

# Commonwealth of Pennsylvania

Department of Labor and Industry  
Office of Vocational Rehabilitation

## Grant Procedures Manual

**Purpose** – Pursuant to Management Directive 305.20 (relating to Grant Administration), agencies are encouraged to develop specific grant procedures to govern all aspects of the grant program including but not limited to: solicitation, review, award, application procedures, method of payment eligible expenditures, reporting/auditing requirements and record retention. This manual sets forth the grant procedures developed by the Office of Vocational Rehabilitation (OVR) for grants awarded to various organizations.

**Background** – OVR receives both state and federal funds earmarked for various programs, including but not limited to the Independent Living Program and Prevention of Blindness programs. These grant procedures have been developed to meet the specific needs of the grants awarded under these programs.

Grants will be announced, awarded and expended in a manner separate and distinct from the procedures set forth under the Procurement Code and the Field Procurement Handbook for the awarding of contracts.

### **I. EXPENDITURE APPROVAL**

OVR will forward a memorandum to the Department of Labor and Industry (DLI), Bureau of Administrative Services (BAS) seeking expenditure approval for the grant. The BAS will either approve or disapprove the expenditure.

Upon approval, OVR may proceed with issuing the Grant Agreement.

### **II. GRANT APPLICATION PROCESS**

Grants awarded by OVR to carry out rehabilitation services activities under the federal Rehabilitation Act of 1973, *as amended*, the State Vocational Rehabilitation Act, the state Independent Living Services Act, and other applicable federal and state programs will be awarded through a Grant Agreement between the Department of Labor and Industry's OVR and the recipient. The Grant Agreement describes the terms and conditions applicable to the award of the funds.

OVR issues the Grant Application/Agreement package to the potential grantee. The potential grantee must follow the grant instructions: sign, date and return the original grant application to OVR. The applicant's signature on the Grant Application serves as the formal signature for the Grant Agreement.

The Grant Application/Agreement is reviewed and approved or disapproved by OVR. The OVR approved Grant Application/Agreement is routed through the following agencies to obtain all necessary Commonwealth signatures:

1. Executive Director of OVR or his/her designee who has primary responsibility for ensuring all Grant Agreement actions are in compliance with State and Federal laws, regulations, policies and directives.
2. Office of Chief Counsel, who reviews and approves all Grant Agreements for form and legality and adherence to laws, regulations and other legal or policy constraints.
3. Office of General Counsel, who reviews and approves Grant Agreements referred from the Office of Chief Counsel. OGC may also provide pre-approval status for future use of Grant Agreements.
4. Office of Attorney General, who reviews and approves Grant Agreements for form and legality. This office may also provide pre-approval status for future use of Grant Agreements.
5. Comptroller's Office, which reviews and approves the Grant Agreements, and ensures availability of funds.

When all necessary Commonwealth signatures have been obtained, the agreement is a fully executed Grant Agreement. OVR will prepare and issue the fully executed Grant Agreement with a notice to proceed letter to the grantee.

### **III. METHOD OF AWARDS**

Grant funds may be awarded in the following manners:

- Restricted grants
- Sole Source (Non-competitive grants)
- Competitive grants

**Restricted Grants** - A restricted grant means a grant where the recipients of the funds are established by statute (such as funding for Centers for Independent Living under the state Independent Living Services Act and Title VII of the federal Rehabilitation Act). Public notification or advertising is not necessary because statutes dictate the appropriate recipients of the funds. The designated recipient must submit a grant application, which, upon full execution, will be the written Grant Agreement. OVR will provide recipients with the following documents:

1. Grant Application/Agreement;
2. Grant application guidelines and instructions; and,
3. Grant procedures.

In these cases OVR will reserve up to 4% of the total appropriation for administration costs incurred by OVR staff when performing administrative services [i.e. creating grants, processing Request for Funds Forms (RFF's), providing technical assistance, etc.] associated with the grants. In the event that the full reserve amount is not used, OVR will increase the grant as

appropriate. If the projected full year's remaining administrative reserve balance is 10% or less of the total reserved amount, these funds will remain with OVR and will not be allocated to the grantee. OVR has final discretion as to the allocation of the reserve funds.

**Sole Source (non-competitive grants)** – Grant funds may be awarded on a sole source basis when one of the following conditions is met:

1. A single entity/person is the only entity/person capable of implementing the grant program. OVR must provide documentation/evidence to verify this assertion.
2. A state or federal statute or regulation exempts the project from the competitive process;
3. It is clearly not feasible to award the grant on a competitive basis; or,
4. A sole source award is in the best interest of the Commonwealth.

A Sole Source justification must be approved in writing by the DLI Secretary or his/her designee and the Comptroller's Office.

