

APPLICANT’S MANUAL
EDWARD BYRNE MEMORIAL STATE AND LOCAL
LAW ENFORCEMENT ASSISTANCE PROGRAM

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SECTION III. ADMINISTRATIVE AND FISCAL REQUIREMENTS

Applicants should become familiar with the administrative and fiscal conditions applicable to the Byrne grant. Failure to comply with these conditions may result in the denial, reduction, or termination of funding. Grantees must comply with the provisions of the effective edition of the Office of Justice Programs' "Financial Guide." Grantees may call the Office of the Comptroller (OC) Customer Service Center at 1-800-458-0786 for additional copies or download the Guide directly from www.ojp.usdoj.gov/FinGuide/. OC periodically revises the Financial Guide and issues change set(s) which is also available on-line.

Contact your assigned Planning Specialist if you have any questions or concerns. If you do not know the name and phone number of the assigned Planning Specialist call (808) 586-1150. Planning Specialists also conduct grant orientations with first time project directors and as requested.

A. ADMINISTRATIVE CONDITIONS

All grants are subject to, and incorporate by reference, the following general conditions:

A.1.0 Delayed Projects

The grantee organization is responsible for proceeding with as little delay as possible in commencing its grant project.

If the project has not begun within thirty (30) days following the signing of the contract from the CPJAD, the grantee organization shall report in writing to the CPJAD the reasons for the delay, the steps being taken to initiate the project, and the anticipated starting date.

If after an additional sixty (60) days, the project is still not operational, a further statement outlining reasons for the additional delay shall be submitted to CPJAD. The CPJAD Administrator may, at his/her discretion, determine such delay to be excessive, cancel the grant authorization, and reallocate the funds to other projects.

A.2.0 Report Requirements

A.2.1 Progress Reports

A progress report shall be submitted to the CPJAD every six (6) months during the project period. The report is due within thirty (30) days following the end of each six month period. The appropriate report form will be provided to each project by the CPJAD. (Appendix C, AG/CPJAD #20)

The report shall contain information describing progress, accomplishments, activities, changes and problems during the report period and any additional information specified by the CPJAD.

Refer to page 5, A.1.0 for reporting requirements for delayed projects.

Failure to submit progress reports may result in the withholding of payments until such time as the reports are received by CPJAD. The Grantee shall continue to provide the services, programs, and activities during the period that payment(s) are being withheld.

A.2.2 Project Equipment Inventory

An inventory of equipment purchased during the project period must be submitted to the CPJAD at the end of the project period. The inventory should include a list of the equipment purchased, the cost, and identification numbers. If a project has received more than one year of funding, a cumulative inventory of equipment purchased for each year must be submitted upon completion of the final project period.

A.3.0 Project Activities

Grantees must complete all project activities during the project period. The project's start and end dates are listed on the Application for Grant, Part. I. Title Page. (Refer to page 25.)

Project activities are often supported by employees paid by the grant-funded project and/or by purchases of services, supplies, and equipment that are approved by CPJAD. An obligation occurs when grant or match funds are encumbered, such as in a valid purchase order or requisition to cover the cost of purchasing an authorized item on or after the project start date but not later than the project end date.

A.4.0 Title to Property

Title to all expendable and nonexpendable personal property purchased with funds shall vest in the agency that purchased the property if it certifies to the state office that it will use the property for criminal justice purposes and if the state grantor agency gives approval. If such certification is not made, title shall vest in the state grantor agency. The Certification for Title to Property (Appendix C, AG/CPJAD #13) with an inventory of personal property purchased, shall be submitted when the project terminates (does not receive further funds from CPJAD). Refer to A.2.2. Project Equipment Inventory for more information.

A.5.0 Project Revisions

Grantees shall submit a written request to the CPJAD to revise any aspect of the project. Modifications, alterations or changes to the period during which the contract is in effect may be requested in writing by the Grantee up to forty-five (45) days before the contract would otherwise terminate. Project revisions include, but are not limited to, extending the project period, revising the budget, or revising the objectives. Project revisions require the approval of the Grants and Planning Branch Chief.

