

# FORVIS



Presented in conjunction with:  
Wisconsin Department of Administration (DOA)  
Wisconsin Economic Development Corporation (WEDC)

## Understanding Your Wisconsin Grant Agreement

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# Presenters



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# Legal Disclaimer

- FORVIS presenters are not providing legal advice. This presentation is meant to be an overview of the Grant Agreements for the Wisconsin DOA Program Grantees and should not be taken as legal guidance from DOA, WEDC or FORVIS.
- Program Grantees should direct specific questions to the appropriate program inbox that they use to correspond with DOA representatives.

# Key Learning Items

- What is a Grant?
- Understanding Your Grant Agreement
- Key Terms and Conditions
  - Agreement Administration Contacts
  - Period of Performance
  - Scope of Work & Eligible Expenses
  - Grant Agreement Modification Requests
  - Reporting Requirements & Payment Method
  - Non-Discrimination
  - Internal Controls & Financial Management
  - Procurement
  - Record Retention & Audit
- Attachments
- Management Considerations

# What is a Grant?

- Grants are one of the ways the government funds ideas and projects to provide public services and stimulate the economy
- Grants under the American Rescue Plan Act of 2021 (ARPA) support critical economic recovery initiatives, innovative research, and many other programs

# DOA Programs Funded by the American Rescue Plan Act (ARPA)

- Equitable Recovery
- Diverse Business Assistance
- Diverse Business Investment
- Healthcare Infrastructure Capital Grant Program
- Tourism Capital
- Neighborhood Investment Fund

# The Grant Agreement

- Outlines terms, conditions and responsibilities between the awarding agency, State of Wisconsin Department of Administration “DOA” and the recipient (Grantee) under the grant award
- Requirements often incorporated by reference to other regulations

# General Grants Governance

Grant Agreement

Funding Agency Guidance

Applicable State Law

Applicable Federal Law



# Understanding Your Grant Agreement

- Recitals
- Terms and Conditions
- Attachment A – Scope of Work
- Attachment B – Budget
- Attachment C – Semi-Annual Report and Payment Request
- Attachment D – Source of Funds
- Attachment E – Method of Payment
- Attachment F – Federal Compliance Requirements
- Attachment G – Completed Grant Application
- Attachment H – Reserved
- Attachment I – Additional Conditions

# Recitals (Agreement Exhibit)

## RECITALS

**WHEREAS**, the Department has received funds from the United States Department of the Treasury (“Treasury Department”) has distributed to DOA funds (“ARPA Funds”) from the Coronavirus State and Local Fiscal Recovery Fund (“SLFRF”) pursuant to 42 U.S.C. § 802, as added by section 9901 of the American Rescue Plan Act of 2021 (“ARPA”) to be used for the purposes specified in the ARPA; and

**WHEREAS**, on April 13, 2021, Governor Tony Evers announced the launch of an Equitable Recovery Grant Program (“Program”), to assist community-based organizations providing services or programming aimed at increasing equity and eliminating disparities in health, early childhood development, education, economic support, housing, and environmental justice in qualified census tracts or communities disproportionately impacted by the COVID-19 pandemic; and

**WHEREAS**, Governor Evers instructed the Department to utilize ARPA funds for the Program and to award grants to eligible applicants for eligible activities; and

# Recitals

- Defines at a high level who is administering the funds, the eligible use of the funds, and other considerations
- Identifies the federal funding source and state authorization for fund administration and distribution

# Terms and Conditions

- This is the “meat” of the agreement and outlines the Period of Performance (March 3, 2021 through December 31, 2024)
- Terms and conditions outline requirements for a successful grant project
- Identifies attachments which provide further instruction and complete the agreement

# Scope of Work

- Scope of Work – Included in the Grant Agreement as Attachment A
  - Identifies major activities and services to provide (deliverables)
  - Consistent with the application
- Budget – Included in the Grant Agreement as Attachment B
  - List of Budget Cost Categories
  - Expenditures must be consistent with the budget

# Eligible Expenses

- Eligible Expenses are Defined as:
  - Incurred During the Period of Performance (3/3/21 – 12/31/24)
  - Direct tasks necessary to perform the activities and provide the deliverables outlined in the scope of work and application
  - Consistent with the budget

# Eligible Expenses (*Continued*)



- Eligible Expenses Continued:
  - Reasonable in amount
  - Consistent with the intent of the program
  
- Follow the Prudent Person Standard
  - Would a reasonable person believe that this expense is necessary

# Modification Request

- All modification requests must be made in writing and approved by DOA before proceeding
- Reasonable and consistent with ARPA and the program intent
- DOA reserves the right to approve or deny
- Requests to modify budget should not exceed the grant award
  - In general, modifications between existing line items that impact 10% or less of the total overall budget will be approved.



# American Rescue Plan Act (ARPA) Guidance

- Expenses must meet ARPA Requirements
  - [Final Rule](#)
  - [Final Rule Overview](#)
  - [FAQs](#)
- The DOA reserves the right to seek reimbursement of any Grant Award funds expended on ineligible expenses.

