Next Gen Grant Writing: Be Competitive AND Compliant!

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Learning Objectives

- Explore the new relationship between proposal writing with compliance and performance, under the new grant reform guidance.
- Increase knowledge and skills about writing a true measurable objective and its impact relating to performance.
Learning Objectives

- Recognize key factors that can be used to self-assess the degree of applicant risk when writing a grant proposal, and identify risk requirements that grantors may include in proposal guidelines under the uniform grant guidance.

- Raise awareness about the need for describing realistic deliverables, and how they can impact performance.
Before we get started...

- This training provides only an overview - it is critical to read and evaluate the new uniform guidance for yourself, and to pay close attention to all subsequent related Federal issuances that will impact your organization.

- This training offers suggestions on how to consider the projected impact of uniform guidance on pre-award strategy; interpretations are subject to change based on agency-specific guidelines still in development.
Before we get started...

- The information in this training is presented from a user’s perspective, with generalizations based on the submission of competitive, non-construction proposals. It is not intended to offer advice from an audit or compliance perspective.
Uniform Grant Guidance (UGG) 2 CFR 200

- Issued 12/26/13; effective 12/16/14.
- Merged 8 previously separate OMB circulars to be more efficient, effective, and transparent, minimizing time spent on “unnecessarily burdensome administrative requirements.”
- Replaces previous guidance/rules/regs on pre-award, post-award, closeout, and audit.
- Increased emphasis on improving performance, in addition to compliance (ensuring integrity).
Any documents inconsistent with uniform guidance requirements must be superseded upon uniform guidance implementation (200.105). Replacement agency-specific policies/procedures are in development; OMB review and approval required; effective 12/16/14.

Uniform guidance will be reviewed every 5 years effective 12/26/13 (200.109).
Focus on innovation, cost effectiveness, and positive outcomes. Consider impact of OMB Memo M-13-17 on 2015 agency budgets (200.102).

6 standard data elements are required in notices of funding opportunities (200.203).

Merit criteria required in proposal review (200.204, Appendix I).

New “fixed amount” award category (up to $150,000) – no review of costs (200.102), reduced review in favor of meeting performance outcomes (200.301).
Metrics! Measurable improvement in outcomes are expected (200.301); performance goals and outcomes (including timeline) must be incorporated into award agreements (200.210).

60 calendar day turn-around for proposal submissions (200.203).

Must relate financial data to performance accomplishments (200.301).

Recipient reports on progress and promising practices will be used to justify future Federal awarding decisions (200.301).
Uniform Guidance Key Changes

- Must protect Personally Identifiable Information (PII) (200.303).
- Lots of Procurement changes designed to avoid unfair competitive advantage (200.318 through 200.326).
- Time and Effort documentation changes (200.430).
- Standardized performance report formats must be used (200.328).
- Language: more “must” instead of “shall.”
Non-Federal entities (e.g., pass-throughs) have authority and requirements similar to that of the funding agency, including required evaluation of risk prior to making an award or entering into a subrecipient agreement (200.212, 200.331, 200.501).

Non-Federal entities must disclose in a timely manner in writing all violations of Federal criminal law including fraud, bribery, or gratuity violations (200.113). Failure to do so can result in remedies for noncompliance (200.338).
The preferred method for record storage is in open and machine readable formats rather than in closed formats or on paper (200.335).

AORs must certify that providing false, fictitious, or fraudulent information, or the omission of any material fact, may subject them to criminal or civil penalties (i.e., increased personal responsibility) (200.415).

Exceptions to uniform guidance will be permitted by OMB only in unusual circumstances (200.102).
Uniform Guidance Key Definitions

- Cognizant agency for audit (200.18)
- Cognizant agency for indirect costs (200.19)
- Computing devices (200.20)
- Contract (200.22)
- Cost sharing or matching (200.29)
- Equipment (200.33, 200.313)
- Expenditures (200.34)
- Fixed amount awards (200.45)
Uniform Guidance Key Definitions

- General purpose equipment (200.48)
- Improper payment (200.53)
- Indirect (F&A) costs (200.56, 200.414)
- Information technology systems (200.58)
- Internal controls (200.61, 200.303)
- Internal control over compliance requirements for Federal awards (200.62)
- Micro-purchase (200.67)
Uniform Guidance Key Definitions

- Modified Total Direct Cost (200.68)
- Non-Federal entity (200.69)
- Oversight agency for audit (200.73)
- Pass-through entity (200.74)
- Participant support costs (200.75)
- Performance goal (200.76)
- Personally Identifiable Information (200.79, 200.303)
- Program income (200.80)
Uniform Guidance Key Definitions

- Recipient (200.86)
- Research and development (200.87)
- Simplified acquisition threshold (200.88)
- Special purpose equipment (200.89)
- Subaward (200.92)
- Subrecipient (200.93)
- Supplies (200.94)
- Voluntary committed cost sharing (200.99)
Before You Write One Word... Strategic Grant Planning

