

GOVERNMENT OF THE U.S. VIRGIN ISLANDS



DEPARTMENT OF TOURISM

FEDERAL GRANT MANAGEMENT POLICIES

AND

PROCEDURES GUIDE

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REVISED 3/7/2022

1.0 VERSION HISTORY

FEDERAL GRANT MANAGEMENT POLICIES AND PROCEDURES GUIDE VERSION CONTROL – REVISION TRACKER

VERSION NUMBER	DATE REVISED	DESCRIPTION
1.0	3/7/2022	INSERTED REVISION TRACKER AND COMMISSIONER'S SIGNATURE AND DATE

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PURPOSE

The purpose of this guide is to establish policies and procedures for the Department of Tourism concerning the management of federal grant awards. The Department of Tourism's federal grant management guidelines are designed to ensure fiscal and programmatic accountability of all federal funds awarded to the Department of Tourism.

The Department of Tourism is committed to maximizing federal dollars for the greatest allowable public benefit while maintaining appropriate safeguards to ensure that taxpayer funds are not misused. It is the responsibility of the Commissioner to oversee the implementation of these guidelines.

- **Department Policy.** The policies and procedures in this manual are intended to supplement, not replace any employee/organizational policies and procedures of the department or the Government of the United States Virgin Islands (GVI).
- **Federal regulations.** As a recipient of federal grants, the Department of Tourism will adhere to the regulations contained at 2 CFR Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, in addition to other applicable local and federal statutes, guidelines and directives.

- **Use and knowledge**

All relevant personnel will be required to read and become familiar with this document.

1. PROGRAM AND FINANCIAL MANAGEMENT

It is the Department of Tourism's policy to maintain accurate, current and complete records of each federal grant received, including effective control and accountability for all funds, property and other assets. All accounting records will be supported by source documentation and will be retained and/or made accessible as appropriate.

1.1 Primary Point of Contact

The Commissioner, Assistant Commissioner, Special Assistant to the Commissioner and/or the Director of Administration and Management shall serve as the primary contact between the Department of Tourism, the federal funding agency and any external grant partners, when applicable.

1.2 Federal Drawdowns/Payments

The Department shall adhere to the Standard Operating Policies and Procedures (SOPP) as established by the Department of Finance as it pertains to the management of drawdowns of Federal funds.

- A. **General.** Federal drawdowns will occur to reimburse for actual grant expenses incurred. When the Department of Tourism has multiple federal grants, payment requests for each award will be submitted simultaneously to the extent practicable.

B. Department of Tourism Direct Expenses. The Department of Tourism will draw down federal funds as necessary to support the applicable project.

1. Payment requests will be processed in the order in which they are received.
2. Payment requests will contain a line item summary of the amounts being claimed. For reimbursement payments, documentation to support all grant program costs will be submitted.
3. The Director of Administration and Management or his/her designee will review payment requests for accuracy and completeness. The Director of Administration and Management or his/her designee may request any additional expense information or documentation as needed. The Director and his/her designee will also log via Quickbooks and Excel all invoices received and recorded for payment. Each invoice will be timestamped upon receipt and submission.
4. The Commissioner and Assistant Commissioner will make the final determination about allowable costs. The Commissioner and those listed in succession will make the final determination in cases of conflict, and document appropriately.
5. The Assistant Commissioner and/or Director of Administration and Management or his/her designee will prepare the federal drawdown requests for applicable review.

C. Indirect Expenses. To the extent feasible, indirect expenses will be included with every federal drawdown request.

D. Review and Approval. The Commissioner, Assistant Commissioner, Special Assistant to the Commissioner and/or the Director of Administration and Management will review all federal drawdown requests prepared prior to submitting to the grantor agency. **1.3**

Determining Allowability of Costs

The Commissioner, Assistant Commissioner, Special Assistant to the Commissioner or Director of Administration and Management will make final determinations to ensure allowability, reasonableness and allocability of costs.

