Financial Management of **HIDTA Funds**

Participant Guide
Version 10.0



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Acknowledgements

We appreciate the many contributors of best practices and shared tips and techniques; please continue to submit your suggestions using the Suggestion Form located as the last page of this printed guide.

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Before You Begin

This guide is written for financial managers and fiscal officers who manage HIDTA grant funds. It supplements the training presentation of these topics, but you will also find it useful as a desk reference to refresh your knowledge as you work with HIDTA funds. Keep in mind that every HIDTA has its own way of doing things, and the guide serves as a general model for business practices of all HIDTAs.

No prior knowledge of HIDTA funding is required, but training participants should be familiar with accounting practices such as budgeting, tracking expenditures, and maintaining accounting records.

Many training participants have already been working with HIDTA grants and accounting practices prior to attending the training class.

How to Use This Guide

The following icons are used in this guide:

- **(i)** Important: Don't miss this important fact.
- **Note:** Notice an unusual concept that you shouldn't miss.
- Warning: Be careful. You could make a mistake here.
- Best Practice: Follow this suggestion to save time, improve efficiency, or improve outcomes.
- Program Policy: Refer to this section in the Program Policy (2020) for more information about this topic.

Agenda

Financial Management of HIDTA Funds			
	Day 1	Day 2	Day 3
	Module 1	Recap of Day 1	Recap of Day 2
Morning	Overview of HIDTA	Module 4 Budgets	Module 7 Recordkeeping
	Module 2 People & Other Resources	Module 5 Disbursements	Module 8 Grantee Responsibilities
Afternoon	Module 3 Policy and Regulations	Module 6 Changes to Awards	Module 9 Tool & Techniques for Financial Managers
Afi			Final Quiz

Course Learning Outcomes

Upon completion of this course, participants will be able to:

- Define key terms used for HIDTA financial management
- Name 2 key policy documents that direct HIDTA funds and use each to look up answers to common questions from **HIDTA** participants
- Describe fiscal management of HIDTA funds including the processes for:
 - budgeting
 - recording HIDTA funds disbursements to update initiative budgets
 - reprogramming funds
 - requesting grant extensions
 - financial reporting
- Describe key differences between HIDTA awards to federal and non-federal recipients
- Prepare a detailed expenditure worksheet, which requires:
 - reviewing expenditure receipts to determine allowability
 - classifying each expenditure into the appropriate budget account using the HIDTA chart of accounts
 - bundling the documents and recording the account totals on the detailed expenditure worksheet
- Describe the requirements for recordkeeping
- Describe required quarterly financial reporting by HIDTA award recipients, both federal and non-federal recipients
- Explain grantee responsibilities and the flow down concept
- Describe the financial manager's role and tasks in effectively managing HIDTA funds
- Recall 2 or more tools and techniques for efficient and effective financial management of HIDTA funds

About This Training Course

This course represents a collective knowledge of HIDTA program policy, guidelines, and practices. Course developers make every effort to accurately reflect mandated HIDTA program policy, but you must also follow the HIDTA policies set by your HIDTA Executive Director and HIDTA Executive Board.

The day-to-day practices set forth in this guide do not represent the only way a HIDTA can carry out HIDTA funds management. In most areas of discussion in this course, there are two or more ways to accomplish the task while adhering to HIDTA program policies.

This course provides a single model; other models also exist.



Learning Outcomes

At the end of this module, participants will be able to:

- Describe the HIDTA program including its
 - purpose
 - program structure
 - relationship with local and state law enforcement agencies
- Define key terms of HIDTA financial management and daily operations such as award recipient, initiative, and others
- Describe and resolve common ethical issues faced by HIDTA participants

A HIDTA participant must not imply that he/she is an agent of, or acting on behalf of ONDCP or EOP.

What is HIDTA?

HIDTA is a program within the Office of National Drug Control Policy (known as ONDCP). The mission of the HIDTA program is to disrupt the market for illegal drugs in the United States by assisting and providing funding resources to federal, state, local, and tribal law enforcement entities. The program places emphasis on drug trafficking regions that have harmful effects on other parts of the United States. The HIDTA program enhances and helps to coordinate drug trafficking control efforts among federal, state, and local law enforcement agencies.

(i) Important: Notice that HIDTA is a program, not an agency. In fact, HIDTA is not a legal entity and it cannot directly hire employees or execute contracts. Instead, HIDTAs accomplish these and other matters by way of the agencies that participate in the HIDTA program.

HIDTA works to complement and support federal, state, and local law enforcement agencies collaborating to fight drug trafficking. HIDTA funding supports this joint effort between law enforcement agencies, and it allows regional HIDTA programs to be locally managed and coordinated to support the national mission. Specifically, HIDTAs have several functions:

- Facilitating cooperation among Federal, state, local, and tribal law enforcement agencies, sharing of information, and implementing coordinated enforcement activities;
- Enhancing law enforcement intelligence sharing among Federal, state, local, and tribal law enforcement agencies;
- Providing reliable law enforcement intelligence to law enforcement agencies needed to design effective enforcement strategies and operations; and
- Supporting coordinated law enforcement strategies that maximize the use of available resources to reduce the supply of illegal drugs in designated areas and in the United States as a whole

A HIDTA initiative is a program, plan, or effort that carries out activities to accomplish a set of specific (measurable) goals. For example, a HIDTA may have an initiative that targets reducing methamphetamine labs by 25% within a 3-year period.

Real Life Example

For example, suppose the San Walter Valley is designated as a high intensity drug trafficking area. Furthermore, the valley spans a three-county area in one state and a two-county area in a neighboring state. Rather than relying on the individual counties and states to fight the drug problem individually, the HIDTA funds allow the area to work as one collective, coordinated effort.

In the San Walter Valley example, HIDTA funds and other resources are available to each of the five county law enforcement agencies (to execute investigations) as well as to the state law enforcement agencies to fight drug trafficking. The local FBI office may also receive HIDTA funds and work jointly with the county and state law enforcement teams. Their collective effort to achieve one or more goals is called an initiative.

How is a HIDTA Started?

HIDTA areas are designated by the Director of the Office of National Drug Control Policy (ONDCP) in one of two ways. The Director may designate one or more counties as High Intensity Drug Trafficking areas after analyzing intelligence data and assessing the drug threat with the region, or after a coalition of law enforcement agencies within an area petitions the ONDCP to become designated as a HIDTA area. Before making the decision, the Director of ONDCP consults with the Attorney General, Secretary of Treasury, Secretary of Homeland Security, heads of drug-control agencies, and respective governors.

The regional HIDTA program forms an executive board composed of federal, state, and local law enforcement officials that hire a HIDTA Executive Director. With the drug threats identified, the HIDTA Executive Director, at the direction of the Executive Board and working with interested law enforcement agencies, begins developing strategies and initiatives to combat the threat. The Director and the executive board put together task forces (one or more task forces per initiative), establish intelligence centers, and work to develop a budget and a set of performance goals for each initiative.



Program Policy: Refer to Sections 2.2 and Appendix C of the Program Policy (2020) for information about the factors considered when the director designates counties as HIDTA areas.

Strategy and Initiatives

The strategy is a HIDTA's response to a drug threat, and initiatives implement portions of the strategy. Each initiative targets a specific area, sets measurable goals, and maintains a separate budget within the HIDTA.

Some initiatives take years to complete, and each year, the HIDTA Executive Director, at the direction of the Executive Board, prepares a series of reports to describe the current drug threats within its area, a strategy to address the drug threats, and one or more initiatives or plans on how to implement the strategy.

Current HIDTAs are:

Alaska (2018) Appalachia (1998) Arizona (1990) Atlanta/Carolinas (1995) Central Florida (1998) Central Valley (1999) Chicago (1995) Gulf Coast (1996) Hawaii (1999) Houston (1990) Indiana (1996) Los Angeles (1990) Michigan (1997) Midwest (1996) Nevada (2001) New England (1999) New Mexico (1990) New York/New Jersey (1990) North Central (1998) North Florida (2001) Northern California (1997) Northwest (1996) Ohio (1999) Oregon/Idaho (1999) Liberty Mid-Atlantic (1995) Puerto Rico/U.S. Virgin Islands (1994) Rocky Mountain (1996) San Diego-Imperial (1990) South Florida (1990) South Texas (1990) Texoma (1998) Washington DC/Baltimore (1994)

West Texas (1990)

A Brief History of HIDTA

Congress established the HIDTA program to operate under the direction of the Office of National Drug Control Policy (ONDCP) by the Anti-Drug Abuse Act of 1988. ONDCP and the HIDTA Program were reauthorized by the Support for Patients and Communities Act in October 2018. Properly targeted, HIDTAs offer improved efficiency in countering illegal drug trade in local areas.

In 1990, Congress appropriated federal funds to five areas of the United States that were considered the most critical high intensity drug trafficking area "gateways" for drugs entering the United States.

As an innovative and unique program, ONDCP established a policy and strategy for the HIDTA program, consistent with congressional intent. The Office of National Drug Control Policy, an office within the Executive Office of the President, oversees the national HIDTA program. The program has achieved a great deal of success in breaking down old barriers between law enforcement agencies.

The HIDTA program has grown from the five areas designated in 1990 to 33 designated areas with over 840 initiatives in 2020. See the list of today's regional HIDTAs at the left.

Structure of the Program

The HIDTA program is organized under the Office of National Drug Control Policy (ONDCP), located in Washington, DC. The ONDCP has several anti-drug programs that it administers, so the HIDTA program is only one of its responsibilities.

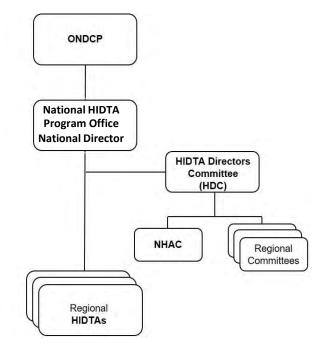
Let's look at the program's structure from three perspectives, starting with the national perspective at ONDCP.

National View

The diagram below shows ONDCP's many offices and where the HIDTA program fits within ONDCP.

ONDCP

- · Director's Office
 - · Policy, Research and Budget
 - Legal Counsel
 - · Management and Administration
 - Intelligence
 - Intergovernmental Public Liaison
 - Legislative Affairs
 - Public Affairs
 - Programs Office
 - Drug Free Communities
 - · HIDTA



Notice the HIDTA Directors Committee (HDC) – a committee of directors representing constituents in their region – directs the NHAC and the other regional committees. We will discuss the HDC and these other committees when we look at the regional view of HIDTA, but first, let's look at the role of ONDCP, the National HIDTA Program Director, and the NHAC.

ONDCP

Deputy Directors at ONDCP's National HIDTA Program Office review budget proposals, conduct onsite program reviews, and track each HIDTA's overall expenditures against its approved budget.



Program Policy: Refer to section 3.0 in the Program Policy (2020) for more information about ONDCP's activities for the HIDTA program.

National HIDTA Program Director

The National HIDTA Program Director provides executive leadership to the HIDTA program. The National HIDTA Program Director works closely with the HIDTA Directors Committee (HDC), a working committee to research current issues and propose solutions.

NHAC

NHAC, the National HIDTA Assistance Center, has its own budget and supports the HIDTA program nationwide. Like regional HIDTA programs, the NHAC has its own Executive Director, but the NHAC is governed by the HDC as its executive board in coordination with NHPO.

Located in Miami, Florida, the NHAC provides administrative support to the regional HIDTA programs. These services include:

- Administrative guidance and consulting services for HIDTA participants (regarding policy compliance, SF-424 applications, etc.)
- Independent external review of expenditure documentation
- Training in program management and tools, such as software used for fiscal and program management
- Software development and support for internally developed applications specific to the HIDTA program
- Media services, such as technology support and development of HIDTA-specific software and multimedia production (audio, video, print, and web pages)
- Administrative oversight of national program initiatives:
 - Domestic Highway Enforcement (DHE)

- National Emerging Threats Initiative (NETI)
- National Marijuana Initiative (NMI)

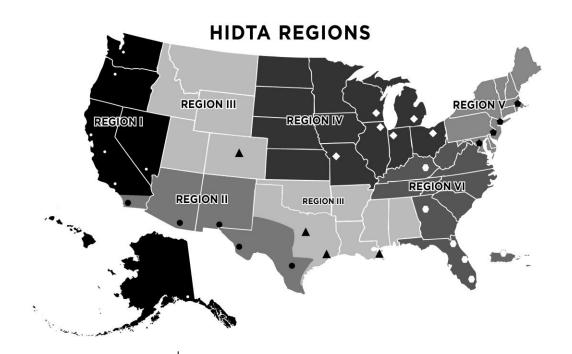
Regional View

With 33 HIDTAs across the United States, coordinating communications can be challenging. The HIDTA Directors Committee (HDC) works to improve the flow of ideas and suggestions among HIDTAs and provide feedback from the 33 areas to ONDCP.

To accomplish this upstream flow of communications, the nation is divided into 6 regions so regional committees can work through regional representatives. Each committee represents a functional area and exchanges ideas to propose solutions and provide feedback to the HIDTA program's leaders.

Why have regional committees?

To effectively manage the flow of ideas among regional HIDTAs programs and to give input to program leaders and policymakers at ONDCP.



Many regional committees have an ONDCP participant in an advisory role, and some have additional advisory members as well.

Example – the FMG

The Financial Managers Group (FMG) meets monthly to work on current financial issues and concerns. Its regular attendees include:

- 6 financial managers, 1 from each of the HIDTA regions
- HIDTA Executive Director, designated by the HDC to chair the FMG
- **ONDCP**
- Various advisors, as invited

Here is a list of regional committees.

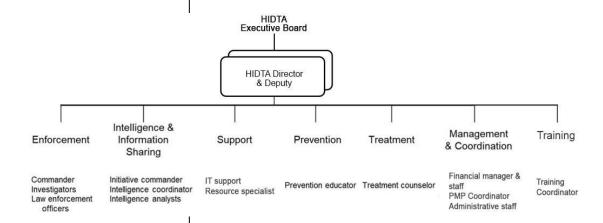
- **HIDTA Directors Committee** (HDC) is composed of 6 HIDTA Executive Directors that represent the HIDTAs within their respective regions. The HDC meets monthly or more often and oversees and reviews the recommendations of all other committees.
- **PMP Committee** composed of HIDTA Executive Directors and the PMP program director, this group guides the development of WebPMP (the software) and PMP (the management process).
- Financial Managers Group (FMG) composed of 6 financial managers to represent each of the 6 HIDTA regions, the committee also includes an ONDCP analyst, a HIDTA Executive Director, and other advisers to address current issues regarding financial management.
- **HIDTA Intelligence and Information Sharing Committee** (HIISC) – composed of HIDTA Executive Directors who represent their region, the HIISC meets monthly and includes an ONDCP analyst and the Chair of the IMAC in its membership.
 - Intelligence Management Advisory Committee (IMAC) – is comprised of ISC managers who represent the ISC managers within their respective regions. The committee reports to the HIISC, meets monthly, and includes the Chair of the HIISC in its membership.
- **Training Coordinators Committee** the 6 training coordinators forming this committee are regional representatives of the training coordinators within their respective regions. A HIDTA Executive Director participates in this committee as a liaison with the HDC.

Local View

In addition to the program policy and guidelines set by ONDCP, each local HIDTA is guided and managed by its own board of directors. You will read more about the management and operations of regional HIDTAs in Modules 2 and 3, but each regional HIDTA office is organized as shown below.

Executive management at the local level allows each HIDTA to make decisions, set local policies, and implement standard practices that are specific to the area's needs, threats, participants, and local environment.

Position titles within initiatives vary among HIDTAs because local HIDTAs determine the number and composition of each initiative required to accomplish the HIDTA's mission.



Key Terms to Know

To help you understand HIDTA financial management, you must know key terms of the program. You've already learned about initiatives, but the definition is included here again in the context of awards. These terms can help you understand the various aspects and viewpoints of the agencies that participate in the HIDTA funding.

- *Initiative* Activities that implement portions of a HIDTA Executive Board's strategy as opposed to an organization of activities/investigative efforts.
- Task force A group of law enforcement and investigative people who work together to carry out an initiative. Task force members remain employees of their respective agencies.
- Award Federal financial assistance that a non-Federal¹ entity receives directly from a Federal awarding agency or indirectly from a pass-through entity, and receives or administers in the form of grants.
- *Sub-award* An award provided by a pass-through entity to a sub-recipient for the sub-recipient to carry out part of a Federal award received by the pass-through entity.

¹ Non-federal refers to state, local and tribal law enforcement agencies, institutions of higher education and non profit organizations.

Award \$ Award \$ Award \$ Award \$ Initiative Initiative Initiative Initiative Initiative **Initiative Initiative** F Α В C D Ε G

HIDTA Awards

In the above diagram, notice that each initiative is funded by one or more awards. Initiative E is funded by two different awards. One award may be for program year 2019 and another may be for program year 2020.

There are 7 major types of initiatives:

- Enforcement
- Prevention
- Intelligence and information sharing
- Treatment

- Support
- Management and coordination
- Training

Multi-Agency Participation

Multi-agency participation means full-time Federal and full-time state or local (optimally both state and local) agency personnel participating in an initiative and within any single or multiple subcomponents of an initiative (e.g., task force, squad, group, or unit) under a single initiative supervisor. This can include members from multiple agencies such as federal agencies (e.g., DEA) and a variety of non-federal entities such as the state bureau of investigation and the county sheriff's department. Entities with participants in the initiative receive benefits from HIDTA funds and are known as *resource recipients*.

Each task force is required to have both full-time federal employees and full-time state, local, and tribal employees assigned to the task force. If not, the HIDTA must obtain a waiver from ONDCP.

Resource recipients are the nonfederal entities that benefit from the HIDTA funds, via direct grants, sub-awards, or contracts.

An initiative may have one or more task forces, or units, that specialize in certain areas of expertise.

Program Policy: Refer to Section 6.0 in the Program Policy (2020) for more information about HIDTAinitiatives and multi-agency participation.

The Flow of Award Money

Grants are instruments to transfer money from the federal government to non-federal entities. HIDTA grants provide funding for the work of HIDTA initiatives. Keep in mind that a HIDTA typically has many approved initiatives and many grants in process at any time. The HIDTA must budget and account for funds by separate initiatives within each grant.

There are two types of HIDTA awards.

- Federal transfers a lump sum non-expenditure transfer of budget authority to the recipient agency at the beginning of the two-year award period
- Federal grants these provide one-year funding to nonfederal entities distributed via reimbursements and advances during a two-year award period

Within the HIDTA program, the agency or organization directly receiving HIDTA funds is called an award recipient, so this term refers to both types of awards: federal and nonfederal.

For federal award recipients, the recipient agency executes a Memorandum of Agreement with ONDCP and spends the funds for HIDTA needs according to its portion of the HIDTA budget.

Non-federal entities receive grants from ONDCP, so they are known as grantees. A grantee may or may not serve as a fiduciary to other non-federal HIDTA participants. Grantees performing the fiduciary role disburse grant funds for HIDTA expenditures incurred by itself and those incurred by other nonfederal entities participating in the HIDTA.

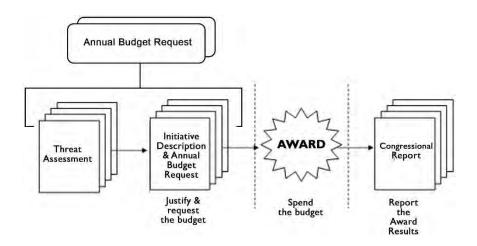
i Important: The HIDTA must budget and account for funds by separate initiatives within each award.

Program year – A 12-month period beginning January 1 for which budget needs are planned, requested, and granted for a HIDTA's operation.

A Year in the Life of a HIDTA

The HIDTA program operates in periods of time called program years. A *program year* is a 12-month period that begins on January 1. Each regional HIDTA Executive Board plans for and requests funds needed for a program year; HIDTA funds are awarded for expected expenditures within a given program year.

The entire cycle of a program year looks like this:



Goal 1:

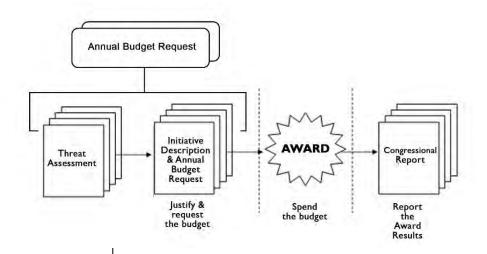
Disrupt the market for illegal drugs by dismantling or disrupting drug trafficking and/or money laundering organizations

Goal 2:

Improve the efficiency and effectiveness of HIDTA initiatives

Threat Assessment

HIDTA participants (assigned by the HIDTA Executive Board) review and assess the region's drug threats and needs based on expected changes in threats within the region's drug threats. They review, for example, the available published reports as well as recent, locally-developed intelligence data.



Annual Budget Request

To combat the regional HIDTA's threats, HIDTA participants design an organized plan – a set of initiatives (with task forces) to accomplish specific activities toward meeting the goals. The HIDTA Executive Board takes an active role in this planning.

Each initiative has specific activities planned, and each initiative has a proposed budget for resources needed so that the initiative can operate as planned. The Annual Budget Request (ABR) includes an annual threat assessment and initiative description and budget proposals (IDBPs). Keep in mind that not all of an initiative's resources are provided by awards; participating agencies contribute personnel, facilities, equipment, and other resources to set up and carry out the initiative's activities.

funding for initiative needs; individual agencies contribute many of the initiative's resources.

HIDTA does not provide 100%

HIDTA funds enhance each agency's contribution and efforts.

Award

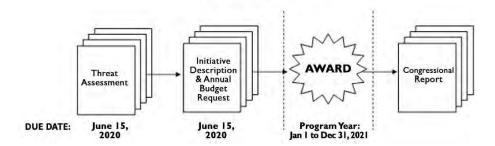
Once ONDCP reviews the entire budget request (threat assessment and analysis and proposed initiative descriptions and budgets), ONDCP provides a summary budget request to the Congress for consideration. Once Congress appropriates funds, award letters announce the HIDTA award to non-federal award recipients, and MOAs (Memorandum of Agreement) announce awards to federal agencies.

Congressional Report

At the conclusion of the year, the ONDCP reports the HIDTA Program's annual performance and results to Congress.

As you can see below, HIDTA participants prepare the Annual Budget Request long in advance of the program year.

Program Year 2021



Threat Assessment

- Current drug threats in the region
- Trends, projections, and outlook

Initiative Description and Budget Proposal (IDBP)

- Initiatives to support HIDTA Goals 1 and 2, with performance targets for each
- Budget needs
- Level of participation (positions, full-time or part-time, collocated members, etc.)

Congressional Report

• Performance summary for previous program year

Other Documents

• Waiver requests and required certifications

Federal vs. Non-federal Awards

Here is a summary chart highlighting the differences between the two types of awards.

Federal Award Recipien	ts
------------------------	----

Two-year award period

Extensions not allowed

Transfers of budget authority as a lump sum after the MOA is signed

Award document is Memorandum of Agreement (MOA).

PY begins October 1st.

Non-federal Award Recipients

Two-year award period

Extensions allowed

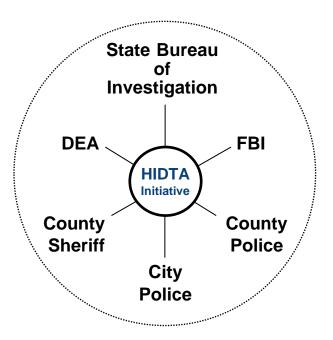
Funds distributed incrementally during award period

Award documents are award letter and Grant Agreement.

PY begins January 1st.

Agencies Working Together

You can think of a regional HIDTA as a collection of law enforcement agencies working on initiatives within a given geographic area. The HIDTA program keeps all of the agencies coordinated and working together to achieve their goals to fight drug trafficking.



The above diagram depicts a HIDTA initiative with its participating law enforcement agencies that continuously work together sharing intelligence, coordinating activities, and developing prosecutions.

The diagram could also include treatment and prevention entities such as non-profit organizations that deliver antidrug campaigns within their communities.

Ethical Issues

Ethics become an important issue when dealing with government money because of the legal consequences of violating federal laws and regulations. Here is a brief list of some of the more common ethical issues encountered in managing HIDTA funds:

- HIDTA property being used for non-HIDTA purposes
- Conflict of interest: making purchases with HIDTA funds on behalf of the agency, yet receiving personal gain (commission, incentive, etc.)
- Not reporting suspicious or illegal activities to authorities
- Keeping for personal use rebates, incentives, or kickbacks for purchases made with HIDTA funds

For the purpose of our discussion, "personal" gain extends to family members.

The easiest way to discuss ethics is through real-life examples.

Example 1

Suppose you are the HIDTA financial manager preparing the annual budget. One agency has requested an expensive alarm system that you recall was requested and approved in last year's budget. It might be a new location (although it doesn't appear to be), or it might be a replacement of the previous alarm system (maybe the previous one was insufficient).

Example 2

Again, you are a HIDTA financial manager preparing the annual budget. You notice that one agency has requested a new photocopy machine, yet because of its location in a busy, public place within the agency, you are certain that the photocopy machine will be used for non-HIDTA work.

Example 3

You are an accounting clerk with the county police department. Because of the difference in budget calendars, you have already submitted the costs for all of the officers to receive cell phones, and the new phones are currently being distributed.

Your supervisor asks you to prepare a simple worksheet for next year's HIDTA budget to estimate certain prices, and you notice that the HIDTA budget items include the cost of 11 cell phones for enforcement personnel. You are only asked to research the costs, and your name appears nowhere on the HIDTA forms.

Example 4

You are a purchasing agent for the county police department, and you need to purchase new office furniture. The type of furniture specified in the requisition is the same type your family friend sells, so you award the purchase to your family friend.

Example 5

The HIDTA is trying to deplete old grant funds (2015) before spending new grant funds (2016 and 2017). The initiative commander asks to purchase equipment budgeted for 2017 using the 2015 leftover funds.

Can he use 2015 funds to purchase the equipment early?

Best Practice:

For common problem areas, the regional HIDTA Executive Board can create a policy to prevent abuse.

Refer to page B-5 for sample code of ethics implemented at one HIDTA (and directed by the Executive Board).

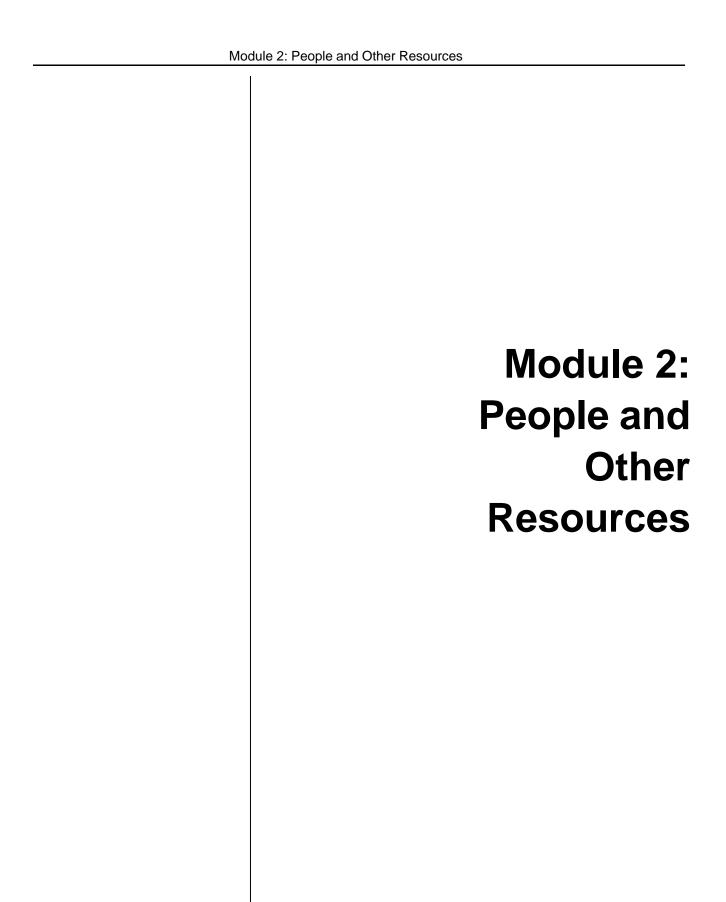
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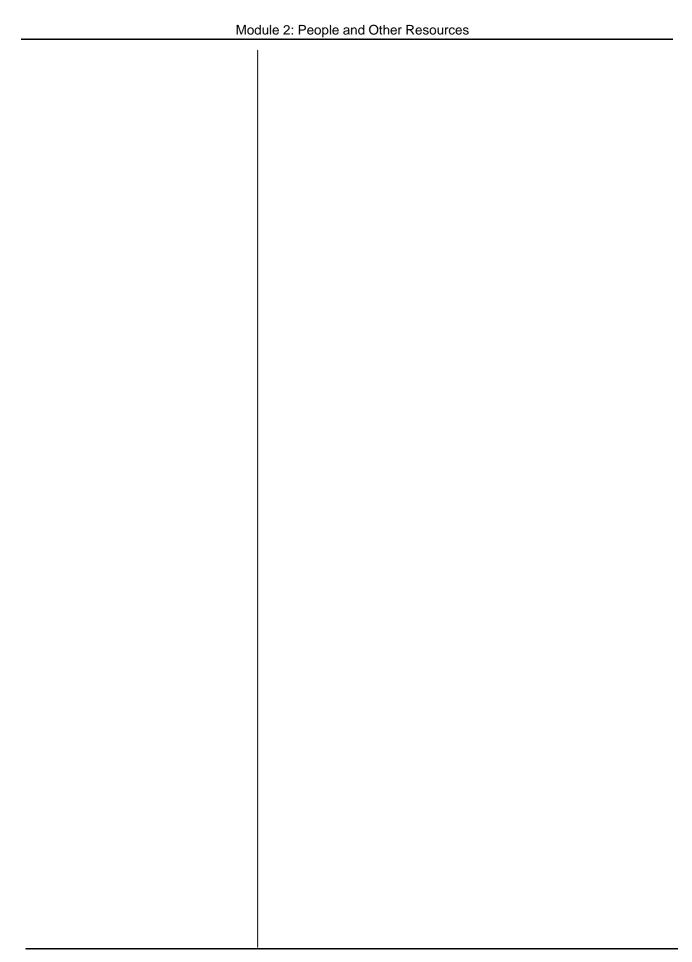
Key Points

- HIDTAs provide an organized response to a region's drug threat.
- HIDTA awards provide funding for a coordinated effort between federal and non-federal entities working on the same goal.
- There are 2 types of HIDTA awards:
 - federal transfers, which transfer budget authority from ONDCP federal agencies, and
 - federal grants to non-federal entities for incremental spending during the grant's 2-year period.
- All HIDTA award recipients and resource recipients (organizations) and all HIDTA participants (individuals) must follow specific federal policies and HIDTA program policies, regulations, and guidelines.

Identify a few ideas from this module that you intend to implement at the earliest opportunity and write them in the space provided.

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2.	
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Learning Outcomes

At the end of this module, participants will be able to:

- Identify your organization's role in the HIDTA program
- Describe key roles for managing HIDTA funds including
 - fiduciary staff
 - participating agency staff
 - **HIDTA Executive Director**
 - HIDTA financial manager
 - initiative members
- List 2 or more software programs used by HIDTA participants
- Describe the fiscal management cycle of HIDTA funds

All federal agencies follow federal regulations for fiscal management, including accounting, procurement, and auditing procedures and methods.

Grantees are always nonfederal entities.

Both federal and nonfederal entities can be called *award recipients*.

Participating Entities

When discussing HIDTA participants, we must discuss the entities and the individual people, because both are important as resources to the HIDTA program.

Federal Agencies

Federal employees assigned to HIDTA initiatives follow their own agency requirements as well as the local HIDTA's procedures and policies. An assigned fiscal agent at the agency interacts with 1 or more employees assigned to HIDTA initiatives – perhaps that HIDTA-assigned employee is an initiative commander. The fiscal agent tracks each initiative's HIDTA expenditures and sends quarterly reports to the HIDTA Executive Board to report the status of each account balance.

Non-federal Entities

Non-federal entities participating in the HIDTA program must follow certain federal regulations about how federal financial assistance can be spent. ² Each is a legal entity with an authorized official who signed the grant agreement, a legal contract that binds the entity – how it spends the funds, reporting requirements, and so forth.

The grantees use HIDTA funds for approved HIDTA purposes, including reimbursing other non-federal entities for their approved HIDTA expenditures. All non-federal entities that expend HIDTA funds are known as *resource recipients*.

Over 800 federal agencies and non-federal entities participate in the HIDTA program – in various proportions of funds. Rather than manage hundreds of individual grants to non-federal entities, each HIDTA Executive Board designates one or more grantees to serve as an accounting center for the remaining non-federal entities.

² Non-federal refers to state, local, and tribal law enforcement agencies, institutions of higher education, and non-profit organizations.

Many grantees serve as a fiduciary to distribute grant funds to other non-federal organizations that participate in the HIDTA.

The fiduciary agency handles the funds for non-federal organizations that participate in the HIDTA.

Federal agencies handle their own funds; recall federal agencies receive their funds in one lump sum transfer.

New Fiduciary?

It can take two months or more to establish a new fiduciary. Contact your policy analyst at ONDCP for assistance, and start early.

The Fiduciary Role

A grantee that receives and distributes funds to other participating agencies is serving as a *fiduciary*, an entrusted manager of HIDTA funds. The fiduciary must maintain accounting records of all transactions for expenditures of the grant funds. HIDTA funds cannot be commingled with the fiduciary's own funds.

The fiduciary also makes sure all expenditures follow the approved budget, keeping each initiative's transactions separate. The non-federal entities that rely on the fiduciary, submit monthly invoices seeking reimbursement for HIDTArelate expenditures.

How many fiduciaries does a HIDTA have?

The number of fiduciaries vary among HIDTAs, depending on the volume of transactions, the number of non-federal entities participating in the HIDTA, and the capabilities and limitations of the fiduciary agency. For example, HIDTAs with a heavy volume of accounting transactions may divide the burden among two or more fiduciary agencies. Some HIDTAs find it simpler to have a single fiduciary agency handle all of the funding for non-federal participants. Each regional HIDTA decides the most practical solution for its many resource recipients.

How to become a fiduciary

Some non-federal entities volunteer to serve as the fiduciary, and some organizations are recruited, but the regional HIDTA Executive Board ultimately makes the selection of which agency or agencies will serve as fiduciary.

Fiscal officer of the fiduciary (individual)

Most fiduciary entities have a *fiscal officer* who is responsible for all of the budget and accounting matters of the entire organization. The fiscal officer's job title can vary, so for simplicity, we call that person a fiscal officer. For the HIDTA grants, the fiscal officer may or may not sign the award documents, but this is the person responsible for complying with HIDTA policy and federal regulations associated with the award.

Accounting staff of the fiduciary (individuals)

The fiduciary agency's accounting staff of bookkeepers, accounts payable clerks, and administrative staff handle the day-to-day accounting transactions. Often a single accountant or bookkeeper is responsible for processing HIDTA payments to vendors, resource recipients, and in some cases, making centralized purchases for the HIDTA initiatives.

Resource Recipients

Each participating agency spends according to its portion of the approved budget. Furthermore, each participating entity has its own fiscal officer and accounting staff to manage the agency's expenditures, including the expenditures for HIDTA purposes, for which the entity will invoice and seek reimbursement from the fiduciary. The entity's accounting staff processes accounting transactions and submits an invoice to the fiduciary each month seeking reimbursement of its expenditures for approved HIDTA transactions.

Example of a task force and its members

Suppose, for example, a HIDTA has several initiatives underway. One initiative, the Meth Lab Reduction Initiative, has a task force of 7 members, including 1 DEA agent, 2 county sheriff deputies, and 4 local police officers – a total of 1 federal and 6 non-federal officers. The 6 non-federal officers work for 4 different agencies, and each agency has its own accounting staff. Therefore, each officer's parent agency – 4 different non-federal agencies in this example – invoices the fiduciary for its officers' HIDTA overtime.

FYI: The Program Policy mentions "financial manager" only once (role is defined at each HIDTA, not by Program Policy); it never uses the term "fiscal officer" (a role we use for training purposes).

Key Players

Federal or non-federal entities receiving direct HIDTA awards

Fiduciary role by grantees Fiscal officer Accounting staff

Resource recipients (participating non-federal entities) Accounting staff Note: The fiduciary entity may also have an officer assigned to the initiative, so the fiduciary may also receive benefit from the HIDTA funds.

Regional HIDTA Offices

Each HIDTA is a separate organization with its own management structure and office staff. The regional HIDTA office is managed by a HIDTA Executive Director and has its own executive board, to which the director reports.

HIDTA Executive Director

In financial management of HIDTA funds, the HIDTA Executive Director is the one who leads the development of the budget for the initiatives and carries out the policies set by the HIDTA Executive Board. The HIDTA Executive Director must ensure an adequate inventory tracking system and ensure that safeguards are in place to prevent loss, damage, or theft of property purchased for HIDTA use.



Program Policy: Refer to Section 6.3.1 in the Program Policy (2020) for more information about the HIDTA Executive Director's responsibilities, as well as Section 8.0 regarding property-related responsibilities.

HIDTA financial manager

All HIDTAs have a *financial manager* who oversees the awards for all initiatives underway within the regional HIDTA.

The HIDTA financial manager is responsible for ensuring that HIDTA funds are being spent according to policy, so the financial manager may implement certain controls, checks, and balances to ensure adherence to policy. The HIDTA financial manager serves as the single point of contact for all HIDTA participants regarding financial policies and procedures.

A local HIDTA is not a legal entity, so it cannot enter into contracts. All contracts, purchases, hiring, etc. must be carried out by one or more of the participating agencies of the HIDTA.



Be sure everyone knows to ask the HIDTA financial manager first about all budget and financial policy questions. The financial manager knows HIDTA program policy, federal regulations, local policy set by the Executive Board and the HIDTA Director, and all of the procedures to follow.

The HIDTA financial manager usually works closely with a subcommittee of the Executive Board to coordinate the budgetinput for all of the HIDTA's initiatives.

During the budget process, the HIDTA financial manager answers budget questions from the initiative commanders. Throughout the year, the HIDTA financial manager monitors initiative budget balances and works closely with the initiative and the fiduciary's accounting staff to ensure initiative budgets are followed, as well as program policy for managing HIDTA funds.

The HIDTA financial manager also answers policy questions from the task force members as they spend money and request reimbursements.

HIDTA staff

The HIDTA staff is usually one or more people who handle the management and coordination of HIDTA activities. A HIDTA office may be as small as 4 people (the director, the deputy director, the financial manager, and one staff member) or as large as eight or more staff members, depending on the volume of work the office manages.

Lead agency and initiative members

Initiatives are carried out by the people assigned to them, and each initiative has an initiative commander or supervisor from the *lead agency*. The lead agency is often the agency with the most expertise in a particular area, or it may be the agency with the greatest investment in the initiative's success. For example, the FBI or IRS (Criminal Investigation Division) is commonly designated as the lead agency for initiatives that target money laundering because these agencies have considerable expertise in this type of investigation.

The commander is usually the one who compiles the initiative's budget needs, organizes its activities, and performs leadership duties.

Note: The designation of an agency as the lead agency does not affect financial management activities.

A HIDTA has no employees; all HIDTA members are paid by an external employer (either the fiduciary agency, an agency participating in the HIDTA, a contract employment firm, or another entity).

Parent agency – the agency for which a person works, i.e., the entity that hired him and pays him. Each employee must follow his parent agency's policies and rules.

Human Resources

Because many task force members are employed by a variety of agencies, it can be difficult to identify the parent agency of the employee. In fact, the task force member or staff member might not be a regular employee of the hiring agency. Consider all of the following scenarios as possible in the HIDTA program.

Scenario A

The parent agency sends its full-time agency employee on assignment to the HIDTA. The employee is funded by the agency's payroll costs, as a regular employee.

Scenario B

The parent agency hires a contractor specifically for HIDTA use. The parent agency pays the contractor's wages, but the parent agency receives reimbursement (i.e., HIDTA funds) to pay for the added payroll cost.

Scenario C

The parent agency hires a new, full-time employee and assigns the employee to the HIDTA program. Before offering the job to the employee, the employee signs a pre-employment agreement stating that the position is limited to the agency's involvement and reimbursement for wages from the HIDTA funds. The employee acknowledges that if the HIDTA program terminates, so does the employee's employment, and no further obligation or benefits are provided beyond the HIDTA program's funding.

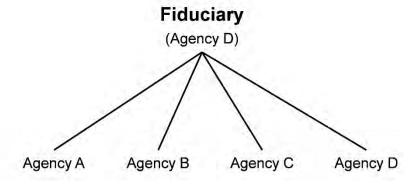
Scenario D

The parent agency sends its full-time agency employee on assignment to the HIDTA, similar to Scenario A. In this agency, however, the employee's regular payroll cost is reimbursed by the HIDTA program – as a condition of the agency providing the employee to the HIDTA program.

Notice in each scenario described previously, the agency that provided an employee (by contract or full-time conditional permanent agency employee) may or may not be funding the employee. The agency may pay the employee, and the agency may or may not receive reimbursement for payroll cost from HIDTA grant funds.

Consider the diagram below, and identify your employer's role in the HIDTA program.

Grant to Non-federal entity



Participating entities

Discussion In what way does <i>your</i> parent agency participate in the HIDTA program?

Funding for People

Regardless of how the agency hires or provides members to the task force, each person participating in the HIDTA works on the shared goals and mission of the HIDTA. Some task force members are funded by HIDTA grants and others are not. Some positions are full-time, 100% dedicated resources (most common), while other positions are partially dedicated to HIDTA work.

important: The funding source for your position and others within your initiative does not affect the way you work at the HIDTA.



Group Exercise #1: Who Am I?

Directions

Assume each agency of the task force makes its own HIDTA purchases. For the clues below, identify who is speaking. Use the list of actors provided, and you can use the same actor more than once. Choose from the following list:

- A. HIDTA Executive Director
- B. HIDTA Executive Board
- C. HIDTA financial manager
- D. Fiduciary entity's fiscal officer or accounting staff
- Participating entity's accounting staff
- Task force members

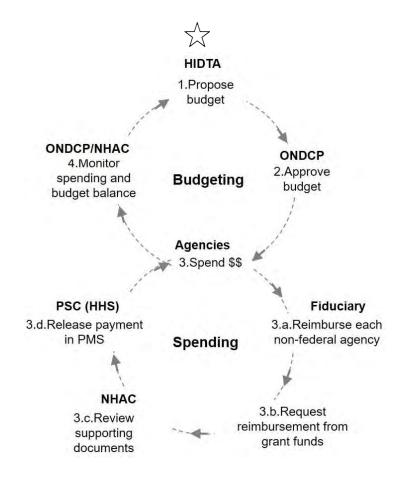
Who Am I? Clue I receive and distribute grant funds to every state, local, and tribal law enforcement agency working with the initiative. I handle the bookkeeping tasks; bring me your receipts if you want reimbursement. _____ 3. I am responsible for monitoring the budget. I make sure that money spent is allowable under the HIDTA policies. 5. I signed the award documents, and I'm ultimately responsible for the grant funds being spent according to policy. I set local HIDTA financial policies as needed. I answer all financial questions at the HIDTA; ask me first. I make sure the money is spent according to budget. I'm in charge of the day-to-day management and coordination of the

HIDTA's management activities.

Fiscal Management Cycle

The fiscal cycle of HIDTA funds begins with the budgeting process. The HIDTA Executive Director works with many members of the HIDTA to prepare a budget proposal for the HIDTA's activities in the next program year.

The HIDTA Executive Board approves the budget proposal, and the HIDTA Executive Director sends the proposed budget to ONDCP. Once it is approved and the signed award letters and MOAs are returned, spending of the funds can begin.



In the case of federal agencies, the budget authority is immediately transferred to the federal agency, and the federal agency typically spends and handles only the funds awarded directly to that federal agency.

For the many non-federal participants, however, the HIDTA funds are pooled and awarded to a single award recipient to disburse to the other agencies. Recall this grantee is known as the fiduciary, because funds for the benefit of others are entrusted to the grantee.

All task force members know they can spend the money designated as their portion of the initiative's budget, so throughout the year they spend the grant money according to the approved HIDTA budget.

As state, local, and tribal task force members spend money, each member's agency submits receipts and an itemized invoice to the fiduciary agency, requesting reimbursement. The fiduciary agency issues checks to reimburse the various participating agencies for their HIDTA-approved expenditures.

Periodically, the fiduciary agency replenishes its cash by requesting an incremental drawdown (or payment) of its grant funds to reimburse its out-of-pocket funds that were provided to the participating agencies. The Program Support Center (PSC) within the Health and Human Services (HHS) operates the online software that provides the grant payments.

As the year progresses and HIDTA funds are spent and dispersed, the ONDCP, the NHAC, and the HIDTA management itself monitor the spending and the remaining budget balances. Everyone is concerned that the funds are spent according to program policies (and rules) and that funds are spent according to the budget plan approved by ONDCP.

Software tools at HIDTA:

- Excel
- Financial Management System (FMS.net)
- Performance **Management Process** Program (WebPMP)
- Payment Management System (PMS)
- Case Explorer
- HIDTA Online **Training Tracker** (HOTT)
- Clearance Management System (CMS)

Software at HIDTA

Excel

Like most accounting offices, accounting staff members and managers use Microsoft ExcelTM extensively. How you choose to use Excel is up to you, but you will find that many nonaccounting colleagues are proficient in Excel as well, so it becomes a common program for passing data back and forth.

FMS.net

HIDTA financial managers and others who work with HIDTA funds use the Financial Management System (FMS.net) to keep track of the budget and disbursement details. This Internetbased program records and tracks budget account balances, including reprogramming transactions and expenditures of HIDTA funds.

WebPMP

Directors and other management staff use the Performance Management Process (PMP) database program to record the HIDTA's performance goals and actual achievements for a program year. High level initiative descriptions and budget summary information are also input in this program so that ONDCP can collectively report on the entire HIDTA program.

PMS

Fiduciary agencies use the Payment Management System (PMS), a program provided by the Program Support Center (PSC) at the HHS. Authorized users at the fiduciary make requests for incremental drawdowns of their remaining grant funds. Approved payment requests lead to funds deposited to the fiduciary's banking account. Fiduciaries also use PSC to file required quarterly financial reports, and HIDTA financial managers have viewing only accounts to monitor awards and assist their HIDTA's fiduciaries.

Software at HIDTA (continued)

Case Explorer

Some HIDTAs choose to use Case Explorer to manage investigation data to identify overlapping cases, subjects, and events. Case Explorer performs matching of the data, so case managers can be aware of duplication or overlapping work performed elsewhere in the nation. Most importantly, Case Explorer detects and forewarns overlapping events so that officer safety is assured.

HOTT

Provided and supported by the National HIDTA Assistance Center (NHAC), the HIDTA Online Training Tracker program (HOTT) records and calculates training events and the hours of training provided. Training coordinators rely on financial managers to provide actual training costs (salaries, fringe, cost of training room space, printing costs, etc.)

CMS

The Clearance Management System allows HIDTA members to process, track, store, and report clearance applications – all in one centralized program. The system is used primarily for applications to Department of Homeland Security (DHS) which ONDCP processes, but users can also record non-DHS clearance records as well. Centralized records allow each HIDTA to monitor all of the clearance records for its HIDTA's members. You can see, for example, which security clearances are soon to expire and the remaining budget funds available.

Note: This list of software tools allows you to see the entire set of software programs mentioned in the process of describing the work of a financial manager. Separate training is available for each.

Other Software Tools

Because FMS does not track encumbrances or obligations – critical to financial management of HIDTA funds – many HIDTAs use other programs such as Quick Books, Access, or similar accounting systems, in addition to the standard set listed here.



Group Exercise #2 What's Wrong With This Story?

Directions

For each story below, find the error or false statement.

Storv A

The San Walter Valley HIDTA has been spending money according to the budget plan. At this HIDTA, the director submits a request for reimbursement, and ONDCP sends out reimbursement checks to each agency that spent money on behalf of HIDTA initiatives.
Story B
The Wells County Police Department (a resource recipient) wonders where the reimbursement check is. Surely it must be in the mail. The police department calls NHAC to see what the delay is, and when to expect the money to arrive.

Story C
The Canadian Border HIDTA has prepared a budget for each of its 13 initiatives. The HIDTA Executive Direct reviews the budget, approves it, and sends it to NHAC the National HIDTA Assistance Center.

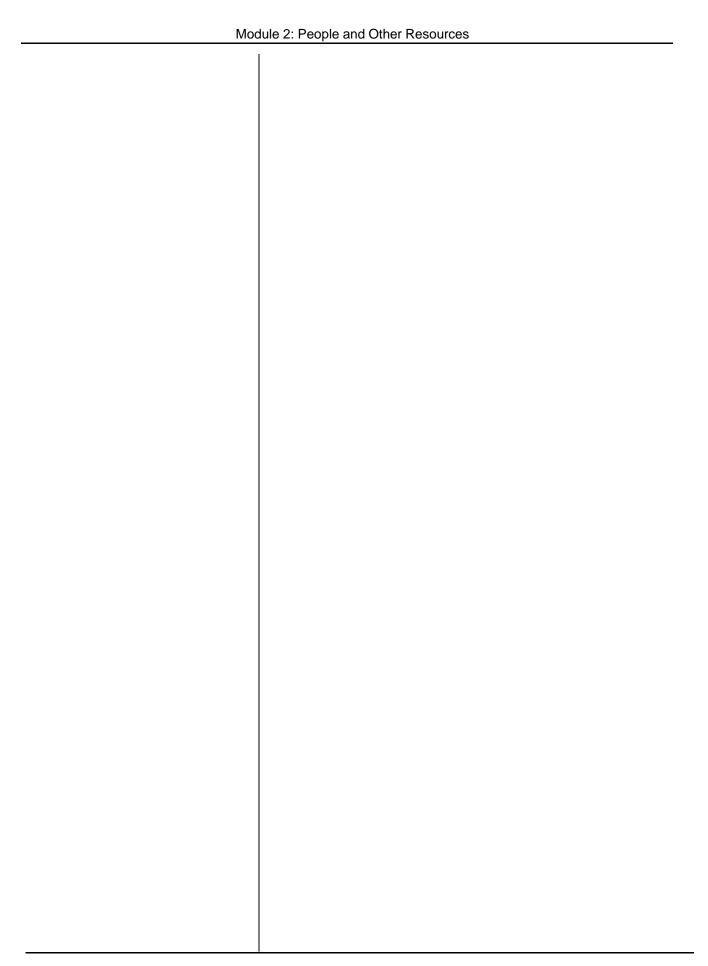
Key Points

- Many entities participate in the HIDTA program; learn your role and your parent agency's participation.
- Federal agencies receive transfers of funds at the beginning of the award period.
- Non-federal entities receive funds by way of a direct grant or indirectly through a fiduciary entity, an entity entrusted to disburse funds to participating agencies.
- The fiscal management cycle begins with a proposed budget to fund each initiative and ends when the grant funds satisfy each HIDTA-approved use in the budget.

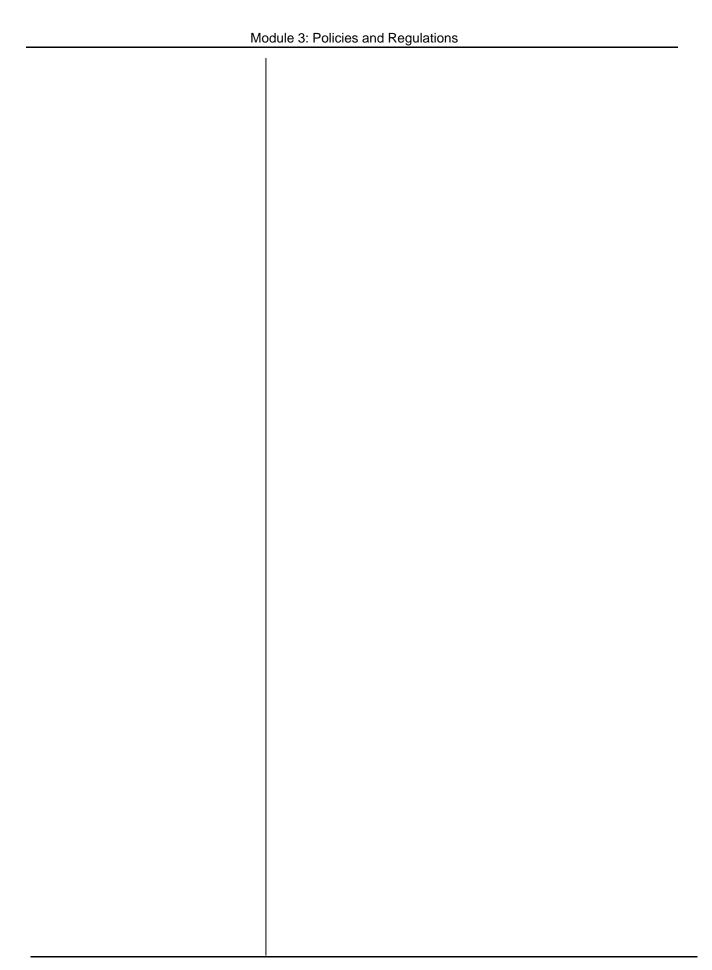
Identify a few ideas from this module that you intend to implement at the earliest opportunity and write them in the space provided.

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Module 3: **Policies and** Regulations



Learning Outcomes

At the end of this module, participants will be able to:

- Define key terms commonly used in policy documents
- Name two or more policy documents that direct the use and management of HIDTA funds and describe each
- Use policy documents to research and answer common questions from HIDTA participants
- Explain the types of audits of HIDTA funds
- List the common records examined during an audit
- List four types of audit outcomes

Overview of Policies and Regulations

There are many policies and regulations for HIDTA participants, and no one is expected to know them from cover to cover. However, everyone expending HIDTA program funds must adhere to the policies and regulations, so you need to know where they are documented for reference.

Many federal statutes and regulations affect the HIDTA program and its participants, but our discussion focuses on two of the most important ones:

- HIDTA Program Policy and Budget Guidance (known simply as Program Policy)
 Source: ONDCP Japuary 6, 2020
- Source: ONDCP, January 6, 2020

• Uniform Guidance³ Source: OMB, November 12, 2020

The grant agreements list additional federal statutes and regulations which direct the grantees, and other policies and regulations also direct your daily operations.