# Ineligible Expenses

- Application Costs
- Lobbying
- Other ineligible expenses as detailed in Article 5 of the Grant Agreement
- ARPA Ineligible Expenditures
- Grantee is responsible for returning funds to the DOA for expenditures deemed ineligible

# Reporting



- DOA submits Quarterly Reports to the United States Treasury Department
- Grantees must provide necessary information to DOA to assist in this quarterly reporting requirement
- Further instructions are outlined in Attachment C

# Grantee Payment Requests and Reporting (Attachment C)

- Submit payment requests and reporting every six months
- This is done via an online form in DocuSign
- DOA reserves the right to modify/update the form as needed

# Attachment C

- Initial Payment Request Period is 3/3/21 – 12/31/22
- Updated version of the form is available on each program website for new requests

Report and payment due dates:

<b>Advance Funds Request Period</b>	<b>Semi-Annual Report and Payment Request Form Due</b>	<b>Anticipated Disbursement</b>
Initial Payment Request Period	Within 30 days after Grant Agreement Execution	30 days from submittal of Initial Payment Request
January 1 through June 30	30 days before start of period	January 1
July 1 through December 31	30 days before start of period	July 1

# Non-Discrimination

- Civil Rights Act of 1964
  - Protections for Race, Color, National Origin
- Protections for Limited English Proficiency

# Non-Discrimination



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- Wisconsin Law protections on the basis of:
  - Age
  - Race
  - Religion
  - Color
  - Disability
  - Physical Condition
  - Sexual Orientation
  - Sex
- Grantee agrees to take affirmative steps to ensure equal employment opportunities
- Unless exempted, grantees who receive over \$50,000 must submit a written Affirmative Action plan within 15 days of executing the grant agreement

# Internal Controls

- Grantee should have internal controls in place to ensure that funds are spent in accordance with the program purpose
- Best Practice Controls:
  - Segregation of Duties
  - Expenditure Review Process
  - Internal Approval Process



# Financial Management

- Required Controls:
  - Separate Bank Account **or** specifically identify the Grant Award funds in a separate internal account used to track all deposits, obligations, and expenditures of Grant Award funds.
  - Accounting System that tracks funds to the expenditure level and keeps funds separate from other sources
  - Double entry accounting according to GAAP
  - Ability to compare program expenditures to budget
- Provide financial documentation and reports as required by DOA

# Procurement of Goods and Services

- Maintain and **Follow** written procedures
- At a minimum, procedures must comply with:
  - Paying reasonable prices
  - Competitive procurement used when value is appropriate
  - Procurement performed in an open, consistent, and ethical way
  - Avoid Conflict of Interest - No employee, officer, or agent of Grantee who has a real or apparent conflict of interest may participate in the selection, award, or administration of a contract supported by Grant Award funds

# Record Retention

- Files related to the Grant must be retained for a period of 5 years after the period of performance ends
  - until 12/31/2029
- Includes procurement documentation
- Requirements apply to agreements terminated prior to the end date

# Audit



- If Grantee expends \$750,000 or more of the Grant Award in a single fiscal year, Grantee must have a certified annual audit performed utilizing Generally Accepted Accounting Principles (GAAP) and Generally Accepted Auditing Standards (GAAS) and provide it to DOA.
- In addition, regardless of the amount of the Grant Award Grantee expends in a single fiscal year, if it conducts an audit of its financial statements, it must provide a copy of the report to DOA within 30 days of receiving the report.
- Under the agreement's terms, DOA may also conduct a compliance audit or review on Grantee either itself or through an agreed-upon procedures engagement with an auditor.

# Attachments – A

## Scope of Work

- Outlines the key deliverables
- Should be consistent with what was submitted in the application

# Attachments – B

## Budget

- Specific Categories
- Should tie to the Scope of Work
- Cost Category definitions - Attachment B (Budget)
  - Definitions assist with placing costs in the correct categories
- Direct v. Indirect (Administrative) Costs
- Time and Effort Tracking

# Attachments – B

## Budget

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- Direct v. Indirect Costs
  - Direct costs are those that are incurred for the benefit of the program
  - Indirect costs are administrative and may benefit multiple programs
  
- Time and Effort Tracking
  - Salaries paid by the grant must reflect actual time spent and be supported with timesheets

## Attachments – C

# Payment Request Form

- Payment Requests and the semi-annual report are due every six months
- Form Link:
  - [Equitable Recovery](#)
  - [Healthcare Infrastructure](#)
  - [Tourism Capital](#)
  - [Neighborhood Investment Fund](#)
  - [Diverse Business Assistance](#)
  - [Diverse Business Investment](#)



## Attachments – D

## Source of Funds



- These Grant Funds are provided through the Revenue Replacement (a.k.a. Government Services) provision of ARPA
  - Grantee is not a subrecipient of the Federal Award
  - Many provisions governing federal awards are not applicable because of this designation

