



MT BOARD OF CRIME CONTROL

SUBGRANT MANAGEMENT INFORMATION

***NOTE* Please provide your subgrant number with any written or verbal communication (mail, e-mail, telephone)**

This information is designed to help subgrantees in the administration of subgrants from Montana Board of Crime Control (MBCC) and contains only the basic federal/state requirements. Detailed federal guidelines are found in the [2015 DOJ Grants Financial Guide](#).

The MBCC website has resources available for reference in the administration of your grant. These resources can be found on the [Funding](#) page of MBCC's website. As always, if there are any questions, MBCC staff is available to assist you.

SUBGRANT AWARDS:

These are binding agreements, enforceable by civil or criminal law. Please be sure to read and have your official agency representative read all the special conditions and subgrant certifications to make sure you are in compliance.

Do not obligate subgrant funds before or after the duration dates of the grant.

PAYMENT OF SUBGRANT FUNDS:

Upon request from the subgrantee, MBCC will process a monthly payment for reimbursement of the previous month's expenditures. Submit the [Reimbursement Request - Prior Expenditures](#) form on or before the tenth (10th) of the month. Payments will be processed around the 15th.

For subgrantees not requesting monthly payments, MBCC will reimburse your program for actual expenditures reported in your quarterly "Financial Status Report."

If, for some reason, your program runs short of MBCC funds, emergency payments may be arranged. Please contact one of our accounting staff: Chris Botteron (444-2076); Tama Collins (444-6678); Kim Deily (444-7010); Maureen Leo (444-2077); or Connie Young (444-7361). Please allow a minimum of two (2) weeks for processing.

SUBGRANT ADJUSTMENTS:

Your subgrant is approved based on the line item budget that was submitted with your application. You have the authority to transfer money between line items as long as the change does not alter the original amount in any of the line items by more than 10% or would somehow change the scope of the project.

For changes in a line item of more than 10% you must submit the [Grant Adjustment Request](#) form to MBCC explaining the need for the change, the amounts, and the affected line items. These changes require prior written approval and funds should not be committed until approval is received. If approved, you will receive a grant adjustment notice reflecting the changes from your original budget.

A subgrant extension may be granted by MBCC staff based on a formal request from the subgrantee, except where prohibited by federal guidelines. Requests must be received at least 45 days prior to the grant expiration date.

Subgrants will be closed for the amount of actual expenditures. Unused MBCC funds will be reverted to our agency.

QUARTERLY REPORTING:

Online quarterly financial and narrative reports are due ten (10) calendar days after the end of each quarter. Quarterly reporting is mandatory for the duration of the grant. MBCC will send an email reminder at least 2 weeks prior to the actual online reporting deadline. After the 10th, the system is locked and the quarter is closed. It will reopen on the 21st for reporting in the next quarter.

QUARTER ENDING

September 30
December 31
March 31
June 30

DUE DATE

October 10
January 10
April 10
July 10

You are required to report even if you have zero expenditures for the quarter.

If your grant requires matching funds, it is advisable to expend your match proportionately each quarter. For example, if your grant has a 70% federal / 30% local matching requirement then you should allocate the total expenditures for the quarter in the same ratio if possible.

FIRST LATE REPORT: Subgrantee will be notified to cease all expenditures of grant funds until the reports are submitted.

SECOND LATE REPORT: The grant will be cancelled. The project director or budget representative must appear before the Application Review Committee to request grant reinstatement.

EQUIPMENT PURCHASES / INVENTORY:

Purchases of less than \$5,000 require some semblance of “shopping around.” You should get at least three (3) telephone bids and document your files accordingly. Purchases of more than \$5,000 require at least three (3) written bids. The process must be documented and acceptance of other than the lowest bid must be justified to MBCC. Sole source procurement of items costing \$5,000 or more must receive prior approval from MBCC and be justified and documented.

Equipment purchased with grant funds must be identified and incorporated into an inventory system. A complete inventory should be performed at least once a year. **Items costing less than \$5,000 may be considered consumable supply and should be budgeted as an operating expense.** Items costing between \$400 and \$4,999 can be included on a local minor property inventory and should be included on your regular agency inventory.

Invoices or other documents that support expenditures and provide serial numbers for equipment (costing \$5,000 or more) *must be submitted* with the respective quarterly financial report for inclusion in our grant management inventory system.

Equipment purchased with grant funds shall be vested with the subgrantee so long as it’s used for criminal justice purposes. Contact MBCC for instructions prior to disposing of any equipment purchased with grant funds costing \$5,000 or more.

PROGRAM INCOME:

Program income means gross income earned by the subgrantee as a direct result of the grant award and must be reported to MBCC. Charitable contributions or donations are not reportable.

Program income must be added to the funds committed to the grant and may be used to further the objectives of the project. The federal portion of the program income must be accounted for (receipt and expenditure) up to the same ratio of federal participation as funded in the project. If the income is not used for the program then it must be used to reduce the federal share.

The receipt and expenditure of program income should be reported to MBCC separate from regular subgrant expenditures. A separate form within the quarterly reports is provided for that purpose. States or local units of government may use program income from seized and forfeited drug assets as match for a grant.