Of course, the details of these regulations, policies, and guidelines are things that you will research and follow on your own after this course.

Note: Whenever you spend public money and work in a public service capacity, it is your responsibility to learn and follow the applicable regulations and policies.

³ Uniform Guidance is the short name for 2 CFR Chapter I, Chapter II, Part200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, published in Vol. 78, Number 248, December 26, 2013.

Level of Knowledge Varies

The level of knowledge for policies and regulations varies depending on your role in the HIDTA program. Below compares some of the differences among HIDTA participants and the level of knowledge needed for their roles.

HIDTA Program Policy and Budget Guidance

HIDTA Executive

Director

Needs to know the whole document in general and the responsibilities of all of the participants – especially

the director responsibilities.

HIDTA financial

manager

Needs to know the whole document in general and the sections on fiscal management, e.g., Sections 6 and 8,

in detail.

Grantee fiscal officer and accounting staff members

Need to know the fiscal management sections e.g., Sections 6 and 8, in

detail.

Uniform Guidance

Grantee fiscal officer and Chief Administrator

Need to know the regulation well enough to fully implement it throughout the grantee's

organization and comply to grantee

requirements.

HIDTA financial manager

Needs to know the regulation well enough to search, interpret, and cite

the regulations, to apply the regulation and its technical

corrections to the HIDTA program, in order to provide accurate technical support to the grantee and others

within the HIDTA.

HIDTA Executive Director

Needs to know the regulation in overview including the areas to which it introduced significant change to HIDTA participants.

Best Practice:

Watch carefully for supplanting, which is specifically prohibited in HIDTA grants, and auditors will look for this.

Auditors examine three aspects of HIDTA expenditures:

- ✓ Allowable
- ✓ Reasonable
- ✓ Allocable

Key Terms

Before you begin reading policy documents, you'll want to know a few key terms. This brief list provides the basics; many policy documents provide their own definitions. Here are just a few to get started:

- Policy a set of rules required to comply with federal regulations
- Guideline an explanation or description of how to conduct operations to abide by policy
- Supplant the acceptance or use of HIDTA funds as replacement of funds which have been appropriated for the same purpose (For example, it is unlawful to supplant the county police department's budget for cell phones by funding the officers' cell phones with HIDTA funds.)
- Reprogram the act of reallocating or shifting budget amounts between accounts, as changes are needed
- *Allocation* the distribution or assignment of cost accounts, initiatives, agencies, or award recipients.
- Allowable costs expenditures that are determined by policy to be reimbursable under the provisions of the grant agreement and the policies of the HIDTA program (and related regulations)
- Reasonable costs costs that do not exceed what would be incurred by a prudent person under the circumstances prevailing at the time the purchase decision was made

The HIDTA Program Policy and Budget Guidance does not supersede the OMB Uniform Guidance Requirements.

HIDTA Program Policy and Budget Guidance

The HIDTA Program Policy and Budget Guidance provides a comprehensive overview of the HIDTA program's policies, guidelines, and practices. This is the first document you should read when joining the HIDTA program.

The best way to describe this document without an assignment to read every word is to provide a partial table of contents, with a few notes about the contents in each section.

Section 2. **Program Overview**

Describes the program's mission and goals, how a HIDTA gets started, and how it generally operates with a mix of agencies

Did you know ...

the Director of ONDCP designates areas to become eligible for HIDTA funds?

Section 3. **ONDCP Oversight**

Explains the roles and responsibilities of the Office of National Drug Control Policy (ONDCP)

Did you know ...

ONDCP monitors and evaluates the success of individual HIDTAs to ensure the accountability of the program?

Section 4. HIDTA Directors Committee

Explains the roles and responsibilities of the HIDTA Directors Committee.

Did you know ...

the HDC facilitates the sharing of information with ONDCP on matters of mutual interest related to the management of the HIDTA program?

Section 5. HIDTA Executive Boards

Explains the roles and responsibilities of the HIDTA Executive Board

Did you know ...

all HIDTA Executive Boards are responsible for providing direction and oversight to the HIDTA, managing funds, reviewing and approving all funding proposals consistent and the annual budget submission package, and conducting internal reviews.

Section 6. HIDTA Initiatives

Identifies and describes the major types of initiatives in the HIDTA program

Did you know ...

There are four initiative types all HIDTAs must maintain?

Section 7. Financial Management

Describes major financial management requirements, including limitations on the use of funds, for the HIDTA Program

Did you know ...

Prior approval by ONDCP is required to use HIDTA funds to pay salaries for specific positions assigned to a HIDTA initiative?

Section 8. Property Management

Describes how to acquire, use, track and dispose of HIDTAfunded property and equipment

Did you know ...

Every grantee or resource recipient must conduct a 100% physical inventory of all HIDTA-purchased equipment every 2 years?

Section 9. Information Technology (IT) Management

Describes the requirements to maintain and secure the IT necessary to fulfill the HIDTA mission.

Did you know ...

IT security includes protecting equipment, systems, networks and information against cyber-attacks and other vulnerabilities?

Section 10. **Performance Management**

Explains the Performance Management Process including how to set performance goals and targets for the current year

Did you know ...

Performance targets for each HIDTA are negotiable and can be revised by ONDCP when a HIDTA receives *supplemental funding from ONDCP?*

Real Life Example

Suppose you want to use HIDTA funds for paying overtime for task force members who already have budgeted funds available through their own agency's budget. The agency is trying to shift some of the overtime funding to HIDTA to free funds for other agency use.

You look in the HIDTA Program Policy and Budget Guidance, Section 7.5, and you find a specific rule against using HIDTA funds to supplant agency budgets. The rule states that "HIDTA funds must be used to supplement existing activities and must not replace (supplant) funds that have been appropriated for the same purpose."



Group Activity: Document Drill

For each issue below, research the issue in the HIDTA Program Policy and Budget Guidance to find the relevant HIDTA policy. Note the answer and provide the exact section number to substantiate your answer.

Issue	Policy Document
1. Are soap and other personal hygiene articles allowable expenditures?	
2. Is there a maximum on how much overtime a HIDTA law enforcement officer can be paid with HIDTA funds?	
3. Who ensures sufficient property management and control are provided for HIDTA-purchased property?	
4. Who holds the title to HIDTA-funded equipment and property?	
5. Where is the HIDTA's annual budget request submitted?	
6. Can a HIDTA office host (provide food) for a barbeque outing for children as part of an anti-drug campaign?	
7. Can I increase my initiative's budget next year for a drug treatment program?	
8. Can HIDTA funds pay for vehicle fuel?	

Key HIDTA Policies

You will learn many HIDTA program policies during the course, and below are the key policies every HIDTA participant should know. (For almost every item, however, exceptions are possible.)

- HIDTA funds can be used to enhance, but not supplant, other agency funding.
- HIDTA expenditures must be allowable, reasonable, and allocable.
- HIDTA funds cannot be used for the following expenditures:
 - personal hygiene items (soap, paper towels) unless part of standard office supplies or needed for cleanup of hazardous substances
 - clothing (promotional hats, t-shirts)
 - food
 - purchase of weapons or ammunition
- Every HIDTA must have an intelligence and information sharing initiative to access and share data from various agency databases.
- Full-time HIDTA task force members assigned to enforcement and intelligence initiatives must be collocated and commingled.
- Overtime paid by HIDTA funds is limited to 25% of a GS-12, Step 1 salary for law enforcement officers, not specific to any location.
- Overtime to federal employees is not allowed except in special circumstances. Policy specifically allows overtime for uniformed federal employees:
 - U.S. Customs and Border Protection
 - U.S. Forest Service

Previous regulations replaced by the Uniform Guidance include:

- OMB Circular A-87: Cost Principles for State, Local, and **Indian Tribal Governments**
- OMB Circular A-102: Grants and Cooperative Agreements with State and Local Governments
- OMB Circular A-133: Audits of States, Local Governments, and Non-Profit Organizations
- 21 CFR Part 1403: Uniform Administrative Requirements for **Grants and Cooperative** Agreements to State and Local Governments

The Uniform Guidance

The Uniform Guidance is a comprehensive body of regulation issued by the Office of Management and Budget (OMB) that all recipients of federal financial assistance must follow. The Uniform Guidance contains definitions, regulations, and rules for the entire scope of federal grant administration, such as:

- Grant management definitions
- Award administration and management
- Cost principles, i.e., what is allowable and not
- Audit requirements and guidelines

The regulations apply to:

- Federal agencies that issue grants to non-federal entities
- Non-federal entities that receive federal financial assistance by way of direct grants from federal agencies
- Non-federal entities that receive federal financial assistance as sub-awards from direct grant recipients

Official document title

The Uniform Guidance is the common name for the OMB regulation titled:

> 2 CFR Chapter I, Chapter II, Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards

Where You Can Get a Copy

The Uniform Guidance is available formats and each has advantages and disadvantages, as shown in the table below.Locations for obtaining the documents listed below are provided in Appendix C, page C-3.

Multiple formats

The Uniform Guidance is available from several sources, in several formats, and each has its advantages and disadvantages as shown in the following table.

Comparing the sources

	Pros	Cons
.pdf file	The official OMB announcement in the <i>Federal Register</i> , known as the Final Rule; includes the Preamble. Available from OMB's Chief Financial Officers Council, at: https://www.cfo.gov/policies/uniform-guidance/	Must locate and manually apply 3 technical corrections, as needed to each section.
eCFR	Online data, updated daily, with all technical corrections edits applied. Locate by searching the title at www.eCFR.gov . Tip: Use Boolean Logic on left panel.	Not the official, legal regulation.
	eCFR's online search tool, with Boolean logic, lets you look multiple phrases at once. Results are entire sections of text. Can download search results as an .xml file.	Cannot easily scan nearby text to see the context of a regulation, unless you display the entire section.
Annual Edition: Paperback book	Printed book with all technical corrections are applied as of the 12/31 print date. Published by GPO.gov, so it is an official, legal edition.	Cannot easily search, must manually navigate through the sections.

A Closer Look at the Contents

The regulation is grouped together as "Part 200," with smaller portions, called "subparts."

Structure

Below is a diagram of the .pdf document's structure; recall the .pdf document is a reprint of the OMB announcement in the Federal Register.

Title page – (Part 200)

[Preamble]

Summary

Supplemental Information

Background and Objectives

- Support Implementation of the President's Management Agenda
- II. Meeting Statutory Requirements and Aligning 2 CFR
- III. Clarifying Requirements Regarding Areas of Misinterpretation

[Editing instructions]

Chapter I: Remove all "subchapters"

Chapter II: Change title and add Part 200, which follows

Begins here

Table of contents

Subpart A – Acronyms and Definitions

Subpart B – General Provisions

Subpart C – Pre-...Award Requirements ...

Subpart D – Post-...Award Requirements

Subpart E – Cost Principles

Subpart F - Audit Requirements

Appendix I

... through

Appendix XII

Ends here

Delete the old parts, named 215, 220, 225, etc.

[End of editing instructions]

Uniform Guidance Announcement in The Federal Register

Preamble

Introduction Objectives Major Reforms

Part 200 - the regulations

Table of Contents

Sections 01 ...

Sections 100 ...

Sections 200 ...

Sections 300 ...

Sections 400 ...

Sections 500 ...

Appendices I - XII

Preamble

The preamble was provided in the .pdf file version that announced the regulation in the Federal Register on August 13, 2020, but the preamble is not regulation. The preamble introduces the regulation, provides a background to how it was developed, and explains the purpose and scope of the regulation. The preamble provides discussion about the comments received from the grants community regarding the early drafts shared with the public to seek feedback.

Scope

In addition to bringing many grant regulations into a single uniform guidance document, the Uniform Guidance identifies four strategies to work towards maximizing the value of grant funding including:

- Operationalizing Grants Management Standards
- Establish Robust Marketplace of Modern Solutions
- Manage Risk
- Achieve Program Goals and Objectives

You can find all of the strategies in the preamble to the Uniform Guidance.

(i) Important:

Notice the length of Part 200. This is important to remember when reading the circular because it may state, "....in this Part ..." and that means the Uniform Guidance, Chapter II, Part 200.

(i) Important:

A section is a numbered topic within the subpart. This is important to remember should the circular state ".... within this section..."

Best Practice:

When citing the Uniform Guidance, be precise about the location. For example: ___.101(b)(1)

Use quotation marks for exact wording, e.g., cite text by using copy and paste and quotation marks.

Part 200

The official regulation begins immediately before the table of contents and ends at the conclusion of Appendix XII. When reading the Uniform Guidance, any reference such as "...elsewhere in this Part..." means Part 200 – so it is important to know the beginning and the ending points. All definitions will be found in Section .1.

Table of contents

This is an invaluable tool, because in addition to showing you the contents and locations, it also serves as a marker for:

- The beginning of Part 200
- The acronyms and definitions, which immediately follow

Subparts and sections

Subparts group topics together into common themes or limits in scope. Within subparts, individual provisions are assigned section numbers such as 200.303, which we can abbreviate as .303.

Sections are numbered to indicate their location within a subpart:

0)

⁴ Subtitles are captions to partition a subpart and help the reader see that a group of sections relate to a single topic. Omit the subtitles from your citations; they are not helpful as a lookup tool.

Best Practice:

For lengthy sections like .430, locate the beginning, (a), and the ending, (i), before reading the voluminous details of each.

Best Practice:

Leave yourself marks and notes for the next time you visit the Uniform Guidance.

Best Practice:

Watch for and comply with the Uniform Guidance's "must" statements, and consider the "should" and "may" statements as suggestions and guidance.

Tips for Reading the Uniform Guidance

Scan before reading in depth

Identify all of the parts before reading the details. For example, .332 begins with:

All pass-through entities must:

- (a) Ensure ---
- (b) Evaluate ---
- (c) Consider ---
- (d) Monitor ---

.... And so forth.

Start with the whole

Locate and mark the divisions within the subpart or section. Locate the ending.

Mark it up – use scant but consistent markings

Mark it up the way most useful to you; use pencil when starting. Develop a consistent method for marking; keep marks scant. For example:

Rectangle – marks the title of each subpart.

Circle – identifies each segment of a section, for example, (a), (b), and so forth.

Dash – tic marks at each item within a list of items – useful for lengthy passages where you risk losing sight of the entire list.

Lookup definitions, constantly

Understand every word before continuing; stop and lookup unknown words. Pause to digest passages as needed. Look up words again in the future to refresh yourself with the definition. Sometimes definitions depend on the context, which makes them challenging to remember, e.g., *federal award* in _____**.1**.

Watch for key words

Watch for important words such as must vs. should. Their meanings are significantly different within regulations.

Stay on track

When the Uniform Guidance refers to other sections and documents for related information, finish the primary passage and its full content before turning to other topics and documents. You may not need the referenced topic.

Use 2 copies at once

Print out the section of interest to you.

Document the date of the version. While reading the printed document, refer to the eCFR to find other sections or terms referenced. For example, if an unknown term is used in a passage, return to _____.1 in the eCFR and look up the unknown term.

Divide lengthy sentences into smaller segments

Some passages are so lengthy, that a single idea can be 100 words or more. Consider bracketing extraneous information that you do not need to read at the moment.

Expand your knowledge with the FAQs

The frequently asked questions (FAQs) can be useful to enlighten and clarify the intended meaning in many areas.

Eliminate non-HIDTA topics

HIDTA is not a cost sharing or matching funds sort of financial assistance program, so you can eliminate regulations that target those applicants or recipients.

HIDTA grants are non-competitive, so regulations for public notices and announcements do not apply to HIDTA grantees.

Example

Some grants require, for example, the awarding agency to follow a formal process of Notice of Funding Opportunity, so that prospective grantees receive the same pre-disclosure of available grant funds.

HIDTA grants require recipients to pass specific criteria (such as law enforcement, treatment, or prevention missions).



Activity: Search with Speed

Use the Uniform Guidance to answer each topic below. Provide the exact citation to substantiate your answer.

	Issue	Uniform Guidance
1.	Where in the Uniform Guidance is the HIDTA program given specific instructions or rules?	
	Hint:	
	Look up "HIDTA", then "High Intensity"	
	Look up "ONDCP", then "national drug control"	
2.	<u>How many</u> times is prior written approval from ONDCP mentioned?	
	Hint:	
	Look up "prior written approval"	
3.	Look up the definition of internal controls. What 3 areas do they address?	
4.	The <u>table</u> at Section101(b)(2) describes the subparts of the Uniform Guidance that apply to different award types. Which subparts apply to HIDTA funds?	
	Hint:	
	HIDTA grants are not competitive awards.	

Major Impact Areas to HIDTA

Here is a list of several ways the Uniform Guidance regulations apply to HIDTA grantees and subrecipients.

- Procurement standards and methods for non-federal entities are specified as the five claws of procurement; the entity must follow the same procurement system entity-wide.
- Grantees who serve as fiduciary for other HIDTA participants must determine if sub-awards or contracts best portray the relationship with the grantee.
 - Sub-awards require the grantee to perform pre-award risk assessment, procurement standards review, and post-award monitoring of subrecipients
 - Contracts require the contracting entity (grantee or subrecipient) to ensure compliance with terms and conditions of the contract which reflect cost principles, HIDTA program policies, etc.⁵
- Regulations provide pre-determined indirect cost rates for grantees and subrecipients, .332(a)(4)(i), should they request it. Two rates are possible: a pre-certified, approved rate that was federally negotiated or a de minimis rate (10%) if the non-federal entity has never had an approved indirect cost rate.6
- New standards exist for documenting personnel expenses, i.e., timekeeping requirements.
- The grantee is responsible for implementing and maintaining sufficient internal controls, and the grantee should impose additional conditions on subrecipients if needed; .303.

^{.327} requires all contracts funded by federal assistance to include specific contract language, as provided in Appendix II.

⁶ Nothing in the regulations prohibits locally negotiating lower rates. There is no requirement for the grantee or subrecipient to seek reimbursement for indirect costs. See FAQ .331-5 and .331-6.

Other Sources of HIDTA Policies

In addition to the HIDTA Program Policy and Budget Guidance and the Uniform Guidance for federal grants, there are other important sources for policies and guidelines that affect HIDTA work.

- HIDTA Executive Board policies and guidelines; initiative guidelines
- The fiduciary's policies and standard practices
- Each parent agency's policies, guidelines, and standard practices, i.e., the agency that employs the initiative members
- Award documents, sub-awards, and contracts, i.e., signed agreements with specific terms and conditions

Best Practice:

For each policy source document you encounter, be sure you know its definitions before you begin.

Variety of Terms

Because there are multiple sources for regulations and policies for the HIDTA program and its participants, and they were published at different times by different sources, HIDTA participants encounter a variety of terms.

As mentioned earlier, be sure you know the definitions as you read each document – this advice is useful for every document you encounter.

Translating HIDTA Terms

The table below illustrates the variety of terms in use for HIDTA. Rather than trying to memorize the different terms and their sources, consider the table below a way of making you aware that the differences do – and will likely continue to vary as you work with different source documents and software.

Equivalent terms in various sources

Program Policy (2020)	Grant Agreement (2017)	Financial Management System (FMS.net)	Uniform Guidance (2013)
grantee grant recipient fiduciary award recipient pass-through entity non-federal entity	grantee award recipient non-federal entity	award recipient	recipient non-federal entity pass-through entity ⁷
resource recipient subrecipient contractor	subrecipient contractor	resource recipient	Subrecipient, contractor non-federal entity
award period period of performance	period of performance	award begin/end dates award period	period of performance

Warning: Watch out for the variety of terms as you read policy documents from

different sources.

⁷ A grantee that issues and monitors a sub-award is called a *pass*through entity in the Uniform Guidance.

Prime awards

Another term used in everyday language about federal awards is *prime*. A *prime* award is the award made by a federal awarding agency. Grants are an example of prime awards from ONDCP; sub-awards and subcontracts are not prime awards.

Commonly Misused Terms

The following terms are commonly misused, or at least, used with very relaxed definitions much different than the strict definition policy documents and professionals in the field use.

Review / Audit

Audit is a formal process with a very strict meaning according to GAGAS⁸ to verify, validate, and authenticate business records and financial reports and render an opinion of their accuracy.

Review does not have the same formal, strict definition. Instead, review is simply to look over, to survey something written, such as a report or accounting records.

To avoid misunderstanding, be clear about how you use these words. Reserve the use of *audit* for the official, strict meaning.

In the HIDTA program, desk audits are an integral part of internal control. A desk audit is a limited-scope examination of documents and records, conducted without reviewing the source of the transactions.

⁸ Generally accepted government auditing standards.

Depending on the context, either of these definitions may apply:

Federal award – funding

Federal award – instrument

Federal award

Look at the definition in _____.1 and notice that this term can refer to either:

- Funding dollars
- Agreement documents that state the terms and conditions
 - Grant agreements
 - Cooperative agreements or other forms
 - Contracts issued under Federal Acquisition Regulations (FAR)

Be prepared. It is only a matter of time before your work is audited guaranteed.

Program Accountability

In any industry, auditors aim to make sure financial reports accurately reflect the organization's operations, and that members of the organization are following the policies and guidelines set forth for the organization. For example, auditors may visit a county police agency and take random samples of transactions to determine that adequate operating guidelines are in place to properly execute operations and the operating guidelines and policies are being routinely practiced.

The same is true for auditors of HIDTA operations. Because there are so many federal, state, and local agencies involved in the operations of a HIDTA, audits can occur at any time from a variety of external sources.

Reviews Internal to the HIDTA Program

ONDCP and the regional HIDTA Executive Board are jointly responsible for oversight of the HIDTA program, and therefore both ONDCP and regional HIDTA executive boards perform periodic reviews.



Program Policy: Section 3.2.3 in the Program Policy (2020) describes HIDTA program reviews, and Sections 7.30 and 7.31 describes grantee financial audit procedures in detail.

Annual review of program documents ONDCP reviews all program documents submitted to the ONDCP:

- Threat Assessment
- Initiative Description & Budget Proposal
- Line Item Budget

As the ONDCP analysts review the program documents, they may ask passback questions. These are usually requests for additional information or clarification of the document details.

Best Practice:

Fiscal audits provide duplicate questionnaires to the grantee and to the HIDTA Director. Before answering the questionnaire, get together and discuss the questions (not the answers) to make sure each of you have the same interpretation of each question.

IG Notes

As of 2012, Brown & Company is the accounting firm for financial audits.

Abt Associates, Inc. is the consulting firm contracted to perform periodic reviews of PMP data and practices.

Review of these documents allows ONDCP to stay abreast of the drug threats within each HIDTA, to review the HIDTA's strategy and approach for addressing the threats, and to review the funding requests to accomplish the HIDTA's goals. The ONDCP ensures that each HIDTA sets attainable, measurable performance goals and that each HIDTA is tracking its performance.

Desk, Financial and Performance Audits

ONCDP directs three types of formal audits of HIDTAs.

Desk Audit

ONDCP engages an independent auditor to perform a desk audit, conducted before any payment is made to a grantee to ensure that all payments to grantees are for actual costs incurred. This is to minimize the likelihood of improper payments and helps ensure that all payments are covered within the spending plan.

Financial Audit

ONDCP engages an independent accounting firm to conduct fiscal audits approximately every three years. The auditing team follows the guidelines described in Appendix XI to Part200 -- Compliance Supplement⁹. Following initial document reviews, most on-site reviews can be completed in 2 weeks. Refer to page B-40 for more information about how these audits are conducted.

Performance Audit

ONDCP engages an independent consulting firm, currently Acuity Consulting Inc., which conducts periodic reviews of the liability of the performance management process (PMP) data, the quality of internal controls, and compliance with the PPBG and PMP User Guide. On-site reviews are conducted for 3 to 5 days, and reports recommendations to enhance HIDTA's performance management.

⁹ This was previously known as the Circular A-133 Compliance Supplement. It is an extensive guide for auditors, published separately by the OMB, usually in the fall each year.

Annual Review by the Executive Director

Each HIDTA Executive Director is responsible for performing (or directing) a complete internal program review and preparing a review report.

Annual Initiative Evaluation

The Executive Board must establish an ongoing initiative review program, for both financial and programmatic issues, in order to determine each initiative's effectiveness.

The review report has no required format, but it should include an overall summary of the findings for the HIDTA and individual summaries for each initiative and program element reviewed. The Executive Director must retain a copy of the review report for at least three years 10 and make the report available at any time to the ONDCP if requested. Additionally, the Executive Director also must retain all working documents created during the review process, such as completed checklists and reports.

HIDTA Program Reviews

ONDCP conducts periodic program reviews of individual HIDTAs to ensure compliance with HIDTA grant requirements and to identify strengths and weaknesses across the HIDTA Program and provides recommendations in the form of final reports or corrective action plans.

Standard Reviews

ONDCP engages an independent auditor to perform a standard program review conducted following the completion of both financial and performance audits. This is to ensure that the HIDTA has implemented recommendations and corrective actions, identify best practices, and recommend improvements for the regional HIDTA to the HIDTA's Executive Board.

¹⁰ OSRs may be requested by a HIDTA Director or an Executive Board Chair

Comprehensive Reviews

A more comprehensive review of the HIDTA may be ordered by the Director of ONDCP or the National HIDTA Director as deemed necessary¹¹. These reviews intend to address specific matters of non-compliance at the initiative level and/or potential misuses of grant funds. Out of Sequence Reviews (OSRs) may span several weeks and trigger additional financial and performance audits. OSRs culminate in a Corrective Action Plan (CAP) delivered to the HIDTA's Executive Board, and may result in the reimbursement of grant funds from the HIDTA to ONDCP, a partial award or the complete withholding of future grant funds, and/or significant changes to the HIDTA's initiatives.

Financial Audits

As mentioned earlier, HIDTA management and operations may be audited as part of an entity's routine audits.

Single Audit

A Single Audit is a rigorous, organization-wide audit that examines the grantee's:

- financial statements
- grants listed on the Schedule of Expenditures of Federal Awards (SEFA)
- compliance with grant terms and conditions

The Uniform Guidance requires every grantee that expends over \$750,000 per fiscal year of federal funding must have a Single Audit or a program-specific audit each year. The advantage of a Single Audit is that it is comprehensive and all-inclusive; it avoids multiple program-specific audits. Single audit results for every government entity are posted on the Federal Audit Clearinghouse website, at

https://harvester.census.gov/facweb/.

Best Practice:

If the internal review reveals a critical or urgent situation, the HIDTA Director should contact ONDCP for immediate attention and guidance.

Best Practice:

The grantee should provide both ONDCP and the HIDTA financial manager with the same audit results (e.g., Web link or electronic file copy (.pdf) of the audit report).

external auditors and undergo a Single Audit, as required by .501. They are named single audits because all of the entity's federal awards can be reported ina single audit report, with each program's funding separately listed.

Results of Single Audits must be electronically posted to the Federal Auditing Clearinghouse, according to _____.512.

¹¹ The records must be retained for three years or until the next ONDCP on-site review is conducted – whichever is later.

What Triggers an Audit?

As previously discussed, Single Audits are triggered by the level of federal financial assistance the grantee receives, an CAFR audits are required in accordance with generally accepted accounting principles.

Unsatisfactory results on any audit

In addition to the regularly scheduled grant audits scheduled by ONDCP, ad hoc audits may also occur as a result of ONDCP's monitoring of grants and grantees.

Negative audit results

ONDCP, as a standard practice, monitors the audit reports of HIDTA grantees, e.g., single audits and CAFR of grantees. Both are a matter of publicly available data.

Suspicious activities or allegations of wrongdoing A local HIDTA can request ONDCP to review of one or more of its grantees following suspicious activities or allegations of wrongdoing.

Serious findings about a non-HIDTA grant program in a HIDTA grantee's Single Audit can trigger ONDCP to schedule an audit of grantee's HIDTA

Preparing for an Audit

The best preparation for an audit of any type is to practice good recordkeeping habits and to precisely follow the rules, regulations, policies, and administration guidelines of the HIDTA. If you are in a management position, be sure to make all accounting and managerial staff aware of the various policies and procedures applicable to managing HIDTA funds.

Every audit begins with advance notice that the audit team is scheduled to visit and the team sends a list of the records you must provide. The notice always lists the exact periods being reviewed and lists the records and documents the auditors wish to examine.

The full process (in recent years) is described in Appendix B, beginning on page B-14, including a list of materials auditors have requested in recent years.

The audit notice lists the people who need to be available to speak with the audit team and provides the dates of the site visit and the range of dates being examined. On-site reviews almost always involve the HIDTA Executive Director and financial manager, the executive board members, initiative commanders, and staff from the fiduciary agency.

You can speak with the auditor in advance of the on-site visit to plan appointments at agency and HIDTA offices and to clarify the exact audit documents required.

Checklist to Prepare for an Audit

The following list describes the types of records and documentation typically requested during an internal review by ONDCP: (You can expect a similar list to be requested by the external auditors.)

Internal and external audits – The HIDTA should have on hand any past audit reports or special analyses conducted internally or externally. These are important in case there were audit issues in the past.

Best Practice:

One auditor shared ... "There is a saying in auditing that if it isn't documented, it wasn't done."

Checklist to Prepare for an Audit -

continued

- Local policy and procedures The auditor assesses the HIDTA's organizational effectiveness in supporting the participating agencies. Clear policies and procedures facilitate agency compliance with HIDTA policies.
- Budgets, reprogramming, and extension documents The auditor will review current budget and reprogramming for accuracy and compliance with policy.
- *Quarterly federal agency expense reports* Auditors review federal agency reports and compare them to budgets, performing a budget analysis (looking at occurrences of variance and trends). Auditors also assess a HIDTA's effectiveness at monitoring the use of federal agency funds.
- Federal Financial Report (FFR) Auditors primarily focus on the quarterly financial reports to ensure the reported disbursements reconcile with data recorded at NHAC. There view may also assess the accuracy of the reports vis-à-vis figures reported in ledgers and summary expense reports for a given time period.
- Payroll source documents, such as:
 - *Timekeeping records* Auditors verify that the employer agency maintains accurate timekeeping records for each employee.
 - Overtime reports Auditors review reports prepared by agencies, HIDTAs, and/or initiatives; must be reconciled by to FMS by grant year and initiative.
 - OCDETF overtime Auditors verify that participating agencies requested OCDETF¹² funds to cover OCDETF/HIDTA cases (even if request was denied). HIDTAs can prepare for auditors by arranging access to local OCDETF and agency overtime records.
- General ledger and summary reports Auditors analyze budget to actual variances; they select sample transactions to examine from general ledger reports.

¹² Organized Crime Drug Enforcement Task Force – a designation made by the U.S. Attorney General and the U.S. Department of Justice

Checklist to Prepare for an Audit -

continued

- *Inventory records* Auditors must verify that inventory is being tracked according to policy and that the tracking records are accurate. Expect spot checks of inventory items. HIDTAs should maintain records that reconcile the difference between the budgeted amount and the equipment actually placed in inventory in order to explain what caused the difference and what items were purchased with the difference (if the actual cost is less than the budgeted amount).
- Additional ledger reports Quite often HIDTAs or initiatives maintain accounting reports that mirror agency records but provide additional accountability. Make these reports available for testing and sampling.
- Reconciliation reports These reports are only necessary for HIDTAs that maintain dual tracking systems. The review ensures that periodic reconciliation is accurately conducted.
- *Initiative/agency rosters* Rosters allow auditors to verify authorized users of HIDTA funds (i.e., who has cars, who is authorized for overtime, etc.).
- Bank statements, signature cards, and cancelled checks -Certain HIDTAs, through arrangements with their fiduciaries, have the ability to issue checks from checking accounts. Make all statements, signature cards, and cancelled checks available for review.
- PE/PI/PS records HIDTA auditors do not review informant or case files. However, agencies should provide all tracking tools, including ledgers, bank accounts, and receipt books.
- Contracts and leases Personnel services contracts and major leases should be available for auditor review.
- CFDA # A number auditors use to identify HIDTA grants; assigned and published in the Catalog of Federal Domestic Assistance.

PE/PI/PS Purchase of evidence. information, or services

Audit Results

At the end of the audit, the audit team members prepare preliminary results and present the results to the HIDTA Executive Director. At that time management may offer an explanation of certain circumstances or occurrences.

Within 60 days following the site visit, the audit team provides the final written report to the HIDTA Executive Director describing the conclusions of the review team's work.

The final audit report provides audit details with four types of conclusions:

- **Observations** These are positive comments the auditor may use to single out a HIDTA or individual for good work.
- **Recommendations** These are non-binding suggestions that can help operations. The HIDTA can choose to adopt the recommendation or ignore it.
- **Instructions** These indicate remedial corrective action needed by the HIDTA. Instructions are issued when HIDTAs or their participants are not in compliance with policy. HIDTAs have 90 days following the final report to report to ONDCP that corrective actions were made.

Audit Results

continued

- **Findings** These are issued for serious breaches of policy and these are the worst "grade" possible. Corrective measures must be implemented within 30 days of the final audit report. The findings can be further classified as:
 - Control weakness deficiency in internal controls that ensure accurate and reliable reporting and tracking of expenditures; these require immediate attention.
 - **Material weakness** deficiency in internal control over financial reporting; there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.
 - **Significant deficiency** a deficiency or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.
 - **Management letter comment** a letter provided to management to explain findings, conditions, and influencing factors to the audit process; often contain recommendations and suggestions to management.

ONDCP monitors the findings and instructions and assists the HIDTA in addressing the problems identified. ONDCP also shares good practices that audits reveal. Page B-40 provides a list of audit findings and recommended best practices developed by Brown & Company, the external auditors of HIDTA grantees.



Program Policy: For more details about the audit process and results, refer to the Program Policy, Sections 7.30 and 7.31.



Individual Exercise #3 Preparing for an Audit

Instructions

your Action		. Record	your fist

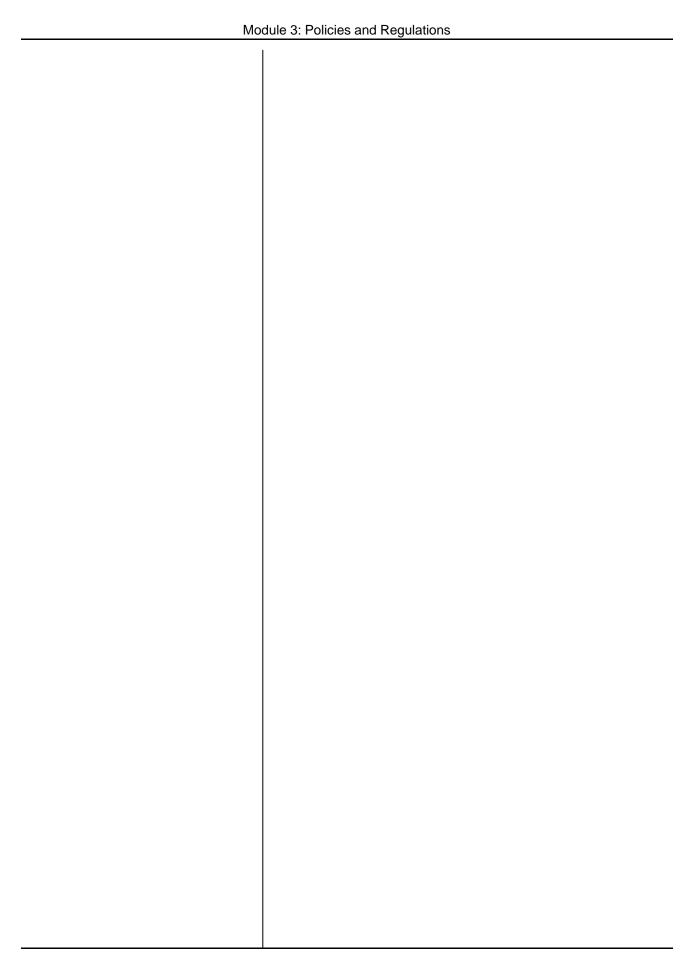
Key Points

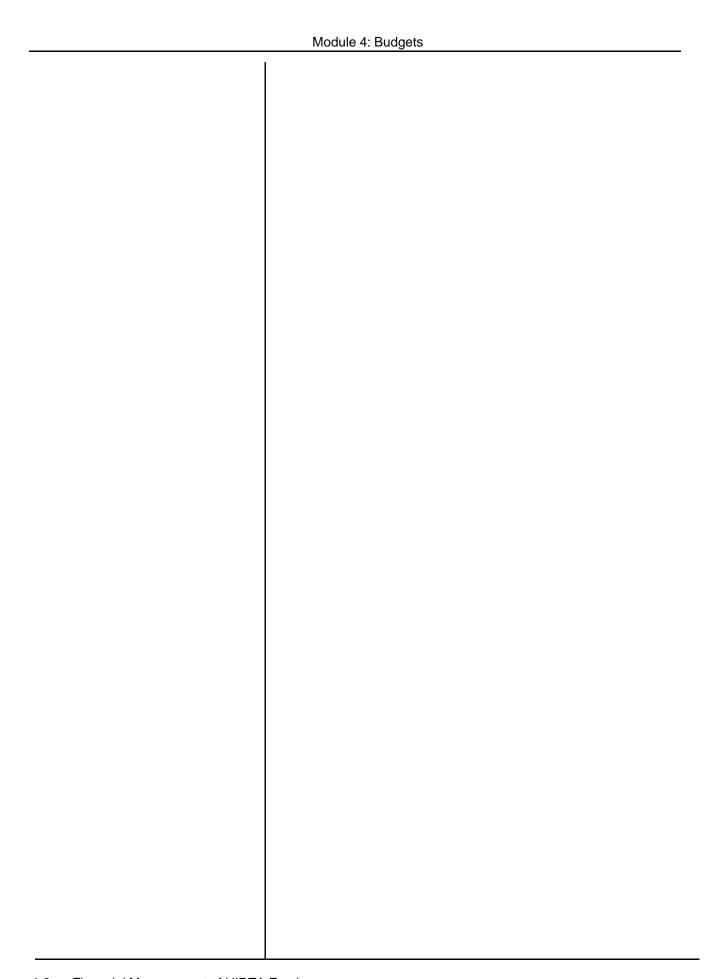
- HIDTA Program Policy (HIDTA Program Policy and Budget Guidance) is the key policy document to read. It is an all-encompassing look at the HIDTA program requirements.
- The Uniform Guidance gives detailed regulations to all federal grant programs
 - to ONDCP, the federal awarding agency for **HIDTA** grants
 - to all non-federal entities that receive HIDTA funds, either as prime grants or as sub-awards from HIDTA grantees
- Award documents highlight key conditions, but award recipients must comply with the HIDTA Program Policy and Budget Guidance and 2 CFR, Part 200, known as the *Uniform Guidance*.
- Federal agencies receiving HIDTA funds also abide by terms of HIDTA Program Policy and all federal regulations and policies.
- All participating entities must keep accurate and current records; audits are routine.



Identify a few ideas from this module that you intend to implement at the earliest opportunity and write them in the space provided.

1.	
-	_
2.	_
3.	_
_	_
=	





Learning Outcomes

At the end of this module, participants will be able to:

- Define key terms used in HIDTA budgets
- Describe the budget process at the national level and at your local HIDTA
- Identify key players during the budget process and describe their roles in preparing the budget
- Review a requested HIDTA budget for completeness and accuracy
- Describe how award documents fit into the budget process
- Describe the supplemental budget process

Overview of HIDTA Budgets

Each year regional HIDTAs prepare and propose a budget for their operations for the next program year.

FMS.net Software

The entire budgeting process is documented and tracked using a software program, the Financial Management System (FMS.net). If you have worked with the budget at HIDTA, you have either handled input for or reviewed outputs of this program.

Note: This course does not teach the FMS.net software program, although the FMS.net is the primary tool for tracking HIDTA grant funds. Our course teaches the concepts of budgeting and managing HIDTA grant funds. To learn about the FMS.net program, attend the FMS.net training course.

Key Players

The HIDTA Executive Director must coordinate the overall budget preparation effort under the direction of the regional HIDTA Executive Board. Many executive boards form a Budget Subcommittee to assist in the annual budgeting process.

Individual initiative commanders work with the financial manager to request and prepare budgets for their initiatives. For each resource recipient participating in the initiative, someone keys the individual budgets into the FMS.net program. This might be the task force commander, an assigned administrative person, or the financial manager.

The financial manager reviews and formally approves the budgets input to FMS.net. (FMS.net is a tool that helps the financial manager compile and review the budget requests.) The financial manager prints reports showing individual initiative budgets as well as summary reports for the entire regional HIDTA.

The budget process varies somewhat among HIDTAs, but all HIDTAs use FMS.net, and all HIDTAs have at least two local approval levels before submitting the budget data and documents to ONDCP.

Other Important Roles

Meanwhile, others at the HIDTA are preparing various documents and data to be submitted along with the budget data, for example:

- The intelligence initiative prepares the Threat Assessment by gathering statistical, anecdotal, and other types of data about the region and its drug market.
- The Executive Board prepares an initiative description, budget data, and supporting documents or explanations for the budget. He or she also records the performance target data and initiative description in the Performance Management Process database using WebPMP.

The Budget Request

Once all of the data and documents are prepared (under the guidance of the executive board or a subcommittee of the board), the HIDTA Executive Board submits all of the documents and data as a "budget request" to the executive board for approval.

Once approved by the Executive Board, the HIDTA Executive Director records the approval in the FMS.net software program and submits the budget request to ONDCP.

An ONDCP policy analyst reviews the budget request for program policy compliance and requests clarification and additional information as needed. ONDCP reviews and compiles all of the HIDTA budgets. Upon completion, the Director of ONDCP reviews and submits the final budget request to Congress for consideration.

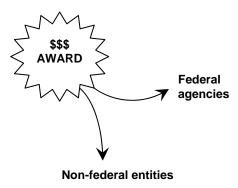
For discussion purposes, we use budget request to refer to the entire set of data and documents collectively submitted to ONDCP: These include:

- Threat Assessment
- · Data within FMS.net:
 - Detailed budget data by account and sub-account
- Data within WebPMP:
 - Performance goals
 - Initiative descriptions and budget proposal (IDBP) document for each initiative
- · Waiver requests and required certifications
- Other documents as needed to describe and prepare for the upcoming program year
- ONDCP Report

Approval

Once Congress appropriates funds, ONDCP notifies Congress of the plans for allocating the funds (i.e., ONDCP sends the budget after Congress makes the appropriation). ONDCP also sends grant agreements and MOAs to the award recipients.

Once federal agencies sign the MOAs, ONDCP transfers budget authority to their accounts. Non-federal¹³ award recipients, however, receive the money incrementally as reimbursements/advances during the grant period.



This is a simple overview of the budget process. You will learn more about the specific details later in this module.

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¹³ Non-federal refers to state, local, and tribal law enforcement agencies, institutions of higher education, and non-profit organizations.

Terms to Know

The terms listed below will help you understand the budgeting process. Some terms, such as award letter, were covered in earlier modules, but they are included again in this module so that you can see how the term relates to the budget process.

- Award letter the official document that announces the grant and sets aside an obligation of grant funds to the non-federal award recipient.
- *Grant Agreement* contains general provisions that describe requirements that apply to all Federal grants, and special conditions that apply specifically to that grant.
- *Memorandum of Agreement (MOA)* the agreement between ONDCP and a federal agency receiving HIDTA funds that is the equivalent of the Grant Letter provided to the state or local grant recipient. Officials of both parties sign the document.
- Appropriation the formal process of setting aside or "earmarking" money for a specific spending purpose. (Once money is appropriated by Congress, it is officially available to be awarded by ONDCP to the award recipients.)
- SF-424 an application for federal assistance (i.e., the HIDTA grant), which the NHAC prepares and distributes to the grantee.

The Mysterious Year

Here is a riddle:

How long is a year?
Answer: 12 months

When does the year start and end?

Answer: It depends.

Within the first week of your association with HIDTA, you will begin hearing about different types of years. Each definition of a "year" has its own start and end date. The problem is that each definition may vary depending on the agency or the context of the conversation.

Here are some of the terms you will encounter:

- Fiscal year
 - federal government—October 1-September 30
 - state, local, and tribal government—varies among agencies, but often begins July 1
 - calendar year—January 1 through December 31;
 known as the HIDTA program year
- Program year—A 12-month period beginning January 1, for which budget needs are planned, requested, and granted for a HIDTA's operation
- Reporting year— typically the calendar year so that law enforcement statistics are comparable between agencies
- Award period (funding period or period of performance)—the contracted, two-year period of time during which HIDTA funds can be (must be) spent.

The simplest term of all to use in most cases is the term *program year*. You can say, for example, that you recently prepared the Annual Budget Report for program year 2019 and that you prepared the budget for program year 2021.

The Budget Process at HIDTA

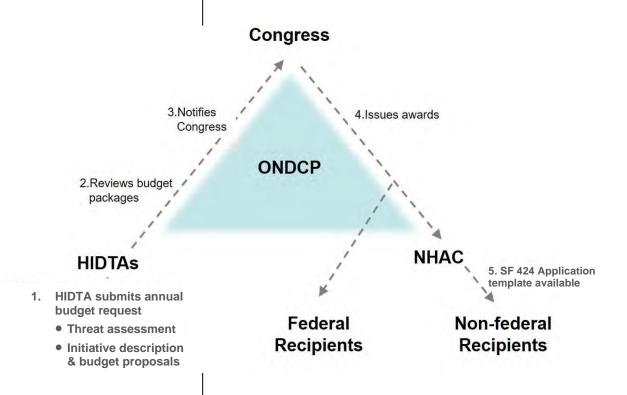
The budget effort at HIDTA usually begins late February or early March.

The documents submitted to ONDCP relate to the upcoming program year in preparation for a budget proposal or budget request to Congress.

Recall that the due dates of key budget components are as follows:

Collectively, these submissions to ONDCP are called *annual* budget request.

Threat Assessment June 15
Annual Budget Request June 15



Step 1: Prepare the Budget Request

There are many parts to the budget request because, as you may recall, many people input various portions of the data and prepare the required documents. The following steps (a) through (e) describe this process at the regional HIDTA in detail.

(a) Prepare the Annual Budget Request

Prepare the Threat Assessment

You might think that the budget process begins when each individual HIDTA prepares a budget, but the budget process actually starts earlier than that. The roots of a HIDTA budget are actually found in the assessment of the region's drug threat.

Prepare the Initiative Description

The HIDTA Executive Director, the deputy director, and even members of the HIDTA Executive Board, design and develop the initiatives that will be funded for the HIDTA to implement to address the threat.

Developing a strategy

The HIDTA management team (often including task force commanders) develops a strategy to address the region's drug threats. In developing a strategy, the team members consider the HIDTA's vision, mission, and the resources of the HIDTA participants. The team develops an organization of initiatives and performance goals for each initiative.

The strategy, for example, will have one or more intelligence and information sharing initiatives, one or more enforcement initiatives, and at least one support initiative (such as training and information technology).

The ONDCP provides formats for these documents each year.

Setting Performance Goals

The HIDTA management team, often negotiating with ONDCP, sets performance goals for each initiative. The goals demonstrate how the regional HIDTA contributes to the achievement of the national HIDTA program's two goals. The performance goals are included in the Strategy document and are recorded into the PMP database.

Prepare the budget proposals

Developing initiative budgets

Executive Boards develop budget proposals for each initiative described. Each budget depends on the needs of the initiative and the resources provided by the initiatives' participating agencies.

Keying budget data into FMS.net

The financial manager keys the data into FMS.net (the Financial Management System), preparing a separate budget for each resource recipient (i.e., each participating agency) in every initiative.

Notice that participating agencies may have multiple budgets – each budget representing that agency's portion of an initiative's budget. For example, if the Oconee Sheriff's Office participates in three initiatives, then the Oconee Sheriff's Office will have three separate budgets keyed into FMS.net.

Conversely, if the Intelligence and Information Sharing initiative has 14 participating agencies, then the financial manager keys 14 separate budget requests into FMS.net.

After compilation, each initiative has an initiative budget, and collectively, the HIDTA has an overall HIDTA budget.



Best Practice:

Prepare budgets from a zerobased budgeting perspective. This means each proposed cost must be justified as though it were a new cost, not just a continuation of the previous year's funding. Be sure to consider the performance goal for each initiative when planning for needed resources.

Initiative Description and Budget Proposal (IDBP) - a compilation of data from various software and sources that fully describes each initiative to justify the requested budget amount. See page B-44 for a sample IDBP of an enforcement initiative.

To submit the required program documents, such as the annual budget request and waiver requests, send all documents to

ONDCP HIDTA@ondcp.eop.gov

(b) Compile the Budget Request

At this stage, the HIDTA Executive Director collects all parts of the budget request and submits the package to the HIDTA Executive Board for approval. Recall that the budget request includes the following documents and data keyed into two software programs. The annual budget request includes:

- Threat Assessment document
- Initiative Description and Budget Proposal document (IDBP) which is output from the WebPMP program. This document includes:
 - Performance goals—data keyed into the PMP database
 - Budget data—data keyed in detail into the FMS.net program but sent in summary by initiative to WebPMP
 - Initiative descriptions—detailed data keyed into the PMP database that describes each initiative such as:
 - Agencies participating and agency personnel assigned
 - Mission of the initiative
 - Type of work the initiative will be performing

Approval at regional HIDTA (c)

The HIDTA Executive Board reviews, edits, and approves the budget request. Only after approval, does the HIDTA Executive Director submit the budget request to ONDCP.

Note: Submitting the package actually is sending documents to ONDCP via email, and clicking an approval box for all initiative budgets within FMS.net¹⁴. The approval in FMS.net is the trigger for ONDCP to begin reviewing the HIDTA's entire budget request.



Program Policy: Refer to Section 6.3.4 in the Program Policy (2020) for more information about the HIDTAExecutive Director's responsibilities regarding these documents.

¹⁴ In FMS, the HIDTA Executive Director records an approval of all individual budgets, and doing so, indicates that the HIDTA Executive Board has approved the budget and the HIDTA's budget submission is complete.

Step 2: Review Each HIDTA's Budget Request

ONDCP policy analysts review all documents and data of each HIDTA's budget request. Can you imagine the workload of reviewing budget requests with all of the supporting documents for each of the 33 HIDTAs?

In detail, here is what ONDCP does:

(a) Reviews the budget request

ONDCP performs a program review of every HIDTA budget submitted to make sure it accomplishes these things:

- Complies with policy
- Meets the region's drug threat(s)
- Is justified (initiative, strategy, and cost)

(b) Ask passback questions

As the review team reviews the budget request, the team prepares "passback" questions on unclear issues or other areas of concern. These passback questions usually ask the HIDTA Executive Director to provide more explanation or more detail or to resolve inconsistencies.

You can consider the review team's work as a quality control step to ensure that the budget requests are complete, clear, and free of errors.

Passback Questions

Ever wonder what causes the review team to ask passback questions? Turn to page B-51 to look at some of the most common triggers.

Step 3: Notify Congressional Committees

Once the review is complete and funds are appropriated, ONDCP notifies the Congressional Appropriations Committee of the planned allocation of funds by providing the committee a copy of the budget digest.

Step 4: Issue Awards

Once Congress appropriates the funds, the budget authority is available to ONDCP to obligate.

(a) Announce the awards

To announce the awards, the paper trail flows from ONDCP down and through the organization to the award recipients.

Federal award recipients

• ONDCP sends MOAs directly to the federal agencies.

Non-federal award recipients

- NHAC prepares and distributes SF-424s to HIDTA Executive Directors for distribution to the grantees.
- ONDCP prepares and sends award letters and grant agreements to the HIDTAs for review and distribution to the award recipients.
- HIDTAs forward the SF-424s and the award letters and grant agreements (with budgets attached) to the award recipients for signature.



Best Practice:

Once you receive your approved budget from ONDCP, be sure to check it against the budget request you submitted. The numbers may have changed.

(b) Sign the agreement

Signed agreements can be scanned and submitted electronically to the appropriate offices.

Federal recipients

The federal recipients sign the MOAs and return them to ONDCP, which allows budget authority¹⁵ to be transferred to their accounts.

Non-federal recipients

- Non-federal award recipients sign the SF-424 and the grant agreement and return the documents to the HIDTA.
- The HIDTA scans the originals and sends electronic files to ONDCP and to the NHAC for posting to FMS.net.

Once the signed documents are returned to NHAC, NHAC uploads an electronic copy of the signed documents to FMS.net, and spending may begin.



Best Practice:

Carefully review all of the data boxes on page 1 of the award documents to ensure accuracy.

¹⁵ In effect, this allows the federal agency to begin obligating funds.

Tools and Techniques for the Budget Process

Most of the fiscal management principles used in other industries apply to managing HIDTA grant funds. In this section, we focus our discussion on the unique management techniques required for HIDTA fiscal management. You will find many best practices for fiscal management throughout this course, so look out for other techniques in later modules of this guide.

Budget Planning

Develop a strategy before you begin developing the budget. A budget strategy includes managing the timeline so that your funding will coincide with your planned spending (or paying of the bills), developing a process for gathering and revising input from others, and reviewing the submitted data, if needed, before keying it into FMS.net.

As you prepare each initiative's budget, collect supporting details, justifications, and exemption requests as you work. This will save time later gathering supporting details retroactively.

Remember you are preparing a budget for funding needs for a single program year, a 12-month period.

Managing the Budget Timeline

Key dates on the budget timeline for any program year are as follows:

June 15—HIDTAs submit their budgets for the program year, which begins on January 1 of the following calendar year. For example, on June 15, 2017, HIDTAs submit budgets for program year 2018, which begins January 1, 2018.

October 1 (and generally later)—Congress appropriates the money for the federal fiscal year, which begins October 1. This appropriation funds the HIDTA program year that begins on January 1.

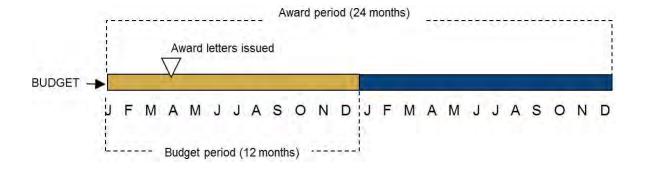
January 1—The HIDTA program year begins – with or without the arrival of funding.

March 1 (varies each year)—Award letters from ONDCP are distributed and spending authority begins. The award letters to federal agencies state the award period begins on October 1, a date before the award letters arrive. The award letters to nonfederal recipients indicate the award period begins on January 1, also a date prior the award letters' arrival.

Do you notice anything odd about the timing of the HIDTA awards?