## Attachments – E

### Method of Payment



- Paid by ACH or Physical Check
- Necessary forms must be completed before DOA will provide payment
- Overpayments by DOA must be returned by the Grantee within 60 days of the end of the performance period

## Attachments – F

# Federal Requirements of SLFRF Funds

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- Civil Rights Requirements
- Whistleblower Protections
- Lobbying Certification
- Publications created under the award must include:
  - This project [is being] [was] supported, in whole or in part, by federal award number SLFRP0135 awarded to [name of Grantee] via the Wisconsin Department of Administration by the U.S. Department of the Treasury

# Attachments – Other

- G – Completed Grant Application
- H – Reserved
- I – Additional Conditions - DOA can require:
  - Training and technical assistance
  - Project monitoring and on-site Reviews
  - Preventing the project from moving forward if performance is unsatisfactory
  - Additional financial reports
  - Payment as reimbursement
  - Prior approval for expenditures

# Management Considerations – Accounting for Grants

- Establish a separate GL department/fund/project for each award
- Create a process for reconciling expenditures charged to the grant award, including:
  - Allowability (Grant Agreement, Budget, and Application)
  - Procurement (Purchase Order, Invoice, and Solicitation Documents)
  - Proof of payment (Checks, Credit Card Detail, and Bank Statements)

# Procurement

- Does your organization have a written procurement policy?
- At a minimum, your procurement policy should incorporate what is required by the grant agreement
- A best practice in developing a policy would be to use the federal grants procurement policy found at 2 CFR 200.317-327

# Time and Effort

- **Document, Document, Document!**
- Personnel expenditures charged to the grant should be supported by proof that grant related activities were performed.
- Documentation (applies to both exempt and non-exempt employees):
  - Timesheets
  - Activity reports

# Equitable Recovery Program

- Program Website: [DOA Equitable Recovery Program \(wi.gov\)](https://www.doa.wisconsin.gov/equitable-recovery-program)
- Contact: [EquitableRecovery@wisconsin.gov](mailto:EquitableRecovery@wisconsin.gov)
- Grant Program Guide ([Link](#))
  - Includes FAQs



# Healthcare Infrastructure

- Program Website: [DOA Healthcare Infrastructure Capital Grant Program \(wi.gov\)](#)
- Contact: [DOAHealthcareInfrastructureGrantProgram@wisconsin.gov](mailto:DOAHealthcareInfrastructureGrantProgram@wisconsin.gov)
- Grant Program Guide ([Link](#))
  - Includes FAQs

# Tourism Capital

- Program Website: [DOA Tourism Capital Grant Program \(wi.gov\)](https://www.wisconsin.gov/DOA/TourismCapitalGrantProgram)
- Contact: [TourismCapitalGrantProgram@wisconsin.gov](mailto:TourismCapitalGrantProgram@wisconsin.gov)
- Grant Program Guide ([Link](#))
  - Includes FAQs

# Diverse Business Assistance

- Program Website: [DOA Diverse Business Assistance Grant Program \(wi.gov\)](#)
- Contact: [DiverseBusinessAssistance@wisconsin.gov](mailto:DiverseBusinessAssistance@wisconsin.gov)
- Grant Program Guide ([Link](#))
  - Includes FAQs

# Diverse Business Investment

- Program Website: [DOA Diverse Business Investment Grant Program \(wi.gov\)](#)
- Contact: [DiverseBusinessInvestment@wisconsin.gov](mailto:DiverseBusinessInvestment@wisconsin.gov)
- Grant Program Guide ([Link](#))
  - Includes FAQs

# Neighborhood Investment Fund

- Program Website: [DOA Neighborhood Investment Fund Program \(wi.gov\)](https://www.doa.wisconsin.gov/neighborhood-investment-fund-program)
- Contact: [NeighborhoodInvestmentFundProgram@wisconsin.gov](mailto:NeighborhoodInvestmentFundProgram@wisconsin.gov)
- Grant Program Guide ([Link](#))
  - Includes FAQs

# Wisconsin Contacts

- Diverse Business Assistance: [DiverseBusinessAssistance@wisconsin.gov](mailto:DiverseBusinessAssistance@wisconsin.gov)
- Diverse Business Investment: [DiverseBusinessInvestment@wisconsin.gov](mailto:DiverseBusinessInvestment@wisconsin.gov)
- Equitable Recovery: [EquitableRecovery@wisconsin.gov](mailto:EquitableRecovery@wisconsin.gov)
- Healthcare Infrastructure:  
[DOAHealthcareInfrastructureGrantProgram@wisconsin.gov](mailto:DOAHealthcareInfrastructureGrantProgram@wisconsin.gov)
- Neighborhood Investment Fund:  
[NeighborhoodInvestmentFundProgram@wisconsin.gov](mailto:NeighborhoodInvestmentFundProgram@wisconsin.gov)
- Tourism Capital: [TourismCapitalGrantProgram@wisconsin.gov](mailto:TourismCapitalGrantProgram@wisconsin.gov)

# Thank you!

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