

Appalachian Regional Commission



GRANT ADMINISTRATION MANUAL

For ARC Non-Construction Grant Agreements

February 2015

Introduction

This manual provides guidance on post-award administration of ARC non-construction projects: from project approval to project close-out. If you cannot find the information you need, please consult your ARC project coordinator at the ARC headquarters office.

I. PROJECT MANAGEMENT

- *What To Do First*

Before starting an ARC project, read your ARC Grant Agreement.

Log in to [ARCnet](#), ARC's grants management system, to access your electronic project record. If you have not established an account, click on the link for new users on the main page and follow the instructions to create a new account. Contact the Program Operations Division (202) 884-7750 or email itsupport@arc.gov for assistance.

ARC Grant Agreements are stored in the electronic record of your project in ARCnet, and can be found in the "Documentation" section under "Files." The ARC Grant Agreement also identifies your ARC project coordinator and his/her contact information. You are responsible for keeping the contact information up to date in ARCnet for your project.

Note the project's start and end dates (the project period or period of performance) so that you are on track to meet ARC's reporting requirement (see Section II below). Do not begin project activities before the project's start date as only activities conducted during the period of performance are eligible for reimbursements.

Review the projected performance measures for your project, also found in the ARCnet record in the "Performance" section. You are responsible for tracking these measures and reporting your progress in interim and final reports to ARC.

- *Starting the Project*

You should begin work on your ARC-funded project as soon as the grant agreement's period of performance begins. Unless explicitly stated in your ARC Grant Agreement or ARC Approval Memo, you do not have to contact ARC before you begin. ARC and state contacts are available, however, to answer questions and provide guidance as needed.

If your project involves procurement for a service or a product, your ARC project coordinator may ask to review proposed procurement procedures before the project starts. See below for more information on subcontracting.

ARCnet

Log on to ARCnet (<https://arcnet.arc.gov>) to:

- Review ARC Grant Agreement
- Track payment & amendment requests
- View projected performance measures
- Change project contacts
- Check reporting deadlines
- Identify ARC project coordinator

For assistance logging in or using ARCnet, email itsupport@arc.gov.

- *Subcontracting for Services*

Subcontracted services are only allowable if identified in the original, approved work plan, or any approved revision. Generally, subcontracted services must be competitively bid. See Part II, Articles 5 and 6 of your ARC Grant Agreement for details about contracting procedures. All recipients of federal funds must be vetted through the Excluded Party List System, which is now part of the System for Award Management (<https://www.sam.gov/portal/public/SAM/>). Grantees are responsible for ensuring that all recipients of subcontracts and subawards do not appear on the Excluded Party List for the duration of the ARC project.

II. REPORTS

To view the requirement for reporting, refer to Article 4 Reports, found in Part II of the ARC Grant Agreement.

- *Reporting Intervals*

ARC requires interim progress reports every four months and a final report at the end of your project's period of performance. The reporting period begins with the start date of the grant agreement. Grantees may submit reports on a more frequent basis at the discretion of the ARC project coordinator.

If program activities did not start within this period, or if the project is delayed any time during the reporting period, a progress report is still required, explaining the reasons for the delay and how any problems are being resolved.

<p>For example, if the project performance period is Jan. 1, 2014 – Dec. 31, 2014, then,</p> <ul style="list-style-type: none"> - The first report is due by May 30, 2014 for the Jan. 1, 2014 – Apr. 30, 2014 period. - The second report is due by Oct. 31, 2014 for the May 1, 2014 – Sept. 30, 2014 period.

<p>This schedule repeats until the final reporting period.</p>
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<ul style="list-style-type: none"> - The final report is due by Jan. 30, 2015 for the entire Jan. 1, 2014 – Dec. 31, 2014 period.
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- *Required Content for All Reports – Interim and Final*

Both interim and final reports must include:

- a) A narrative, and
- b) A financial summary (see Section III of this document).