- Motivation and Needs
- Time and Resources
- Quality of Idea
- Support for the Idea
- Positioning
- Matching Ideas with Grant Opportunities
Motivation

- Want to implement a data/research informed new idea (proof-of-concept) or expand an existing program or service (scaling up) to achieve organizational goals.
- Not enough resources to support unmet needs (but supplement, not supplant).
- Organizational recognition.
- Wrong reasons: insufficient resources, chasing the money (don’t let the tail wag the dog).
Needs

- Is there a documented “gap” in programs or services?
- Is the comparative need “significant” (when compared locally, regionally, and/or nationally)?
- Does anyone else have the same need?
- What have others done to address the need (successfully or unsuccessfully)?
Time and Resources

- Is your organization (not just a single individual or department) able to comply with administrative requirements (internal controls), qualified to do what is proposed, but needy enough to justify receiving the grant?
- Is the project plan “ripe”?
- Does the development team have the time to invest in researching, writing, and submitting a competitive proposal?
Internal Controls

- Time critical tracking and documentation system to ensure adequate checks & balances and oversight of project activities and finances – includes strategies such as separation of roles and responsibilities; grants held to same restrictive policies and procedures as non-grant dollars; consistency.

- Internal controls previously in OMB Circular A-133 are now incorporated into uniform guidance administrative requirements (200.303).
Quality of Idea

- Do you understand the full complexities of your problem/need?
- Have you completed research, looked at models, pilot tested solutions, talked to others, etc. so you know that this is the solution?
- Can the idea be sustained (programmatically and financially) after the grant is over?
Support

- Do you have buy-in all the way to the top?
- How do you know that the people directly affected by this project (e.g., participants) support the idea?
- How do you know that the people indirectly affected by this project (stakeholders, other departments at your organization) support the idea?
Positioning

- How could partners be used to maximize project outcomes (not just to benefit the application’s competitiveness)?
- Does a relationship with the funder need to be established?
Matching Idea with Opportunities

- It’s not just about following the application guidelines – it’s about clearly responding to the funder’s mission.
- Use grants.gov, Federal Register, grant subscriptions, and professional networks to identify Federal grant opportunities that are a good “match” for your organization’s needs and interests.
The grant application is basically comprised of two elements: a program plan (narrative) and a financial plan (budget & budget narrative).

The program plan and financial plan must clearly and directly relate to each other in explaining how you will carry out the proposed project activities. The budget “translates” project concepts, objectives, strategies, and plans into dollars.
General Merit Review Criteria for Proposals

- Purpose and Extent of Need
- Plan of Operation (including Goals and Objectives, Methodology/Activities)
- Quality of Key Personnel
- Budget and Cost Effectiveness
- Evaluation Plan
- Adequacy of Resources
- FOLLOW THE CRITERIA THAT IS PRESENTED!
Purpose and Extent of Need

LACE:

• Have you consulted the Literature in developing your idea?
• Is your idea consistent with the advice of noted Authorities?
• How are you different from or similar to other Colleges?
• How does your own Experience lead you to believe that your idea will be effective?
Purpose and Extent of Need

- Include local/regional/national data and research to support your idea (including documented feedback from your project’s participants/beneficiaries and stakeholders).
- Describe the process you have gone through to examine the data to determine that what you are proposing is the best solution for your need.
- Connect your organization’s mission to the needs.
- Confirm that there are no other resources available to support your need.
Plan of Operation

- Goals should be long-range and broad.
- Make sure your goals are directly related to the funder’s mission/goals.
- Propose clearly measurable objectives (based on identified instrumentation and methodology) that describe what will change as a result of project interventions (closing the gap).
- Objectives should be within the grant period and measure specific changes that will occur to address Needs.
Plan of Operation

- Grants should include **outcome** objectives that are ambitious but attainable and bring about meaningful levels of change in the targeted area(s) of need. Be realistic to avoid risk of non-performance.

- Objectives should **measurably** state what will be different as a direct result of implementing this idea. Avoid process objectives, which essentially are just a checklist of completed activities. The change should be permanent, not temporary – how will the idea survive after funding is over? Avoid promising to achieve 100% of anything to avoid risk of non-performance.
Plan of Operation

- Process vs. outcome objectives

We will hold a conference offering a session on grant writing attended by 50 math faculty (assumes that learning will take place)

vs.

