

Ohio Attorney  
General Dave Yost  
Crime Victim Services Section

**Financial Policies and Procedures**

Fiscal Year 2023-2024



Victims of Crime Act (VOCA)  
State Victims Assistance Act (SVAA)



**DAVE YOST**

OHIO ATTORNEY GENERAL

Dear Community Partner:

Enclosed, please find the Financial Policies and Procedures for the State Victims Assistance Act (SVAA) and Victims of Crime Act (VOCA) grant programs.

These policies and procedures are provided to give grant management guidelines and technical assistance to program partners regarding financial responsibility in the areas of record keeping and reporting, cash management and federal and state compliance.

Federal and state compliance ensures that The Ohio Attorney General's Office and our community partners (subrecipients) can continue to remain at the forefront of the victims' rights movement, helping to lead the nation in creative and innovative ways to assist victims of crime in rebuilding their lives.

Please read the information contained in this packet carefully. If you have any questions regarding the proper use or reporting of these funds and are unable to locate the answers in this manual, please contact the Ohio Attorney General's Office of Crime Victim Services at (614) 466-5610 or 1-800-582-2877. Lists and examples are not all inclusive.

We look forward to our continued partnership and thank you for your past work and great work to come.

Ohio Attorney General's Office, Crime Victims Section

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## **TOTAL PROGRAM COST AND ACCOUNTING**

- Total program costs include any and all federal VOCA funds awarded, SVAA funds awarded, matching funds sources required for VOCA grants and any other sources included in the approved project budget or received as program income.
- The accounting systems of all sub-recipients must ensure that agency funds are not commingled with funds from other sources. **Each award must be accounted for separately.**

## **SUB-RECIPIENT PAYMENTS**

VOCA and SVAA funds will be distributed for the 2023-2024 period commencing on or after October 1, 2023, and ending September 30, 2024. VOCA payments are issued on a reimbursement basis beginning on the 15th of the month. Payments require approximately 14 calendar days from this date to be issued. SVAA funds are disbursed in four quarterly payments. Quarterly payments are issued to subgrantees on or before the 15th day of October, January, April, and July.

**Programs should have alternative funds to allow for time to drawdown funds from the Department of Justice and deposit those funds to individual programs. In the event of a situation such as a Federal Government Shutdown, it is possible that while rare, payments can take up to 6 weeks to process.**

It is the policy of the Ohio Attorney General's Office (OAG) to communicate any significant delays in reimbursements to subgrantees as soon as information becomes available.

No obligations will be allowed before the start date of the award or after the expiration date of the award.

## **REIMBURSEMENT**

- All recipients shall begin receiving their allocations once GAA documents are received and approved at the beginning of the grant period.
- Monthly financial reports should be turned in by the 15<sup>th</sup> of the following month to ensure quickest payment turnaround.
- Payments are reimbursed based on monthly reported expenditures.
- Under no circumstances will up-front payments for VOCA funds be issued. By accepting a VOCA award, subrecipients agree they will be able to operate on a strictly reimbursement basis.

## **DIRECT DEPOSIT**

- All subrecipients will receive direct deposit EFT reimbursements. All subrecipients must be registered with Ohio Shared Services to receive EFT reimbursements.
- The Ohio Attorney General's Office does not coordinate the registration with Ohio Shared Services, any changes to fiscal information must be done through Ohio Shared Services.
- Please visit <https://obm.ohio.gov/areas-of-interest/obm-shared-services> for more information about registering with Ohio Shared Services.

## CASH ON HAND

Cash on hand is determined by subtracting the reported expenditures by subrecipients from the amount of cash disbursements issued.

- The financial division of the Attorney General’s Office Crime Victim Services (CVS) will monitor cash on hand.
- When cash on hand exceeds approximately one quarter’s disbursement amount for quarterly paid grants, subsequent **disbursements will be suspended or reduced** until current funds have been spent.

## DE-OBLIGATIONS

- At the end of each grant cycle, OAG staff will de-obligate all unspent VOCA/SVAA Awards. Any funds that were not reported will be due back to the OAG.
- De-obligations are determined by comparing the amount remaining in the grant award, as well as any cash on hand.
- If a cash de-obligation is required at the end of an award year, the payment must be submitted to CVS no later than 7 business days after notification. Failure to return funds within 7 business days will result in all current grant payments being suspended.
  - If you have an extenuating circumstance that prevents your organization from returning funds within the 7-business day limit, you must receive written approval from CVS staff to avoid suspension of grant payments.