Payments will be made promptly if an acceptable progress narrative report and corresponding financial documentation are submitted together. Payments will not be authorized until the ARC project coordinator has received and accepted both components. Financial documentation is required even if no reimbursement is being requested for the reporting period.

Summary of ARC Interim and Final Reports

	Interim	Final
How often?	Every 120 days after start date. Due within 30 days of end of the reporting period.	At conclusion of project
Activities covered	Just the period	The whole grant period
Financial report required?	Yes	Yes
Forms & content required	ARC-PPR, marked as interim Interim Narrative Report SF270 ARC Backup Worksheet	ARC-PPR, marked as final Final Narrative Report SF270 ARC Backup Worksheet
Narrative format	See template in Section VIII below	See template in Section VIII below
Email to	Project Coordinator w/ CC to the State Administration/Liaison Officer (usually the state ARC program manager)	Project Coordinator w/ CC to the State Administration/Liaison Officer (usually the state ARC program manager)

- *Who to contact for additional information about reports*

If you have questions regarding the information needed for reports, call the ARC project coordinator identified on page one of the ARC Grant Agreement. Include the complete grant number (including all hyphens) in the subject line of your email message and on all other correspondence, e.g. AL-12345-15, exactly as it appears in your ARC Grant Agreement.

The project numbering format consists of:	Example:
- The abbreviation for your state,	NC- (CO is used for projects funded by the ARC Central Office)
- The five-digit project number, and	NC-15555
- The last two digits of the fiscal year in which the award was made.	NC-15555-15
- Note: Projects with continuations and revisions have an additional suffix, which is placed prior to the fiscal year.	NC-15555-C1-15 or NC-15555-R1-15

(A) Interim Progress Report – Narrative

- *Interim Report Intervals*

An interim progress narrative is due for each 4-month period of performance, unless otherwise noted in your grant agreement. Interim progress reports should be submitted within 30 days of

each reporting period. Grantees may submit reports on a more frequent basis at the discretion of the ARC project coordinator.

- *Required Format for Interim Narrative Report*

Reports should be completed in the appropriate electronic format and emailed as file attachments to the body of an email message. Reports must include the complete grant number (including all hyphens) in the subject line of your email message and on all other correspondence, e.g. AL-12345-15. The template in Section VIII, below, should be used to form the narrative portion of these reports.

- *Required Content for Interim Narrative Report*

Interim progress reports must include:

1. **ARC-PPR Performance Progress Report** (ARC cover page). This form is available on ARC's web site (<http://www.arc.gov/forms>). Box 8 of the PPR should be marked as 'interim.'
2. **The Performance Narrative.** In the "Performance Narrative" (Section 10 of ARC-PPR), follow the outline described in Section VIII of this document, and describe:
 - The performance measures achieved to-date, if any,
 - Any problems encountered to-date, and
 - Schedule of activities for the next reporting period.

(Note: The narrative is listed in section 10 of the ARC-PPR, but should be attached as a separate document.)

- *Performance Measures*

Performance measures are stored on ARCnet on the "Performance" tab of your electronic project record. ARC records projected outcomes and outputs upon approval of a project, and actual outcomes and outputs when a project is completed.

For more information on the length of time that ARC tracks performance measures and for the definition of performance measures, please review the [Guide to ARC Project Performance Measures](http://www.arc.gov/forms) (<http://www.arc.gov/forms>).

- *Address for Submitting Interim Narrative Reports*

Reports should be emailed to your ARC project coordinator. His/her email address is listed on your ARC Grant Agreement. The State Administration/Liaison Officer (usually the state ARC program manager) listed on your Grant Agreement should be copied on the email. Other state ARC contacts, as specified by your state ARC program office, should be cc'd as well. Other individuals from the grantee's organization may also be included in the email if required by the grantee's organization.

Grantees that do not have the technological capability to submit electronic files, or have report content that cannot be submitted electronically, should make alternate arrangements with their ARC project coordinator.