- An allowable cost is one that:
 - Is necessary and reasonable for proper and efficient performance and administration of the grant;
 - Conforms to any limitations or exclusions set forth in the Federal Cost Principles or in the award as to types or amounts of cost items;
 - Is consistent with the GVI's and the Department of Tourism's policies and procedures that apply both to federal awards and other activities of the organization;

- o Is treated consistently as a direct or indirect cost; o Is determined in accordance with generally accepted accounting principles (GAAP); o Is not included as a cost or used to meet cost sharing or matching requirements of any other federally financed program in either the current or a prior period, unless specifically permitted by federal law or regulation;
- o Is adequately documented; oIs authorized or not prohibited under federal, state or local laws or regulations.
- A cost is reasonable if, in its nature or amount, it does not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision was made to incur the cost.
- A cost is allocable to a particular federal grant if the goods, services or other activity involved are chargeable or assignable to the federal grant in accordance with the relative benefits received.

1.4 Cost Share/Matching Funds

All cost share/matching expenses shall be documented in the same manner, to the extent feasible, as regular program expenses. All contributions, including cash and third party in-kind, shall be accepted as match/cost-share when such contributions meet all of the following criteria:

- Are verifiable from the contributor's records;
 - Are not included as contributions for any other federal grant project or program;
 - Are necessary and reasonable for proper and efficient accomplishment of project or program objectives;
 - Are allowable under the applicable Federal Cost Principles;
 - Are not paid by the federal government under another award, except where authorized by federal statute to be used for cost sharing or matching;
 - Are provided for in the approved budget when required by the federal awarding agency;

1.5 Program and Budget Revisions

Some modifications to federal grant programs and budgets will require prior written approval from the Federal funding agency or pass-through entity. Requests for prior approvals, when necessary, will be prepared by and submitted to the federal awarding agency or pass-through entity by the Director of Administration and Management or his/her designee.

1.6 Performance Period

Charges to federal grants for allowable costs will be incurred only during the grant term authorized by the federal funding agency or the pass-through entity.

2. PERFORMANCE AND FINANCIAL MONITORING AND REPORTING

2.1 Reporting

Federal grants awarded to the Department of Tourism will be required to submit periodic financial and programmatic reports to the awarding agency. Accurate and timely reporting is critical to maintaining a good relationship with the grantor(s). Late or inaccurate reports may negatively impact current or future funding. The Director of Administration and Management or his/her designee will prepare all required reports, allowing sufficient time for the Commissioner, Assistant Commissioner or Special Assistant to the Commissioner to review prior to submission.

2.2 Monitoring Grant Program Progress

The Department of Tourism will monitor the activities and progress of its federal grants as necessary to ensure that federal awards are used for authorized purposes in compliance with laws, regulations and the provisions of the grant agreements; and that performance goals are achieved. The Commissioner, Assistant Commissioner, Special Assistant to the Commissioner and the Director of Administration and Management will be provided copies of original grant budgets and any subsequent revisions. Any problems, delays or adverse conditions that will materially impact the ability to meet a grant's objectives will be reported to the federal funding agency by the Commissioner.

Strategies to monitor grant program progress include but are not limited to:

- **Ongoing oversight.** Designated staff must devote enough time every month to monitor the project's implementation. All financial and programmatic concerns and discrepancies must be reported to the Commissioner, Assistant Commissioner, Special Assistant to the Commissioner and the Director of Administration and Management.
- **Ongoing consultation.** The Assistant Commissioner, Special Assistant to the Commissioner and/or the Director of Administration and Management will maintain regular, informal contact with applicable grant partners to ensure grant(s) progress and address any issues.
- **Quarterly reviews of expense documentation.** The Commissioner, Assistant Commissioner or Special Assistant to the Commissioner will assess if sufficient program progress is being made based on a quarterly review of actual expenditures to budget estimates.

3. PURCHASING/PROCUREMENT

The purpose of this section is to establish the Department of Tourism's policies and procedures concerning the acquisition of goods and services with federal grant funds. The Department of Tourism's procurement policies and procedures are designed to ensure timely, efficient, and economic procurement, within the guidelines of good business practices.

Compliance shall be maintained to established local and federal procurement laws, to include standard operating policies and procedures. All procurement listings will be posted on the

Department of Property and Procurement website and linked to Tourism Department's website .

3.1 Contract Administration and Payment Procedures

The Assistant Commissioner, Special Assistant to the Commissioner, Director of Administration and Management shall be responsible for monitoring the implementation of the procurement regulations and shall ensure the fulfillment of all written requirements. If the contractor violates any of the terms or conditions of its award, the Director of Administration and Management shall notify the Commissioner and Assistant Commissioner immediately. The Commissioner is responsible for taking appropriate corrective action where necessary.

