

**ADMINISTRATIVE GUIDE
FOR
STATE GRANT PROGRAMS**



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Highlights of Chapter Contents

(Refer to the Table of Contents at the beginning of each chapter for more detail)

Overview:

- Purpose of this Guide
- Contacting Division of Criminal Justice Staff

Chapter 1: **PROJECT START-UP**

- Statement of Grant Award - Checklist for Completion
- Delayed Program Implementation

Chapter 2: **REQUIRED REPORTS AND NOTIFICATIONS**

- Paper Trails: Required Reporting Forms and Notifications
- Financial and Narrative Reporting Due Dates
- Modifying a Grant

Chapter 3: **RECORD KEEPING RESPONSIBILITIES AND RULES ON USE OF BUDGETED FUNDS**

- Accounting System Criteria
- Accounting Controls
- Budget Categories and Record Maintenance
- Procedures to be Used When Purchasing Goods and Contracting for Services

Chapter 4: **GRANT CLOSE-OUT PROCEDURES**

- Closing the Grant
- Record Retention Requirements

Chapter 5: **AUDIT REQUIREMENTS AND DCJ MONITORING GUIDELINES**

- State Audit Responsibilities
- Monitoring Criteria

Chapter 6: **TECHNICAL ASSISTANCE**

- Guidelines to Use for Purchase of Goods and Services
- Language for Professional Service/Consultant Contracts
- Subject Index

Appendix A: **DEFINITIONS OF TERMS**

Overview

Q: Why do I have this Administrative Guide?

A: Your agency has recently been awarded dollars from the State Victims Assistance and Law Enforcement (VALE) fund or State Juvenile Diversion program.

I. PURPOSE OF THIS GUIDE

The *Administrative Guide* for state grant programs is a reference for agencies receiving State funds administered by the Division of Criminal Justice (DCJ) at the Colorado Department of Public Safety. DCJ has developed this *Guide* to assist State grantees in understanding and complying with the financial, administrative and reporting requirements for the use of these funds.

A copy of this *Guide* should be made available to the Project Director and Financial Officer of the grant and any additional staff members responsible for implementing State funded projects.

Agencies receiving State grant funds must meet certain requirements. The requirements contained in this *Guide* are not all-inclusive. For example, the *Special Provisions and Certified Assurances* incorporated in the grant application and the *Special Conditions* included in the *Statement of Grant Award (SOGA)* must also be met by grantees. In addition, other source materials will be referenced in this *Guide*.

Certain portions of this *Guide* may not apply to all grantees. For example, if no equipment purchases are authorized under the grant, the grantee will not need to reference the section of the *Guide* regarding equipment procurement. Revisions and additions to the *Administrative Guide* will be provided whenever necessary.

II. CONTACTING DIVISION OF CRIMINAL JUSTICE STAFF

Agencies are encouraged to contact the Division of Criminal Justice, 700 Kipling Street, Suite 1000, Denver, CO 80215 for clarification of any requirements.

Please reference the project title and grant number on all written correspondence. General information is also available through the Division of Criminal Justice website: <http://dcj.state.co.us>. If you have questions regarding the terminology utilized in this *Guide*, please refer to **Appendix A: Definitions of Terms**.

CHAPTER 1
PROJECT START-UP

	Page No.
I. INTRODUCTION	1-2
II. STATEMENT OF GRANT AWARD.....	1-2
A. Definition and Contents	1-2
B. Instructions for Completing the <i>Statement of Grant Award</i>	1-3
C. Certification of Match	1-4
III. COMMENCEMENT OF PROJECT.....	1-4
A. Ready to Begin.....	1-4
B. What to do if Implementation is Delayed.....	1-4
1. Sixty (60) Day Delay.....	1-4
2. Eighty (80) Day Delay.....	1-5
IV. TERMINATION OR REDUCTION OF GRANT AWARD.....	1-5
A. Termination for Convenience.....	1-5
B. Reduction in Grant Award for Cause.....	1-5
C. Termination for Cause.....	1-6
D. Reduced Need of Original Award.....	1-6
E. Equipment Purchased Under Grant.....	1-6
Supplement: Signatories for DCJ documents	1-7
Supplement: Checklist for the Completion of the <i>Statement of Grant Award</i>	1-8

CHAPTER 1 PROJECT START-UP

NO STATE FUNDS CAN BE DISBURSED UNTIL THIS PROCESS IS COMPLETED!

I. INTRODUCTION

The grant process began with the issuance of an *Announcement of Availability of Funds (AAF)* or *Request for Proposal (RFP)* by the Division of Criminal Justice (DCJ). Agencies that responded to the AAF or RFP completed a grant application form provided by DCJ.

After review of the applications by DCJ staff, a Board reviewed the grant applications and made funding recommendations to DCJ and/or the Colorado Department of Public Safety. Successful applicants are notified of their selection to receive state funds.

II. STATEMENT OF GRANT AWARD

A. Definition and Contents:

The *Statement of Grant Award (SOGA)* is the contract that obligates and reserves a specific amount of state funds for the grantee's approved project. It is the official notification to the grantee that the award of state funds has been approved. When

applicable, it also specifies the amount of cash and/or in-kind match that the grantee has obligated to

The signed Statement of Grant Award, including the approved grant application, is the contract between the grantee and DCJ.

support the project. The *SOGA* identifies the state grantor agency (DCJ), the grantee name, the project title, the DCJ grant number, the grant award period, the approved budget, and any Special Conditions that must be met if the award is accepted. The **final approved version** of the grant application is incorporated as part of the *Statement of Grant Award (SOGA)*. Please note that the final approved grant application may be a modified version of the originally submitted application that has been agreed upon by both DCJ and the grantee (e.g. the budget may have been revised). The grantee should utilize only the version of the application that has been incorporated as part of the contractual agreement.

B. Instructions for Completing the *Statement of Grant Award (SOGA)*:

1. The Project Director designated in the grant application receives two copies of the *SOGA*. Both copies must be signed by the Authorized Official for the grant. Both copies of the *SOGA* must be returned to DCJ promptly. Failure to sign and return both copies of the *SOGA* to DCJ prior to the start date of your grant award may result in the termination of the state award.
2. The signature of the Authorized Official indicates acceptance of the grant award and agreement to meet the approved goals and objectives and requirements of the grant. The Authorized Official is the person who has the authority to obligate funds and to enter into contracts on behalf of the grantee. For typical examples of Authorized Officials, please see the **Signatories for DCJ documents.** (page 1-7)

*The person who is properly designated as the **Authorized Official** in the grant application must sign all sets of the *SOGA*. This person is not the Project Director or Financial Officer.*
3. If there has been a change in the Authorized Official since the application was submitted, or if the grantee was notified that the proper signature was not secured on the application at the time it was submitted, the *Statement of Grant Award (SOGA)* must be signed by the current Authorized Official and the *SOGA* must be accompanied by two copies of a completed *Change in Signing Authority* form (DCJ Form 4-F for State VALE projects or DCJ Form 4-B for State Juvenile Diversion projects).
4. Upon receipt by DCJ, both copies of the *SOGA* will be forwarded for signature by the Director of the Division of Criminal Justice and the State Controller designee in the Colorado Department of Public Safety. One copy will be returned to the grantee's Project Director for the official project file. The Project Director should ensure that the Financial Officer also has a final approved copy.

5. For some projects, grantees must meet Special Conditions prior to being permitted to draw down state funds. In those cases, the *SOGA* will indicate this provision.
6. A grantee may be considered “High Risk” if DCJ has determined the grantee:
 - Has a history of unsatisfactory performance;
 - Is not financially stable; or,
 - Has not conformed to terms and conditions of previous awards.

In these instances, the Statement of Grant Award will indicate special conditions and/or restrictions that must be addressed prior to receiving funds from the grant award.

- C. **Certification of Match** – for those programs which have a match requirement, an executed certification of match form must be returned with a copy of the *SOGA* if not already provided in the application process. There is not a match requirement for State VALE projects.

III. COMMENCEMENT OF PROJECT

A. **Ready To Begin:**

After DCJ returns the completed *SOGA* to the grantee the project is ready to begin.

B. **What To Do If Implementation Is Delayed:**

Expenditures occurring before the approved start date indicated on the Statement of Grant Award may not be charged against the grant.

The Start-Up Period is the time beginning with the first day of the grant period during which the project, if new, is in a developmental phase and is not fully operational.

1. **Sixty (60) Day Delay:** If a new or continuing project is not operational within sixty (60) days of the approved starting date of the grant period, the grantee must report in writing to DCJ the steps being taken to initiate the project, the reason(s) for the delay, and the projected starting date.

2. **Eighty (80) Day Delay:** If a project is not operational within eighty (80) days of the approved starting date of the grant period, the Division of Criminal Justice may begin termination or reduction in grant award proceedings, as described below.

IV. TERMINATION OR REDUCTION OF GRANT AWARD

DCJ will monitor the performance of the grantee for compliance with the required goals/objectives and performance standards. DCJ will provide reasonable technical assistance to the grantee concerning project goals/objectives, performance standards and grant requirements; however, substandard performance as determined by DCJ may result in termination or reduction of the grant award.