- *Appending Narrative Reports to the ARCnet Electronic Record*

The ARC project coordinator will upload your report(s) to ARCnet, ARC's grants management system, after reports have been reviewed and accepted.

(B) Final Progress Report - Narrative

- *Due Date for Final Narrative*

The final narrative report and all financial documents are due within 30 days of the end of the project. After your ARC project coordinator accepts your report, he/she will prepare a closeout report which becomes the basis for closing the grant agreement. If a delay in submitting the final narrative report is expected, the grantee should notify the ARC project coordinator.

- *Required Format for Final Narrative Report*

Reports should be completed in the appropriate electronic format and emailed as file attachments to the body of an email message. Reports must include the complete grant number (including all hyphens) in the subject line of your email message and on all other correspondence, e.g. AL-12345-15. The template in Section VIII, below, should be used to form the narrative portion of these reports.

- *Required Content for Final Narrative Report*

The final report is your opportunity to share the significant features of your project and present information about the results your project achieved. The document should be written as if the reader has no previous knowledge of your project's activities. The report should cover the entire period of performance. It must review and highlight all activities that occurred during the implementation of the project, including an assessment of all performance measures that were proposed in the ARC project application. Final reports must include:

1. **ARC-PPR Performance Progress Report** (ARC cover page). This form is available on ARC's web site (<http://www.arc.gov/forms>). Box 8 of the PPR should be marked as 'final.'
2. **The Final Performance Narrative.** In the "Performance Narrative" (Section 10 of ARC-PPR), follow the outline described in Section VIII of this document, and describe:
 - The performance measures achieved to-date, if any,

- Any problems encountered to-date.
(Note: The narrative is listed in section 10 of the ARC-PPR, but should be attached as a separate document.)

- *Performance Measures*

Performance measures are stored on ARCnet on the “Performance” tab of your electronic project record. ARC records projected outcomes and outputs upon approval of a project, and actual outcomes and outputs when a project is completed.

For more information on the length of time that ARC tracks performance measures and for the definition of performance measures, please review the [Guide to ARC Project Performance Measures](http://www.arc.gov/forms) (<http://www.arc.gov/forms>).

- *Address for Submitting Final Narrative Reports*

Reports should be emailed to your ARC project coordinator. His/her email address is listed on your ARC Grant Agreement. The State Administration/Liaison Officer (usually the state program manager) listed on your Grant Agreement should be copied on the email. Other state ARC contacts, as specified by your state ARC program office, should be cc'd as well. Other individuals from the grantee's organization may also be included in the email if required by the grantee's organization.

Grantees that do not have the technological capability to submit electronic files, or have report content that cannot be submitted electronically, should make alternate arrangements with their ARC project coordinator.

- *Appending Narrative Reports to the ARCnet Electronic Record*

The ARC project coordinator will upload your report(s) to ARCnet, ARC's grants management system, after reports have been reviewed and accepted.

III. FINANCIAL REPORTS AND PAYMENT REQUESTS

(A) Progress Payments – Reimbursements

- *ARC Reimbursement Process*

ARC makes electronic payments to grantees using the Automated Clearinghouse (ACH) payment system. No payments will be made without a completed ACH enrollment form (SF 3881) on file. The SF3881 enrollment form with instructions was included with the ARC Grant Agreement that was electronically sent to the individual named as the project executive, and is available on [ARC's web site](#). **Note:** If your organization is registered with the [System for Award Management](#) (SAM), information about your financial institution submitted to ARC on the SF3881 must be consistent with information found in SAM, or payment will not be made.

Financial forms are reviewed to confirm that expenditures are consistent with the approved budget and reflect the project's progress described in the narrative report.

Payments may be tracked by logging in to ARCnet and viewing the electronic record for your project. Select the "Financial" tab, and then select "Payment" for a record of all payments.