HIDTA participants receive award documents and funding after the program year begins.

If Congress delays appropriating funds, then the award of funds to HIDTA recipients are further delayed. Furthermore, ONDCP may take up to 120 days to distribute the award letters which explains further delay in funding arriving to the HIDTA award recipients.



Example - Program Year 2020

Suppose that HIDTA award documents arrive March 2020. Award documents for non-federal recipients will be dated January 1, 2020 as the start date of the grant period. Federal agencies' award documents will be back-dated October 1, 2019 as the start date of the award period. None of the agencies are authorized to spend (or obligate) the HIDTA funds, however, until March, 2020, when the award documents are signed.

Note: This may explain why the award period (or period of performance) stated in the award documents is a twoyear period. HIDTA award recipients have a two-year window of time to spend the funding intended for one program year.

Possible Solutions

Do HIDTA grantees **not** spend money during the months they are without funds? Yes and no.

In the case of large purchases, the purchase may be delayed until the program year's funds are available -for example, after March.

In the case of smaller, routine expenses, the fiduciary agency may provide interim funding until the award letters are issued.

In addition, because this is a recurring cycle, there are often "leftover" funds from the previous program year that can be used during the waiting period.

Regardless of the solution, the problem isn't usually serious because of the overlap of two grants, each with two-year award periods.

More Terms

- Accounts and sub-accounts—is a set of categories for identifying expenditure types—collectively known as a chart of accounts
- *Projections*—an estimate based on past performance, trend analysis, and anticipated future changes

Best Practice:

Spend the HIDTA grant during the period of performance, spending the oldest grant funds first. Even if you extend the grant period, the more open grants you have to manage, the more complicated your job.

Chart of Accounts for HIDTA Budgets

The HIDTA program uses just nine accounts for the tracking budgets and expenditures.

- Personnel
- Fringe
- Overtime
- Travel
- **Facilities**
- Services
- Equipment
- Supplies
- Other

During budget preparation, however, the budget details are broken down further into many sub-accounts so that each initiative's budget can specifically describe the planned uses for the funds.

You will learn more about the chart of accounts in the next module, but for now, keep in mind the HIDTA chart of accounts is used for budgeting purposes, i.e., planning and tracking the expenditures of HIDTA funds.

The chart of accounts is not useful for financial statements, because the HIDTA program never prepares financial statements – it's not a legal entity.

Budget Projections

Each year as you prepare input to the budget, you will find yourself making projections about the level of funding needed in each account. Some people are more comfortable making projections than others.

Note: The HIDTA chart of accounts allows us to communicate the planned use of HIDTA funds (budgeting) and the actual use of HIDTA funds (disbursements).

The chart of accounts is not used for preparing financial statements; HIDTA does not prepare financial statements.

A projection is merely your estimate of what you anticipate the future funding need to be. Rather than merely "guestimate" what funding is needed, create a projection based on the information you have available. For example, you might review and consider the following:

- Past level of spending and the rate of increase over time (use trend analysis)
- Unused award funds from past years still available for use
- History of reprogramming activity within and among initiatives and accounts
- Anticipated changes to the current level of spending and future activities that will likely impact future costs
- Advice from outsiders who have considerable knowledge in a particular area

Zero-based Budgeting

The budget information, such as the proposed list of expenditures, planned overtime, and other numbers, come from each initiative commander. Most HIDTAs use a zerobased approach to budgeting, which means every budget item is justified as though it not previously budgeted.

Each HIDTA has the latitude to design its own process for developing a budget. Many executive boards form a budget subcommittee to oversee the collection of budget input. Some HIDTA Executive Directors assign one coordinator to serve as a single point of contact for the initiative commanders. Most HIDTAs request budget input from each initiative commander, who in turn receives data from each agency participating in the initiative In other words, the initiative commander prepares an individual budget for each resource recipient within the task force.

The financial manager (or staff member) keys the budget data into FMS.net, but the numbers actually come from initiative commanders.

Pooling / Pro Rated Shares

Rather than have each initiative budget for overtime, some HIDTAs develop a pool of money for overtime, then allocate a portion to each resource recipient based on the number of employees assigned to the task force.

Some HIDTAs also pool administrative costs and facilities costs, then pro rate the pool to each initiative.

Techniques for Reviewing Budget Input Reviewing proposed initiative budgets can be very difficult. Here are some techniques HIDTA financial managers and other reviewers use to assess budget requests:

- **Bottom-up review** examine the budget from the lowest level, first checking subtotals and then totals. For each budget item, ask:
 - What exactly is this item?
 - Is this needed for the initiative to accomplish its mission? How will this be used?
 - Is this a reasonable cost?
- **Top-down review** examine the budget in total
 - Is each cost category necessary for an initiative? For example, does an initiative's budget include money for training, when all training dollars are budgeted in the management and coordination initiative?
 - Does the grand total look reasonable for this initiative? For example, is \$200,000 an expected grand total for an initiative of this type and size?
 - Does the subtotal for each category look reasonable? For example, is \$5,000 for travel reasonable?
- **Reasonableness** are the requests reasonable?
 - Does this budget support the initiative description and its mission?
 - Do the inputs and outputs look reasonable?
 - How does the current budget compare to the previous program year's budget and initiative performance?

Previous year comparison

- Briefly review the previous year's budget submission to ONDCP, including detailed justification for large purchases.
- Review the large budget items in the current budget to see if any budget items are repeated from the previous year's budget. Look for duplication within each initiative and among initiatives.
- Review and consider previous year reprogramming transactions. Are certain accounts often reprogrammed into other accounts year after year?

Cross-validation

- Compare large budgeted items among the initiatives. Look for redundancy.
- Compare the budget to the number of participants in the initiative. For example, how many computer upgrades are requested for how many members in the task force?

S90

Discussion What problems have you seen in HIDTA budgets?	
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Best Practice:

Form a subcommittee of the HIDTA Executive Board to direct budget preparation. Cross- checking budget requests is a great way to catch mistakes.

Tips for Budgeting

A "sound" budget is one that can be justified, contains no errors, and has a reasonable degree of accuracy for future spending needs. To ensure that your HIDTA's budget meets these goals, follow these tips:

- Develop and use a budget plan, i.e., apply a consistent method for pro rating costs, standardizing costs, and so forth.
- Compare your budget estimates with prior year budgets to check for duplication, excessive estimates, and such.
- Make sure the budget for salaries and overtime are based on current data (including anticipated salary increases), supported by individual agency policies and procedures. For overtime, check the current federal guidelines.¹⁶
- Be sure all expenses are allowable. Double-check all new planned expenditures (since last year's budget) with the Program Policy.
- Verify all equipment requests against reported inventory to avoid duplication or misappropriation of equipment.

¹⁶ For law enforcement personnel, the overtime cap is limited to 25% of the salary of a GS-12, Step 1 on the Law Enforcement Pay Schedule for "Rest of US" area. Visit www.opm.gov to find current year data.



Best Practice:

Agree to standard monthly amounts for cell phone bills, leased cars, overtime per person, etc. This avoids agencies asking for greatly different amounts that you have to analyze.

Budget Input Worksheets

A budget input worksheet records details of a proposed budget, in Excel, for each participating agency's budget within an initiative. Although local management can design any input tool they choose, most financial managers prefer to use the export and import feature of FMS.net to save time re-keying the data collected from the initiative commander.

The financial manager creates budget input worksheets using FMS.net and distributes the Excel worksheets to the commanders or others who record the proposed budget using Excel. Each Excel worksheet shows a two-year history of previous budgeted amounts for each account. The commander keys the current program year's budget request as well as any comments or notes to explain the requested amount(s).

When the commander returns the Excel file, the financial manager uses an import feature of FMS.net to import the data into FMS.net.

You can see an example of the budget input worksheet that FMS.net creates on page B-49. To learn more about FMS.net, attend the FMS.net training course since we do not learn to use FMS.net during this course. Instead, we are focused on the budget process that occurs before and after entering the data into FMS.net.

Case Study #1

Reviewing Budget Input

Turn to page A-2 and read about the Canadian Border HIDTA, a fictional HIDTA spanning the Great Lakes region. All of the names of counties, cities, and people in the case are hypothetical.

Read the case and follow the directions to practice reviewing budget input from initiative commanders. Be prepared to present your solution to the class.

Award Documents

Grant Agreement

Recall that the grant agreement is a five-page document signed by non-federal award recipients (grantees) to officially accept the award and the terms of the agreement. The grant agreement is attached to the award letter that announces the award. Samples of both are provided in Appendix B, beginning on page B-54.

The grant agreement requires signature from an authorized official of the non-federal entity to acknowledge that the recipient will comply with HIDTA policies and federal regulations.

Before the HIDTA sends the award recipient the award letter and grant agreement for signature, the HIDTA Executive Director should carefully read it and check for errors. The HIDTA Executive Director should make a copy (as a backup copy) before sending it to the award recipient and replace the unsigned photocopy with the original signature when the award recipient returns it.

How does the grant agreement relate to our discussion of the budget? The signed grant agreement acknowledges acceptance of the HIDTA funds and agrees for the funds to be used as budgeted.

Memorandum of Agreement

Recall the Memorandum of Agreement (MOA) is the official document sent to federal agencies for signature before the transfer of budget authority to the agency. A sample is provided on page B-64. The key areas discussed in the MOA include:

- Scope of initiative
- Reporting and reprogramming requirements
- Financial recordkeeping and records retention
- Procurement standards
- Termination causes and closeout procedures

ONDCP returns a copy of signed MOAs to the regional HIDTA Executive Director for recordkeeping.

Best Practice:

Send each agency participating in the task force a copy of the grant agreement. This makes all participants aware of the special conditions of the grant.

Other Types of Agreements

Sometimes the HIDTA may wish to take advantage of the buying power or other efficiencies of the federal government. To accomplish this goal, the state or local agency can set up a reimbursable agreement with a federal agency, so the federal agency can make the purchase.

Reimbursable agreements transfer money from one agency to another. These are also called inter-agency agreements.

Cooperative agreements are also used to document agreements between agencies.

Real Life Examples

Suppose a HIDTA office wants the GSA (federal agency) to build office enhancements. To take advantage of the GSA cost schedule, the state agency with the budget dollars for the enhancement can sign a reimbursable agreement with one of the federal agencies of the initiative to transfer money to the federal agency that will, in turn, make the purchase from GSA.

Another example is that a state or local agency could execute a reimbursable agreement with a federal agency of the task force for the purchase of airline tickets, because federal tickets may be refundable or have no change fees.

Supplemental Funds

Some years Congress appropriates more money than the President requests for the HIDTA program, and these additional funds are known as supplemental funds.

When this happens, ONDCP sends each HIDTA a notice that additional funding is available, provides explanation of the funding priorities, and invites the HIDTAs to submit supplemental budget requests for the supplemental funds.

Each HIDTA submits a proposal for how additional budget money could be used to accomplish the purpose, by adding activities to existing initiatives or by creating a new initiative. The HIDTA also prepares and submits a detailed budget to propose how the supplemental funds will be used.

The ONDCP staff reviews the requests and submits a recommendation to the Director of ONDCP. Once the director approves the allocation of funds, ONDCP notifies the HIDTAs and asks them to prepare and submit detailed budgets similar to the annual budget requests. ONDCP notifies Congress and authorizes the HIDTA awards.

Recipients of supplemental funds sign grant agreements¹⁷ with the same grant number as the initial award. The new Grant Agreement clearly indicates the Previous Award Amount, the amount of the supplement award, and the revised amount of the Total Award.

Best Practice: Budget for what you need, and use what you get.

¹⁷ For supplemental awards, only page 1 of the Grant Agreement is executed because in Box 12, it states, "The above grant is approved subject to such conditions and limitations as are set forth in the original grant."

Federal v. Non-federal

At several points in this module, you may have noticed differences between federal recipients and non-federal award recipients. Here is a summary of the budget differences between the two types of recipients:

Federal Recipients

Funds are accepted by the signing of the Memorandum of Agreement (MOA).

The award period for federal award recipients begins October 1 and September 30 of Year 2

Signed award documents are returned to ONDCP.

Non-federal Recipients

Grant terms and conditions are accepted by signing and returning the Grant Agreement.

The award period begins January 1 and ends December 31 of Year 2, unless extended.

Signed award documents are returned to NHAC.

Key Points

- Budgets reflect one year, but the award period is two years. The award period determines when the money must be obligated, or spent; grantees can request extensions with compelling reasons.
- Prepare budgets from a zero-based perspective; watch for allowability issues.
- All budgets follow the same process: HIDTAs prepare a threat assessment, a strategy with performance measures, IDBPs, and detailed initiative budgets in FMS.net.
- Plan for the budget timeline; funds may arrive after the beginning of the award period.
- Supplemental budgets follow the same process as annual budgets but within a small time window; every budget request must be justified.

Identify a few ideas from this module that you intend to implement at the earliest opportunity and write them in the space provided.

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Learning Outcomes

At the end of this module, participants will be able to:

- Define key terms used in processing disbursement requests
- Describe the process for reimbursements and advances
- Review expenditure receipts to determine allowability
- Classify expenditures into the appropriate HIDTA budget accounts
- Prepare a detailed expenditure worksheet
- Describe acceptable documents to support expenditures of HIDTA funds

Note: Only non-federal award recipients process disbursements, so we now use the term "grantee" to refer to award recipients.

You will see that as you spend money with HIDTA funds, budgeting again becomes an important topic. You can't be reimbursed for more than the initiative budget allows.

Accounting Basics for HIDTA

Before you begin the bookkeeping tasks of HIDTA funding, you should be familiar with some of the basic concepts of accounting. For readers who have knowledge of accounting already, this may be a refresher.

There are two generally accepted methods of accounting for business transactions: cash and accrual.

Timing of Expenditures

Each organization selects the accounting method best for its needs; both methods are acceptable by generally accepted accounting principles. The accounting method determines when you recognize money as "spent." ¹⁸

Most HIDTAs and government organizations use the cash accounting method.

Cash method

Under the *cash accounting method*, the organization considers money is spent only when it actually pays for the goods or services.

For example, consider a task force officer accumulating overtime hours. When the parent agency pays the officer, the money is recognized as being spent.

Accrual method

Under the accrual accounting method, the organization recognizes money as "spent" as the cost is incurred. The accrual method of accounting does not consider the cash payment or transfer of money at all. Under the accrual method of accounting, the money is "spent" as the expense or obligation is incurred (i.e., once the debt is "owed").

¹⁸ This is known as an obligation. The two accounting methods determine when the obligation technically occurs.

An officer working overtime under the accrual accounting method recognizes the money being spent as the officer accumulates the hours, even though the officer is not yet paid for the overtime.

Expenditure v. Budget

A budget outlines the planned use of funds, and ONDCP approves each proposed budget as a condition of each award. Notice that the budget reflects the future, and the amounts are always estimated and rounded to the nearest whole dollar.

An expenditure is the actual amount of funds spent, and the amount is always exact.

Examples

Budget	Expenditure
Travel: seminars and training, \$500	Travel: Trip to Miami, FL on 5/1/19 for NHAC training course, \$379.25
Equipment: high-speed copier, \$3,600/year	Equipment: STS high- speed copier lease, \$3,750 (12 months)
Training: tuition and course fees, \$2,500	Training: Course on 5/1/06, "Advanced Money Laundering," at DOJ \$2,500.

Importance of Internal Controls

Accounting professionals and especially auditors rely on effective and efficient internal controls. There are many robust definitions for internal controls, including those in the Uniform Guidance and in the Green Book 19, and internal controls are discussed in detail in a later module of this guide.

Spend according to the budget.

The relationship between the budget and expenditures is simple:

¹⁹ The Standards for Internal Control in the Federal Government, known as the Green Book, is available for purchase from the GPO.gov website.

What are some examples of internal controls?

To the casual observer, internal controls may appear as checks and balances within a process, such as authorizing and paying for HIDTA program goods and services, to ensure all goes as required. You might observe:

- Policies based on dollar limits or threshold amounts regarding increasing levels of authority required for approval as transaction amounts grow larger
- Separation of duties for ordering, processing of payments, and receiving
- Use of control documents to provide audit trail, such as purchase orders, travel vouchers, and the like
- Ethics and conflict of interest policies

Requirements for internal controls for managing HIDTA funds are discussed in detail, later on page 8-30.

Using HIDTA funds

For the following discussion of disbursements, internal controls represent a process the grantee follows – often in conjunction with HIDTA Program Policy and directives from the regional HIDTA Executive Board that apply to all of its non-federal participating entities. The process ensures HIDTA funds are spent according to the approved budget; funds are safeguarded from fraud and other types of misconduct; and financial management of HIDTA funds complies with all federal statutes and regulations.

About Disbursements

A disbursement is a release or distribution of grant funds. At HIDTA, you will see the term used in two ways.

Disbursements to the grantee (drawdowns)

Grantees receive *drawdowns* of their grant funds via the Payment Management System (PMS), a web-based system that allows grant recipients to request and manage grant funds online. PMS calls these transactions payment requests, i.e., requests for funds from the grant's balance of available funds to be electronically deposited to the grantee's ACH account. Within PMS, a payment request is a disbursement of the grant's funds.

Disbursements from the grantee (payouts)

Grantees also use PMS to file quarterly financial reports, reports of the grantee's outlays of grant funds – known as disbursements on those screens. Payouts are the grantee's disbursements to vendors, contractors, and other service providers.

The quarterly report form asks what grant funds were disbursed to vendors, contractors, and subrecipients. For example, the FFR form (SF-425) requires data on these lines:

> Cash Receipts 10 a (Drawdowns) 10 b Cash Disbursements (Payouts)

Reimbursement vs. Advance

Some grantees payout the HIDTA expenditures as they occur, with the agency's own funds then receive a reimbursement drawdown from PMS.

Grantees that cannot afford the outlay of funds during the month, request advance payments of HIDTA funds before paying HIDTA invoices

Each grantee makes the choice, but proof of expenditure is required of both.



Program Policy: As outlined in Program Policy 7.26.2, supporting documentation for advances must be submitted to the NHAC within 21 days of the advance.

Sufficient supporting documentation is required for both reimbursements and advances.

Best Practice:

For guidance about processing advances, contact your assigned NHAC Desktop Auditor.

Supporting documentation – any of several types of documents that substantiate that the funds were expended.

important: Notice that vouchers and purchase orders do not fall into either of these two categories.

No further advance or reimbursement will be accepted unless previous advances have been reconciled.

Proof of Expenditures

Acceptable supporting documentation to provide proof of expenditures fall into one of two categories:

- Proof of payment (e.g., paid receipt)
- Proof of obligation (e.g., vendor invoice detailing expenditure)

When actual costs are different than budget

Only when you make the purchase will you know for certain how much something will cost, so no one expects the annual expenditures to match the budgeted amount exactly. Approved budgets reflect the amount authorized. When the actual cost is different than the amount budgeted, e.g., budgeted equipment costs less than anticipated, modify the budget by requesting a reprogramming transaction, which is explained in the next module.

Key Terms

- *Grant number* the unique identifying number assigned by the ONDCP to each grant. (Recall that one grant may fund several initiatives.)
- Allowable expenditure an expenditure that complies with the cost principles, regulations, and guidelines set forth to govern HIDTA funds (many were described in Module 3).
- PMS (Payment Management System) the web-based program that processes grantee requests for drawdowns of available grant funds.

Note: To be clear in the use of

these terms:

PMS – Payment Management System, a software tool

Program Support Center (PSC)

 the non-appropriated agency hosted by HHS that manages PMS for multiple federal agency payment processing needs.

Payment Management System (PMS)

The Payment Management System (PMS) software is managed by the Program Support Center (PSC) at the HHS²⁰. Each HIDTA grantee must have a PMS account, with pre-authorized direct deposits, to receive its federal grant funds.



Program Policy: Refer to Program Policy (2020), Section 7.26.7 for guidance on requesting payments from the Payment Management System.

Program Policy instructs grantees to request reimbursements at least quarterly, but most grantees request payments on a monthly basis. You can request reimbursements more frequently, as needed.

PMS Terms

The software uses terms that may be unfamiliar to those who don't use it regularly.

Payee – the non-federal entity, i.e., the grantee, that is the nonfederal award recipient.

Payee account – the grantee's PMS account that gives access to all of the grantee's grants.

Subaccount – an individual grant is called a subaccount in PMS; grantees typically have multiple subaccounts for HIDTA grants because of overlapping two-year award periods.

Payment request – an online transaction in PMS that requests a drawdown of available grant funds. Payments are deposited directly (with an electronic transaction) to the payee's checking account.

²⁰ You can learn more about the Program Support Center at https://psc.gov; access PMS at https://pms.psc.gov.

Equivalent Terms

As we discussed earlier, various documents and software programs use different terminology for the same meaning, and the table below summarizes the variations in terms you might encounter when budgeting, and when processing disbursements (discussed in the next module).

As before, the purpose of this table is not to teach terms by various sources, but rather, to make you aware that the terminology does change between documents and software. Be aware that differences exist.

Program Policy (2020)	Grant Agreement (2020)	Financial Management System (FMS.net)	Payment Management System (PMS)
grantee grant recipient fiduciary award recipient pass-through entity non-federal entity	grantee award recipient non-federal entity	award recipient	grantee grant recipient recipient organization payee
resource recipient subrecipient contractor	subrecipient contractor	resource recipient	N/A
award period period of performance	period of performance	award begin/end dates award period	project/grant period



Best Practice:

Before you spend, be sure that it is allowable, and you have the sufficient budget to cover it.

Requests for Reimbursement

The reimbursement process for HIDTA grants involves scanning documents and two computer programs: PMS and FMS.net.

Process at a Glance

The grantee's authorized employee signs on to PMS and requests payments (or drawdowns) from available grant funds; each payment request results in an electronic transfer of funds to the grantee's bank account, presuming funds are available.

The HIDTA's financial manager records a disbursement request transaction in HIDTA's budgeting program, FMS.net.

Receipts and other supporting documents for the request for reimbursement are scanned and submitted to the NHAC electronically. NHAC stores the electronic copy of all supporting documents for every reimbursement request submitted.

When approved in both FMS.net and PMS, the grant's available funds balance is reduced in PMS and the grantee's remaining budget amount in FMS.net is reduced also.

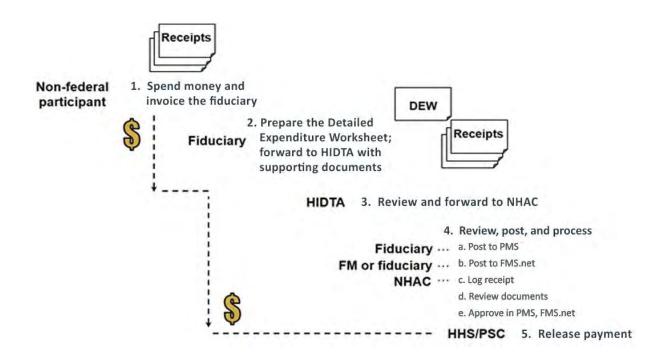
Here is a look at each step of the reimbursement process:

HIDTA participants follow the fiduciary's policy for providing proof of HIDTA expenditures. Also review p. B-69 for a list of NHAC suggested best practices for submitting disbursement packages.

Step 1: Spend and document

Task force members spend money, document their expenditures, and submit itemized invoices to the fiduciary agency requesting repayment for the HIDTA-authorized expenditures.

Following HIDTA policy, the fiduciary agency pays the participating agency for the HIDTA-related expenditures.



Best Practice:

Eliminate the need for costly file storage space by using a high-speed scanner. Set scanner to DPI 300 resolution.

Best Practice:

Recheck your work. For every amount on the Detailed Expenditure Worksheet, be sure you have submitted a supporting document and recorded it on the Detailed Expenditure Worksheet.

Best Practice:

Save time by batching several initiatives' reimbursements together. Both the paper **Detailed Expenditure Worksheet** and the Disbursements Request worksheet in FMS.net have rows to separate data by initiatives

Step 2: Prepare disbursement package of supporting documentation

The fiduciary's staff prepares the package of documentation: a bundle of receipts with the completed Detailed Expenditure Worksheet as the cover sheet. The HIDTA financial manager reviews the documentation to ensure all expenditures comply with program policy. The financial manager submits a disbursement transaction in FMS.net.

A disbursement package reflects 1 initiative's expenditures, or it may include several initiatives' expenditures, using subtotals for each initiative. Regardless, each disbursement package represents spending of only 1 HIDTA grant.

Unallowable Expenditures

- Promotional items (hats, pins, t-shirts)
- Gifts
- Real property
- Food and beverage items
- Clothing
- Weapons and ammunition
- Travel that does not directly benefit the HIDTA program

Best Practice:

Save the reviewer time and avoid mistakes. Attach a copy of the adding machine tape showing your work.

Best Practice:

If receipts and other supporting documents have unrelated or unallowable expenditures mixed in with your allowable HIDTA expenditures, underline or circle the numbers that relate to HIDTA.

Tips for Preparing the Request for Reimbursement

Before sending a reimbursement request package to the HIDTA and on to NHAC, be sure it includes:

- Detailed Expenditure Worksheet as the cover sheet
- All supporting documents (receipts, payroll register, credit card statements)

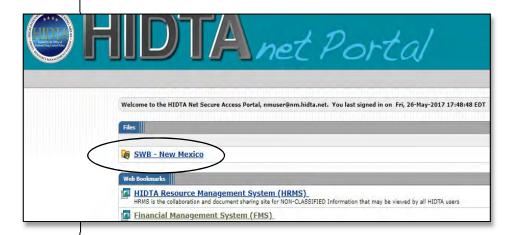
To expedite the NHAC's review, assemble the supporting documents in the same order as listed on the Detailed Expenditure Worksheet and then by date order (earliest date first). For example, you might arrange receipts as:

- Personnel April 1, 2019 April 15, 2019
- Fringe April 1, 2019 April 15, 2019
- Overtime April 1, 2019 April 15, 2019
- Travel April 1, 2019 April 11, 2019 April 18, 2019
- Facilities
- Services April 10, 2019 April 25, 2019
- Equipment April 17, 2019
- Supplies April 17, 2019 April 18, 2019
- Other costs

Step 3: Review and forward package

The HIDTA financial manager reviews the disbursement package and sends the package to NHAC.

Scan documents and submit the file using HIDTA.net. Once a user is setup for this method, the link appears in the top left of the user's main menu.



Send paper documents (copies) via courier service with delivery confirmation, should the electronic process be unavailable.

Common mistakes in reimbursement requests:

- ✓ Disbursement package not scanned/marked to NHAC
- ✓ Missing documentation
- ✓ Expenditures classified into wrong account
- √ No Detailed **Expenditure Worksheet**
- ✓ No logical order for documentation
- ✓ No marking of expenditures
- ✓ Grant information listed in error

Step 4: Review, process, and post

At this point, 2 tasks are performed at the same time.

Review for budget and policy compliance The NHAC

Desktop Auditor reviews the disbursement package and verifies the expenditure amounts against remaining budget balances.

If all is in order, the NHAC Desktop Auditor approves the transaction in FMS.net.

The process includes this safety step.

The fiduciary prints the final PMS screen that displays the confirmation number and sends this to the Finance Manager. The FM:

- Records the PMS confirmation number in FMS.net
- Scans/emails the screen print of PMS to the NHAC with a handwritten note indicating which disbursement request in FMS.net it matches.

NHAC approves or rejects the disbursement request; NHAC does not edit amounts.

Request a payment from the grant's balance of available funds

Meanwhile, the fiduciary requests a payment from the grant's remaining balance of available funds. The requested payment amount in PMS must match the disbursement package total as recorded in FMS.net.

When finished with this step

Once NHAC approves or rejects the disbursement package, the reviewer posts the decision in both programs:

- FMS.net to update budget balances and keep synchronized with the PMS
- PMS to release the funds and allow PMS to disburse the grant payment as requested

Step 5: Release payment

PMS routes the approved payment request from NHAC to the Program Support Center (PSC), where the coordinator reviews the payee's account status. PMS checks for certain types of errors as well. Once approved, the coordinator releases the payment for direct deposit to the grantee's bank account.

Requests for Advances

An advance is money you receive **before** costs are incurred, and it eliminates the grantee's short-term funding of HIDTA expenditures. The process for advances is very similar to reimbursements; the timing of the grant payment request and the supporting documentation is different.

PMS and FMS.net

Advances begin with the payment request in PMS and a request transaction in FMS.net.

The requestor sends the printed PMS confirmation screen along with a completed DEW or Detailed Expenditure Worksheet (printed from FMS.net) showing, account by account, the anticipated expenditures for which the advanced funds will be used.

PMS

In PMS, the request for an advance is exactly like a request for a reimbursement. PMS doesn't ask if the payment is a reimbursement or an advance; users simply key in an amount of grant funds requested.

FMS.net

In FMS.net, users indicate that the disbursement request transaction is an Advance, and they complete the Detailed Expenditure Worksheet, including the PMS confirmation number.

Advances require 2 FMS.net transactions

Advances require two transactions in FMS.net:

- Before expenditures Create a Request transaction to record a projection of how the money will be spent in each account.
- After expenditures Create an Actual transaction to record the actual expenditures in each account.

See a sample DEW for Advances on page B-76.

Constraints on Advances

Advance payments have a set of rules that dissuade many grantees from drawing grant funds in advance of expenditures.

Limited time to expend

For advances, grantees are limited to their immediate cash needs; grantees cannot, for example, request the large portions of the grant funds to span many months of cash needs.

Section_____.305 of the Uniform Guidance states:

"Advance payments to a non-Federal entity must be limited to the minimum amounts needed and be timed to be in accordance with the actual, immediate cash requirements of the non-Federal entity in carrying out the purpose of the approved program or project."

21 days to send supporting documentation

Furthermore, Program Policy, Section 7.26.2 requires grantees to submit the supporting documentation of the actual expenditures to the NHAC within 21 days after expending the funds or risk blocking subsequent drawdowns of all of the grantees' grant funds.

Deposit to interest-bearing account

Advance payments must be direct deposited to an interest- bearing account at a bank insured by the FDIC according to the terms of the Grant Agreement (2016).

Excess interest must be returned

Interest earnings over \$500 per year must be returned using the remittance instructions stated in the Grant Agreement.

Dis	cussion	
for ex Unifo	t do you consider to be a reasonable amount of time expending the advanced funds, considering the form Guidance, Section305, states ", immediate requirements"?	te

Grantee Needs to Return ExcessPayment

Should a grantee need to return grant funds, it can simply subtract the funds from the next payment request.

Notice on the sample PMS screen that follows, the grantee can simply deduct the refund amount as "cash on hand," which reduces the next drawdown, or payment request.

Be aware that the grantee must send supporting documentation for the expected disbursement's initial Amount field, \$15,000 in the sample shown.



Request for Payment

Return to Menu

Request Payment

Completed Transaction Info

Account: : 998402 Payment Request Amount: 149,450.91 **DUNS Number:** Request Date: 06/08/2019 111848870

Settlement Date 06/09/2019

Subaccount Amount G17GG0082A \$149,450.91

Payment Request is in Holding file, Request approval required by Awarding Agency. The Transaction Number For Future Reference: 21984790812548.

If your drawdown request exceeds the unexpired funds amount, DPM must obtain awarding agency approval which may delay the processing of your request.

Requests for payment submitted after 5:00 p.m. EST will be processed as if received on the next business day.

> Grantees using advances sometimes must return unused funds to the grant. For convenience, the grantee can simply subtract the amount to be returned, from the following drawdown (payment) request.

Chart of Accounts

The HIDTA chart of accounts provides a list of cost categories and descriptions of each account²¹. The chart of accounts is unique to the HIDTA program; it provides 9 accounts for budgeting and reporting HIDTA expenditures.

By the time you request an advance or reimbursement, you should already know about the HIDTA chart of accounts, because you used the same chart of accounts when you created the budget.

Here is a general description of the types of costs eligible for reimbursement by HIDTA grants.

Account	Description
Personnel	Salary
Fringe	Fringe associated with salary and overtime (if required)
Overtime	Overtime pay
Travel	Travel costs associated with administrative meetings, operational activities, and training seminars (including registration fees)
Facilities	Lease of office space, warehouse, etc. and associated expenses for improvements, support, and utilities
Services	Rental and other service contracts shipping, periodical subscriptions, and vehicle rental Training services (e.g., instructor fees, training support)
Equipment	Office furniture and equipment over \$5,000 Specialized equipment for investigations including vehicles and computers

²¹ The Grant Agreement (2021) refers to HIDTA budget accounts as object classes, which is the federal government's extensive system of cost categories for the federal budget. The HIDTA program's chart of accounts is simplified to these 9 accounts, and these accounts are for budgeting purposes only.

Account Description **Supplies** Books, directories, and other single publications Vehicle fuel, lubricants, repair parts Uniforms, safety glasses, riot equipment Other (film, office and analytical supplies) Other costs Purchase of evidence, information, and services Administrative / grant fees Items not covered elsewhere



Best Practice:

Have a talk with your state or local auditors about simplifying the usual chart of accounts (and associated polices) for HIDTA grant money. Maybe the fiduciary's usual set of accounting practices and policies can be modified (and simplified) for HIDTA grant recordkeeping.

For example, one fiduciary reports that the city auditors agreed to record all HIDTA travel expenditures in a single travel account rather than using the city's three travel accounts. Not only did it simplify the bookkeeping entries, but it also eliminated a 2nd level review step required for certain types of travel by city employees.

Mapping to the HIDTA Chart of **Accounts**

Because the chart of accounts of various agencies most likely varies from the HIDTA chart of accounts, you may need to map the two charts of accounts. For example, a local agency might have several accounts for overtime, but HIDTA only uses one account for overtime.

When it comes time to report budgets, expenditures, and such, you need to reconcile the differences between the two charts of accounts. Rather than repeatedly reconcile the differences, most grantees create a "map" of the two charts of accounts for easy reconciliation.

Sample Map of Chart of Accounts

Martin County Chart of Accounts	Martin County Object Codes	HIDTA Chart of Accounts		
Personnel - Admin	03-1163			
Personnel - Computer related	03-1164			
Personnel – Maintenance	03-1165	Personnel – administrative staff		
Personnel – Training and support	03-1167			
Personnel - Other	03-1168			
Personnel – Sworn Officers	03-1166	Personnel – law enforcement		
Personnel – Contracted staff	03-1167	Services- contractor (all types)		
Overtime - Admin	03-OT-1263			
Overtime - Computer related	03-OT-1264	1		
Overtime – Maintenance	03-OT-1265	Overtime – support		
Overtime – Training and support	03-OT-1267			
Overtime - Other	03-OT-1268			
Overtime – Sworn Officers	03-OT-1266	Overtime – law enforcement		

Policies Relating to Reimbursements and Advances

In Module 3 you learned about the many documents that provide policies and guidelines:

- HIDTA Program Policy and Budget Guidance (known simply as Program Policy)
- OMB Uniform Guidance

This document	Can explain
HIDTA Program Policy and Budget Guidance (2020)	• Restrictions on certain expenditures (see Section 7)
	 HIDTA funded positions
	 Overtime
	- Vehicles
	 Liability Insurance
	 Prosecution costs
	- Foreign Travel
	- Conferences
	• Prohibited Uses (see Section 7.20)
OMB Uniform Guidance, Subpart D, Sections333 to337	Records retention, transmission, access, and privacy of personally identifiable information
OMB Uniform Guidance, Section305(b)(1)	How far in advance funds can be requested by the grantee
OMB Uniform Guidance – Subpart E, Allowable Costs	Allowable costs
Grant Agreement	Grant conditions



Best Practice:

The Financial Manager should review every disbursement request for program compliance before it's keyed into FMS.net.

Reviewing Reimbursement Requests

Earlier in this module, the disbursement process described three reviewers of every receipt and supporting document in every disbursement package:

- The HIDTA financial manager
- The grantee or fiduciary grant manager
- The NHAC accounting staff and manager

Some receipts get more scrutiny than others, for example:

- Initiative commanders review and signoff on overtime records for each officer before the officer submits payroll records to his or her parent agency
- If required by the fiduciary, the invoicing clerk of the parent agency may review the overtime records and list of officers to certify that all submitted overtime expenses comply with all HIDTA policies on overtime, e.g., officer is eligible for overtime, worked overtime related to a case and not administrative tasks, etc.

The checklist on the following page provides an example of some things a reviewer considers when reviewing supporting documentation and receipts for reimbursement by the HIDTAgrant.

Sample Review Checklist

2.	1 20	
	Ale	expenditures within the scope of the initiative's approved budget?
3.	Are e	expenditures incurred within the time period of the grant?
4.	Is pro	oof of obligation provided? (copies of invoices or vouchers)
5.	Is pro	oof of payment provided? (copies of receipts, credit card bills, etc.)
6.	Is the	ere a request for travel reimbursement?
	a.	Was the most efficient and economical means of travel used?
	b.	Was the transportation by common carrier (airplane, train, etc.) as tourist or coach class?
	c.	If an automobile was rented, was it a compact or full size vehicle?
	d.	Are there any charges on the lodging bill that are not allowable? For example, entertainment expenses such as movies, alcoholic beverages, valet or laundry service, meals, and extra nights of stay must be deducted from the receipt for HIDTA reimbursement.
	e.	Do the travel expenses include meals or lodging included in the conference registration fee?
7.	Is the	ere a request for overtime reimbursement?
	a.	Is a HIDTA cover sheet (detailed expenditure worksheet) used for period of claim and signed by both the task force commander (to confirm OT worked for HIDTA) and the fiduciary's finance department (to confirm hourly rates, non-duplication of reimbursement request, and assurance that agency retains records for sample audits)?
	b.	Is there evidence that someone is tracking overtime per person to ensure request is under cap?
	c.	Does someone certify that all overtime charges follow HIDTA policy? For example, employee is eligible for overtime from parent agency; employee worked on case-related work during overtime or has permission for an exception, etc.
8.	Is the	ere a request for equipment or software reimbursement?
	a. 1	Are equipment/software purchases on the initiative's line item budget for current or previous fiscal year? If not, were they pre-approved by the HIDTA Executive Director?
	b.	Was equipment or property recorded on the inventory list?



Best Practice:

For auditing purposes, keep records showing that each officer's overtime cap is monitored and that limits are considered before reimbursing overtime.

Overtime

One of the most cumbersome expenditures to monitor is overtime; because there are a number of policies that limit it.

OCDETF Funding

Once an investigation receives the OCDETF designation, the OCDETF program should be the first source of funding for those cases.

Maximum Overtime Amounts

Each officer is limited to a ceiling overtime amount of 25% of the federal GS-12 step 1 level pay scale for federal law enforcement officers, or to the limit set by the officer's parent agency within a 12-month period. HIDTA funds cannot pay above this limit amount.

Overtime Eligibility

Only state, local, and tribal law enforcement officers and uniform federal agents are eligible for HIDTA-funded overtime. Exceptions occur in rare instances if the overtime is performed for a HIDTA-funded activity.

The employee working the overtime must be eligible for overtime from his or her parent agency.

Overtime Activities

The overtime hours must be worked to support a HIDTAdesignated enforcement initiative or intelligence and information sharing initiative.

HIDTA funds cannot be used to pay for overtime related to training attendance, financial management, drug treatment, drug demand reduction or prevention, or noninvestigative related administrative work.



Program Policy: Refer to Section 7.12 in the ProgramPolicy (2020) for complete information about restrictions on HIDTA-funded overtime.

See page B-74 for a sample cover sheet for overtime documentation to certify overtime compliance.

About PE/PI/PS

One of the most common mistakes with reimbursements is submitting inadequate documentation of PE/PI/PS transactions to NHAC.

According to Program Policy (2020), the HIDTA Executive Director is responsible for working with agencies to develop written, adequate procedures for handling confidential expenditures if an agency does not have adequate procedures.

Each transaction must have documentation that includes these items:

- Case identifier
- The date of payment(s) of confidential funds
- The name of the payer and a witness to the payment
- The name of the person approving the payment
- The purpose for which the funds were used
- Informant number or other non-sensitive identifier
- Adequate explanation to allow an auditor to determine that the funds were properly categorized



Program Policy: Refer to Section 7.25 in the Program Policy (2020) for more information about the purchase of evidence, information, and services (PE/PI/PS).

To see 2 samples of PE/PI/PS forms in use, turn to page B-71.



Best Practice:

Submit to NHAC the PE/PI/PS as a separate advance request.

Fiduciary Adjustments to Resource Recipients

If for some reason the fiduciary paid a resource recipient for an expense that is later disallowed, the fiduciary agency can collect a refund from the resource recipient. The fiduciary may deduct the amount owed from the resource recipient agency's next reimbursement request, or the resource recipient agency can write a check to reimburse the amount disallowed.

These and other circumstances are often pre-determined in the memorandum of understanding or other form of agreement between the fiduciary and every resource recipient it reimburses.

Case Study #2 **Preparing a Disbursement Package**

The instructor will provide instructions and a sample batch of documents for you to review as a disbursement request. Take notes and make marks on the pages as needed, so you are prepared to discuss your review and decisions with the class.

Common Reasons Reimbursements are Rejected

Although it is uncommon that a reimbursement request be rejected, here are a few of the more likely problems that cause reimbursement not to occur:

- Lack of supporting documents to authenticate the expenditure, or expenditure not allowable
- Insufficient budget balance remaining (caused/resolved by reprogramming funds)
- Expenditure classified into wrong HIDTA account
- Expenditure occurred outside of the award period
- Unresolved/open Advance transaction
- Delinquent FFR (automatically rejected by PMS)
- Illegible documents
- Different transaction amounts requested in PMS and FMS

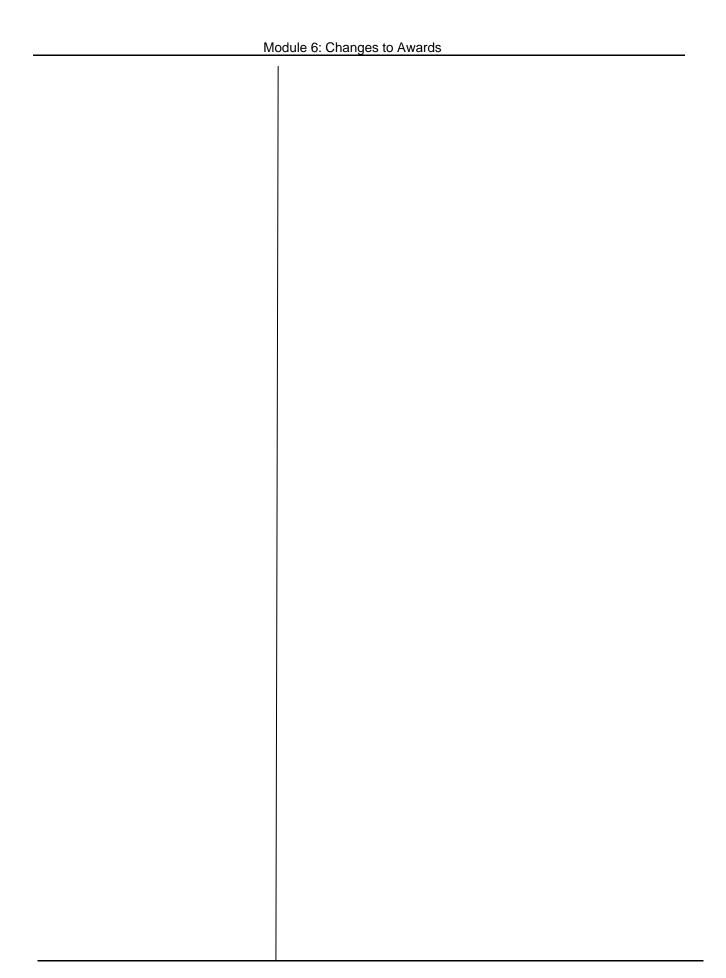
Key Points

- Resource recipients spend and request reimbursement from award recipients. Grantees choose to work on a reimbursement or an advance basis.
- Grantees use the Payment Management System to drawdown funds from the grant's balance.
- Advances require two transactions: the initial *Request* for funds and the posting of the Actual expenditures with supporting documentation review.
- The Detailed Expenditure Worksheet serves as a cover sheet to summarize all disbursement packages, both reimbursements and advances.
- Federal agencies do not request reimbursements or advances; they spend funds and track expenditures within their agencies.

Identify a few ideas from this module that you intend to implement at the earliest opportunity and write them in the space provided.

2

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Learning Outcomes

At the end of this module, participants will be able to:

- Define key terms associated with reprogramming funds
- List two or more causes of reprogramming transactions
- Classify reprogramming transactions into two categories: Level A or Level B
- Describe the process for reprogramming funds
- Recall the limitations for extending HIDTA awards

Reprogramming HIDTA Grant Funds

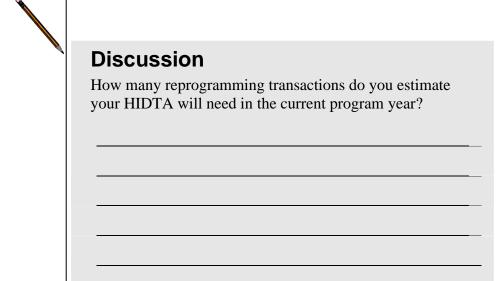
As HIDTA participants spend the award funds, there usually is a discrepancy between what is planned and what is actually spent. Recall that to *reprogram* funds means to shift budget amounts between previously approved activities or cost categories. This could be between accounts, between resource recipients, between initiatives, or between awards.

Without reprogramming transactions, some accounts would likely have surplus money and others a negative balance from overspending. Reprogramming transactions, therefore, allow the financial manager to make adjustments and maintain a budget that closely matches the anticipated use of the remaining award funds at all times. Similar to approved budgets, reprogramming transactions that change the budget also require approval.

There are many reasons budget money is over or below the expected amount:

- Unexpected costs (or savings) to carry out an initiative
- Shifting priorities or needs
- Price changes due to market fluctuations

Depending on the nature of the reprogramming transaction, ONDCP classifies reprogramming transactions as either LevelA or Level B.



Level A Reprogramming

Level A transactions require ONDCP approval because they are considered significant. Level A transactions either shift money between awards, which changes two awards' total amount, or they represent a substantial change to the initiative's budget.

Changes to award totals

When a reprogramming transaction causes a change to an award total, regardless of the amount, it is a Level A transaction. Reprogramming transactions involving federal agencies are processed only three times a year, but transactions among grantees are processed more frequently.

For example, during a program year, one award recipient may relinquish funds so that another agency (i.e., another award recipient) can take advantage of favorable purchasing agreements. In another example, a fiduciary agency may no longer be able to serve as the fiduciary, and the award must shift to another participant that will receive a new grant.

Deadlines for federal agency award changes

Any changes that affect federal award totals are processed only three times a year; March 31 of the second year of the award is the last reprogramming opportunity.

Year 1	Year 2
December 31	December 31
March 31	March 31
September 30	

current budget – the awarded budget plus or minus subsequent approved reprogramming transactions, i.e., award modifications.

Reprogramming Transactions in FMS.net

FMS.net automatically directs reprogramming transactions to the approvers as needed.

Note: HIDTA funds cannot be reprogrammed between program years. Level A Transactions - continued

Substantial changes

Reprogramming transactions making substantial changes cause the transaction to be classified as Level A. This occurs if:

- For budgets \$100,000 or greater—the change is equal or greater to 20% of the initiative's current budget.
- For budgets less than \$100,000—the change represents 35% or more of the initiative's current budget.



Program Policy: Refer to Section 7.21 (Program Policy, 2020) for more information about the two types of reprogramming transactions.

Level B Reprogramming

Level B transactions do not affect the total amount of a grant, and the transaction amounts fall below the thresholds described earlier. These transactions shift money within a single award, in a number of ways:

- Between accounts
- Between resource recipients
- Between initiatives
- Between any combination of the above

For example, a reprogramming transaction increases travel by \$2,000 and decreases overtime by \$2,000. If the initiative's current budget is \$100,000, then the small amount of the transaction causes it to be a Level B transaction.

Level B transactions require approval by the HIDTA Executive Director, and ONDCP is notified via FMS.net.

Comparison of Reprogramming Types

Here is a summary chart of the differences between Level A and Level B reprogramming transactions:

If ANY federal award is affected, AND ...

The change affects	Then the transaction is
	Level A, and
an award's total amount	a) is processed 3 times a year
<u></u>	b) has a deadline of March 31 of Yr. 2

If NO federal award recipient is affected, then the relative amount determines the approval required.

		Level A (ONDCP)	Level B (HIDTA)
	Initiative Budget	Yes, substantial:	No; not substantial
Size of the	\$100,000 or more	20% or more	Less than 20%
change	Less than \$100,000	35% or more	Less than 35%
Final appro	oval	ONDCP	HIDTA Executive Director

^{*} For this determination, Program Policy uses the term "currently approved budget" which means the initial amount awarded for the initiative plus or minus approved reprogramming transactions.

Warning: Funds awarded to or reprogrammed to DHS for security clearances cannot be reprogrammed from DHS in the future.

Submission of Reprogramming Requests

Working with the initiative commanders and the fiduciary accounting staff as needed, the HIDTA financial manager records the reprogramming transactions in the Financial Management System (FMS.net). FMS.net requires a justification for each reprogramming transaction and automatically routes each submitted transaction to the required approvers.

All transactions require HIDTA financial manager and HIDTA Executive Director's approval. Level A transactions require additional ONDCP approval, and the software doesn't adjust the budget balances until the last approver records his or her approval.



Program Policy: Refer to Section 7.21.3 in the Program Policy (2020) for more information about reprogramming funds.

Tips for Reprogramming Funds

Consider the following tips for reprogramming transactions:

- Check the budget balance before spending money.
- Check for expenditures currently in process at the fiduciary agency, i.e., those not yet recorded in FMS.net.
- Keep a record of who initiates each reprogramming request, and follow-up with the requestor about the status as the transaction is processed.
- For both types of reprogramming transactions, email the FMS.net reprogramming ID to the next approver; this speeds up the approval process.
- If a final reprogramming transaction, shift funds between accounts to leave just enough balance in each account to cover the final disbursement package.
- Once the transaction is approved, be sure to notify the requestor and all parties affected that it has posted.



Prompt the next approver with an email providing the transaction ID number (from FMS.net).



Best Practice:

File early (two months before grant expiration) to allow time for processing.

Grant Award Extensions

In exceptional cases when HIDTA participants cannot expend the grant funds within the two-year award period, the HIDTA Executive Director can request an extension for up to one year on behalf of the grantee. Notice that extensions are available only for grants, not for awards to federal recipients. Federal awards cannot be extended.

Request an extension instead of allowing the grant period to end with a budget surplus. Unused HIDTA grant money might be forfeited.

ONDCP reviews and approves each grant extension request on a case-by-case basis.

Submitting Grant Extension Requests

According to Program Policy, the HIDTA Executive Director requests grant extensions on behalf of the award recipient. Using FMS.net, the financial manager usually enters the request for a grant extension, and the HIDTA Executive Director approves the request in FMS.net. All grant extensions must be approved by ONDCP, and the FMS.net program updates the grant's ending date only after ONDCP approves it.

Award Amount Changes

As mentioned earlier, award modifications that change the total award amount require new award documents to be signed, so modifications do not occur frequently. Possible causes of award modifications include:

- Shifts in funding between awards (reprogramming)
- Availability of supplemental funding (added to the grant as an award modification)
- Increase in funding by a request from the HIDTA for extraordinary circumstances

Supplemental Funding

On occasions, Congress appropriates additional funds for ONDCP to select priority projects or special purposes such as infrastructure improvements or sudden needs for emerging threats and trends.

In these cases, ONDCP invites HIDTAs to submit supplemental budget requests for new or expanded initiative operations. Award of these funds usually are made as modifications to existing awards.

The supplemental budget request follows a process similar to the annual budget process discussed in Module 4, except the scale and timeline are smaller.



Group Exercise #4 What is Needed?

Instructions

For the situations below, identify the action needed.

Record the letter to correspond with the following choices:

- Level A (ONDCP approval)
- Level B (HIDTA approval)
- Extension
- Supplemental request
- No action required

Situation	Action Needed
1. Shift \$20,000 of the initiative's current approved budget of \$120,000 between accounts.	
2. More time to spend grant funds	
3. Need more time to spend funds awarded to a federal agency.	
4. Move funds between 2 awards	
5. Move \$60,000 of an initiative's surplus funds (with a current approved budget of \$130,000) to another initiative.	

Federal v. Non-federal Awards

The following chart summarizes the similarities and differences between award changes for federal award recipients and non-federal²² award recipients.

Federal Recipients

Non-federal Recipients

Similarities

All award recipients maintain accurate budgets in FMS.net. This requires reprogramming transactions as needed.

Differences

Award end dates cannot be extended.

Award end dates can be extended in special circumstances.

²² Non-federal refers to state, local, and tribal law enforcement agencies, institutions of higher education, and non-profit organizations.

