

# OHIO DEPARTMENT OF HEALTH GRANTS ADMINISTRATION POLICIES AND PROCEDURES

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## DESCRIPTION OF CONTENTS

### Introduction to the Manual

- Purpose
- Glossary
- Acronyms
- Federal Circulars and Common Rules

### Chapter 100

#### Before Applying for an ODH Grant

- Grants Management Information System (GMIS)
- Allowable Costs
- Unallowable Costs
- Standards for Financial Management Systems
- Local Health Districts Improvement Standards
- Reporting Requirements
- Records Retention and Access to Public Records
- Civil Rights Requirements
- OMB Circular A-133 Independent Audit
- Internal Monitoring
- Conflicts of Interest

### Chapter 200

#### Application Requirements

- Application Process
- Application
- Application Review Criteria
- Notice of Award

### Chapter 300

#### Administering the Grant

- Procurement Standards
- Grant Payments
- Program Resources and Factors Affecting Payments
- Programmatic Reports
- Expenditure Reports
- Budget Revisions
- Flexibility Policy

### Chapter 400

#### Grant Closeout Requirements

- Closeout Process

## Chapter 500

### Compliance Requirements

- Contract Provisions
- Administrative Compliance Questionnaire
- Subgrantee Compliance Committee
- High Risk Status

## Q & A's

### Frequently Asked Questions & Answers

- Subgrantee Flexibility
- On-Site Team Review
- OMB Circular A-133 Independent Audit

Ohio Department of Health  
Grants Administration  
Policies and Procedures Manual

**Introduction**

<b>Introduction: GAPP Manual 2003</b>		
<b>Effective Date:</b> 05/01/2003	<b>Revision Date:</b> 05/01/2003	<b>Revision:</b> #1

We are happy to announce the completion of the 2003 edition of our GAPP manual. The 2003 policies and procedures effective May 1, 2003, and supersede all previously issued revisions with regards to the grants administered on behalf of ODH.

**Contents:**

[Purpose](#)  
[Glossary](#)  
[Acronyms](#)  
[Federal Circulars and Common](#)

## Purpose:

The 2003 edition of the Ohio Department of Health Grants Administration Policies and Procedures (GAPP) Manual establishes standards for the management of program objectives and funding for recipient of Ohio Department of Health (ODH) grants. This manual provides guidance for agencies through the entire grant cycle – from contemplating an application, through the award of grant funds, the performance and finally the close out of the grant. In addition to providing a tool for subgrantees, other objectives for issuing this manual are:

1. To ensure that a uniform and consistent process is maintained for ODH grants being administered at state and local levels;
2. To ensure that the State's public health mission is accomplished and needed services are provided by funds available through ODH; and,
3. To ensure that procedures applied are consistent with those required by federal, state and local rules and regulations.

The policies and procedures of this manual are binding all subgrantees in their administration and financial management of all ODH federal and state funded grants.

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## GLOSSARY

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This glossary defines common terms used in the administration of grants with the Ohio Department of Health (ODH).

**Accounting System** - The total structure of the subgrantee's records and procedures which discover, record, classify, and report information on the financial position and operations of a program.

**Administrative Costs** - The subgrantee costs that do not directly contribute to program objectives or direct services. Administrative costs include, but are not limited to, costs associated with the provision of clerical assistance and accounting services. Administrative costs may include both direct and indirect expenditures. Administrative costs are not permissible.

**Administrative Requirements** - The programmatic grant regulations are set forth in CFR 42 and CFR 45.

**Allowable Costs** - The expenditures that are acceptable by ODH, based on sound management principles, consistent with program objectives, and state or federal terms and conditions. Allowable costs may be fees for service or cost reimbursement.

**Applicant Share** - Support provided by the subgrantee that is used to match the grant funds in maintaining the program. Applicant Share includes, but is not limited to, gifts received, contributed goods and services (in-kind match), local government or agency funds and government revenues such as license fees, taxes, fines, penalties, and special assessments or levies.

**Assurance** - Annual certification that the agency, if audited, can produce documentation to ensure compliance with all Federal and State regulations.