To revise the project's:

End date, the Grantee is to submit to CPJAD a written request and explanation indicating the revised end date that the project is seeking.

Description (goal, objectives, activities, evaluation), the Grantee is to submit to CPJAD a written request and explanation that includes the revised Application for Grant, Part II. Description of the Project.

Budget, the Grantee is to submit to CPJAD a written request and explanation that includes the revised Application for Grant, Part III. Budget Detail and Explanation. For additional information, refer to page 17, B.8.0 Modification of Approved Budget.

A supplemental agreement to amend the contract will be executed when either the total grant award or Grantee changes. All other project revisions are executed with a project grant modification notice from CPJAD. No oral modification, alteration, amendment, change or extension of any term, provision or condition of the contract shall be permitted.

A.6.0 Press Releases/Printed Materials

All press releases and printed materials regarding Federal grants must disclose the amount and percentage of Federal dollars awarded and identify the grant. Exceptions are allowed if such disclosure would imperil the project.

Any publication (written, visual, or sound, but excluding press releases, newsletters, and issue analyses) issued by the subgrantee describing programs funded in whole or in part with Federal funds, shall contain the following statement:

“This program was supported by grant number _____, awarded by the Bureau of Justice Assistance, Office of Justice Programs, U.S. Department of Justice through the Hawaii Department of the Attorney General. Points of view or opinions contained within this document are those of the author and do not necessarily represent the official position or policies of the U.S. Department of Justice or the Hawaii Department of the Attorney General.”*

(*) Grantee should contact the assigned Specialist for the Federal grant number.

A.7.0 Confidentiality of Research/Statistical Information

The 28 CFR Part 22 regulations provide that: (1) identifiable research and statistical data may only be used (without the consent of the individual) for research or statistical purposes; (2) data may only be transferred in identifiable form upon recipient compliance with confidentiality limitations; (3) (except in unique circumstances) subjects must be notified of research participation; and, (4) upon completion of a project, identifiers must be destroyed or otherwise separated from data and permanently secured. The regulations further provide that

copies of identifiable data are immune from administrative or judicial process.

The regulations require that a Privacy Certification (Appendix C, AG/CPJAD #11) be submitted as part of any application for a project in which research/statistical data identifiable to a private person is to be collected. Privacy Certifications are, therefore, required of programs that include an evaluation component in which evaluation data will be collected in identifiable form.

A Transfer Agreement (Appendix C, AG/CPJAD #12) must be submitted to transfer such research/statistical data. Since the regulations apply to projects funded under all sections of the ADAA legislation, Privacy Certifications must be submitted to CPJAD for all projects falling within the scope of the regulations together with the Application for Grant. These certifications will be reviewed, approved and retained by CPJAD. Since applicants may not in all cases initially anticipate collection of data in identifiable form, a special condition will be included in the Grant Award requiring that, where a Privacy Certification is not initially submitted, such certification must be submitted and approved prior to the expenditure of funds for collection of identifiable research/statistical data.

Procedural questions and legal issues arising in connection with the Privacy Certification review may be referred directly to BJA.

A.8.0 Assurances and Certifications

A.8.1 General Conditions

BJA requires that CPJAD pass down certain requirements and provisions to all Grantees. The Grantee must complete the Acceptance of Conditions (Part IV, AG/CPJAD #14) and attach it to the Application for Grant.

A.8.2 Non-Supplanting

Federal funds may not be used to replace State or local funds that would, in the absence of Federal assistance, be available or forthcoming for law enforcement. Instead, Federal funds must be used to increase the total amount of such other funds the grantee agency uses.

A grant recipient may not use Federal grant funds to defray any costs that the recipient is already obligated to pay. For example, if a Grantee, prior to applying to participate in the grant program, had committed to purchase 10 new computers for crime analysis, then the Grantee must purchase those 10 computers in addition to any computers requested for the grant program. (Refer to B.3.0 Non-Supplanting on page 13 for more information.)

A.8.3 Drug-Free Workplace

All Grantees must complete the “Certification Regarding Drug-Free Workplace Requirements” (Part IV, AG/CPJAD #16) and submit it with the Application for Grant.