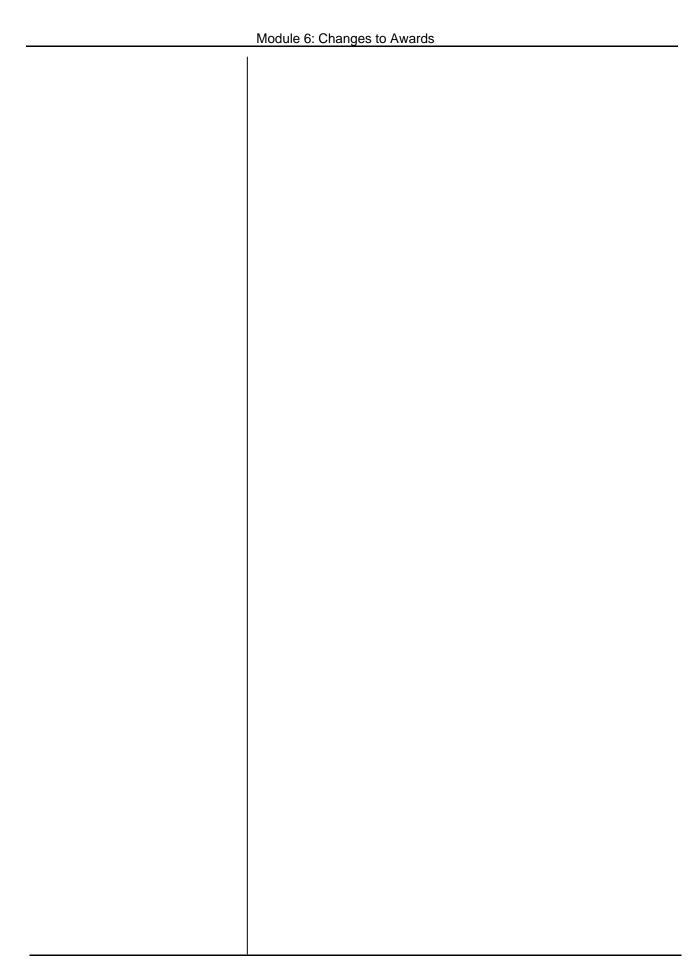
Key Points

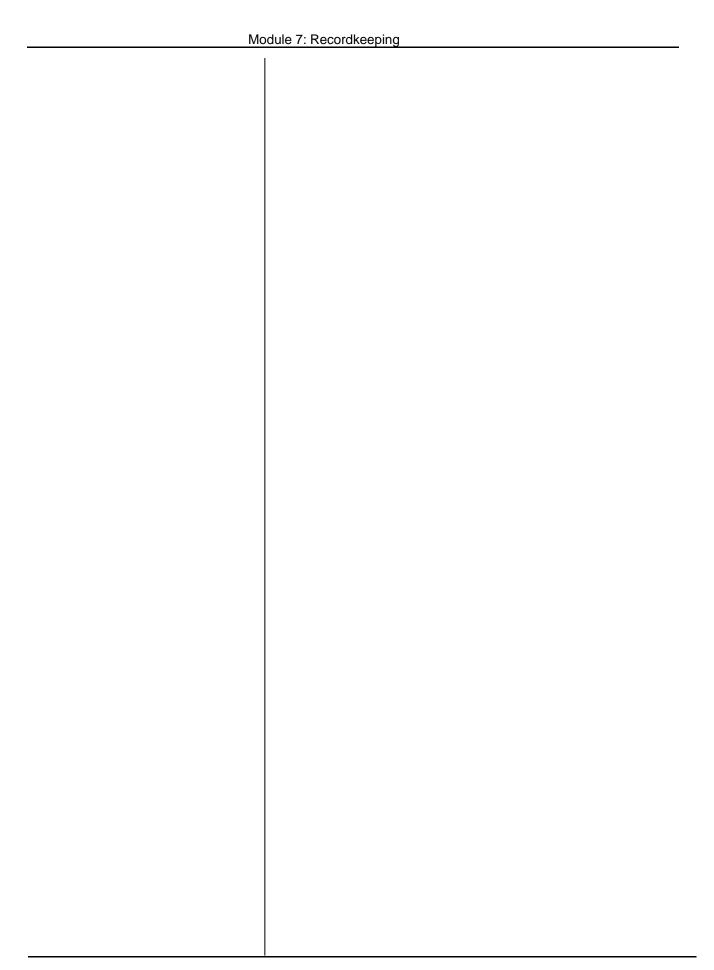
- All reprogramming transactions require approval by the HIDTA Executive Director; more approvals may be required.
 - Level A transactions shift money between awards or represent a substantial change to the budget; these require ONDCP approval.
 - Level B transactions are approved at the local HIDTA.
- Extensions are sometimes needed for grant recipients, but extensions require justification and ONDCP approval.
- The goal is to spend all of the award money within the award period, leaving no money unused.
- Supplemental requests follow a process similar to the annual budget requests, including justification for the additional budget money.

Identify a few ideas from this module that you intend to implement at the earliest opportunity and write them in the space provided.

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Learning Outcomes

At the end of this module, participants will be able to:

- Recall the policies that give requirements for recordkeeping of HIDTA-funded purchases
- Identify persons responsible for recordkeeping and describe the requirements for each
- Describe the required attributes of an inventory control system according to HIDTA program policy
- Describe the method your HIDTA or agency uses for keeping track of HIDTA-funded property
- Define the requirements of tracking and reporting overtime
- Describe the financial reporting requirements of all HIDTA award recipients

Who Tracks What?

Back in Module 3, when we examined the policy and guidance documents written for HIDTA awards and funds management, you surely recognized a keen interest in accurate recordkeeping of how the funds were used.

Fiduciaries track expenditures because they are required to, but you'll see that others also track expenditures for their own reasons. HIDTA program policy requires participants to track expenditures.

Grantees and fiduciaries track...

- itemized detailed expenditures recorded in the grantee's accounting system
- invoices submitted by and disbursements paid to subrecipients (of sub-awards) and vendors (or contractors)
- budget balances (by initiative), using FMS.net
- inventory of HIDTA-purchased equipment and property purchased by the grantee

Resource recipients track...

Subrecipients

- invoices submitted to the pass-through entity, 23 i.e., the grantee serving as fiduciary
- budget balances for each initiative, i.e., each initiative in which the subrecipient participates
- inventory of HIDTA-purchased equipment/property purchased by the subrecipient
- overtime billing (by employee) this can be particularly time-consuming to manage

Contractors

 all items and records required by the contracting entity, i.e., the grantee, stated in the terms of the contract or agreement

important: Excel is often used to reconcile reimbursements, inventory, and other aspects of financial management. However, auditors point out that grantee claims should be based on the original books and records of the fiduciary.

Once the grantee issues a sub-award, the grantee is known as the pass-through entity according to the terminology in the Uniform Guidance.

HIDTA tracks or monitors...

- property and equipment purchased with HIDTA funds (responsibility of Executive Director to implement a tracking system for equipment and property shared between HIDTA initiatives), including software licenses
- current budget balances
- reprogramming transactions
- extensions
- (optional) itemized detailed expenditures

Also, some HIDTAs monitor itemized detailed expenditures to keep a close eye on the available balances (awarded amount, net of reprogrammed amounts and disbursements), even though the fiduciary agency is required to. Such a "shadow" tracking system is optional for the HIDTA management, but it may be useful for monitoring. For example, if the fiduciary tracks detailed expenditures, but doesn't track by resource recipient/initiative combinations, then a HIDTA may track detailed expenditures by resource recipient. HIDTAs often track initiative budgets for every resource recipient/initiative combination.

NHAC tracks ...

- budget balances of initiatives and grant totals
- individual requests for reimbursements and advances (maintaining electronic copies of supporting documents)
- Extensions
- award documents by posting signed copies on FMS.net
- SF-424s

ONDCP tracks

- balances for each grant
- audit results (internal reviews, ONDCP financial reviews and Single Audits)
- performance results

Initiative commanders track ...

- overtime (by employee)
- PE/PI/PS money
- account balances for the initiative
- performance results

Some initiative commanders track the initiative's expenditures and remaining budgets closely, because they closely watch remaining funds.

Proof of Expenditures

Recall that the only ones required to track detailed itemized expenditures are the grantees and the resource recipients making the purchases. Others may track detailed expenditures also for additional purposes, but these are the two entities that are required to track expenditures by policy and regulation.

Recall all HIDTA participating entities receive audits on a regular basis, so they must be prepared at all times.

Grantees

The grantee must keep expenditure records for at least three years and follow other requirements for recordkeeping in the Uniform Guidance. ²⁴ As part of the required recordkeeping, the fiduciary includes the invoices received and the check details for three years or more, following either the close of the grant or the completion of the audit, whichever is later.

Resource Recipients

Likewise, non-federal entities making the purchases and submitting receipts and invoices to the fiduciary must also keep records on HIDTA-funded expenditures they submitted for reimbursement for three years.

²⁴ Recordkeeping is discussed primarily in Sections_____.334 through **.338** of the Uniform Guidance.

The 25% overtime cap applies to each individual employee. The employer must track overtime to be sure that each employee doesn't exceed the limit.

Tracking Overtime

One particularly time-consuming expenditure to track is overtime. Let's start at the officer level to look at how overtime records are kept.

Officer and commander

Each officer must keep accurate time records, including the initiative and the case number on which the officer works overtime. The initiative commander signs the overtime records to authenticate accuracy.

Officer's parent agency

The officer's parent agency processes timekeeping records for payroll and invoices the fiduciary for reimbursement for HIDTA-approved overtime.

Obviously, each individual agency keeps detailed payroll records for its employees, and the individual agency (who provides the labor hours) is the best source of details that ensure compliance with program policies and regulations.

Fiduciary

In addition to invoice records retention, the fiduciary must ensure all overtime policies have been followed, yet, the fiduciary doesn't have the records needed to ensure compliance.

Therefore, a fiduciary may also require the officer's parent agency to certify each overtime invoice fully complies with all HIDTA policies on overtime. A sample of an overtime certification form, used as cover sheet for overtime invoices, is provided on page B-74.

✓ Warning: If one employee works overtime on two task forces, the overtime cap applies to the employee (regardless of the assigned duties).



Best Practice:

Keep detailed overtime records (by employee) and notes about the HIDTA activities requiring the overtime.

HIDTA financial manager

The HIDTA financial manager monitors overtime cost to ensure:

- Each employee's cumulative overtime cost is being tracked.
- Overtime policies are being addressed and monitored by the parent agency or the fiduciary to ensure policy compliance.



Program Policy: Refer to Section 7.12 in the Program Policy (2020) for more information about overtime.

Special Considerations

Keep in mind that the tracking of expenditures for HIDTA purposes may not match the tracking requirements of other entities. Be sure to research and meet all recordkeeping requirements.

Uniform Guidance Requirements

	e Uniform Guidance also gives recordkeeping puirement such as:
•	Procurement history for each procurement action must be maintained in sufficient detail, from inception to concluding decision,318.
•	Retention of all records related to the use of grant funds for 3 years past grant closeout,334.
•	Use approved methods for collection, transmission, and storage of information,336
•	Provide access to records by authorized agencies and representatives,337 ²⁵ , and provide the pass-through entity access to subrecipient's financial statements332
•	Protection of personally identifiable information,338
•	State governments must ensure recordkeeping systems satisfy the need for tracking funds use, and other criteria,302(a).
•	Property records for equipment must include detailed identification information as stated in313(d)(1).
R	equirements for Online

Recordkeeping

The Uniform Guidance also requires posting of data to several online sites such as:

•	Posting audit packages (results) on the Federal
	Audit Clearinghouse web site,512(b).
•	Reporting awards to FFATA Award Reporting
	System(FSRS),212.

continued

_337(c) states this access extends beyond the 3 year records retention period; the right to access is present as long as the records are retained by the non-federal entity.

Uniform Guidance requirements for online records - continued

Registering entities (grantees; subrecipients, and contractors) who wish to do business with the federal government on the System for Award Management (SAM) -- a portion of which may disclose past suspension and debarment activities, Part 200, Appendix I, (D)(3) for awards and sub-awards, and Part 200, Appendix II, (H) for contracts issued with federal financial assistance funds.²⁶

²⁶ Precisely which non-federal entities must register in SAM to do business with the U.S. Government is described in 48 CFR (FAR), Part 4, Subpart 4.1102. Essentially, non-federal entities who wish to pursue contracts above the micro-purchases threshold must register in SAM, but there are other exclusions also. (Source: eCFR.gov, obtained on 1/31/2017)

Best Practice:

Also, track lower cost, highrisk items such as digital cameras.

Best Practices:

Document property management procedures in your HIDTA's standard procedures.

Explain property inventory and management as part of the training you give new task force commanders.

HIDTA-funded Property

Property and equipment have useful lives longer than 1 year and a per unit cost of \$5,000 or more at the time of the purchase according to the Uniform Guidance,____.1, equipment. HIDTA Program Policy provides guidance on the management of HIDTA-funded property and equipment.

At Purchase and Disposal

The purchasing agency holds the title of the property or equipment purchased with HIDTA funds, and it must keep inventory records for every property purchase made with HIDTA funds. The purchasing agency will eventually dispose of it according to the purchasing agency's policies.

Property Management

Program policy specifically states how HIDTA- funded property and equipment may be used, and by whom.

Use of HIDTA-Purchased Equipment

HIDTA-funded property must be assigned to a HIDTA initiative and used for purposes consistent with the HIDTA strategy only. Idle property should be used in the following priority order:

- HIDTA initiative for which the property was purchased
- Other HIDTA initiatives



Program Policy: Refer to Section 8.0 of the Program Policy (2020) for guidance on the use of HIDTApurchased equipment.

Equipment Tracking System

Once the equipment and property are placed in service, the HIDTA Executive Director must ensure an inventory management system is in place that sufficiently tracks the equipment location, use, and other information that ensures it is used to the maximum benefit of HIDTA initiatives.

This might be a sort of check-in/check-out log so that the equipment can be located at any time and its condition and safety monitored.

The grantee, the resource recipient, or the user of the HIDTAfunded property must maintain a current inventory and provide the inventory list to the HIDTA Executive Director or ONDCP upon request, according to Program Policy, Section 8.7.

Required Information

In summary, the inventory list required for grantees and resource recipients is described in Program Policy 8.4; it must record:

- Description of the property
- Serial number or other identifying number
- Source of property (manufacturer)
- The source of the funding for the property [including the Federal Award Identification Number (FAIN)]
- Title holder (the purchasing agency)
- Date acquired and original cost (from the invoice)
- The percentage of the purchase price that came from HIDTA funds
- Location, use, and condition of the property
- Any reported loss, damage, or theft of the equipment; and
- Disposition information (date of disposal and sale price of the property)

Selecting a Tracking System

When selecting or creating a tracking system, consider the following criteria.

- Tracks by initiative and by agency
- · Provides sufficient detail in reports
- Searches through the data
- Interfaces with agency's accounting system, if needed

Inventory Requirements

Additionally, the purchasing agency must perform 100% physical inventory every 2 years (.313(d)(2)); HIDTA management must randomly sample and verify inventory records annually.

> **Program Policy**: Refer to Section 8.0 in the Program Policy (2020) for more information about property management.

Accountability for Equipment

Initiative supervisors must report lost, damaged, or stolen items immediately to the purchasing agency (the agency that holds the title), according to Program Policy, 2020, Section 8.10. Investigations of lost or stolen items follow the policies and procedures of the purchasing agency.

Most HIDTAs implement a local policy to designate a single point of contact for reporting all property, such as the financial manager or a property manager, who in turn reports to the purchasing agency who holds the title.

Examples of locally implemented controls

Additionally, HIDTA management implements policies, procedures, and standard practices to ensure HIDTA-funded property and equipment are used for HIDTA purposes and managed according to program policy requirements.

Examples of controls that local HIDTA management might implement include:

- Bar code all HIDTA-purchased equipment and property
- Keep property records at a central location at the HIDTA for the location and use of all HIDTA-funded equipment and property
- Ensure HIDTA-purchased equipment and property is assigned to HIDTA initiatives or used for authorized purposes; require signed documents to request off-site use of HIDTA-funded property and equipment (e.g., equipment loaned to an individual agency)

(list continued on next page)

- Ensure that the inventory is maintained in good working order by requiring equipment testing at check-out and check-in
- Ensure the property is safeguarded from loss, damage, or theft
- Track specific items of lower cost such as cell phones, laptops, GPS, cameras, etc.
- Track all property that has memory components such as phones, copiers, cameras, GPS, etc.

Accountability and use of HIDTAfunded equipment and property are the shared responsibility of HIDTA management and the purchasing agency.

Notice that the policy requirement for inventory tracking requirement applies only to purchases over \$5,000, but local HIDTA management may expand that requirement to include lesser valued items. Some entities, for example, may consider all items containing digitized memory to be treated as property and equipment regardless of the item's cost; this provides safeguards for the data each might contain, as required by .338.

Recordkeeping for audit purposes

The HIDTA must be able to provide a detailed list of HIDTApurchased equipment and property assigned to each initiative. When the audit team visits, they will evaluate the recordkeeping system to ensure the system meets the program policy requirements.



Group Activity - Who Knows?

Instructions

For each question below, select the person who is most likely to answer your question correctly. *Hint*: Think about who is required by HIDTA policy to have the information you seek, and who is most likely to have the most up-to-date information.

Choose from:

- A. HIDTA financial manager
- B. Grantee (serving the fiduciary role) accounting staff
- C. HIDTA Executive Director
- D. Purchasing agency
- E. Initiative commander

Question	Who Will You Ask?
1. How much travel money do we have left in our budget?	
2. What is the annual maintenance cost of the copier?	
3. Where is the SLR camera we purchased last year?	
4. When can we (cell phone vendor) expect payment for our invoice?	
5. What ever happened to that motion-activated IP camera that the Sheriff's Department purchased last year?	
6. Who do I talk to about getting funding for a new initiative idea?	

Financial Reporting

Financial reporting can mean different things for different purposes.

HIDTA Grant Award status

Both federal and non-federal award recipients must prepare and submit quarterly financial reports about the status of each of their awards.

Non-Federal Entities

Non-federal entities also have non-HIDTA annual reporting requirements by their regulatory boards and state statutes. Although the annual financial statements are not HIDTArequired, the HIDTA program management, ONDCP, does require access to and timely filing of these reports as a means of risk assessment of the HIDTA program grantees.

HIDTA funding status

Regional HIDTAs, because they are not legal entities, do not prepare financial reports. Instead, HIDTA simply monitors its budget and the remaining amount of its awarded funds.

Quarterly Reporting Requirements

HIDTA Program Policy requires all HIDTA award recipients to file quarterly financial reports within 30 days of the end of each quarter.

For quarter ending	Due date	
March 31	April 30	
June 30	July 30	
September 30	October 30	
December 31	January 30	



Program Policy: Financial reporting is described in HIDTA Program Policy and Budget Guidance, 2020, Section 7.26.

The HIDTA financial manager monitors both federal and nonfederal reporting to ensure quarterly reporting compliance.

i Important: Many improvements and features are anticipated during 2019, so visit the online PMS training materials for the most current training informationand alert notifications about system changes.

Federal Agency Quarterly Expenditure Reporting

Federal award recipients submit quarterly financial reports to the regional HIDTA Executive Director and to the National HIDTA Director.

Program Policy (2020), Section 7.26.3 states that in accordance with the HIDTA MOA, Federal agencies are required to submit a quarterly report of initiative obligations and expenditures to the Executive Directors and the National HIDTA Director. Furthermore, each federal agency's MOA document includes the additional requirement that the quarterly reports must provide "obligations by cost categories of the approved budget and the comparison of obligations against budget estimates."

Non-federal recipients

HIDTA grantees use PMS to file the quarterly Federal Financial Reports (FFR), which includes the Federal Cash Transaction Report and the Federal Financial Report

Policy: The Uniform Guidance (2020) Section .328 requires the Federal Cash Transaction Report.

A sample FFR is located at page B-83 of this guide.

Where to learn more

The HHS is implementing new features in PMS and process changes to improve efficiency and enhance security.

For a description of the Payment Management System, turn to page B-78. Visit www.pms.psc.gov for detailed training and user guides.

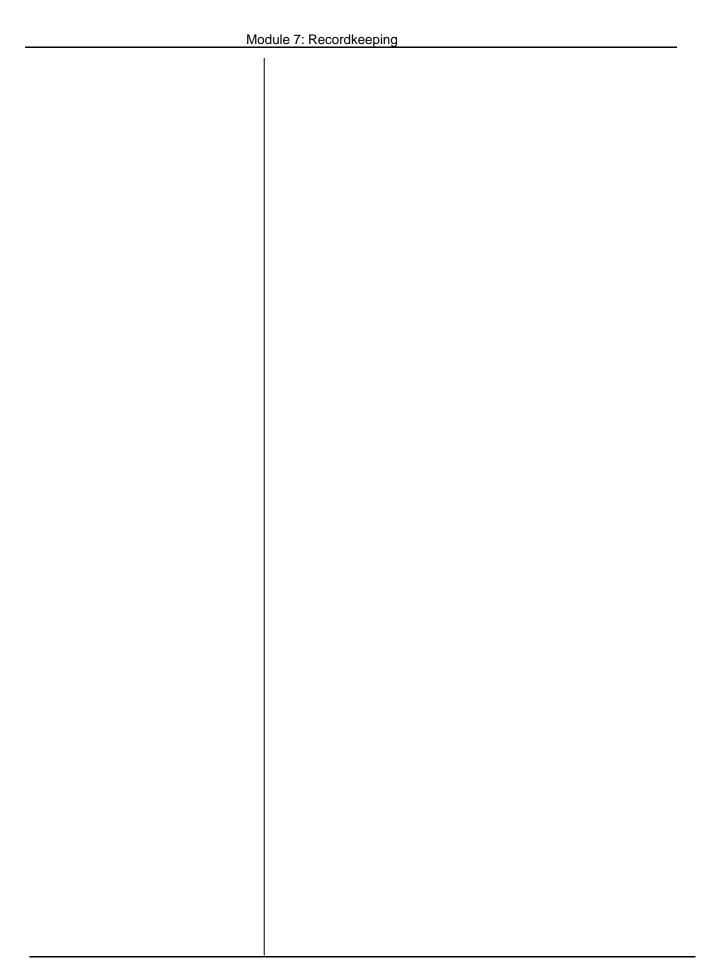
Key Points

- Purchasing agencies and the fiduciary must keep records of every HIDTA-funded expenditure for 3 years after grant closeout or after the audit is complete, whichever is later.
- The purchasing entity must
 - track HIDTA-funded property and equipment during its life if valued at \$5,000 or more when purchased,
 - perform 100% physical inventory every 2 years, and
 - handle the disposition of the property.
- HIDTA management must randomly sample and verify inventory records annually.
- Users of HIDTA-funded property must track the property issued to their initiative to safeguard the property
- Budget balances are tracked by
 - Grantees to ensure disbursements adhere to budget,
 - HIDTA financial managers for disbursements, adherence to budget, and funds management for anticipated needs, and
 - Initiative commanders to ensure the current budget will meet future needs.
- The Uniform Guidance requires recordkeeping such as procurement action history; authorized access to the records, protection of personally identifiable information, and specific requirements for online reporting of data.
- Federal and non-federal award recipients must report financial status of their awards quarterly.

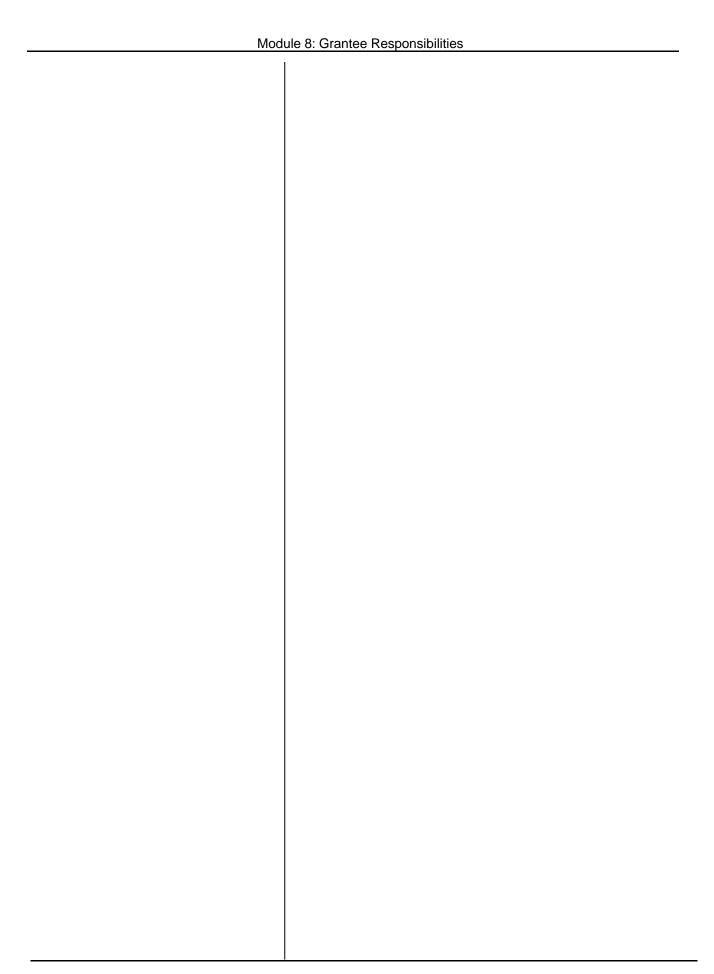


Identify a few ideas from this module that you intend to implement at the earliest opportunity and write them in the space provided.

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Learning Outcomes

At the end of this module, participants will be able to:

- Describe how to determine a grantee's relationship with another HIDTA participating entity – to issue a sub-award or a contract
- Explain the differences between a sub-award and a contract, to the issuer and to the receiver
- Describe the required procurement standards for state entities and for non-state entities
- Recall the criteria for 3 of the 5 claws of procurement
- Use the SAM website to search for entity exclusion records
- Describe the grantee's required oversight of HIDTA funds, including requirements for internal control
- Describe the grantee's responsibilities and limitations for property management, inventory control, and financial management
- Describe the required data reporting for grantees

About Grantee Responsibilities

This module describes the key responsibilities of HIDTA grantees, according to HIDTA Program Policy, the Uniform Guidance, and the terms and conditions of the Grant Agreement. As you read this module, keep in mind the responsibilities apply to the first 2 rows of the table below.

Instrument	Issuer	Receiver
Grant	Federal awarding agency	Grantee
		Recipient
Sub-award	Pass-through entity	Subrecipient
Contract	Contracting entity	Contractor

Sub-award v. Contract

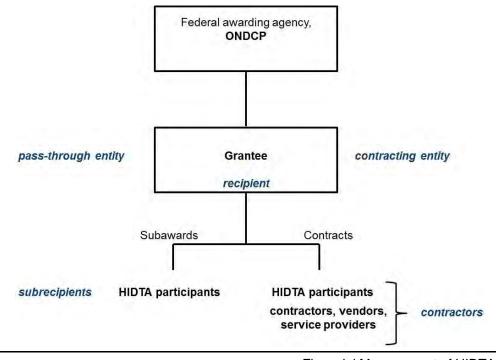
As you know from earlier topics or this course, HIDTA grantees often serve as fiduciaries of funds and reimburse other HIDTA non-federal entities for HIDTA-related costs such as officer overtime, travel, equipment, and other types of costs.

The Uniform Guidance states in _.201(a) the federal awarding agency or the grantee "must decide on the appropriate instrument...," a sub-award or a contract.

There are distinct differences in each instrument, a subaward and a contract, and each requires the grantee to perform certain actions for assessing the risk, monitoring actions, and so forth. We will look at each instrument separately and consider the requirements of each, but before we begin, please note the names of the parties involved change, depending on which instrument is issued.

In the HIDTA program, we can always refer to the non-federal award recipient as the grantee, but it's important to know the other names, so you can distinguish the regulations in the Uniform Guidance that apply to each.

Note: Once the grantee issues a sub-award, it becomes a pass-through entity. Watch for this term throughout the Uniform Guidance.



Determining the Relationship

Which instrument to use (sub-award or contract) depends on the relationship between the non-federal entities, and the Uniform Guidance provides a list of the attributes in ______.331. The Uniform Guidance specifically says the title of the agreement is of little concern; it is the "substance of the relationship" to be more important than the form of the agreement. (_____.331(c))

Furthermore, the Uniform Guidance warns that all listed characteristics <u>do not</u> have to exist for the relationship to be deemed as that of sub-award or procurement contract; consider which set of attributes most accurately describes the relationship between the non-federal entities.

(i) Important: Don't expect all of the characteristics to apply. Consider which agreement type aptly conveys the relationship. And, regardless of the outcome, the grantee must document the process of consideration and decision outcome for auditors to demonstrate the process.

Federal Register / Vol. 78, No. 248

Federal Register / Vol. 78, No. 248

§ 200.331 Subrecipients and contractor determinations.

- (a) **Subrecipients**. A sub-award is for the purpose of carrying out a portion of a Federal award and creates a Federal assistance relationship with the subrecipient. ...when the non- Federal entity:
- Determines who is eligible to receive what Federal assistance;
- (2) Has its performance measured in relation to whether objectives of a Federal program were met:
- Has responsibility for programmatic decision making;
- (4) Is responsible for adherence to applicable Federal program requirements specified in the Federal award: and
- (5) In accordance with its agreement, uses the Federal funds to carry out a program for a public purpose specified in authorizing statute, as opposed to providing goods or services

§ 200.331 Subrecipients and contractor determinations.

- (b) **Contractors**. A contract is for the purpose of obtaining goods and services for the non-Federal entity's own use and creates a procurement relationship with the contractor. See § 200.22 Contract. Characteristics indicative of a procurement relationship between the non-Federal entity and a contractor are when the non-Federal entity receiving the Federal funds:
- (1) Provides the goods and services within normal business operations;
- (2) Provides similar goods or services to many different purchasers;
- (3) Normally operates in a competitive environment;
- (4) Provides goods or services that are ancillary to the operation of the Federal program; and
- (5) Is not subject to compliance requirements of the Federal program as a result of the agreement, though similar requirements may apply for other

For our purpose, whenever the Uniform Guidance states "federal financial assistance" you can translate that to "HIDTA program funding," or a HIDTA grant. It does not refer to contracts with vendors or subcontractors. (.1, definition of federal financial assistance).

Note: The flow down concept represents the Uniform Guidance regulations. Grant conditions do not flow down to sub-awards.

For sub-award to have the same grant conditions, the conditions must be stated in the sub-award agreement.

Helpful checklist tool from AGA

The Association of Governmental Accountants is the member organization for financial professionals in government, and 70% of its members practice within federal, state, and local agencies. By way of the COFAR's online resources for implementing the Uniform Guidance, the AGA provides a checklist to assist grantees in determining the type of relationship they have with other non-federal entities participating in the grant program.

Turn to page B-88 to see this tool provided by the COFAR, or visit www.agacgfm.org to learn more about the Association of Governmental Accountants.

Regulation or Terms of the Agreement?

Only sub-awards follow the regulations of the Uniform Guidance.

Flow down concept: Grant to sub-award Because the Uniform Guidance includes a "flow down concept" in **.101(b)(2)** almost all of the responsibilities of the grantee are also responsibilities of nonfederal entities that receive sub-awards.

The flow down concept affects only the Uniform Guidance rules and regulations; it does not apply to grant conditions, i.e., conditions stated in the Grant Agreement.

The flow down concept does not apply to contracts.

Terms and conditions: Contracts

Contracts are governed by applicable contract law, i.e., the Uniform Guidance does not inherently apply to contracts and contractors.

However, fiduciaries creating contracts with fellow HIDTA non-federal participants can include provisions in a contract's terms and conditions to mirror the Uniform Guidance, if desired. A contract's terms and conditions always apply to the contracted parties.

Why it Matters

The grantee's responsibilities are different for sub-awards (that are regulated by the Uniform Guidance via the flow-down concept) and contracts (that follow the contracts' terms and conditions). Let's compare sub-awards and contracts from 2 points of view: the issuer and the receiver.

To the issuer

- When issuing contract, the issuing entities must follow procurement standards in the Uniform Guidance and applicable contract laws. Entities issuing sub-awards must adhere to the Uniform Guidance's regulations during pre- award, award period of performance, and post-award activities.
- Remedies for non-compliance are different in subrecipient relationships than contractor relationships.
- The flow down concept does not apply to contracts, so sub-award recipients inherently follow the same regulations as recipients of prime grants.

To the receiver

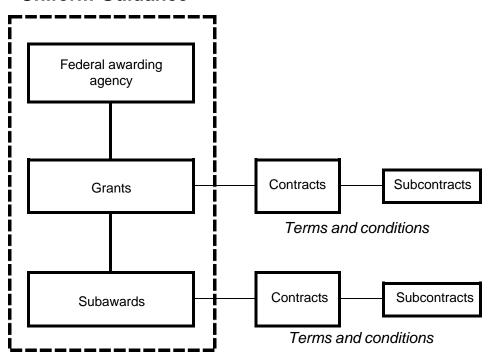
- Once the period of performance begins:
 - Subrecipients follow the Uniform Guidance and comply with all terms and conditions stated in the prime award and those stated in the sub-award.
 - Contractors are not required to follow the Uniform Guidance. Contractors and subcontractors follow the terms and conditions stated in their individual contracts. A contract's terms and conditions can be crafted to be very similar to the regulations of a subaward.

Warning: These lists are not all inclusive. The flow down concept does not apply to contracts issued by nonfederal HIDTA participants.

Summary

All in all, the flow down concept applies to award recipients and their subrecipients. It does not apply to contractors and subcontractors, who follow the stated terms and conditions of each contract.

Uniform Guidance





Group Activity: Making the Determination

Given the guidance and discussion of Section .331 about determining if a relationship is a subrecipient or a contractor relationship, let's use the AGA checklist tool on page B-88 for determining a grantee's relationship with a resource recipient as either a subrecipient relationship or a contractor relationship.

Instructions

You will work with a group, but each member will likely have a different grantee/resource relationship in mind. Allow 1 group member to lead the group and answer the questions of the AGA checklist for 1 of the relationships at his or her HIDTA.

Definitions for using the checklist tool

The AGA checklist tool provides definitions with which you are already familiar:

Recipient – grantee

Subrecipient – resource recipient that receives a sub-award Contractor – resource recipient that receives HIDTA funds via a contract instrument

"The entity" -- resource recipient of undetermined relationship type

"Goal" – refers to the 2 HIDTA program goals:

Goal 1:

Disrupt the market for illegal drugs by dismantling or disrupting drug trafficking and/or money laundering organizations

Goal 2:

Improve the efficiency and effectiveness of HIDTA initiatives

End result

Follow the instructions in the checklist tool to conclude your group's determination for the group leader's grantee/resource recipient relationship. Remember your group's determination represents only 1 relationship.

After the Decision: Issuing a Sub-award

Pre-award activities

According to the Uniform Guidance, sub-awards can be any form of legal agreement between the pass-through entity and the subrecipient, but the HIDTA program presently uses only grant agreements, not cooperative agreements.

- 1. Decide the payment basis.
- Fixed amount sub-awards

Although not expressly prohibited by HIDTA's program policy, it is unlikely that HIDTA funds would be uses for fixed amount awards, because:

__.1, Fixed amount award definition defines these as providing funds "... without regard to actual costs incurred ...,

_.101(b)(2), Summary Table of Applicability, shows fixed amount sub-awards are exempt from Subpart E, Cost Principles.

.201(b)(1) states that unless a case of early termination,"there is no governmental review of the actual costs incurred by the non-federal entity"

.333 requires "prior written approval from the federal awarding agency," and it limits their use to"... up to the Simplified Acquisition Threshold" amount of \$150,000.

Cost-reimbursement sub-awards

Like the prime awards from ONDCP, in costreimbursement sub-awards, the subrecipient receives reimbursement for expenditures already made. Obviously, this relies on the subrecipient to comply with the cost principles of Subpart E of the circular.

Note: Contracts were discussed earlier in Procurement, so our focus now turns to sub-awards. Cost reimbursement grant agreements are appropriate for entities deemed to be low risk, i.e., those that can be trusted to comply with related federal regulations and program-specific policies.

Note: Both contracts and sub-awards can be either of two types: fixed amount or cost-reimbursement. In the HIDTA program, we are not likely to see fixed amount agreements of either type among our HIDTA participating entities.

2. Assess the risk of subrecipients

Section___.332(b) requires the pass-through entity to "evaluate the subrecipient's risk of noncompliance with federal statutes, regulations, and the terms and conditions of the sub-award," so that the pass-through entity can include appropriate subrecipient monitoring tools and activities.

What makes a subrecipient at risk for noncompliance?

Section__.331(b) doesn't specify precisely what must be considered when evaluating a subrecipient's risk for noncompliance, but it suggests several factors to consider during the evaluation:

- Subrecipient's prior experience with similar sub-awards
- Subrecipient's previous audits in similar sub-awards and major programs
- Whether the subrecipient is required to have a Single Audit, e.g., expends over \$750,000 in federal awards per
- The level of experience of the subrecipient's personnel and the stability or newness of its supporting systems
- The extent and results of monitoring by federal awarding agencies working directly with the subrecipient, if any

These are only suggestions provided in the Uniform Guidance, so your experience and concerns may expand this list of factors to consider.

The COFAR provides tools for grantees to assess risk and perform other requirements of the Uniform Guidance. Refer to the risk assessment tool listed on page C-4.

A non-federal entity can receive multiple types of awards simultaneously: prime award from a federal agency, sub- award from a passthrough entity, cooperative agreements, and contracts.

How might a grantee mitigate the risks?

Section .332(c) instructs pass-through entities to consider imposing conditions on subrecipients (within the sub-award document, prior to the award) to mitigate known risk.

Section .332(a)(2) states sub-awards must have the same compliance requirements as the pass-through entity's prime award it received from the federal awarding agency. Therefore, a pass-through entity should consider the risk assessment and mitigation suggestions the Uniform Guidance makes to the federal awarding agency.

3. Prepare sub-award documents

In Section .332(a), the Uniform Guidance provides a list of very specific requirements for the data that must be included in sub-award documents. Required data includes:

- Information to identify the federal award that funds the sub-award
- Amount of the sub-award and period of performance
- Total amount of the federal award: CFDA number and name; and the Federal Award Identification Number (FAIN)
- Names of the federal awarding agency, the passthrough entity, and contact information for the awarding official
- Additional requirements that the pass-through entity imposes on the subrecipient
- Note: The above list is not complete; be sure to carefully read and comply with all requirements listed in .332(a).

What if the information isn't known at the time of the sub-award?

The pass-through entity "must provide the best information available" at the time of the sub-award," according to .332(a).

Customize the terms and conditions to continue current practices such as:

- Invoices must be submitted monthly
- Overtime documentation and certification is required
- Travel vouchers must be signed by supervisor in advance of travel dates

In sub-award documents, include a requirement for the subrecipient to adhere to the local policies and procedures directed by the local HIDTA Executive Board.

What if the information changes after the sub-award?

If the information changes after the sub-award, "the pass-through entity must include the changes in subsequent sub-award modification," according to ____.332(a).

During the award period

The Uniform Guidance gives specific requirements to both the subrecipients and the pass-through entity.

Pass-through entity activities

- Make paper copies available upon request Beyond recommending electronic file formats in section
 - .336, the Uniform Guidance explains the pass through entity must make available, upon request, paper versions of all federal award-related information to the subrecipient. The section goes on to explain circumstances where electronic files may supplement or substitute for signed paper documents, so be sure to read the regulation in its entirety.
- Report each sub-award > \$25,000
 - Although not mentioned in the Uniform Guidance, Part 200, a different regulation, 2 CFR, Chapter 1, Part 170, instructs grantees that issue sub-awards \$25,000 or greater (including modifications) to report those subawards in the FSRS system. The FSRS is a web-based software tool used since 2010 for compliance with the Federal Funding Accountability Transparency Act of 2008.

Warning: Be sure to read Sections___.331 to_.346 completely. This guide only provides the highlights, and you need to know the full regulation.

Federal Register / Vol. 78, No. 248

§ 200.332 Requirements for pass-through entities.

All pass-through entities must:

- (a) Ensure that every sub-award is clearly identified to the subrecipient as a sub-award ...
- (b) Evaluate each subrecipient's risk of noncompliance
- (c) Consider imposing specific subaward conditions ...
- (d) Monitor the activities of the subrecipient ...
 - (1) Reviewing financial ...reports
 - (2) Following-up and ensuring
 - (3) Issuing a management decision for audit findings
- (e) Depending on ... assessment of risk monitoring tools may be useful ...
- (f) Verify that every subrecipient is audited as required ...
- (g) Consider ... results of ... audits, on-site reviews, or other monitoring ... necessitate adjustments ...
- (h) Consider taking enforcement

Best Practice:

Document your considerations whenever the Uniform Guidance requires you to "consider" things. Leave an audit trail of your own compliance.

<u>Pass-through activities</u> - *continued*

- Monitor and oversee subrecipients During the award period, the pass-through entity must monitor the subrecipient's activities sufficiently to ensure:
 - Funds being used for authorized purpose
 - Compliance with federal statutes, regulations, and terms and conditions of the sub-award
 - Performance goals are being achieved

The following list of activities are required by .332(d), and HIDTA examples are provided as possible tools

- Review financial reports, e.g., FMS.net, and performance reports, e.g., WebPMP
- Follow-up to ensure timely and appropriate action if deficiencies exist, e.g., notifying the HIDTA Executive Board through the financial manager, as liaison
- Make management decisions on audit findings that pertain to the HIDTA sub-award
- Verify audits are performed as required The pass-through entity must verify each subrecipient undergoes Single Audits as required of all non-federal entities expending \$750,000 or more of federal funds.(____.332(f))
- Consider adjustments to own entity's records, as needed Section .332(g) instructs the pass-through entity to consider adjustments that may be required when monitoring reveals inaccurate recordkeeping may have occurred for the pass-through entity's systems.
- Consider enforcement actions, if needed If the pass-through entity learns of a subrecipient's noncompliance, the pass-through entity must consider enforcement actions. (.332(h)) Section .339 gives remedies.

Subrecipient activities

• Give access to records

Section .332(a)(5) specifically requires the subrecipient to permit the pass-through entity access to the subrecipient's records and financial statements, as needed, so the pass-through entity can meet its requirements in Section .332.

• Provide written notice to terminate all or portion Section .340(a)(4) describes the actions subrecipients must take to terminate all or part of a sub-award.

Essentially, the subrecipient must give reasons for early termination, state the termination effective date, and clarify the portion being terminated. After termination, both the subrecipient and the pass-through entity remain responsible for closeout requirements and adjustments.

- Terminate sub-award, if needed Section .340(a) lists the causes for termination:
 - Subrecipient fails to comply
 - Pass-through entity has justifiable cause
 - By mutual consent

After termination, both the subrecipient and the passthrough entity remain responsible for closeout requirement and adjustments.

Sub-award Checklist

While not a complete list of every consideration, below is a sample checklist for those who are engaged in administration of HIDTA grant funds.

All non-federal entities		
1.	Who will make the determination of relationships between sub-awards or contracts, as described in331?	
2.	Do we have internal guidelines for making relationship determination described in331?	
3.	What internal control process checks the determination of subrecipient or contract relationship? (331)	
Pass-t	hrough entities	
1.	What is the process for issuing sub-awards that comply with the identifying information described in332(a)?	
2.	What is the process for evaluating risk of noncompliance for subrecipients, prior to the award, as described in .332(b), and developing additional sub-award conditions as described in332(c)?	
3.	What monitoring tools and activities will be used to sufficiently monitor subrecipients to ensure compliance, as described in332(d) and332(f)?	
4.	Who is responsible for reviewing the results gathered from monitoring activities, tools, and reporting, and who will determine what actions are needed to address deficiencies if found? (332(e) and332(g)?	
5.	Who is responsible for reporting sub-awards \$25,000 or greater in FSRS? (FFATA Sub-award Reporting System)	

Subrecipients of sub-awards

Because of the flow down concept, the non-federal entities that are subrecipients of HIDTA funds, i.e., entities that receive sub-awards, must follow the same regulations as the prime grantee, i.e., the non-federal entities that receive direct awards from ONDCP. Review this training guide and the Uniform Guidance to see the many ways the Uniform Guidance affects non-federal entities that are HIDTA funds recipients and subrecipients, such as:

- Procurement standards, processes, etc.
- Records retention
- Mandatory disclosure
- Audit requirements

Procurement

Procurement regulations by entity type: State governments317322327	Procurement regulations vary according to the type of non-federal entity receives the HIDTA award or sub-award. As you read about procurement actions in the Uniform Guidance, be sure you realize which entity type you are exploring. And, be aware that a <i>procurement action</i> is one instance of procuring any number of goods and/or services, with a single decision.
All other non-federal entities	Standards for State Governments
318 319 320 321 322	State governments follow general standards set forth in317, but other non-federal entities have very specific rules as shown at the left.
323 324 .325	Standards for Non-State Governments
325 326 327	Although not a complete description of the general procurement standards for non-state government entities, below are selected regulations of importance.
	 The entity "must have and use documented procurement procedures" that comply with state and local regulations, but they must conform to federal law and standards, 318(a)
	 The entity must "maintain oversight" over contractors to ensure full performance of contracts and purchase orders, 318(b).
	• The entity must maintain written standards of conduct covering conflicts of interest that includes language such as " real or apparent conflict of interest" and not " accept or anything of monetary value".

 $(\underline{}.318(c)(1))$

• Section_.318(c)(2) provides restrictions on "organizational conflicts of interest" as well

• Procedures must avoid "unnecessary or duplicative items" look for economies, and consider feasible alternatives. e.g.,lease v. purchase,____.318(d)

Standards for Non-State Governments

(continued)

•	The entity must award contracts only to responsible
	contractors with "the ability to perform successfully
	under the terms and conditions" of the proposed
	contract.
	(.318(h) $)$

- The entity must maintain documentation sufficient to detail the history of the procurement, such as
 - the cost and price analysis and
 - the vendor selection method and determination. (.318(i))

Regulations for Non-State Entities

Beyond the general procurement standards, the Uniform Guidance gives specific regulations about several important areas, and below is a brief discussion of some of them.

Competition

The Uniform Guidance's gives numerous regulations about conducting procurement actions to meet the requirement of "full and open competition" as outlined in .319.

One new regulation, found in _____.319(c), takes the unusual step of overriding state statutes:

> "... in a manner that prohibits the use of statutorily oradministratively imposed state or local geographical preferences"

The regulation goes on to explain that only <u>federal</u> statutes for geographic preferences can be applied to procurement actions using federal funds.



Best Practice:

Don't rely on others' summary or interpretation of the Uniform Guidance. Read it yourself, carefully.

Cite the Uniform Guidance, precisely, when you assist others.

Note: Local geographic preference is prohibited by theUniform Guidance; see .319(c).

Five methods of procurement

Section .320, states that non-federal entities spending federal funds must use one of 5 methods of procurement.

State governments, however, are not required to follow the 5 methods, per se, but their subrecipients must use the 5 claws of procurement.

Regulations Common to All Non-Federal Entities

Two of the procurement regulations in the Uniform Guidance apply to both state and non-state entities.

Recovered materials

Although not likely to apply to HIDTA funds due to the narrow scope of work for which HIDTA funds are used, the Uniform Guidance provides a new regulation for state entities and their departments and contractors. .323 requires procurement of items that contain the "highest percentage of recovered materials practical" when the item's cost exceeds \$10,000.

Ineligible contractors (exclusions)

HIDTA-funded contracts "must not be made to parties listed on the governmentwide Excluded Parties List System in the System for Award Management (SAM)" according to the Uniform Guidance, Part 200, Appendix II, Section H.



Be very familiar with the contract provisions required in the contracts commonly used in your procurement actions - early. Your needs and requirements in the procurement may change based on the provisions required in Appendix II of the Uniform Guidance.

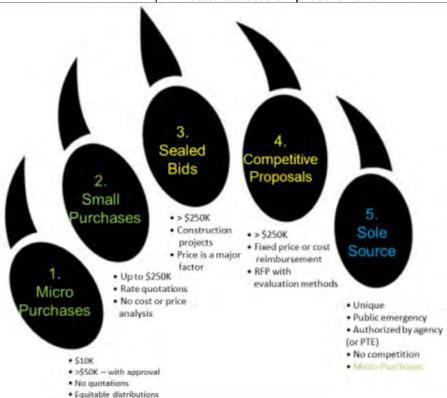
Required contract provisions

Section____.327 states non-federal entities' contracts must contain applicable provisions when using federal grant funds, and the provision are listed in Appendix II to Part 200 of the Uniform Guidance.

Specific provisions must be included in different types of contracts, depending on the dollar amount, contract procurement method, and relevant subject area federal statutes, If you work with procurement actions involving contracts, be sure to review Appendix II of the Uniform Guidance.

Five Claws of Procurement

All non-federal entities must use one of the five methods for procurement of federally-funded property, equipment, and supplies, according to ____.320. The exception to this rule is state entities, but subrecipients of a state must use these methods when spending federal funds. All nonfederal entities spending federal award funds must use these 5 methods, widely known as the 5 claws of procurement, but state government entities can use their own procurement policies to allow for states to adhere to state statutes on procurement.



Micro-purchases

Micro-purchases are those at or below a \$10,000 threshold; they do not require competition.²⁷

"... To the extent practical, the non-federal entity must distribute micro-purchases equitably among qualified suppliers."____.320

²⁷ Your agency may have a different threshold amount for micropurchases. Refer to your entity's general procurement standards and written procedures. Also review the OMB memo on page B-86.

Small purchases

Small purchases exceed the micro-purchase \$3,500 threshold and are less or up to \$250,000²⁸. These procurement actions require competition and are subject to small business set asides. If under \$25,000, no public notice is required, but over \$25,000 requires a published Notice of the opportunity to solicit RFOs (request for quotes).

Sealed bids

Usually applicable to construction projects, sealed bids are publicly solicited and the lowest bidder that meets all criteria is awarded a fixed price contract.

Competitive proposals

Competitive proposals are used for fixed price and costreimbursement contract types. These proposals are used when sealed bids are not appropriate.

Sole source

Noncompetitive proposals are obtained from only one source and under very strict circumstances, such as:

- The item is available only from a single source
- An urgent public necessity requires immediate procurement and delay is not acceptable

For those already familiar with sole source procurement actions using this method, the Uniform Guidance introduced slightly new language in this area.

i Important: Recall non-federal entities must keep records of every procurement action's history (.318). Grantees must formally document the justification for each sole source procurement action.

This becomes an important task for grantees serving as fiduciaries, if they issue contracts to other HIDTA participating entities.

²⁸ Your agency may have thresholds different than these. Refer to your entity's general procurement standards and written procedures. Also see page B-86 and review the OMB memo that allows exception for an increased micro-purchase threshold amount and simplified acquisition limit.

Ensuring Compliance in Procurement Actions

Subrecipients of federal funds from all non-state entity types (including subrecipients of states) must follow___.318 to ____.327 of the Uniform Guidance for procurement actions using federal funds. If the subrecipient's procurement system is not pre-certified as compliant, it must make available to its awarding entity its procurement records for pre-procurement review to ensure compliance. (.325(a)).

Pre-certifying the procurement system

The Uniform Guidance describes several means of assuring the subrecipient procurement system is in compliance with procurement standards and regulations of the Uniform Guidance.

Pre-certification by awarding agency

The federal awarding agency or pass-through entity can predetermine that the subrecipient's procurement procedures fully comply with the procurement standards in the Uniform Guidance, as described in____.325(c).

Self-certification of recipient or subrecipient

The non-federal entity can self-certify its procurement system by citing its "specific policies, procedures, regulations, or standards as being in compliance" with the regulations of the Uniform Guidance and make available its procurement system for review. .325(c)(2).

Pre-procurement review

As for monitoring procurement actions, the pass-through entity has several pre-emptive actions available to mitigate the risk of noncompliance of procurement procedures and requirements stated in the Uniform Guidance.

Mandatory disclosures

The mandatory disclosures discussed later in this module further reduce the risk of fraud, waste, and abuse during procurement actions.

The Uniform Guidance uses the term procurement system in these passages. A system refers to the collection of all components of procurement, including policies, procedures, processes, automated tools, staff roles, etc.

Discussion Which pre-certification method do you think you will see most often among HIDTA participants? Why?

Procurement Regulation Checklist

While not a complete list of every consideration, below is a sample checklist for those who are engaged in procurement activities with federal funds.

All non-federal entities

1. Do we have a written conflict of interest policy that meets the criteria stated in318(c)?
2. Do we have any disclosures to report regarding violations of criminal law, as stated in113?
3. Do we have procurement procedures in place to check SAM for exclusion records of prospective contractors?
States only: 4. Do our procurement procedures follow 317, the procurement regulations for states 323, regarding recovered materials, and 327, regarding contract provisions?
Entities other than state governments: 5. Do our procurement procedures and policies follow each requirement found in318 to327?
6. Do our procurement practices give geographic preference to certain vendors and contractors?
7. Do we maintain a complete history of our procurement actions, including rationale; evaluation methods, etc. asrequired by318(i). Where are these records?
8. Do we wish to submit our written procurement policies that describe our procurement system to the awarding agency for pre-certification as described in325(c)(1)?
9. Do we wish to self-certify our procurement system as described in325(c)(2)?

For each item listed, assign an owner to the task:

- a) Who will check and be sure we are in compliance?
- b) Who will oversee the check and ensure the check is completed?

Best Practice:

Customize the terms and conditions of contracts with HIDTA participants to continue current practices such as:

- Invoices must be submitted monthly
- Overtime documentation and certification is required
- Travel vouchers must be signed by supervisor in advance of travel dates

Also include a requirement in contracts with other HIDTA participants that the contractor entity must adhere to the local policies and procedures directed by the local HIDTA Executive Board.

Pass-through entities

 1. How do we routinely monitor procurement
systems of our subrecipients to know when
pre-procurement review of an item is needed
(See325(b))
 2. How do we monitor, assess, and mitigate
the risk of our subrecipients, as directed
by332(d) which includes
procurement activities?



Group Activity: Searching SAM

Go to www.SAM.gov and lookup each of the following entities to find out which have exclusion records posted, and, note the limitation of the exclusion you discover. Choose from:

- A. No exclusion record found.
- B. Exclusion record that limits some but not all contracts
- C. Exclusion record that restricts all contracts that are federally-funded.

Entity Name

Exclusion? Limited?

1.	Bechtel (the largest construction and civil engineering company in the US)	
2.	HSA Construction	
3.	PowerTherm	
4.	Blue Bell	
5.	Duke Energy Progress, LLC	
6.	Green Works Holdings	

Standards for Oversight

The Uniform Guidance gives very specific instructions for the grantee and subrecipients to oversee HIDTA funds being disbursed only for allowable and approved expenditures.

Oversight	
The prime grantee must monitor itself and its subrecipients	to
ensure those entities also adhere to the Uniform Guidance.	
This includes:	
• Following procurement standards, Sections318	,
to327, including the prime grantee performing	
pre-procurement review, Sections325a)	
through325(c) or the subrecipient entity	
performing self-certification, Section325(c)(2)).
• Disclosing conflict of interest, Section112, and	
written disclosure of past violations of federal crimina	1
law, Section113.	
• Assessing risk of non-compliance before awards are	
made Sections208(b) and332(b)	
 Preparing sub-award documents according to 	
requirements in Section332(a).	
• Reporting all sub-awards over \$25,000, according to 2	
CFR, Chapter 1, Part 170; use the FSRS (FFATA Sub-	-
award Reporting System).	
Monitoring subrecipients to ensure funds are being use	
for authorized purposes, and in compliance with feder	al
statutes, regulations, and terms and conditions of the	
sub-award, Section332(d).	1
Taking appropriate and immediate corrective action are action and the second of t	
consider required adjustments to records to remedy the	3
error(s), Section332(g) and332(h).	:£
• Verifying subrecipients' Single Audits are performed,	11
required, Section332(f). • Reviewing expenditures of HIDTA funds to ensure	
	n
allowability, reasonableness, compliance with program policies and OMB regulations regarding cost principle	
according to HIDTA program policy, and ensure	ν٥,
records are retained 3 years or more, Section	
334	
7 74	

Best Practice:

Effective internal controls have these features:

- Separation of duties
- Supervision
- · Safeguarding of assets
- Verification/reconciliation
- Approval and authorization
- · Documentation of decisions, actions, exceptions
- Reporting to those with authority to take corrective action

Source: JN, Auditor for Brown & Company, in presentation at the 2017 Financial Managers Meeting.