A. Termination for Convenience:

1. Either party may terminate the grant with thirty (30) days written notice of intent to cancel or terminate.
2. The grant may be terminated by DCJ if, in the opinion of DCJ, it is in the best interest of the State of Colorado to terminate the grant.
3. If the grant is terminated for convenience by either the grantee or the State, the grantee shall be paid the necessary and allowable costs incurred through the date of termination, but not exceeding a prorated amount based on the number of days of project operation prior to the date of termination. Exception: If the project is completed prior to the end of the original grant duration and all terms are satisfied, then the full award amount would be paid.

B. Reduction in Grant Award Amount for Cause:

1. DCJ may reduce the total SOGA amount for cause, without compensation.
2. Before the state reduces the grant amount for cause, it will first give ten (10) days written notice to the grantee, stating the reasons for reduction, procedures completed to correct the problems, and the date the grant award amount will be reduced in the event problems have not been corrected to the satisfaction of DCJ.
3. In the event the grant is reduced for cause, DCJ will only reimburse the grantee for acceptable work or deliverables received prior to the date of reduction, not to exceed the reduced award amount.

4. In the event the grant is reduced for cause, final payment to the grantee may be withheld at the discretion of DCJ until a final financial review is completed by DCJ.

C. Termination for Cause:

1. DCJ may terminate the grant for cause without compensation for termination costs.
2. Before the state terminates the grant for cause, it will first give ten (10) days written notice to the grantee, stating the reasons for termination, procedures completed by DCJ to correct the problems, and the date the grant will be terminated in the event problems have not been corrected to the satisfaction of DCJ.
3. In the event the grant is terminated for cause, DCJ will only reimburse the grantee for acceptable work or deliverables received up to the date of termination, not to exceed the award amount.
4. In the event the grant is terminated for cause, final payment to the grantee may be withheld at the discretion of DCJ until a final financial review is completed by DCJ.

D. Reduced Need of Original Award:

1. In the event that funds will not be fully utilized by the grantee based on a reduced need for the funds, the grantee must notify DCJ in writing, indicating the reasons for reducing the original award.
2. Upon approval, DCJ may issue an amended SOGA indicating the revised award amount and setting forth any applicable special conditions.

E. Equipment Purchased Under Grant: Any equipment purchased under the grant would revert, at the discretion of DCJ, to DCJ upon termination of the grant for any of the reasons mentioned in this section. Standard disposition reporting procedures contained in the DCJ Form 5 should be followed and the completed form sent to DCJ.

Signatories for DCJ Documents

AUTHORIZED OFFICIAL

This is the individual authorized to enter into binding commitments on behalf of the applicant agency. This must be an individual other than the Project Director or Financial Officer.

If the Applicant Agency is:

Then the Authorized Official is the:

A State Agency

Department or Division Director

An agency of/or a unit of local government:

City

Mayor or City Manager

County

Chairperson of the County Commissioners

Sheriff's Department

Chairperson of the County Commissioners

Police Department

Mayor or City Manager

Courts

Chief Judge

District Attorney's Office

District Attorney or Chair of the County
Commissioners

Institution of Higher Education

President of the institution or chair/dean of the
appropriate department

A Private Non-profit Agency

President/Chairperson of the Board of Directors

A School District

Superintendent/Assistant Superintendent

FINANCIAL OFFICER

The financial officer is the person who will be responsible for fiscal matters relating to the project and in ultimate charge of accounting, management of funds, verification of expenditures and grant financial reports. This must be an individual other than the Project Director or Authorized Official.

PROJECT DIRECTOR

The project director is the individual who will be in direct charge of the project. This should be a person who has knowledge and experience in the project area and ability in administration and supervision of personnel. The project director will be expected to devote a major portion of his/her time to the project. This must be an individual other than the Financial Officer or Authorized Official.

**TO AVOID COMMON ERRORS, PLEASE USE THIS CHECKLIST FOR THE COMPLETION
OF THE STATEMENT OF GRANT AWARD (SOGA)**

1. SIGNATURE OF THE AUTHORIZED OFFICIAL (AO) IS CORRECT

- ✓ **Are both copies of the SOGA properly signed? (Original blue-ink signatures are required)**
- ✓ **Is the AO on the grant application the correct legal signatory for the agency?**
If DCJ staff has questions regarding signatures, they will be sent to the grantee with the SOGA package. If the person who signed as the AO is not the legal signatory for the agency, complete the blank signature page or contact your grant manager.

Common Mistakes:

The Executive Director is listed as AO of a non-profit organization. (The President or Chair of the Board of Directors is the correct AO unless documentation (e.g. Bylaws and/or a resolution by the Board) is received from the Board that provides the Executive Director with authority to sign.)

The same individual signs as the Authorized Official, Financial Officer and Project Director.

The Sheriff is listed as AO for a county agency. (In most cases, the Chair of the County Commissioners is the correct AO.) [See page 1-7]

- **Has there been a change in the AO since the application? (If so, a new signature page must be completed.)**

2. CERTIFICATIONS (AS REQUIRED)

- **If the amount of the required match has been revised, are all requested revisions or signatures on Certifications of Match returned with the SOGA?**

3. ALL SIGNED COPIES OF THE SOGA ARE RETURNED TO DCJ

- **Is the application attached to the signed SOGA?**
- **Is the SOGA returned in a timely manner?**

CHAPTER 2

REQUIRED REPORTS AND NOTIFICATIONS

	Page No.
I. INTRODUCTION TO DIVISION OF CRIMINAL JUSTICE (DCJ) FORMS	2-3
II. FORM SUBMISSION.....	2-3
A. Required State VALE Reports/Forms	2-3
1. Cash Request.....	2-4
2. Quarterly Financial Reports.....	2-4
3. Quarterly and Final Narrative/Data Reports.....	2-6
B. State VALE Change Request Forms.....	2-7
1. Budget Revision.....	2-7
2. Change of Signing Authority.....	2-7
3. Modification of Grant Agreements.....	2-7
C. Required State Juvenile Diversion Reports/Forms.....	2-8
1. Cash Request.....	2-8
2. Quarterly Financial Reports.....	2-8
3. Quarterly and Final Narrative/Data Reports.....	2-10
4. Final Narrative Report	2-11
5. Project Income and Restitution Tracking	2-11
D. State Juvenile Diversion Change Request Forms.....	2-12
1. Budget Revision.....	2-12
2. Change of Signing Authority.....	2-12
3. Modification of Grant Agreements.....	2-13

E.	Contracts for Professional Services	2-13
	1. Professional Services and Consultant	2-13
F.	Other Reports	2-14
	1. State Juvenile Diversion Data Form	2-14
Supplement:	Summary of State VALE Forms and Due Dates	2-15
	Summary of State Juvenile Diversion Forms and Due Dates	2-16

CHAPTER 2 REQUIRED REPORTS AND NOTIFICATIONS

WHICH REPORTS DO I HAVE TO SUBMIT - WHY AND WHEN?

I. INTRODUCTION TO DIVISION OF CRIMINAL JUSTICE (DCJ) FORMS

DCJ has created a series of reports/forms designed to assist grantees to meet the state requirements for accountability, management, and auditing. This chapter discusses the various reports/forms that the grantee submits to DCJ. To ensure you are using the most current forms, copies of reports and forms should be downloaded from the DCJ website

All forms and correspondence to DCJ regarding the grant must contain the DCJ grant number assigned on the Statement of Grant Award.

address: <http://dcj.state.co.us>. In addition, some programs send specific data reporting forms to the Project Director with the SOGA.

Forms are revised periodically. **Use only the most current version of the forms.** The Project Director should become familiar with any new or revised forms and should call DCJ if there are any questions.

Use of outdated forms may delay cash drawdowns and prior approval requests made to DCJ.

By accepting a state grant award, the grantee agrees to submit the applicable forms by the dates specified either on the forms or in this chapter. Call your DCJ grant manager promptly if you cannot meet the deadline for reporting. A pattern of delinquent reports may result in termination of the grant award and may jeopardize future funding considerations.

II. FORM SUBMISSION

A. **Required State VALE Reports/Forms:**

All State VALE grantees **must** submit the following forms:

Instructions for completing forms can be found on the back of each form.

1. *DCJ Form 9, State VALE Cash Request:* Required to draw down awarded funds. Regulations require that state cash on hand be kept at a minimum balance. Grantees may only request funds for reimbursement of actual project expenses. DCJ recommends that grantees request drawdowns on a quarterly basis. Contact the DCJ grant manager for more specific instructions. Two signed copies of the State VALE Cash Request form, one with the **original** signature of the Project Director, should be submitted to DCJ. Grantees should allow at least thirty (30) days after the form is processed by DCJ to receive the state warrant (check) for the state funds and should plan accordingly.

Cash requests will not be approved unless all required reports are up to date and submitted in a timely manner. DCJ will deny cash requests with improper signatures.

