

**Library of Michigan
CARES Act Grant Program**

**GRANT ADMINISTRATION
MANUAL**



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INTRODUCTION

This manual contains guidelines for administering your Coronavirus Aid, Relief, and Economic Security (CARES) Act grant, including guidance on reimbursement policies, procedures and documentation, reporting requirements, project revisions, and records retention. Grantees should carefully follow the guidelines to ensure a successful project. The handbook can be useful for everyone involved in the project activities and administration. The handbook is available online at www.michigan.gov/lsta.

For further information, all federally funded grants are issued under the authority of the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. This Uniform Grant Guidance (UGG) applies to the use of CARES Act funds and grantees should look to the UGG for direction on grant management and fiscal policy.

This grant is funded under the CARES Act, which is administered in part at the federal level by the Institute of Museum and Library Services (IMLS). These funds are distributed under Catalog of Federal Domestic Assistance (CFDA) number 45.310.

The Library of Michigan (LM) administers the grant program in Michigan and is responsible for developing a statewide plan for service within the federal guidelines. The current LM plan is the *Library Services and Technology Act Five-Year Plan for Michigan, October 1, 2017 - September 30, 2022*, available at www.michigan.gov/lsta.

TIMELINE

Application Availability	May 14, 2020
Application Webinar	May 21, 2020
Application Due Date	Monday, July 6 by 5:00 PM EST
Grant Review	Summer 2020
Grant Award Letters	Summer 2020
Grant Administration Webinar	July 23, 2020
Grant Period	14 months - August 3, 2020 to September 30, 2021
Grant Expenditures Complete	Last day of the contract
Reimbursement Requests Due	
• Fiscal Year 2020	October 15, 2020
• Fiscal Year 2021	August 31, 2021
Project Reports Due	
• Interim	October 15, 2020
• Final	August 31, 2021

AWARD PROCESS

Award Letters: The State Superintendent will send a letter to announce the award of a CARES Act grant. **Project spending must not occur until after award letter is received.**

Grant Administration Meeting: A grant administration webinar will be provided following the announcement of the grant awards. Grant administrators are **STRONGLY** encouraged to attend. The webinar will be recorded and available for later viewing.

Grant Certifications: LM accepts the signed grant documentation included in the submitted grant application as agreement to abide by the federal terms & conditions and to complete the proposed grant application activities.

Forms: Samples of the forms needed to report on CARES Act grants are at www.michigan.gov/lsta in the CARES Act Grant section. All forms and reports are submitted in the online grant system.

GENERAL ADMINISTRATION GUIDELINES

- Grantees are **strongly** encouraged to begin their project as soon as the award letter is executed. The expenditure period is detailed in the award letter and projects may not extend past that time period.
- All grant project activities must occur within the expenditure period identified in the grant award letter. Project costs and obligations incurred or paid prior to or after the expenditure period in the grant agreement will not be reimbursed.
- Libraries may not charge for the use of materials or equipment acquired with grant funds during the grant period. After the close of the grant, fees are a matter of local policy.
- Libraries must notify LM of any changes in the key personnel, i.e. grant administrator, authorized representative, or fiscal agent, by notifying the Library Grants Coordinator in writing. This may be via email, but the grantee is responsible for ensuring the receipt of the information.
- When issuing statements, press releases, handouts, printed promotional materials, web sites, social media posts, etc. describing projects or programs funded in whole or in part with federal money, all grantees must include the IMLS logo and state **“This project is funded (in part) with a Library Services and Technology Act grant from the Institute of Museum and Library Services administered by the Library of Michigan.”** You can find logo files and detailed instruction in the [IMLS Acknowledgement Requirements](#).
- The State Librarian must approve any exceptions to the grant administration policies and procedures.

- All forms and reports are submitted through the online grant site. Documentation for forms and reports are uploaded as a PDF document in the online form or report. The file name must be *Grantee Name-Document Name-Date.pdf*.
- Procurement and bidding – Grantees must follow the federal guidelines from the UGG for procurement and bidding, which are 200.317 through 200.326 in the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.

REIMBURSEMENT POLICIES AND PROCEDURES

Policies:

Funds are available to grantees on a reimbursement basis ONLY. LM will reimburse the grantee when:

- The grantee has received the materials and supplies; AND
- the grantee has paid for the materials and supplies; AND
- the grantee submits the *Reimbursement Request* form with documentation showing payment made to LM.