**Competitive Grants** - Where potential recipients of grant funds are not statutorily mandated or specifically identified, public notice of the availability of funds must be made. Public notice shall be made through formal advertising of the Announcement of Grant Availability (AGA) on the OVR [website](#) in the Publication Section and/or the PA Bulletin and distributed to stakeholders and vendors as appropriate.

Additionally, the AGA may be published in local area newspapers, professional trade journals or mailings to appropriate organizations.

- AGA - The AGA will include the following information:
  - The statutory or program requirement(s) which the grant fulfills, including a narrative of the program with a citation of the authorizing statute, regulation or guidelines;
  - the length of time covered by the grant and whether there are renewal options;
  - the type(s) of organizations eligible for the grant funds;
  - the closing date, time and location that applications will be received;
  - the source of funds being awarded – including but not limited to funding restrictions, allowable and disallowable costs; and,
  - Payment Terms
    - Ex: Reimbursement or advanced payment process

Interested applicants may pose questions. However, to ensure an equitable playing field for respondents, all questions and responses will be posted on the L&I website. No individual verbal or written responses will be provided to any party.

#### **IV. GRANT APPLICATION/AGREEMENT**

- A. **Grant Application/Agreement** - the Grant Application submitted by an applicant shall contain all of the following information:

- Grant Agreement ID Number
- Name, address, phone number and fax number of the grant applicant/fiscal agent;
- Name and title of the contact person for the grant application;
- E-mail address and type of organization;
- Applicant's Federal Employer Identification Number (FEIN);
- SAP Vendor number
- Name of the potential grantee
- Certificate of Signatory Authority; and,
- Signature of the authorized representative of the grant applicant.

Grant applications may be signed and dated only by an individual authorized to sign by the legal entity. For example:

**Corporations** - an agreement with a corporation shall show the corporate name as the legal entity. The individual authorized to sign the agreement on behalf of the corporation shall assign and indicate his/her official title.

**Partnerships** – an agreement with a partnership shall show the partnership name as the legal entity. The agreement needs to be signed by only one partner if that partner has the authority to bind the partnership.

**Individuals** – an agreement with an individual shall show the individual as the legal entity and be signed by the individual in his or her own name. Individuals may also operate their business under a fictitious name but remain a sole proprietor. In such cases, the agreement must be signed by the individual in his/her name.

**Government agency or Instrumentality** – an agreement with a government agency or instrumentality shall be signed by the individual authorized to sign on behalf of the agency or instrumentality.

**NOTE:** The grantee's signature on the grant application serves as the formal signature for the Grant Agreement if it is awarded.

#### **B. Grant Agreement Requirements:**

1. Statement of Work in narrative format;
2. Budget and Budget Narrative;
3. Program Specifics;
4. Grant Provisions; and,
5. Assurances and Certifications – the grantee agrees to comply with the assurances, certifications and indemnification requirements pertinent to the grant guidelines.

#### **C. Grant Guidelines and Instructions**

The Grant Application package, which includes the guidelines and instructions, is incorporated by reference into the Grant Agreement and does not have to be physically attached.

The guidelines will include the objective criteria that will be used to evaluate the proposals. Criteria shall generally include:

1. Project Summary/Statement of Work/Summary of need's responsiveness to purpose of the AGA
2. Eligibility qualifications
3. Applicant's capacity to carry out the grant
4. Personnel qualifications (i.e. resume, diploma, curriculum vitae, etc.)
5. Planned or actual program design
6. Available facilities
7. Budget amount

OVR should provide informational copies of the funding guidelines to the Comptroller's Office. Funding application guidelines that do not conform to these standards **must** obtain prior review and approval of the Comptroller's Office.

#### **D. Grant Procedures**

OVR's Grant Procedures manual is provided with the grant application/agreement package and is also available on the OVR [website](#), in the Publications Section.

### **V. RECEIPT OF APPLICATIONS**

All applications must be received at the location specified in the AGA and not later than the date and time specified therein.

Upon receipt OVR is responsible for logging in the applications as they are received. At the time specified for opening the application packages, OVR will perform a cursory review to ensure that all required attachments are included. If any documents are missing, the application will be disqualified as non-responsive.

After the closing date for receipt of applications, all responsive applications will be disseminated to the review team.

### **VI. GRANT REVIEW PROCESS**

#### **A. General Evaluation Criteria**

OVR will review all grant application packages. The review team shall consist of qualified OVR staff, including project staff, program staff and others as appropriate or required. All reviewers will be reminded that they may not participate in any reviews in which they have a conflict of interest or which gives the appearance of a conflict of interest.

The reviewer shall have a clear understanding of the purpose of the AGA and the types of projects to be funded.

OVR must maintain supporting documentation of the competitive selection process.