A.8.4 Debarment, Suspension, Ineligibility and Voluntary Exclusion

Each Grantee must complete the “Certification Regarding Debarment, Suspension, Ineligibility, and Voluntary Exclusion Lower Tier Covered Transactions” (Part IV, OJP #4061/1) and submit it with the Application for Grant.

A.8.5 Lobbying

The Anti-Lobbying Act (18 U.S.C. § 1913) recently was amended to expand significantly the restriction on use of appropriated funding for lobbying. This expansion also makes the anti-lobbying restrictions enforceable via large civil penalties, with civil fines between \$10,000 and \$100,000 per each individual occurrence of lobbying activity. These restrictions are in addition to the anti-lobbying and lobbying disclosure restrictions imposed by 31 U.S.C. § 1352.

The Office of Management and Budget (OMB) is currently in the process of amending the OMB cost circulars and the common rule (codified at 28 C.F.R. Part 69 for Department of Justice grantees) to reflect these modifications. However, in the interest of full disclosure, all applicants must understand that no federally appropriated funding made available under OJP grant programs may be used, either directly or indirectly, to support the enactment, repeal, modification or adoption of any law, regulation, or policy, at any level of government, without the express approval by OJP. Any violation of this prohibition is subject to a minimum \$10,000 fine for each occurrence. This prohibition applies to all activity, even if currently allowed within the parameters of the existing OMB circulars.

All Grantees with projects that total \$100,000 or more (per project), must submit to the CPJAD a completed “Certification Regarding Lobbying”. (Part IV, AG/CPJAD #22)

A.8.6 Confidential Funds

Byrne funds may be used for confidential purchases of evidence and information, such as the purchase of services, physical evidence, and information related to undercover operations. BJA delegates the authority to approve such expenses to the CPJAD. (Refer to B.5.8 on page 16 for more information.)

A.8.7 Civil Rights

All organizations that receive Federal funds are subject to prohibitions against discrimination in the provision of services under a program or in their employment practices.

a. Non-Discrimination

No person shall on the ground of race, religion, color, national origin, sex, disability, or age be excluded from participation in, be denied the benefits of, be subjected to discrimination under or denied employment in connection with any programs or activity funded in whole or in part with funds made available under this title. The Grantee will comply with:

The Omnibus Crime Control and Safe Streets Act of 1968, as amended, which prohibits discrimination on the basis of race, color, national origin, religion, or sex, in OJP and COPS funded programs or activities. (42 U.S.C. § 3789d and 28 C.F.R. §42..201 et seq.);

Title VI of the Civil Rights Act of 1964, which prohibits discrimination on the basis of race, color or national origin in OJP and COPS funded programs or activities. (42 U.S.C. § 2000d and 28 C.F.R. §42.101 et seq.);

Section 504 of the Rehabilitation Act, which prohibits discrimination on the basis of disability in OJP and COPS funded programs or activities. (29 U.S.C. § 794 and 28 C.F.R. § 42.501 et seq.);

Section 1407 of the Victims of Crime Act (VOCA), which prohibits discrimination on the basis of race, color, national origin, religion, sex, or disability in VOCA funded programs or activities. (42 U.S.C. § 10604);

Title II of the Americans with Disabilities Act of 1990, as it relates to discrimination on the basis of disability in OJP or COPS funded programs or activities. (42 U.S.C. § 12132 and 28 C.F.R. Pt. 35);

Title IX of the Education Amendments of 1972, as it relates to discrimination on the basis of sex in OJP and COPS funded training or educational programs. (20 U.S.C. § 1681 and 34 C.F.R. Pt. 106); and

The Age Discrimination Act of 1975 as it relates to services discrimination on the basis of age in OJP or COPS funded programs or activities. (42 U.S.C. § 6102 and 28 C.F.R. § 42.700 et seq.).