RENTAL SPACE:

The cost of space in privately-or-publicly-owned buildings used for the benefit of the program is allowable subject to the conditions stated below:

- The total cost of space may not exceed the rental cost of comparable space and facilities in a privately owned building in the same locality.

- The cost of space procured for program usage may not be charged to the program for periods of non-occupancy without authorization from MBCC.

SUBGRANT AUDITS:

If your agency receives \$750,000 or more in federal assistance from all sources during the fiscal year, you are required to have an audit conducted in accordance with the provisions of [Title 2 C.F.R. Part 200 Subpart F](#). A prorated portion of the audit costs may be charged to your subgrant. A complete copy of the audit or audits spanning the life of the grant must be submitted to MBCC within nine (9) months after the end of the grant. Electronic audit files may be sent to mbcc@mt.gov.

If your agency does not receive \$750,000 in federal assistance from all sources during the fiscal year, you are not required to arrange for an audit and may not charge audit costs to your subgrant. MBCC may contract and pay for a limited scope audit of your project or perform an on-site fiscal monitoring review.

Please advise all project personnel of these changes. You will need to determine the level of federal assistance your agency receives and take appropriate action. If you have questions or need further information, please contact Connie Young at (406) 444-7361.

In addition to an audit, your records may be reviewed or audited by MBCC, State Legislative Auditors, or the Federal Grantor Agency. At a minimum, you must retain all records and documents pertaining to your grant for a period of seven (7) years from the time you receive notification that your grant is complete.

SUPPLANTING:

Federal funds must be used to supplement existing funds for program activities and **must not replace** those funds that have been appropriated for the same purpose. Supplanting will be the subject of application review, as well as pre-award review, post-award monitoring, and audit. If there is a potential presence of supplanting, the subgrantee will be required to supply documentation demonstrating that the reduction in non-federal resources occurred for reasons other than the receipt or expected receipt of federal funds.

ACCOUNTING SYSTEM:

Separately account for the receipt and expenditure of MBCC and matching funds under each subgrant awarded. Account for expenditures by budget category (personnel, contracted services, travel, equipment, and operating expense). Ensure that adequate documentation supporting expenditures is available and cross-referenced to accounting records.

Example: employee time and attendance sheets must support payroll expense. Salaries of employees chargeable to more than one project must be supported by appropriate time distribution records.

Travel claims must be supported with documentation indicating the purpose of travel, dates, destination, mileage, rates, and authorization for travel.

Equipment and operating expenditures must be supported by invoices, sales slips, purchase orders, bids, etc. Equipment should be inventoried annually.

Regardless of method of payment (cash, check, **credit card**), all expenditures should be documented and individually itemized to indicate the vendor, date, purpose of expense and amount.

TRAVEL REIMBURSEMENT:

Current reimbursement rates for mileage and lodging can be found in the [Montana Operations Manual](#) under the **travel tab**.

Use of federal funds for expenses incurred regarding changes or cancellations to your travel itinerary including airline tickets, conference registration fees, hotel reservations, etc., will be unallowable unless prior approval is received by MBCC.

Allowable expenses include emergency working supplies, taxi fares, and business telephone calls. Paid receipts must support individual expense items of \$25.00 or more.

MEALS: In order to claim reimbursement for a meal, you must be in a travel status for more than three (3) continuous hours within the specified time ranges. To receive the morning meal, you must leave before 7:00 A.M. and to receive the evening meal, you must return after 6:01 P.M.

	In-state	Out-of-State
Morning (12:01 A.M. – 10:00 A.M.)	\$ 5.00	\$ 11.00
Midday Meal (10:01 A.M. – 3:00 P.M.)	\$ 6.00	\$ 12.00
Evening Meal (3:01 P.M. – 12:00 A.M.)	\$ 12.00	\$ 23.00

COSTS REQUIRING PRIOR APPROVAL:

- Purchase of Automatic Data Processing (ADP), equipment and software
- Criminal justice information and communication systems
- Compensation for consultant rates of over \$650 per day
- Pre-agreement costs
- Equipment and other capital expenditures
- Interest expense
- Proposal Costs

UNALLOWABLE COSTS (list is not all inclusive): See [2 C.F.R. §200.31 \(Disallowed Costs\)](#)

- | | |
|-----------------------------------|---------------------|
| Land acquisition | Lobbying |
| Compensation of federal employees | Fundraising |
| Travel of federal employees | Corporate Formation |
| Bonuses or Commissions | Imputed interest |

Military-type equipment
Foreign travel (except Canada)
Costs incurred outside the project period

State and local sales taxes
Contributions or Honorariums
Credit card fees

CONFERENCES AND WORKSHOP UNALLOWABLE COSTS:

Any entertainment, laundry charges, visas, passport charges, tips and bar charges are unallowable. **Food and refreshments are unallowable.**

Gifts/Trinkets/Memorabilia/Commemorative Items

Trinkets (items such as hats, mugs, portfolios, t-shirts, coins, gift bags, etc.) must not be purchased with federal or matching funds as giveaways for conferences/meetings. Basic supplies that are necessary for use during the conference (e.g., folders, name tags) are allowable.