A. Contractor Payment Procedures. Before contractor payments are processed, the following steps must be followed:

1. **Initial Review and Approval.** Contractors will submit invoices to the Assistant Commissioner. Invoices shall contain sufficient information for the Assistant Commissioner to determine if all deliverables and all appropriate services were provided during the invoice period. This will be reported to the Commissioner and the Special Assistant to the Commissioner.

2. **Verification.** Once the Assistant Commissioner, Special Assistant to the Commissioner or Director of Administration and Management approves the contractor's invoice, the invoice will be sent to the grantor agency who will verify all expenses are allowable and that funds are available for payment.

3.2 Standards of Conduct

The Department of Tourism requires full and open disclosure when dealing with procurement. As such, Department of Tourism' employees must strictly avoid any conflict of interest or the appearance of a conflict of interest. Department of Tourism' employees must at all times provide full disclosure of their actions or relationships with prospective vendors, contractors, or consultants. If there is the slightest doubt as to the propriety of a procurement action, the Commissioner and Assistant Commissioner should be contacted immediately.

- A. Employees.** Department of Tourism employees shall not engage in conduct resulting in a real, potential, or apparent conflict of interest. A conflict of interest may arise when any action by a Department of Tourism employee, whether isolated, recurring, or continuous, is to the direct financial advantage of this employee, of their spouse, parent, child or any member of the employee's immediate family. Employees shall not participate in the selection, award, or administration of a contract supported by federal funds if a real, potential, or apparent conflict of interest would be involved. Such a conflict of interest would arise when any employee or any member of their family, or an organization which

employs or is about to employ any of the parties indicated herein, has a financial or other interest in the firm/organization selected for a final contract. Department of Tourism' employees shall neither solicit nor accept gratuities, favors, or anything of monetary value from contractors, sub-recipients, parties of project contractors. Department of Tourism' employees are, however, allowed to accept unsolicited gifts of a nominal face value not to exceed \$100. As appropriate, either the Commissioner will be responsible for determining the disciplinary action that will be imposed for any conflict of interest violations.

3.3 Procurement Records and Files

For each procurement action, the Director of Administration and Management or his/her designee shall maintain a procurement file with the following information:

- Signed copy of the procurement instrument (e.g., purchase order, contract, etc.);
- All amendments to the procurement instrument;
- Copies of all bids and offers;
- All purchase specifications including delivery requirements;
- Cost/price analysis that was the basis for the award cost or price;
- Contractor evaluation/ranking sheets from selection committee members;
- As applicable, a written justification as to why sole source or minimum competition was used;
- Written explanation as to why the winning contractor was selected;
- Documentation that the selected contractor is not suspended or debarred;
- As applicable, prior written approval documentation from federal funding agency;
- Upon completion of the contract, written comments regarding the quality of the vendor's services and guidance and recommendations regarding potential future work.

3.4 Procurement Procedures

In accordance with Virgin Islands Code Title 31, Chapter 23 and Department of Property and Procurement Manual which outlines Policy No. 012016 and subsequent Policy Memorandum No. 012018, the Department of Tourism shall ensure full and open competition for the procurement of goods and services, guarantee the objective performance of any contract and eliminate the possibility for unfair competitive advantages. The abovementioned policies are outlined in the Proposal selection shall be based on responsiveness to the solicitation, price, quality, deadlines of delivery, warranties, accountability and fulfillment of the service and other relevant factors.

The Department of Tourism through the Department of Property and Procurement reserves the right to award purchase orders, consultant agreements or project contracts on a sole source/noncompetitive basis when one or more of the following circumstances apply:

- (1) the item or service is available only from a single source that has predominate capability;

- (2) there is a public exigency or emergency that will not permit a delay from competitive solicitations;
- (3) the Department of Tourism received prior approval from the Federal awarding agency; or
- (4) competition is determined to be inadequate after solicitation from a number of sources.

The Department of Tourism shall prepare and submit a written justification letter signed and approved by the Commissioner to the Department of Property and Procurement for approval.

Only the Commissioner may request a sole source agreement or contract.

No procurement will be made from a contractor that has been suspended or debarred from receiving federal funds. Prior to awarding any contract, the Director of Administration and Management or his/ her designee will search the federal *Excluded Parties List System* (www.sam.gov) to determine that the individual, company, organization and their principals are not suspended or debarred.