## MATCH REQUIREMENTS

SVAA recipients are not subject to match requirements.

VOCA recipients are required to provide a 20% match share of the overall requested budget.

- The match funds may be in the form of **cash contributions, in-kind contributions, or a combination of both methods**. Match allocated for VOCA cannot be used or reported as match for other federal awards.
- **Cash match** must be derived from non-federal sources (i.e. funds from states and local units of government that have a binding commitment of matching funds for programs or projects), except as provided in the Office of Justice Programs Financial Guide, effective edition (Part III, Chapter 3, Match Requirements).
- Value of volunteer service is \$15.00 per hour for in-kind match purposes. At least 50% of the match requirement for the fiscal year should be reported on or before the March Financial Report which is to be completed by April 15, 2024. If this is not possible, please contact your grant specialist. All matching funds required by your VOCA grant must be obligated by the end of the fiscal year.
- Sub-recipients are required to maintain records that clearly give details of the source, the amount and the date of all match contributions. Documents are also required that explain the basis for determining the value of items used for match for your grant. Examples of such items include personal services, materials, equipment and office space.

- Volunteer service documentation must include:
  - 1) Name
  - 2) Date
  - 3) Starting and ending time
  - 4) Description of services provided
  - 5) Total hours
  - 6) Volunteer signature
  - 7) Supervisor signature
  - 8) Location of service
  
- In-kind rent **must be documented with a lease** that verifies the value of the space donated. The cost of the space may not exceed the rental cost of comparable space and facilities in a privately owned building in the same locality. A letter to the grant file from the rent provider will satisfy this requirement.
  
- Items used for match must be allowable through the grant terms. If the cost is unallowable to be funded using VOCA funds, it is unallowable to be used as match.
  - For example, VOCA funds cannot be used to supply food at a conference. Therefore, if your organization chooses to use unrestricted funds to pay for food at a conference, it is unallowable to use this as match for a VOCA award.
  
- If your organization fails to report the required match by the end of the award period, a de-obligation of VOCA funds associated with that match will be required.
  - For example, if a subrecipient fails to provide \$1,000 in required match by the end of the grant cycle, the subrecipient will be required to return the \$4,000 of VOCA funds that were reimbursed to the subrecipient that was not matched at 20%.

Match calculation example on next page.



Expenditure	Cost of Item	Matched with Cash			Matched with In-Kind		
		VOCA Cost	Cash	Total	VOCA Cost	In-Kind	Total
Computer	\$1,000.00	\$800	\$200	\$1,000	\$1,000	\$250	\$1,250
		80%	20%	100%	100%	25%	
		Cash match is a straight 80%/20% split.			In-kind requires that you match on top of the 100% because VOCA is paying for the full cost of the item.		
		$\$1,000.00 \times 20\% = \$200.00$			$\$1,250.00 \times 20\% = \$250.00$		
		$\$1,000.00 \times 80\% = \$800.00$			$\$1,250.00 \times 80\% = \$1,000.00$		
		Total	\$1,000		Total	\$1,250	

## **Match Waiver Approvals**

In some cases, subrecipients can request approval for a full or partial match waiver. These waivers are granted at the discretion of the Department of Justice. To be eligible for a match waiver, you must demonstrate an extraordinary need to show the matching requirement will cause an extreme financial hardship on your organization. The Ohio Attorney General's must certify that the subrecipient has extraordinary need to receive a match waiver prior to submitting the request to the Department of Justice. If the OAG determines the threshold of "extraordinary need" has not met, it has full discretion to deny the submission of the match waiver request to the Department of Justice.

The following are items taken into consideration when determining "extraordinary need":

- Local resources available
- Annual organizational budget changes
- Past ability to provide match
- Whether the funding is for new or additional activities requiring additional match versus continuing activities where match is already provided

Subrecipients requesting match waivers should work towards a goal of eliminating the need to match waivers in future grant cycles. The approval of a match waiver in one grant cycle does not guarantee approval in future grant cycles.

After a match waiver is approved, the sub-recipient will be contacted via email and/or mail with a match waiver determination notice. Each notice will include (at a minimum) the following detail:

- A brief description of the project/services provided by the sub-recipient
- The justification (consistent with the considerations under the applicable waiver guidance)
- The scope of the waiver, and waiver amount (unless specified otherwise, the waiver amount should create an equivalent match percentage to be applied should the project budget change)
- Affirmatively state that CVS approves the request for the reasons set out in the determination.

Match waivers are only applicable for the duration of the sub-recipient project, and each sub-recipient will be required to request match waivers for each VOCA award received.