Internal control

- Prime grantees and subrecipients must establish and maintain effective internal control, and take immediate remedial action if needed, Section .303.
- Invoices and vouchers must include a certification statement from an official who can legally bind the non-federal entity, Section_.415(a).
- Timekeeping records must follow a very specific format and track all compensated hours of employees funded by a HIDTA grant, including the hours not spent on HIDTA tasks. There are 6 minimum requirements of timekeeping records listed in the Uniform Guidance in Sections .430(i)(1)(i) through .430(i)(1)(vii). Furthermore, the personnel records must be stored within the *same timekeeping system as the entire entity* uses.²⁹

The following page provides a checklist for reviewing internal controls for compliance with the regulations set forth in the Uniform Guidance.

²⁹ Not all grantees have sufficient timekeeping systems to meet this requirement; not all can afford to upgrade their accounting/timekeeping systems to meet this requirement. Standards of documentation for personnel expenses are described in .430(i).

Compliance Checklist for Internal Controls

Here is a checklist of issues each non-federal HIDTA participant might consider to satisfy the Uniform Guidance requirements for internal control. Consider it a starting point for developing a checklist for your own HIDTA's use.

All non-federal entities

1. Do we have a written conflict of interest policy that meets the criteria stated in____.318(c)? 2. Do we have any disclosures to report regarding violations of criminal law, as stated in .113? ____3. Have we updated our certification statements (for our entity and for those we require from vendors) to complywith_____.415? 4. Where do we store our certifications, i.e., those we provide to others and those we receive from others for our own operations? _5. For each certification we provide, who is the authorized signer? _6. Do we keep timekeeping and activity records for each employee funded by the federal grant in a way that tracks hours of effort expended for the program as well as hours of effort expended on non-program activities, according to .430(i)(1)(i) and .430(i)(1)(iii)? 7. Do our timekeeping records meet the requirements listed in_____.430(i)(1)(iv) though .430(i)(1)(vii)?

For each item listed, assign an owner to the task:

- Who will check each item and be sure we are in compliance?
- b) Who will oversee the check of the item and ensure the check is completed?

Pass-through entities

. How do we evaluate an entity's risk of
noncompliance before issuing sub-awards, as
directed by .332(b)?

activities to ensure compliance to regulations, terms and conditions of the sub-award and to ensure their performance goals are met as directed by ______.303(a) and _____.332(d)?

_ 3. How will we know when to take action based on what we find during our monitoring as_____.303(d) requires us to do?

HIDTA Program Policies for Grantees

In addition to the rules and regulations the Uniform Guidance give to grantees, the HIDTA Program Policy and Budget Guidance gives very specific responsibilities, with limitations, to the grantee that serves as fiduciary.

Limitations on Authority

Grantees are expected to hire employees and contractors, issue contracts, manage property, and expend HIDTA program funds as necessary to meet the needs of HIDTA day-to-day operations. However, program policy also states the HIDTA grantee cannot expend any of the HIDTA funds without approval of the HIDTA Executive Board, according to Section 5.4.

Proactive Collaboration

The grantee works closely with the HIDTA Executive Director or a delegate such as the financial manager, to ensure compliance with Program Policy and other applicable financial rules and regulations.

Property Management

The grantee works with the HIDTA Director to maintain adequate control over HIDTA property, according to Section of the Program Policy. Both are responsible for a ensuring a sufficient inventory tracking system is being used, as described in Section 8.3. Whichever entity purchases the property holds the title, is also responsible for tracking the property, and follows its own standard policy for disposing of the property.

Section 8.1 of Program Policy states the grantee, resource recipients, HIDTA Executive Director, and individual initiative participants "ensure adequate safeguards to prevent loss, damage or theft of property." Section 8.3 requires a tracking system to account for all HIDTApurchased equipment, vehicles and other items valued at \$5.000 or more.

Financial Management

Ultimately, the grantee is accountable for the use of HIDTA funds and must comply with applicable federal statutes and regulations as well as its own regulations and policies, according to Section 7.0 of the Program Policy.

Section 7.26.2 requires the grantee to submit disbursement packages for reimbursement or advances at least quarterly.

Section 7.10.3 forbids the grantee from paying any part of the salary of state or local law enforcement officers, prosecutors, and prosecutorial support staff without written justification to and approval from ONDCP.

Staying Current

HIDTA Program Policy, in Section 7.9, specifically instructs the grantee to maintain knowledge of HIDTA Program Policy and to stay apprised of changes in relevant government-wide regulations such as the Uniform Guidance.

Quarterly Financial Reporting

Section 7.26.1 requires the grantee to file the Federal Financial Report (FFR) within the Payment Management System within 30 days of the ending of each fiscal quarter. The FFR is described in Appendix B, beginning on page B-82.

Data Reporting

The Uniform Guidance requires the following data reporting for all grantees.

System for Award Management (SAM)

All non-federal entities that receive grants and sub-awards must register in the System for Award Management (SAM) and make mandatory disclosures, if required.³⁰

FFATA Sub-award Reporting System (FSRS)

A grantee must report each sub-award it issues greater than \$25,000 and keep the list current. The grantee must make regular edits as sub-awards become larger or smaller than \$25,000.31

Federal Audit Clearinghouse

Single audits and program-specific audits must be posted at the Federal Audit Clearinghouse (FAC) as described in the Uniform Guidance, Sections .512 and .507.

Mandatory disclosure: If the grant recipient receives more than \$10,000,000 of federal awards from all federal sources, then mandatory disclosures are required for procurement related criminal violations, conflict of interest at the organizational level, and administrative proceedings with \$5,000 fines or \$100,000 damages awarded. This is fully stated in each award's Grant Conditions; it originates from **Appendix XII** of the Uniform Guidance.

³⁰ Registration: 2 CFR, Part 25, Section 25.110 states that regulations in Part 25 apply to all grantees and their subgrantees, with a few exceptions listed in .110 (c). 2 CFR, Part 25, Section .200 (b)(1) states that non-federal entities must register in SAM before applying for or submitting a plan for an award or sub-award, and_____.200 (b)(2) states that the award recipients and sub-recipients must maintain their registration in SAM.

³¹ The Uniform Guidance refers to 2 CFR Chapter I, Part 170, where it is fully described.

Procurement actions are perhaps the most vulnerable activities for waste, fraud, and abuse of federal funds.

i Important: Sections_ **.112** and **.113** do not apply to contractors and subcontractors when awards are made under the FAR rules. Consider adding necessary language to the Terms and Conditions of procurement contracts, as needed.

Mandatory Disclosures

The Uniform Guidance requires several disclosures that can reduce fraud, waste, and abuse of federal funds.

Conflict of interest between organizations

Section .112, addresses conflicts of interest between any of the organizations involved in the award and subawards. The federal awarding agency must "establish conflict of interest policies for federal awards," and non-federal entities receiving federal awards must disclose in writing any potential conflict of interest to the federal awarding agency or the pass-through entity.

Written disclosure of past violations

Section _____.113 requires non-federal entities and applicants for federal awards to disclose in writing to the federal awarding agency or pass-through entity all violations of federal criminal law involving fraud, bribery, etc. that could potentially affect the federal award. Strict remedies for noncompliance are given in______.339 and include suspension or debarment.

Confidentiality of PII

_.303(e) of the Uniform Guidance requires HIDTAgrantees and subrecipients, to "take reasonable measures to safeguard protected personally identifiable information (PII) and other information."

Right of public access – with exceptions

Protecting an individual's personally identifiable information must be carefully balanced against the rights of public access granted by multiple federal, state, and local statutes. Such statutes are often referred to as "sunshine laws," because they give transparency to government actions, but exceptions are included in almost every statute. Federal statutes granting public access, for example, have exceptions that allow the federal government to restrict public access to records involving national security and records accusing an individual of a crime, and other exceptions.

Recall the Uniform Guidance applies to HIDTA grantees and subrecipients, but not to contracts. Therefore, contracts often include language for the contractor to safeguard protected PII.

Best Practice:

Implement an agency-wide policy to define protected PII and require all employees to follow the policy. Certain staff must have access to PII for business use, so the policy can clarify the PII is to be used only assigned duties and not made available for other use.

List possible high risk activities:

- Faxing employment verification records that include social security numbers and place and date of birth (birth certificate)
- Sending proof of payment documents that include both an individual's name and bank account or credit card number
- Writing to add a person's Social Security number to appear on any paper document

What is personally identifiable information (PII)?

Personally identifiable information (PII) is data that identifies an individual or can be linked to other information to reveal a person's identity. (See Section .1, definition of personally identifiable information) PII is not defined by its location of delivery means; PII can be found on public websites, in telephone books, and within university listings. It can exist as non-PII and become PII as more information and new link combinations become available.

Responsibility to safeguard protected PII

Beyond defining PII, the Uniform Guidance requires non-federal entities to take reasonable measures to safeguard protected PII.

How to identify protected PII

Essentially, protected PII is an individual's first name or first initial and last name in combination with any of the several data elements as shown below.

Protected PII is:

First name or initial and last name

PLUS one of the following:

Bank numbers Educational transcript

Biometrics Financial records

Medical records Clearances

Credit card number Mother's maiden name

Criminal record Passport number

Date and place of birth Social security number

The Uniform Guidance warns non-federal entities that PII continuously evolves, and protected PII continuously evolves.

Key Points

- Unless stated otherwise, all rules and regulations of the Uniform Guidance flow down from the grantee to the subrecipient that receives subawards from the grant. The flow down concept does not apply to contracts.
- The procurement standards and methods for non-federal entities are specified separately for state and non-state entities. The five claws of procurement are required by all HIDTA grantees and subrecipients.
- Procurement regulations include certifications and review options to reduce the risk of fraud, waste, and abuse from procurement actions.
- A grantee serving as fiduciary must determine the nature of its relationships with other resource recipients it funds: subrecipient or contractor.
- The grantee's responsibilities before, during, and after the award date differ between sub-awards and contracts.
- HIDTA Program Policy lists specific expectations of grantees such as
 - hiring HIDTA staff,
 - prohibiting certain expenditures without ONDCP prior approval (such as paying for law enforcement office salaries), and
 - limiting grantee authority by requiring approval of all expenditures by the HIDTA Executive Board.

Key Points (continued)

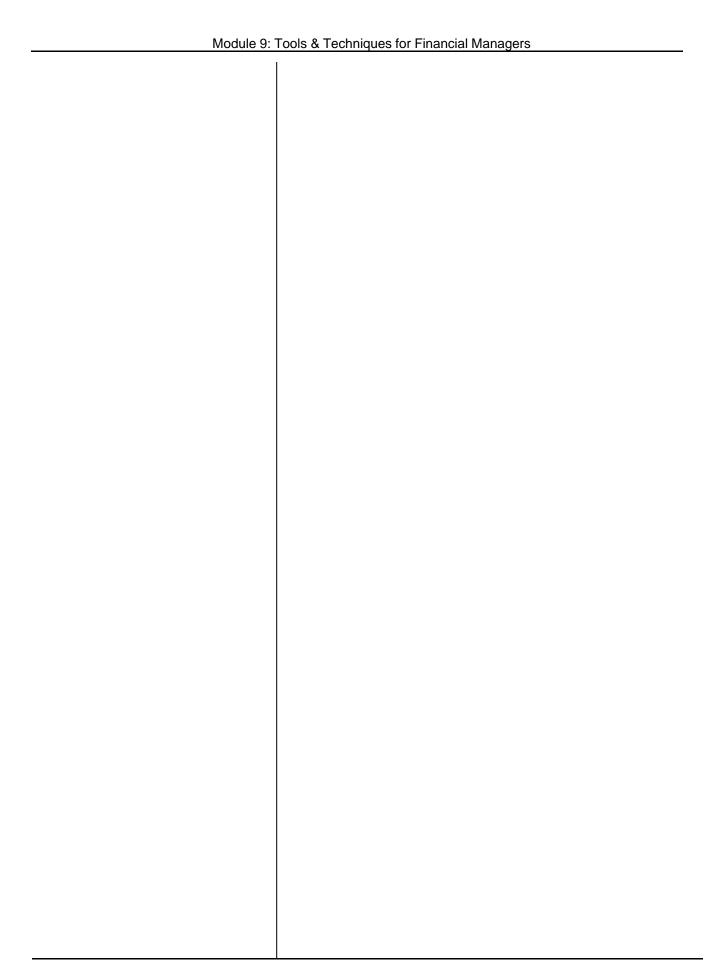
- The Uniform Guidance gives specific instructions for providing oversight of HIDTA funds
 - procurement actions
 - internal controls
 - risk assessments and monitoring
 - mandatory disclosures
 - protecting personally identifiable information

Identify a few ideas from this module that you intend to implement at the earliest opportunity and write them in the space provided.

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Module 9: **Tools & Techniques** for **Financial Managers**



Learning Outcomes

At the end of this module, participants will be able to:

- Describe the financial manager's role at the HIDTA
- Recall 2 or more professional knowledge areas helpful to a HIDTA financial manager
- List 3 or more ways the HIDTA financial manager monitors HIDTA funds flow and describe the benefit of each
- Describe 2 or more techniques for preventing or minimizing a backlog of grant funds

Financial Manager's Role

The financial manager plays a critical role in smooth operation of the flow of HIDTA funds. He or she provides technical support to all levels of HIDTA participants – all who must comply with HIDTA program policy, federal regulations of the Uniform Guidance, and local HIDTA policies and procedures set by the Executive Board. The financial manager's duties include:

Budgeting

- Collecting initiative input during the budget cycle to coordinate and carry out the budget preparation for the local HIDTA.
 - Answering questions about spending patterns and trends
 - Serving as liaison between the Budget Subcommittee and the initiative commanders
 - Researching allowability of requested items, historical trends, etc.
- Monitoring budgets at the initiative level and reporting current status.
 - Preparing monthly or quarterly budget reports for initiative commanders
 - Preparing quarterly summary reports for the HIDTA Executive Director and Executive Board

Disbursements

- Reviewing disbursement request packages submitted by grantees for allowability of expenditures based on:
 - Regulations and program policy
 - Terms and conditions of the Grant Agreement
 - Approved budget

Reporting

 Monitoring quarterly reports from federal and non-federal award recipients to ensure timely filing as required by program policy

Best Practice:

Cross-train 1 or more colleagues on local HIDTA processes and practices.

Create operating procedures that others can follow in the event of an unplanned absence.

Reprogramming

- Processing reprogramming requests to reflect current spending plans of each initiative, following the local process for ensuring management oversight and approval.
 - Maintain online initiative budgets using the FMS.net online budgeting system
 - Submit and track reprogramming requests until approval and posting
 - Communicate status of individual reprogramming transactions

Monitoring and mitigating risk

- Monitoring grantee(s) as appropriate to anticipate problems before they occur, e.g., expiring grants
- Researching, developing, and recommending procedures and practices to strengthen internal controls among HIDTA participants and to support the HIDTA mission and comply with program policies with minimum administrative burden
- Identifying trends and communicate potential shortcomings for needs in the future

Providing technical support for compliance

- Answering policy questions from internal HIDTA participants and from grantee
- Researching and locating policy sources to ensure all participants have accurate and current policy information

Accounting professionals focus on the present.

GAAP – generally accepted accounting principles

Finance professionals focus on the future.

Knowledge Areas

Skills and knowledge in one or more professional areas can be helpful in conducting the varied tasks surrounding financial management of HIDTA funds. Let's glance at a few of the key concepts from each major area.

Accounting

The basic function of accounting is to accurately record the business transactions of an entity, and prepare periodic financial statements that accurately reflect the financial performance and the financial state of the entity.

Therefore, accounting professionals focus on the present, i.e., accurately recording business transactions, so the financial statements are reliable. Beyond this responsibility, they often keep an eye on the horizon to ensure that financial plans, e.g., budgets, are being carried out as planned and according to policies.

Accounting professionals follow very strict guidelines established by a governing board of certified professionals. Collectively, the guidelines are called *generally accepted accounting principles* (GAAP), and for federal entities, those principles are demonstrated and documented in the FASAB Handbook, published by the Federal Accounting Standards Advisory Board.

Within the HIDTA program, financial managers manage the flow of federal funds for compliance with the federal program policies and regulations. They ensure the budget and financial reports accurately reflect the financial status of the HIDTA funds.

Finance

In general, finance professionals focus on the future. These professionals are concerned with cash flow, budgeting, spending rate, and making decisions to maintain or strengthen the financial health of the entity. HIDTA's financial managers, under the guidance of the HIDTA's executive board, monitor budgets, rates of spending, and future funding needs to ensure the HIDTA has sufficient funds to accomplish its mission.

Auditing is concerned with the accuracy of the present system and its ability to prevent waste, fraud, and abuse in the future. To assess how well internal controls are working, auditors' sample past transactions, and track the path they took through the current system of processing.

Like accountants, auditors have a set of professional standards and practices called generally accepted government auditing standards (GAGAS).

Auditing

Many large organizations have a staff of internal auditors to provide ongoing examination or inspection of their financial statements and accounting records. GAAP requires independent auditors to review and render an opinion about the accuracy of the organization's financial statements.

Auditing services are designed to check the end result of accounting functions, but many of the audit results can also be prescriptive in nature, i.e., to prevent waste, abuse, and fraud in the entity's day-to-day operations. Audits are reviews of two general aspects of the entity:

- Accuracy of official financial reports
- Effectiveness of internal controls³² to ensure future accuracy and prevent waste, fraud, and abuse

In order to give a valid objective opinion of these areas, auditors interview, query, and test samples of routine transactions following the documented procedures, from cradle to grave. Therefore, an auditor's work includes:

- Interviewing managers and staff
- Reviewing the supporting documentation for transactions
- Selecting and cross-checking sample transactions of routine business
- Testing the existing internal controls

HIDTA financial managers do not perform the detailed auditing tasks listed above, but they review each disbursement package, i.e., every receipt for every dollar of HIDTA funds spent. HIDTA financial managers keep an eye out for and make recommendations about improving internal controls, especially considering the variety of entities participating in the local HIDTA.

HIDTA financial managers are the eyes and ears of the HIDTA Executive Director and the Executive Board on all financial management matters. After all, the HIDTA financial manager is responsible for managing the flow of HIDTA program funds in day-to-day operations at the local HIDTA.

³² Internal controls are defined in Section_____.**61** of the Uniform Guidance.

Grant Management

Grant management refers to either a) the administration of grant programs from the issuer's perspective or b) the administration of a grant-funded program such as HIDTA.

Because there are federal grants, state grants, and non-government grants, there are different sets of statutes and regulations that may apply to each grant type. Beyond these various levels of government, there are also different types of grants such as matching fund grants and fully-funded grant programs.

HIDTA grants are not matching; they are 100% federal funds.

Non-federal entities that receive grants from multiple sources often have a formal Grants Management Department, with staff assigned to handle one or more specific grant programs. This helps the receiving organization comply with the federal or state statutes and regulations, as well as the individual guidelines and requirements for each grant program.

Knowledge of the recipient's grant management tasks is helpful but not required of financial managers. Grantees with formal grant management departments often bring valuable best practices and standard processes to the financial management of HIDTA funds.

Best Practice:

Develop a detailed position description to fully describe the financial manager position. Include not only the responsibilities, but also the requisite experience and desired education useful for hiring decisions.

Monitoring HIDTA Funds

The financial manager role involves monitoring, but most financial managers don't have authority to take corrective actions independent of the HIDTA Executive Director or HIDTA Executive Board. Instead, the HIDTA Executive Director relies on the financial manager's day-to-day involvement and proactive monitoring to identify problem areas in need of action.

Let's take a closer look at what the financial manager actually monitors and why. Be aware that as HIDTAs vary, HIDTA financial manager's responsibilities also vary, so some tools and techniques may not be available at your HIDTA.

Budgets

HIDTA participants must expend funds in accordance to ONDCP-approved budgets; a summary of the approved budget in FMS.net is attached to every award agreement, for both federal and non-federal awards.

Early opportunity for correction

One of the earliest occasions for financial monitoring is during budget preparation, because the financial manager records the details of individual budget requests into the FMS.net system.

As the financial manager receives input from individual initiative commanders, he or she may detect problems with budget requests such as policy compliance issues, duplication or redundancy of items, or simply lack of awareness of existing resources that may be available to spare duplicate purchases.

Tip: Take advantage of each opportunity to guide, to advise, and to explain HIDTA policies and spending guidelines to initiative commanders and others who work with the HIDTA's budget.

Tip: Watch for supplanting in areas such as vehicle fuel, cell phones, and other "standard issue" items.

All awards have an approved budget attached, and the recipient must follow it.

In the Special Terms and Conditions of 2016 HIDTA grants, the text reads, "Variation ... from the budget attached to this letter must comply with the reprogramming requirements ...," i.e., changes must be approved before the expenditure.

In the MOA for federal awards, the text reads, "This agreement may be terminated if funds are not used in accordance with the approved budget..."

Best Practice:

Because supplanting is difficult to detect and of great concern to ONDCP, HIDTA financial managers should watch closely for supplanting.

Retain certifications for permanent positions.

Rate of spending – as expected?

HIDTA financial managers do not want to see spending occur faster than expected (spending too fast), nor do they want to see an unexplainable slowdown in the spending of budgeted funds, which can create a backlog of funds.

Some accounts deplete at a predicable rate, while others experience sporadic spending. Personnel and Fringe accounts, for example, are depleted at a more consistent rate than, say, overtime accounts, because overtime occurs sporadically during the year. Spending for equipment often occurs sporadically – some HIDTA financial managers encourage initiative commanders to make their approved purchases as soon as the awards arrive to simplify the remaining budget.

Tools: Use PMS inquiries and FMS.net reports to monitor the rate of spending.

- In FMS Series 9 reports show the volume and directional movement of reprogrammed funds during the year; watch for unusual flurry of activity in one or more budget accounts.
- In PMS, run the Payment Data inquiry to see month-bymonth spending patterns.

Tip: The rate of spending can also inform initiative commanders about budget needs for the following program year.

Amount remaining – is it sufficient?

As you monitor the budget, consider how many months remain for the current program year, and the remaining available balance. Will it be enough for the rest of the year? This is especially important for the accounts with constant spending rates such as Personnel and Fringe.

If a shortfall is approaching, look further to see if the reason is apparent, e.g., from earlier reprogramming transactions that depleted the account.



Obtain an account in PMS with view only permission to access your HIDTA's grantee accounts.

Tools: Using FMS.net, prepare an Excel spreadsheet (or simply use a calculator) and calculate a monthly or quarterly amount customarily needed.

- Reports in Series 2 show the budget balance remaining in the final column, i.e., net of approved reprogramming transactions and approved disbursement packages.
- Manually recalculate the report balances, if necessary.
 - Subtract disbursements being processed but not yet posted
 - Add or subtract reprogramming transactions that are not yet approved and posted

Tip: If your HIDTA uses "spending plans," be sure to include the planned purchases when determining if the remaining balance is sufficient.

Tip: Cross check estimates of "routine" spending with the grantee's drawdown history, in PMS.

Excessive reprogramming transactions

Those who prepare and review requested budgets may be able to reduce a HIDTA's reprogramming transactions by improving the accuracy of the budgets during preparation.

A certain number of reprogramming transactions are necessary, as costs and needs change. However, if a recurring pattern is detected over multiple years, some reprogramming transactions may be eliminated by examining the patterns and preparing a budget that more closely matches the eventual and actual need for funds.

Tool: You can see the net effect of reprogramming transactions each program year in the Series 2 reports in FMS.net, but the net effect doesn't show you the volume or direction of the fund's movement. Use the reports in Series 9 to more clearly see trends at a transactional level.

Some HIDTAs require initiative commanders to periodically submit spending plans to the Budget Committee. This allows corrections to occur in advance of the need or the surplus.

A spend plan is simply a list of planned purchases for the remainder of the program year. According to one HIDTA Director's perspective:

"If even 1 grantee is noncompliant, then our entire HIDTA is not compliant!"

Compliance with Policy

Monitoring for compliance is a bit trickier than monitoring the budget dollars, because HIDTA policy spans many areas and ONDCP occasionally issues exceptions for a HIDTA when circumstances warrant an exception. You might, for example, find compliance issues while reviewing a disbursement package, e.g., find an expenditure that isn't allowed, yet the one who submitted it assures you, "It always goes through and gets approved." You might find a policy or regulation that appears to be disregarded by many participants.

Tool: Keep an audit record of every waiver and policy exception ONDCP gives your HIDTA participants; there won't be many. Organize them so you can conveniently locate them when auditors request them, and they will.

Tip: As you identify suspected compliance violations, keep an open mind until you have all of the facts. There may be a waiver.

Discussion You receive a receipt containing the employee

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Allowability of expenditures

As explained in the disbursement discussion, the HIDTA financial manager may review packages of supporting receipts before or after the fiduciary's review of the same receipts. Not everyone will question the same items, hence, the need for multiple reviewers.

Tool: Recall one financial manager shared her thoughts as she reviews disbursement packages, and her thoughts were presented on page 5-25. You might consider creating a similar checklist for reviewing receipts from your HIDTA participants.

Tip: Remain aware of the most common disallowed expenditures at your HIDTA; make a list so you can be sure to watch for them in the future. Include disallowed items you found, the fiduciary may have mentioned, and items the NHAC accounting staff has rejected.

Tip: If you repeatedly reject one or more expenditures, consider asking the HIDTA Executive Director to send a friendly reminder to all HIDTA participants.

Following internal control standards

Individual entities have leeway on how to implement efficient and effective internal controls as required by the Uniform Guidance, .303(a), and the HIDTA financial manager cannot keep up with the internal practices of every entity's practices. However, the financial manager's review of disbursement packages provides an opportunity to spot-check that internal control procedures are followed – to the extent that the receipts and supporting documentation contain consistent markings that indicate control steps were followed.

For example, every expenditure should be pre-authorized by one of the following methods, and a reference number, if used, noted on the receipt or invoice.

- Budget line item detail, or
- Purchase order or similar authorizing voucher, or
- Contract number

Providing Support

The HIDTA financial manager should be the central point of contact for all questions regarding financial management and funding issues. If the financial manager doesn't know the precise answer to a question, the financial manager at least knows how to find the answer.

Answer questions

When initiative commanders are searching for additional funding for unexpected, must-have purchases, commanders know to ask the financial manager. When the HIDTA Executive Director is looking for funds for an innovative idea that requires an unplanned purchase, the director asks the financial manager for summary reports and advice based on past activities and estimates about the future. When grantees have questions about program policy or the Uniform Guidance regulations that affect the HIDTA grant administration, the grantee asks the financial manager.

Tool: With the HIDTA Executive Director's approval, make everyone aware that the HIDTA financial manager is the single point of contact in all financial matters, including HIDTA policy, federal regulations for grants, and processing practices.

Tip: As assistant to the HIDTA Executive Director, anticipate the ongoing need for accurate, up to date information about the current budget and future spending plans. Identify or create a collection of your most useful reports and tools to quickly respond to the director's requests.

Tip: Rather than give policy answers to others' questions, work together to find the answer. This allows the others to learn how to use the resources, e.g., the Uniform Guidance, to find answers independently in the future. Encourage participants, especially grantee staff, to look things up in regulation documents, and encourage them to contact you for verification and cross-checking of their work.

Share the policy

After a length of time in the role of a financial manager, you naturally become a subject matter expert on policies and regulations. Share your knowledge with others, in a respectful, constructive manner. For example, you may not be responsible for property management, but you know the program policy for property is located in Section 8 of HIDTA Program Policy and Budget Guidance.

Tool: Share one or more sections of the policy with the individual responsible for property management, particularly if the individual has less tenure with the HIDTA than you. Supplement the program policy with selected excerpts from the Uniform Guidance as well.

Tool: Every question to which you respond about policy gives you an opportunity to explain and enrich their knowledge of policy. If time permits, share what you know; give more than simple Yes/No responses.

Tip: Inquire politely, directly to the individual responsible for the subject area if he or she would welcome your sharing policy. For example, you might ask, "Do you want me to send you the pages of HIDTA policy on that?" You might explain it's better to correct things before an auditor reviews and discovers a non-compliance issue.

Support the HIDTA Executive Director

The HIDTA Executive Director is responsible for ensuring all participants follow program financial and fiscal guidelines, according to Program Policy (Section 5.0), and at most HIDTAs, the financial manager reports to the HIDTA Executive Director to assist in meeting this responsibility. The HIDTA Executive Director reports directly to the HIDTA Executive Board, so the financial manager prepares budget status reports, and provides financial policy briefings, as needed, to the HIDTA Executive Director and/or the HIDTA Executive Board.

Tools: FMS.net, Excel, and other software tools to summarize and present briefing material in a succinct format.

Tip: Keep briefing material minimal and easy to digest; provide background material in advance to anticipate followup questions.

Tip: Stay in touch with the HIDTA Executive Director and keep the director informed early; anticipate concerns and propose solutions proactively.

Assist the grantee

Although the grantee, by Program Policy, relies on the HIDTA Executive Director for extensions, reprogramming transactions, and fiscal policy explanations, in most cases, these tasks are delegated to the financial manager, who works closely with the HIDTA Executive Director or/and the local Budget Committee.

The financial manager can answer almost every grantee about the HIDTA's day-to-day financial operations and HIDTA program requirements. The financial manager provides technical support for changes in policy and regulations to the grantee as well as to other participants. Often times, the HIDTA financial manager helps resolve difficulties that may arise between the grantee and the other HIDTA non-federal entities.

Watch for expiring grants

The financial manager watches for upcoming grant expiration dates, on behalf of the grantee, and he or she checks behind the grantee to ensure both the preparer and the certifier have completed the FFR in a timely manner.

Tools: Obtain a user account to access the Payment Management System to monitor FFR status in a read-only mode. Watch for expiring grants on the Home Page of FMS.net. Occasionally contact the ONDCP budget analyst and the NHAC accounting staff to inquire which, if any, of your grantees may be causing them extra effort; this can help you identify which grantees are in need of assistance – before they ask.

Tip: As the expiration date approaches, watch to ensure grant funds will be fully depleted well before the expiration date.

As time and budget allows, some HIDTA financial managers visit their remotely located grantees to provide on-site training as needed. Because the financial manager can provide customized training to include federal regulations, program policy and local HIDTA policies and practices – all at once, grantees appreciate the efficiency of 'all-in-one' training sessions.

Mentor colleagues

Rather than merely solve a problem or design a solution, explain the constraints and policies surrounding a problem. Often times, not everyone involved in a process knows the full cycle of steps to complete the process. In other words, participants often know their own portion of the process without knowing what exactly occurs before and after.

Training, or sharing information to those who can benefit from it, is a critical service for the HIDTA financial manager to provide. Whether training is delivered on a one-on-one basis or in a briefing room to a group of people at once, the financial manager can provide instructions, clear guidance, and precise policy rules about local HIDTA financial issues. The financial manager is in perhaps the best position to be the first to identify a problem – which is also the earliest opportunity to correct a problem.

Tip: For simple, brief messages, broadcast email is the most time-efficient method; however, always consider the audience to ensure you choose a delivery method they use regularly.

Tip: The more complex the message or material being shared; the more likely face-to-face communication is most effective. Be prepared to offer multiple sessions to conveniently cover multiple shifts.

Stay current

The financial manager is the single point of contact at the HIDTA for questions about financial matters and HIDTA program policy.

Tool: Locate and bookmark key online resources provide a portal to federal regulation announcements, such as:

www.regulations.gov³³

Use Advance Search.

Keywords: "Uniform Administrative Requirements" Document type: Choose Notice, Proposed Rule, and Rule

Agency: OMB

Date range: varies by how frequently you check

Sort by: Newer - Older

Tip: Make every effort to stay abreast of changes to policies and regulations. For example, bookmark and check the site each month using a standard set of search criteria (that you design).

Locate and provide access to HIDTAshared resources (HRMS)

The National HIDTA Assistance Center (NHAC) maintains ashared library of resources called HRMS (HIDTA Resources Management System). This online shared library is available to HIDTA financial managers and grantee staff with the local HIDTA Executive Director's permission.

The local HRMS Coordinator will create your account with permissions to access information appropriate to your role within HIDTA. With permissions, you can access documents and data lists such as:

Contact the HRMS Coordinator at your HIDTA.

If not known, call the NHAC at (305) 715-7600, and they will give you the contact information for your HIDTA's HRMS Coordinator.

Where to Start

³³ Knowing the process OMB follows for making rules is useful; you can track an upcoming regulation's progress before the rule is announced. For example, the process often begins with a Notice of Proposed Guidance (for public comment), followed by a Proposed Rule, and eventually the publication of the Final Rule.

- Meeting notes from the Financial Managers Group (FMG)
- Course materials in .pdf file format, such as this participant guide
- Contact information for key positions at each HIDTA, NHAC, and ONDCP
- Current position openings posted by individual HIDTAs
- Tools and checklists to help implement the Uniform Guidance

Monitor external data

Stay abreast of current events regarding your HIDTA's participating agencies. Follow local news about each agency, to stay aware of current events or conditions that may affect an agency's participation in HIDTA.

For example, a large county government in metropolitan Birmingham, Alabama recently exited bankruptcy proceedings. If this was your HIDTA's grantee, would you be concerned? Would you at least want to know the details that led them to this financial state? Is your concern the same if the entity was a HIDTA participating entity and not a grantee?

Tool: Anyone can review the status (although not the full audit report) of all Single Audits filed at the Federal Audit Clearinghouse (FAC), so if a non-federal entity expends over \$750,000 of federal financial assistance, the entity will have a Single Audit published at this clearinghouse.

To lookup a Single Audit, visit https://harvester.census.gov/facweb

The CFDA identification for HIDTA award recipients is 95.001, and you can also specify the state and the audit year to narrow your search.

Common Concerns -**Possible Solutions**

Many HIDTAs have similar concerns, so HIDTA participants often exchange ideas on how to prevent and/or solve them.

Backlog of Funds

Leftover funds from the previous year's grants are troublesome for a number of reasons, including:

- The award may expire before funds are used. Federal awards cannot be extended; unused funds are returned to the U.S. Treasury. Non-federal awards can be extended only for compelling reason.
- A stockpile of unused funds represents missed opportunities in other areas; the funds could have and should have been redirected to priority needs.
- ONDCP has a difficult time justifying additional funding needs to Congress when the program has a backlog of unused funds.
- The current initiative commander may not know for what the funds were originally planned and budgeted.

The above list is only a sample of the many ways leftover funds from previous years become a problem to the current program year's operations.

Key concepts for solving this: Initiatives must spend according to their approved budgets, but remember a program year's budget can be used for expenditures that occur any time during the 2-year award period – or longer if the award has been extended. Also, reprogramming transactions are approved changes to the budget.



Program Policy: Refer to this Section 7.21.4 in the Program Policy (2020) for more information about time limits on reprogramming.

Tools: Each of the following solutions has advantages and disadvantages for your local HIDTA Executive Board to review and consider.

Reprogramming funds to another grant year/program year is not allowed.

Spend old funds first

It may seem overly simplistic, but one management technique is to consistently spend the oldest funds first. No reprogramming entries are required when expenditures are occurring in the same HIDTA accounts; see Example 1.

Example 1

Suppose a receipt for a current expenditure is for Services and there happens to be a backlog of old funds in the Services account. No reprogramming transaction is needed.

Example 2

Suppose the leftover budget for 2015 shows \$32,000 remaining of an initiative's budget:

> Equipment (that is no longer needed) \$25,000 Supplies (excess due to price decreases) \$7,000

In 2016, the financial manager, trying to deplete the 2015 remaining funds, reprograms those last two account balances to Personnel and Fringe, because spending in these 2 accounts occur at a steady and predictable rate. The initiative routinely spends \$18,000 per month on personnel and fringe costs, so the financial manager can be assured the funds will be quickly depleted, before the 2015 grant expires at the end of 2016, Year 2.

Before reprogramming, the financial manager talks with the initiative commander to be sure the commander has no plans for spending the remaining 2015 funds.

After the reprogramming, the financial manager asks the grantee to charge the next expenditures for Personnel and Fringe against the 2015 grant, to deplete the remaining funds.

Bonus benefit in both examples

Both examples deplete old grant funds and create an equal surplus of funds in 2016. The HIDTA Executive Board can decide how to use the available 2016 funds – no longer in a rush mode, since the surplus now exists in the 2016 grant instead of 2015.

Tip: Keep records about the change in timing (charging current expenditures to old grants with remaining balances). You'll want to remind yourself (and leave an audit trail) how and why the surplus in the current year occurred.

Set local policies to prevent backlog of funds

Some HIDTA Executive Boards set local policies to prevent backlogs of funds from occurring.

Periodic review of spending plans

One HIDTA Executive Board set a local policy for its Budget Committee to perform periodic review of every initiative's spending plans at the midpoint of the award period, i.e., January 1 of the award's 2nd year. Initiative commanders present their spending plans to the board and justify the need to keep the remaining unused funds.

Fixed time limit for spending

One HIDTA Executive Board sets an 18-month time limit for spending all budgeted funds. It works like this:

Suppose a grant arrives March 1, so 2 months of the program year have already passed. The HIDTA's 18-month time limit considered the late arrival of awards, and initiatives still have more than 12 months to use their funds. After all, the budget was prepared to cover a 12-month period.

On July 1 of Year 2, the Budget Committee initiates reprogramming transactions to redirect the unspent funds to other initiatives with high priority needs. The initiative commanders are reminded well before July 1, and they are encouraged to contact the Budget Committee before July 1, if they can provide a justifiable reason for keeping their unused funds.

Without justification, each initiative's unused funds are "sweptaway" on July 1 of Year 2 and transferred to a pool of funds the Executive Board uses for priority needs.

Watch for conditions that cause surplus of funds

Once HIDTA financial managers monitor the funds flow over several program years, they can usually see trends and associations between certain conditions and an initiative's budget. Some conditions may require more funds, and other conditions may create a surplus – although not an accurate predictor, the financial manager can identify and monitor conditions that typically affect an initiative's funding needs.

Vacant positions

Vacant positions commonly cause a surplus of funds, and HIDTA initiatives have turnover in participants. Vacancies often take time to fill – nomination, consideration, selection, wrap-up at previous position, security clearances add to the length of time required to fill vacancies. Vacant positions with allocated funding for personnel, fringe, overtime, and other accounts such as travel will cause a surplus of budget funds, i.e., a temporary condition causing a permanent budget surplus.

Therefore, vacant positions that are HIDTA-funded are a common condition to watch for, proactively, to identify surplus funds are beginning to accumulate.

One HIDTA reports a policy of reviewing all vacant positions quarterly and automatically reprogramming funds from the accounts affected by the vacancy to whatever pool the Budget committee uses for priority needs.

Change in scale or scope of planned operation

In another instance, expansion of an interdiction operation to include more counties and counties within an adjoining state often leads to additional travel costs for the assigned officers.

Loss of Unspent Federal Awards

Because federal awards cannot be extended and each federal agency manages its own award balance during the 2-year award period, HIDTA financial managers pay close attention to the quarterly financial reports each federal award recipient submits to the HIDTA.

One HIDTA routinely reprograms \$150,000 each quarter from savings incurred due to vacant positions.

The HIDTA financial manager, however, does not communicate directly with the federal agency's financial management office or program officer who tracks the award recipient's HIDTA funds. Instead, the HIDTA financial manager may rely on an individual from that federal agency who is assigned to and working at the local HIDTA. Miscommunication can occur, and the penalty for unspent federal awards is the balance is returned to the U.S. Treasury atthe end of 2 years.

Tip: Pay very close attention to the decreasing account balances within each federal award's budget. Be sure the funds are depleted before September 30 of the 2nd year.

Tool: One HIDTA Executive Board – after losing \$30,000 of unspent HIDTA funds awarded to one of its federal participating agencies – decided to prevent recurrence. The board decided to remove all HIDTA funds from its federal participants: only non-federal entities receive HIDTA awards. Federal agencies participate in the HIDTA without receiving HIDTA awards; each federal agency funds its own participation or relies on non-federal entities to cover occasional HIDTA costs, e.g., training classes.

Service Warranties Longer Than Grant Period

Service warranties exceeding the grant period cause a foreseeable problem if the warranty terminated with refund if the grant is closed. To avoid this, the purchaser has several options.

- Extend the grant as long as required so that the service warranty expires
- Split the funding of the warranty between two grants, if possible, to increase the window of funds to 3 years
- Request the vendor to provide a shorter service plan, even if at a higher price
- Designate and plan for, in advance, a single grant funding the HIDTA to be the one that gets extended, if extensions are unavoidable, i.e., avoid multiple extensions by directing all delays in funding to a single grant.

See also $___.345(a)(2)$ regarding the return of refunds following grant closeout.

Best Practice:

Remind initiative commanders, in advance, that when savings occur, e.g., a purchase price is less than anticipated, it doesn't give them permission to spend the amount of the savings.

Best Practice:

Look for vacant positions within initiatives; they quickly create a backlog of unused funds.

Change in Timing of Planned Purchases

Suppose an initiative commander has funds for the current year's budget for a variety of purchases that won't be needed in the next six months. Meanwhile, the initiative's need for a piece of equipment planned for *next* year has become a high priority, yet the next year's awards have not arrived from ONDCP.

With the Executive Board's permission, some HIDTAs allow "early use" of budgeted funds for extenuating circumstances. With permission, the financial manager reprograms funds from various accounts – sort of an "intrainitiative lending" of funds

- to provide early funding of a future-budgeted item.
- (i) Important: Whenever this emergency plan is used, the financial manager keeps a shadow system – perhaps a single sheet in Excel – to keep up with intra-initiative movement of funds to ensure the funds eventually return to their original accounts on time. Shadow systems are discussed on page 9-28.

In Search of Funds

As discussed earlier, there are several places to look for available funds – provided they are not planned and needed for the future. Below, the example mixes two of the solutions discussed earlier: spend old funds first, and reprogram surplus funds to the needed account.

Example

Suppose Initiative A has leftover funds from an old grant in the Equipment account because the planned purchase is no longer needed. Initiative B has an unexpected need for Services arise. The solution might be to reprogram funds ...

From:

Initiative A (old grant funds) Equipment

To:

Initiative B (old grant funds) Services

Overtime

Overtime is a particularly challenging expenditure to monitor and control, and the list of policies was presented earlier on page 5-26. Auditors almost always sample overtime records, to ensure every policy was considered and followed.

Tool: Have those closest to the data certify policy compliance; ensure adequate records are maintained for audit purposes.

Tip: Conduct 2 separate reviews of the timekeeping records onovertime. For example, the initiative commander signsoff that the work was case related, and provides a case number for each officer's overtime, and the officer's parent agency submits a cover sheet for overtime to certify that other HIDTA policies on overtime are followed, e.g., officer is eligible for overtime.



Program Policy: Refer to Section 7.12.1 in the Program Policy (2020) for complete information about restrictions on HIDTA-funded overtime.

Best Practices:

Document property management procedures in your HIDTA's standard procedures.

Explain property inventory and management as part of the training for new task force commanders.

Recurring Property Loss

All equipment and property purchased with HIDTA funds are considered HIDTA-purchased property and equipment, and the HIDTA Program Policy provides very specific criteria for property management.

Tools: Sign-out logs for HIDTA-purchased property allow each user to verify the date/time/condition of each item on receipt and return. Consider spot-checking inventory more frequently than required by policy. Look for trends in the type of property that has the highest frequency of loss and damage; treat those exceptional items with exceptional rules.

Tips: Maintain records of all HIDTA-funded equipment that was disposed of by its purchasing agency. (Recall the purchasing agency holds the title; this may or may not be the grantee.)



Program Policy: Refer to Section 8.0 in the Program Policy (2020) for more information about property management.

Monitoring Federal Account Balances Quarterly

FMS.net always shows current budget balances – by account – for each grant, because grantees submit disbursements for approval monthly.

FMS.net does not have the federal account balances; however, federal account balances are reported only quarterly. Many Executive Board wish to see the aggregate HIDTA budget status at each meeting, yet federal account balances are not known to FMS.net. Federal participants do not post disbursement transactions in FMS.net.

Tool: FMS.net has a menu choice, Disbursement Request -FED, that mimics the grantee's disbursement requests, but the federal transaction is automatically posted without review and approval by the NHAC accounting staff.

Tip: If agreeable to the Executive Board (which includes federal officials), the Executive Board can set a local policy for federal participants to provide the HIDTA financial manager a monthly report of HIDTA account balances. The HIDTA financial manager, in advance of the Executive Board meeting, keys the account balances into FMS.net (using the federal menu choice), so all HIDTA reports will include the federal disbursements by account.

Why a shadow system?

- Data is not available elsewhere
- Provides an audit record to keep up with details not stored in FMS.net such as:
 - Internally encumbered funds
 - Intra-initiative decisions and transactions

Best Practices:

Before setting up a shadow system, be sure its benefit warrants the extra time required to maintain it.

Always check for existing tools before creating new ones.

Shadow Systems

A shadow system is an optional record or log that duplicates another required system. Why? The shadow system provides additional detail or capabilities that the required system does not provide. Because a shadow system creates extra work for the financial manager, use it only if necessary.

Example 1 - to show greater detail

FMS.net provides tracking of disbursement packages; for each disbursement package, the data is grouped and recorded by initiative and by account. However, the initiative's budget is prepared in FMS.net in greater detail, showing the subaccounts to each account, and showing the resource recipients (entities) that will make the purchase or planned expenditure.

The fiduciary can easily gather the resource recipient's data from its general ledger system; it records every check written to every entity or person, and amounts are charged to HIDTA accounts or object classes.

The financial manager, however, may choose to record data at a greater level of detail than FMS.net provides, e.g., record data into a shadow system to track the resource recipients' budgeted amount and actual amounts expended.

Shadow systems can use any tool you choose such as Excel, Quick Books, or an Access database.

Tip: Consider and compare the time and effort required to the benefits of a shadow system. Is the data already recorded elsewhere so that you can request a standard report from the fiduciary each month? Can a reusable custom report be created for automatic generation in the future?

Example 2 – to record internal decisions not in FMS.net Some financial managers ensure future spending needs are protected by keeping a shadow system of future spending plans, or reserves, much like keeping an informal list of "pre-encumbered" funds.

This same shadow system might also keep track of "intrainitiative" transactions that occur from a change in timing of planned purchases, as discussed earlier in this module. It serves as a journal of sorts to keep track of decisions and agreements that, by policy, do not require formal reprogramming transactions.

Example

Suppose an initiative commander reports that a budgeted training course for a new software package has been delayed until next year. He communicates to the financial manager that although the course is delayed, he wants to "reserve" those funds until the following year, when the class is finally offered. Reprogramming funds between years is not allowed, of course, but the financial manager can use the funds this year for a similar purpose without reprogramming the budget, or the financial manager may need to reprogram the budget to allow spending in a different account. Either way, the initiative commander will need to attend the course the following year, so his "releasing" the budgeted funds this year to another use is understood to be an agreement to use additional budget funds the following year, when the course is finally offered.



Keep it simple and low-maintenance.

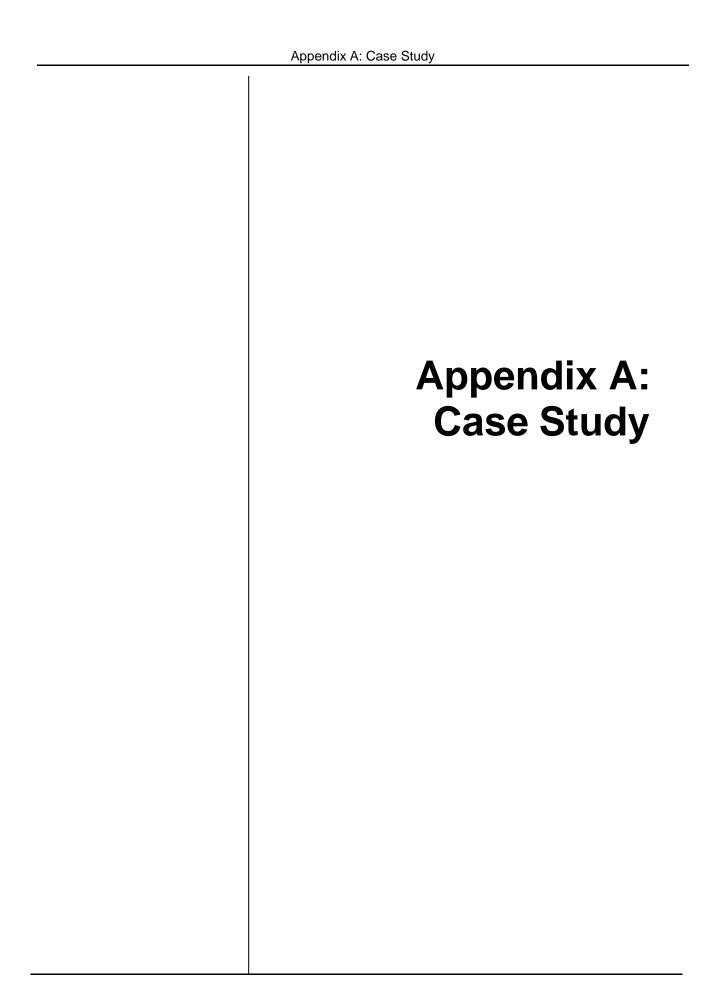
Key Points

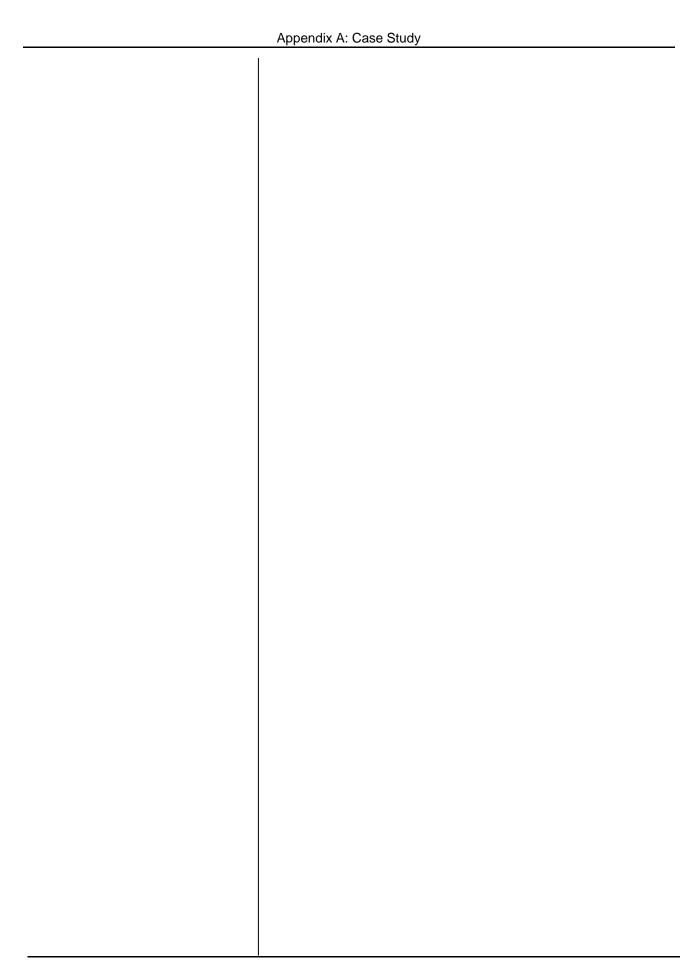
- The financial manager role benefits from knowledge of accounting, finance, auditing, and grants management because the financial manager
 - develops and monitors budgets in FMS.net,
 - processes reprogramming transactions including early detection of the need for reprogramming of funds,
 - reviews disbursement packages for policy complianceof every expenditure of the HIDTA, and
 - monitors the financial reporting from multiple award recipients.
- The financial manager monitors the flow of HIDTA funds using FMS.net, PMS, Excel, and other online
- The financial manager is a problem-solver for local financial issues and develops and recommends standard practices to the HIDTA Executive Director to ensure policy compliance and efficient flow of HIDTA funds.
- The financial manager supports all of the many HIDTA participants including the HIDTA Executive Director, the grantees and federal award recipients, the initiative commanders and supervisors by answering questions on HIDTA financial policies, federal regulations for entities that receive HIDTA funds, and serving as a liaison with the NHAC and the ONDCP when needed.

Identify a few ideas from this module that you intend to implement at the earliest opportunity and write them in

the space provided.

1			
2.			
3			





CB

Case Study #1

Reviewing Budget Requests from the Initiatives

Overview

The Canadian Border HIDTA covers a region of the US from Wisconsin to New York, along the Canadian border and the shores of the Great Lakes. There has been significant drug trafficking across the Canadian border and, recently, an increase in methamphetamine labs located on fishing vessels. Several marinas serve as distribution centers both on land and by water, so that is a new focus of the HIDTA's efforts.

The Initiatives

The Canadian Border HIDTA currently has 11 initiatives underway involving six different awards.

The 11 initiatives are:

- Waterways
- Fishing Vessel Methamphetamine Labs
- Canadian Border Intelligence Center
- Erie North Shores
- Inter-lakes Drugs Task Force
- Canadian Border Prosecution Initiative
- Canadian Border Investigation
- Canadian Border Management and Coordination
- Canadian Border Training Initiative
- Canadian Border Interdiction Task Force
- Canadian Border Operations Support

New Management

Derrick Desmond, the HIDTA Executive Director, has been in his position only one year. The HIDTA has established policies, procedures, and standards, but Mr. Desmond is looking for ways to improve the HIDTA operations and particularly improve the budget control. Last year, for example, \$128,000 remained unused when grants expired.