Approved Costs: Funds must be expended solely for the purposes described in the budget of the approved grant project proposal or project revision. If the grantee purchases items not specifically detailed in the grant proposal budget, the grantee runs the risk of covering those expenditures with local funds. LM retains the right to deny reimbursement for items or activities that are not described sufficiently in the initial grant proposal or subsequent approved revision requests.

Printed Items: Include a complete sample of promotional materials with your Reimbursement Request when those costs are claimed as part of the grant. The following statement and the IMLS logo must be included on all printed, promotional materials about the grant funded program. The statement is as follows: **“This project is funded (in part) with a Library Services and Technology Act grant from the Institute of Museum and Library Services administered by the Library of Michigan.”** See General Administration Guidelines for more information.

Unallowable Costs: The following items are examples of costs that are not allowable under federal rules and as such, are not eligible for reimbursement. This is not an exhaustive list. Allowable costs are addressed in 2 CFR 200, Subpart E, Cost Principles - Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. **If you are uncertain of whether a cost is allowable, please contact the Library of Michigan Library Grants Coordinator at reishk@michigan.gov or 517-241-0021.**

- Performers or entertainers;
- food and beverages as part of programs or events;
- advertising not directly related to the grant project;
- collection development purchases not directly related to grant goals or integral to the grant program;

- lobbying of any kind;
- transportation or travel for program participants or non-grant funded personnel;
- equipment or technology not specifically needed for the grant activities;
- awards, honoraria, prizes or gifts;
- souvenirs or promotional items;
- costs incurred outside the grant period. Note that you may not request funds for planning that happens BEFORE the grant period or for any activities after the grant period.

Procedures:

LM will process reimbursement requests as received for this grant program. Requests must be submitted correctly with the appropriate documentation to be eligible for reimbursement.

Please submit as few reimbursement requests as possible for this grant project. You may submit before the deadlines if your purchasing is complete.

Reimbursement form: Reimbursement requests for expenses incurred for the project must be submitted in the online grant site. LM must receive completed Reimbursement forms, including all documentation, by the following:

- **October 15, 2020 for purchases made up to September 30, 2020.**
- **August 31, 2021 for purchases made between October 1, 2020 and August 31, 2021.**

NOTE: Data plans and service contracts may extend to September 30, 2020.

This form summarizes the project expenditures for which reimbursement is being requested. If LM's review of the form determines that information is missing, the reimbursement request may need to be resubmitted, in part or in its entirety. LM will notify the grantee in writing, by email or letter, if the reimbursement request needs to be resubmitted.

When complete documentation and certifications are received with the reimbursement request, LM will process a payment promptly. The grantee should keep a record of the request after payment has been received from the Michigan Department of Treasury, to identify the source of funding in case of audit. Payment will be disbursed to the grantee's fiscal agent.

Documentation must accompany the reimbursement request. A legible copy of the vendor receipt documenting each purchase listed on the reimbursement form is required. LM will reimburse only for purchases that occur within the expenditure period. **Receipts must be dated and include 1.) quantity, 2.) unit cost, and 3.) clear descriptions of each item purchased.**

Invoices that include the above information are acceptable when the vendor does not provide a receipt, if accompanied by a copy of a check or credit card statement showing payment to that vendor with a date and amount matching the invoice. **An order form or invoice not showing payment made or items purchased is NOT documentation of payment by the grantee.**

REPORTS

Grantees are required to file an interim and final report by the following:

- **Interim Report by October 15, 2020 for activities through September 30, 2020.**

- **Final Report by August 31, 2021 for activities between October 1, 2020 and August 31, 2021.**

Interim & Final Report: These reports are a description of the purchases made from the grant funds, how the materials were used, how the public used of digital inclusion purchases, public usage statistics and the impact of those purchases on the community. The reports provide the Library Grants Coordinator the information needed to report to the IMLS on the use of funds by the Michigan library community. The report must include be at least one full page. The grantee may find it useful to maintain a file of anecdotes, quotes and comments to include in the final report. **Attach a copy of promotional and training materials with the written report.** You do **NOT** need to attach receipts to the final report.

Failure to submit a complete final narrative report may result in disqualification for future grant awards. The grant recipient will be returned to eligible status after a waiting period of 12 months from the date on which the grant was accepted as satisfactorily completed by LM.