If you have not received official approval, you must provide the full 20% match for any VOCA funds your agency report.

## **PERSONNEL CHANGES**

In the event that a VOCA/SVAA funded employee leaves their position, subrecipients must notify their Grant Specialist of the change and submit a Personnel Change Form within 14 days.

## **GRANT ADJUSTMENTS**

Adjustments include any change to the terms and conditions of the approved grant application and the signed grant award and acceptance form. Requests for adjustments must be submitted to Crime Victim Services (CVS) in writing and must be in accordance with the procedures detailed below:

- A budget adjustment is the movement of grant funds between budgeted cost items, provided there is no change in project scope. **Adjustments are approved at the discretion of the Ohio Attorney General's Office.** If a subrecipient fails to provide adequate justification, or if the OAG determines the request is not appropriate, the request may not be approved
- Grant recipients can request two budget adjustments requests per grant cycle-
- Budget Adjustment requests must include a brief Budget Narrative detailing all costs, match sources and a spreadsheet that explains the changes requested
- Budget adjustment requests will be based upon the current balance of cost items
- Budget adjustments must be submitted by **July 1, 2024**. Adjustment requests submitted after this deadline may not be considered.
- Budget adjustments will affect the remainder of a grant, beginning on the approval date and are not retroactive.
- Budget adjustment requests are to be submitted to an organization's regional Grant Specialist via email. The Grant Specialist may request specific documents be provided or completed in order to facilitate the adjustment.
- If approved, the organizational contact will be notified via email by the Grant Management System. Once approved, the adjusted budget takes immediate effect.
- If denied, an organization's Grant Specialist will contact the organization to advise of the reason.
- Transferring funds into or out of the indirect cost category is generally unallowable.
- Any increase to a salary during a grant cycle must receive written approval from CVS. In most cases, pay increases will not be approved, except at the beginning of each grant cycle. A 3% pay increase from prior applications is an acceptable amount. Submitting a Personnel Change Form will not be considered written approval for salary increases.
- Budget adjustments requested for the sole purpose of avoiding a de-obligation will not be approved. For example, a subrecipient is not permitted to move a large chunk of money to supplies at the end of a grant cycle simply to spend all the grant funds. Unless justification is provided as to why there is a need for a large increase in a specific cost category, requests of this nature will not be approved.

**Budget Adjustments Not Requiring Prior Approval:** If your program is requesting to adjust up to 10 percent of your total allotment within a specified broad cost category (i.e. personnel, supplies, rent, etc.), you will no longer need to contact our office for permission to do so (increases to salaries using this method will still require written approval). You can, of course, contact our staff if you have questions on new

items/personnel you want to cover with those additional funds. It is still your responsibility to ensure new costs added using this method are allowable per the federal VOCA regulations.

Example Program Budget on next page.

Equipment	\$6,700.00	Phones, 4 computer tablets
Equipment	\$12,500.00	Fire Alarm System
Furnishings	\$1,200.00	Office furniture
Groceries	\$23,500.00	Food and supplies
Other	\$1,604.00	Copier, computer software
Other	\$43,535.59	Indirect 10% MTDC
Other 	\$3,500.00	General and auto insurance
Other	\$3,000.00	TDIM
Other	\$5,000.00	Direct assistance
Other	\$2,000.00	Payroll processing, background checks
Personnel	\$6,526.52	Support worker
Personnel	\$2,680.77	Civil Legal Advocate
Personnel	\$32,766.15	Shelter Manager
Personnel	\$53,765.18	Director
Personnel	\$37,285.44	Legal Advocate Supervisor

Using the 10 percent rule, with a total amount (including matching) of \$19,200 in the equipment cost category, the program could move \$1,960 to other equipment not listed originally in the grant without making a formal budget adjustment request. Programs can report these new items on existing lines or programs can contact grant staff for assistance in relabeling existing lines. Please contact our staff if you have questions on this policy.