75% of math faculty attending the grant writing conference session will demonstrate a minimum 50% increase in knowledge of strategies for writing a competitive grant proposal based on pre- and post-intervention assessments (documents that increased learning has taken place)
Plan of Operation

- Make sure your proposed activities directly support the achievement of your Objectives and relate to your Needs.
- Describe when specific activities will occur.
- Specify who will be responsible for performing each activity.
- If possible, avoid 4th quarter activities to minimize risk of non-performance.
Plan of Operation

- **Risk** – Non-Federal entity is required to relate financial data to performance accomplishments (200.301). The timing and scope of these performance goals and outcomes must be included as a condition of the grant award (200.210).

- **Risk** – Non-Federal entity must inform agency or pass-through of delays or favorable time conditions impacting the grant (200.328).

- **Risk** – Build reasonable “cushions” into your timeline to accommodate unexpected interruptions.
Quality of Key Personnel

- Key personnel can include employees at your organization, consultants, partners...any position that is critical to the achievement of your outcomes.
- Although it is generally more competitive to identify specific names for key personnel, your focus should be on the qualifications and experience desired for each key position.
- **Risk** – Non-Federal entity must disclose in writing any potential conflict of interest (need policy) (200.112).
A good budget doesn’t just add correctly – it is a specific, direct reflection of the proposal narrative.

The budget should be large enough to accomplish the objectives/activities, but small enough to convince the reviewers and the funder that your concept is a cost effective investment.

Risk - Invest time in planning your budget. Spending money sounds easy, but is actually hard because of grant compliance issues – too much or too little money and/or weak spending plans can cause post-award problems.
Budget & Cost Effectiveness

- **Risk** - Recipients must provide cost information to demonstrate cost effective practices (e.g., unit cost data) (200.301).
- **Risk** – Ensure compliance with revised factors to determine if costs are allowable (200.403, 200.420-200.475), reasonable (200.404), and allocable (200.405).
Evaluation Plan

- Describe a valid and reliable evaluation methodology that includes the collection, analysis, and reporting of data to document your success in meeting the grant objectives/outcomes.

- Describe a formative evaluation process to ensure that feedback from participants/stakeholders will influence appropriate adjustments to project design throughout the grant period.

- Specify the process and instrumentation you will use to collect both qualitative and quantitative data.
Evaluation Plan

- Do you want an external evaluator and if so what purpose will he/she serve? What are his/her credentials?
- Establish an evaluation timeline that begins at the start of the grant, not as an after-thought late in the process.
- Specify data definitions, and identify baseline data against which change will be measured.
Adequacy of Resources

- Convince the reader and the funder that you have access to enough resources (from your organization and/or external project partners) to ensure that you can successfully achieve the proposed outcomes as you have described in the proposal.

- Include organizational administrative support systems that you have in place, e.g., a Finance Department with 3 consecutive years of no audit findings, Grants Accounting staff who have completed extensive grants management training.
Basic Components of a Grant Budget Narrative

- Personnel and Fringe Benefits
- Travel
- Equipment
- Supplies and Materials
- Contractual
- Construction
- Other
- Indirect Costs
- Cost Sharing
Basic Components of a Grant Budget Narrative

- **Risk** – Make sure all grant budget costs are allowable, allocable and reasonable in accordance with the federal cost principles in uniform guidance (200.403-200.405, 200.420-200.475).

- **Risk** – Provide as much calculation detail as possible, and make sure that your calculations are correct in order to avoid questions, and to minimize potential negative impressions about your ability to manage spending.

- **Risk** – Confirm all of your salary, fringe benefit, and travel rates with the appropriate departments at your organization to avoid post-award budget changes.
Personnel and Fringes

- Personnel includes positions paid directly by your organization (employee payroll).
- Define each position by title, job description based on responsibilities related to project activities; payroll rates and fringes in accordance with your organizational schedule.
- New uniform guidance allows some previously unallowable administrative/clerical staff salaries to be directly allocable to a grant budget.
Personnel and Fringes

- **Risk** – Be cautious about who you define as a “key person” to minimize need to comply with prior approval requirements (200.308)

- **Risk** – Review Compensation – personal services (200.430) to ensure compliance with allowability issues such as reasonableness, ceilings, supplemental pay, leave, institutional base salary, documentation requirements.

- **Risk** – Review Compensation – fringe benefits (200.431) to ensure compliance with allowability issues such as insurance, automobiles, leave, pensions, severance, tuition remission/waivers.
Personnel and Fringes

- **Risk** – Ensure compliance with Employee health and welfare costs (200.437), Insurance and indemnification (200.447), Recruiting costs (200.463), and Relocation costs (200.464).

- **Risk** – because specific Personnel Activity Report (PAR) time and effort reporting guidance has been deleted from uniform guidance, but documentation requirements remain, organizations must review and update their after-the-fact documentation processes.
Travel

- Be prepared to provide detailed descriptions of who will travel, travel destinations and purpose, and calculations of costs.

Equipment

- Purchase of tangible personal property having a useful life expectancy of more than one year and a unit cost over $5,000.