## **B. Evaluation Criteria for Competitive Awards**

For competitive awards, objective criteria shall be outlined in the grant application guidelines and followed by OVR staff during the review process and used in rating each application for funding. Criteria shall generally include:

1. Project Summary/Statement of Work/Summary of need's responsiveness to purpose of the AGA
2. Eligibility qualifications
3. Applicant's capacity to carry out the grant
4. Personnel qualifications (i.e. resume, diploma, curriculum vitae, etc.)
5. Planned or actual program design
6. Available facilities
7. Budget amount

Cost effectiveness and the relationship of the proposed budget to program objectives must be considered in the evaluation of all applications.

## **C. Scoring**

A standard scoring tool shall be used by each reviewer during his/her independent review of the applications. The scoring tool should be tailored to the AGA being reviewed and guide the reviewer on the criteria upon which his/her evaluation must be based.

The review team will meet and discuss the applications and tabulate the scores for the applications. The application receiving the highest score will be awarded a grant.

For multi-award grants, OVR shall pre-determine the number of awards to be granted and the minimum score acceptable. The highest scoring applications within the established multi-award number will receive a grant.

OVR reserves the right to discard all applications and make no award. In the event of a tie, OVR maintains authority to determine the tie breaking process.

## **D. Best and Final Proposals**

1. While not required, OVR reserves the right to conduct discussions with applicants for the purpose of obtaining "Best and Final Proposals." To obtain best and final proposals from applicants, OVR may do one or more of the following, in any combination and order:
  - a. Schedule oral presentations; and,
  - b. Request revised proposals.

2. The following applicants will **not** be invited by OVR to submit a Best and Final Proposal:

- a. Applicants who OVR has determined to be not responsible or whose proposals have been determined to be not responsive.
- b. Applicants who OVR has determined do not possess the capability, experience or qualifications to assure good faith performance of the Grant Agreement.
- c. Applicants whose score for their proposal is less than 70%.

OVR may further limit participation in the Best and Final Proposal process to those remaining responsible applicants who OVR has, within its discretion, determined to be within the top competitive range of responsive proposals.

**Discussions for Clarification:** Applicants may be required to make an oral or written clarification of their proposals to OVR to ensure thorough mutual understanding and applicant responsiveness to the AGA requirements. OVR will initiate requests for clarification. Clarifications may occur at any stage of the evaluation and selection process prior to agreement execution.

## **VII. NOTICE OF GRANT AWARD**

### **A. Notification for Restricted and Sole Source Grants**

Grants awarded to statutorily mandated recipients will be processed according to policies and procedures governing the program area. Recipients will be notified by letter.

### **B. Notification for Competitive Grants**

Each applicant shall be notified in writing within 30 days after the decision is made of the approval or disapproval of the grant application.

The initial award letter shall contain language that specifies that “[T]he Commonwealth cannot be held accountable for any costs incurred by the grantee prior to execution of the Grant Agreement by all necessary Commonwealth signatories.” The start date of the Grant Agreement will be placed on the Grant Agreement after all required signatures have been obtained.

Each applicant whose application is disapproved will be notified in writing and provided the opportunity by OVR to request a Debriefing conference. The purpose of this conference is to identify for the applicant the strengths and weaknesses in the application proposal.

## **VIII. SIGNATURE PRE-APPROVAL**

If appropriate, some Grant Application/Agreements may obtain signatory pre-approval from the Office of General Counsel and the Office of Attorney General. Pre-approval of these signatures must be coordinated with the Office of Chief Counsel.

In order to get pre-approval, OVR prepares a memo to the Office of General Counsel and the Office of Attorney General from the Chief Counsel of Labor and Industry. The memo should state:

1. OVR is requesting pre-approval for a particular grant form;
2. What the grant involves;
3. What the grant application entails; and,
4. That the application will be used for all awards under the applicable grant.

The memo should include a copy of the grant application package as an attachment.

The Office of Chief Counsel will review the memo and forward it and the grant application package to the Office of General Counsel and Office of Attorney General for pre-approval.

## **IX. PAYMENT PROCESS**

### **A. Advanced Payment Process**

In order to institute an Advanced Payment Process, OVR will seek approval from the Office of Budget's Comptroller Operations. Upon the Comptroller's approval, the following provisions shall apply to the Grantee in order to secure advanced payments:

1. The Grantee will submit to OVR a Request for Funds (RFF) for advance payment for anticipated monthly costs associated with the grant. OVR will provide a template form for the RFF, as well as instructions for its use, a submission schedule, and a spreadsheet to maintain a record of monthly expenses. This RFF may be submitted electronically. The grantee must maintain the wet signature copy for audit purposes.
2. Upon receipt, OVR will review and determine if the costs are allowable, process the RFF and arrange for payment to be issued for the approved amount. Payment will be effected through the Automated Clearing House Network, as outlined in the PA Electronic Payment Program, per Management Directive 310.30, issued May 22, 2009.
3. If more funds are advanced than actually used by the Grantee during a particular month, those funds will be offset against future advance payment requests.