## **PROPERTY AND EQUIPMENT**

### **One-Time Purchases**

- One-time purchases of all equipment, appliances, and furnishings will be made no later than the end of December of the grant year.
- One-time purchases are the purchase of Equipment (a single item over 5,000), Appliances and Furnishings.
- Per the Office of Justice Programs Financial Guide, programs are legally required to ensure that the equipment is used for criminal justice purposes. You must maintain property records which include all of the following information:
  - Description of the property
  - Serial number or other identification number
  - Source of the property
  - Identification of the title holder
  - Acquisition date
  - Cost of the property
  - Percentage of Federal participation in the cost of the property

- Location of the property
- Use and condition of the property
- Disposition data, including the date of disposal and sale price
- You must adhere to the following rules in equipment disposition:
  - If the item to be disposed of has a current per-unit fair market value of less than \$5,000, you may retain, sell, or otherwise dispose of it with no further obligation to the awarding agency.
  - If the item has a current per-unit fair market value of \$5,000 or more, you may retain and sell it, but the awarding agency will have a right to a specific dollar
- Products and/or services may only be shared outside of the funded program of an organization if the purchase cost is pro-rated based on the percentage of use the funded program expects to see used.
- Subrecipients are required to keep records and receipts for all purchases.
- All equipment purchased through a VOCA and/or SVAA grant must be tagged with the applicable sub-grant number and purchase date.
- CVS reserves the right to dispose of, or direct the disposition of, any furnishings, equipment or appliances purchased with Victims of Crime Act (VOCA) or State Victims of Assistance Act (SVAA). This includes, but is not limited to, the following circumstances:
  - CVS determines that the equipment, furnishings or appliances are not being used in accordance with the purpose for which the VOCA/SVAA funds were awarded.
  - The subrecipient's award is suspended or terminated prior to the end of the grant period.
  - The subrecipient's award period ends and the VOCA/SVAA project will not be continued.

## **REPORTING REQUIREMENTS**

### **VOCA Financial Reports**

- Monthly Financial Reports (MFR) are to be completed monthly and submitted by the 15<sup>th</sup> for quickest reimbursement. If the 15<sup>th</sup> falls on a weekend, please submit reports on the next business day for quickest processing.
  - The OAG process drawdowns for funds on or around the 15<sup>th</sup> of each month. If a subrecipient fails to submit a financial report by the 15<sup>th</sup>, the subrecipient's payment may be delayed up to 30 days.
  - **Under no circumstance should a VOCA financial report be submitted more than 90 days late. Any reports submitted more than 90 late days may not be eligible for reimbursement. If you have a situation that prevents you from submitting timely financial reports, please contact your Grant Specialist.**

### **SVAA Financial Reports**

- Quarterly Financial Reports (QFR) are **due** to CVS on or before the **15<sup>th</sup> of January, April, July, and October (contact your grant specialist if you cannot meet these deadlines)**.
  - Sub-recipients who fail to comply with Crime Victim Services (CVS) deadlines may have disbursements temporarily suspended until reports are current. The suspension will include both VOCA and SVAA funds simultaneously. Subrecipients that consistently fail to comply with timely financial and/or grant reporting may be subject to having their current award, in whole or in part, suspended, reduced or terminated.

If a subrecipient has the need to revise any financial reports, please contact your Grant Specialist for instructions.

### **OUTCOME MEASURES AND PERFORMANCE MEASURE REPORTS**

All VOCA and SVAA sub-grantees must complete quarterly outcome measurement and federal performance measure reports. Failure to file such reports in a timely manner may result in suspension of an award.

Please submit the Performance Measurement Tool (PMT) as soon as possible. Failure to do so will impact the entire state of Ohio. It may also affect your current grant and future grants.

The reporting periods to the Office for Victims of Crime (OVC)

- Quarter 1-October 1-December 31 are Due by February 8<sup>th</sup>
- Quarter 2- January 1-March 31 are Due by May 8<sup>th</sup>
- Quarter 3- April 1-June 30 are Due by August 8<sup>th</sup>
- Quarter 4- July 1-September 30 are due by November 8<sup>th</sup>

### **PROPER FINANCIAL RECORDS**

Proper financial records are required to be in compliance with grant requirements. Failure to maintain any of the required financial documentation can result in a finding during a site visit and will result in subrecipients being required to return any funds spent without maintaining documentation.

### **Timesheets**

All employees (**including salaried**) who are paid with VOCA or SVAA grant funds are required to complete a timesheet that confirms actual hours worked. All Volunteers used for In-kind Match must complete timesheets as well. Acceptable timesheets must include the following items:

- Name
- Pay period beginning and end dates
- Date
- Time in
- Time out
- Lunch breaks (if unpaid)
- Hours worked
- Employee signature
- Manager/supervisor signature
- If funded via multiple grants, time spent working on each grant should be clearly documented on each time sheet.