**Available Funds** - The sum of the grant funds received during a reporting period and the unobligated balance from the previous period.

**Budget Categories** - Major groupings of line item expenditures that comprise a subgrantee's budget for a program. The four major budget categories are: Personnel, Other Direct Costs, Equipment, and Contracts.

**Budget Line Item** - The smallest unit recorded in any category of the program's budget or expenditure reports. Every line item is expressed in units expended. Units are determined by the nature of the item.

**Budget Period** - The interval of time, usually 12 months in which the Program period is divided for budgetary and funding purposes.

**Budget Revision** - A change to the previous ODH total approved budget.

**Cash Balances** - The difference between available funds and allowable expenditures. Cash balance is used by ODH in the calculation of grant payments to subgrantees.

**Catalog of Federal Domestic Regulations** - The number assigned to identify a federally funded program.

**Central Master Files** - The internal ODH central repository of all original grant documents.

**Closeout** - The process by which ODH determines that all applicable administrative actions and all required work related to the grant have been completed by the subgrantee.

**Code of Federal Regulations (CFR)** - The codification of the general and permanent rules published in the Federal Register by the Executive departments and agencies of the Federal Government.

**Cost Allocation Plan** - An equitable method of allocating shared costs so that they may be charged to the program. Such costs should be budgeted, accounted for, and reported as individual budget line items.

**Confirmation of Contractual Agreement** - An agreement confirming contracted services to be performed during the Program period.

**Debarment** - An administrative action that makes an agency ineligible to be awarded, or to participate as a sub-contractor in a grant administered by ODH.

**Direct Costs** - Costs that can be specifically identified with a particular cost objective or program; charged directly as a part of the cost of the program.

**Disallowable Costs** - The charges to a program that are determined unallowable by ODH in accordance with the applicable federal and/or state regulations, GAPP or other terms and conditions contained in the Request for Proposal (RFP).

**Donations** - The value of cash funds that has been contributed by the subgrantee or third parties toward the operation of the program or for a specific aspect of the program. Donations may be used to meet the program's matching requirements.

**Equal Employment Opportunity Office (EEO)** - The ODH office responsible for administering and monitoring the compliance of all subgrantees and sub-contractors with all applicable civil rights and non-discrimination regulations and laws.

**Equipment** - Any item of tangible property having a useful life of one year or more, costing \$300 or more and which is purchased in whole or in part with program funds. Real property, such as land, buildings, or improvements other than buildings, is not classified as equipment.

**Equipment Inventory** - Listing of all equipment purchased at a cost of \$300 or more and which must be (1) Listed in an approved budget; (2) reported in the subgrantee's final expense report; (3) tagged "Property of ODH" or otherwise identified as property of the program; and (4) inspected by the ODH periodically.

**Expenditure** - Cost incurred during a given period requiring the provision of funds for: (1) goods and other tangible property received; or (2) services performed by employees, contractors, subcontractors, and other payees.

**Fair Market Value** - The value placed on in-kind contributions for cost sharing or matching purposes which must be fair and reasonable.

**Fringe Benefits** - Employee benefits in the form of regular compensation paid to a employee during periods of authorized absences from the job, such as for annual leave, sick leave, court leave, military leave and the like; (a) provided pursuant to an approved

leave system; and (b) the cost is equitably allocated to all related activities, including grant programs. Employee benefits in the form of employer's contribution or expenses for social security, life and health insurance plans, unemployment insurance, workmen's compensation insurance, pension plans, severance pay, etc. provided such benefits are granted under approved plans and are distributed equitably to grant programs and to other activities.

**Grant Payments** - All payments of grant funds by ODH to the subgrantee in accordance with the conditions of the grant award.

**Grant** - An award of a sum of money by ODH to a local governmental agency or a nonprofit organization in exchange for performance of a program according to terms specified in the request for proposal, grant application, Notice of Award, and reporting requirements for a given grant period.

**Grants Administration Unit (GAU)** - The ODH unit responsible for assuring fiscal accountability of all ODH grants including monitoring and technical assistance with all fiscal-reporting requirements.