4. If additional funds were utilized by the Grantee during a particular month, the Grantee will submit a supplemental RFF.
5. The Grantee will provide documents, invoices and other verification of expenditures to OVR. This documentation should be supplied electronically, on a monthly basis.
6. Expenses deemed inappropriate will not be reimbursed.

**B. Reimbursement Method/Request for Funds (RFF) process**

OVR will review the documentation in support of expenditures and perform a reconciliation to determine whether expenditures were appropriate under the Grant Agreement. Expenses deemed questionable will require additional justification. Expenses deemed inappropriate will not be reimbursed.

**X. AMENDMENTS AND FUNDING ADJUSTMENTS**

An Amendment is a significant change in the Grant Agreement requiring approval of all original parties' signatures. Reasons for an Amendment are the following: expansion or revision to the target population, revision to the purpose/intent of the project, change in the designated grantee, significant revisions to the methodology, and a significant increase to the budget which exceeds the total potential Grant Agreement award. These types of Amendments require the Grantee to submit to OVR a revised narrative and revised budget, if applicable. OVR will review the original and revised narrative and/or budget. Upon approval a fully executed grant amendment and a letter authorizing the modifications will be issued. These documents will include the terms and conditions relating to the modification of the award. All grantees must adhere to the terms and conditions of the initial grant agreement.

In order for a grantee to move funds between budget line items or to add additional line items to a budget, a grantee must submit a Budget Revision Request (BRR) to OVR. All Budget Revision Requests are subject to OVR review and approval. If approved, the approved BRR form will be attached to and become part of the Grant Agreement.

In order to increase or decrease the grant award within the total potential Grant Agreement award, a formal Funding Adjustment must be approved by OVR and the Comptroller's Office by means of the Funding Adjustment form, and an approved Budget Revision Request form outlining the changes. The approved Funding Adjustment and BRR form will be attached to and become part of the Grant Agreement.

OVR retains discretion to approve or disapprove Budget Revision Requests.

## **XI. PROVISIONS FOR FEDERAL GRANTS**

In addition to the other required provisions, federally funded Grant Agreements shall contain the following:

- Data Universal Numbering System (DUNS) number
- Lobbying certification form
- Federal Funding Accountability and Transparency Act Sub-recipient Data Sheet
- Single Audit Clause
- CFDA Number

## **XII. DEFINITIONS**

**Announcement of Grant Availability** – An announcement disseminated by OVR via the L&I website and/or the PA Bulletin and, as appropriate to, interested stakeholders, vendors and other individuals/entities that notifies the public of the availability of grant funding for designated purposes.

**Available Facilities** – facilities operated by the grantee that will be used to fulfill the requirements of the grant.

**Competitive Grants** – a grant is considered competitive when potential recipients are not statutorily mandated or specifically identified. For these projects, public notice of availability of funds must be made.

**Comptroller** – The PA Comptroller oversees accounting, payroll, and financial reporting for Labor and Industry. They will review, approve, and sign off on all grants that are administered by OVR.

**Disapproval Letter** – A letter sent by OVR to any perspective grantee indicating that they were not awarded a grant.

**Eligibility Qualifications** – criteria established by OVR and/or statute that sets the minimum qualification standards necessary for a grantee.

**Expenditure Approval** – The Internal process required to obtain approval from the Bureau of Administrative Services within the Department to establish a funds commitment for a grant prior to award.

**Federal Funding Accountability and Transparency Act Form** - Federal Funding Accountability and Transparency Act (FFATA) Sub-recipient Data Sheet form is required to be completed by all agencies that receive federal funds. A grant will not be processed without this form.

**Grant** – Management Directive 305.20: “A commitment of funds and programmatic authority by a state agency serving as the grantor to an outside entity for the purpose of carrying out public policy and/or implementing program service delivery. A grant differs

most importantly from other agency procurements in that the grantor does not receive specific goods or services.

**Grant Agreement** – an agreement between the Department of Labor & Industry and the grant recipient, which includes the terms and conditions applicable to the award of funds.

**Grantee** – the recipient of grant funds which is accountable to the Commonwealth for the use of the funds provided.

**Notice of Award**– A letter sent to a grantee who has been awarded a grant.

**Personnel Qualifications** – criteria established by OVR and/or statute that sets the minimum qualifications standards that are required for grantee staff.

**Restricted Grants** – grants awarded to statutorily mandated or identified recipients.

**Sole Source Grants** – a grant awarded outside the competitive process when certain conditions are met and justification is approved by the Department and Comptroller Operations.

**Attachments:**

Grant Agreement – Terms and Conditions (Rider B)

Budget Proposal Spreadsheet Template -Blank

Request For Funds (RFF) - Blank