### **Mileage Reports:**

Mileage reports must generally include the following items:

- Name
- Date of trip
- Purpose of trip
- Miles traveled
- Employee signature
- Manager/supervisor signature

## **General Ledger**

- Record keeping of all cost items paid by VOCA/SVAA
- Payroll breakdown of VOCA/SVAA paid personnel

## **Payroll Records**

Payments of overtime and employee bonuses are not allowed without prior approval. Acceptable payroll records generally include the following items:

- Name
- Date
- Number of hours worked
- Rate of pay
- Gross pay
- Employer-paid fringe benefits

## **Invoices**

Acceptable invoices generally include:

- Date
- Company name, address, and phone number
- Account number
- List of items or services provided
- Purchase/agreement date
- Total cost

## **Rental Agreements**

Whether your agency rents office space or receives space as in-kind donation, you are required to have a written rental agreement or statement of in-kind value. Acceptable rental agreements generally include:

- Date of agreement
- Terms of agreement
- Payment details or value of in-kind contribution
- Signatures of appropriate parties

## **Utility Bills**

Acceptable utility bills generally include:

- Company name, address and phone number
- Account number
- Billing period
- Service address
- Total cost

## **Online Purchasing**

Online purchases must be an allowable expense via state and federal VOCA guidelines and must be tax exempt. VOCA should not be used to pay for tax. Shipping must be a reasonable amount when applicable. Refer to the Property and Equipment section of the Ohio Attorney General Dave Yost Crime Victim

Services Section Financial Policies and Procedures for additional information on one-time purchases.

No purchases shall be made to websites such as eBay or any other “chance” related websites unless written permission from the Grant Units Staff.

All website purchases follow the rules related to the Property and Equipment one-time purchases rule of single item purchases to not exceed \$5,000.00 (this does not include shipping).

### **Personal Use and Goods**

Refrain from using any VOCA related purchases for personal benefit.

Agency benefits defined as: Any VOCA purchase, “perk” related to the organization’s VOCA funded program. This can include purchased supplies, equipment, therapies, and vehicles.

### **Remote/Hybrid Work**

- All VOCA/SVAA programs may have remote/hybrid work from home ability when applicable.
- VOCA/SVAA will not pay for the full rent of office space and utilities if remote/hybrid work equals more than half the business/work-related hours within the grant year.
- VOCA/SVAA paid rental spaces must have at least half occupancy every month for the grant year.
- VOCA/SVAA will not pay a stipend to program employees for workspace/equipment/utilities from home.

### **AUDIT REQUIREMENTS**

- Federal Audit Requirements:
  1. Non-Federal entities expending \$750,000 or more in a year in federal awards shall have a single audit, or program-specific audit conducted for that year conducted in accordance with the provisions of OMB Circular A-133.
  2. Audit copies are due no later than nine (9) months after the close of each fiscal year. Please submit to your grant specialist
- Non-federal entities expending less than \$750,000 a year in federal awards are exempt from federal audit requirements, but are still subject to subrecipient monitoring.

### **DESK REVIEWS**

Each VOCA and/or SVAA sub-recipient will receive a request for a mandatory desk review regarding a previously reported financial report. Generally, subrecipients will receive a request for a desk review at least once every 24 months. A desk review will consist of the subrecipient submitting backup documentation for the expenses reported on a specific reporting period outlined in the desk review request letter.

### **ON-SITE REVIEWS**

It is the intent of CVS to conduct an on-site review at least once every 24 months. For monitoring



purposes, sub-recipients are required to make records available that support the data reported on the financial and performance reports, including, but not limited to, invoices, payroll journals, bills, receipts, cancelled checks, timesheets, travel expense reports, collaboration meeting minutes, training agendas, case files, etc. On-site visits may also include a tour of the facility when appropriate. During site visits, Crime Victim Services staff may also check purchased equipment to ensure it has been properly identified and labeled.

**Fiscal Site Visit Process:**

All VOCA/SVAA funded programs will receive on average every two (2) years a site/desk visit to monitor how the program is spending funding and adhering to OAG/Federal rules and regulations. The process is as follows:

**First letter**-Explains the fiscal reason for the site/desk visit. This letter comprises a specific timeframe that will be audited. All VOCA/SVAA costs will require verification of services that the OAG funds. Verification in the form of ledgers, receipts, payroll, invoices, proof of location and any other applicable cost item associated with the grant award. In addition, a copy of the fiscal policy and procedures manual will be required along with match explanation and any outside audits. Additional information may be requested during and after the fiscal review.

**On-site visits/Desk reviews**- On-site visits will require time spent with appropriate personnel where a question and answers session will occur. Questions range from type of software used for the grants to procedures for opening mail/receiving of monies from outside sources (where applicable). All documents asked for within the letter must be presented in an organized manner at the time of this meeting. Be prepared to electronically send via PDF, excel etc. all paperwork associated with the review. On-site visits may include a tour of the facility when applicable.