Executive Order 13166, 65 Fed. Reg. 50121(2000) and the U.S. Department of Justice, Guidance to Federal Financial Assistance Recipients Regarding

Title VI Prohibition Against National Origin Discrimination Affecting Limited English Proficient Persons, 67 Fed. Reg. 41455 (2002) is the obligation that recipients of Federal financial assistance provide meaningful access to funded programs and activities for persons with limited English proficiency (LEP). Additional information on LEP is available on-line at www.lep.gov.

These grant conditions shall not be interpreted to require the imposition in grantee programs of any percentage ratio, quota system, or other program to achieve racial balance or eliminate racial imbalance in a law enforcement agency. The Office of Justice Programs reserves the right to seek judicial enforcement to insure compliance with the foregoing conditions. Applicants must submit a signed certification of non-discrimination (Part IV, AG/CPJAD #15).

b. Equal Employment Opportunity Program (EEOP)

An EEOP is a comprehensive document that analyzes a recipient's relevant labor market data, as well as the recipient's employment practices, to identify possible barriers to the participation of women and minorities in all levels of a recipient's workforce. Its purpose is to ensure the opportunity for full and equal participation of men and women in the workplace, regardless of race, color or national origin.

Title 28 of the Code of Federal Regulations (CFR), § 42.301 *et seq.*; requires that governmental recipients of Federal funds or any private entity to which Federal financial assistance is extended directly or through such government or agency, which have received \$25,000 or more in grants; have 50 or more employees; and have three percent or more minorities in its service population must formulate, implement and maintain a written Equal Employment Opportunity Program (EEOP).

Applicants must certify that an EEOP is not required or that an EEOP has been formulated and is on file (Part IV, EEOP Certification, Expiration Date 09/30/2002).

By OJP policy, State and local Grantees and subrecipients must submit an EEOP for review to the OJP Office for Civil Rights when receiving a single award of \$500,000 or more or \$1 million or more within an 18-month period.

The number of employees refers to employees within the organization's entire workforce and not simply the number of employees within the unit directly responsible for the Byrne-funded project.

Additional information on completing an EEOP is available on-line at

www.ojp.usdoj.gov/ocr/eeop.htm

c. Procedures for Processing Complaints Alleging Violations of Federal Nondiscrimination Requirements

In the event that a Federal or State court or Federal or State administrative agency makes a finding of discrimination after a due process hearing, on the grounds of race, color, religion, national origin, sex, age, or disability against the recipient State or local government unit, the recipient shall forward a copy of the finding to the OJP, Office of Civil Rights and the CPJAD.

Any individual or group who believe that it is aggrieved by the funded agency can file a complaint with the U.S. Department of Justice, Office of Civil Rights, which investigates all individual complaints of discrimination filed against recipients of Office of Justice Programs funding or its component organizations. If voluntary compliance is not achieved, suspension or termination of funding may result.

A.9.0 Termination of Aid

Grants may be terminated or fund payments discontinued by the CPJAD where it finds a substantial failure to comply with the provisions of the Act or regulations promulgated thereunder, including these grant conditions, or plan or application obligations. CPJAD has the right to terminate the contract with a Grantee by giving written notice of such termination ten (10) calendar days before the effective date of such termination, or without a statement of cause at any time by giving written notice to a Grantee of such termination at least thirty (30) calendar days before the effective date of such termination.

A.10.0 Grant Closeout Procedures

The project director, in concert with the CPJAD staff, is responsible for all detailed actions and controls necessary for timely accomplishment of the grant closeout process. The receipt and acceptance of all required Grantee documents and the completion of the project director's evaluation report should not exceed ninety (90) days after the termination date of the project.

The required Grantee documents are: final Request for Funds Report, final Expenditures Report, final Progress Report, and Certification for Title to Property, if the project has terminated (will not be receiving further funds from CPJAD).

B. FISCAL CONDITIONS

Grantees must comply with the provisions of the effective edition of the Office of Justice Programs, Office of the Comptroller's "Financial Guide." Not all of these requirements and conditions are included in this document; however, in general, CPJAD grants are subject to and incorporate by reference, the following fiscal requirements and conditions:

B.1.0 Purpose

Federal funds may be expended only for the purposes and activities specified in the Grantee's approved plan and budget.