2. *DCJ Form 7, State VALE Quarterly Financial Report:* Required to report expenditures. The grantee must report expenditures of the state funds designated in the budget on the *Statement of Grant Award*, or the most current approved revised budget. If there are other funds supporting project activities, they may be noted in the State VALE Quarterly Narrative Reports (DCJ Form 8), but not reported on the State VALE Financial Reports.
 - a. The expenditures of all reported funds must reconcile with the agency's General Ledger. If sub-ledgers are used, a process to reconcile the sub-ledgers with the General Ledger must be in place. It is imperative that the grantee have an accounting system that meets the criteria outlined in Chapter 3 of this *Guide*. Unpaid obligations (legal commitments the grantee has made for goods or services, but not yet paid) may or may not exist at the end of any given quarter. The reporting of Unpaid Obligations on the State VALE financial form is not a requirement but can be used as a tool by the agency to capture total obligations for a given quarter. The final/fourth quarter financial report cannot contain any Unpaid Obligations.

- b. Two signed copies of DCJ Form 7, one with the **original** signatures of the Project Director and the Financial Officer, must be received by DCJ no later than fifteen (15) days after the end of each calendar quarter, even if there were no expenditures during the quarter.

<u>Calendar Quarters</u>	<u>Quarterly Report Due Dates</u>
January 1 – March 31	April 15
April 1 – June 30	July 15*
July 1 – September 30	October 15
October 1 – December 31	January 15

Projects with start dates other than the first day of a calendar quarter must still report at the end of that calendar quarter.

*For the quarter ending June 30th (State fiscal year-end closing), the due date may be earlier depending on the individual program. You will be notified by your grant manager if this is applicable.

- c. The fourth quarter financial report is considered the final financial report for the grant award period. The fourth quarter final financial report must reflect all expenses incurred for the State VALE grant. There cannot be any outstanding unpaid obligations at the end of the grant award period. Two signed copies of the **final financial report** must be submitted to DCJ no later than fifteen (15) days after the end of the grant award period.

If the total expenditures at the end of the grant period are less than the current approved budget, refer to Chapter 5 of this Guide and/or contact DCJ for final financial and close-out instructions.

3. *DCJ Form 8, State VALE Quarterly and Final Narrative/Data Report:* Required to report program activity. Use this form to report progress made in meeting goals and objectives, and obstacles that may have caused problems or delays in implementing the project. Check the Special Conditions on your *SOGA* for any special reporting requirements. **Please be sure to follow the established format of the report, which is specified on the reporting form under the heading “Detailed Instructions for Completing the State VALE Narrative Report.”**

Two signed copies of DCJ Form 8, one with the **original** signature of the Project Director, must be received by DCJ no later than fifteen (15) days after the end of each calendar quarter, even if there has been no grant activity during the quarter. An explanation as to why there was no grant activity should be included in the narrative if this is the case.

<u>Calendar Quarters</u>	<u>Quarterly Report Due Dates</u>
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October 1 – December 31	January 15

Projects with start dates other than the first day of a calendar quarter must still report at the end of that calendar quarter.

*For the quarter ending June 30th (State fiscal year-end closing), the due date may be earlier depending on the individual program. You will be notified by your grant manager if this is applicable.

The fourth quarter narrative report is considered the final narrative report for the grant award period. The fourth quarter final narrative report summarizes grant activity for the entire grant award period, with an emphasis on the impact of the project on the Problem Statement in the grant application. Two signed copies of the **final narrative report** must be submitted to DCJ no later than fifteen (15) days after the end of the grant award period.

B. State VALE Change Request Forms:

To request any change to a State VALE grant, submit the appropriate form below for **prior approval**:

1. *DCJ Form 4-E, State VALE Budget Revision:* Required to request any change to the current approved budget. A budget revision does not increase the amount of the total budget; it simply moves money from one budget category to another. This request must be approved by DCJ before deviating from the current approved budget. Two signed copies of the State VALE Budget Revision form, one with the **original** signatures of the Project Director and the Financial Officer, should be submitted in advance of the requested change. A narrative section explaining and justifying the need for a budget revision must be attached to the form. The revision is not approved until the grantee receives a signed, approved copy of the form from DCJ. Verbal approval is not sufficient. Changes in line items within a budget category usually do not require a budget revision. Call DCJ with any questions.
2. *DCJ Form 4-F, State VALE Change in Signing Authority:* Required whenever there is a change in the Project Director, Financial Officer, or Authorized Official of a project. Two signed copies of DCJ Form 4-F, one with the **original** signatures of the new individual and the Project Director, must be submitted promptly to DCJ. A copy with DCJ approval will be returned for the grantee grant file.
3. *DCJ Form 4-G, State VALE Modification of Grant Agreements:* Required if, during the course of the project, the grantee finds it necessary to add, modify or delete a goal or objective. Two signed copies of the State VALE Modification of Grant Agreements, one with the **original** signature of the Project Director, must be submitted to request approval of the changes. Verbal approval is not sufficient. You may want to call the grant manager at DCJ to discuss your request before you submit the form. A signed copy indicating DCJ approval will be returned for the grantee grant file.

Reports and forms submitted to DCJ must be signed by the person(s) that DCJ records show as the designated official(s). Reports containing improper signatures may be returned to the grantee.

State VALE grant recipients cannot receive an extension of the grant award period of July 1 - June 30. All funds must be expended by June 30. Unexpended grant funds must be returned to the State VALE fund.

C. State Juvenile Diversion Reports/Forms:

All grantees **must** submit the following forms:

1. *DCJ Form 3, Cash Request:* Required to draw down awarded funds.

Regulations require that state cash on hand be kept at a minimum balance. Grantees may only request funds for reimbursement of actual project expenses. DCJ recommends that grantees

Cash requests will not be approved unless all required reports are up to date and submitted in a timely manner. DCJ will deny cash requests with improper signatures.

request drawdowns on a quarterly basis. Contact the DCJ grant manager for more specific instructions. Two signed copies of the State Diversion Cash Request form, one with the **original** signature of the Project Director, should be submitted to DCJ. Grantees should allow at least thirty (30) days after the form is processed by DCJ to receive the state warrant (check) for the state funds and should plan accordingly.

2. *DCJ Form 1-A, Quarterly and Final Grant Financial Report:* Required to report expenditures. The grantee must report expenditures of the state funds and in-kind and/or cash match designated in the budget on the *Statement of Grant Award*, or the most current approved revised budget. If there are other funds supporting project activities, they may be noted in the State Diversion Program Grant Narrative Reports - Quarterly (DCJ Form 2-DV), but not reported on the State Juvenile Diversion Financial Reports.

- a. The expenditures of all reported funds must reconcile with the agency's General Ledger. If sub-ledgers are used, a process to reconcile the sub-ledgers with the General Ledger must be in place. It is imperative that the grantee have an accounting system that meets the criteria outlined in Chapter 3 of this *Guide*. Unpaid obligations (legal commitments the grantee has made for goods or services, but not yet paid) may or may not exist at the end of any given quarter. The reporting of Unpaid Obligations on the State Juvenile Diversion financial form is not a requirement but can be used as a tool by the agency to capture total obligations for a given quarter. **The final/fourth quarter financial report cannot contain any Unpaid Obligations.**

- b. Two signed copies of DCJ Form 1-A, one with the **original** signatures of the Project Director and the Financial Officer, must be received by DCJ no later than fifteen (15) days after the end of each calendar quarter, even if there were no expenditures during the quarter.

<u>Calendar Quarters</u>	<u>Quarterly Report Due Dates</u>
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July 1 – September 30	October 15
October 1 – December 31	January 15

Projects with start dates other than the first day of a calendar quarter must still report at the end of that calendar quarter.

*For the quarter ending June 30th (State fiscal year-end closing), the due date may be earlier depending on the individual program. You will be notified by your grant manager if this is applicable.

- c. The fourth quarter financial report is considered the final financial report for the grant award period. The fourth quarter final financial report must reflect all expenses incurred for the State Juvenile Diversion grant. There cannot be any outstanding unpaid obligations at the end of the grant award period. Two signed copies of the **final financial report** must be submitted to DCJ no later than fifteen (15) days after the end of the grant award period.

If the total expenditures at the end of the grant period are less than the current approved budget, refer to Chapter 5 of this Guide and/or contact DCJ for final financial and close-out instructions.

3. *DCJ Form 2-DV, Colorado Juvenile Diversion Program Grant Narrative Report – Quarterly:* Required to report program activity. Use this form to report progress made in meeting goals and objectives, and obstacles that may have caused problems or delays in implementing the project. Check the Special Conditions on your *SOGA* for any special reporting requirements. **Please be sure to follow the established format of the report, which is specified on the reporting form under the heading “Detailed Instructions for Completing the State Juvenile Diversion Narrative Report.”**

Two signed copies of DCJ Form 2-DV, one with the **original** signature of the Project Director, must be received by DCJ no later than fifteen (15) days after the end of each calendar quarter, even if there has been no grant activity during the quarter. An explanation as to why there was no grant activity should be included in the narrative if this is the case.

<u>Calendar Quarters</u>	<u>Quarterly Report Due Dates</u>
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Projects with start dates other than the first day of a calendar quarter must still report at the end of that calendar quarter.

*For the quarter ending June 30th (State fiscal year-end closing), the due date may be earlier depending on the individual program. You will be notified by your grant manager if this is applicable.