**Follow-up Letter**- All audits will have a follow-up letter. The results may include more information on procedures to having best practices for proper handling of allowable costs. In some instances a program may have to pay back funding. Please adhere to the follow-up letter for paying back the monies in question. Make note you should not use current VOCA funding to pay back the previous VOCA funding.

**Fiscal Monitoring Appeal**

If a program wishes to appeal the results of a Fiscal Monitoring review, the program must put this request in writing and submit it to the Deputy Director of the Grants Unit Crime Victim Services Section, Mischa Hitchcock [Mischa.Hitchcock@OhioAGO.gov](mailto:Mischa.Hitchcock@OhioAGO.gov) within ten (10) days after receiving the follow-up letter. The appeal must include the disputed results and the support documentation substantiating the appeal as well as a statement detailing the reasoning for the appeal.

A committee comprised of the Deputy Director, Grant Specialist and Grant Evaluator who are not assigned to the program will review the written request for appeal. The fiscal evaluator originally assigned to the program may be consulted. Within 30 days, a written response will be sent to the program notifying them of the decision.

## **Programmatic Site Visit Process**

When scheduling a programmatic site visit, the Grant Specialist will contact the point of contact of the organization at least 30 days prior to planned timeframe to set an appointment. In some cases, we may not be able to give the subrecipient the courtesy of a 30-day notice if a pending matter requires immediate attention.

1. A letter will be sent to the subrecipient at least 30 days prior to site visit electronically confirming date and time of site visit, required documentation and the scope of review.
2. The programmatic site visits will be conducted using the on-site site visit monitoring form. The site visit will also include a facility tour.
3. A follow-up letter will be sent to the subrecipient within 30 days of the site visit. The subrecipient will be notified if no changes to the current VOCA funded program is necessary. If changes are recommended or required, the subrecipient will be advised of the specific concern, recommendations for the future, and required action.
4. The subrecipient **may** be required to return a plan of action as to how they address recommended or required changes within 30 days. The Grant Specialist may plan a return visit within 120 days to ensure compliance. If subrecipient is unable to comply with recommendations to become compliant within 120 days, the subrecipient may be suspended until compliance is reached.

## **RECORDS RETENTION**

All financial records, supporting documents, statistical records, and all other records pertinent to the award must be retained by each organization for the length of time shown below:

- VOCA grant documents: 6 year and 3 months from date of award
- SVAA grant documents: 6 years and 3 months from the date of award

## **PASS-THROUGH ENTITY RESPONSIBILITIES**

The Ohio Attorney General's Office, the pass-through entity for the VOCA and SVAA grants, monitors the activities of all subrecipients. This is necessary to ensure that awards are used for authorized purposes in compliance with state and federal laws, regulations, and the provisions of contracts and grant agreements. Monitoring also is used to determine that performance goals are achieved.

## **SUB-RECIPIENTS FINANCIAL RESPONSIBILITIES**

An internal control requirement is a process coordinated and designed by an entity's management and other personnel to provide assurance regarding the achievement of management objectives in the following areas:

- Effectiveness and efficiency of operations
- Reliability of financial reporting
- Compliance with applicable laws and regulations

All subrecipients should have internal controls that will help them meet their financial compliance responsibilities and ensure the following:

1. Transactions are properly recorded and accounted for to:

- Permit the preparation of reliable financial statements and reports;
- Maintain accountability over assets; and
- Demonstrate compliance with laws, regulations, and other requirements.

2. Transactions are executed in compliance with:

- Laws, regulations, and the provisions of contracts or grant agreements that could have a direct and material effect on a state or federal program.

## **INDIRECT COSTS**

Indirect costs are allowable through VOCA grant rules. Indirect costs are defined as the costs of an organization that are not readily assignable to a particular project but are necessary to the operation of the organization and the performance of the project. Examples of costs usually treated as indirect costs included facility operation, maintenance, depreciation, and administrative salaries.

Indirect costs are **not** designed to serve as a pot of money used to increase the overall VOCA award and cover the cost of items not agreed to in the grant agreement. Indirect costs must be allowable through the VOCA rules. If the cost is explicitly unallowable through the grant terms, it is unallowable to be billed as an indirect cost.