If a Grantee materially fails to comply with the terms and conditions of an award CPJAD may take one or more of the following actions, as appropriate in the circumstances.

- Temporarily withhold cash payments pending correction of the deficiency by the recipient.
- Disallow (that is, deny both use of funds and any applicable matching credit for) all or part of the cost of the activity or action not in compliance.
- Wholly or partly suspend or terminate the current award.
- Withhold further awards for the project or program.
- Take other remedies that may be legally available.

B.2.0 Project Period

Such funds must be spent within the budget period of the project unless an extension is approved by the CPJAD. Awards are usually made to cover operating costs for twelve (12) months. The project director can select the project's start and end date with CPJAD approval. For projects receiving continuing funding, the project period should run consecutively with the prior contract. Once a contract for the grant is executed, the project's start date cannot be modified.

B.3.0 Non-Supplanting

Federal funds may be used only to supplement and not supplant local funds otherwise available for law enforcement and criminal justice programs. A completed Certification of Non-Supplanting (Part IV, AG/CPJAD #3) must be attached to the application. (Refer to page 8, A.8.2 for more information.)

B.4.0 Match

Twenty-five percent of the project cost must have a non-Federal cash match.

The Byrne Formula Grant Program Guidance defines match as funds "in addition to funds that would otherwise be made available for law enforcement (i.e., allowable grant purposes)

by recipients of grant funds.”

Agencies providing cash matching funds must maintain records which clearly show the source, the amount, and the timing of the matching contributions.

Cash match may be applied from the following sources:

- Funds from States and local units of government that have a binding commitment of matching funds for programs or projects.
- Equitable Sharing Program, 21 USC §881(e) (current guidelines developed by the DOJ Asset Forfeiture Office apply). Forfeited assets used as match from the Equitable Sharing Program would be adjudicated by a Federal court.
- Funds contributed from private sources.
- Program income and the related interest earned on that program income generated from projects, provided they are identified and approved prior to making an award.
- Program income funds earned from seized assets and forfeitures (adjudicated by a State court, as State law permits).

Refer to page 1, D. for more information on the match requirement.

B.5.0 Project Expenditures

B.5.1 Procurement of Goods and Services

Funds budgeted in the award to the Grantee for, among other purposes, the procurement of goods and services, shall be expended in strict compliance with applicable county, State and Federal procurement requirements.

B.5.2 Equipment and Hardware

The purchase or acquisition of equipment or hardware with Federal funds is allowable if the costs are a necessary part of an approved program.

B.5.3 Computer Equipment and Software (CES)

The following procurement criteria must be met to purchase computer equipment and software:

The CES type to be purchased is identified within the grant application and is necessary and sufficient to meet project goals.

The CES procurement is in compliance with existing Federal, State, and local laws and regulations.

Grantee has conducted a purchase/lease comparison demonstrating that it is more advantageous to purchase rather than lease the CES equipment under consideration, or leasing is not allowed by the jurisdiction.

If CES equipment procurement is to be sole source, Grantee has submitted adequate documentation to justify the action. Refer to page 17, B.6.0 Sole Source for additional information.

If software development is involved, Grantee has demonstrated that existing computer software already produced and available will not meet the needs of the grant.

B.5.4 Personnel and Fringe Benefits

Payment of personnel costs with Federal funds is permitted if the costs are a part of an approved program or project. Grant and match-funded personnel are required to maintain daily time and activity reports (timesheets) whether they are employed full- or part-time.

The fringe benefit cost is also allowable. However, it should not exceed the State approved fringe benefit rate or include vacation pay out.

If the county approved fringe benefit rate is lower than the State's, then the Grantee should apply its respective county rate. The State approved fringe benefit rate is set by the Hawaii's Department of Budget and Finance and approved by the U.S. Department of Health and Human Services.

Use of Federal funds for overtime is allowable but cannot exceed 30 percent of the total budget. An individual shall not incur overtime with Federal funds in excess of 10 percent of the individual's gross annual salary.

