Contract, invoice, and proof of payment

Delivery confirmation and reviewer sign-off

A reviewer can trace the claim to the ledger

Grant Connection

- Correct grant and budget code
- Required approval or amendment
- Allocation and reimbursement calculation
- SF-270 or other applicable forms

Payroll Tracking

Staff Time

Record reflects work performed,
not budget percentages

All compensated activities
support the allocation

Periodic review corrects
estimated charges.



Match Depends on the Denominator

Assumption	Amount
Eligible total project cost	\$300,000
Federal share at 80%	\$240,000
Local share at 20%	\$60,000
Local match relative to federal share	25%

Exercise 1: The Consultant Invoice

- A city receives a \$240,000 federal planning award with a 20% local share of total eligible cost.
- A \$30,000 invoice includes \$4,000 for unrelated zoning work and \$2,000 incurred before the approved period. No pre-award approval exists.
- The approved work has complete support. All award conditions otherwise hold.
- What amount belongs in the federal claim?

Exercise 1: Decision and Record

- \$19,200
- Federal reimbursement under the stated assumptions
- Excluded costs do not satisfy the required match
- Eligible cost: $\$30,000 - \$4,000 - \$2,000 = \$24,000$
- Federal share: $\$24,000 \times 80\% = \$19,200$
- Local eligible share: $\$24,000 \times 20\% = \$4,800$

Procurement Methods

- Thresholds will be set by your entity's purchasing policy.
- Micro-purchases with documented reasonable price.
- Quotes from an adequate number of qualified sources.
- Formal procurement with public notice.



Competitive Vendor Selection

- Request for Qualifications (Architects and Engineers)
- Request for Proposals
- Invitation for Bids
- Design Build
- Independent Cost Analysis



Independent Cost Analysis

- Engineering & Design
 - Percentage of project (CDBG reasonable cost table)
 - Work hours
 - Assign hours for scope of work based on comparable projects
 - Take an average of vendor fees to determine a range for reasonableness
- Construction (Engineer estimate)
- Program Services (Fair Market Rates, Quotes)



RFQ Ranks Vendors – Independent Cost Analysis Drives Negotiations

- Most qualified firm is selected for the service.
- If the vendor's cost for services does not meet your ICA, the federal funder will require you to negotiate with the second highest scoring firm (assuming they are qualified)
- Vendor must also agree to terms and conditions in their contract.



Ensure Final Contract Includes Grant Terms

- To receive grant reimbursement for contract services, contract work must align with grant terms and conditions.
- Rate tables for services must match the contract and invoice. Ensure the vendor includes all rate tables they may bill from.



This Photo by Unknown Author is licensed under CC BY-SA-NC

Conflicts and Exclusion Checks

- People involved
 - Written standards address actual and apparent conflicts
 - Conflicted staff leave selection and contract administration
 - Potential conflicts follow the agency disclosure policy
- Eligible partners
 - Review suspension and debarment requirements
 - Keep the required verification evidence
 - Document the check at the relevant decision data

Noncompetitive purchases

- The file identifies an authorized basis under 200.320 (C)
- Urgency needs evidence that competition cannot meet the need.
- Written funder approval supports the route when applicable.
- Price reasonableness and contract terms still need review.
- Deadlines and incumbent relationships alone are not sufficient reason



Exercise 2: A Rushed Equipment Purchase

- A department wants a \$48,000 purchase from its usual supplier.
- The city sets its micro-purchase threshold at \$15,000.
- Staff have one quote and not documented non-competitive basis.
- The grant ends in 45 days.
- A selection panel member's spouse works for the supplier.
- **What needs to happen before the city commits grant funds?**

Exercise 2: The Approval Path

Issue	Next Action & Evidence
Purchase Method	Obtain adequate qualified quotes under the stated policy
Potential Conflict	Document review and remove conflicted personnel as required
Timing	Verify delivery, eligibility dates, and any needed extension
Commitment	Complete selection and approvals before issuing the order

Monitoring



Monitoring Subrecipients Or Contractors

Subrecipient

- Carries out part of the federal program
- Makes programmatic decisions
- Performance relates to program objectives

Contractor

- Provides goods or services for the city's use
- Operates in its normal business market
- Performance relates to the purchase contract

Monitoring Subrecipients

- The agreement identifies the award and applicable requirements
- A documented risk assessment guides monitoring
- Staff review financial and performance reports
- Follow-up involves confirming required audits and performance measure milestones



This Photo by Unknown Author is licensed under CC BY-NC

Construction Monitoring Review Gates

- Environmental and property approvals can precede construction.
- Applicable wage rules affect contracts and payroll oversight.
- Domestic sourcing requirements affect material selection.
- Accessibility obligations affect design and the completed facility.



Scope, Budget, & Schedule Changes

- Staff compare proposed change with the approved award.
- A scope or objective change requires prior written approval.
- Extension and budget requests follow applicable approval rules.
- The file retains the request, decision, and revised documents.
- A city-approved change order can still need funder approval



Reporting & Reconciliation

Financial Report

- Ledger totals reconcile to report
- Match and program income documentation
- Reviewer resolves duplicate or unsupported costs
- Have an internal deadline for review that precedes funder deadline

Performance Report

- Actual results use the award's measures
- Staff explain delays and corrective steps
- The file retains evidence for reported outcomes

Closeout and Continuing Obligations

120 / 90

Days after the period ends: recipient / subrecipient final reports

Closeout does not end records, audits, or property responsibilities

- Federal recipients generally have 120 days.
- Subrecipients generally have 90 days, or an earlier agreed date.
- Approved extensions and award-specific conditions can affect timing.

Single Audit Readiness

\$1 Million Threshold

- Federally awarded funds expended in the entity's fiscal year
- All applicable federal expenditures count across awards



Compliance problems require a response

Staff preserve evidence and stop processing further unsupported claims for reimbursement or other grant action.

The responsible team determines the affected costs and requirements.

Corrective action identifies the cause, owner, and completion date.

A logged issue remains open until someone verifies the fix.

Regular Monitoring Helps Catch Non-Compliance Issues Early

- Select an active award for file review.
- Confirm governing terms, dates, and assigned responsibilities.
- Trace one recent claim to the ledger and supporting records.
- Resolve one gap and assign the next review date.



REFERENCE

Reference: official sources

[2 CFR Part 200: federal administration, costs, and audits](#)

[Acquisition.gov: October 2025 threshold changes](#)

[Federal Audit Clearinghouse: audit submission requirements](#)

[2 CFR Part 184: Buy America infrastructure preferences](#)

[U.S. Department of Labor: Davis-Bacon and Related Acts](#)

Sources checked October 11, 2026. Specific citations appear in slide notes.



Questions