**Grants Management Information System (GMIS)** - ODH automated on-line grant application system.

**High Risk** - A determination made by ODH of a subgrantees with potential deficiency to adequately administer the program. Additional reporting requirements imposed on high-risk subgrantees.

**Indirect Costs** - The costs of a subgrantee that are not readily assigned to a particular program, but are necessary to the operation of the agency and the performance of the program.

**In-kind Contributions** - The value of non-cash contributions provided by the subgrantee or third parties for program purposes. In-kind contributions may consist of charges for real property and non-expendable personal property, and the value of goods and services directly benefiting and specifically identifiable to the program activity.

**Interest Income** - Interest earned on federal funds must be treated according to the federal regulations governing the program funding source; i.e., 7 CFR 3016 for non-entitlement USDA funded programs or 7 CFR 3015 for USDA entitlement programs, or OMB Circulars A-87 or A-102.

**Internal Control** - The plan of effective control and accountability in place to adequately safeguard all grant funds, and assure program funds are used solely for authorized purposes.

**Notice of Award (NOA)** - A document signed by the Director of Health which is the official notification to the subgrantee of the grant award or a grant award revision. It constitutes the agreement between ODH and the subgrantee.

**Notice of Availability of Funds** - The official written request, sent from the ODH, which formally announces to local agencies the opportunity to apply for funding for a specific program.

**Obligation** - An allowable cost incurred during the grant period that a subgrantee may be required to legally pay out of program funds. It includes only actual liabilities.

**OMB** – The United States Office of Management and Budget.

**Per Diem** - Costs incurred in association with travel, including lodging, meals, local transportation and parking fees.

**Personal Property** - Equipment and supplies including intangibles owned by the program or ODH.

**Personal Service Contract** - Services performed as a result of a contract with an individual that is not an employee of the subgrantee agency.

**Personnel** - Full or part-time subgrantee agency employee who occupy approved positions to perform program objectives, including employees who are not paid from program funds.

**Probation** – A temporary administrative status during which the subgrantee may continue to operate and obligate funds; but during which ODH may impose additional requirements. A subgrantee will remain on probation status until compliance standards are met or until a specified time period has elapsed.

**Program** - The organization of activities necessary to meet specific goals and objectives, the cost of which maybe funded entirely or partially by a grant.

**Program Budget** - The financial plan for reaching the objectives of the program. The initial program budget is included in the program application and consists of proposed program expenditures and sources of program funding for the grant period.

**Program Consultant** - The program contact person at ODH assigned as liaison for a specific grant program, responsible for the monitoring of the subgrantee’s program and fiscal activities.

**Program Director** - The individual at the subgrantee agency responsible for administration of the grant. The program contact person for all matters involving a particular grant to ensure that all terms and conditions of award are met and that only allowable expenditures are funded.

**Program Income** - The gross income earned by activities supported by program funds. The use of program income along with subgrantee support comprises grant match or cost sharing.

**Program Narrative** - The portion of the grant application, which explains, in detail, the applicant’s program objectives, activities, evaluation plans, personnel responsible for accomplishing the activities, and time-frames.

**Program Period** – A specific period, of one or more grant periods, that encompasses the life of the grant.

**Reporting Period** - The Program period as determined by ODH for which a performance and/or fiscal report is required. The reporting period is quarterly for most grants unless determined otherwise by ODH.

**Request for Proposals (RFP)** – The official instructions issued to all potential applicants interested in submitting an ODH application for funding.

**Sliding Fee Scale** – A reasonable, graduated fee scale schedule based on family income and family size for the cost of program services or goods provided.

**Special Conditions** – A stipulation of the Notice of Award which the applicant must respond to within a specific period or further payments will be withheld.

**Subgrantee** - A local government unit, hospital, educational institution or a non-profit organization awarded a grant by ODH from state or federal funds. The subgrantee is a separate entity, with its own tax identification number, entire in itself, not a division of an organization.

**Subgrantee Closeout** - The process by which ODH determines that all applicable administrative action and all required work on the Program has been completed by the subgrantee.

**Supplies** - All tangible property purchased with Program funds other than equipment. Supplies include expendable items with a unit cost of less than \$300.