B.5.5 Consultants

Compensation for individual consultant services is to be reasonable and consistent with that paid for similar services in the market place. The maximum allowable rate is \$450 (excluding travel and subsistence costs) for an eight-hour day. There are four consultant classifications with each classification having a separate policy for compensation. The four classifications are: 1) consultants associated with educational institutions, 2) consultants employed by State and local government, 3) consultants employed by commercial and not-for-profit organizations, and 4) independent consultants. Refer to the OJP, Financial Guide for additional information. It is recommended that Grantees contact CPJAD to ensure that the compensation they are planning to pay a consultant meets Federal requirements.

Time and effort reports are required for consultants.

B.5.6 Construction

Use of formula grant funds for construction projects is prohibited except when facilities to be constructed are penal or correctional institutions. Correctional institutions refer to prisons, jails, juvenile correctional institutions and residential community corrections facilities.

B.5.7 Land Acquisition

Acquisition of land with Federal funds is prohibited.

B.5.8 Confidential Expenditures

CPJAD approval is required for the allocation, use, and expenditure of confidential funds. Confidential funds can be used for the purchase of services, physical evidence, or information. Grantees must follow guidelines in the effective edition of the OJP's "Financial and Administrative Guide for Grants" and must submit to the CPJAD a completed "Confidential Funds Certification" (Part IV, AG/CPJAD #18).

B.5.9 Evaluation Costs

Expenses associated with conducting evaluations of programs/projects funded with formula grant funds are allowable expenses and may be paid with program funds.

B.5.10 Participation in Drug Enforcement Administration Task Force

Formula grant funds may be used for expenses associated with participation of the State or units of local government, or combinations thereof, in the State and Local Task Force Program established by the Drug Enforcement Administration.

B.5.11 Food and Beverage Expenditures

The Office of Justice Programs Financial Guide lists specific guidelines and tests for the expenditure of Federal funds for food and beverage. In order to document that the guidelines were followed and the tests met, Grantee must complete the "Food and Beverage Worksheet" (Part IV, AG/CPJA #23). The completed worksheet should be in the project file for review by the assigned Planning Specialist during a site visit monitoring, by OJP Personnel, or by the Grantee's auditor.

B.5.12 Training, Travel, Per Diem Rate, and Rental Cars

The project-funded travel/training as well as the obligation must fall within the project period. For additional information refer to page 6, A 3.0 Project Activities.

Mainland travel is allowable, if necessary to carry out the project objective and the Grantee can demonstrate that similar mainland training is not available locally, or cannot be brought to Hawaii at a comparable price. Prior approval from CPJAD is required for each trip.

The allowable per diem rate and excess lodging costs for travel is based on the county and State approved rates.

Lodging costs in excess of Federal per diem. For events of 30 or more participants that are funded with an OJP award, if lodging costs exceed the Federal per diem, none of the lodging costs are allowable, effective January 1, 2001. (When Federal grant funds are expended for grant conferences for more than 30 attendees and zero hotel rooms are being billed to Federal grants, the Grantee must still ensure that lodging rates are within Federal per diem rates.) Award recipients may contact the OJP Conference Coordinator at (202) 616-9457 for assistance in locating lodging within the Federal per diem rate.

Car rental to attend mainland conferences or training is not allowable except in special circumstances, which require prior approval from the CPJAD. It is expected that a taxi or shuttle service will be used whenever possible. Variances in special situations (for example when a rental car is more cost effective, when a taxi or shuttle service is not practicable) will be done on a case-by-case basis.

B.6.0 Sole Source

Prior CPJAD approval is needed for sole source procurements over \$100,000 in Federal funds. Grantees are required to submit a completed Justification for Non-Competitive Procurement Form for CPJAD approval. Upon approval by the assigned Specialist, a copy of the justification form (Appendix C, AG/CPJAD #21) will be returned to the Grantee. A procurement bid with only one bidder is considered to be sole source. All procurement transactions, whether negotiated or competitively bid and without regard to value, must comply with Grantee's procurement requirement that provide maximum open and free competition.