3.5 Required Contract Provisions

The Department of Tourism shall include, in addition to provisions to define a sound and complete agreement, all provisions required by the Federal funding agency and applicable provisions found in *Appendix II of the Uniform Guidance (2 CFR Part 200)*. § 200.317 Procurements by states. When procuring property and services under a Federal award, a state must follow the same policies and procedures it uses for procurements from its non-Federal funds. The state will comply with §200.322 Procurement of recovered materials and ensure that every purchase order or other contract includes any clauses required by section §200.326 Contract provisions. All other non-Federal entities, including subrecipients of a state, will follow §§200.318 General procurement standards through 200.326 Contract provisions.

4. RECORDS AND INFORMATION

4.1 Financial and Program Records

- A. Financial records, supporting documents, statistical records, program documents, evaluation reports and all other records pertinent to a federal grant award shall be retained for a period of three years and stored externally in the data cloud from the date of submission of the final expenditure report. The only exceptions are the following:
 - If any litigation, claim or audit is started before the expiration of the three-year period, the records shall be retained until all litigation, claims or audit findings involving the records have been resolved and final action taken;
 - If the federal awarding agency, or pass-through entity, notifies Department of Tourism that records must be retained beyond the three-year period;
 - Records for real property and equipment acquired with federal funds shall be retained for three years after the final disposition;
 - Indirect cost rate proposals and cost allocation plans (see below).

- B. Indirect cost rate computations or proposals, cost allocation plans and any similar accounting computations that form the basis for the negotiation of the indirect cost rate with the Federal awarding agency shall be retained for three years beginning on the date of each submission for negotiation.

4.2 Access to Records

The Department of Tourism will grant personnel from the federal awarding agency or any authorized local or federal government entity access to any documents, papers, or other records which are pertinent to the federal grant. Department of Tourism’s staff will be available to answer questions related to such documents.

4.3 Safeguarding Sensitive Information

As the custodian of sensitive and private information, the Department of Tourism recognizes the importance of protecting information resources from loss, misuse, unauthorized access or modification. All printed and electronic material containing confidential, personal information related to business, financial or grant program transactions—including but not limited to name, birth date, address, telephone number, social security number, photographs, account numbers or other personally identifiable information are to be safeguarded.

All employees are to be informed of their obligation to the Department of Tourism, its vendors and its partners to protect the confidential nature of the personal information obtained and used during its daily operation. If inappropriate conduct is detected, supervisory and management personnel will address the issue and take appropriate remedial or disciplinary action as determined warranted under the circumstances, including termination of the employee or volunteer.

SOPP # 710 (Treasury)	<u>Prepared By:</u> Treasury Division
<u>Effective Date:</u> 2/27/09	<u>Approved By:</u> _____ Commissioner of Finance
Title	Drawdown of Federal Funds for Vendor Payments (Non Reimbursable Programs)
Purpose	Establish a streamlined approach to enhance and maximize the cash management of federal funds that support vendor payments, in accordance with the Cash Management Improvement Act (CMIA) of 1990.
Policies	<p>Agencies and departments are <u>strictly prohibited</u> from the drawdown of federal funds prior to check issuance unless authorized by their grant.</p> <p>Agencies and departments must proactively perform an inquiry within the ERP to determine the date of check issuance and the subsequent drawdown date for a grant.</p> <p>Vendor check payments that are supported by federal funds <u>will not</u> be released or disbursed from the Department of Finance, Treasury Division until proper supporting evidence of a request for a drawdown is received via the "Drawdown Report", which includes the <u>Bank Deposit or Settlement Date, Amount, Pin #, Drawdown Confirmation#, and Dept ID#.</u></p> <p>Department and agencies must submit all supporting evidence for federal fund drawdown's in the following order of preference: A. Email (as a "PDP" document): ffddrequest@dof.gov.vi B. Fax: 774-7671</p> <p style="padding-left: 40px;">C. In-person: DOF, Treasury Division</p> <p>Drawdown of federal funds must be properly recorded within the ERP using the "Miscellaneous Cash Receipts" entry prior to release of any vendor payment.</p> <p>A separate batch, utilizing the appropriate bank code in the ERP for federal funds, must always be employed.</p>