- **Risk** – Ensure compliance by understanding the differences between Equipment (200.33), Capital assets (200.12), Computing devices (200.20), General purpose equipment (200.48), Information technology systems (200.58), Special purpose equipment (200.89), and Supplies (200.94).
Equipment

- **Risk** – How your organization defines and procures Equipment can impact property management and disposition requirements (200.313).
- **Risk** – How your organization defines Equipment can influence whether you need prior approval to purchase items (200.308).
- **Risk** – Ensure compliance with Equipment and other capital expenditures (200.439) and Maintenance and repair costs (200.452).
Supplies and Materials

- Purchase goods that are directly related to the proposed project.
- These items are considered consumable, expendable and of relatively low unit cost (less than $5,000).
Supplies and Materials

- **Risk** – Don’t stockpile! Avoid having residual inventory of unused supplies exceeding $5,000 in total aggregate value upon termination or completion of the grant (200.314).

- **Risk** – Ensure compliance with Materials and supplies costs, including costs of computing devices (200.453).
Contractual/Consultants

- Procurement of an outside resource for services/expertise when internal resources are unavailable/lacking/non-existent.
- Contracting with subawardees to provide services that support the achievement of outcomes outlined in the project narrative.
- Procurement of an external evaluator for the project.
Risk - Even if non-Federal entity considers something a contract, the transaction may not meet this definition if substance of the transaction meets the definition of a Federal award or subaward (200.22, 200.330).

Risk – Pass-through entities have new requirements regarding issuing awards and monitoring subawards (200.331).

Construction

- Provide detailed construction costs associated with building a new structure.
- The granting agency will usually define how to illustrate how to present these costs in the budget narrative.
- **Risk** – Significant compliance requirements (not covered in this training).
**Other**

- Costs associated with the project but not easily identifiable in the other budget categories and not part of the indirect costs.
- **Risk** – Ensure compliance with Conferences (delivery, not attendance) (200.432); Memberships, subscriptions, and professional activity costs (200.454); Publication and printing costs (200.461); Rental costs of real property and equipment (200.465).
Other

Risk – Higher Education – Ensure compliance with Scholarships and student aid costs (200.466) and Student activity costs (200.469).
Indirect Costs

- Based on an approved rate negotiated with the organization’s cognizant agency.
- Administrative/operational costs that are considered overhead costs not directly charged to the grant.
Indirect Costs

- Uniform guidance states that applicants can elect to accept a de minimis indirect cost rate of 10% of Modified Total Direct Costs if a negotiated rate has never been established (200.414).
- Pass-throughs must honor subrecipients’ negotiated indirect cost rates, or offer the 10% de minimis rate.
- Know your cognizant agency for indirect costs (200.19).
The portion of the project or program not borne by the Federal government.

Uniform guidance states that voluntary cost sharing is not expected, and cannot be used during the merit review process. However, it can be considered if it is specified in the agency regs and in the notice of funding opportunity.

Risk: If accepted, 7 criteria must be met (200.306).
Cost Sharing

- Risk: Changes in the amount of approved cost sharing require prior approval (200.308).
Leverage

- Related to Cost Sharing
- The value of cash, goods and services spent on the project but not directly by the grantee.
Program Income

- Related to Cost Sharing
- Fees or cost revenues derived from a service or product delivered as part of the project activities.
Program Income

- **Risk** – if not specified by the agency, income must be deducted from (not added to) total allowable costs. The agency may approve use of income as part of cost sharing (200.307).

- **Risk** – If applicable, ensure compliance with Intellectual property (200.448) and Interest (200.449).
What Happens After I Hit “Submit”?

- Roles of the Program, Grants, and Review Officer.
- Screening/eligibility check.
- Peer/merit/objective review – uniform guidance requires agencies to design and execute a merit review process (200.204) – modeled after National Science Foundation requirement to address Intellectual Merit (potential to advance knowledge) and Broader Impacts (potential to benefit society).
Agency review of applicant risks for competitive and formula grants, including suspension and debarment – financial stability, quality of management system, performance history, audit reports, ability to implement program (200.205).
What Happens After I Hit “Submit”? 

- If deemed to be a risk, the grant may not be awarded, or specific conditions may be attached to the grant award – e.g., reimbursed payments, performance reviews, additional more detailed financial reports, additional monitoring, required assistance, additional prior approvals (200.207).

- Negotiation.

- Congressional notification.
QUESTIONS?

• To ask a question, please press *1 on your touchtone phone.
• If you are using a speaker phone, please lift the receiver and then press *1.
• If you would like to withdraw your question, press *1.
Further Questions?

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Follow-Up Questions

If you have any remaining questions after the conclusion of today’s webinar please do not hesitate to get in touch.

Ask our editor: karen.norris@thompson.com

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- http://www.thompson.com/
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