- *Making Changes to Grantee's Financial Institution*

Complete a new ACH enrollment form if your financial institution changes during the period of performance for your ARC Grant Agreement. Include a note indicating that it is revised and submit the new form by mail or by fax to the ARC Finance Office, 1666 Connecticut Ave. NW, Suite 700, Washington, DC 20009-1068; Fax number (202) 884-7691. It can also be scanned and emailed to Mike Goodwyn at mgoodwyn@arc.gov or to your ARC project coordinator.

- *Requesting Reimbursement – Interim and Final Payments*

Reimbursement requests should be signed, scanned and emailed to ARC. Payment requests must include the following documents:

1. A progress narrative report (detailed in Section II) covering the same reporting period as the payment request, including the signed ARC-PPR cover page;
2. A "Request for Advance or Reimbursement" (Standard Form (SF) 270); and
3. A backup worksheet that summarizes actual expenditures by approved budget line items.

Payment forms were included with your ARC Grant Agreement and are available on [ARC's web site](#). Copies of the SF270 and other required forms can also be found at the Office of Management and Budget's web site at:

http://www.whitehouse.gov/omb/grants/grants_forms.html. Other backup formats may be acceptable with approval from your ARC project coordinator.

The ARC Grant Agreement, Part II, Article 11, outlines the conditions which must be met for a grantee to receive reimbursement for incurred expenses.

- *Address for Submitting Payment Requests*

Send payment documents as attachments by email to your ARC project coordinator along with the interim or final progress report. Always use the ARC project number in the email's subject line. If it is not possible to email the reports, alternate arrangements should be made with the ARC project coordinator.

(C) Advance Payments

- *How to Receive an Advance Payment*

ARC will advance funds, but usually for no more than one reporting period and never for the final payment. The advance payment request should include:

1. A statement explaining why an advance is necessary;
2. A "Request for Advance or Reimbursement" (SF 270); and
3. A backup worksheet showing *estimated* expenditures for each approved line item in the official budget for the forecasted period.

A reimbursement and advance may be included in a single payment request if accompanied by separate worksheets for the reimbursement and for the advance. Your ARC project coordinator may require additional information. Call him/her if assistance is needed. The advance worksheet is included as the second tab of the Excel file "Reimbursement and Advance Request Worksheets."

(D) Final Payment Information

- *Matching Funds in Final Payment Report*

The final payment report must include source and amount of all matching funds. The final budget should also detail how all matching funds were used.

- *How to Receive a Final Payment*

The final payment due the grantee is contingent upon submission to ARC, and ARC's approval, of the final project report and a final financial report. Final written and financial reports should reflect activities and costs for the entire grant performance period. The reports are due within 30 days of the end of the grant period.

Final payments are processed when the project closeout is complete and typically take longer than interim payment requests. Also email a copy of the final report to your ARC State Administration/Liaison Officer (usually the state ARC program manager).

- *Due Date for Final Financial Report*

The final financial report and final narrative report are due within 30 days of the end date of the project's period of performance. All final report documents should be emailed to your ARC project coordinator and ARC State Administration/Liaison Officer (usually the state ARC program manager).

When filling out reimbursement request forms, please note that:

- Both ARC *and* matching funds must be identified in the backup documentation that accompanies all payment requests.
- The reporting period covered for all reimbursement requests should coincide with the beginning of the grant agreement's period of performance and run through the last day of the progress reporting period.
- Financial reports are required even if no reimbursement is being requested for the reporting period.

IV. CHANGES TO A PROJECT

- *Changing the Period of Performance of an ARC Grant Agreement*

If a project cannot be completed within the approved period of performance, an extension request may be made **prior to the end date** by email to your ARC project coordinator and the state ARC program manager. The request must include the reason for the extension and the proposed revision to the end date. Approval of a project extension is contingent on the state's concurrence.

- *Modifying the Budget of Your ARC Project*

Prior ARC approval is required for changes to major line items when the grant exceeds \$100,000 and the total, proposed transfer exceeds ten percent of the project's total approved budget. To request a budget change, submit a revised budget and narrative justification to the ARC project coordinator. Grantees should seek concurrence from their ARC State Administration/Liaison Officer (usually the state ARC program manager) prior to submitting the budget change request to the ARC project coordinator for review. Budget changes that involve substantial revision to the scope of work or objectives of the project (regardless of the grant amount) also require prior ARC approval (see below).

