


<p style="text-align: center;">Office of Financial Assistance</p> <p style="text-align: center;">Guideline and Policy</p>	<p style="text-align: center;">EFFECTIVE DATE</p> <p style="text-align: center;">March 22, 2017</p> 	<p style="text-align: center;">PAGE</p> <p style="text-align: center;">Page 1 of 3</p>
<p>SUBJECT: Grants Management</p>		

Purpose:

Management and oversight of federal grants are critical for the sustainability and integrity of the Office of Financial Assistance's (OFA, or the Office) primary goals. Management has established this guideline and policy to reinforce and communicate its commitment to accountability and transparency of federal grant resources it manages.

Guideline:

- Nevada Revised Statutes (NRS) grants authority for the Department of Conservation and Natural Resources to enter into agreements with the federal government and manage the State of Nevada Revolving Loan Funds (NRS 445A060-445A160 and NRS 445A.200-295).
- The Office is under the Nevada Department of Conservation and Natural Resources, Division of Environmental Protection (NDEP) and, as such, the designated agency for Nevada to apply for grants under the following Catalog of Federal Domestic Assistance (CFDA) numbers:
 1. 66.458 Capitalization Grants for Clean Water State Revolving fund, Environmental Protection Agency (EPA).
 2. 66.468 Capitalization Grants for Drinking Water State Revolving Funds, EPA.
- The Office intends to communicate to its staff, state administrators, federal grantors, loan recipients, auditors and the general public its commitment to integrity, ethics, accountability, transparency, and sustainability of federal resources it is charged with managing.
- Policies and Procedures addressing various aspects of grants management have been established by appropriate divisions and agencies within the State of Nevada as a whole. It is management's intent to follow those guidelines where required and practical, while establishing program specific guidelines and policies that address specific functions only.

Policy:

Application, amendment and Award

- The Office will prepare and submit all grant applications and amendments using the prescribed forms and media that is required by the EPA for the authorized grants.
- The OFA Administrative Services Officer III (Program Manager) will be the primary point of contact and preparer for grant applications and amendments. The Program Manager will be backed up by the Accountant III (Program Accountant) for preparation and contact of grant applications and amendments.
- Applications and amendments will be submitted to the NDEP Bureau Chief for review and approval. Upon approval from the Bureau Chief, the applications or amendments will be submitted to the applicable NDEP Deputy Administrator, who will route the applications or amendments to the Division Administrator. No application or amendment will be submitted to EPA without prior approval of the Division Administrator, or his or her designee.
- The Nevada Attorney General shall certify for each new application:
 1. The authority establishing the Programs and the powers it confers are consistent with State Law;
 2. The State may legally bind itself to the proposed terms of the capitalization grant agreement; and
 3. The Office is authorized to enter into capitalization grant agreements with EPA, accept capitalization grant awards made under federal regulations, and otherwise manage the Fund in accordance with the requirements and objectives of the federal Acts.
- The State Fiscal Year Intended Use Plan (IUP) outlining the goals and objectives of the use of the federal funds will be noticed on the Office's website for no less than 30 days allowing for public comment.

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- Before submitting the grant applications or amendments to the EPA, the Office will forward a copy of the application or amendment, to the State Grants Office, which is designated the Nevada Single Point of Contact under Executive Order 12372. Copies of the applications or amendments will also be provided to the State Budget Office and the Legislative Counsel Bureau (LCB), Fiscal Division.
- Upon receiving the Notice of Grant Award (NOGA) or amended NOGA, the State Grants Office, the State Budget Office and the LCB Fiscal Division will be provided a copy.