4. *The 2 DV – Grant Narrative Report – Final.* The fourth quarter narrative report is considered the final narrative report for the grant award period. The fourth quarter final narrative report summarizes grant activity for the entire grant award period, with an emphasis on the impact of the project on the Problem Statement in the grant application. Two signed copies of the **final narrative report** must be submitted to DCJ no later than forty-five (45) days after the end of the grant award period.

5. *DCJ Form 1-B, Project Income and Juvenile Diversion Restitution Tracking.* If a State Juvenile Diversion program is collecting restitution use this form to track the amount of restitution that is collected and the amount of restitution distributed quarterly. All restitution collected during the grant period must be distributed prior to the end of the grant.

Restitution should be tracked utilizing Table B of the *DCJ Form 1-B, Project Income and Juvenile Diversion Restitution Tracking* form. By state fiscal rule, Juvenile Diversion programs do not need to track project income. Please contact your grant manager at DCJ if you have any questions regarding this form.

Project income may be retained by the grantee and used to supplement the State Juvenile Diversion funds committed to the project for any purpose that furthers the objectives of the legislation under which the grant was awarded. Project income may be used for any cost allowable under the state grant program. Unused project income must be expended prior to the end of the grant.

Two signed copies of DCJ Form 1-B, one with the **original** signatures of the Project Director and Financial Officer must be submitted when restitution is collected and distributed. The first DCJ Form 1-B is submitted within 15 days after the end of the quarter in which the grantee begins to collect restitution, and then quarterly thereafter.

D. State Juvenile Diversion Change Request Forms

To request any change to the grant, submit the appropriate form below for **prior approval**:

1. *DCJ Form 4-A, Budget Revision*: Required to request any change to the current approved budget. A budget revision does not increase the amount of the total budget; it simply moves money from one budget category to another. This request must be approved by DCJ before deviating from the current approved budget. Two signed copies of the State Juvenile Diversion Budget Revision form, one with the **original** signatures of the Project Director and the Financial Officer, should be submitted in advance of the requested change. A narrative explaining and justifying the need for a budget revision must be attached to the form. The revision is not approved until the grantee receives a signed, approved copy of the form from DCJ. Verbal approval is not sufficient. Changes in line items within a budget category usually do not require a budget revision. Call DCJ with any questions.
2. *DCJ Form 4-B, Change in Signing Authority*: Required whenever there is a change in the Project Director, Financial Officer, or Authorized Official of a project. Two signed copies of DCJ Form 4-B, one with the **original** signatures of the new individual and the Project Director, must be submitted promptly to DCJ. A copy indicating DCJ approval will be returned for the grantee grant file.

Reports and forms submitted to DCJ must be signed by the person(s) that DCJ records show as the designated official(s). Reports containing improper signatures may be returned to the grantee.

3. *DCJ Form 4-D, Modification of Other Grant Agreements:* Required if, during the course of the project, the grantee finds it necessary to add, modify or delete a goal or objective. Two signed copies of the Modification of Grant Agreements, one with the **original** signature of the Project Director, must be submitted to request approval of the changes. Verbal approval is not sufficient. You may want to call the grant manager at DCJ to discuss this request before you submit the form. A copy with DCJ approval will be returned for the grantee grant file.

State Juvenile Diversion grant recipients cannot receive an extension of the grant award period of July 1 - June 30. All funds must be expended by June 30. Unexpended grant funds must be returned to the State Juvenile Diversion fund. Unused project income must be expended prior to the end of the grant.

E. Contracts for Professional Services (used by all programs):

If you will be using independent contractors or contracting for any service where payment will be made from State grant funds, you are required to submit, for prior approval, the following form:

1. *DCJ Form 16, Professional Services/Consultant Certification:* Required to obtain DCJ approval for the procurement of services by outside vendors who are under contract with the project. A grantee must comply with all applicable state and/or local purchasing procedures. Two signed copies of DCJ Form 16, one with the **original** signature of the Project Director, must be submitted to DCJ prior to contract execution. All required information must be attached to the form. One copy indicating DCJ approval will be returned for the grantee grant file.

F. Other Reports:

Other reports or data mandated for the administration of a grant program may be required by the grantee upon request of DCJ. Special reporting requirements and/or non-quarterly reporting dates will be specified in your *Statement of Grant Award*.

1. *State Juvenile Diversion Data Form:* A separate form is required to be completed for each juvenile receiving services supported by State Juvenile Diversion funds. This data form is used to document and report the outcomes of program participants to the Colorado State Legislature and Governor on an annual basis. For detailed information on the data form, contact your DCJ grant manager.

SUMMARY OF STATE VALE FORMS

Refer to previous text and the particular forms for further detail. Two signed copies of each form, one with original signature(s), is required by DCJ. The Authorized Official may sign for the Financial Officer or the Project Director in the event of their absence.

<u>Form</u>	<u>Due Date(s)</u>	<u>Signatures Required</u>
DCJ Form 4-F, State VALE Change in Signing Authority	Immediately upon change of Project Director, Financial Officer, or Authorized Official.	New individual and Project Director
DCJ Form 4-G, State VALE Modification of Grant Agreements	Prior to any proposed modification or revision of the project described in the approved application.	Project Director
DCJ Form 5, Equipment Inventory/Retention Certification	Submitted with the final narrative report, within forty-five (45) days of the end of the grant award period.	Project Director
DCJ Form 7, State VALE Quarterly Financial Report	October 15, January 15, April 15, and July 15*	Financial Officer Project Director
DCJ Form 8, State VALE Quarterly Narrative/Data Report	October 15, January 15, April 15, and July 15	Project Director
DCJ Form 9, State VALE Cash Request (Drawdowns)	Reimbursement request for actual expenditures to date. Submit as needed.	Project Director
DCJ Form 13, Equipment Procurement Certification	Prior to any purchase of equipment.	Project Director
DCJ Form 16, Professional Services/ Consultant Certification	Prior to contract execution.	Project Director

*For the quarter ending June 30th (State fiscal year-end closing), the due date may be earlier depending on the individual program. You will be notified by your grant manager if this is applicable.

SUMMARY OF STATE JUVENILE DIVERSION FORMS

Refer to previous text and the particular forms for further detail. Two signed copies of each form, one with original signature(s), is required by DCJ. The Authorized Official may sign for the Financial Officer or the Project Director in the event of their absence.

<u>Form</u>	<u>Due Date(s)</u>	<u>Signatures Required</u>
DCJ Form 1-A, Quarterly Financial Report	October 15, January 15, April 15, and July 15*	Financial Officer Project Director
DCJ Form 1-B Project Income & Juvenile Diversion Restitution Tracking	October 15, January 15, April 15, and July 15	Financial Officer Project Director
DCJ Form 2-DV, Grant Narrative/Data Report- Quarterly	October 15, January 15, April 15, and July 15;	Project Director
DCJ Form 2-DV, Grant Narrative Report - Final	August 15	Project Director
DCJ Form 3, Cash Request (Drawdowns)	Reimbursement request for actual expenditures. Submit as needed. <u>Final cash request due on or before July 10.</u>	Project Director
DCJ Form 4-A, Budget Revision	Prior to deviating from the budget categories designated on the <i>Statement of Grant Award</i> or the current approved budget.	Financial Officer Project Director
DCJ Form 4-B, Change in Signing Authority	Immediately upon change of Project Director, Financial Officer, or Authorized Official.	New individual and Project Director
DCJ Form 4-D, Modification of Grant Agreements	Prior to any proposed modification or revision of the project described in the approved application.	Project Director
DCJ Form 16, Professional Services/ Consultant Certification	Prior to contract execution.	Project Director

*For the quarter ending June 30th (State fiscal year-end closing), the due date may be earlier depending on the individual program. You will be notified by your grant manager if this is applicable.

CHAPTER 3
RECORD KEEPING RESPONSIBILITIES
(Financial and Programmatic)
and
RULES ON USE OF BUDGETED FUNDS

	Page No.
I. REVIEW OF RECORDS.....	3-2
II. ACCOUNTING SYSTEM CRITERIA.....	3-2
A. Classify Revenues.....	3-2
B. Broad Budget Categories.....	3-2
C. Submission of Reports.....	3-2
D. Internal Controls.....	3-3
E. Commingling of Funds.....	3-3
III. ACCOUNTING CONTROLS.....	3-3
IV. UNALLOWABLE COSTS.....	3-4
V. BUDGET CATEGORIES AND RECORD MAINTENANCE.....	3-4
A. Personnel/Time and Attendance Records.....	3-4
B. Supplies and Operating.....	3-5
C. Travel.....	3-6
D. Equipment.....	3-6
E. Disposition of Equipment.....	3-7
F. Professional Services/Consultants.....	3-8
VI. OTHER ADMINISTRATIVE REQUIREMENTS.....	3-9
Supplement: Sample Time and Attendance Sheet.....	3-10

CHAPTER 3 RECORD KEEPING RESPONSIBILITIES AND RULES ON USE OF BUDGETED FUNDS

I. REVIEW OF RECORDS

The Division of Criminal Justice, or any of its authorized representatives, shall have the right to access any records of the grant. Monitoring and site visits may require access to and review of all records. See Chapter 4 for more detailed instructions on the retention of records.