A subrecipient that has a federally negotiated indirect cost rate is permitted to utilize that rate on its VOCA award. If a subrecipient has had a federally negotiated indirect cost rate in the past, but that rate has since expired or is otherwise not active, the subrecipient cannot bill indirect costs to their VOCA award until the federally negotiated rate is active.

A subrecipient that has never had a federally negotiated indirect cost rate is eligible to elect to charge a de minimis rate of 10% of **Modified Total Direct Costs (MTDC)**.

**MTDC** is a base that includes all direct salaries and wages, applicable fringe benefits, materials and supplies, services, travel, and subawards up to the first \$25,000 of each subaward. MTDC excludes equipment, capital expenditures, charges for patient care, rental costs, tuition remission, scholarships and fellowships, participant support costs, and a portion of each subaward in excess of \$25,000.

You are only permitted to charge indirect costs to reported allowable expenditures. For instance, if your organization is awarded a grant of \$100,000, but only spends \$90,000 of that award, your indirect costs should be based on the \$90,000 spent.

Indirect costs must be charged consistently to all federal awards. Consistently means that specific costs must be either charged as an indirect cost or direct cost within and across all federal awards. If subrecipient charges include a specific cost as an indirect cost on one federal award, it is not permitted to charge that item as a direct cost on a different federal award.

Indirect costs should be charged consistently to each monthly financial report. Subrecipients should not bill inconsistent amounts each financial report. Generally, after the award is made, funds are not permitted to be moved into or out of the indirect cost line item. The exception to this is if a program has a negotiated rate

change within the grant year. This change will be seen as a budget adjustment and will need to go through the budget adjustment process (but will not count as a budget adjustment). It is not retroactive and will not change the amount of the award. A new Grant Awards Acceptance letter will need to be signed and all updated negotiated rates will need proof prior to any change being considered. We cannot make any changes after the budget adjustment deadline.

If using an indirect cost rate explain during the application process in detail what will be paid for with the indirect cost line.

Make note:

- Same percentage of direct costs EACH MONTH
- 10% MTDC Excludes: Amounts in excess of first \$25,000 of each subaward/subcontract, equipment, capital expenditures, rental costs, tuition remission, participant support costs.
- Costs billed as indirect on one federal grant cannot be billed directly on a different federal grant.
- Must be an allowable VOCA cost.
- SVAA cannot have indirect costs.

If a subrecipient has questions, please contact your Grant Specialist and Grant Evaluator.

### **Risk Assessment**

Our VOCA/SVAA risk assessment is an evaluation of processes and procedures followed by our grant funded programs. VOCA/SVAA funded programs are assigned a risk level based upon the dollar amount of grant award(s), past grant fiscal and programmatic performance, suspected fraud, waste or abuse, and other factors. Programs deemed to be at high risk are subject to fiscal and programmatic desk and site reviews that may occur more frequently than once every four years.

The programs must pass several conditions to sustain funding. The risk assessment is based on the following categories and may be subject to change:

- Amount Spent by March- Amount should be up to half the award (no less than 45%)
- Late/Inaccurate Financial Reporting
- Late PMTs-Late PMT's that consequently suspended financial reporting for the program or state.
- A-133 Audits-A-133 that leads to findings and probable VOCA related recoveries.
- Fiscal/Programmatic site reviews-with findings
- De-Obligations- De-obligations that result in recoveries. Consistent de-obligations up to five percent of the current award may impact future funding. A reduction up to ten percent less than applied for funding for both VOCA and SVAA may occur.

## **Risk Assessment Levels**

Risk levels impact the funding for programs. Below are plausible reasonings that will affect funding amounts or just cause to end funding. Risk levels may change based upon amount of funding received and programmatic type and other factors.

- High Risk:
  - Total VOCA award(s) of \$500,000+
  - Missing/Delinquent 3 or more monthly financial reports
  - Missing/Delinquent 1 or more quarterly reports
  - Current suspension or more than one suspension per grant year (PMT)
  - No A-133 or outside audit if applicable
  - Qualified results from A-133
  - Years managing VOCA awards
  - Programmatic/Fiscal Issues resulting from Grant Specialist/Evaluator visit
  
- Medium Risk:
  - Total VOCA award(s) of \$100,000-\$499,999.99
  - Missing/Delinquent 2 or more monthly financial reports
  - Missing/Delinquent 2 or more quarterly reports
  - Current suspension or more than one suspension per grant year (PMT)
  - No A-133 or outside audit if applicable
  - Qualified results from A-133
  - Years managing VOCA awards
  - Programmatic/Fiscal Issues resulting from Grant Specialist/Evaluator visit
  