Copies of minor budget revisions should be sent to ARC so that files will reflect the correct budget at all times. A budget revision request worksheet is available on [ARC's web site](#).

- *Other Changes to an ARC Project*

Generally, project extensions and budget revisions can be approved by the ARC project coordinator. Requests for substantial changes to a project's scope of work must be reviewed and approved in a process that is similar to the review of the original application.

Grantees should contact their ARC State Liaison Officer first to discuss the need for a significant project change. The ARC State Liaison Officer must concur with the request before ARC will consider a project revision request.

To request a change to an ARC project, describe in detail the reason for adding, modifying, or deleting an activity. Include information explaining any revisions to the expected outcomes that would result from the proposed change(s).

V. RECORD KEEPING AND AUDITS

- *Office of Management and Budget Circulars*

ARC grants must be administered in accordance with the guidance found within the document [Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards](#) which has replaced the applicable OMB Circulars listed below. The grantee is expected to be familiar with this document.

The following older circulars **no longer apply** to the administration of an ARC grant agreement:

A-102 Grants and Cooperative Agreements With State and Local Governments (Grants Management Common Rule)

A-110 Uniform Administrative Requirements for Institutions of Higher Education, Hospitals, and Other Non-profit Organizations

A-21 Cost Principles for Educational Institutions

A-122 Cost Principles for Non-profit Organizations

A-87 Cost Principles for State, Local and Indian Tribal Governments

- *Audit Requirements for ARC Grant Agreements*

Grantees must maintain accurate and complete records relating to ARC grant awards and make these available for audit, as necessary, by ARC or the Government Accountability Office. Each year, ARC's Office of the Inspector General conducts random audits of selected ARC projects to ensure compliance with our grant agreement and applicable regulations.

Audit requirements, formerly noted in Office of Management and Budget (OMB) [Circular A-133 and A-50](#): *Audits of States, Local Governments, and Nonprofit Organizations*, are now

found in the document [Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards](#).

- *Suitable Accounting Systems*

The project expenditures should be maintained in a format acceptable under the [Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards](#).

You may order hard copies of the document directly from the Office of Management and Budget by telephoning that office at 202/395-7332.

- *Key Audit Issues*

1. Separate Accounts. If your organization manages several grants, each grant should be accounted for separately, including receipts, expenditures, and any matching requirements.
2. Documentation identifying in-kind and third party contributions and the valuation of such contributions. If your project will be using in-kind or third party contributions for matching purposes, documentation should be maintained including a listing of sources and an indication of how the contributions were valued, (e.g., comparable or similar type positions or services in area). Invoices should support services and other expenditures.
3. Costs with respect to travel. Travel claims should follow written policies of the grantee when consistent with the cost principles in the OMB Circular applicable to its organization. In the absence of such, regulations in Chapter 301 of the [Federal Travel Regulations](#) may suffice and can be found at: http://www.gsa.gov/graphics/ogp/FTR_entire.pdf. Invoices should support costs and expenditures.
4. Costs incurred during the grant period. ARC will not reimburse expenditures occurring before or after the grant period. As noted in Section III above, *Project Changes*, grant period extensions should be requested and approved by ARC before the grant period expires.
5. Support of Salaries and Wages. Grantees should be familiar with the provisions of the [Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards](#) relating to maintaining documentation supporting charges to grants for salaries and wages. **Grantees should note, in particular, that reports of salaries and wages must reflect an after-the-fact determination of the actual activity of each employee. Budget estimates, such as estimates determined before the services are performed, do not qualify as support for charges to grants.**

VI. AFTER PROJECT COMPLETION

- *Project Close-out*

After your project is complete you must submit a final narrative report and final financial reports. The ARC project coordinator will prepare closeout documentation. You will receive an email notification when the project has been closed by ARC.