II. ACCOUNTING SYSTEM CRITERIA

The grantee is required to establish an accounting system and maintain financial records to accurately account for the State grant award. The grantee may use any accounting system that meets the following minimum criteria:

A. **Classify Revenues and Expenditures:**

The system must classify ALL revenues and expenditures by funding source(s). All state money received must be recorded as state funds so that they may be included in the grantee agency's audit report or financial statement. Each grant must be tracked and recorded separately, whether it is a new or continuation grant award, with all revenues and expenditures reflecting the appropriate grant number. Funds awarded for one project may not be used to support another project.

B. **Broad Budget Categories:**

The accounting system must allow expenditures to be classified by the broad budget categories listed in the approved budget (e.g. Personnel, Supplies and Operating, Travel, Equipment, and Professional Services/Consultants).

C. **Submission of Reports:**

The system must contain adequate expenditure information for the prompt and proper submission of financial reports. Amounts reported on the financial form must match and be reconciled with the accounting sub-ledger or General Ledger.

If any components of the program are subcontracted, the grantee remains responsible for all aspects of this contract, including proper accounting and financial record keeping by subcontractors.

D. Internal Controls:

The system must be designed with an adequate method of internal controls to safeguard the funds. Expenditures must be tracked and reconciled with the General Ledger. If the agency has more than one source of funds, sub-ledgers will be necessary and a process must be in place to reconcile with the General Ledger. The system must also provide cost and property controls to ensure optimal use of grant funds, conformance with management policies, and any general or specific conditions of the grant.

E. Commingling of Funds

The accounting system of all grantees must ensure that funds received and expended through any DCJ grant are not commingled with funds from other funding sources. Each award must be accounted for separately. Grantees are prohibited from commingling funds on either a program-by-program basis or project-by-project basis.

Funds specifically budgeted and/or received for one project may not be used to support another. Where a grantee's accounting system cannot comply with this requirement, the grantee must establish a system to provide adequate fund accountability for each grant it has been awarded.

III. ACCOUNTING CONTROLS

The grantee must establish and maintain financial controls and procedures which assure that state funds obligated for the grant project are properly disbursed. State funds may be expended only for goods and services as detailed in the SOGA and approved budget narrative.

Goods must be received and the services must be provided within the approved grant period. Project costs incurred before or after the approved grant period cannot be paid with either grant or matching funds.

The budget is broken down into the following broad budget categories:

Personnel, Supplies and Operating, Travel, Equipment, and Professional Services/Consultants. Not all projects will have approved budget amounts in each budget category. The grantee should regularly compare actual expenditures with budget amounts in each budget category.

Supporting documents such as invoices must be kept to verify all entries made in the accounting system, be clearly marked with the grant number or accounting code, and be approved for payment by the Project Director. See Chapter 4, Section II for record retention requirements.

IV. UNALLOWABLE COSTS

State or matching funds may not be spent for the following:

- A.** Lobbying, political contributions, and legislative liaison activities. More detailed information regarding lobbying prohibitions and exemptions is available from DCJ upon request.
- B.** Expenses of organized fund-raising (this includes salaries of persons while engaged in these activities).
- C.** Cost of any corporate formation.
- D.** The following conference/workshop or travel-related expenses:
 - 1. Entertainment expenses
 - 2. Personal expenses, such as personal hygiene items, laundry charges, magazines, ground transportation for personal travel, etc.
 - 3. Alcoholic beverages/bar charges
 - 4. Lunch when travel is wholly within a single day

V. BUDGET CATEGORIES AND RECORD MAINTENANCE

- A. Personnel/Time and Attendance Records:**

This budget category includes paid personnel of the grantee agency whose salaries and/or fringe benefits, or a portion thereof, will be paid by the grant. The grantee must have written personnel policies and procedures which address: work hours, holidays, vacations, sick leave, overtime pay, compensatory time, termination, qualifications, written job descriptions, and equal employment opportunity policies. Consultants/Contractors are not paid under this budget category.

In addition to normal payroll records, accurate time and attendance records must be maintained on all personnel whose salary is charged to the project. Time and attendance records must include the date, employee's name, position title, total daily hours and that portion charged to the project by funding source, employee's signature, and Project Director's signature.

Project officials must ensure that employees working on the project are not receiving dual compensation.

Refer to the sample of an acceptable time sheet at the end of this chapter.

B. Supplies and Operating:

This budget category includes all items of expenditure except personnel, travel expenses, equipment, or contractors/consultants. Examples of items in this budget category are expendable supplies, leased space costs, telephone, printing, copying, tuition, registration fees for conferences, computers, software, training, lease or rental of equipment/vehicles, and maintenance contracts on equipment/vehicles. An individual item with a unit cost less than \$5,000 is considered a supply, not equipment. The specific line items should be listed in the contract (*SOGA* and attached application) for the funded project.

Food and/or beverage expenses are only allowed in conjunction with the following activities which are directly related to the goals of the funded project and are necessary and reasonable for efficient performance of the funded project: training sessions, meals or breaks during a meeting or conference, award ceremony, or staff retreat away from the normal work environment for the purpose of discussing the day-to-day business of the project. In all instances, expenses for food and beverages are allowable provided the following criteria are met: 1) the food/beverages provided are incidental to a work-related event; 2) the costs are considered reasonable; and 3) the food/beverages are not directly related to amusement or social events. Anyone receiving per diem allowances or reimbursement who is attending one of these activities at which a meal is provided must deduct that meal from the per diem allowance.

Dated receipts or invoices are required for all supplies and operating expenses. All bills must be labeled with the grant number and approved for payment by the Project Director. Bills should be marked “paid” and controls should be set up to ensure that duplicate payments are not made. Payment should not be made unless there is evidence that goods or services have been received. Both the order date and the date of receipt should be indicated to ensure that costs are allowable.

If there is a service or cost which is shared by more than one project or agency, the bill should clearly show the dollar amount that applies to each project and grant.

C. Travel:

This budget category includes all travel and any authorized airfare, lodging, and travel-related meal reimbursement expenses in the approved budget. All travel expenses must be documented by a travel reimbursement voucher with original receipts attached. Any travel voucher used must include the name and signature of the person traveling, destination and purpose of trip, date of trip, time of departure and return, grant number, and the signature of the Project Director. An example of an acceptable travel voucher may be requested from the grant manager at DCJ.

Allowable travel and per diem rates are based on state or local written, established travel policies, as applicable. If a grantee does not have travel policies it must use the state travel policy, which may be requested from the grant manager at DCJ.

Items NOT considered travel expenses are tuition and registration fees (even if they include lodging and/or subsistence), and vehicle gas and maintenance on project or government-owned vehicles. These types of costs must be shown in the Supplies and Operating category.

D. Equipment:

This budget category includes non-expendable personal property with an acquisition cost of \$5,000 or more per unit and a useful life of more than one year. (Please review the SOGA to determine if equipment purchases are allowable).

Approval from DCJ is required prior to the purchase of equipment by submitting a DCJ Form 13. The grantee is required to document its procurement procedures and maintain this documentation in the grant records.

Receipts or invoices with order and delivery dates are required for all equipment items. Prior to any payments being made, the Project Director must approve payment by signing the invoice. When payment is made, the invoice should be marked with the date paid, check or voucher number, and grant number.

The grantee must have an effective system of property management and controls to safeguard against loss, damage, or theft of equipment. Any loss, damage, or theft must be investigated, fully documented, and reported to DCJ.

Adequate maintenance procedures must be developed to keep the property in good condition. The grantee is required to maintain an inventory form (see DCJ Form 5) for equipment purchased, in whole or in part, with grant or matching funds which contains the following information:

1. Description of item
2. Serial number and property inventory number
3. Date of purchase
4. Grant number
5. Check or voucher number
6. Cost
7. Equipment location
8. Present use
9. Condition
10. Disposition information

E. Disposition of Equipment

Disposition includes the sale or trade-in of equipment as well as the disposal of equipment at the end of its useful life. Document the disposition on DCJ Form 5, Equipment Inventory. This inventory form is submitted to DCJ with the final narrative report and a copy must be retained after the final disposition of the property.

At the end of the grant award period, title to all equipment may vest in the grantee agency if the grantee certifies in writing that it will use the property for the same purpose areas under which the grant was made. DCJ Form 5 includes language to comply with this certification. If such a certification is not made, title to the property will vest in the state. The state will seek to have the property used for appropriate criminal justice purposes prior to the State using it or disposing of it in any other manner.

If you have any questions about the disposition of equipment, please contact your DCJ grant manager.

F. Professional Services/Consultants

This budget category includes services provided to the project by outside vendors who are under contract with the grantee.

If any components of the program are subcontracted, the grantee remains responsible for all aspects of the contract, including proper accounting and financial record keeping by the subcontractor.

Use DCJ Form 16, Professional Services/Consultant Certification to obtain approval from DCJ **before** Professional Services/Consultant expenditures are made. No payment will be made until a valid DCJ Form 16 and signed contract has been approved by a DCJ grant manager.