Additional Information

The following data may be useful in reviewing the attached documents and assessing the budget input data:

25% of GS-12, Step 1 \$17,202.25

Current lease for office building: \$100,000/year

Utilities (including local phone service) \$20,000/year

Utilities for office building (electricity, water, sewer, sanitation): \$15,000/year

Cost of boat slip at marina for 30' boat: Unknown

Director Desmond has changed the way facilities are budgeted. Because 11 initiatives use approximately the same portion of the facilities cost, each initiative will budget for 9.1% of the total facilities cost (\$120,000 for lease and utilities). (The Fishing Vessels Initiative will budget for office facilities and utilities as well as vessel costs.) Where possible, however, initiatives should identify and separately budget their own direct costs such as long distance and cell phone charges.

All initiatives are collocated in the Bayfront Building.

The four initiatives presented in this case are:

- Waterways
- Fishing Vessel Methamphetamine Labs
- Canadian Border Intelligence Center
- **Erie North Shores**

Instructions

Read the following memo from the HIDTA Executive Director, which describes the budget process for this HIDTA. Then review the input submitted by four of the initiative commanders in response to the director's request for budget input.

Make notes on the budget input pages as feedback to the initiative commanders. Make a list of the problems you see with the budget inputs submitted and make a list of questions you need to ask.

Hint: If you aren't familiar with the HIDTA chart of accounts, you can peek ahead to page 5-20.

Debrief Questions

1 77	what were you missing that would have helped your review?							

What suggestions do you have to make the process go more smoothly next year?

MEMORANDUM

Date: February 1, 2018

From: Derrick Desmond,

Director, Canadian Border HIDTA

To: All initiative commanders

RE: 2019 Budget Requests

As you know, the budget season is rapidly approaching, and we must submit our budget request to ONDCP no later than June 15. Working towards that goal, I would like to ask you to provide the following information in your budget requests.

Our HIDTA budgeting subcommittee (appointed by the HIDTA Executive Board) is coordinating all initiative input. John Fritzson, chair of that committee, has asked that we submit the following budget information in the same format. Please give John your budget input no later than April 15th, so he can begin the consolidation process and present it to the budgeting subcommittee by April 30th.

New Approach to Budgeting

The budgeting subcommittee would like you to follow the format provided on the next page when submitting your budget numbers. Also, the budget subcommittee asks that you provide the following information:

For each initiative, separate and subtotal by agency the expenditures within each account. Do not provide employee names, just position titles. Agencies should keep that detailed information so they can retrace their budget numbers.

Fringe benefits apply to regular hours only, not to overtime hours.

Facilities costs will be pro rated to all 11 initiatives, so each initiative should include a budget line item for 1/11th of the facilities cost. Office supplies will be budgeted by each initiative.

Also please provide a one-paragraph justification for each property and equipment item over \$500 and each account that increases more than 5% from the previous year.

Finally, please review your initiative's current and previous program years' budgets and locate accounts where significant budget balances remain (e.g., 20% of the original budgeted amount is still remaining) and provide an explanation of why the money is not yet spent. For example, do you plan to spend the remaining balance before the end of the current program year? If not, can any of the remaining funds be shifted to another initiative?

Discontinued Budgeting Practices

We are no longer pooling overtime for the entire HIDTA. We are now requiring each initiative to estimate and justify the overtime required. However, you can use the previous program year's actual overtime amounts as a beginning point and increase or decrease the next year's budget for overtime as appropriate (more or fewer staff members, change in grade level, increased need for overtime hours, etc.). Explain differences, positive or negative, greater than 5% for the initiative.

Budget Format

Please use Excel or Word tables and follow the HIDTA chart of accounts as shown in the sample below. Show all work and provide justifications as needed.

Total Amount: \$

A. Personnel (Salary + Fringe)

Position	Salary	Fringe Amount	Full-time?
(DOJ) Computer information specialist (2)			
(IRS) Investigative auditor (2)			
(SSPD) Clerical			
(SSPD) Meth coordinator (1)			
(SSPD) Enforcement personnel (3)			

B. Overtime Total Amount: \$

Position	Amount Each	Subtotal

C. Travel/Per diem Total Amount: \$

Reason for Travel	Estimate %	Subtotal

D. Facilities Total Amount: \$

Description	No. of Months	Monthly Rate	Subtotal

E.	Services	l otal Amount: \$

Description	Quantity	No. of Months	Monthly Rate	Subtotal

F. Equipment (items over \$5,000) **Total Amount: \$**

Description	Quantity	Unit Price	Subtotal

Supplies Total Amount: \$ G.

Description	Quantity	No. of Months	Monthly Rate	Subtotal

Total Amount: \$ H. **Other Costs**

Purpose	Annual Amount	Subtotal

TOTAL BUDGET

Thank you for in advance for your input and continued cooperation with John Fritzson and the budget subcommittee.

Regards, Derrick Desmond

Budget Input Received Initiative: Waterways Drug Transportation Task Force

A. Personnel (Salary + Fringe) Total Amount: \$197,813

Position	Salary	Fringe	Full-time?
(SSPD) Clerical	\$18,000	\$4,500	Yes
(SSPD) Task force officer (2)	93,000	23,250	Yes
(NSPD) Investigative officer (2)	96,500	24,126	Yes
(DNR) 1st officer (1)	45,500	11,375	Yes

B. Overtime Total Amount: \$126,456

Position	Amount Each	Subtotal
(SSPD) Task Force Agents (14)	\$8,875 each	\$124,250
(SSPD) Clerical	2,206	2,206

C. Travel/Per diem Total Amount: \$30,000

Reason for Travel	Estimate %	Subtotal
(NSPD) Investigative	\$10,000	\$10,000
(SSPD) Investigative	10,000	10,000
(SSPD) Training	10,000	10,000

D. Facilities Total Amount: \$10,000

Description	No. of Months	Monthly Rate	Subtotal
(NSSD) Pro rated portion of lease and			\$10,000
utilities			

Total Amount: \$121,200 Services E.

Description	Quantity	No. of Months	Monthly Rate	Subtotal
(SSPD) Telephone – long distance	N/A	12	\$600.00	\$7,200
(SSPD) Cell phone service	5	12	100.00	6,000
(SSPD) Copier fees	1	12	500.00	6,000
(SSPD) Vehicle rental	14	12	500.00	84,000
(SSPD) Vehicle maintenance	14	12	50.00	8,400
(SSPD) Training				<u>6,000</u>
(SSPD) Subtotal				\$117,600
(NSPD) Database access fees (NSPD) Subtotal	6	12	50.00	3,600 \$3,600

F. **Equipment** Total Amount: \$99,550

Quantity	Unit Price	Subtotal
2	\$3,000	\$6,000
1	1,000	1,000
1	3,000	3,000
	1,450	1,450
2	\$300	600
10	4,000	40,000
2	500	1,000
2	2,000	4,000
4	250	1,000
2	2,000	4,000
2	500	500
2	6,000	12,000
1	12,000	12,000
10	800	8,000
10	500	5,000
	2 1 1 2 10 2 2 4 2 2 2 2 1 10	2 \$3,000 1 1,000 1 3,000 1,450 2 \$300 10 4,000 2 500 2 2,000 4 250 2 2,000 2 2,000 2 500 2 12,000 1 12,000 1 12,000

Total Amount: \$18,200

Total Amount: 130,000

Supplies G.

Description	Quantity	No. of Months	Monthly Rate	Subtotal
(SSPD) Film				\$250
(SSPD) Audio tapes				500
(SSPD) Video tapes				250
(SSPD) Vehicle fuel	3	12		4,600
(SSPD) Miscellaneous software	12	12		1,700
(SSPD) Reference software	12	12		1,700
(SSPD) Commercial database (monthly access)	12	12		5,000
(SSPD) General office supplies		12	500	3,000
(SSPD) Postage		12	100	1,200

H. **Other Costs**

Purpose	Annual Amount	Subtotal
(NSPD) Purchase of evidence	\$45,000	\$85,000
(NSPD) Purchase of information	30,000	45,000

TOTAL BUDGET \$733,215

Abbreviations:

NSPD North Shores Police Department NSSD North Shores Sheriff Department SSPD South Shores Police Department SSSD South Shores Sheriff Department

Budget Input Received Initiative: Fishing Vessel Methamphetamine Labs

A.	Personnel (Salary + Fringe)	Total Amount: \$330,938
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Position	Salary	Fringe	Full-time?
(SSPD) Clerical	\$20,000	\$5,000	Yes
(SSPD) Computer specialist	50,000	12,500	Yes
(SSPD) Task force officer (2)	93,000	23,250	Yes
(NSPD) Investigative officer (1)	48,250	12,063	Yes
(DNR) 1 st officer (1)	45,400	11,375	Yes

B. Overtime **Total Amount: \$132,912**

Position	Amount Each	Subtotal
(SSPD) Task Force Agents (10)	\$11,076 each	\$110,760
(DNR) 1 st officer (2)	11,076 each	22,152

Total Amount: \$15,000 C. Travel/Per diem

Reason for Travel	Estimate %	Subtotal
(DNR) Investigative	\$5,000	\$5,000
(DNR) Training	10,000	10,000

D. **Facilities Total Amount: \$38,396**

Description	No. of Months	Monthly Rate	Subtotal
(DNR) Boat lease (30' cruiser, twin 250 HP engines)	12	\$2,200	\$28,400
(NSSD) Pro rated portion of lease and utilities			9,091

Total Amount: \$34,200

Total Amount: \$67,640

E. **Services**

Description	Quantity	No. of Months	Monthly Rate	Subtotal
(NSSD) Telephone – long distance	N/A	12	\$300.00	\$3,600
(NSSD) Cell phone service	10	12	100.00	12,000
(NSSD) Database access fees	6	12	50.00	3,600
(NSSD) Copier fees	1	12	1,000.00	12,000
(NSSD) Training				3,000

F. **Equipment**

Description	Quantity	Unit Price	Subtotal
(NSSD) Personal computer (laptops)	2	\$4,000	\$8,000
(NSSD) Computer scanner	1	3,000	3,000
(NSSD) Software		1,450	1,450
(NSSD) Handheld radios	10	4,000	40,000
(NSSD) Digital phone and body transmitter	2	2,000	4,000
(NSSD) Global positioning system	2	1,200	2,400
(NSSD) Microwave directional antenna w/cable	1	995	995
(NSSD) Video camera multiplexer 4 channel	1	2,995	2995
(NSSD) Compact recorders with LCD monitors and time/date	2	1,800	3,600
(NSSD) Video motion detectors	2	600	1,200

Total Amount: \$96,150

Total Amount: \$3,000

Supplies G.

B	0 111	No. of		0.14.4.1
Description	Quantity	Months	Monthly Rate	Subtotal
(NSSD) Audio tapes				\$500
(NSSD) Video tapes				250
(NSSD) Vehicle fuel (cars)	3	12	200	
(NSSD) Postage		12	100	1,200
(NSSD) General office supplies		12	500	3,000
(DNR) Boat fuel	1	12		60,000
(DNR) General boat supplies		12	200	24,000

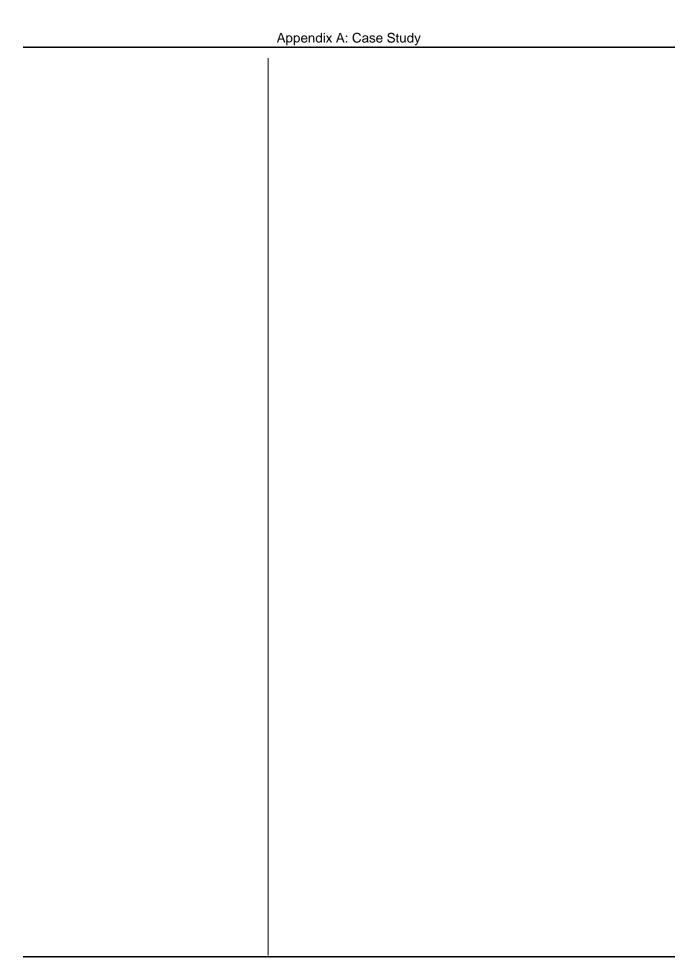
H. **Other Costs**

Purpose	Annual Amount	Subtotal
(NSSD) Community fish fry (to gather	\$3,000	\$3,000
intelligence)		

\$ 718,236 **TOTAL BUDGET**

Abbreviations:

NSPD North Shores Police Department NSSD North Shores Sheriff Department SSPD South Shores Police Department SSSD South Shores Sheriff Department



Budget Input Received Initiative: Canadian Border Intelligence Center

Personnel (Salary + Fringe) A.

Position	Salary	Fringe	Full-time?
(NSPD) Task force agents (1)	55,000	13,750	Yes
(SSPD) Task force agents (2)	96,000	24,000	Yes
(SSPD) Computer intelligence specialists (2)	116,000	29,000	Yes
(SSSD) Computer intelligence specialists (2)	116,000	29,000	Yes
(SSPD) Network administrator (1)	45,000	11,250	Yes
(SSPD) DBA administrator (1)	60,000	15,000	Yes
(NSPD) Investigative auditors (2)	125,000	31,250	Yes

B. Total Amount: \$77,532 Overtime

Position	Amount Each	Subtotal
(NSPD) Task force agents (1)	\$11,076 each	\$11,076
(SSPD) Task force agents (2)	11,076 each	22,152
(SSPD) Computer intelligence specialists (2)	11,076 each	22,152
(SSSD) Computer intelligence specialists (2)	11,076 each	22,152

C. Travel/Per diem Total Amount: \$10,000

Reason for Travel	Estimate %	Subtotal
(NSPD) Investigative	\$7,000	\$7,000
(SSPD) Training	3,000	3,000

D. **Facilities Total Amount: None**

> Description No. of Months **Monthly Rate** Subtotal

Total Amount: \$766,200

Total Amount: \$43,080

Total Amount: \$23,450

Total Amount: \$9,400

E. **Services**

Description	Quantity	No. of Months	Monthly Rate	Subtotal
(SSPD) Telephone – long distance	N/A	12	\$600	\$7,200
(SSPD) Cell phone service	5	12	100	6,000
(SSPD) Database access fees	6	12	50	3,600
(SSPD) Copier fees	1	12	500	6,000
(SSPD) Vehicle rental	14	12	500	84,000
(SSPD) Vehicle maintenance	14	12	50	8,400
(SSPD) Training				6,000
(NSPD) Data network service (for Blackberry devices)	6	12	40	2,880

Equipment F.

Description	Quantity	Unit Price	Subtotal
(SSPD) Laptop computer	4	\$4,000	\$16,000
(SSPD) Color Laser printer	1	4,000	4,000
(SSPD) Software		1,450	1,450
(NSPD) Blackberry messaging devices	6	500	3,000

G. **Supplies**

Description	Quantity	No. of Months	Monthly Rate	Subtotal
(SSPD) Vehicle fuel	2	12	\$50	\$1,200
(SSPD) Miscellaneous software	4			1,600
(SSPD) Reference software	4			3,600
(SSPD) General office supplies			500	3,000

H. **Other Costs** Total Amount: \$10,000

Purpose Annual Amount **Subtotal**

(NSPD) Purchase of information (online)

\$10,000 \$10,000

TOTAL BUDGET

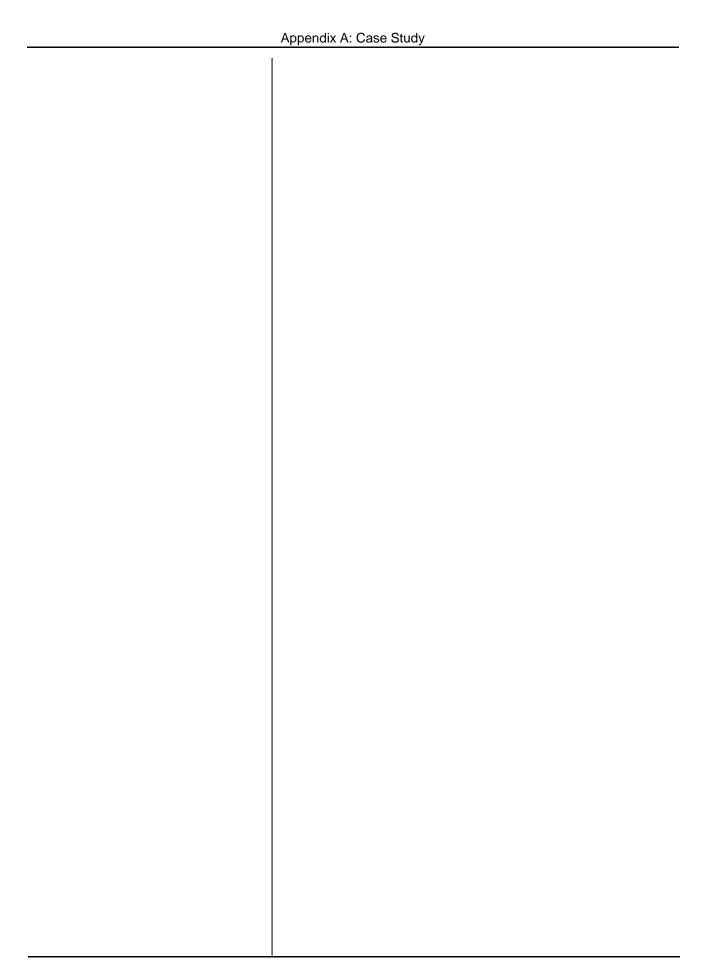
\$937,782

Abbreviations:

NSPD North Shores Police Department NSSD North Shores Sheriff Department

SSPD South Shores Police Department

SSSD South Shores Sheriff Department



Budget Input Received Initiative: Erie North Shores Drug Task Force

BUDGET INPUT SHEET

Initiative Title: Erie North Shores Drug Task Force (ENSDTF)

- A. Personnel
- B. Fringe
- C. Overtime

Overtime funds are pooled for all local agents. Prior approval by a command officer in the initiative is required. The command officer also reviews overtime reports submitted by each agent. This verifies the accuracy of the report and ensures that all overtime is related to HIDTA investigations.

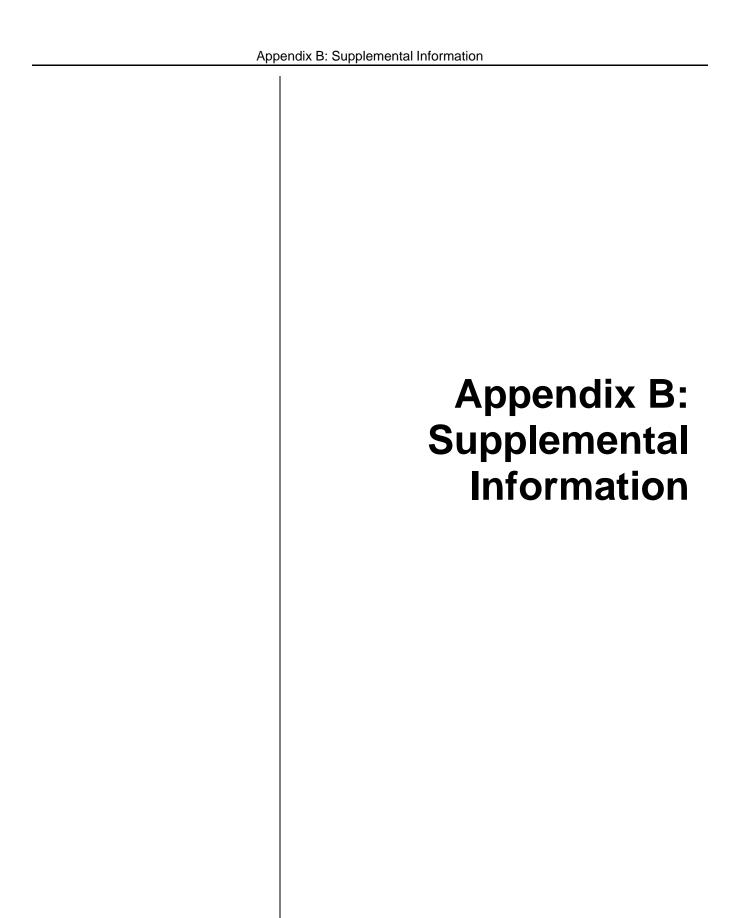
D. Travel

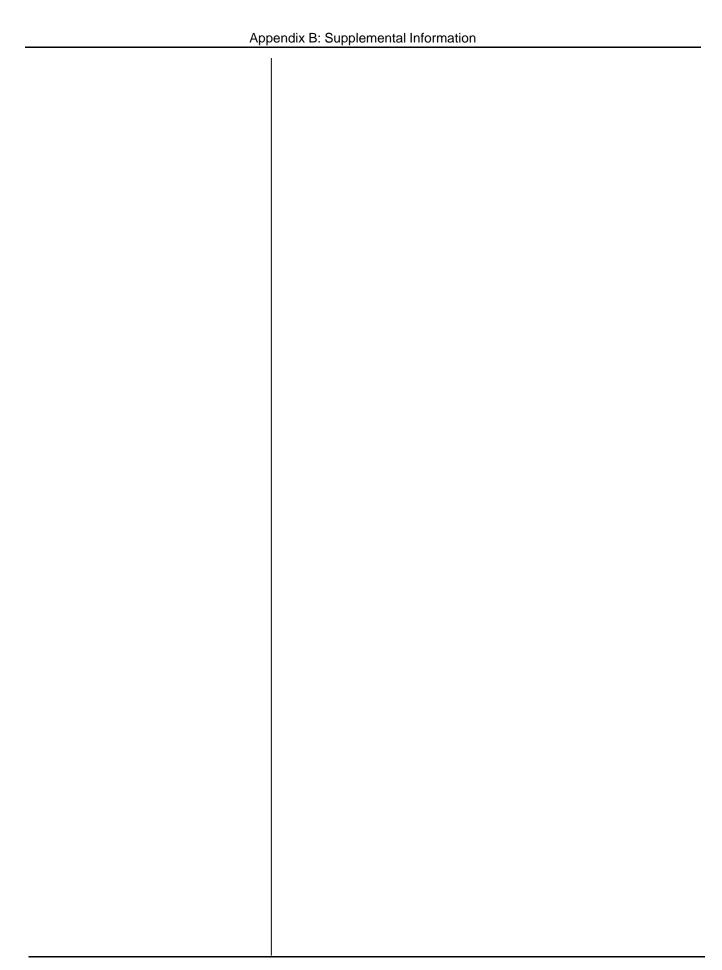
Due to our participation in interdiction operations, this initiative expects to incur travel expenses during the year.

- E. Facilities
- F. Services
- G. Equipment
 - 1. Our initiative is requesting funds for a K-9 Unit. This would include the purchase of the canine, the training of both the dog and the handler, installing an identification microchip into the dog, vehicle modifications to convert to a K-9 unit, and the food/veterinarian bills associated with maintaining the canine. The City of Overlook would provide the personnel required.
 - 2. The addition of a body wire and receiver would enhance the investigations conducted by the ENSDTF. The repeater would give this device a greater range.
 - 3. The time-lapse VCR requested would give the ENSDTF the ability to use existing camera equipment on a longer-term basis and would add options to our video surveillance capabilities.
- H. Supplies
- I. Other

BUDGET WORKSHEET

Account	Item	Unit Price	Subtotal
A. Personnel			N/A
B. Fringe			N/A
C. Overtime	Pooled		47,000
D Travel.	Case Related	8,000	8,000
E. Facilities			N/A
F. Services			
22	Nextel Telephones @ 100/month	2,200.00	26,400
12	Lease Cars (350 per month each)	4,200	50,400
G. Equipment			
1	K-9 Unit	20,000	20,000
1	Recurring Expenses for K9 LEA 6320 Synthesized Intelligence System	1,000	1,000
1	w/ transmitter		4,895
1	LEA 6359 2 Watt Tactical Repeater		2,695
1	AG-RT600 Real Motion Time Lapse VCR		699
Total	-		<u>\$161,089</u>





Module 6

Contents of Appendix B

The following samples, templates, and supplemental documents are grouped according to the modules in which they were discussed.

Module 1	
Code of Ethics (Sample)	B-5
Module 3	
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Passback Questions	
Award Letter	
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Memorandum of Agreement	
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PE/PI Documentation – Sample 2	
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Submitting Disbursement Packages via HRMS	

Continued

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Internal Controls for Disbursements (Sample)B-102
Overtime Verification Form (Sample)B-103

Code of Ethics (Sample)

The following code of ethics provides a sample of ethics policies that a HIDTA might adopt.

All members will:

- 1. Act with honesty and integrity, avoiding actual or perceived conflicts of interest.
- 2. Provide their respective grantee and grantors with information that is accurate, complete, timely, and understandable.
- 3. Comply with rules and regulations of federal, state, and local governments.
- 4. Act in good faith, responsibly, and with due care without misrepresenting material facts.
- 5. Respect the confidentiality of information acquired in the course of one's work.
- 6. Share knowledge and maintain skills important to the performance of grant management.
- 7. Promote ethical behavior among peers.
- 8. Achieve responsive use and control over all assets and resources entrusted.

Searching the Uniform Guidance

Depending on the version of the Uniform Guidance you use, the search tools vary significantly.

Searching the .PDF File

Searching a .pdf file requires a perfect match of literal characters, so be careful to search for the minimum characters that are common to all words you wish to find. For example, if you actually want to locate all of these:

Manage Managed Manager

Management Managing

... you should request "manag" which are the characters commonto all of the words.

To launch the Find *Tool:*

Control + F

Tip: The Find feature begins from the point of your cursor, so besure to reposition the cursor to the beginning of the document.

Reposition cursor to beginning of the file:

Control + Home

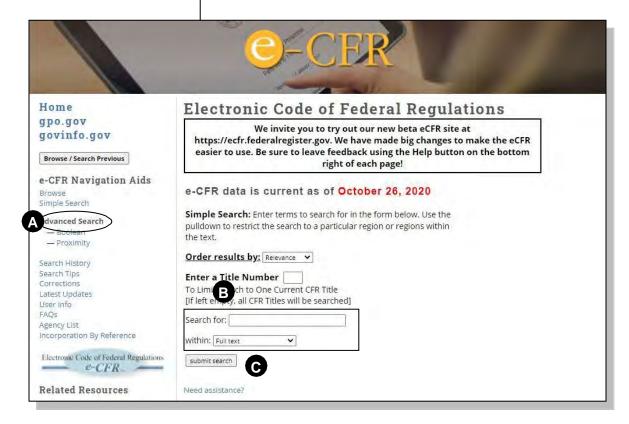
Searching the eCFR

When using the online version of the eCFR, the web site provides an avigation pane with advanced search tools that rely on Booleanlogic. *Boolean logic* relies on true/false branching and allows operators such as AND, NOT, OR, and others.

The results of eCFR's Advance Search tool aren't merely instances or locations of precise words or literal characters, but rather, the results are a set of sections that meet your specified criteria.

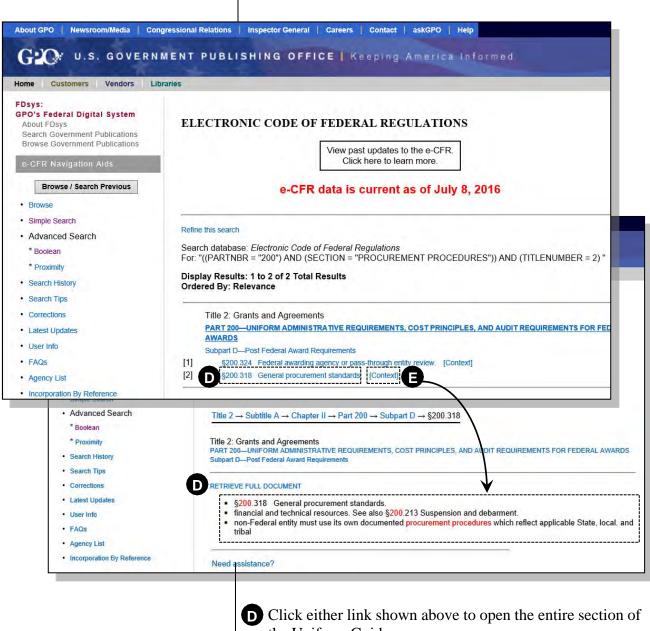
Following are three examples of how the Advance Search tool can be used.

Example 1



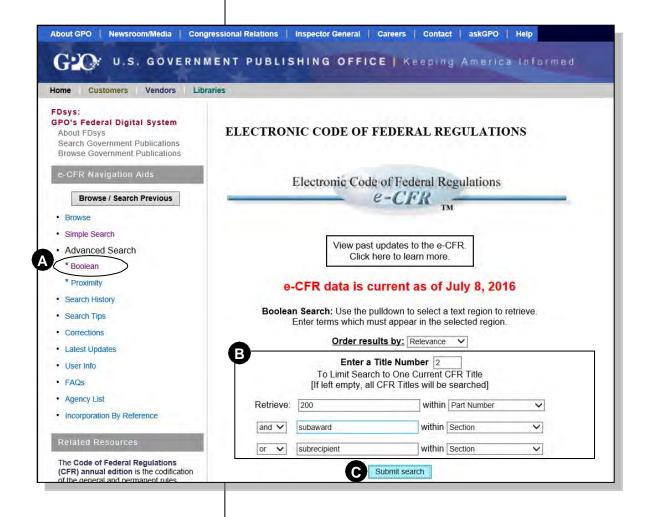
- A Select the search tool.
- **B** Complete the criteria panel.
- C Launch the search.

Example 1 – Search results



- the Uniform Guidance.
- Click the Context link to see a list of instances within the section where the search phrase occurs.

Example 2



- A Select the search tool.
- **B** Complete the criteria panel.
- **C** Launch the search.

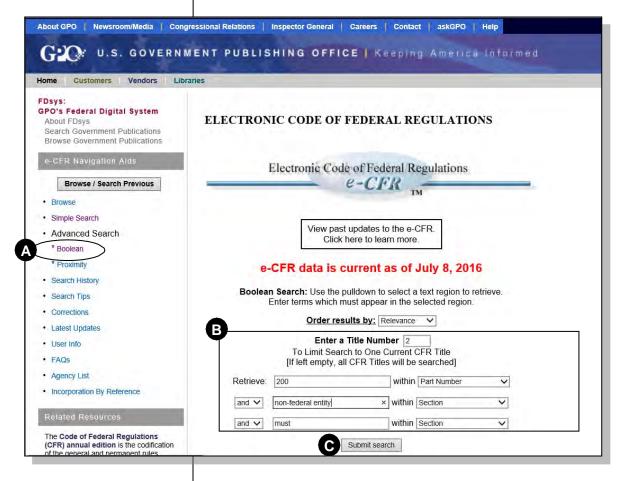
Example 2 - Search results



The search results show the instances found and their locations. Each instance listed provides a hyperlink to open the section's full text.

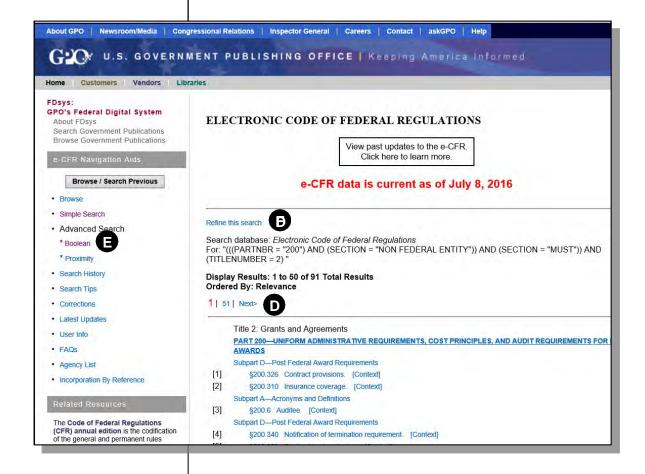
While viewing the section's text, you can search further using the web browser's Find feature (Control + F) to locate keywords within the section's text.

Example 3



- A Select the search tool.
- **B** Complete the criteria panel.
- C Launch the search.

Example 3 - Search results



- A navigation bar allows you to view more of the results, if needed.
- E Clicking here begins a new search, clearing your entries.
- Clicking here returns to your previously completed search panel, so you can change one or more of the criteria.

- ★ Keep in mind, not all errors may yet be reported
- Note: You can quickly search for edits if any using Control + F (Find) and look for 2 CFR.

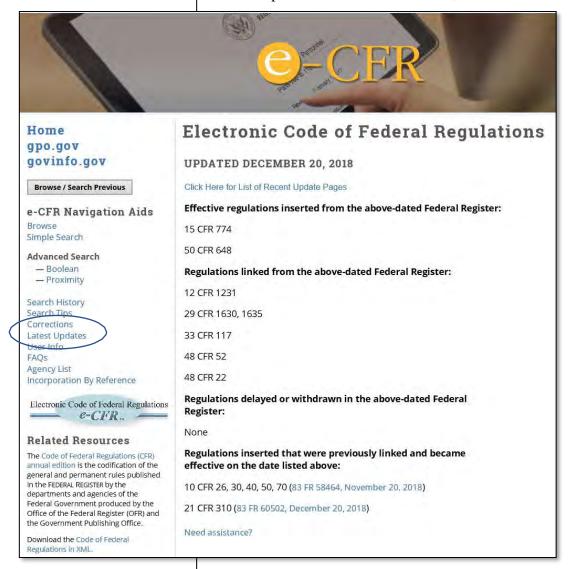
More About the eCFR

Beware – is not official CFR

The eCFR is updated constantly to remain current and to correct errors. It is <u>not the official CFR</u>, Code of Federal Regulations, however, although that is its eventual goal.

Check for recent updates

At left panel of each screen, a link appears to show you the latest updates and corrections made, such as:



Fiscal Audits Directed by ONDCP

The typical process for fiscal audits is shown below, and sample lists and documents are provided on the following pages.

General Process for On-Site Fiscal Audits

- 1. ONDCP contacts HIDTA Executive Director with proposed dates for audit.
- 2. The auditing firm sends the HIDTA Executive Director the Introduction Letter providing the dates for the audit team to be on-site at the HIDTA, explaining what to expect during the audit, and stating the scope of the audit (periods, grants, etc.).

Before Visit

- 3. The auditing firm sends the HIDTA Executive Director and financial manager two documents:
 - Engagement Letter describes the purpose, the scope, and the overall process and timeline of the audit
 - PBC List (Prepared By Client List) provides a comprehensive list of the data, documents, and reports that the HIDTA must prepare and submit to the auditing firm, in advance of the on-site visit

The auditing firm provides a login user name and password to the SharePoint folders the firm has setup for the HIDTA financial manager to submit the requested documents.

- 4. The auditing firm sends 2 documents to each the HIDTA andto the grantee for completion:
 - Internal control questionnaire
 - SAS99 questions

Recipients respond to each question and mark N/A to questions that do not apply. Some questions will be left blank when documents are returned to ONDCP.

- 5. The HIDTA financial manager serves as the single point of contact for the audit team and returns all requested information, per instructions.
- 6. The audit team reviews the submitted information and selects sample transactions from each account category for closer inspection and verification during the site visit. The audit team may request additional information about the selected items.

Personnel Example

The audit team may select a set of transactions for a particular employee during a specific pay period and request all supporting evidence to verify and validate the employee's regular pay rate, the rate used for computing fringe benefits, and policy statements of both the employee's parent organization and of the grantee agency that authorize the employee's regularly pay amount, fringe benefits cost, and overtime pay.

Facilities Example

A grantee is often asked to provide a signed copy of the lease agreement, which states the monthly amount, payment date, etc. to verify the monthly lease cost invoiced to HIDTA.

Note: In most instances, verification must be provided by official documents such as contracts, policy documents, interagency agreements, etc. Auditors specifically request the document types they need.

During Visit

- 7. Auditors spend 2 weeks on-site at the HIDTA office, using a conference room or other convenient work area, and may spend some days visiting the grantee. Auditors continue asking for supporting documents during the visit, and the HIDTA financial manager assists in obtaining the documents.
- 8. Auditors select and test a sample of internal controls to see if they sufficiently safeguard HIDTA funds and adhere to HIDTApolicy.

Test of Internal Control for Property - Example The audit team selects several articles of HIDTApurchased property and observes the financial manager locate the article susing the property tracking system.

9. Auditors schedule interviews with various HIDTA participants, as described in the Engagement Letter. The auditors ask questions, ask for explanations, and examine non-confidential supporting documentation.

After Visit

- 10. The lead auditor prepares and sends a preliminary draft of the audit report to the HIDTA Executive Director within weeks of the site visit.
- 11. The HIDTA Executive Director and financial manager respond to any portion of the preliminary draft t needing explanation or clarification.
- 12. The auditing firm prepares a final report and submits it to ONDCP, including the responses received from the HIDTA.

Introduction Letter from Auditors

This is a sample introduction letter from the auditors.



November 21, 2019

Canadian Border HIDTA Derrick Desmond, Director 8404 Esters Boulevard, Suite 100 Buffalo, NY 05063

Dear Mr. Desmond:

Brown & Company CPAs, PLLC has been selected by the Office of National Drug Control Policy (ONDCP) to conduct audits of their grantees for the FY 2014 and 2015 grants. The Flathead Sheriff's Office HIDTA grants for grant years 2015 and 2016 have been selected for audit. We will be auditing costs incurred through December 31, 2017.

The purpose of this communication is to notify you of the audit and to introduce Brown & Company. We will provide you with an engagement letter memorandum and an initial list of documents that Brown & Company would like to receive prior to our on-site audit work. We will also provide a secured link for the up-loading of documents via SharePoint.

Our fieldwork has been tentatively scheduled to begin on January 23, 2020. We anticipate that our onsite field work will take about two weeks. We also would like to schedule the entrance conference upon our arrival. We want to conduct field work in the office where your records of the HIDTA grant receipts and expenditures are maintained.

I am very excited to be involved in this important effort, and within the confines of government audit standards, hope to make this a collaborative process. ONDCP is using the audit process as a management tool to ensure program financial operations are meeting intended goals. We will make every effort to assist you in resolving any issues needing remediation.

I look forward to meeting with you and to your participation in this important effort. Thank you in advance for your assistance.

Page	Two
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Please do not hesitate to contact me at 240-770-4000 or Mr. Justin Nguyen at 240-770-4001 should you have any immediate questions concerning this matter. Should you prefer to contact us by email, our email addresses are as follows: mnhatcher@brownco-cpas.com and jguyen@brownco-cpas.com.

Sincerely,

BROWN & COMPANY CPAs, PLLC

Milton Hatcher

Milton H. Hatcher

Member

Engagement Letter from Auditors

November 28, 2019

Canadian Border HIDTA Derrick Desmond, Director 8404 Esters Boulevard, Suite 100 Buffalo, NY 05063

Dear Mr. Desmond:

This letter sets forth our understanding of the terms and objectives of the services we are to provide to the Flathead County Sheriff's Office two High Intensity Drug Trafficking Areas (HIDTA) Grants as follows:

- 1. Grant # G11CB0001Z
- 2. Grant # G12CB0001Z

We will audit the Statement of Grantee Costs Claimed for the grant years listed above. These grants may still be operational; therefore our audit cut off will be December 31, 2017. The objective of our audit is the expression of an opinion on the Statement of Grantee Costs Claimed.

Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America and will include tests of the accounting records of the Flathead County Sheriff's Office and Canadian Boarder HIDTA for the HIDTA program and other procedures that we consider necessary in the circumstances to enable us to express an opinion that the Statement of Grantee Costs Claimed are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America. If our opinion is other than unqualified, we will discuss the reasons for not being unable to issue an unqualified opinion with you in advance. If, for any reason, we are unable to complete the audit, or are unable to form, or have not formed, an opinion, we may decline to express an opinion or decline to issue a report as a result of the audit.

As part of our audit, we will obtain an understanding of the organization's internal control to plan the audit and to determine the nature, timing and extent of auditing procedures necessary for expressing our opinion concerning the Statement of Grantee Costs Claimed and not to provide assurance on the internal control or to identify control deficiencies. However, we are responsible for ensuring that the Fiduciary and the Office of National Drug Control Policy (ONDCP) are aware of any control deficiencies or material weaknesses which come to our attention. The management of the Canadian Border HIDTA is responsible for establishing and maintaining effective internal control over financial reporting. To fulfill this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control policies and procedures. The objectives of internal control are to provide management with reasonable, rather than absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and those transactions are executed in accordance with

management's authorization and recorded properly to permit the preparation of the Statement of Grantee Costs Claimed in accordance with accounting principles generally accepted in the United States of America. Because of inherent limitations in any internal control, errors may nevertheless occur and not be detected. Also, projection of internal control to future periods is subject to the risk that procedures may become inadequate because of changes in conditions, or that the effectiveness of the design and operation of policies and procedures may deteriorate.

Our audit will include procedures designed to provide reasonable rather than absolute assurance that the Statement of Grantee Costs Claimed are free of material misstatements, whether caused by error or fraud. As you are aware, however, there are inherent limitations in the auditing process. For example, audits are based on the concept of selective testing of data being examined and are, therefore, subject to the limitation that such matters, if they exist may not be detected.

Our responsibility as auditors is limited to the period covered by om audit and does not extend to any later periods for which we are not engaged as auditors.

We understand that you will provide us with the basic information required for our audit and that you are responsible for the accuracy and completeness of that information. We understand that you are also responsible for identifying and ensuring that the Canadian Border HIDTA complies with the laws and regulations applicable to its activities. We will advise you about appropriate accounting principles and their application; however, the responsibility for the Statement of Grantee Cost Claimed remains with you. This responsibility includes the maintenance of adequate records and related internal control structures, policies and procedures, the selection and application of accounting principles, and the safeguarding of assets.

Management is also responsible for: (1) the design and implementation of programs and controls to prevent and detect fraud; (2) informing us about any fraud or suspected fraud affecting the organization involving management, employees who have significant roles in internal control, or others where fraud could have a material effect on the Statement of Grantee Costs Claimed; and (3) informing us about any allegations of fraud affecting the organization received in communications from employees, former employees, analysts, and regulators.

At the conclusion of the engagement, management will provide to us a representation letter that, among other things, will confirm management's responsibility for the preparation of the Statement of Grantee Costs Claimed in accordance with generally accepted accounting principles or other applicable basis of accounting; the availability of financial records and related documents; compliance with provisions of laws, regulations, contracts and grants; the completeness and availability of all minutes of board of directors (and committee) meetings; and the absence of fraud involving management or those employees who have significant roles in internal controls.

We understand that management is responsible for adjusting the Statement of Grantee Costs Claimed to correct material misstatements and for affirming to the auditor in the representation letter that the effects of any corrected misstatements aggregated by the auditor during the client engagement, and pertaining to the grants being audited, are immaterial, both individually and in the aggregate, to the Statement of Grantee Costs Claimed taken as a whole.

Our audit is not specifically designed and cannot be relied on to disclose significant deficiencies in the design or operation of the internal control. However, during the audit if we become aware of such deficiencies or ways that we believe management's practices can be improved, we will communicate them to you in a separate letter.

We expect to begin our audit fieldwork on January 23, 2020 and to issue our opinion on your Statement of Grantee Costs claimed by the Flathead County Sheriff's Office as soon as possible thereafter. Our fees have been negotiated with the Office of National Drug Control Policy.

- Additional audit procedures in conjunction with the HIDTA Grant Audit include the following:
- The final copy of our audit report will be provided to the Office of National Drug Control Policy (ONDCP)

Any findings and comments included in the final audit report will be resolved with and by the ONDCP.

We will conduct an exit conference with the auditee, and this exit conference may be by telephone conference call.

We appreciate the opportunity to be of service to the Canadian Border HIDTA. If this letter correctly expresses your understanding, please sign the enclosed copy where indicated and return it to us. We look forward to working with you.

If you have any questions or comments, please let us know.

Very truly yours,

Brown & Company CPAs, PLLC Milton Hatcher, Member

Prepared By Client (PBC) Listing

The following list was provided by Brown & Company (as of January 23, 2019); it represents the standard set of items they request when conducting HIDTA audits of 2017 grant year.

1.	A copy of the HIDTA Grant Award, including modifications.		
2.	Financial statement/statement of revenue and expenditures for grant award at 12/31/2018 for		
2.	each period of audit (FY2017/2018).		
3.	Detailed Expenditure Worksheets as of 12/31/2018 for each period of audit.		
4.	NHAC reports as of 12/31/2018:		
''	i. 2a. Grant Balance by Award Recipient report		
	ii. 2b. Grant Balance by Initiative report		
	iii. 2d. Grant Balance by Initiative and Award Recipient report		
	iv. 2e. Grant Balance by Award Recipient and Initiative report		
	v. 6a. Reprogramming Approval History report		
	vi. 6b. Disbursement Approval History report		
	vii. 6c. Grant Extension Approval History report		
	viii. 9a. Trend Analysis Per Award report		
5.	The detailed budget upon which the grant awards are based. This should include:		
	a) The grant application (SF-424)		
	b) The grant agreement		
	c) The administrative plan, if applicable, and		
	d) List of sub-grantees and their funding allocation, if applicable.		
6.	Approved reimbursements and/or approved advances as of 12/31/2018. Note: We need this in		
	Excel format. These reports can be obtained from FMS.		
7.	Detailed grantee claims for reimbursement, as applicable:		
a)	Subsidiary ledgers as of 12/31/2018 for personnel and associated costs, including fringe benefits and overtime.		
b)	Subsidiary ledgers as of 12/31/2018 for travel, facilities, equipment, supplies, and other costs		
	associated with the grant(s) (expense detail). We will review the supporting documentation		
	while conducting our on-site audit procedures.		
c)	A detailed listing of federal cash draw downs (DPM Reports) as of 12/31/2018 for the grant		
	being audited		
d)	Detail of Interest Earned on Advances from 1/1/2017 thru 12/31/2018.		
e)	The HIDTA and fiduciary organization charts (including Finance Department managing		
	HITDA Awards).		
f)	HIDTA Chart of Accounts mapping		
g)	Copies of all required reports, such as the Federal Financial Reports (FFR).		
	Quarterly reports		
	Closed out report within 90 days after the grant is closed out.		

Continued on next page

PCB Listing - continued

h)	Lists of all property purchased with HIDTA grant award funds, including location
i)	Fiduciary procurement policy.
j)	A signed copy of a 100 percent Physical Inventory of HIDTA-purchased equipment at least
	every 2 years.
k)	A HIDTA Executive Director-signed copy of the HIDTA's annual internal review regarding a
	physical inventory of a sample of equipment purchased by each HIDTA grantee or resource
	recipient.
1)	A copy of the annual HIDTA personnel Hiring Agency Certifications for each year under
	audit.
m)	Listing of all employees charged to the grant during the grant periods under audit
n)	A summary report of overtime, by grant award and initiative, paid to each law enforcement
	officer for the 2017 grant.
0)	Reprogramming report from FMS (6a. Reprogramming Approval History) for each audit
	period. The report should include the following information:
	i. ID Journal (IDJ)
	ii. Description
	iii. User Created
	iv. Date Modified
	v. Approved User
	vi. Date Posted Note: See NHAC for instructions on how to obtain the reprogramming report from FMS.
8.	For HIDTA- funded vehicles provide documentation to: (1) Support its assignment in support
0.	of HIDTA-related actives and (2) Show the vehicle users.
9.	Copy of latest ONDCP conducted on-site program review, fiscal and property sections.
10.	Prior year HIDTA audits finding and corrective agency / entity action plans.
11.	FY 2017 and FY 2018 agency / entity Single Audit Reports (Uniform Guidance Compliance).
12.	Written procedures for purchase of service (P/S), Purchase of Evidence (P/E) and purchase of
	specific information (P/I), if applicable.
13.	HIDTA-purchased equipment policy and procedures, if applicable.
14.	Cash Management written procedures. (Example: the time elapsing between the drawing down
	of federal cash and disbursement to vendor / service provide.)
15.	Executive Board Minutes from 1/1/17 – 12/31/18
16.	Copy of procedures for determining sub-recipients versus contractors.
17.	Copy of indirect rate agreement.
18.	Copy of Conflict of Interest Policy.
19.	Internal Control Policy and Procedures.
20.	Federal Funding Accountability and Transparency Act (FFATA) Sub-Award Reporting
	System (FSRS)
	- Provide a list of sub-recipient's information receiving federal grants of \$25K or more.

PCB Listing - continued

Please provide us with all items listed above that you can transmit electronically (using the secured shared-folder site). For schedules, please provide in Excel format to facilitate our analysis of cost categories and sample selection for testing. Items that are not available electronically please retain and have available for us upon our arrival on site.

Our audit report will provide an opinion on whether the statement of grantee costs claimed for reimbursement present fairly the results of the HIDTA activity and costs claimed for the grant being audited. Our audit report will provide an opinion on internal controls over financial reporting and on compliance with applicable laws and regulations.

Grantee Internal Control Questionnaire

This document is completed by the grantee and certified by the grantee's project director.

Internal Control Questionnaire Flathead County Sheriff's Office

- 1. What controls do you have in place to ensure the proper use of HIDTA budget accounts? For example, to properly categorize a security alarm as services when the HIDTA guideline considers it a facility cost.
- 2. Does your agency reconcile HIDTA related expenditures to what has been reimbursed by HIDTA?
- 3. Do you suspect that any initiative had been padding the budget? For example, requesting money that is not spent on HIDTA activities.
- 4. Do you suspect any supplanted budget expenditures?
- 5. Are Quarterly Status Reports (Form SF-269/FFR) being processed within 30 days of the end of the quarter?
- 6. Do your fiduciaries and/or initiatives operate on advances or reimbursements?
- 7. Do you have interest earned on unspent balances? Is the interest return to the federal government? Please provide the amount.
- 8. Does your agency have a written policy and procedures regarding PE/PI/PS?
- 9. Was there any incident in which your HIDTA reimbursement request was rejected or suspended by NHAC/ONDCP?
- 10. Did your agency request an extension from ONDCP? If so, how long was the extension? Why was the extension requested?
- 11. Do you have any unused (leftover) HIDTA budget money?
- 12. What accounting system does your agency use to keep track to HIDTA expenditures?
- 13. Does your accounting system keep track of detailed expenditures by resource recipient/initiative? In addition, does your accounting system monitor HIDTA budget balances?
- 14. Does your agency's accounting system capture and differentiate HIDTA funding and expenditures separately from other programs?

- 15. When was the last time the HIDTA did an internal fiscal review since our last HIDTA audit? What were the results? Can we have a copy of the report? Note: This question might not be applicable since the internal fiscal review process might have terminated temporarily.
- 16. Does anyone reconcile the detailed expenditure from the resource recipient/initiative to the fiduciary accounting system? When and how often?
- 17. Do you reconcile revenues and expenditures of the HIDTA program to amounts appearing in the general ledger of the fiduciary?
- 18. How does your agency or the resource recipient keep track of HIDTA-purchased equipment? Who is responsible for reviewing the equipment inventory for completeness and accuracy?
- 19. Does your organization have a policy and procedural manual for property and equipment purchased with HIDTA funds?
- 20. Who analyzes and reviews the requests for HIDTA property and equipment expenditure?
- 21. Who maintains the equipment inventory register? How is information captured and recorded? Are there any procedures for this? Is the equipment inventory reconciled against to source document? Is the physical inventory of equipment reconciled to the main accounting system? Who has access to the equipment inventory register? How often is physical inventory count performed? By whom and who reviews the equipment inventory for completeness and accuracy?
- 22. Who is responsible for reviewing each employee's overtime and ensuring that the overtime cost does not exceed HIDTA overtime limitation? In addition, who is responsible for determining that overtime paid by HIDTA funds are not also paid by OCDETF or another program, (if applicable)?
- 23. What controls does your agency have to ensure that all overtime worked is for HIDTA purposes only? Please describe your approval process.
- 24. Are any employees being paid with HIDTA funds? Please provide a roster indicating the name of each employee full-time or part-time status, their title/role and their level compensation for the grant period.
- 25. For those employees receiving a HIDTA salary that also perform non-HIDTA duties, what percentage of their time is spent on non-HIDTA duties?
- 26. Who approves HIDTA overtime hours worked? Are overtime hours approved prior to the hours being charged? Are employees allowed comp-time?
- 27. When invoices are submitted to the fiduciary, who at the HIDTA is responsible for making sure those invoices are HIDTA allowable costs. Who is responsible for reviewing and approving at the fiduciary level?

- 28. What controls do you have to ensure that HIDTA related invoices are not submitting more than once for reimbursement?
- 29. How does your agency ensure that all travel is related to the HIDTA Program? Who approves travel requests? In addition, do you have a copy of the travel policy?
- 30. What is your process for reprogramming? Who initiates the reprogramming and who approves it?
- 31. Does HIDTA fund any vehicles usage for your agency/initiative? Do you maintain a list of who drives these vehicles?
- 32. Does your organization have a Fraud and Corruption Policy? How is fraud risks monitored?
- 33. Does your organization operate a Fraud Hot-line?
- 34. Does your organization have a Whistle blower Policy? Does it set out the principles for protection of employees when reporting suspicions?
- 35. Do you have copies of the HIDTA Executive Board minutes of each meeting for FY 2009 and FY 2010? Can we have copies?

Approved By:			
Flathead County Sheriff's Office	;		
Signature			
Print Name and Title	Date		

HIDTA Internal Control Questionnaire

This document is completed by the HIDTA Executive Director.