B.7.0 Project Income

Income earned as a result of project activities should be returned to the program. Prior approval to expend the funds for program purposes must be obtained from the CPJAD prior to the expenditure of such funds. For asset seizures, the date of seizure is the date income is earned. Project income shall be reported by the Grantee as program income in the quarterly Project Expenditures and Obligations Report (Appendix B, AG/CPJAD #8). Refer to page 19, B.10.0 Expenditure Report.

B.8.0 Modification of Approved Budget

Modification of an approved budget within any budget period must be submitted in writing to the CPJAD in advance of the actual commitment of expenditures. Upon approval by the CPJAD Grants and Planning Branch Chief, a grant adjustment notification will be initiated. If the total grant award changes, a supplemental agreement between the Department of the Attorney General and the Grantee to amend the contract will be made.

All requests for budget changes must be submitted by the Grantee 45 days prior to the project end date. All requests for modification to the approved budget shall be reviewed by CPJAD for consistency with Federal requirements and project goals and objectives. The Grantee is to submit a revised Part III. Budget Detail and Explanation.

The following conditions require a budget modification and CPJAD approval:

- Change in approved budget line item in excess of 5 percent of the total category amount in which the line item is listed.
- Change in approved line item or category to meet agency match obligation.

For additional information, refer to page 6, A.5.0 Project Revisions.

B.9.0 Request for Funds and Payments

Once the contract between the Department of the Attorney General and the Grantee is executed, payments to Grantee shall be made in accordance with and subject to the following provisions:

- Payments shall be made monthly upon receipt of Grantee's completed request for funds.
- All payments shall be made in accordance with and subject to Chapter 40, Hawaii Revised Statutes, which specifies the accounting procedures and controls applicable to payments out of the Treasury of the State of Hawaii.
- If an amount of reported expenditures is determined by CPJAD to be inappropriate and unallowable, CPJAD may deduct an equivalent amount from the next payable installment and may withhold payment of the amount of the moneys equivalent to the questioned expenditures until later resolution of the discrepancy by audit or other means.

If, after payment of the last installment, investigation and examination reveal additional expenditures that are determined by CPJAD to be inappropriate and unallowable, CPJAD may require that an equivalent amount of moneys be refunded to CPJAD notwithstanding CPJAD's preliminary determination of appropriateness and allowability.

Funds for the grant project must be requested from CPJAD on the completed "Request for Funds and Cash Balance Report" (Appendix B, AG/CPJAD #7). The Request for Funds form must be submitted by the 15th of each month even if no funds are being requested. Payment of grant funds will be made monthly by the State to the Grantee. CPJAD will use this report to monitor cash balances left unspent by the project. Refer to page 20, B.12.0 for allowable cash on hand.

B.10.0 Expenditure Report

Grantees must submit the completed “Project Expenditures and Obligations Report” to CPJAD by the 15th day following the end of each calendar quarter (Appendix B, AG/CPJAD #8). Non-adherence to the deadline may result in the withholding of funds by the Federal government. The quarterly report allows CPJAD to monitor cumulative project expenditures that were paid with Federal and the State/local matching funds, and the collection and dispersion of project income.

Refer to page 12, A.10.0 for information on Grant Closeout Procedures, and page 17, B.7.0 on reporting project income.

The Grantee must also submit additional reports as the CPJAD may require.

B.11.0 Fiscal Administration

Grantee’s records concerning the grant project must be made available for inspection and audit by authorized Federal and State officials in accordance with the OJP, Office of the Comptroller’s Financial Guide, and with any applicable circulars.

B.11.1 Accounting System

- Establish a separate account for the grant project with separate accountability of receipts, expenditures, and balances for each fiscal budget period.
- Itemize all supporting records of grant receipts and expenditures in sufficient detail to show exact nature for each fiscal budget period.
- Provide data and information for each expenditure with proper reference to a supporting voucher or bill properly approved.
- Maintain payroll authorizations and vouchers.
- Maintain a time-reporting system for personnel charged to grant.
- Maintain adequate records supporting charges for fringe benefits.
- Maintain adequate records supporting charges for equipment.
- Project accounting records should also reflect income received, if any, through fees, contributions, or payments by third party. Maintain supporting records of income received, expended, and balances for each fiscal budget period.