DCJ recommends that grantees obtain legal assistance if they have questions with regard to contract terms. Grantees should secure professional services through competitive negotiation whenever possible. See Chapter 6 for more detail.

All expenses for professional services/consultants must be supported by a valid, signed contract between the grantee (Authorized Official) and the contractor, and by detailed invoices from the contractor, which have been approved for payment by the Project Director. These invoices are the basis for payment and must show time and activity records that should include at a minimum the dates, times, and types of services provided.

VI. OTHER ADMINISTRATIVE REQUIREMENTS

- A.** Project Directors are encouraged to make the results and accomplishments of their project activities available to the public. All materials publicizing or resulting from award activities, including videos, should contain an acknowledgment of the awarding agency support.

- B.** Responsibility for the direction/result of the project activity should not be attributed to the Division of Criminal Justice. Any publication related to grant activities should include the following statement: “The opinions, findings, and conclusions or recommendations expressed in this publication/program/exhibition are those of the author(s) and do not necessarily reflect the views of the Division of Criminal Justice, Colorado Department of Public Safety.”

All publication and distribution agreements with a publisher must include provisions giving DCJ and the State of Colorado a royalty-free, non-exclusive, and irrevocable license to reproduce, publish, or otherwise use and/or authorize others to use the publication for state government purposes.

- C.** State law, including C.R.S. §24-103.5-101, State Fiscal Rules, Policies and Guidance, requires that, for grants of \$100,000 or more, a grantee’s performance be evaluated as part of normal contract administration and that performance be systematically recorded in the statewide Contract Management System (CMS).

Performance information shall be entered into CMS at intervals established in the Project Plan, and a final rating shall be rendered within 30 days of the end of the grant term. Contact your project manager at DCJ for any questions concerning compliance with CMS.

SAMPLE TIME AND ATTENDANCE SHEET

NAME OF EMPLOYEE _____

TITLE OF EMPLOYEE _____

MONTH AND YEAR _____

Enter all of the hours worked each day, by Grant # / Project. Enter partial hours in decimal format, e.g. 30 minutes is .5.

DAY OF MONTH	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	TOTAL HOURS					
DAY OF WEEK																																					
AUTHORIZED LEAVE CODE																																					
GRANT # / PROJECT:																																					
DAILY TOTAL																																					

USE THE FOLLOWING CODES FOR PERIODS OF AUTHORIZED LEAVE:

- A = Annual Leave
- S = Sick Leave
- H = Holiday
- Ad = Administrative Leave
- M = Maternity Leave
- LWOP = Leave Without Pay

 Employee's Signature / Date

 Supervisor's Signature (if not Project Director) / Date

 Project Director's Signature / Date

CHAPTER 4
GRANT CLOSE-OUT PROCEDURES

	Page No.
I. FINAL REPORTS AND RECORDS	4-2
A. Final Financial Report	4-2
B. Final Narrative Report	4-2
C. Equipment Inventory	4-2
II. RETENTION OF RECORDS	4-3

CHAPTER 4 GRANT CLOSE-OUT PROCEDURES

I. FINAL REPORTS AND RECORDS

A. Final Financial Report:

The fourth quarter report serves as the final financial report. This report (DCJ Form 7 for State VALE projects or DCJ Form 1A for State Juvenile Diversion Projects) must contain the total

Any state funds not expended at the end of the grant award period must be returned to DCJ.

expenditures for the grant period. The fourth quarter/final report cannot contain unpaid obligations and is due within fifteen (15) days of the end of the grant period. For the quarter ending June 30th (State fiscal year-end closing), the due date may be earlier depending on the individual program. You will be notified by your grant manager if this is applicable. Services must be performed and goods must be received during the grant period.

If you received any state funds from DCJ that were not expended at the end of the grant award period, you must return these funds to DCJ with the final financial report. **A check made out to the Colorado Department of Public Safety, indicating the grant number, is the only acceptable form of payment.**

B. Final Narrative Report:

All grantees must submit a final narrative report (DCJ Form 8 for State VALE projects or DCJ Form 2-DV –Final for State Juvenile Diversion projects) within fifteen (15) days (State VALE) or forty-five days (Juvenile Diversion) of the end of the grant period. The final report can be provided with the fourth quarter narrative report if submitted within 15 days. Data elements to be collected should be reviewed at the beginning of the project to ensure requirements will be met.

C. Equipment Inventory:

If equipment was purchased with state grant funds, a DCJ Form 5 must be submitted for each equipment item within fifteen (15) days of the end of the grant period. This form provides the necessary disposition and retention information. Equipment records must be retained for seven (7) years from the date the form is submitted to DCJ. If any litigation, claim, or audit is started before the expiration of the seven (7) year period, the records shall be retained beyond the seven-year period, until all litigation, claims, or audit findings involving records have been resolved. Refer to the form for more detailed instructions.

II. RETENTION OF RECORDS

- A.** All grant records must be retained for seven (7) years after the end of the state fiscal year. (For example, if the grant ended 9/30/10, the state fiscal year would be July 1, 2010 to June 30, 2011. The files could be destroyed after 6/30/18).
- B.** If an audit is in progress and/or the findings of a completed audit have not been resolved satisfactorily, then records must be retained beyond the seven-year period until such issues are resolved.

Grant records include all financial records (including project income records), supporting documents, statistical records, and all other records pertinent to the grant. These include books of original entry, source documents supporting accounting transactions, the general ledger, subsidiary ledgers, personnel and payroll records, consultant/volunteer time and activity reports, canceled checks, related documents and records. Source documents include copies of the grant award with the final approved application, required financial and narrative reports, and forms.

Records for each grant must be maintained separately from any previous grants that provided funding for the project, or any future grants that will continue funding for the project.

CHAPTER 5

AUDIT REQUIREMENTS AND DCJ MONITORING GUIDELINES

	Page No.
I. AUDIT REQUIREMENTS	5-2
II. GUIDELINES FOR DCJ MONITORING OF GRANTEES	5-2
A. Introduction	5-2
B. DCJ's Monitoring Philosophy	5-3
C. On-Site Monitoring Visits	5-4
D. Criteria for Selection of Grantees for Monitoring	5-5
Supplement: Top Ten Monitoring Findings	5-7

CHAPTER 5

AUDIT REQUIREMENTS AND DCJ MONITORING GUIDELINES

I. AUDIT REQUIREMENTS

- A.** DCJ and the Colorado Department of Public Safety requires an annual audit and reserves the right to examine any financial records of any grantee during the project period as well as within seven (7) years of the close of the grant award period.

- B.** In cases of continued inability or unwillingness on the part of the grantee to conduct or supply a proper audit, DCJ reserves the right to impose any sanctions upon the grantee until such time as a proper audit is received by DCJ.

- C.** Recipients requesting more information regarding audit requirements should contact their independent auditing firm, Office of the State Auditor or the Colorado Department of Public Safety.

II. GUIDELINES FOR DCJ MONITORING OF GRANTEES

A. Introduction:

State statutes and fiscal rules require that DCJ establish and perform activities that will track, document and measure the use of grant funds for the following purposes:

1. Monitoring for compliance with state rules and laws;
2. Quantitative and qualitative data collection;
3. Monitoring/evaluation of progress in meeting goals and objectives;
4. Evaluation of outcome measures and project effectiveness;
5. Strategic planning and collaborative activities at the state and local level; and
6. Reporting to state funding sources, the governor, state legislature, and any other stakeholders.

These activities track, document, and measure the use of the funds constituting DCJ's monitoring and evaluation systems. These systems are supplemented by technical assistance and training to educate grantees about the intent and purposes of the funds. Additionally, funds applications, state rules and regulations, fiscal and programmatic grant management practices, referrals to other sources of information, and training opportunities can be included as part of monitoring. Technical assistance and training help identify and fill gaps in areas where information may be lacking, and address or anticipate problems which may arise in the course of implementing a program or process. Staff may provide or cause to be provided additional specialized training and technical assistance in content areas that are pertinent solely to that program.

B. DCJ's Monitoring Philosophy:

DCJ places the highest value on accountability through consistent, fair, open and reasonable reporting by grantees. The purposes of monitoring and oversight systems are: (a) to ensure that the grant agency is meeting applicable state programmatic and financial intent, rules and requirements for the use of the funds; (b) for DCJ to fulfill its role of overseeing the funds that are provided to the grantee and document its findings; and (c) to identify technical assistance or training needs.

Except for a grantee's willful disregard of funding requirements or suspected fraudulent activity, DCJ's philosophy is to work collaboratively with an agency to identify and correct any problems. However, a grantee's continued inability or unwillingness to meet the requirements set forth for state grant funds may result in a range of appropriate responses, from the establishment of special grant conditions to termination of a grant.

Each DCJ unit that administers grants shall establish a unit monitoring plan, which includes a percentage or number of on-site visits to be conducted each year. The plan should also describe other types of monitoring activities and tools that will be utilized in each program. Due to resource limitations and the number of grants made by DCJ, most monitoring of grantee agencies will be conducted through what is commonly referred to as "desk monitoring" (see description below). Grant program managers are encouraged to coordinate with other DCJ grant programs which may also be funding and monitoring a particular grant agency. **It is the policy of DCJ that every DCJ grantee will receive an "on-site" monitoring visit from DCJ staff every three to four years, or earlier if suggested by a risk assessment.**

Each DCJ unit that administers grants shall also require an applicant for funding to provide a recent financial audit or financial review, and an A-133 Single Audit (if applicable) on an annual basis. Audits and financial reviews shall be conducted by an independent certified public accountant (CPA), or CPA firm, licensed to practice in Colorado.