- 1. What controls do you have in place to ensure the proper use of HIDTA budget accounts? For example, to properly categorize a security alarm as services when the HIDTA guideline considers it a facility cost.
- 2. Does your agency reconcile HIDTA related expenditures to what has been reimbursed by HIDTA?
- 3. Do you suspect that any initiative had been padding the budget? For example, requesting money that is not spent on HIDTA activities.
- 4. Do you suspect any supplanted budget expenditures?
- 5. Are Quarterly Status Reports (Form SF-269/FFR) being processed within 30 days of the end of the quarter?
- 6. Do your fiduciaries and/or initiatives operate on advances or reimbursements?
- 7. Do you have interest earned on unspent balances? Is the interest return to the federal government? Please provide the amount.
- 8. Does your agency have a written policy and procedures regarding PE/PI/PS?
- 9. Was there any incident in which your HIDTA reimbursement request was rejected or suspended by NHAC/ONDCP?
- 10. Did your agency request an extension from ONDCP? If so, how long was the extension? Why was the extension requested?
- 11. Do you have any unused (leftover) HIDTA budget money?
- 12. What accounting system does your agency use to keep track to HIDTA expenditures?
- 13. Does your accounting system keep track of detailed expenditures by resource recipient/initiative? In addition, does your accounting system monitor HIDTA budget balances?
- 14. Does your agency's accounting system capture and differentiate HIDTA funding and expenditures separately from other programs?
- 15. When was the last time the HIDTA did an internal fiscal review since our last HIDTA audit? What were the results? Can we have a copy of the report? Note: This question might not be applicable since the internal fiscal review process might have terminated temporarily.

- 16. Does anyone reconcile the detailed expenditure from the resource recipient/initiative to the fiduciary accounting system? When and how often?
- 17. Do you reconcile revenues and expenditures of the HIDTA program to amounts appearing in the general ledger of the fiduciary?
- 18. How does your agency or the resource recipient keep track of HIDTA-purchased equipment? Who is responsible for reviewing the equipment inventory for completeness and accuracy?
- 19. Does your organization have a policy and procedural manual for property and equipment purchased with HIDTA funds?
- 20. Who analyzes and reviews the requests for HIDTA property and equipment expenditure?
- 21. Who maintains the equipment inventory register? How is information captured and recorded? Are there any procedures for this? Is the equipment inventory reconciled against to source document? Is the physical inventory of equipment reconciled to the main accounting system? Who has access to the equipment inventory register? How often is physical inventory count performed? By whom and who reviews the equipment inventory for completeness and accuracy?
- 22. Who is responsible for reviewing each employee's overtime and ensuring that the overtime cost does not exceed HIDTA overtime limitation? In addition, who is responsible for determining that overtime paid by HIDTA funds are not also paid by OCDETF or another program, (if applicable)?
- 23. What controls does your agency have to ensure that all overtime worked is for HIDTA purposes only? Please describe your approval process.
- 24. Are any employees being paid with HIDTA funds? Please provide a roster indicating the name of each employee full-time or part-time status, their title/role and their level compensation for the grant period.
- 25. For those employees receiving a HIDTA salary that also perform non-HIDTA duties, what percentage of their time is spent on non-HIDTA duties?
- 26. Who approves HIDTA overtime hours worked? Are overtime hours approved prior to the hours being charged? Are employees allowed comp-time?
- 27. When invoices are submitted to the fiduciary, who at the HIDTA is responsible for making sure those invoices are HIDTA allowable costs. Who is responsible for reviewing and approving at the fiduciary level?
- 28. What controls do you have to ensure that HIDTA related invoices are not submitting more than once for reimbursement?
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- 34. Does your organization have a Whistle blower Policy? Does it set out the principles for protection of employees when reporting suspicions?
- 35. Do you have copies of the HIDTA Executive Board minutes of each meeting for FY 2009 and FY 2010? Can we have copies?

Approved By:				
The Canadian Border HIDTA				
Signature				
Print Name and Title	Date			

Grantee SAS99 Questions – Fiscal Year 2017

This document is completed by the grantee and certified by the grantee's project director.



December 7, 2017

Canadian Border HIDTA Derrick Desmond, Director 8404 Esters Boulevard, Suite 100 Buffalo, NY 05063

Dear Mr. Desmond:

Brown & Company CPAs PLLC is performing a grant audit of the Flathead County Sheriff's Office HIDTA program for the grant numbers G09CB0001Z and # G10CB0001Z. The Statement of Auditing Standards 99, *Consideration of Fraud* in a grant audit requires us to make inquiries of the management of the entity audited regarding the potential for fraud in its financial operations. This letter will serve to formalize that inquiry. We ask that you provide responses to the questions in Attachment A.

Sincerely,
BROWN & COMPANY CPAs, PLLC
Milton Hatcher, Member

ATTACHMENT A

SAS 99 (Purpose and Background)

In conjunction with our audit of the Flathead County Sheriff's Office HIDTA grant numbers G09CB0001Z and # G10CB0001Z, we must consider fraud in the statements of grantee costs reports preparation (SAS 99). Fraud can range from minor employee theft and unproductive behavior to misappropriation of assets and fraudulent financial reporting. Material costs reports fraud can have a significant adverse effect on an entity's reputation and ability to achieve its strategic objectives. The risk of fraud can be reduced through a combination of prevention, deterrence and detection measures. Because fraud is so difficult to detect, management must place strong emphasis on fraud prevention. Management has both the responsibility and the means to implement measures to reduce the incidence of fraud. These measures must (should) be based upon the set of core values that are embraced by the agency. Management needs to clearly articulate that all employees will be held accountable to act within the organizations code of conduct. Neither fraudulent financial reporting nor misappropriation of assets can occur without a perceived opportunity to commit and conceal the act. Organizations should be proactive in reducing fraud opportunities.

SAS 99 Questions

Questions (If yes answer, please provide a brief explanation):

- 1. How does management communicate its views on ethical business behavior to its employees?
- 2. Does management discuss with the board of directors how its internal control system serves to prevent, detect, and deter fraud?
- 3. Does management review the Flathead County Sheriff's Office internal audit reports or OIG Investigations that are available online? If yes, what affect did the applicable report have on management's policies and procedures?
- 4. Does management understand the fraud risks specific to the Flathead County Sheriff's Office? What are some of the high risk areas?
- 5. Has management been proactive in reducing fraud opportunities?
- 6. Has management identified and attempted to measure fraud risks?
- 7. Has management implemented and is management appropriately monitoring preventive and detective internal controls and other deterrent measures?
- 8. Does the Flathead County Sheriff's Office create a culture of honesty and high ethics organizationally?

9.	Does the Flathead County Sheriff's Office have a code of conduct? In your opinion, is the code of
	conduct adequate?

- 10. How is the code of conduct communicated to all employees?
- 11. Does top management create a positive workplace environment?
- 12. Are employees encouraged to help to create a positive work environment and support the entity's values and code of conduct?
- 13. Does management communicate the expectations about the consequences of committing fraud?
- 14. What measures has the Flathead County Sheriff's Office used to identify and mitigate fraud risks?
- 15. Has the Flathead County Sheriff's Office developed a fraud prevention oversight function?
- 16. If the answer to (15) is yes please describe the oversight process, and components? (Ex. An audit committee, an internal audit function, etc...).
- 17. What are managements' views about the risk of fraud at the Flathead County Sheriff's Office?
- 18. Are managers aware of or been notified of allegations of fraud or suspected fraud affecting the entity?
- 19. In your opinion, what other activities or measures should be taken to mitigate the potential for fraud at the Flathead County Sheriff's Office?

Approved By:			
Flathead County Sheriff's Office	ce		
Signature			
Print Name and Title	Date		

HIDTA SAS99 Questions – Fiscal Year 2017

This document is completed by the HIDTA Executive Director.



December 7, 2017

Canadian Border HIDTA Derrick Desmond, Director 8404 Esters Boulevard, Suite 100 Buffalo, NY 05063

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Sincerely, BROWN & COMPANY CPAs, PLLC Milton Hatcher, Member

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Approved By:	
The Canadian Border HIDTA	
Signature	
Print Name and Title	Date

On-Site Audit Questions

The following Walkthrough Questionnaire represents the standard set of questions Brown & Company asks during their onsite visit portion of the audit. It was provided on January 23, 2019.



CERTIFIED PUBLIC ACCOUNTANTS AND MANAGEMENT CONSULTANTS, PLLC

XYZ FIDUCIARY
XYZ HIDTA
HIGH INTENSITY DRUG TRAFFICKING AREAS (HIDTA)
AUDIT OF REIMBURSED COSTS
For Grant Year 2017

Walkthrough Questionnaire

Reimbursements Process:

- Please describe the process for reimbursements (Example, cash disbursements or payouts from XYZ Fiduciary, cash receipt receipts or drawdown, task force members submit itemized invoices to XYZ Fiduciary or XYZ HIDTA, etc...).
- Who is responsible for reviewing, inputting into Financial Management System (FMS) and submitting HIDTA costs claimed transactions? Please include the names/titles of the person performing the step.
- 3. Does the XYZ Fiduciary or XYZ HIDTA prepares the Detailed Expenditure Worksheet (DEW) and submits to HIDTA with supporting documents? Who prepares the costs claimed package of documentation? Who forwards the costs claimed package to NHAC? HIDTA Financial Manager or someone at XYZ Fiduciary? Who post to PMS and FMS.net? Who at the XYZ Fiduciary submits a payment request to PMS? Who is responsible for keying in the PMS Transaction # into the FMS.net request? Again, please include the names/titles of the person performing the step.
- 4. In your opinion, is the process working effectively?
- 5. Are there any exceptions found and any additional procedures considered necessary to ensure better internal control?

II. Reconciliations Process:

Who is responsible for reconciling the HIDTA costs claimed from the fiduciary accounting system
to Payment Management System (PMS)? What reconciliation reports are used to perform the
reconciliation? Who is responsible for reviewing the XYZ Fiduciary accounting system to ensure
total revenue and total expenditure net to zero? Please include the names/titles of the person
performing the step.

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CERTIFIED PUBLIC ACCOUNTANTS AND MANAGEMENT CONSULTANTS, PLLC

- 2. Who is responsible for keeping track of the overtime limit report and reconciles the HIDTA grant (Example, FMS 2a report, etc...) to ensure the cumulative overtime cost incurred agreed to the amount of overtime claimed for reimbursement under a HIDTA grant?
- 3. Federal Financial Report (FFR) Does the XYZ Financial Manager reviews the FFR report for accuracy and completeness? Who reviews to ensure the reported disbursements reconcile with the data recorded at NHAC? What report and system is used to prepare the FFR? Base on the Internal Questionnaire Responses B&C received, it is our understanding that the Financial Manager prepared the FFR report and the Director approved. The Financial Commission received a copy of the report for review and consideration.
- Who is the authorized signer at XYZ Fiduciary for the HIDTA program? Please include the names/titles of the person.
- 5. In your opinion, is the process working effectively?
- 6. Are there any exceptions found and any additional procedures considered necessary to ensure better internal control?

III. Financial Monitoring and Cost Control:

- 1. Which department at XYZ Fiduciary is involved with the management of the Federal HIDTA awards?
- 2. Do you have procedures for the management of Federal awards?
- 3. Who is responsible for ensuring costs claimed do not exceed the HIDTA approved budget?
- 4. Who reviews the fringe benefits components to ensure they are allowable costs? Did anyone recalculate the fringe benefits components for accuracy?

IV. Budget Process:

 Please provide an overview of your HIDTA budgeting process? Who are the key players at XYZ Fiduciary and XYZ HIDTA?

V. Reprogramming Process:

1. Do reprogramming requests need to be submitted to the XYZ HIDTA Executive Board and Subcommittees for approval? Who initiates the reprogramming requests? Who reviews and approves reprogramming requests?

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2. What control do you have in place to ensure reprogramming is in compliance with HIDTA Program Policy and Budget Guidance (Example, level "A" or "B" reprogramming)? How do you detect if a reprogramming is split into two transactions to avoid requesting ONDCP approval?

VI. Uniform Guidance Compliance:

- Do you have the system in place for monitoring any sub-recipient of Federal grant awards? Is it
 written down or documented? For example, evaluation of sub-recipient's risk, and verification
 of the recipient and review of the single audit report, verification using the SAM website to
 search for entity exclusion records, written conflict of interest policy, reviewing the financial and
 performance reports and following-up on all deficiencies pertaining to the Federal award, etc...
 Please include the names/titles of the person performing the step.
- 2. Purchases Under Uniform Guidance Guidelines: Micro purchases and equipment over \$5,000? What is your procurement for micro purchases, small purchases, sealed bids, competitive proposals and sole source?

VII. Others:

- 1. Is there any existence of an internal auditor or internal audit department at XYZ Fiduciary? If so, what is the nature of the internal audit work performed?
- 2. Has there been communication with ONDCP regarding the status of corrective action plans relating to prior-year audit findings being implemented by XYZ Fiduciary?
- 3. Does anyone at the XYZ HIDTA have access to the XYZ Fiduciary accounting system?
- 4. Who have access to FMS?
- Federal Funding Accountability and Transparency Act (FFATA) Sub-award Reporting System (FSRS): Who is responsible for uploading contracts in FSRS?

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Audit Findings and Recommendations

Below is a list of selected findings and best practice recommendations from 14 financial audits conducted for HIDTA grantees, program years 2012 and 2013.

Payroll Best Practices

Each HIDTA grantee should maintain time and attendance records that parse out effort on HIDTAfunded grants and non-HIDTA funded grants such as time sheets or other effort tracking systems that show the shared employees' effort on HIDTA funded activities.

Each HIDTA grantee should approve of the costs that are part of the payroll overhead rate to ensure general overhead (general legal etc.) is not a part of the costs allocable to labor overhead costs.

Each HIDTA grantee should impose additional reporting requirements for those initiatives that did not have the required overtime limit tracking reports to ensure overtime limits are not exceeded.

Equipment Best Practices

Each HIDTA grantee should maintain policies and procedures to ensure that all HIDTA-purchased equipment is entered into the inventory in a timely manner and the HIDTA's inventory records be periodically reconciled to the initiatives' equipment inventory/equipment cost claimed documentation.

Each HIDTA grantee should maintain records of purchased equipment and accurately maintain these records including ensuring equipment is clearly marked as HIDTA property.

Cost Allocation Best Practices

Each HIDTA grantee should carefully consider cost sharing arrangements with companion entities and only budget and request reimbursement for the HIDTA related portion of an expenditure.

Grants Management Best Practices

Each HIDTA grantee should carefully validate expenditures prior to requesting reimbursement from NHAC. This may include reviewing the reimbursement packets prepared by the process owner to ensure that all billings are being properly prepared as well as ensuring that accurate reconciliations are being completed.

Each HIDTA grantee should continue to perform detail reviews and inform the funded initiatives about the importance of providing clear and detailed supporting documentation which is readily available for third parties to review.

Each HIDTA grantee should carefully reconcile all incoming HIDTA DPM draw-downs (deposits) to ensure that it is recorded to the proper initiative. In addition, Each HIDTA grantee should continue to follow its current operating procedures standards to ensure that all incoming wire deposits are promptly recorded.

Each HIDTA grantee must remain current on its requirements under the single audit act and stay current on all of their filings with IRS and other taxing and regulatory agencies.

Each HIDTA grantee should keep its financial management system in compliance with the requirements of OMB Circular A-110 (2 CFR, Part 215, §215.21) and should develop the required procedures for cash advances as stated in (2 CFR, Part 215, §215.22). Accordingly cash advances should be closely monitored and limited to immediate monthly cash needs.

Each HIDTA grantee should implement controls to mitigate the impact of the lack of segregation of duties commensurate with staff size.

Each HIDTA grantee should implement policies and procedures for reviewing and approving financial records and statements.

Each HIDTA grantee should implement a procedure to ensure that all Federal Financial Reports are submitted timely.

Initiative Briefing for **Budget Preparation**

(Sample provided by Appalachia HIDTA)

This is an agenda used by Appalachian HIDTA to brief initiative commanders during the budget preparation process. It allows the HIDTA to share the previous year's accomplishments, to give updates on new guidelines and local practices, and to explain the orderly process the HIDTA follows for preparing initiative budgets for the upcoming program year. Because turnover does occur, this briefing allows everyone to receive the same instructions, ask and hear the same answers to questions, and so forth.

Agenda

Welcome and overview	Director	Purpose of 1.5 day meeting is to brief commanders on HIDTA accomplishments, updates and policy changes, and budget preparation instructions.
Fiscal issues	Financial Manager	HIDTA funding process Performance management process Flow of awarded funds Fiscal duties of task force commanders Favored expenditures; disallowed costs Task force commander administrative checklist
Training	Training coordinator	Local coordinator duties NHAC training Local policies for funding training Accreditation process (including committee's quarterly reviews, approval required, etc.)
Inventory	Inventory coordinator	Policies, practices, and guidelines for HIDTA funded equipment
Investigative Support Center	Intelligence Analyst	Tools of the trade: Pen-Link, i2; XRY, CelleBrite, and other 3 rd party products. Additional support the ISC can provide

Initiative Briefing for Budget Preparation

(continued)

CaseExplorer.net Intelligence Analyst CaseExplorer.net capabilities

Event and target deconfliction

Interagency conflicts

PMP data tracking ISC Manager Data guidelines for reporting of DTOs and MLOs

Review quarterly performance output for last year (in your packet); please double-check and verify

accuracy

Drug threats and

trends

ISC Manager

HIDTA-wide

State by state drug threats

Drug availability, sources, trends

Prevention initiative Prevention

Coordinator

Initiative writing and Finance Manager

budget preparation workshop (2.5 hrs.)

Packets distributed to each commander:

Expansion to 3 programs; overview of each

2015 budget

- 2016 draft budget

- 2016 draft initiative

Policy for exemption requests

Quarterly performance outputs

Topics include:

Writing a good initiative description

Explanation of the IDBP in WebPMP

Expected and actual data values

Edit the budget draft

Supplanting and unallowable costs

Initiative Description and BudgetProposal (IDBP)

Page 1

FY 2018 ENFORCEMENT INITIATIVE DESCRIPTION BUDGET PROPOSAL (INVESTIGATIVE)

HIDTA: Canadian Border

INITIATIVE TITLE: 25 Enforcement

Allsville County Sheriff's Office DEA LEAD AGENCY(S):

LOCATION: Glenwood, WI

1. INITIATIVE DESCRIPTION

This initiative investigates DTOs and conducts drug interdiction operations on domestic highways. This initiative's work was formerly under the MSCTF initiative, but now is separated to allow tracking of funds

2. INITIATIVE PARTICIPANTS

HIDTA	Participating Agen	cy Positions, Summar	у
	Full Time	Part Time	Total
Co-Located	9	3	12
Non-Co-Located	0	1	1
Non-Co-Located	0	1	1
Total	9	4	13

HIDTA Participating Agency Positions						
Quantity	Title	Agency	HIDTA Funded	Co- Located	Fulltime	
1	Administrative Assistant	Thunder Bay Police Department	Yes	Yes	Yes	
1	Agent	DEA	No	Yes	Yes	
1	Criminal analyst	Michigan State Police	Yes	Yes	No	
2	Deputy	Allsville County Sheriff's Office	Yes	Yes	Yes	
1	Intelligence Analyst	Allsville County Sheriff's Office	Yes	Yes	Yes	

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Quantity	Title	Agency	HIDTA Funded	Co- Located	Fulltime
2	Officer	Glenwood Springs Police Department	Yes	Yes	Yes
2	Officer	Lakewood Police Department	Yes	Yes	Yes
1	Prosecutor	District Attorneys Office	Yes	No	No
2	Trooper	State Highway Patrol	No	Yes	No

3. INITIATIVE BUDGET

FY 2018 Request for initiative: \$0.00

4. LAW ENFORCEMENT INITIATIVES: INVESTIGATION ACTIVITIES

Does the initiative routinely provide information to the HIDTA Investigative Support Center?
⊻ Yes
□No
(If no, explain.)
PROSECUTION

5. PROSECUTION

Does this initiative	fund a prosecutor?
✓Yes	
□No	
If this initiative has initiatives?	s a HIDTA funded prosecutor(s), does the prosecutor(s) exclusively support HIDTA
□Yes	
✓ No	
(If not,	explain why and state what percentage of time is devoted to HIDTA cases.)

The prosecutor is partially funded via HIDTA-provided facilities (remote office and staff services), analytic services (for prosecution support), etc. The prosecutor advises on complex case development during investigations and participates in post-sentencing negotiations, i.e., visits to prisons, for additional case information in exchange for reduced sentences. Approximately 25% of the prosecutor's time is devoted t HIDTA cases.

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Expected	d And Actual Dis	ruptions/Disn	nantlements	
Outputs	2014 - 2016 Average	2015 Actual	2016 Actual	2018 Expected
Drug Trafficking Organizations				
International DTOs	1	1	1	
Multi-State DTOs	1 1	0	2	
Local DTOs	1	1	_ 1	
TOTAL	2	2	4	3
Money Laundering Organizations				
International MLOs	0	0	0	
Multi-State MLOs	0	0	1	1
Local MLOs	0	0	0	
TOTAL	0	0	1	0
GRAND TOTAL	2	2	5	3

Drug Seizures						
Drug Seizures (Units)	2014 Actual	2015 Actual	2016 Actual	2014 - 2016 Average		
Cocaine (kg)	0.000	45.000	14.055	19.685		
Crack (kg)	0.000	0.000	32.750	10.917		
Ecstasy (DU)	2500.000	2500,000	2436,000	2478.667		
Heroin (kg)	200.000	351.000	49.102	200.034		
Ice (kg)	250.000	250.000	145.000	215.000		
Marijuana (kg)	0.000	0.000	119.275	39.758		

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Drug Seizures						
Drug Seizures (Units)	2014 Actual	2015 Actual	2016 Actual	2014 - 2016 Average		
Marijuana Plants - Indoors (kg)	365.080	365.080	497.959	409.373		
Marijuana Plants - Outdoors (kg)	5.442	5.442	0.000	3.628		
Methamphetamine (kg)	300.000	300.000	17.000	205.667		
OxyContin (DU)	5500.000	16100.000	5500.000	9033.333		
Quaalude (DU)	7500,000	7500.000	0.000	5000.000		

Cash and Other Asset Seizures					
	2014 Actual	2015 Actual	2016 Actual	2014 - 2016 Average	
Cash Assets	\$529,164.00	\$888,014.00	\$4,785,793.00	\$2,067,657.00	
Other Assets	\$525,000.00	\$177,000.00	\$501,884.00	\$401,294.67	
Total Assets Seized	\$1,054,164.00	\$1,065,014.00	\$5,287,677.00	\$2,468,951.67	

Analytical Support					
Output	2014 Actual	2015 Actual	2016 Actual	2018 Expected	
HIDTA Cases Provided Analytical Support	57	57	58	60	

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HIDTA Funded Prosecution Activity					
Output	2014 Actual	2015 Actual	2016 Actual	2018 Expected	
Individuals Prosecuted	0	30	31	20	
Individuals Convicted	0	19	24	14	
Number of Indictments	0	30	38	25	
HIDTA Cases Supported	0	28	31	22	

Fugitives Apprehended						
Output	2014 Actual	2015 Actual	2016 Actual	2018 Expected		
Fugitives	64	65	76	75		

OTHER INITIATIVE OUTPUTS AND OUTCOMES

Law Enforcement Activity					
Other Outputs 2014 Actual 2015 Actual 2					
Arrests	0	0	62		
Wiretaps (Lines)	0	0	19		
Firearms Seized	0	0	34		

Initiative Other Outputs/Outcomes					
Other Outputs	2014 Actual	2015 Actual	2016 Actual		
Arrests	0	0	62.00		
Firearms Seized	0	0	34.00		
Wiretaps (Lines)	0	0	19.00		

Page 5 of 5 on 2/27/2017 12:43:05 PM

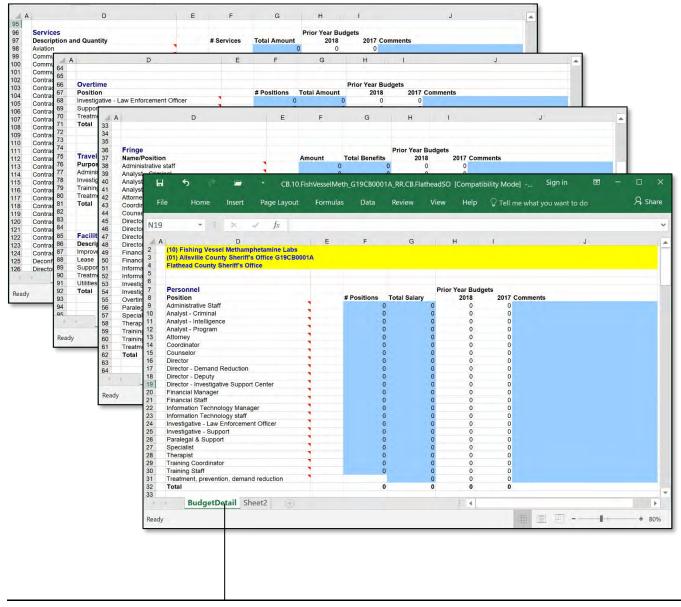
Budget Input Worksheet

(exported from FMS.net to help gather budget input from others)

+

Best Practice: When you send it via email, include a note in your email giving instructions on how to complete it. For example:

Key only into the blue cells; all other cells are locked from data entry. Use the Comments field liberally, but be brief and use abbreviations if needed. Comments beyond 255 characters are not stored in the budget system.



PE/PI Certification Form

Included in the award package, the PE/PI form must be signed and returned to the National HIDTA Assistance Center.

CONFIDENTIA	AL FUNDS CERTIF	ICATION
This is to certify that I have read, understood, confidential funds as set forth in the HIDTA I	_	· ·
Date	Signature	Project Director

Common Reasons for Passback Questions

Program review of HIDTA budget requests is a two-part process led by the ONDCP policy analyst assigned to the HIDTA.

- **Peer review** a comprehensive review performed by a peer HIDTA, selected by ONDCP
- **ONDCP review** a comprehensive review of performed by the ONDCP policy analyst assigned to your HIDTA, using the peer review results as input.

Below are sample conditions that generate passback questions during a budget review. Contact your ONDCP policy analyst for the latest edition of the full document if needed.

Extracted from:

Passback Review Protocol Annual Budget Request Submissions (July, 2014)

Threat Assessment

The following items will result in passback questions:

- An unclear explanation of the drug threats in the region.
- Failure to rank drug threats according to perceived harm.
- Failure to highlight emergent threats.
- Lack of clarity and consistency.

From:

Passback Review Protocol (continued)

Initiative Descriptions and Budget Proposals (IDBPs)

The following items will result in passback questions:

- Failure to address the issues identified within the Threat Assessment.
- Failure to incorporate National Drug Control Strategy or ONDCP Strategic Priority items.
- Performance targets are missing, not ambitious, inconsistent, or not realistic without sufficient explanation.
- Performance targets that are < or > 15 percent of the 3-year average unless satisfactorily explained.
- Lack of clarity and consistency.
- Failure to address the drug threat in the Mission Statement or Initiative Description.
- Performance targets are missing, not ambitious, inconsistent, or not realistic.
- Outdated initiative description.
- Failure to adhere to Program Policy and Budget Guidance.
- Unreported performance results.
- A wide disparity between actual results and proposed expected targets.

Annual Budget Request [Data stored in FMS.net]

The following items will result in passback questions:

- Inconsistent budget numbers between FMS and the IDBP.
- Incorrect budget coding.
- Improper FMS entries.
- Budget items that are not explained within the comments section of FMS or alternatively detailed within the IDBP write up.
- If the budget request is not policy/circular compliant (including the Super Circular;
- 2 CFR Chapter I, and Chapter II, Parts 200, 215, 220, 225, and 230)).

Exemptions to Policy (Waiver Requests)

The following items will result in passback questions;

- Instances of non-compliance with Program Policy where a waiver request has not been submitted by June 15.
- Clarification of a submitted waiver request.

Award Letter

(Sample)

February 24, 2020

Michael Rice County of Jefferson 1205 Silver Street Thunder Bay, MN 54103

Dear Rice:

We are pleased to inform you that your request for funding from the High Intensity Drug Trafficking Areas (HIDTA) Program has been approved, and a grant (Grant Number G20AC0005A) has been awarded in the amount of \$4,197,338. This grant will support initiatives designed to implement the Strategy proposed by the Executive Board of the National HIDTA Assistance Center and approved by the Office of National Drug Control Policy (ONDCP).

The original Grant Agreement, including certain Special Conditions, is enclosed. By accepting this grant, you assume the administrative and financial responsibilities outlined in the enclosed Grant Conditions, including the timely submission of all financial and programmatic reports, the resolution of audit findings, and the maintenance of a minimum level of cash-on-hand. Should your organization not adhere to these terms and conditions, ONDCP may terminate the grant for cause or take other administrative action.

If you accept this award, please sign both the Grant Agreement and the Grant Conditions and return a copy to:

Finance Unit
National HIDTA Assistance Center
11200 NW 20th Street, Suite 100
Miami, FL 33172 (305) 715-7600
Or via email to your respective NHAC accountant.

Please keep the original copy of the Grant Agreement and Grant Conditions for your file. If you have any questions pertaining to this grant award, please contact Sherri Lucas at (202) 395-5506.

Mirum J. Kelly

Sincerely,

Shannon Kelly

National HIDTA Director

Grant Agreement (Sample)

Page 1 of 8

Executive Office of the President Office of National Drug Control Policy	y Grant Agreement
Recipient Name and Address Michael Rice Jefferson County Sheriff's Office 1205 Silver Street	4. Award Number (FAIN) G20AC0005A5. Period of Performance:
Thunder Bay, MN 54103	From 01/01/2020 to 12/31/2021
2. Total Amount of the Federal Funds Obligated: \$4,197,338	6. Federal Award Date: 7. Action February 24, 2020 Initial
2A. Budget Approved by the Federal Awarding Agen \$4,197,338	ncy 8. Supplement Number
3. CFDA Name and Number: High Intensity Drug Trafficking Areas Program 95.001	9. Previous Award Amount:
3A. Project Description	10. Amount of Federal Funds Obligated by this Action: \$4,197,338
High Intensity Drug Trafficking Areas (HIDTA) Program	11. Total Amount of Federal Award: \$4,197,338
12. This grant is non-R&D and approved subject to su attached pages.	uch conditions or limitations as are set forth on the
13. Statutory Authority for Grant: Public Law 116-9.	3
AGENCY APPROVAL	RECIPIENT ACCEPTANCE
14. Typed Name and Title of Approving Official Shannon Kelly National HIDTA Director Office of National Drug Control Policy 16. Signature of Approving ONDCP Official	Chief Michael Rice Jefferson County Sheriff's Office 17. Signature of Authorized Recipient/Date
AG	ENCY USE ONLY
18. Accounting Classification Code	19. HIDTA AWARD
DUNS: 143414089 EIN: 1596000753A3	OND1070DB1819XX OND6113 OND2000000 OC410001

GRANT CONDITIONS

A. General Terms and Conditions

1. This award is subject to The Uniform Administrative Requirements, Cost Principles, and Audit Requirements in 2 C.F.R. Part 200 (the "Part 200 Uniform Requirements"), as adopted and implemented by the Office of National Drug Control Policy (ONDCP) in 2 C.F.R. Part 3603. For this award, the Part 200 Uniform Requirements supersede, among other things, the provisions of 28 C.F.R. Parts 66 and 70, as well as those of 2 C.F.R. Parts 215, 220, 225, and 230.

For more information on the Part 200 Uniform Requirements, see https://cfo.gov/cofar/. For specific, award-related questions, recipients should contact ONDCP promptly for clarification.

- 2. This award is subject to the following additional regulations and requirements:
 - 28 CFR Part 69 "New Restrictions on Lobbying"
 - Conflict of Interest and Mandatory Disclosure Requirements, set out in paragraph 7 of these terms and conditions
 - Non-profit Certifications (when applicable)
- 3. Audits conducted pursuant to 2 CFR Part 200, Subpart F, "Audit Requirements" must be submitted no later than nine months after the close of the grantee's audited fiscal year to the Federal Audit Clearinghouse at https://harvester.census.gov/facweb/.
- 4. Grantees are required to submit Federal Financial Reports (FFR) to the Department of Health and Human Services, Division of Payment Management (HHS/DPM). Federal Financial Report is required to be submitted quarterly and within 90 days after the grant is closed out.
- 5. The recipient gives the awarding agency or the Government Accountability Office, through any authorized representative, access to, and the right to examine, all paper or electronic records related to the grant.
- 6. Recipients of HIDTA funds are not agents of ONDCP. Accordingly, the grantee, its fiscal agent (s), employees, contractors, as well as state, local, and Federal participants, either on a collective basis or on a personal level, shall not hold themselves out as being part of, or representing, the Executive Office of the President or ONDCP.

These general terms and conditions, as well as archives of previous versions of the general terms and conditions, are available online at www.whitehouse.gov/ondcp/grants.

- 7. Conflict of Interest and Mandatory Disclosures
 - A. Conflict of Interest Requirements

As a non-Federal entity, you must follow ONDCP's conflict of interest policies for Federal awards. Recipients must disclose in writing any potential conflict of interest to an ONDCP Program Officer; recipients that are pass-through entities must require disclosure from subrecipients or contractors. This disclosure must take place immediately whether you are an applicant or have an active ONDCP award.

The ONDCP conflict of interest policies apply to sub-awards as well as contracts, and are as follows:

- i. As a non-Federal entity, you must maintain written standards of conduct covering conflicts of interest and governing the performance of your employees engaged in the selection, award, and administration of sub-awards and contracts.
- None of your employees may participate in the selection, award, or administration of a ii. sub-award or contract supported by a Federal award if he or she has a real or apparent conflict of interest. Such a conflict of interest would arise when the employee, officer, or agent, any member of his or her immediate family, his or her partner, or an organization which employs or is about to employ any of the parties indicated herein, has a financial or other interest in or a tangible personal benefit from an organization considered for a sub- award or contract. The officers, employees, and agents of the non-Federal entity must neither solicit nor accept gratuities, favors, or anything of monetary value from subrecipients or contractors or parties to sub-awards or contracts.
- If you have a parent, affiliate, or subsidiary organization that is not a state, local iii. government, or Native American tribe, you must also maintain written standards of conduct covering organizational conflicts of interest. Organizational conflicts of interest means that because of relationships with a parent company, affiliate, or subsidiary organization, you are unable or appear to be unable to be impartial in conducting a subaward or procurement action involving a related organization.

B. Mandatory Disclosure Requirement

As a non-Federal entity, you must disclose, in a timely manner, in writing to ONDCP all violations of Federal criminal law involving fraud, bribery or gratuity violations potentially affecting the Federal award. Non-Federal entities that have received a Federal award that includes the term and condition outlined in 200 CFR Part 200, Appendix XII "Award Term and Condition for Recipient Integrity and Performance Matters," are required to report certain civil, criminal, or administrative proceedings to System for Award Management (SAM). Failure to make required disclosures can result in remedies such as: temporary withholding of payments pending correction of the deficiency, disallowance of all or part of the costs associated with noncompliance, suspension, termination of award, debarment, or other legally available remedies outlined in 2 CFR 200.339 "Remedies for Noncompliance".

8. Federal Funding Accountability and Transparency (FFATA) / Digital Accountability and Transparency Act (DATA Act). Each applicant is required to (i) Be registered in SAM before submitting its application; (ii) provide a valid DUNS number in its application; (iii) continue to maintain an active System for Award Management registration with current information at all times during which it has an active Federal award; and (iv) provide all relevant grantee information required for ONDCP to collect for reporting related to FFATA and DATA Act requirements.

- 9. Sub-awards are authorized under this grant award. Sub-awards must be monitored by the award recipient as outlined in 2 CFR 200.332.
- 10. Recipients must comply with the Government-wide Suspension and Debarment provision set forth at 2 CFR Part 180, dealing with all sub-awards and contracts issued under the grant.
- 11. As specified in the HIDTA Program Policy and Budget Guidance, recipient must:
 - a) Establish and maintain effective internal controls over the Federal award that provides reasonable assurance that Federal award funds are managed in compliance with Federal statutes, regulations and award terms and conditions. These internal controls should be in compliance with the guidance in "Standards for Internal Control in the Federal Government," issued by the Comptroller General of the United States and the "Internal Control Integrated Framework," issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).
 - b) Comply with Federal statutes, regulations, and the terms and conditions of the Federal awards.
 - c) Evaluate and monitor compliance with applicable statute and regulations, and the terms and conditions of the Federal award.
 - d) Take prompt action when instances of noncompliance are identified, including noncompliance identified in audit findings.
 - e) Take reasonable measures to safeguard protected PII and other information ONDCP or the recipient designates consistent with applicable Federal, state, and local laws regarding privacy and obligations of confidentiality.

B. Recipient Integrity and Performance Matters

Reporting of Matters Related to Recipient Integrity and Performance

1. General Reporting Requirement

If the total value of your currently active grants, cooperative agreements, and procurement contracts from all Federal awarding agencies exceeds \$10,000,000 for any period of time during the period of performance of this Federal award, then you as the recipient during that period of time must maintain and report current information to the SAM that is made available in the designated integrity and performance system (currently the Federal Awardee Performance and Integrity Information System (FAPIIS)) about civil, criminal, or administrative proceedings described in paragraph 2 of this award term and condition (below). This is a statutory requirement under section 872 of Public Law 110-417, as amended (41 U.S.C. 2313). As required by section 3010 of Public Law 111-212, all information posted in the designated integrity and performance system on or after April 15, 2011, except past performance reviews required for Federal procurement contracts, will be publicly available.

2. Proceedings About Which You Must Report

Submit the information required about each proceeding that:

- a. Is in connection with the award or performance of a grant, cooperative agreement, or procurement contract from the Federal Government;
- b. Reached its final disposition during the most recent 5 year period; and
- c. Is one of the following:

- (1) A criminal proceeding that resulted in a conviction, as defined in paragraph 5 of this award term and condition (below);
- (2) A civil proceeding that resulted in a finding of fault and liability and payment of a monetary fine, penalty, reimbursement, restitution, or damages of \$5,000 or more;
- (3) An administrative proceeding, as defined in paragraph 5 of this award term and condition, that resulted in a finding of fault and liability and your payment of either a monetary fine or penalty of \$5,000 or more or reimbursement, restitution, or damages in excess of \$100,000; or
- (4) Any other criminal, civil, or administrative proceeding if:
 - (i) It could have led to an outcome described in paragraph 2.c.(1), (2), or (3) of this award term and condition:
 - (ii) It had a different disposition arrived at by consent or compromise with an acknowledgment of fault on your part; and
 - (iii) The requirement in this award term and condition to disclose information about the proceeding does not conflict with applicable laws and regulations.

3. Reporting Procedures

Enter in the SAM Entity Management area the information that SAM requires about each proceeding described in paragraph 2 of this award term and condition. You do not need to submit the information a second time under assistance awards that you received if you already provided the information through SAM because you were required to do so under Federal procurement contracts that you were awarded.

4. Reporting Frequency

During any period of time when you are subject to the requirement in paragraph 1 of this award term and condition, you must report proceedings information through SAM for the most recent 5 year period, either to report new information about any proceeding(s) that you have not reported previously or affirm that there is no new information to report. Recipients that have Federal contract, grant, and cooperative agreement awards with a cumulative total value greater than \$10,000,000 must disclose semiannually any information about the criminal, civil, and administrative proceedings.

5. Definitions

For purposes of this award term and condition:

- a. Administrative proceeding means a non-judicial process that is adjudicatory in nature in order to make a determination of fault or liability (e.g., Securities and Exchange Commission Administrative proceedings, Civilian Board of Contract Appeals proceedings, and Armed Services Board of Contract Appeals proceedings). This includes proceedings at the Federal and state level, but only in connection with performance of a Federal contract or grant. It does not include audits, site visits, corrective plans, or inspection of deliverables.
- b. Conviction, for purposes of this award term and condition, means a judgment or conviction of a criminal offense by any court of competent jurisdiction, whether entered upon a verdict or a plea, and includes a conviction entered upon a plea of nolo contendere.
- c. Total value of currently active grants, cooperative agreements, and procurement contracts includes—
 - (1) Only the Federal share of the funding under any Federal award with a recipient cost share or match: and

(2) The value of all expected funding increments under a Federal award and options, even if not yet exercised.

C. Program Specific Terms and Conditions

The following special conditions are incorporated into each award document.

- 1. This grant is awarded for above program. Variation from the description of activities approved by ONDCP and/or from the budget attached to this letter must comply with the reprogramming requirements as set forth in ONDCP's HIDTA Program Policy and Budget Guidance (PPBG).
- 2. This award is subject to the requirements in ONDCP's HIDTA PPBG.
- 3. No HIDTA funds shall be used to supplant state or local funds that would otherwise be made available for the same purposes.
- 4. The requirements of 28 CFR Part 23, which pertain to information collection and management of criminal intelligence systems, shall apply to any such systems supported by this award.
- 5. Special accounting and control procedures must govern the use and handling of HIDTA Program funds for confidential expenditures; i.e., the purchase of information, evidence, and services for undercover operations. Those procedures are described in Section 6 of the HIDTA Program Policy and Budget Guidance.
- 6. Property acquired with these HIDTA grant funds is to be used for activities of the Canadian Border HIDTA. If your agency acquires property with these funds and then ceases to participate in the HIDTA, this equipment must be made available to the HIDTA's Executive Board for use by other HIDTA participants.
- 7. All law enforcement entities that receive funds from this grant must report all methamphetamine laboratory seizure data to the National Clandestine Laboratory Database/National Seizure System at the El Paso Intelligence Center.

D. Federal Award Performance Goals

- 1. All entities that receive funds from this award are responsible for achieving performance goals established in the HIDTA Performance Management Process (PMP) and approved by the HIDTA's Executive Board and ONDCP.
- 2. All entities that receive funds from this award must report progress in achieving performance goals at least quarterly using the PMP.

See also Section A. 4 regarding Federal Financial Reports.

E. Payment Basis

- 1. A request for Advance or Reimbursement shall be made using the HHS/DPM system (www.pms.psc.gov).
- 2. The grantee, must utilize the object classes specified within the initial grant application each time they submit a disbursement request to ONDCP. Requests for payment in the DPM system will not be approved unless the required disbursements have been entered using the corresponding object class designations. Payments will be made via Electronic Fund Transfer to the award recipient's bank account. The bank must be Federal Deposit Insurance Corporation (FDIC) insured. The account must be interest bearing.

3. Except for interest earned on advances of funds exempt under the Intergovernmental Cooperation Act (31 U.S.C. 6501 et seq.) and the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450), awardees and sub-awardees shall promptly, but at least annually, remit interest earned on advances to HHS/DPM using the remittance instructions provided below.

Remittance Instructions - Remittances must include pertinent information of the payee and nature of payment in the memo area (often referred to as "addenda records" by Financial Institutions) as that will assist in the timely posting of interest earned on Federal funds. Pertinent details include the Payee Account Number (PAN), reason for check (remittance of interest earned on advance payments), check number (if applicable), awardee name, award number, interest period covered, and contact name and number. The remittance must be submitted as follows:

Through an electronic medium using either Automated Clearing House (ACH) network or a Fedwire Funds Service payment.

(i) For ACH Returns:

Routing Number: 051036706 Account number: 303000

Bank Name and Location: Credit Gateway—ACH Receiver St. Paul, MN

(ii) For Fedwire Returns*: Routing Number: 021030004

Account number: 75010501

Bank Name and Location: Federal Reserve Bank Treas NYC/Funds Transfer

Division New York, NY

(* Please note organization initiating payment is likely to incur a charge from your

Financial Institution for this type of payment)

For recipients that do not have electronic remittance capability, please make check** payable to: "The Department of Health and Human Services."

Mail Check to Treasury approved lockbox:

HHS Program Support Center, P.O. Box 530231, Atlanta, GA 30353-0231 (** Please allow 4-6 weeks for processing of a payment by check to be applied to the appropriate PMS account)

Any additional information/instructions may be found on the PMS Web site athttp://www.pms.psc.gov/.

4. The grantee or subgrantee may keep interest amounts up to \$500 per year for administrative purposes.

RECIPIENT ACCEPTANCE OF GRANT CONDITIONS

Organization:	Jefferson County Sheriff's Department	
Signature:		Date:
	Michael Rice Jefferson County Sheriff's Office	

Initiative Cash by HIDTA

FY 2020

Awarded Budget (as approved by ONDCP)

HIDTA	Agency Name	Initiative	Cash	Туре	Grant
Canadian Border	Jefferson County Sheriff's Office	Investigative Support Center	883,500.00	Intelligence	G20AC0005A
		Hazard Investigative Task Force	525,000.00	Investigation	G20AC0005A
		GRAMNET	519,500.00	Investigation	G20AC0005A
		Canadian Area Drug Task Force	534,500.00	Investigation	G20AC0005A
		Post-seizure Analysis	334,500.00	Investigation	G20AC0005A
		US 119 Drug and Violent Crime TF	475,000.00		
		Twin County Narcotics Task Force	308.198.00		
		Domestic Highway Enforcement	250,000.00		
		CB Regional Training	288,086.00		
		Niagara Falls Enforcement	618,500.00	Investigation	G20AC0005A
		Prosecution Support	308,000.00	Support	G20AC0005A
		Flathead Drug Task Force	660,885.00	Investigation	G20AC0005A
		Mackinaw County Drug Task Force	672,000.00	Investigation	G20AC0005A
		Mackinaw Waterway Interdiction	414,500.00	Interdiction	G20AC0005A
		Two Rivers Drug Unit	534,000.00	Investigation	G20AC0005A
		Management and Coordination	307,227.00	Administration	G20AC0005A

Agency Total: Jefferson County Sheriff's Office

Budget Detail (Sample)

2020 - Jefferson County Sheriff's Office

Initiative – Canadian Border Flathead Drug Task Force Award Recipient – Jefferson County Sheriff's Office (G20AC0005A) Resource Recipient – Thunder Bay Police Department

Indirect Cost: 0.0%

Awarded Budget (as approved by ONDCP)

\$7,325,198.00

Overtime	Quantity	Amount
Investigative – Law Enforcement Officer	16	272,000.00
Total Overtime		\$272,000.00
Services	Quantity	Amount
Investigative services		10,000.00
Communications – data lines		17,885.00
Vehicle allowance	3	12,000.00
Aviation		145,000.00
Total Services		\$184,885.00
Personnel	Quantity	Amount
Analyst – Intelligence	2	92,000.00
Total Personnel		\$92,000.00
Fringe	Quantity	Amount
Analyst – Intelligence	2	28,000.00
Total Fringe		\$28,000.00
Travel	Quantity	Amount
Investigative / Operational	10	\$44,000.00
Total Travel		\$44,000.00
Other	Quantity	Amount
PE/PI/PS		\$40,000.00
Total Other		\$40,000.00
Total Budget		\$660,885.00

Notes:

- 1. Many additional pages typically follow this page but are omitted from this document. The Budget Detail report is printed for each resource recipient's portion of each initiative for the current grant.
- 2. The Awarded Budget amount shown above reflects the total budget for the Canadian Border HIDTA.



March 29, 2020

Memorandum of Agreement

Between

Office of National Drug Control Policy 750 17th Street, NW, Washington, DC 20503

And

Federal Bureau of Investigation

9th & Pennsylvania Avenue, NW Washington DC, 20535

Award Amount \$1,133,103

Funding Period: October 1, 2019 through September 30, 2021

Statutory Authority: Public Law 116-6

The Office of National Drug Control Policy (ONDCP) and the Federal Bureau of Investigation agree that ONCDP will transfer \$1,133,103 to the Federal Bureau of Investigation to carry out initiatives designed to implement the Strategy proposed by the Executive Board of the Monroe County Sheriff's Office - NHAC (HIDTA) and approved by ONDCP as specified in the Attachment to this Memorandum of Agreement (MOA). This transfer is predicated on the following conditions.

Scope of Initiative

Initiatives carried out under this MOA shall be consistent with the proposals and budgets that were approved for funding by ONDCP. Changes may not be made in scope or purpose of these approved initiatives without prior written consent of the Canadian Border HIDTA Executive Board and HIDTA Executive Director.

Reporting of Methamphetamine Laboratory Seizures to EPIC

All law enforcement entities that receive funds transferred through this MOA must report all methamphetamine laboratory seizure data to the National Clandestine Laboratory Database/National Seizure System at the El Paso Intelligence Center (EPIC).

Agency Relationship

Recipients of HIDTA funds are not agents of ONDCP. Accordingly, the HIDTA, its fiscal agent (s), HIDTA employees, HIDTA contractors, as well as state, local, and federal HIDTA participants either on a collective level or on a personal level shall not hold themselves out as being part of, or representing, the Executive Office of the President or ONDCP.

Reprogramming of Funds

Any variation from the description of activities approved by ONDCP and/or from the budgets attached to this letter must comply with the reprogramming requirements as set forth in ONDCP's HIDTA Program Policy and Budget Guidance.

Reporting Requirements

A final report of obligations by initiative shall be submitted to the HIDTA Executive Director and the ONDCP National HIDTA Executive Director by October 31, 2021. Interim quarterly reports shall be submitted to the HIDTA Executive Director and the ONDCP National HIDTA Executive Director within 30 days after the end of each quarter.

The financial report will contain obligations by cost categories of the approved budget and the comparison of obligations against budget estimates.

Failure to submit reports on a timely basis may result in the termination of the funding.

Financial Recordkeeping

The Federal Bureau of Investigation is required to track the use of these funds and be able to provide an accurate, current, and complete accounting of all financial transactions related to the specific HIDTA initiative.

Record Retention

Financial records, supporting documentation, statistical records, and all other records pertinent to the initiative shall be retained by the Federal Bureau of Investigation for 3 years following the submission of the final report of project expenditures.

The National HIDTA Executive Director and any representatives authorized by that person shall have complete access to any books, documents, papers, and records of the Federal Bureau of Investigation related to funds provided by ONDCP.

Vehicles

The purchase and/or lease of vehicles are allowable only if the purchase and/or lease have been approved by ONDCP as evidenced by the attached budgets.

Procurement Standards

The Federal Bureau of Investigation will ensure that all appropriate agency policies and procedures are adhered to in the procurement of supplies, equipment, and other services in using funds provided by ONDCP.

Supplanting

The funds provided by ONDCP shall not be used to supplant agency funds that would otherwise be made available for such purposes.

Minimum Requirements

The HIDTA Executive Boards may adopt additional or more stringent requirements to ensure fiscal accountability.

Period of Agreement

This agreement is fully effective when accepted by both parties and shall remain in effect until September 30, 2021, unless modified in writing by mutual agreement or until terminated by either party in writing upon 60 days' notice.

Termination

This agreement may be terminated if funds are not used in accordance with the approved budget; if the Federal Bureau of Investigation demonstrates an unwillingness or inability to participate in initiatives funded in the approved budget; or if required reports are not submitted in a timely manner. Upon a determination by ONDCP that the agreement is terminated, the Federal Bureau of Investigation will return funds via a SF 1151 non-expenditure transfer. The transfer will be completed within 10 days of the demand for return of funds.

Acceptance

The Federal Bureau of Investigation guarantees compliance with the terms of this MOA by all individuals/organizations to which these funds provided by ONDCP are distributed.

Name:	Date:
Title:	
Federal Bureau of Investigation	
Mirum J. Kelly	
Shannon Kelly	Date:
National HIDTA Director	
Office of National Drug Control Policy	

Federal Cash Report

FY 2019

Awarded Budget (as approved by ONDCP)

Recipient Agenc	y Initiative/HIDTA	Total	Personnel	Fringe	Overtime	Travel	Facilities	Services	Equipment	Supplies	Other
Federal Bureau of Investigation	Huntington Violent Crimes and Drug Task Force	6,137.00									6,137.00
	Louisville Metro Narcotics Task Force	42,000.00						22,000.00			20,000.00
	Rocky Top Tennessee Task Force - FBI	49,150.00				6,000.00		19,050.00		4,100.00	20,000.00
	Southeastern KY FBI Drug Task Force	40,000.00						20,000.00			20,000.00
	Appalachia	137,287.00				6,000.00	61,050.00	4,100.00			66,137.00
	Jackson County Major Investigations Team	17,200.00				4,000.00	10,800.00	2,400.00			
	New Orleans Gang Task Force	59,000.00				8,500.00	5,700.00	4,800.00			40,000.00
	Northwest Louisiana Violent Crimes Task Force	44,900.00				4,500.00	2,700.00	2,700.00			35,000.00
	Gulf Coast	121,100.00				17,000.00	19,200.00	9,900.00			75,000.00
	HI-IMPACT	65,206.00				11,000.00	8,000.00				46,206.00
	Hawaii	65,206.00				11,000.00	8,000.00				46,206.00
	Houston Investigative Support Center (HISC)	112,862.00				33,000.00	59,462.00	20,400.00			
	Houston	112,862.00				33,000.00	59,462.00	20,400.00			_
	Joint Regional Intelligence Center (JRIC)	655,694.00				37,000.00	585,694.00	33,000.00			
	Los Angeles	655,694.00				37,000.00	585,694.00	33,000.00			
	Detroit Safe Streets Task Force	9,000.00			9,000.00						
	Michigan	9,000.00			9,000.00						
	Kansas City FBI Combined Task Force	128,600.00			15,000.00	5,000.00	32,320.00	8,400.00			67,880.00

NOTE: Many pages of this report are omitted from this sample.

Budget Detail

2019 - Canadian Border

Federal Bureau of Investigation

Awarded Budget (as approved by ONDCP)	\$ 1,133,103.00
Overtime Quan	tity Amount
Investigative - Law Enforcement Officer	\$171,018.00
Total Overtime	\$171,018.00
Travel	tity Amount
Administrative	\$33,000.00
Investigative/Operational	\$102,294.00
Training	\$59,000.00
Total Travel	\$194,294.00
Facilities Quan	tity Amount
Support	\$15,980.00
Total Facilities	\$15,980.00
Services Quan	tity Amount
Communications - data lines	\$22,732.00
Communications - mobile phones & pagers	\$48,376.00
Communications - office phones	\$6,000.00
Contractor - Administrative staff	\$52,715.00
Contractor - Analyst - Intelligence	\$455,742.00
Contractor - Investigative - support	\$64,008.00
Equipment rentals	\$3,120.00
Investigative services	\$63,200.00
Service contracts	\$10,200.00
Software - maintenance	\$75,625.00
Subscriptions - database	\$76,626.00
Vehicle lease - passenger	\$20,400.00
Total Services	\$898,744.00
Equipment Quan	tity Amount
Communications - mobile phones & pagers	\$1,000.00
Communications - office phones	\$1,000.00
Technical investigative equipment	\$6,000.00
Total Equipment	\$8,000.00

IG Notes

This information was presented by VW on Aug. 1, 2018 at the Financial Managers Meeting.