Matching Requirements

- **Matching the Clean Water Capitalization Grants**
 1. The required federal match shall come from State issued general obligation (limited tax) tax exempt bond proceeds. Bonds will be issued through the State Treasurer's Office in accordance to the NRS, Nevada Administrative Code (NAC) and Debt Management Policies of the State.
 2. The amount of the match will be in accordance to 40 C.F.R. §35.3135(b), which is currently set at 20 percent (20%) of the capitalization grant.
 3. Bonds can be issued, at the OFA's discretion, to provide match to more than one Clean Water Capitalization Grant within a single issuance. Should this occur, the OFA will outline in its Intended Use Plan and Annual Report to EPA the amounts matching the grant.
 4. Before the Office requests any draws from the federal grant, all bond proceeds matching that grant will be received and expensed.
- **Matching the Drinking Water Capitalization Grants**
 1. The required federal match for the Drinking Water Capitalization Grant shall come from State issued general obligation (limited tax) tax exempt bond proceeds. Bonds will be issued through the State Treasurer's Office in accordance to the NRS, NAC and Debt Management Policies of the State.
 2. The amount of the match will be in accordance to 40 C.F.R. §35.3550(g), which is currently set at 20 percent (20%) of the capitalization grant.
 3. Bonds can be issued, at the OFA's discretion, to provide match to more than one Drinking Water Capitalization Grant within a single issuance. Should this occur, the OFA will outline in its Intended Use Plan and Annual Report to EPA the amounts matching the grant.
 4. Before the Office requests any draws from the federal grant, all bond proceeds matching that grant will be received and expensed.
- **Matching the Drinking Water State Program Management Set-Aside**
 1. The required federal match for the Drinking Water State Program Management Set-Aside shall come from in-kind fee revenue. This match is in addition to the required 20 percent (20%) match for the Drinking Water Capitalization Grant.
 2. The amount of the match will be in accordance to 40 C.F.R. §35.3550(h), which is currently 100 percent (100%) of the amount awarded in the Set-Aside.
 3. Before the Office requests any draws from the federal grant, all in-kind fee revenue matching that grant will be received and expensed.

Programmatic conditions

- The Office will expense funds to publically-owned loan recipients from the programs in the following order:
 1. Match bond proceeds
 2. Leverage bond proceeds
 3. Federal Capitalization Grants
 4. Re-Loan principal

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5. Re-Loan interest
 6. Treasurer's interest earnings
- The Office will expense funds to privately-owned loan recipients from federal capitalization grants only.
 - Funds will not be requested from the federal capitalization grant any sooner than authorized by federal regulations, or that which is outlined in the budget submitted with the grant application.
 - Funds will be requested from the federal grants from the oldest grant first, minimizing the number of grants that remain open.
 - All programmatic conditions provided by EPA upon award will be followed, monitored, reviewed and recorded. Loan contracts will be updated as needed.

Reporting and Auditing

- State issued policies and procedures that govern operations, personnel, internal control, budgeting, accounting, and Information Technology will be reviewed annually by the OFA to ensure the Program policies agree with other State policies and procedures.
- Account coding to track grants received and spent will be in accordance to current Nevada Controller's Office Policies and Procedures for grant reporting.
- The OFA Programs will be presented as an enterprise fund in the Nevada Comprehensive Annual Financial Report (CAFR), which is subject to an annual independent audit. This audit will be conducted in accordance to accounting principles generally accepted in the United States for state and local governments. The OFA will compile a financial report from the audited CAFR to present to EPA.
- Federal funds expended by the Office will be subject to audit in accordance with 2 CFR Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. The audit will be provided to EPA.
- The Intended Use Plan will be prepared in accordance to current EPA guidelines and the Operating Agreement between EPA and the OFA.
- The Annual Report will be prepared annually in accordance to current EPA guidelines and the Operating Agreement between EPA and the OFA.
- If projects outlined in the Intended Use Plan designated to receive additional subsidy or green reserves are changed, then the changes will be outlined in the Annual Report sent to EPA.
- Federal Financial Reports will be submitted to the designated EPA representative for any open grants on an annual basis as per EPA guidelines.

Closing

- The Office will close a grant provided by the United States Environmental Protection Agency (EPA) when:
 1. All funds from the grant have been drawn, and
 2. All required additional subsidy funding requirements within the grant requirements have been spent, and;
 3. All required green project reserves within the grant requirements have been spent, and:
 4. Any additional grant requirements have been met.
- Upon closing, a final Federal Financial Report will be submitted to the designated EPA representative.
- Files will be retained in accordance with 2 CFR Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.

For further information, please contact the OFA staff at 775.687.9489 or visit our website at <http://ndep.nv.gov>.