



TOP 10 FEDERAL GRANT COMPLIANCE PITFALLS RESOURCE AND REFERENCE LIST

Compliance Pitfall	Resources for Additional Information
<p>1. Lack of knowledge and understanding of OMB regulations ... combined with failure to seek information and/or help.</p>	<p>OMB Circulars A-110, A-122, and A-133 at www.whitehouse.gov/omb/circulars/index.html</p> <p>U.S. Department of Health and Human Services Grants Policy Statement at http://dhhs.gov/asfr/ogapa/grantinformation/hhsgps107.pdf</p> <p>Grantee's Financial Reference Guide for Managing CDC Grants and Cooperative Agreements at http://genevasrsp.org/data/files/Managing_CDC_grants.pdf</p> <p>HHS Administration for Families and Children has published a series of informative booklets with guidance on topics such as federal grants and sub-awardee management. Booklets are part of the Capacity Building Toolkits for Faith-Based and Community Organizations Intermediary Development Series and can be found at http://www.acf.hhs.gov/programs/ocs/ccf/resources/toolkit.html</p>
<p>2. Restricted funds spent on unallowed/unauthorized goods or services</p>	<p>OMB Circular A-122 Cost Principles for Non-Profit Organizations outlines general cost principles and provides specific guidance on 52 selected costs categories, clearly identifying which costs can and cannot be charged to a federal award. http://www.whitehouse.gov/omb/circulars_a122/</p>
<p>3. Improper or lack of supporting documentation for expenses and required matching dollars</p>	<p>OMB Circular A-110, Uniform Administrative Requirements for Grants and Other Agreements with Institutions of Higher Education, Hospitals and Other Non-Profit Organizations covers many important administrative requirements including cost sharing and matching funds and financial reporting at http://www.whitehouse.gov/omb/circulars_a110/ See SUBPART C - Post-Award Requirements/Financial and Program Management/ .23 Cost sharing or matching.</p>
<p>4. Payroll is based on budgeted figures instead of actual time worked</p>	<p>OMB Circular A-122 Cost Principles for Non-Profit Organizations provides detailed guidance on allowable personnel costs including a discussion of after the fact payroll reporting and compensation under section 8. Compensation for personal services.(m) Support of salaries and wages. http://www.whitehouse.gov/omb/circulars_a122/</p>
<p>5. Federal financial reports cannot be reconciled General Ledger</p>	<p>Division of Payment and Management Best Practices at http://www.dpm.psc.gov/grant_recipient/best_practices.aspx?explorer.event=true</p>
<p>6. Unauthorized draws on federal payment management system (PMS)</p>	<p>To learn proper set up and use of the federal Payment Management System, the Division of Payment and Management provides free training classes and a free training CD. You can find</p>

	<p>more information about PMS Best Practices and training assistance at http://www.dpm.psc.gov/grant_recipient/best_practices.aspx?explorer.event=true</p> <p>Also see OMB Circular A-110, Uniform Administrative Requirements for Grants and Other Agreements with Institutions of Higher Education, Hospitals and Other Non-Profit Organizations SUBPART C - Post-Award Requirements/Financial and Program Management/. 22 Payment at http://www.whitehouse.gov/omb/circulars_a110/</p>
7. Improper allocation of shared/ indirect costs	<p>OMB Circular A-122 provides general guidance on computing and using an indirect cost rate including sanctioned methods for allocating indirect costs under A. Basic Considerations .4 Allocable costs</p> <p>http://www.whitehouse.gov/omb/circulars_a122/ A. Basic Considerations</p>
8. Lack of written fiscal policies and procedures	<p>See OMB Circular A-110, Uniform Administrative Requirements for Grants and Other Agreements with Institutions of Higher Education, Hospitals and Other Non-Profit Organizations SUBPART C - Post-Award Requirements/Financial and Program Management/. 21 Standards for financial management systems</p>
9. Staffing programs with "Contractors" to avoid paying employee taxes	<p>For help in determining if workers are employees or independent contractors, see IRS Publications 1779, a brochure titled "Independent Contractor or Employer" at http://www.irs.gov/pub/irs-pdf/p1779.pdf.</p> <p>Publication 15-A, Employer's Supplemental Tax Guide and Publication 557, Tax Exempt Status for Your Organization, covers the employment tax responsibilities of public charities. These IRS publications can be downloaded at www.irs.gov</p>
10. Comingling of Federal funds	<p>See OMB Circular A-110, Uniform Administrative Requirements for Grants and Other Agreements with Institutions of Higher Education, Hospitals and Other Non-Profit Organizations SUBPART C - Post-Award Requirements/Financial and Program Management/ 22 Payment at http://www.whitehouse.gov/omb/circulars_a110/</p>

Code of Federal Regulations (CFR) Award recipients can review applicable regulations by federal department and agency by referencing the Code of Federal Regulations on the Internet at <http://www.whitehouse.gov/omb/grants/chart.html>. Codified regulations are based on OMB circulars and have been adapted to the specific requirements of individual federal agencies and departments. Codified regulations provide details, at the agency level, on terms, requirements, and conditions of funding awards and are an important source of information for all awardees.