FORMS

Grant Forms: A sample of the forms described below are at www.michigan.gov/lsta in the CARES Act grant section. All forms must be completed and submitted in the online grant site. **Forms can be found under the Requirements Tab in your grant account at https://www.grantrequest.com/SID_5829?SA=AM.** Accompanying documentation should be a PDF document and named as follows: *Grantee Name-Document Name-Date.pdf*.

Reimbursement Request: This form is required for all reimbursements. It will be available in your account in the online grant site.

Interim & Final Report: These forms are required to document your grant activities. They are available in your account in the online grant site.

SITE VISITS

As part of the administration of the grant program, LM is required to conduct site visits. The site visits are to confirm the grant recipients have complied with the proper procedures and requirements for use of the federal funds. Grantees and LM staff will select a mutually acceptable date for the site visit. Grantees will be provided with a copy of the questions to be asked and a list of materials the site visit team will need to review. LM will complete a site visit report and a copy will be provided to the grantee. For the CARES Act Grant program, LM will visit up to 5% of the grantees.

PROPERTY AND SERVICES PROCUREMENT

All goods and services purchased with federal funds must conform to applicable federal laws and standards (2 CFR 200.320). All procurement transactions must be conducted in a manner providing for full and open competition. Procurement by small purchase is a relatively simple and informal method of securing services, supplies, or property that cost no more than \$150,000. If small purchase procurement is used, price and rate quotations should be obtained

from an adequate number of qualified sources. The grantee must retain sufficient records to detail the procurement method used. These records should include, but are not limited to, the following: rationale for the method of procurement; selection of contract type; contract selection or rejection; and basis for the contract price.

SINGLE AUDIT REQUIREMENTS AND COSTS

Audit requirement for recipients of federal aid are established according to 2 CFR 200, Subpart F.

Michigan public libraries are often included in the Single Audit of their units of local government conducted under the state Uniform Budgeting and Accounting Act. Any library or fiscal agency that is not included in a Single Audit of a local government unit under the Uniform Budgeting and Accounting Act shall contract with an independent auditor to conduct a Single Audit when the grantee expends \$750,000 or more of federal funds in the grantee's fiscal year. **This total includes funds received from all federal agencies, not only the IMLS CARES Act funds.**

If the Single Audit results in findings related to the management of the grant award, the grantee must distribute their audit report and financial statements to the Department of Education. For audits that do not meet the \$750,000 threshold, the grantee must distribute their audit report and financial statements to the Department of Education only when there is an audit finding in the management of the grant funded program. If there are audit findings, the grantee is required to develop and implement a corrective action plan that addresses the findings and recommendations resulting from the audit. LM reviews each grantee's Single Audit report and requires that the grantee provide a Single Audit follow-up for inclusion in the grant file.

Auditors should be informed that payments received from IMLS CARES Act grant awards are one hundred percent federal flow through dollars under the Catalog of Federal Domestic Assistance (CFDA) 45.310 and are subject to single audit. All auditors shall comply with the Government Auditing Standards when performing these audits. The grantee should submit the Single Audit report to LM as soon as the audit is completed.

The allowable amount of reimbursement for Single Audit charges may be calculated as a percentage of the total Single Audit expense. This expense should not exceed the percentage of CARES Act funds in relation to the fiscal agency's total federal funds audited. The percentage can be different if cost documentation demonstrates higher or lower actual Single Audit costs for the CARES Act funded projects.

LM is responsible for ensuring compliance with federal requirements at both the state and grantee levels. Regarding audits, grantees will receive a letter at the end of each federal fiscal year their grant falls under (October 1st to September 30th) to confirm if a Single Audit was required and if so, the status of their Single Audit.

Failure to respond to a Library of Michigan request for audit review follow-up or failure to comply with Single Audit requirements will, at a minimum, preclude further participation in the Library of Michigan grant programs.

RECORDS RETENTION

Grantees are required to maintain records for federally funded projects (2 CFR 200.333-337). All records for each project must be maintained separately from those of other projects. Accounting records should be supported by source documentation such as canceled checks, paid invoices, and payrolls.