<p>Responsibilities</p>	<p>Departments and Agencies are responsible for:</p> <ul style="list-style-type: none"> o Drawdown of federal funds in a timely manner o Proactively inquiring within the ERP to determine when a check has been issued for a properly approved invoice payment o Properly recording federal funds within the ERP o Submitting a "Drawdown Report" to the Department of Finance, Treasury Division o Verifying via email correspondence to ffddrequest@dof.gov.vi the date of deposit <p>The Department of Finance, Treasury Division is responsible for:</p> <ul style="list-style-type: none"> o Releasing vendor check payments in a timely manner once all supporting documentation is received o Posting all federal funds transactions recorded by departments and agencies in a timely manner
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Procedure

Under the "**GVI Department Accounts Payable**" menu item and upon completion of entering the invoice(s) within *AP Invoice Entry* the following steps should be performed:

1. Record the batch number associated with the invoices submitted to the Department of Finance for approval,
2. Select **fyview Batcfj** within *AP Invoice Entry*,
3. Print the batch for ease of researching the status of payment,

Under the "**GVI Department Accounts Payable**" menu item, navigate to *Vendor Invoice List* after all intra-agency/intra departmental approvals have been completed the following steps should be performed:

4. Using the printed batch from "Step 3" above, search the payment status of the invoice by Document Number (or any other criteria deemed appropriate),
5. If no data is found for the Document Number, the invoice has not yet been submitted for a check run or has been rejected by the Department of Finance,
6. If a data record is found, "Browse" the record and make a notation of the check number and status (i.e., "PD" = Paid),

To the extent possible, invoices that have a valid check number should be grouped together as a single drawdown transaction. Once this is accomplished the following steps should be followed:

7. Drawdown funds that encompass the grouped invoices
8. Within 24 hours of drawdown, print the "Drawdown Report" and simultaneously record transaction within the ERP using the "Miscellaneous Cash Receipts"
9. Email the "Drawdown Report" as a "PDF" document to ffddrequest@dof.gov.vi and within the correspondence, indicate the checks that are linked to drawdown which require release,
10. Contact Treasury Division at 774-4750 Ext. 2280 to ensure that the checks have been released.

Revision History

Revision#	Date	Description of changes	Requested By
0	1/24/2009	Initial Release	vc
1	1/30/2009	Update to initial release	VC, SK, LJ, JL, CM
2	2/27/2009	Final revisions	VC&JL

SOPP # 712 (TREASURY) GRANT & PROJECT MANAGEMENT	<u>Prepared By:</u> Department of Finance
<u>Effective Date:</u> 05/21/10	<u>Approved By:</u> Commissioner of Finance
Title	MANAGEMENT OF FEDERAL DRAWDOWN FUNDS TO SUB-GRANTEES
Purpose	To provide a comprehensive, coordinated, and secure policy for the transfer of funds from the federal grantor to the DOF for transfer to the sub-grantee for payment of grant-related expenses by subgrantees.

<p>Policy</p>	<p><u>Drawdowns</u></p> <p>For the purposes of accessing federal funds through DOF, a drawdown is considered the transfer of funds from the federal grantor, to the DOF, which is then transferred via wire, Automated Clearinghouse (ACH) or other reasonable means to the sub-grantee.</p> <p>Funds shall be disbursed to the sub-grantee on an as-needed basis. DOF shall have no obligation to disburse funds until proper documentation is presented to DOF by the sub-grantee in need of such funds.</p> <p>DOF will not be obligated to disburse any funds before the request date specified in the “Sub-Grantee Authorization to Request Drawdown Form.”</p> <p>All draw-downs will be requested in the manner stipulated in this SOPP.</p> <p><u>Authorization to Request Drawdown</u></p> <p>The “Sub-Grantee Drawdown Request & Project Summary Report” (See “Sub-Grantee Authorization to Request Drawdown Form”), must contain the signatures of all persons authorized to request a drawdown on behalf of the sub-grantee.</p> <p>Any change in the persons authorized to request funds on behalf of the sub-grantee must be conveyed to DOF in writing with a revised “Sub-Grantee Authorization to Request Drawdown Form.”</p>
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Request for Drawdown

The “Sub-Grantee Drawdown Request & Project Summary Report” must be completed and submitted to DOF once allowable expenditures have been incurred.

A copy of each “Sub-Grantee Drawdown Request & Project Summary Report” must be kept by the sub-grantee to ensure proper recordkeeping.

Requests for draw-downs shall be completed in the manner stipulated in this SOPP.

Banking Information

All drawdown of federal funds must be kept in a separate bank account and cannot be mixed or co-mingled with any other sources of funding.