**Suspension** - A temporary withdrawal of the subgrantee's authority to obligate grant funds pending corrective action by the subgrantee or by ODH to terminate the grant.

**Termination** - A permanent withdrawal of the subgrantee's authority to obligate previously awarded grant funds before that authority would otherwise expire.

**Total Approved Budget** - The subgrantee's financial spending plan for the program. Program funds include, ODH grant funds, Program income, and applicants match if any funds used to match the grant. The total approved budget period will be specified on the Notice of Award and any subsequent revised or amended Notice of Award and will include both ODH and non-ODH funds.

**Travel Expense** – Expenditures incurred by approved program personnel for program-related activities.

# ACRONYMS

**AG** ..... Office of the Attorney General

**BIOS**... Bureau of Information and Operational Support

**CCA**..... Confirmation of Contractual Agreement

**CFDA** ..Catalog of Federal Domestic Assistance

**CFR**..... Code of Federal Regulations

**EEO**..... Equal Employment Opportunity

**EFT** ..... Electronic Funds Transfer

**FLSA** ... Fair Labor Standard Act

**FMV** .... Fair Market Value

**FOIA** ... Freedom of Information Act

**FR**..... Federal Register

**FTI**..... Federal Tax Identification Number

**FY** ..... Fiscal Year

**GAAP**... Generally Accepted Accounting Principles

**GAGAS**. Generally Accepted Government Auditing Standards

**GAO**.... General Accounting Office

**GAPP**... Grants Administration Policies and Procedures

**GAU** ..... Grants Administration Unit

**GMIS** ..... Grants Management Information System

**GOV** ..... Government

**GRF** ..... General Revenue Funds (i.e., State Funds)

**GSA** ..... General Services Administration

**HHS** ..... Health and Human Services

**NOA** ..... Notice of Award

**NOAF** ..... Notice of Available Funds

**NOIAF**.... Notice of Intent to Apply for Funding

**NPO** ..... Non-Profit Organization

**OAC** ..... Ohio Administrative Code

**ODH** ..... Ohio Department of Health

**OFA**..... Office of Financial Affairs

**OMB** ..... Office of Management & Budget

**ORC** ..... Ohio Revised Code

**PBR**..... Program Budget Revision

**RFP** ..... Request for Proposal

**SCC** ..... Subgrantee Compliance Committee

**T & T A**.... Training & Technical Assistance

## Federal Circulars and Common Rules

This document incorporates by reference the provisions established by the Federal Office of Management and Budget (OMB) circulars and government-wide common rules applicable to grants, subgrants and cooperative agreements administered on behalf of ODH. An important element in all phases of the grants administration process is the identification of allowable costs. All subgrantees are responsible for following the current version of the circular, whether or not set forth herein. These circulars and common rules are usually available at local libraries ([www.whitehouse.gov/omb/grants/index.html](http://www.whitehouse.gov/omb/grants/index.html)) and include the following:

<b>OMB Circulars</b>	
<b>Administrative Requirements:</b>	
OMB Circular A-102	"Grants and Cooperative Agreements with State and Local Governments," revised October 7, 1994.
OMB Circular A-110	"Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals and Other Non-Profit Organizations," dated November 19, 1993 (codified at 45 CFR Part 74, Appendix E).
<b>Cost Principles:</b>	
OMB Circular A-21	"Cost Principles for Educational Institutions," revised April 26, 1998 (codified at 45 CFR Part 74, by reference).
OMB Circular A-87	"Cost Principles for State, Local, and Indian Tribal Governments," revised May 4, 1995 (codified at 45 CFR Part 74, by reference).
OMB Circular A-122	"Cost Principals for Nonprofit Organizations," revised May 8, 1997 (codified at 45 CFR Part 74, by reference).
<b>Audit Requirements:</b>	
OMB Circular A-133	"Audits of States, Local Governments and Nonprofit Institutions," revised June 30, 1997 (codified at 45 CFR Part 74 Appendix I).

Each subgrantee or contractor is subject only to the set that applies to its type of organization. A subgrantee or contractor under a grant is subject to the cost principles applicable to its type of organization, which may not necessarily be the same as that of the grantee.