B.11.2 Audit

Grantees must provide for an independent audit of their activities. Costs for audits not required or performed in accordance with OMB Circular A-133 are unallowable. If the Grantee did not expend \$300,000 or more in Federal funds in its fiscal year, but contracted with a certified public accountant to perform an audit; these costs may not be charged to the grant. Grantees receiving over \$300,000 must have a single agency audit. One copy of the audit report must be submitted to CPJAD. For fiscal years ending after December 31, 2003, the audit threshold is \$500,000.

Failure to comply with audit requirements may result in the withholding of new awards and/or withholding of funds.

B.11.3 Retention and Access Requirement of Records

All books of original entry, source documents* supporting accounting transactions, the general ledger, subsidiary ledgers, personnel and payroll records, canceled checks, and related documents and records must be retained for at least three years after the Federal award between BJA and the Department of the Attorney General is closed. Agencies considering disposing records should call CPJA regarding the date of grant closure by BJA.

(*) Source documents include copies of all awards, applications, and required recipient financial and narrative reports. Personnel and payroll records shall include the time and attendance reports for all individuals reimbursed under the project, whether they are employed full-time or part-time. Time and effort reports are also required for consultants.

The Department of Justice, Bureau of Justice Assistance, Office of the Justice Programs' Office of the Inspector General, the Comptroller General of the United States, or any of their authorized representatives, shall have the right of access to any pertinent books, documents, papers, or other records of recipients which are pertinent to the award, in order to make audits, examinations, excerpts, and transcripts.

B.12.0 Cash on Hand

The allowable Federal cash on hand amount for a project is \$2,000 or less.

Grantees should request funds based upon immediate disbursement requirements. Funds will not be paid in a lump sum, but rather disbursed over time as project costs are incurred or anticipated. Recipients should time their drawdown requests to ensure that Federal cash on hand is the minimum needed for disbursements to be made immediately or within a few days.

B.13.0 Loss, Damage, Theft of Equipment

Grantees are responsible for replacing or repairing equipment which is willfully or negligently lost, stolen, damaged, or destroyed. Any loss, damage, or theft of the property must be investigated and fully documented and made part of the official project records.

B.14.0 Unallowable Costs

B.14.1 Fund Raising

Costs of organized fund raising, including financial campaigns, endowment drives, solicitation of gifts and bequests, and similar expenses incurred solely to raise capital or obtain contributions, may not be charged either as direct or indirect costs against the award. Neither the salary of persons engaged in such activities nor indirect costs associated with those salaries may be charged to the award, except insofar as such persons perform other funding-related activities.

An organization may accept donations (i.e., goods, space, services) as long as the value of the donations is not charged as a direct or indirect cost to the award.

Nothing in this section should be read to prohibit a recipient from engaging in fund raising activities as long as such activities are not financed by Federal or non-Federal award funds.

B.14.2 Costs Incurred Outside the Project Period

Any costs that are incurred either before the start of the project period or after the expiration of the project period are not allowable. For additional information, refer to page 13, B.2.0 Project Period.

B.14.3 Firearms, Standard Uniforms, and Gear

The purchase of firearms, ammunition, and standard law enforcement uniforms and gear with Federal funds are prohibited. Specialized law enforcement uniforms can be purchased if it is identified within the grant application and is necessary and sufficient to meet project goals.

B.14.4 Vehicles & Military Arsenal

The purchase of vehicles with Federal funds is prohibited unless prior approval is provided by CPJAD. Consideration is given to specialized vehicles such as clandestine laboratory vehicles.

Costs for such items as armored vehicles, explosive devices, and other items

typically associated with the military arsenal are unallowable.

B.14.5 Lobbying

Refer to page 9, A.8.5. Lobbying.

B.14.6 Payment for Unused Accrued Vacation

Refer to page 15, B.5.4 Personnel and Fringe Benefits.

B.14.7 Replacing Loss, Damage, Theft of Equipment

Grantees cannot use Federal funds to replace or repair equipment that is willfully or negligently lost, stolen, damaged, or destroyed.