Maintenance of Records

The sub-grantee shall

- establish financial policies and procedures, which shall be consistent with Generally Accepted Accounting Principles and enable DOF, OMB or the federal grantor agency or its representative to audit or verify the accounts of the sub-grantee to ensure compliance with the grant award agreement and all stipulations which supplement said grant award.
- Maintain accounts and records to include, but not limited to:
- maintaining for a period of seven (7) years all records and documents necessary to conduct a full financial and compliance audit of the activity supported by the grant award agreement and all stipulations which supplement said grant award, and
- assigning personnel to keep track of all activities and expenditures made with federal grantor funds transferred from DOF.

Allowability of Costs

Unless otherwise stated, costs incurred under a cooperative agreement shall be in accordance with OMB Circular A-21, A-87 or A-122, whichever is applicable.

Under no circumstances shall sub-grantee funds be used for the following:

advertisements, other than for recruitment of personnel and procurement of goods and services; contributions to contingency reserves for unexpected expenses or occurrences; contributions, gifts, or donations to other organizations or individuals; entertainment including, but not limited to: amusements, diversions, social activities, ceremonials and costs related thereto, such as meals, lodging, rentals, transportation, and gratuities; interest on borrowed capital; fund-raising activities; investment counsel to enhance income from investments; repayment of loss due to excess of costs over income on any other projects; and fines, bad debts, alcoholic beverages, or tobacco.

Travel and Per Diem

Travel and per diem costs shall be at a rate that is reasonable and consistent with the travel and per diem policies and procedures for the Virgin Islands Government. Travelers' subsistence expenses which exceed the per diem rates included in the Project Budget may not be paid with sub-grantee funds without prior written approval from the federal grantor.

In addition, a duly authorized "Travel Authorization Form" bearing the individual sub-grantee name in the title, must be completed each time a person travels outside the U.S. Virgin Islands

The "Travel Authorization Form" must be filled out in detail and signed by both the traveler and the authorizing official.

	<p><u>Audits</u></p> <p>The federal grantor agency reserves the right to conduct, or have conducted, audits of the sub-grantee's records.</p> <p>The books and accounts of the sub-grantee pertaining to the grant shall be open for inspection by an independent certified public accountant or any other duly authorized representative of the grantor with reasonable written notice, and shall be legible, kept current and available for copying.</p>
<p>Responsibilities</p>	<p>Sub-grantees are responsible for:</p> <ul style="list-style-type: none"> ● Preparing the “Sub-Grantee Drawdown Request & Project Summary Report” according to guidelines provided and submitting it to the Department of Finance <p>The Department of Finance (DOF) is responsible for:</p> <ul style="list-style-type: none"> ● Reviewing and approving the “Sub-Grantee Drawdown Request & Project Summary Report” and, ● Monitoring the drawdown and dispensing funds to the subgrantees.

<p>Procedures</p>	<p>Sub-grantees shall</p> <ul style="list-style-type: none"> ● Prepare the “Sub-Grantee Drawdown Request & Project Summary Report” according to guidelines provided above, ● Submit the report and any other supporting documentation to the Department of Finance for approval and payment, by 9:00 a.m. on or after the date requested, ● Retain one completed copy and keep for proper record keeping at the sub-grantee’s organization, ● Retain copies of draw down documents for a minimum of seven (7) years from the date of the drawdown, and ● Submit the next in line (i.e., chronically ordered “Request Number”) before transferring the next drawdown.
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NOTE: SUB-GRANTEE DRAWDOWN REQUEST & PROJECT SUMMARY REPORTS SUBMITTED IN AN UNTIMELY MANNER WILL RESULT IN THE DELAY OF FUTURE DRAWDOWNS

TREASURY

- Review carefully the dates and amounts for the drawdown of funds using the “Sub-Grantee Drawdown Request & Project Summary Report,”
- Ensure that the signatories requesting the payment are authorized to request payments,
- Ensure that drawdown dates and amounts accurately reflect the sub-grantee's cash flow needs, so that grant funds do not remain idle,
- Draw down the required funds into the federal Department of Finance bank account,
- Authorize the bank to transfer the funds to the specific grantee account via wire, ACH or other reasonable means,
- Record the receipt of revenues into the treasury of the Government of the Virgin Islands, and
- Retain draw down documents for a minimum of seven (7) years from the date of the drawdown.