In practice, the term monitoring is used to describe both the broad overall system of reviewing and tracking the use of state and matching funds, and the more specific day- to-day review processes that ensure a particular grantee is in compliance with state rules and regulations as they meet the goals and objectives of the grant or contract. These day-to-day review processes include the following, all of which may be supplemented by technical assistance and training.

Desk Monitoring: Reviews of financial and narrative grant reports, audit reports, correspondence and other written documentation or oral communication provided by the grant agency.

Telephone and Email Contacts: Direct communication with the recipient by telephone or email to ask or answer questions and check on the progress of the project.

In-Office Visits: Reviews or assistance provided to grantees at the DCJ offices, and any follow-up activities to resolve concerns.

On-site Monitoring: A visit to the project site to review one or more aspects of the grant project, and any follow-up activities to resolve concerns.

C. On-site Monitoring Visits

1. A certain number of grant agencies will be selected for on-site monitoring each year based on specific funding requirements. Site visit reviews may be conducted for a variety of reasons; including but not limited to:
 - a. Periodic routine reviews of grant projects;
 - b. Specific issues or items of interest;
 - c. Prioritized by amount of funding, types of funding, and number of DCJ grants received by the grantee;
 - d. Response to perceived problems or issues;
 - e. Response to audit exceptions;

- f. Contact with new staff or new programs;
 - g. Response to request for assistance; and/or
 - h. Information gathering, and/or technical assistance.
2. **Scope of Review Process:** Monitoring processes occur along a continuum from limited scope monitoring to comprehensive monitoring.

Limited Scope Monitoring is designed to evaluate and address specific concerns and issues or review specific portions of a project. The monitoring may include a site visit, desk monitoring, or phone or email contacts.

Comprehensive monitoring can be described as an in-depth program, financial and administrative review. It is designed to sample elements of many or most aspects of the project. A comprehensive site visit may be used to help evaluate the success, efficiency and the compliance of a grantee. A comprehensive visit requires thorough preparation, follow up, and documentation. DCJ selects a certain number of grantees for comprehensive monitoring each year.

D. Criteria for Selection of Grantees for Monitoring

When monitoring is done in response to a perceived problem or concern, it is generally for one of the following reasons:

1. Indicators of Common Problems
 - ◆ Late quarterly reports or reports lacking required information
 - ◆ Continued use of wrong grant number on forms or correspondence
 - ◆ Grantee not following the instructions in the Administrative Guide
 - ◆ Cash requests that are not submitted or are completed incorrectly
 - ◆ Expenditures in unauthorized budget categories on reports
 - ◆ No expenditures made with grant funds
 - ◆ Spending too quickly or too slowly
 - ◆ Discrepancies between narratives and financial reports
 - ◆ Approved budget figures are wrong on quarterly financial reports
 - ◆ Financial reports that reflect match not being spent on the project
 - ◆ Program start-up delayed or extended period of non-activity
 - ◆ Not meeting goals and objectives
 - ◆ Signing authorities incorrect or not changed officially

2. Indicators of More Difficult Problems

- ◆ On-going minor problems that are not resolved
- ◆ Pattern of spending in the wrong budget category
- ◆ On-going misunderstandings
- ◆ Unresponsive to request for information

3. Indicators of Potentially Serious Problems

- ◆ Allegations of misuse of funds
- ◆ Allegations of misconduct or violations of grant conditions
- ◆ Audit exceptions requiring follow-up
- ◆ Failure to comply with previous requests

TOP TEN MONITORING FINDINGS

Experience has shown that the top ten financial monitoring findings are as follows:

1. *Untimely submission of reports* - Narrative and financial reports are not submitted when due.
2. *Lack of documentation* - The grantee does not have adequate invoices or other documentation to back up the expenditure of funds.
3. *Inadequate monitoring of contractors* - The grantee is failing to monitor its contractors to ensure that they are expending their funds in compliance with all state laws and regulations.
4. *Inadequate time and effort records* - The grantee has failed to keep adequate time and effort records documenting the time that its employees and consultants have worked on the activities related to the project.
5. *Inaccurate reports* - The financial status reports submitted do not agree with the financial records of the organization. The grantee's request for payment does not correlate with its need for funds.
6. *Commingling of funds* - The grantee's accounting system is unable to accurately identify the receipt and expenditure of funds with the proper award.
7. *Excess cash on hand* - The grantee is not managing its drawdown of funds to coincide with expenditures to avoid having excess state funds on hand.
8. *Unallowable costs* - The grantee has expended state funds on cost items that are unallowable.
9. *Inappropriate changes* - The grantee has made budget changes and/or changes in the scope of the project without requesting prior approval from DCJ.
10. *Conflicts of interest* - The grantee has conflicts of interest or the appearance of conflicts of interest in its procurement procedures or other management of the state funds.

CHAPTER 6
TECHNICAL ASSISTANCE

	Page No.
I. PROCUREMENT	6-2
A. Procurement Processes for Equipment	6-2
B. Methods of Procurement of Goods and Services	6-3
II. CONTRACTS FOR PROFESSIONAL AND CONSULTANT SERVICES	6-3
A. Contract Provisions	6-3
B. General Compensation Guidelines	6-5
C. Competitive Bidding Using the Necessary and Reasonable Cost Principle	6-5
III. APPENDIX A – Definition of Terms	6-6

CHAPTER 6 TECHNICAL ASSISTANCE

I. PROCUREMENT

A. **Procurement Processes for Equipment:** Grantees who have equipment as part of the approved budget of the grant must meet these requirements and standards:

1. **Prior Approvals:** To obtain the required prior approval to purchase equipment identified in the grant application, the grantee must complete the Equipment Procurement Certification Form (DCJ Form 13). A specific description of the vendor selection process must be submitted with the form. A detailed description of the equipment should be supplied.

Changes to the equipment needs that were described in the grant application must have DCJ approval. A Modification of Grant Agreements form (DCJ Form 4-G for State VALE projects) must be submitted to DCJ for approval **prior** to any action taken on changes in equipment needs.

2. **Standards for Equipment Procurement and Maintenance:**
 - a. Careful review should take place before acquiring equipment to ensure it is still needed and that the need cannot be met with property already in the possession of the grantee.
 - b. A control system must exist to ensure adequate safeguards to prevent loss, damage, or theft of the equipment.
 - c. Any loss, damage, or theft shall be investigated by the grantee and by DCJ, as appropriate.
 - d. Adequate maintenance procedures must exist to keep the equipment in good condition.
 - e. If the grantee is authorized or required to sell the equipment, proper sales procedures must be established to ensure the highest possible return.

3. **Disposition of Equipment** – contact your DCJ grant manager for disposition instructions prior to the disposition of any equipment purchased with state grant funds.

B. Methods of Procurement of Goods and Services:

Grantees are allowed and encouraged to follow the established procurement requirements of state or local units of government, or private non-profit policies.

Documentation of procurement procedures used by the grantee is required and must be maintained in the records of the grantee.

II. CONTRACTS FOR PROFESSIONAL AND CONSULTANT SERVICES

Prior approval is required from DCJ before Professional Services/Consultant expenditures are made. Use DCJ Form 16, Professional Services/Consultant Certification, to obtain this approval. The grantee shall not enter into a financial arrangement with any party who is debarred from participation in government assistance programs.

A. Contract Provisions:

All expenses for professional services/consultants must be supported by a valid, signed contract between the grantee (AO) and the provider, and by detailed invoices from the provider, which have been approved for payment by the Project Director. The contract must include the following minimum provisions:

1. Legal names of contracting parties including valid signatures.
2. Statement of work expressed in clear, concise terms for tasks to be accomplished. The tasks, when accomplished, should produce results consistent with the project objectives.
3. Contract provisions should be drafted in such a way that the grantee can easily determine what is being required on the contract before payment is made. Statement of duties should be specific so that there is no question as to whether the contractor is obligated (i.e. “the contractor shall do this work” and not, “this work will be required”).
4. Timelines with dates for the key tasks and deliverables.

5. Persons or committees who will approve reports or specific accomplishments and whether a portion of the contract price is contingent upon that approval.
6. Payment rates that are in accordance with program guidelines.
7. Detailed method of payment, including a section allowing the grantee to withhold a portion of the final payment (usually 10%) until all deliverables are received.
8. Certain suitable provisions for termination, including the manner of termination and the basis for settlement. Possible reasons for termination include: default in performance and convenience of grantee (i.e. lack of funds). A remedies clause should also be included as this protects the grantee as well as the interests of the State.
9. All contracts shall include a provision to the effect that the grantee, DCJ, or any of their duly authorized representatives, shall have access to any records pertinent to the grant for the purpose of audit and examination. Records must be retained for the period of time required by the granting agency.
10. The grantee and DCJ shall have irrevocable, non- exclusive, royalty-free license to reproduce, publish, and use and authorize others to use any materials, in whole or in part which are produced under a contract.
11. Any contract for computer programming must result in the program being written in a form that would allow it to be used by other criminal justice agencies, with minor modifications and at a minimum cost, and it should remain in the public domain.
12. Some contracts may require personnel qualifications and credentials; licenses and insurance; confidentiality requirements; and warranty information. Check with your grant manager to see if these provisions need to be included in your contract.
13. A vendor agreement and/or statement of work from the vendor that contains terms and conditions does not substitute for a valid contract.