- *Validation visits & other follow-up activities with ARC*

You may have other opportunities to share the success of your project if it is selected for a validation visit by ARC staff or if the project is selected to participate in an independent program evaluation.

ARC's project investments are tracked in a variety of ways after a project is closed, including:

- Validation Visits – ARC staff visit approximately 50 projects annually. The visits help ARC to assess the impact of its investments and verify reported performance measures. Selected projects are visited within 2-3 years after the ARC project is closed.
- Program Evaluations – Program evaluations are performed by an outside contractor, and required by Congress. Program evaluations often involve large numbers of ARC grantees currently or formerly involved in similar types of activities, such as infrastructure, education, business development, telecommunications services, etc.
- Inspector General Audits – The Office of Inspector General (OIG) at the Appalachian Regional Commission was established as an independent entity in 1989. The OIG provides independent and objective audits and investigations relating to agency programs and operations, as set forth in the Inspector General Act of 1978 (Public Law 95-452), as amended.

VII. CONTACT ARC

If you have questions about any aspect of your ARC grant, please contact the state ARC program manager or the ARC project coordinator listed on the first page of your grant agreement. Call 202-884-7750 to reach ARC's Program Operations Division (POD). The mailing address is:

Appalachian Regional Commission
1666 Connecticut Avenue NW, Suite 700
Washington, DC 20009-1068
Fax: (202) 884-7682

Information about ARC can be obtained on ARC's web site, <http://www.arc.gov/>.

VIII. FORMAT FOR INTERIM & FINAL PROJECT NARRATIVE REPORTS

Cover Page:

The ARC-PPR form serves as the report's cover page. The ARC-PPR should accompany each interim progress report and the final report. Unless instructed otherwise by your ARC project coordinator, attach a narrative (section 10 on the ARC-PPR) covering the elements listed below, as a separate document

Background:

Provide a short statement regarding the need for this project. What problems did you hope to solve when you applied for ARC funding?

Recent/Upcoming Activities:

Describe in detail what happened during this reporting period, and explain how you implemented the approved scope of work. If there have been significant changes to your program during the course of the project, or if the project was implemented differently than described in your original proposal, please describe those changes here. If you retained a consultant, list their credentials and describe what they were paid to do. Include a copy of any executed contracts.

Progress Made Toward Project Outcomes:

Provide any statistical information that helps document the outputs and outcomes of your project to date. Data will vary according to the type of activities you completed. Although it may be difficult to document outcomes (results) at this time, grantees should report progress made to-date and predict the likelihood of meeting original targets. Your ARC project coordinator can help you determine which outputs and outcomes to track based on the ARC Grant Agreement

For the final report, write an assessment of how your project has impacted the problems you were trying to solve. Were there unexpected benefits? Shortfalls? Also provide a summary table of the outputs and the outcomes achieved to-date.

Problems Encountered:

Describe any major issues that arose during the implementation of the project. What would you do differently if you were starting this project again? Knowing the types of difficulties you encountered and how you resolved them will guide us in offering technical assistance to future grant applicants. Address each issue separately, in its own section, and describe how the issues were resolved.

Outlook for Program Continuation and Sustainability:

If the program is expected to continue after the end of the ARC grant period, describe how activities will be sustained. Will the program continue with other funding, and if so, what other sources of funds have been identified? If the program is to be discontinued, has it served its purpose, or is there still a need to solve the problems you were addressing? What additional steps are being taken to obtain other resources needed to continue the project?

Conclusions and Recommendations: (for Final Report only)

Summarize your entire project and the lessons learned during its implementation. Include a review of your successes and suggest ways that your experience may be helpful to others.

Attachments:

Attach any material that helps to describe your project and documents your success, such as photographs, news clippings, maps, videotapes, or website addresses. Also, please attach copies of any written evaluations that may have been completed for your project.