- Low Risk:
  - Total VOCA award(s) of \$10,000.00-\$99,999.99
  - Missing/Delinquent 1 monthly financial reports
  - Missing/Delinquent 1 quarterly reports
  - No suspension per grant year (PMT)
  - No A-133 or outside audit if applicable
  - Qualified results from A-133
  - Years managing VOCA awards
  - Programmatic/Fiscal Issues resulting from Grant Specialist/Evaluator visit

## **Required Training-Charitable U**

Charitable U is a nonprofit training that covers four topics: board governance, financial operations and internal controls, filings and recordkeeping, and fundraising. In 2024 (fiscal grant year 2025) up to half of the nonprofit board will be required to participate in Charitable U for the organization's grant application(s) to be accepted. It is encouraged that personnel who are responsible for VOCA/SVAA reporting also receive certification.

VOCA/SVAA nonprofits are required to complete this training every three years. It is the responsibility of the organization to update their certification while maintaining the 50% threshold with board members when

applicable.

Additional information regarding Charitable U: <https://charitable.ohioago.gov/Charitable-University>

### **Point of Contact Communications**

Occasionally, OAG staff send out important communication through the Grants Management System. These emails are automatically sent to whoever is listed as the Point of Contact (POC) on the grant award. Each organization can only have 1 POC associated with their award, so it is very important subrecipients have a procedure in place to ensure all necessary staff within the agency receive any communication from their POC.

After the initial setup of the account in the Grants Management System, subrecipients do not have the ability to change the POC themselves. If your POC changes, it is the responsibility of the subrecipient to contact OAG staff as soon as possible to transfer the account into a new POC.

Not receiving important communications from the OAG due to failure to communicate staff changes will not extend any deadline required under the terms of the grant agreement.

### **PUBLICATIONS**

All publications funded in whole or in part by VOCA or SVAA must have the following language:

#### **VOCA**

“This publication was supported by grant number \_\_\_\_\_ awarded by the Office for Victims of Crime, Office of Justice Programs, U.S. Department of Justice, through the Ohio Attorney General’s Office. Victims of federal crimes will be served”

#### **SVAA**

“This publication was supported by grant number \_\_\_\_\_ awarded by the Ohio Attorney General’s Office.”

Helpful resources for grant recipients on the Ohio Attorney General’s Website:

- Subrecipient Manual - this document is a full guide to each step of the new application process
- Subrecipient Quick Start Guide
- Guidelines and Eligibility
- Assurances
- Certifications

Resources from the U.S. Department of Justice websites:

<https://www.ojp.gov/funding/financialguidedoj/overview>

<https://www.ojp.gov/doj-financial-guide-2022>

## **Glossary of Terms**

**Cash Match** – A percentage of the grant that must be paid by the sub- recipient in cash. This includes any cash expenditures made by the sub- recipient for project-related costs (with the exception of the purchase of land).

**Commingled** – To combine funds granted for different program purposes or from different funders into a common fund.

**De-obligation** – A reduction of a grant award with a corresponding return of funds. Usually occurs at the end of a grant period.

**Desk Review** – A request from Crime Victim Services (CVS) to the sub grantee which consists of program submitting documentation confirming expenditures of a submitted financial report. Desk reviews allow our staff to determine if sub-grantees is keeping sufficient backup documentation for reported expenses.

**Disbursement** – Payment of grant funds to subrecipients via state warrant (check) or electronic transfer.

**Equipment** – A tangible non-expendable item with a useful life of more than one year. Examples include copiers, printers, and computers.

**In-Kind Match** – Goods or services donated to a program or project where the value of the donated item is used to fulfill the matching obligations of the grantee.

**Match Waiver**- A one-time waiver of part or all of the required match for a VOCA grant. These waivers are given by the Department of Justice.

**Obligation** – A legal agreement stipulating commitment to incur allowable expenses

**Pass-Through Entity** – An entity that receives a federal award and then grants funds out to other agencies.

**Single Audit** – Audit of a non-federal entity which includes both the entity's financial statements and its federal awards. Non-federal entities that expend \$750,000 or more in a year in federal awards shall have a single audit conducted in accordance with OMB Circular A-133.

**Subrecipient/Subgrantee** – the entity that expends federal awards received from a pass-through entity to carry out a federal program; does not include an individual that is a beneficiary of such a program.

**Subrecipient Monitoring** – Review of financial and programmatic activities conducted by the subrecipient during the program period. Monitoring provides reasonable assurance that every subrecipient administers federal and state awards in compliance with the Government Accounting Office.