Records must be maintained for three years after the date of the final expenditure report or the date on which all other pending matters are closed, whichever is later. Equipment records must be maintained for three years after the disposition of the inventoried equipment. In cases of audit exceptions, records must be maintained until three years after resolution or three years after the date of the final expenditure report, whichever is later.

XIII. APPENDICES

APPENDIX A - CONTACT INFORMATION

All documents and certificates are submitted in the online grant system at https://www.grantrequest.com/SID_5829?SA=AM.

Questions about the program should be directed to

Karren Reish, Library Grants Coordinator
reishk@michigan.gov
517-241-0021
517-335-1522 fax

Library of Michigan
702 W. Kalamazoo Street
P.O. Box 30007
Lansing, MI 48909-7507

It is the responsibility of the grantee to submit required forms and documentation and confirm receipt at the Library of Michigan by the applicable deadlines.

APPENDIX B - GLOSSARY

Arms-length transaction: When the buyers and sellers of a product act independently of each other and have no relationship to each other.

Audit: Any unbiased examination and opinion of the financial statements of an organization in a given fiscal year. Any political entity that receives more than \$500,000 total in federal funds from all sources is required to have an audit that meets the requirements of federal regulations in 2 CFR 200 - Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.

Audit Finding: Any exception to generally accepted audit standards found in the financial statements of the audited institution. Grantees are required to notify LM of any audit findings related to a grant funded program and to develop and implement a corrective action plan that addresses the findings and recommendations resulting from the audit.

Authorized Official: The person authorized to sign legally binding documents for the institution and who will be addressed in communications from LM.

Board Chairperson: This individual represents the board if the organization reports to a board. If the organization does not report to a board, the Authorized Official is the highest-level official who can authorize the library's participation in a federally funded project. In either case, this person is authorized to sign contracts and legal documents on behalf of the organization.

Catalog of Federal Domestic Assistance (CFDA): CFDA 45.310 applies to funding distributed through IMLS to State Library Administrative Agencies. See www.cfda.gov/ for more information.

CFR: Code of Federal Regulations. Library Services and Technology Act grant funds are administered under the requirements of 2 CFR 200 See www.ecfr.gov/ for more information.

CIPA: The Children's Internet Protection Act restricts the use of funding that is available through the CARES Act. These restrictions take the form of requirements for Internet safety policies and technology filters for public and school libraries that use federal funds to purchase computers used to access the Internet or to pay for direct costs associated with accessing the Internet.

DUNS Number: The Data Universal Numbering System or D-U-N-S® Number is Dun & Bradstreet's copyrighted, proprietary means of identifying business entities on a location-specific basis. The D-U-N-S® Number is widely used by both commercial and federal entities and was adopted as the standard business identifier for federal electronic commerce in October 1994. A DUNS number may be obtained at 866-705-5711 or <https://fedgov.dnb.com/webform>.

Expenditure Period: The period identified in the grant award notice (GAN) during which project costs and obligations must be incurred. The date the grant begins and the date the grant ends are listed on the GAN

Fiscal Agency: The organization whose bank account the grant funds flow through for the exclusive benefit of the library organization. The grant reimbursement, which is issued by the

State of Michigan, is made payable to this organization. In some cases, the fiscal agency may be a parent organization, such as a city, township, county, or school district.

Fiscal Agency's Year End: The end date of the audited period (fiscal year) for the fiscal agency.

Fiscal Agent: The individual employed by the fiscal agency who has access to the financial books and records that pertain to the grant project. The grant administrator and fiscal agent may be the same individual.

Grant Administrator: The grant administrator must be an employee of the grantee library. A grant administrator is generally responsible for completion of the grant project, required forms during the project and the final narrative report at the project's completion. The grant administrator may be the library director, or any other staff member assigned to undertake the responsibilities of managing the project. The grant administrator and fiscal agent may be the same individual.

Grant Award: A binding legal document that authorizes the implementation of the proposed project and records the legal obligations of the parties to the agreement. The grant administrator, the fiscal agent, and the State Librarian as the state administrator of IMLS funded programs must sign the grant agreement.

Grant Period: The period – start and end dates specified in the grant award notice (GAN).

Key Personnel: Grant administrator, fiscal agent, authorized official and board chairperson. The Library Grants Coordinator must be notified in writing if any of the key personnel change during the grant period.

Supplies: For the purpose of federal grants, supplies are any tangible item with a purchase price of less than \$5,000.