B. General Compensation Guidelines:

1. Compensation is reasonable and consistent with that paid for similar work in the public sector.
2. Dual compensation is not involved, e.g. the consultant is not receiving payment from more than one source for the same work.
3. Transportation and subsistence costs for travel do not exceed established local travel policies or, where no local policy exists, state travel regulations. These cost guidelines should be clearly detailed in the contract.

C. Competitive Bidding Using the Necessary and Reasonable Cost Principle:

1. **Employees of Commercial or Nonprofit Organizations** working *with* employer involvement are subject to the competitive bidding procedures.
2. **Government Employees** *not* representing their government agency are subject to the competitive bidding procedures and must not be receiving dual compensation.
3. **Independent Consultants** shall receive reasonable compensation that is consistent with that paid for similar services in the marketplace.

APPENDIX A - DEFINITIONS OF TERMS

AUTHORIZED OFFICIAL: The person who is authorized to obligate and to enter into contracts for the grantee/applicant agency. See DCJ Form 4-F for State VALE projects or DCJ Form 4-D for State Juvenile Diversion projects, for more detail.

BUDGET REVISION: The movement of funds from one budget category to another, or the addition or deletion of a budget category, or the addition of a line item not described in the approved budget. Requires prior approval by DCJ. (Use DCJ Form 4-E, State VALE Budget Revision for State VALE projects or DCJ Form 4-A for State Juvenile Diversion Projects)

CLOSE-OUT PROCEDURES: The process to determine if all applicable administrative actions and all required work of the grant have been completed.

COMPUTER EQUIPMENT: General purpose, commercially available, mass-produced automatic data processing components, and support or ancillary items necessary for their operation.

DIVISION OF CRIMINAL JUSTICE (DCJ): The state planning agency designated to administer certain federal and state funds and monitor program compliance with federal and state requirements. (§24-33.5-503, C.R.S.)

DRAWDOWN: The process of requesting state grant funds by submitting the DCJ Form 9, State VALE Cash Request Form or the DCJ Form 3 for State Juvenile Diversion projects.

EQUIPMENT: Property with an acquisition cost of \$5,000 or more per unit and a useful life of more than one year. Software, regardless of cost, is not considered equipment and should be considered an expense under the Supplies and Operating category.

EVALUATION: That portion of the project in which the grantee provides evidence to show that the planned activities and objectives of the program were met, occurred in a timely manner (process evaluation) and the activities of the project had an impact on the problem being addressed (performance evaluation).

FINAL DISPOSITION: Equipment acquired under the award with a current per unit fair market value of less than \$5,000 may be retained, sold, or otherwise disposed of with no further obligation to the awarding agency. When final disposition occurs, a final DCJ Form 5 must be submitted to DCJ.

FINANCIAL OFFICER: The person who has responsibility for all financial matters relating to the project and who has responsibility for the accounting, management of funds, verification of expenditures, audit information, and financial grant reports.

GENERAL LEDGER: The primary accounting system containing accounts to which debits and credits are posted from books of original entry.

GOALS: Project goals are clear, general statements that highlight what the project intends to achieve. Each goal must be associated with one or more objectives and each objective must be tied to a specific goal. Also see OBJECTIVES.

GRANTEE: The recipient organization of the grant award.

MATCHING FUNDS: The Grantee was informed during the application process of any match requirement for the state funds. The minimum match requirement is set by the program guidelines as a portion of the total project budget. Some programs do not require match, some require cash and/or in-kind match, and some require a cash match only. In-kind and cash match are subject to the same accounting and expenditure requirements as the state funds. Grantees must maintain financial records which clearly show the source, the amount, and the date of receipt and expenditure of all matching contributions during the grant period.

- A. **CASH MATCH** is a designated amount of non-state dollars the grantee is required to use for the project, in addition to the state grant amount. It includes actual cash spent by the grantee for budgeted costs of the project. The amount will appear as part of the approved budget in the Statement of Grant Award. The cash match must be spent during the period of the grant award. Failure to spend the minimum required cash match would reduce the amount of the state grant award on a proportionate basis. The cash match in the approved budget may not be used to match other state or local funds.

- B. **IN-KIND MATCH** is a specific amount of non-cash donations (assigned a dollar value), which the grantee is required to use for the project in addition to the state grant award amount. Some examples of in-kind match are volunteer time, donated equipment, supplies, space, or services. All of the above examples must be assigned a dollar value (based on fair market value) and appear in the project budget. The basis for determining the valuation of in-kind match, such as personal services, material, equipment, and space, must be documented by the grantee. The in-kind match must be spent during the period of the grant award. Failure to spend the minimum required in-kind match would reduce the amount of the state grant award on a proportionate basis. The in-kind match in the approved budget may not be used to match other state or local funds.

OBJECTIVES: Project objectives are quantitative (measurable) statements that describe how a specific goal will be met. The time period for the objective should be specified. For example, an objective should state: 1) what will be done, 2) the time frame, and 3) the number of clients serviced, number of services provided, or other specific measurements. Each objective should be tied to a specific goal.

An example of a State VALE goal and objective is: Goal 1: To provide information regarding the status of an offender to all eligible victims. Objective 1: Notify approximately 500 victims who are eligible to participate in the Victim Notification Program and provide information as to the offenders' location and parole hearings.

An example of a State Juvenile Diversion goal and objective is: Goal 1: Prevent further involvement of juveniles in the formal justice system. Objective 1: Between July 1, 2011 and June 30, 2012, the district attorney will refer 50 juveniles between the ages of 10 and 17, who are first and second time offenders, to the Juvenile Diversion program.

PRIOR APPROVAL: Written permission provided by DCJ in advance of an act that will result in either 1) the obligation or expenditure of funds, or 2) the performance or modification of an activity under a project.

PROCUREMENT: The process to purchase goods or contract professional services for grant activities. Requires prior approval in some cases.

PROJECT: The specific activities and expenditures to be funded with a State grant award.

PROJECT DIRECTOR: The person who has direct day-to-day responsibility for the implementation of the project. This person should possess knowledge and experience in the project area and an ability to administer the project and supervise personnel. This person shares responsibility with the Financial Officer for seeing that all expenditures are allowable within the approved budget.

PROJECT INCOME: Gross income received by the grantee as a direct result of grant activity. Examples of project income are service fees, restitution paid, client fees, usage or rental fee, sales of materials, and income received from the sale of forfeited assets or from forfeited money. Interest earned is not project income. Project income may be used only for allowable project expenses.

SPECIAL CONDITIONS: Conditions applied to awards on a case-by-case basis.

START-UP PERIOD: The period of time beginning with the first day of the grant award, during which the project is in a developmental phase and is not fully operational. The start-up period may not exceed three (3) months without prior approval from DCJ.

STATEMENT OF GRANT AWARD (SOGA): The official notification to the grantee of an award of state funds. The Statement of Grant Award incorporates the approved grant application and serves as the contract between the grantee and DCJ. This document obligates and reserves a set amount of State funds for the grantee.

SUB-LEDGER: Sub-ledgers contain the detailed information summarized in the General Ledger. For example, a sub-ledger (accounts payable) lists two individual items due for payment (\$14.95 to ACME Distributing Company and \$29.95 due to Joe Dandy). These two payables would be summarized in the general ledger as a \$44.90 accounts payable. These sub-accounts contain important data detail. The sub-ledger should be reconciled with the General Ledger at least quarterly.

TECHNICAL ASSISTANCE: Informal instruction to answer questions or provide guidance. This may be requested by the grantee or initiated by DCJ. It can be specific or broad in scope, depending on what issues are being addressed. Technical Assistance can be accomplished through telephone contacts, face to face visits at DCJ offices or at the grantee site, and through letters and other written materials.

TRAINING: Formal instruction such as workshops and seminars conducted expressly for the benefit of grantees to help ensure compliance with program regulations and/or to educate grantees on important content information.

UNALLOWABLE COSTS: Any expenses that are not fully described in the approved Budget Narrative of the grant application and related documents.

UNPAID OBLIGATIONS: A legal commitment made to purchase goods or services. Below are some examples:

Supplies/Operating: You have signed a purchase order for office supplies but have not yet paid the bill at the end of the quarter.

Travel: A staff member submits a voucher for travel that occurred during the quarter you are reporting on but it has not yet been paid.

Equipment: You have signed an order or contract to purchase a piece of equipment but have not yet paid the bill.

Professional Services/Consultants: You have entered into a contract with a consultant to provide a service. Any unexpended amount of the contract at the end of the quarter is an unpaid obligation.

Personnel costs are never an unpaid obligation.