ACCOUNTS PAYABLE

- Records expenses in the General Ledger of the Government of the Virgin Islands.

Revision History

Revision #	Date	Description of changes	Requested By
0	05/21/10	Initial Release	VC, JL, CM, LP

SOPP # 711 (TREASURY) GRANT & PROJECT MANAGEMENT	<u>Prepared By:</u> Department of Finance
<u>Effective Date:</u> 5/19/10	<u>Approved By:</u> Commissioner of Finance
Title	MANAGEMENT OF ELECTRONIC DRAWDOWN OF FEDERAL FUNDS FOR GRANT EXPENSES
Purpose	<p>To provide a comprehensive, coordinated, timely, and secure policy for managing the federal draw down of funds for payment of grant- related expenses</p> <p>To ensure that those who are responsible for electronic federal drawdown work processes have adequate information in a timely manner and can perform all of their duties in an accurate manner.</p> <p>To meet all cash requirements for grant management in compliance with federal CMIA policies and;</p> <p>To provide accurate recordkeeping.</p>

<p>Policy</p>	<p>KEY POINTS OF CONTACT:</p> <p>Each Department/Commissioner, Senior Financial Manager, Grant Accountant, must:</p> <ul style="list-style-type: none"> ● Identify a supervisory level key point of contact responsible for managing all federal draw downs of grant funds. See Appendix Form # . A backup person should also be appointed. The following information for each key point of contact must be submitted to the Treasury Division of the Department of Finance within ten (10) calendar days of any change(s) made to personnel: <ul style="list-style-type: none"> ○ Department/Agency ○ First, Last Name and Position Title for main key point of contact ○ First, Last Name and Position Title for backup ○ Phone, Fax, and Government email address ● Provide the Treasury Division with a listing of all agency employees who perform federal drawdown functions as well as their access codes in the federal drawdown system. If there is a change in any of these employees or access codes, the Department/ Agency will notify the Treasury Division within ten (10) calendar days. Information to be provided:
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	<ul style="list-style-type: none"> ○ Department/Agency ○ First, Last Name and Position Title ○ Phone, Fax, and Government email address
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o **Access codes for federal drawdown system**

Maintain procedures within the Department/Agency to ensure that employees who handle federal draw downs must first contact the internal supervisory **key point of contact** to resolve issues prior to contacting the Treasury Division unless the **key point of contact** determines that direct contact is necessary.

The Director of the Treasury Division in the Department of Finance must identify a **key point of contact** within the department to resolve federal drawdown-related issues. See Appendix Form # —. The following information will be provided to each **key point of contact** within a Department/Agency:

- o **First, Last Name and Position Title**
- o **Phone, Fax, and Government email address**

FEDERAL DRAWDOWN POLICIES:

Agencies and Departments

Are strictly prohibited from drawing down of federal funds prior to check issuance, unless authorized by their grant.

Will be provided with the “Paid Invoice Report By Department” via the Treasury Division, which outlines non-personnel or personnel related checks paid against grant funds. Among other things, the report will identify the grant program and the amount of the disbursement for either non-personnel or personnel related expenses chargeable to a grant.

<p>Responsibilities</p>	<p>Agencies and Departments are responsible for:</p> <ul style="list-style-type: none"> ● Identifying whether the expense identified on the report is reimbursable at 100%, or whether the grant requires a different percentage, ● Drawing down the correct amount based on the terms and conditions of the grant, ● Identifying the terms and conditions of a grant which allow funds to be drawn down for indirect costs, ● Correctly calculating the available indirect funds,
	<ul style="list-style-type: none"> ● Properly making the federal draw downs, ● Posting the draw downs in the ERP within twenty four (24) hours of performing the draw down transaction and, ● Notifying the Treasury Division that the draw down has occurred. <p>The Department of Finance (DOF) is responsible for:</p> <ul style="list-style-type: none"> ● Preparing and faxing or emailing the “Paid Invoice Report by Department” of non-personnel expenses process for grant related expenses to the department and agencies daily. ● Preparing and faxing a summary of personnel expenses paid by federal grants on a bi-weekly basis.

<p>Procedures</p>	<p><u>Department of Finance:</u></p> <p>FEDERAL DRAWDOWN PROCEDURES/REQUIREMENTS:</p> <p>The key point of contact at Treasury</p> <ul style="list-style-type: none"> ● Prepares on a daily basis, the “Paid Invoice Report by Department” of non-personnel expenses processed for grant-related expenses. The report identifies the <ol style="list-style-type: none"> 1. department, 2. grant project code, 3. disbursement date for the checks, 4. amount of the check, and the 5. suggested drawdown date. ● Faxes or emails the report is to the Department by close of business on the same day. ● Prepares on a bi-weekly basis, summary level information of personnel expenses paid for federal grant projects. The report identifies the <ul style="list-style-type: none"> o department, o grant project code o disbursement date for the checks o amount of the payroll-related expense o expected drawdown date
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- Faxes or emails the personnel information to the Department/Agency by close of business on the same day.

Departments and Agencies

The **key point of contact** at each Agency/Department is required to

- Draw down funds, or supervise the drawdown of funds, for both the non-personnel and personnel expenses on the identified drawdown date.
- Identify any errors on the “Paid Invoice Report By Department”.
- Immediately notify the Director of Accounting at the Department of Finance of the error. If an error is reported and the check must be voided, no drawdown for these funds is necessary.
- Check the totals of the summary of personnel expenses paid for by federal grants, against their own payroll information.
- Identify any errors on the report, and immediately notify their internal contact within the Payroll Division at the Department of Finance, who must immediately take all necessary to correct the issue in the future, and will prepare a journal entry to correct the coding. The drawdown should include the miscoded information because the next payroll run will include the journal entry for the correction.
- Apply the correct percentage to the drawdown for each grant. In some instances, the expense is 100% reimbursable; in other instances, the expense is reimbursable at 80%, 50%, 10% or other percentages.
- Draw down funds to cover indirect expenses as allowed by each grant. When these amounts are determined and drawn, the **key point of contact at Treasury must** be notified.
- Enter, or supervise the entry, of federal drawdown information into the ERP system, using the Miscellaneous Cash Receipts Module and the proper account codes. The ERP entries must be made within twenty-four hours (24) of performing the drawdown.

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| | <ul style="list-style-type: none">• Notify the key point of contact within the Treasury Division on a daily basis that a federal drawdown has occurred. If the drawdown is for less than 100% of the original expense, or if the drawdown is for indirect costs, the key point of contact at Treasury must be notified of this fact. |
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The **key point of contact** in the **Treasury** Division will

- Notify each Agency/Department of the date of receipt of the funds into the local bank. Based on this date information, the Agency/Department will enter and post the drawdown into the ERP.
- Run a release/unreleased report daily to identify federal revenues entered in the ERP and,
- Reconcile these amounts with the bank statement prior to posting to the general ledger.
- Access the bank records to identify the code for the agency that performed the federal drawdown, if the they did not receive notification from an agency regarding a drawdown, or is unable to identify a drawdown that appears on the bank statement, and
- Enter the unidentified information on an excel spreadsheet and immediately notify the supervisor in Treasury.
- Fax or email the bank confirmation sheet and bank statement to the **key point of contact** within the negligent Department/Agency, if an unidentified drawdown **does not clear within a week**.
- Notify the Commissioner or Commissioner of the agency performing the federal drawdown, if an unidentified drawdown **does not clear within two weeks**.

REVIEW AND RECORDKEEPING:

The **key point of contact** in **Treasury** will develop and maintain

- A current listing of employees in each agency who have authority to draw down federal grant funds, known as the ACTIVE DRAWDOWN LIST. This list will be reviewed and updated annually.
- An excel worksheet on a monthly basis for all draw downs that have properly cleared, known as the CMIA REPORT. This report will be available on a regular basis for review of the CMIA requirements.

	<ul style="list-style-type: none"> An excel worksheet by agency on a monthly basis of federal draw downs that have not cleared for more than 30 days, known as the UNCLEARED REPORT. This report will be submitted to the
	<p>Commissioner of Finance and the respective Commissioner on a monthly basis.</p> <p>Departments/Agencies must retain copies of draw down documents for a minimum of seven (7) years from the date of the drawdown.</p> <p>The Treasury Division must retain draw down documents for a minimum of seven (7) years from the date of the drawdown.</p>

Revision History

Revision #	Date	Description of changes	Requested By
0	03/30/10	Initial Release	VC
1	05/19/10	Conform to format	JL
2	05/19/10	Review	VC
3	06/3/10	Final Review	AED