Guidelines for DisbursementPackages

These guidelines and best practices are provided by the NHAC Finance Unit to expedite processing of grantee disbursement packages.

Batch Packaging

- Organize packages by initiative or budget account
- Include a printed copy from PMS screen, *Request for Payment*. It shows the PMS confirmation number of the transaction.
- Include a printed copy of the DEW, printed from FMS.net.
- Insert a page before each new initiative or budget account to summarize the detailed pages that follow. The summary page may be a register tape, an Excel spreadsheet, QuickBooks report, or similar tool.
- Omit unnecessary documentation; it can delay processing.

Individual Documents

- Circle amounts being paid with HIDTA funds.
- Handwrite notation of HIDTA budget account on each invoice or receipt.
- Attach an explanation memo when centralized services or supplies are paid from an account statement.

Rejections

• Edit and resubmit rejected disbursement transactions in FMS.net; do not delete them. This allows NHAC's batch notes to carry forward.

Pre-payments

Pre-payments occur when you pay in advance for future goods or services. Pre-payments often provide cost incentives (discounts), but a problem arises when the delivery occurs beyond the grant's end date. They require justification and prior approval by ONDCP.

- Obtain written approval from a policy analyst at ONDCP, in advance.
- Extend the grant as needed to include the final delivery date of the purchased goods or services; you can extend grants with zero balance if necessary.
- Split the pre-payment among existing grants with latest end dates to minimize the need for grant extensions.

Acceptable Documentation

Acceptable documentation to show proof of HIDTA expenditure is shown below. Exceptions can occur in unusual circumstances, and the NHAC financial staff can assist grantees in solving substitute documents.

Acceptable Documentation
Payroll register showing initiative members
Payroll register showing initiative members
Payroll register/overtime verification form
Travel voucher, receipts for applicable reimbursable expenses, per diem rates policy
Invoice from vendor or service provider, reference contract
Invoice from vendor or service provider, reference contract
Invoice from vendor
Invoice from vendor
PE/PI/PS: Payment voucher with proper signatures
Admin Fee: Invoice on fiduciary letterhead

PE / PI / PS Expenditure Documentation

		DIVISION OF CRIM	INAL INVESTIGATIO	N	4
	RE	CORD OF INVESTIG	SATIVE FUND EXPE	VSES	950
DCI FORM IF-2					IF TRANSACTION #
2 500 (0.23000000					ACT-27
					$\rightarrow \Omega$
SECTION I - REQU	EST			1-12-	
Date:	Name:	nel P. Ter	SACAPPRO	AED:	sulow
5/25/200	6 Micha	AST P. 100	1/0		The second secon
Purpose:	Durcha	se of 1	teroin	73.05.	0155
A social December	DISPURSED BY:	3		G AGENT SIGNATURE:	"Temeil
Amount Received:	a perus	Spaker		2017	
P 11000		0			
SECTION II - EXPE	NSE DETAILS				
Expense # A					
Case #:	Amount:	Type;	Date Spent:	DDI#: 343	Drug:
I3-05-0155	\$2,900.	PE-I	5-27-06	The state of the s	7
Quantity:	DNE-37#:	Value:	Comments: Purcha	se of drug EVi	dence trom -\$2800 Pa
18.5 gms	Ex 24		1		The second secon
		to	ter broke	ering transact	ion: Bloc.
Expense # B	,			I nou	T Davies
Case #:	Amount:	Type: PG-T	Date Spent: 5-27-06	DDI#:	Drug:
I3-05-0155	\$500. DNE-37#:	Value: 11	Details: Payautut		ervices
Quantity:	N/A	Value. 4		rchase heroi	
10//4	1 /0//				
Expense # C					
Case #:	Amount:	Type:	Date Spent:	DDI#: 272	Drug:
I3-05-0155	\$350,°°	PIS-I	5-28-06	212	N/A
Quantity:	DNE-37.#:	Value:	Details: Payment	to CI for EXP	EUSES.
N/A	N/A				
			T	T	15
Expense # D				DDI#:	Drug:
Expense # D Case #:	Amount:	Туре:	Date Spent:		
	Amount:	Type:	Date Spent:		

	Thunder Bay Police Department Confidential Fund / Investigative Expense Vouche	\r		
	Confidential Fund / Investigative Expense vouche	ND # _		
	Case # 66-0 215 Date Paid 6-19-06 Amount Paid \$ 40 FORTY DOLLARS	CI # _	S1282	
	Amount Paid \$ 400 FORTY DOLLARS			
		Reason: (PE)	PI PS	Other
	(A) (Print CI Code Name)	4000	(Circle One)	
5	I acknowledge the receipt of \$	70		cash.
	(Code name and amount to be completed by CI) Agent: Agent:			
	Pol. L. Agent: Towns V. Witness: Witness:			
	Crack Witness: Willy		www.n	
	01114			
	Approved By: C'/A/ Much			
	CI Right Thumb Print Explain reason for payment on reverse side			
	Metro Narcotics Unit of Ouachita Parish			
	Confidential Fund/Investigative Expense Voucher	ND#	., ., .,	
	Case # 06-0215-4 Date Paid 6-19-06	CI#	51282	
	Amount Paid \$ 60° Sixty DULARS		1	
Q	ma Roll	Reason: PE	(PI) PS	Othe
:80	Paid To: MAT Getter (Print CI Code Name)		(Circle One)	Outo
	acknowledge the receipt of \$	602		_ cash
	(Code name and amount to be completed by CI)	,		
	Agent: // Occurr		-true - rann	
	Crack Witness: Lylling			
	external Call III			
	Approved By: 1. M. Mull			
	CI Right Thumb Print Explain reason for payment on reverse side			3
	Mater Namedias Unit of Oscalita Parish	No.		
	Metro Narcotics Unit of Ouachita Parish Confidential Fund/Investigative Expense Vouche	r ND#		
	Case #	CI #	51282	2
	Amount Paid \$ 6000 S:XTY DOLLAR			
8	Paid To: MAYBE//	Reason: PI	PI PS	Oth
5	(Print CI Code Name)	100	(Circle One)	
	I acknowledge the receipt of 5			cas
	(Code name and amount to be completed by CI)			
	Agent:			
	Cach Witness: Sell Will	2		
	of and the			
	Total Approved By: CA half			

Voucher for Purchase of Evidence or Payment To Confidential Source

		I. CL	AIMANT						
1. CLAIMANT (Type of	or Print Name)	2. DATE OF RECI	EIVED	3. S	OCIAL SE	CURITY NO.			
4. OFFICE	5. G	ROUP NO.	6. CASE NO.	7. 0	G-DEP				
		II. PURCHASE	OF EVIDENCE (PE)					
					ther currer	ncy, in the amount as herein			
8. AMOUNT RECEIVE	ED	Dollars			\$				
	ature) (CS Sign	TYPE OR PRINT N	NAME (CS. <u>Green</u> copy	ONLY)	TITLE OI	ITLE OR CS NUMBER			
,				DATE	DATE				
10. TRANSFEREE (S	ignature)	TYPE OR PRINT N	NAME	DA	TE				
11. WITNESS (Signature) TYPE OR PRINT NAME DATE 12. AMOUNT CLAIMANT'S 13. EXHIBIT NO. AND DESCRIPTION OF EXHIBIT 14. NET AMOUNT EXPENDED									
9. PURCHASER (Signature) (CS Sign GREEN Copy ONLY) TITLE OR CS NUMBER DATE 10. TRANSFEREE (Signature) TYPE OR PRINT NAME 11. WITNESS (Signature) TYPE OR PRINT NAME DATE 12. AMOUNT RETURNED III. PAYMENT TO CONFIDENTIAL SOURCE (PI) 15. PURPOSE (check one) Information/Services Reimbursement Expenses Reward Award 28 USC 524 (C) (1) (C) Trafficker Directed/Generated Proceeds Security Relocation Award 28 USC 524 (C) (1) (C) B 16. PAYMENT (check one) Cash Check Electronic Funds Transfer Payment to a third party at the request of a CS 17. REMARKS									
	III. F	PAYMENT TO COL	NFIDENTIAL SO	URCE	(PI)				
(B)				_		C 524 (C) (1) (C) Award 28 USC 524 (C) (1)			
	Cash Chec	k Electronic Funds	•			On behalf of CS			
17. REMARKS									
implied promise to pay equivalent barter in the	me any amount. I e amount and for th me, must be report	certify that I received pay e basis indicated. I ackno ed on appropriate income	ment in U.S. currency of wledge that all paymen	or the equi its I receiv	valent amo	firmation of any express or ount of another currency or ated in this section, that o maintain receipts and			
18. CONFIDENTIAL S (Signature, GREEN Co		TYPE OR PRINT NA ONLY)	ME (<u>GREEN</u> copy	NUMBER	192 AMOUNT RECEIVED				
				DAT					
20. PAYER (Signature	,	TYPE OR PRINT NA			DA				
21. WITNESS (Signature) TYPE OR PRINT NAME DATE									
		IV. CER	TIFICATION						
22. CLAIMANT (Signa	ture)	TYPE OR PRINT NA	ME		DA	ATE			
23. WITNESS (Signat	ure)	TYPE OR PRINT NA	ME		DATE				
		V. ACCOUNTIN	G CLASSIFICAT	ION					
FUND CITATION (To i	nclude obligation d	ocumentation number and	d budget object class)		AMOUN	T			
Form DFA-103 (9-99)									

Overtime Certification by Parent Agency (Sample)

Request for Reimbursement of HIDTA Overtime Expenses

Thunder Bay Police Dept HIDTA **Investigative Support Center**

Initiative

Period of reimbursement claim 5421 West 15th Street

Thunder Bay, WI 54112 From: 7/1/2018

To: 7/31/2018

Contact Person John Riker Phone # 504.888.7600

Employee Name	Is this employee eligible for OT from parent agency?	Hrs. this period	Overtime amount this period	Officer or Admin?	Brief description of overtime work (case number, etc.)	OCDETF case?	Employee assigned FT to case?	Cumulative overtime amount to date
S/A Benae Alverez	Υ	59.50	2,475.20	0	Case No. 45-99206	N		\$9,236.50
Lt. L. Elephane	Υ	23.75	1,158.05	0	Case No. 45-99206	N		\$7,919.35
Sgt. Wm. Shoveler	Υ	59.50	2,429.46	0	Case No. 45-99206	N		\$9,181.76
Dr. Wm. Carp	Υ	44.00	1,675.52	0	Case No. 45-99206	N		8,436.82
Det. R. Fachine	Υ	41.50	1,465.37	Α	Case No. 45-99206	N		8,226.67
Det. I Ortiz	Υ	36.00	1,485.36	0	Case No. 45-99206	N		8,246.66
Det. Phil Walter	Υ	36.00	1,447.20	0	Case No. 45-99206	N		8,208.50
Det. Pat Perez	Υ	33.75	1,216.01	0	Case No. 45-99206	N		7,977.31
Det G. Sosa	Υ	42.50	1,762.90	0	Case No. 45-99206	N		8,524.20

TOTALS

Name of Agency

Address

When submitting source timekeeping records, the representatives below certifies all outlays were for the purposes set forth in the grant agreement or any other agreement; that they were made in accordance with the grant or other agreement conditions

Name of Requesting Agency Title P.L. Phillips, Cook County Administrative Services Date 7/31/2018 Name of HIDTA Initiative Supervisor Title Cmdr. Bill Martinez, ISC Date 7/31/2018

Detailed Expenditure Worksheets (Sample for Reimbursement)

Notice the amounts are separated by initiative, so initiative budgets are maintained. Notice there is no indication of which resource recipient incurred the costs.

DETAILED EXPENDITURE WORKSHEET

Grant # G15CB555Z

PMS # 999999999

Period 9/1/18 – 9/30/18

Date: 10/5/18

Request # 018

Circle one: Cash or Accrual

Requestor: V. Wellsley

Initiative:	Personnel	Fringe	Overtime	Travel	Facilities	Services	Equipment	Supplies	Other	<u>Total</u>
Red Dog			7,500	1,833						8,333
ISC	45,000	17,000	600	0						62,600
DARE			1,280							1,280
Total	45,000	17.000	9,380	1,833				1		72,213

Detailed Expenditure Worksheets (Sample of Advance)

(As a best practice, show both the estimated advance and the reconciliation amounts on the DEW.)

DETAILED EXPENDITURE WORKSHEET

Grant # G15CB555Z

PSC# 99999999

Period 9/1/18 - 9/30/18

Date: 10/3/18

Request # 017

Circle one: Cash or Accrual

Requestor: V. Wellsley

Personnel	Fringe	Overtime	Travel	Facilities	Services	Equipment	Supplies	Other	<u>Total</u>
50,000	12,000	7,500	5,000						74,500
45,000	17,000	12,500	0						74,500
(5,000)	5,000	5,000	(5,000)						
	50,000 45,000	50,000 12,000 45,000 17,000	50,000 12,000 7,500 45,000 17,000 12,500	50,000 12,000 7,500 5,000 45,000 17,000 12,500 0	50,000 12,000 7,500 5,000 45,000 17,000 12,500 0	50,000 12,000 7,500 5,000 45,000 17,000 12,500 0	50,000 12,000 7,500 5,000 45,000 17,000 12,500 0	50,000 12,000 7,500 5,000 45,000 17,000 12,500 0	50,000 12,000 7,500 5,000 45,000 17,000 12,500 0

Submitting Disbursement Packages via the HRMS

The HIDTA Resources Management System (HRMS) provides a custom menu for the programs and tools your account authorizes you to access.

You can obtain an HRMS account by contacting the National HIDTA Assistance Center (NHAC) at (305) 715-7600. The NHAC will guide you through the process of obtaining permission through your local HIDTA, e.g., required signatures and access.

Login

- 1. Sign into the HIDTA.net portal at https://portal.hidta.net.
- 2. Click the [your HIDTA name] link at the top of the Home page.

The Uploaded Files page is displayed. Here you can upload, download and delete files. You can also create folders to separate your submissions.

To upload a file

- 3. Click **Upload Files**. You can upload up to 5 files simultaneously.
- 4. Click **Browse** on any field and select a file to work with.
- 5. Click the **Upload**. The progress indicator tracks the upload status.

IG Notes

PMS provides online processing of these formerly used forms:

- SF 270 Request for Reimbursement or Advance
- SF 425 and SF425 A (Federal Cash Transaction Report)
- SF 269 Financial Status Report

As of April 1, 2019, FFR became a single report. and the PMS screens use 3 different names in the screen titles and menu choices:

- Federal Financial Report (FFR)
- Federal Cash Transaction Report (FCTR)
- SF 425

As of 4/5/19, all are valid names.

PMS for HIDTA Grantees

The Payment Management System allows authorized users to:

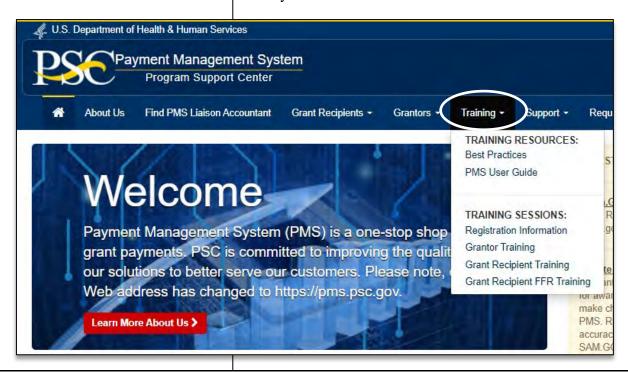
- request drawdowns of grant funds (grantee staff);
- file the FFR, a required quarterly financial report (grantee staff); and
- monitor grant balances and compliance in quarterly reporting (grantee staff, HIDTA financial manager, and ONDCP).

PMS Training Resources

The Program Support Center provides the latest information about the PMS, including online user guides for both grantees and awarding agencies, and it provides a training calendar for free online training sessions available to all users.

The Program Support Center posts notices of upcoming changes to the site and to the software, so be sure to look for new menu choices and feature descriptions at each visit.

Here is an introduction to the menu system and areas you will likely want to use.



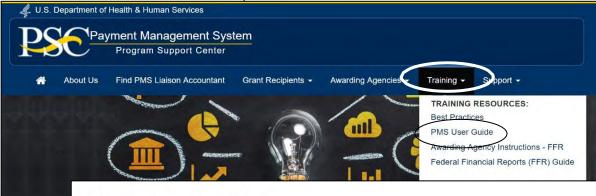
APEX

APEX is an Oracle-based reporting tool that provides flexible reporting tools. When you request APEX reports, you have enhanced capabilities such as more choices selecting data you want to appear on the report and choosing output formats – including downloading the report's data to Excel. Learn more about the APEX reporting tools in the APEX Manual, provided online within the Payment Management System.



PMS User Guide

The PMS User Guide is published online, in separate chapters.



PMS User Guide

The PMS User Guide provides instructions on how you can obtain, change or deactivate access, withdraw funds and file your Federal Financial Report electronically in PMS.

Table of Contents

Returning Funds

TRAINING F

Best Practice

- Types of International Grantees
- · Banking Add/Change
- Request New User Access
- · Change User Access
- Deactivate User Access
- Update Contact Information
- Accessing Payment Management System
- Using Two-Factor Authentication
- Adhoc Grantee Inquiries
- OPDIV Codes
- · Requesting Payment
- Types of Payment Requests
- · Payment File Upload
- Reason for Denied Payments / Manual Review Flags
- Federal Financial Report (FFR-425)
- · Federal Cash Transaction Report
- Financial Status Report

Free Online Training

The Program Support Center provides separate training sessions for grantees and for federal awarding agencies. New and existing users will find them helpful as the PMS is further developed and new features become available.



Grant Recipient Training

In this two-hour session, attendees will learn how to:

- Access PMS
- · Complete a payment request
- Perform APEX inquiries
- · Run report requests
- . Complete the Federal Financial Report (FFR)

In addition, the session includes a highly interactive question and answer period at the conclusion of the webinar.

Grantee's Webinar Training

Schedule (U.S. Eastern Time)

- . Wednesday, February 10, 2021 10 am to 12 pm Register here
- Wednesday, February 24, 2021 1 pm to 3 pm Register here
- Wednesday, March 17, 2021 1 pm to 3 pm Register here
- Wednesday, April 14, 2021 10 am to 12 pm Register here
- Wednesday, May 12, 2021 3 pm to 5 pm Register here
- Wednesday, June 16, 2021 1 pm to 3 pm Register here
- Wednesday, August 18, 2021 10 am to 12 pm Register here
- Wednesday, October 13, 2021 10 am to 12 pm Register here
- Wednesday, October 20, 2021 2 pm to 4 pm Register here
- Tuesday, November 16, 2021 3 pm to 5 pm Register here-
- Thursday, November 18, 2021 1 pm to 3 pm Register here



Best Practice:

As the end of the quarter approaches, consider timing drawdowns and outbound disbursement checks so that the last day of the quarter will have zero cash on hand.

WARNING of **LATE FILING**

Late filing of the FFR, even by a single day, will place the Payee Account in a delinguent status and block all grant draw-downs associated with the payee account.

Federal Financial Report (FFR)

Grantees must file quarterly Federal Financial Report (FFR) using the Payment Management System.

Key Players

At the grantee's organization, multiple users have access to the PMS for different uses.

For the FFR, one user inputs data (the preparer) and a separate user certifies its accuracy (the *certifier*). 34

- The *preparer* keys the financial data in and signs itelectronically. The preparer can print a copy of thecompleted forms at any time.
- The *certifier* reviews and signs it electronically. The certifier should be an authorized official of the grantee organization, and the certifier's electronic signature on the final report is made under penalty of perjury.



Regulation and Policy: Refer to **200.415(a)** of the Uniform Guidance to learn more about who can serve as the certifierand make payment requests for the grantee. Section .415(a) specifically states the annual and final fiscal reports must be certified by "an official who is authorized to legally bind" the organization, but it does not discuss quarterly fiscal reports, per se.

ONDCP, by way of a memo in May 2016, requires grantees have separate people as preparer and certifier.

- HIDTA financial managers usually have View Only privileges to monitor grantees' FFR data. They can view and print each quarterly report, and they can run summary reports.
- ONDCP policy analysts and other authorized users can view the FFR data for the program grants they monitor.

³⁴ Although the PMS allows user accounts with both permissions, ONDCP requires each submission be electronically signed by two separate users: one preparer and one certifier.

FFR -Sample

		FE			NCIAL I		POR	Т			
1. Federal Agency	and Organizati	onal Element to	,				g Numbe	r Assigne	ed by Federal Agenc	y Pag	e of
which Report is Submitted (To report multiple grants, use FFR Attachment)				1	1 2						
ONDCP						pages					
3. Recipient Organ			ress, includ	ding ZIP o	ode)						
	Bay Police Der	partment									
	Bay, MN 55412	2									
4 - DUNO Noveles	. 41				nt Number or				6. Report Type	7. Basis	
4a. DUNS Number		. EIN		•	le grants, use	егн	-R Attacr	iment)	XX Quarterly Semi-Annual		
1118488	570	46186728	2345CB	5-009-P					Annual		
				1					Final	XXCash	Accrual
8. Project/Grant Po	eriod								Reporting Period	d End Date	
											9/30/19
10. Transactions:									Cum	ulative	
(Use lines a-c for s											
Federal Cash (To		grants, also use Fl	-R Attachm	nent):							075 000
a. Cash Receipt											975,000
b. Cash Disburs		`									975,000
	d (line a minus b	,									U
(Use lines d-o for s											
d. Total Federal	funds authorize									2	175 000
									2,175,000 975,000		
	of expenditure										0.000
	of unliquidated										975,000
g. Total Federal share (Sum of lines e and f) h. Unobligated balance of Federal funds (line d minus line g)						1	200,000				
h. Unobligated Recipient Share:	balarice of Fede	erar iurius (iirie u ri	illius lille g	3)						•	200,000
	nt abara raquira										
· ·	nt share require										0
	are of expenditu		. :! :\								0
		o be provided (line	e i minus j)								0
Program Income:											
	al program incor				-1						0
		in accordance wit									0
		in accordance wit			ative						0
		ne (line I minus lin			I	_		1		1	0
11. Indirect	а. Туре	b. Rate	c. Peri	od From	Period To	d	. Base	e. Amo	unt charged	f. Fede	ral Share
Expense											
					g. Totals:						
12. Remarks: Attach	any explanations	deemed necessary o	or information	n required	by Federal spo	onso	oring agend	cy in comp	oliance with governing le	gislation.	
									of my knowledge. I		
Section 1001)	io, oi iraudulei	iii iiiioiiiialioii M	ay subject	. me to ci	mmai, CIVII	, or	aummi	uauve p	penalties. (U.S. Cod	e, ille 21	υ,
a. Typed or Printe	d Name and Tit	le of Authorized C	ertifying O	fficial				c. Te	lephone 800-	223-0098	
Janice Downey									nail address ddowne	y@tbpd.ac)V
					ate Report Submitted						

Page 2

FEDERA		L REPORT ATTA(CHMENT	Γ	
Federal Agency and Organizational Element to v	which Report is	2. Recipient Organization (Box 3 on Pa	ge 1)	
Submitted (Box 1 on Page 1) EOP-OFFICE OF NATIONAL DRUG CON	Thunder Bay Poli		eet	ent	
3a. DUNS Number	4 Reporting Period	L d End Date (Box 9 on Page	1)		
111848870	4. Reporting Ferror	a Liid Bale (Box 3 oii i age	1)		
3b. EIN	Sa	ptember 30, 2019		Page 2 of 2	
46186728	06	ptember 50, 2015			
List information below for each grant covered by	y this report. Use ad	ditional pages if more space	e is required.		
Federal Grant Number	Recipient Account N	Number	Cumulative	Federal Cash Disburse	ment
G16CB009Z	2345CB-0	009-P			900,000
G17CB009Z	2345CB-009-P				75,000
					,
	Auto-computed by pr	ogram *	Auto-comp	uted by program **	
TOTAL (Should correspond to the amount on Line 10b of Page 1)	uno computed by pr	260,000		aca by program	975,000

Note: Shading in the sample above represents user-provided data.

^{*} This is the amount disbursed, for all grants, during Qtr. 3 of 2017.

^{**} This is the amount disbursed, for all grants, over the life of the grants listed above.

Be

Best Practice:

Gather and review all inputs the day before you begin to prepare the report online. This allows you time to organize and cross-check the inputs.

Input Data for the FFR

HIDTA grantees have several sources for the data recorded in the FFR, but most important, all sources of data must be in agreement to complete the FFR.

Grantee's accounting system

From the grantee's accounting system, gather and organize the following for each grant:

- **Total award amount**, including modifications, as of the last day of the quarter.
- **Total amount of drawdowns** deposited to the grantee's checking account from PMS direct deposits current quarter and cumulative.
- Total expenditures paid with HIDTA grant funds current quarter and cumulative over the life of the grant for each grant and for all grants combined.
- **Total cash on hand** on the last day of the quarter. This is a computed amount, and will be:
 - \$0 when the drawdowns equal the payouts (expenditures)
 - Positive when the grantee has not expended the funds drawn from PMS
 - Negative when the grantee has paid for expenditures (from grantee's own funds) and not yet requested a drawdown from PMS

FMS.net

The above totals in the grantee's accounting system must agree with FMS.net, Report 2a or 2e for each grant. If not, you must reconcile to eliminate differences. When generating these FMS.net reports, be sure to specify the *Current Budget* and give the last dayof the quarter as the *Transaction Cut-off Date*.

PMS

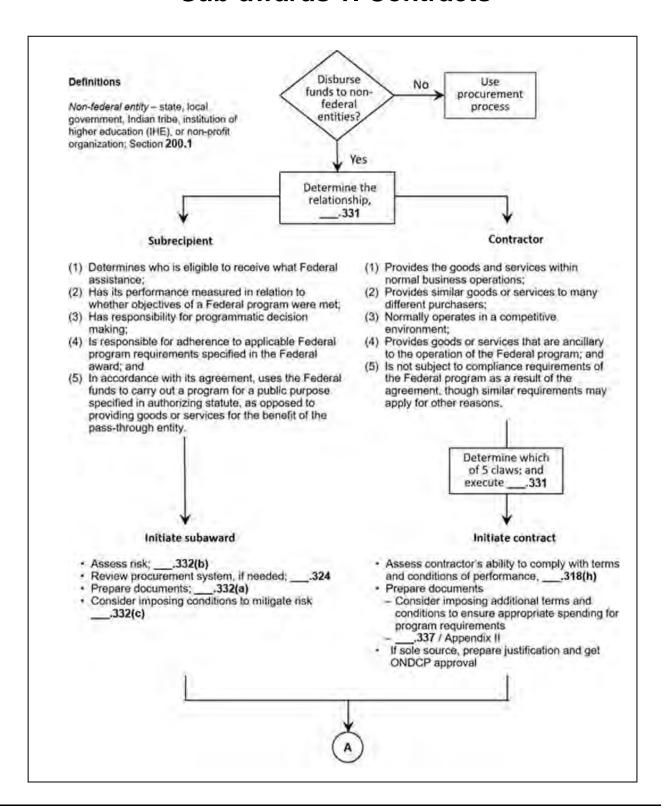
Use the <u>Adhoc Grant Inquiry</u> tool in PMS to gather the same data as listed above (drawdowns, award total).



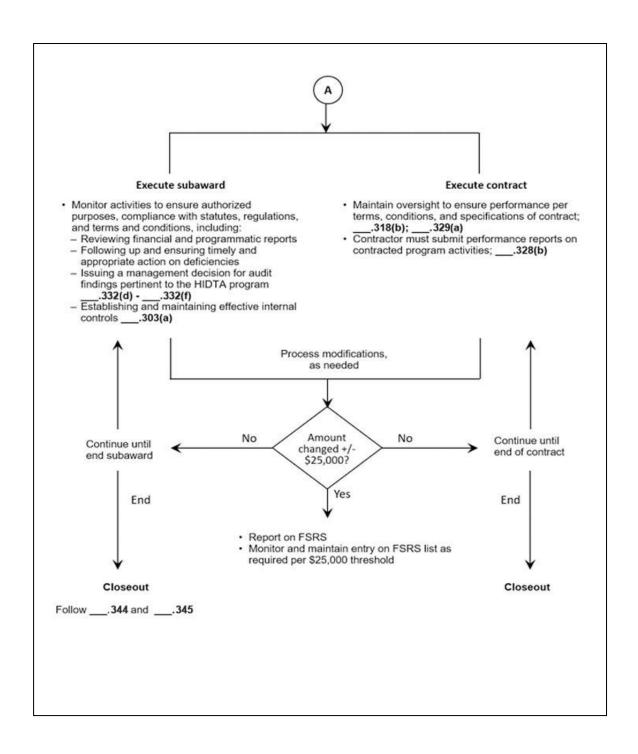
Best Practice:

Verify the software's automatic calculations as you work. If differences exist, stop work and contact the PSC Help Desk at 1-877-614-5533.

Sub-awards v. Contracts



Sub-awards v. Contracts



Subrecipient vs. **Contractor Checklist**

The following pages provide a checklist that is available by the Association of Government Accountants.

Source:

http://go.usa.gov/x34mJ, obtained on 9/21/20.

RECIPIENT CHECKLIST FOR DETERMINING IF THE ENTITY RECEIVING FUNDS HAS A CONTRACTOR OR SUBRECIPIENT RELATIONSHIP

This document is intended to help a recipient of federal funds make a judgment as to whether each agreement it makes, for the disbursement of federal program funds, casts the entity receiving the funds in the role of a subrecipient or a contractor. Based on 2 CFR Chapter I, Chapter II, Part 200 et al. Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), issued by the U.S. Office of Management and Budget (OMB) on December 26, 2013, and effective for non-federal entities on December 26, 2014, the following information is intended for use by all non-federal entities.

Important Terms:

Recipient: A non-federal entity that receives a federal award directly from a federal awarding agency to carry out an activity under a federal program. The term recipient does not include subrecipients. (See 2 CFR 200.86 of the Uniform Guidance.)

Subrecipient: A non-federal entity that receives a subward for the purpose of carrying out part of a federal award. The subaward creates a federal assistance relationship with the subrecipient. (See 2 CFR 200.93 & .330 (a) of the Uniform Guidance.)

Contractor: A non-federal entity that receives a contract for the purpose of providing goods and services for the awarding non-federal entity's own use. The contract creates a procurement relationship with the contractor. The Uniform Guidance replaced the term "Vendor" with "Contractor." (See 2 CFR 200.22 & .330 (b) of the Uniform Guidance.)

Instructions: The "Characteristics" column in this checklist is based on language in the Uniform Guidance. The column lists characteristics that support the classification of a non-federal entity as a subrecipient or contractor. Since all of the characteristics listed may not be present in all cases, the Uniform Guidance recognizes that the recipient "...must use judgment in classifying each agreement as a subaward or a procurement contract." (2 CFR 200.330 (c).) In the "Explanations" column, AGA provides additional information to assist in answering the questions under "Characteristics." Answer each question by checking "yes" or "no" where indicated. Based on responses to the questions, a key provided at the end of each section will help in making a judgment as to whether a subrecipient or contractor relationship exists. White space is provided in between the "Characteristics" column and the "Explanation" column so that users can tailor this checklist to accommodate the unique aspects of various programs or jurisdictions.

Note: One check in a subrecipient box does not necessarily mean the entity is a subrecipient. A judgment should be based on the totality of responses.

Office —		
Entity receiving funds		
Notes:		



Decision Making Authority

If the entity determines whether 200.330 a. 1 Determines who is eligible to receive what Federal assistance; a participant meets a federal program's eligibility Yes No a. Does the entity determine who is eligible to participate in the federal program? is most likely a subrecipient. A contractor may provide 200.330 a.3 Has responsibility for programmatic decision making; after eligibility has been determined by the recipient. a. Does the entity have the ability to make decisions about Yes No how services will be delivered to participants, in accordance If the entity has authority to with federal programmatic requirements? delivery of service, operations, or types of 200.330 b.4 Provides goods or services that are ancillary to the operation terms of the agreement, it is of the Federal program; typically a subrecipient. Yes No b. Does the entity provide goods or services for the recipient's own use? b. Does the entity provide services designated by the Yes No recipient to serve the recipient's participants without regard to specific federal programmatic requirements? requirements, it is typically a **Subrecipient Contractor** contractor. If you selected "yes" to **EITHER** item **a**, this is an indicator of a subrecipient relationship.

EXPLANATIONS Nature of Award

Yes

No

200.330 a. 2 Has its performance measured in relation to whether objectives of a federal program were met;

If you selected "yes" to **EITHER** item **b**, this is an indicator of a contractor relationship.

- a. Are the scope of work (or portion, if applicable) and terms and conditions of the agreement the same for the entity as they are for the recipient that received the federal funds?
- a. Is the entity carrying out completion of the goal of the grant (or part, if applicable) as stated in the federal award?

OR

200.330 b.5 Is not subject to compliance requirements of the Federal program as a result of the agreement, though similar requirements may apply for other reasons.

b. Does the recipient develop the scope of work and terms and conditions of the agreement to meet the recipient's needs?

Yes	No

If you selected "yes" to **EITHER** item **a**, this is an indicator of a subrecipient relationship. If you selected "yes" to item **b**, this is an indicator of a contractor relationship.

Subrecipient	Contractor

requirements for assistance, it

services to clients in a program

make decisions regarding the assistance provided within the

If the entity provides goods or services directly to the recipient or to program participants at the direction of the recipient and does not make programmatic decisions or adhere to program

If the entity is providing a service for the recipient to meet the goal of the grant, it is a contractor; if the entity is providing a service that carries out a goal within the scope of the grant, it is a subrecipient. When a grant program contains multiple goals, it is possible for the recipient to complete part of the goals and for the entity to perform another part.

If the scope of the agreement is per the federal program terms/guidance, the entity is a subrecipient. A subrecipient may also provide programmatic or progress reports to ensure compliance with federal program requirements.

Conversely, if the scope of the agreement is per the recipient's terms and not federal program guidance, and if the recipient's

oversight is governed only by the contract terms, it is a contractor.



Award Risk			
200.330 a.4	Is responsible for adherence to applicable Feder requirements specified in the Federal award;	al program	
best meet the of is measured ag	ne entity depends on the entity's ability to bjectives of the award. Although performance ainst federal award objectives, the entity isk if the objectives are not met.	Yes No	
	OR		
200.330 b.5	Is not subject to compliance requirements of the program as a result of the agreement, though si requirements may apply for other reasons.		
•	ssumes financial risk if they fail to deliver the ces agreed upon.	Yes No	
	yes" to item a , this is an indicator of a subrecipier yes" to item b , this is an indicator of a contracto		Subrecipient Contractor
Criteria for	Selection		
200.330 a.5	In accordance with its agreement, uses the Federarry out a program for a public purpose specific authorizing statute, as opposed to providing go services for the benefit of the pass-through entitions.	ied in ods or	
	tity demonstrate a financial or public need for out a project or provide a service?	Yes No	
	y be contributing match or other non-Federal port of the award?	Yes No	
a. Will the entitincurred?	y be reimbursed for only actual costs	Yes No	
	OR		
200.330 b.3	Normally operates in a competitive environment	,	
b. Were procur entity?	rement policies applied in the selection of the	Yes No	
b. Was the enti process?	ty's proposed price a factor in the selection	Yes No	
L MAPH do a sec	/ derive a profit from the agreement?	Yes No	

If you selected "yes" to ${\bf ANY}$ item ${\bf a}$, this is an indicator of a subrecipient relationship. If you selected "yes" to ${\bf ANY}$ item ${\bf b}$, this is an indicator of a contractor relationship.

Subrecipient Contractor

If the funding is given to the entity with a purpose of completing the goal of the grant, the recipient will be required to ensure the entity adheres to federal grant program guidance. The recipient will also be required to monitor the activities of the entity per Uniform Guidance section 200.331. The entity assumes little risk should federal grant guidance not be met. The risk falls with the recipient.

EXPLANATIONS

If the recipient directs specific activities to be completed by the entity, by providing goods or services, the risk falls on the entity to deliver, per the agreement terms. In this case, the entity would not be required to adhere to the federal grant program requirements, just the terms and conditions in the agreement with the recipient.

EXPLANATIONS

If the entity was chosen because it has the best widgets or service for the price, it has a contractor relationship with the recipient. Typically, a procurement method is followed, such as a competitive bid or RFP process. In this type of agreement, the entity usually makes a profit by delivering this good or service to the recipient. Payments to contractors are typically made based on contract terms.

Conversely, if the entity was chosen because it was already providing a service within the guidelines of the grant program and wants to partner with the recipient to expand the delivery or assist in meeting the goal of the grant, it may be a subrecipient. Typically, the entity may not make a profit and may provide its own non-federal funding as match or cost sharing. The entity may have been chosen through an application process or an announcement of funding, as opposed to the procurement process described above. Payment to a subrecipient is generally based on actual expenses unless awarded on a fixed amount subaward (2 CFR 200.332). It is typical of subrecipients to submit budgets, financial reports, or copies of invoices to the recipient, to document activity.



Entity's Business Environment	EXPLANATIONS
200.330 b.1 Provides the goods and services within normal business operations; b. Is the entity's normal business to provide the goods or services being purchased in the agreement?	If a federal program provides funding to modify public buildings for handicapped accessibility and the recipient provides funds to an entity to update the entity's building,
200.330 b.2 Provides similar goods or services to many different purchasers;	per the terms of the award, then a subrecipient relationship exists.
b. Does the entity provide the same goods or services to other organizations?	Conversely, if the recipient hires an entity to update their own building to be handicapped accessible, then a contractor relationship exists.
If you selected "no" to EITHER item, it is an indicator of a subrecipient relationship. Subrecipient Contractor placed "yes" to BOTH items, it is an indicator of a contractor relationship.	
Determination	EXPLANATIONS
Final Determination Subrecipient Contractor	Review all the entries and make an overall determination of the relationship. Check the appropriate box in this section.
Determined by	(date)
Approved by	
(enter name of person reviewing)	(date)
Based on the relationship determined above, see additional guidance on requirements governing agreen Section 200.331 - "Requirements for pass-through entities," for subrecipient agreements, Section 200.317 through 200.326 - "Procurement Standards," for contractor agreements.	nents.



Do Not Pay Business Center

- Reports on individuals and entities
- Used by Federal agencies only
- Can determine eligibility for federal contracts, grants, loans, etc.

Note: For HIDTA, our discussion is limited to grantees and vendors.

Do Not Pay / SAM Exclusions

As HIDTA grantees issue sub-awards and contracts to other non- federal entities participating in the HIDTA, the grantee (fiduciary) may become concerned about federal systems designed to help prevent waste, fraud and improper payments of federal funds. The information discussed here is current as of 7/25/18.

Do Not Pay Business Center

The Do Not Pay Business Center is an online tool and one-stop data shop provided by the Bureau of the Fiscal Service of the U.S. Department of the Treasury. Available only to federal agencies, its collection of data tools allows agencies to verify eligibility of a vendor, grantee, loan recipient, or beneficiary. A federal agency, for example, can pre-screen grant and loan applicants to ensure theentity is a bona-fide legal entity without a history of reported fraudand abuse transactions against other federal agencies.

Non-federal entities such as HIDTA grantees cannot access Do Not Pay tools or data, but non-federal entities can access a publicly available portion of one of the tools, the SAM (System of Award Management). Turn to page B-95 for information about how SAM provides data to various users.

Tools and databases

The Do Not Pay Business Center provides an access portal to:

- Credit Alert System (CAIVRS) receives inputs from DOJ, Department of Education, SBA, HUD, UDA, and VA and verifies if an individual is a delinquent federal borrower.
- **Death Master File** provided by the Social Security Administration.
- SAM (System for Awards Management) provided by the GSA for registering individuals and entities receiving federal awardsof contracts, grants, and subawards. Users can view exclusion records of entities that are restricted from contracts and awards.

Tools and databases (continued)

- **TOP** (Treasury Offset Program), a debt collection tool provided by the Department of the US Treasury. ³⁵
- **LEIE** (List of Excluded Individuals and Entities) provided by the HHS about those currently excluded from participation in Medicare, Medicaid, and all other federal health care programs.
- PAR (Payment Activity Report), a report that summarizes payment data cross-checked against the SSA Death Master Fileand SAM Exclusion Records.
- OFAC (Office of Foreign Assets Control) of the Department of the U.S. Treasury administers and enforces economic and trade sanctions.

Correcting errors

Because data within the Do Not Pay Business Center is provided by many federal agencies, errors must be corrected with the reporting federal agency. Contact the federal service desk at www.fsd.gov if you cannot locate the contact information for the reporting federal agency.

Learn more

Learn more about the Do Not Pay Business Center, visit: https://fiscal.treasury.gov/DNP/

³⁵ The TOP system allows a federal agency to withhold funds due to entities and individuals and redirect the funds to another federal agency to which is owed a federal non-tax debt. Before individuals and entities have payments withheld, they are notified of the debt and invited to participate in the adjudication process. Numerous statutes allow debt satisfaction by this means, and funds can be withheld from Social Security income, federal tax refunds, contractor and vendor payments, and many others.

SAM

The System for Awards Management, SAM, is provided by the GSA, and registration is required for individuals and nonfederal entities receiving contract awards, grant awards, and sub-awards from grantees.

Registration required for many

Registration is required for individuals and entities for 2 types of awards by federal agencies:

Contracts – awards of contracts for goods and services in excess of the micro-purchase threshold. This requirement is stated in the FAR, Federal Acquisition Regulations, and the registration data is called a *registration record*, i.e., the official names, contacts, and locations of the entity or individual. A business may have multiple registration records, if it does business under 2 or more separate names.

- Under FAR rules, 48 CFR, Part 4 (Section 4.11) all prospective contractors shall register in SAM prior to the award of a contract or agreement with few exceptions.
- FAR applies only to contracts with federal agencies.

Grants and sub-awards – Prime award recipients must be registered in SAM to apply for a grant, according to the Uniform Guidance, **Appendix I, D. 3**, which points to:

- 2 CFR, Part 25, Section 25.110, which states regulations in Part25 apply to all grantees and their subgrantees, with a few exceptions listed in __.110 (c).
- 2 CFR, Part 25, Section _____.200 (b)(1) states that non-federal entities must register in SAM before applying for or submitting a plan for an award or sub-award, and _____.200 (b)(2) states award recipients and sub-recipients must maintain their registrations in SAM.

From the Uniform Guidance's flow down concept (Section _____.101(b)(2)), subgrantees must follow the same requirements as prime grantees, i.e., subgrantees must also register in SAM before applying for sub-awards.

Once registered, individuals and entities will have one or more registration records.

Multiple registration records are possible if the entity or individual has multiple entity names.

Registration includes self-reporting of disbarment and other concerns

Under certain conditions stated in the Uniform Guidance and in each Grant Agreement, registrants must self-report certain disbarments, suspensions, and fines when they register in SAM, and they must regularly update the disclosures page in SAM.

Exclusion records in SAM

For some entities, SAM also contains information regarding past business practices and decisions posted by federal agencies.

Federal agencies can report exclusionary decisions

After following an official review process, Federal agencies can impose exclusions, prohibitions, and restrictions against entities and individuals they have done business with in the past.

Each reported action becomes an *exclusion record* in SAM, and anexclusion record can be posted without the entity being registered in SAM. A business may have multiple exclusion records – by multiple federal agencies, incidents, and decisions. An exclusion record might, for example, limit an entity from doing business with 1 federal agency for 3 years. An exclusion record could also restrict an entity from doing business with all federal agencies for a period of years.

Mandatory disclosure of criminal violations, and the like ... The Uniform Guidance, 2 CFR, Section.113, requires mandatory disclosure of criminal violations involving fraud, bribery, or gratuity and refers to Appendix XII (which is cited in the 2017 HIDTA Grant Agreement). Appendix XII provides thresholds for non-federal entities disclosing fines and damages awarded for misconduct, and the conditions under which the non-federal entity is required to do so.

Summary

Who Must Register

Non-federal entities must register in SAM to be eligible for federalgrants and sub-awards of any amount. (2 CFR, 25.200) Contractors must register before awards of federally funded contracts (over the micro-purchase threshold amount). Both must disclose fines and damage awards in their SAM record, at certain thresholds. (2 CFR Part 200, Appendix II)

(i) Important: According to the Uniform Guidance, Appendix II, Section H, grantees and subgrantees must not (use federal funds to) award contracts to entities that have exclusion records posted in SAM.

To avoid faulty awards, search the SAM database for exclusion records prior to awarding contracts. Carefully read the conditions and prohibitions, if any records exist.

SAM

- Registers individuals and entities for pre-screening applicants of federal funds by:
 - Grants and sub-awards
 - Contracts with federal agencies

Anyone can lookup *registration records*.

- Tracks individuals and entities' exclusion records in SAM, which may exist from:
 - Self-reported disbarment, suspension, criminal violations, and fines
 - Non-performance of previous contracts with federal agencies
 - Negotiated settlements for violations of federal statutes

Only federal agencies can post exclusion records.

Anyone can lookup exclusion records, but public data is limited.

Problems can be solved by contacting the Federal Service Desk (www.fsd.gov) which will give you the contact name of the adjudicator for a federal agency.

Note: To submit a question to www.fsd.gov, you will need to first create an account, at no cost.

Who is Not Required to Register

Contractors of grantees and subgrantees <u>are not required</u> to register in SAM, although some state and local government procurement procedures may require registration. Under FAR rules, contractors must register in SAM before entering contracts with the federal government.

Who Looks for Exclusion Records

Grantees and subgrantees must search SAM to check for exclusion records before awarding HIDTA-funded contracts. (2 CFR, Part 200, Appendix II) A contractor can have an exclusion record posted even if not registered in SAM.

How SAM assists in sub-awards and procurement Pre-award. Before issuing sub-awards or contracts, HIDTA grantees search the SAM database to check for registration before issuing a sub-award. HIDTA grantees look in SAM for exclusion records before issuing

sub-awards and before awarding contracts.

Recall grantees must perform risk assessment before an award of federal funds occurs, including sub-awards (__.206), and grantees must set specific conditions to mitigate risk (___.208), if deemed necessary. The Uniform Guidance requires similar due diligence prior to award of contracts, so the contract's terms and conditions can be adjusted as needed (_.318(h)). Grantees cannot award contracts to entities or individuals which have exclusion records posted in SAM. (2 CFR, Appendix II, Section H)

During the period of performance. As grantees monitor sub- awards and contract performance, they may search SAM to see if new exclusion records have been added to indicate additional monitoring is prudent.

Correcting mistakes in SAM

Entities can edit their SAM entity data at any time, but only the posting federal agency can edit an exclusion record. Contact the Federal Service Desk at www.fsd.gov if you need to locate the contact information of a federal agency reporting exclusionary data.

Sample SAM Exclusion Record

Here is the public view of a SAM exclusion record. Notice at the top of the screen, entities can opt out of public display – but federal agencies always see registered entities.





Getting Here

1. Go to www.SAM.gov and choose Search Records.

Quick Search

2. Fill 1 field in the left pane and click Search.

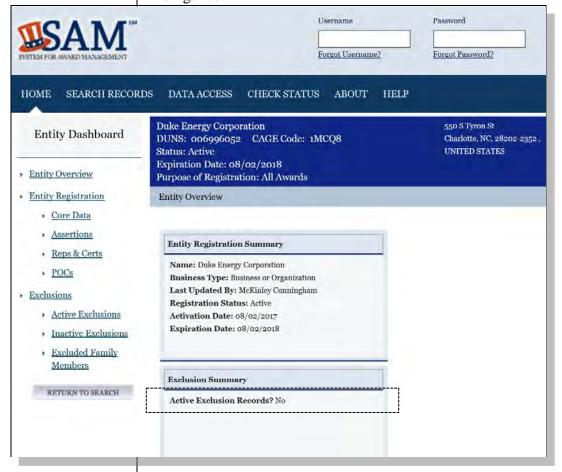
Advanced Search

- 2. Click Advanced Search -Exclusion.
- 3. Choose Single Search.
- 4. Complete 1 or more fields.
- 5. Click Search.

Viewing an Entity's SAM Record

These steps allow you to see an entity's record in SAM. Unless you are signed in as a federal user, you can only see publicly available information; entities themselves can further limit publicly displayed information.

The entity's dashboard, on the left, allows you to navigate to various sections of the entity's record, but you can see at a glance whether the entity has exclusion records or not. Printing this screen demonstrates you have performed due diligence.



- 1. Go to www.SAM.gov and choose Search Records.
- 2. Click **Advanced Search Entity**.
- 3. Complete 1 or more fields at the top to limit the records.

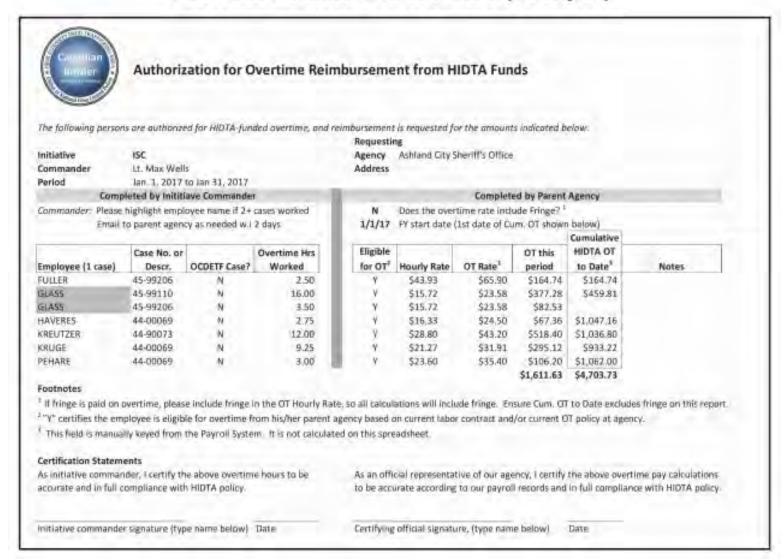
- 4. Click **Entity** and type the business name.
- 5. Click **Search**.
- 6. Scroll if necessary to locate the entity.
- 7. Click **View Details**, and use the navigation bar on the left to view additional details, if desired.
- 8. Print the screen if needed to document your search results.

Internal Controls for Disbursements (Sample)

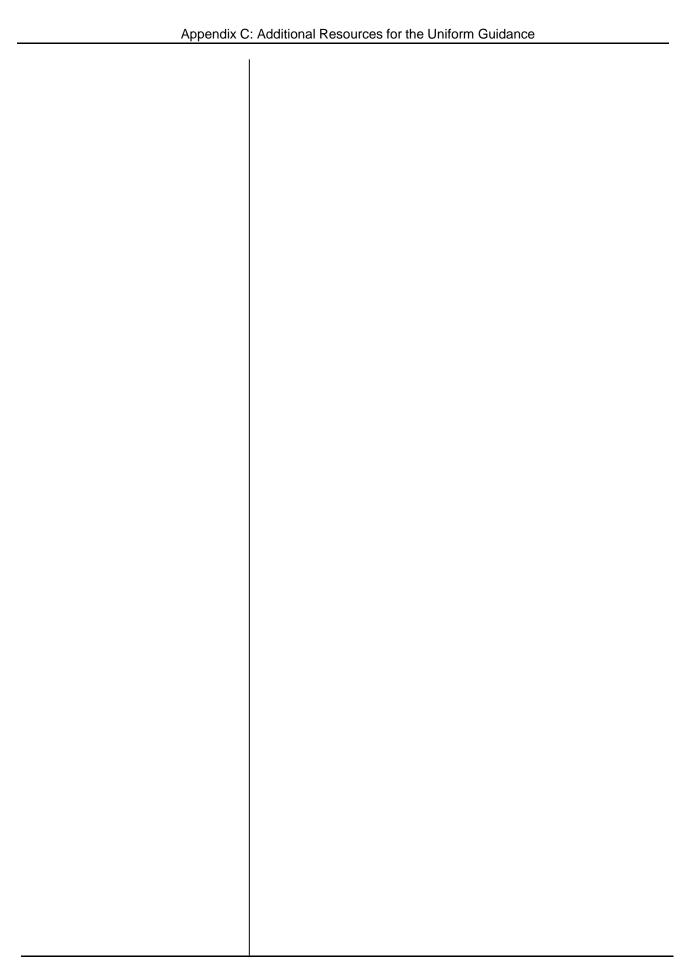
Most government entities use an encumbrance accounting system, as shown below, to provide management control over appropriated funds and prevent overspending. Encumbrance accounting recognizes and records "pre-commitments" to set aside and reserve budgeted funds for future spending, usually an exact amount expected to occur in the immediate future.

Budget Account	Prior Authorization	Control Reference	Required for Reimbursement	
Personnel	Line item detail within budget	Report 4a in FMS.net, the	Current roster on file shows initiative members	
Fringe		Budget Detail Report, provides details by position title	Payroll records showing pay and fringe per employee	
Overtime		details by position title	Overtime validation form (see next page)	
Travel	Travel Voucher (approved by supervisor and HIDTA Executive Director)	Travel Voucher (signed by supervisor and HIDTA Executive Director) Encumbrance Ref. No.	Copy of travel voucher Proof of payment or obligation: receipts or credit card statement	
Facilities	Purchase request by:	Purchase Order (PO Number) or	Proof of obligation: Invoice from vendor or	
Services	standard form with multiple approval signatures (for large amounts), or	Contract (Contract Number) (signed by purchasing agency	service provider; must reference contract or account number.	
Equipment		amounts), or (digited by purchasing agency)		adddin namber.
Supplies	memo on letterhead or email account of initiative commander (for small amounts).	Encumbrance Ref. No.		
Other	PE/PI fund replenishment: Cash Payment Voucher (signed by purser, supervisor, and HIDTA Executive Director)	Authorization for Cash Payment Voucher Encumbrance Ref. No.	Administrative fees: Invoice on fiduciary letterhead.	
	Administrative fees: Line item detail within budget			

Overtime Verification Form (Sample)



Appendix C:	Additional Resources for the Uniform Guidance
	Appendix C: Additional Resources for the Uniform Guidance



Official Sources for Regulations

Final Rule

File download:

.pdf File format - full document (103 pages in the .pdf file) www.gpo.gov/fdsys/pkg/FR-2013-12-26/pdf/2013-30465.pdf

Online version:

eCFR - provides online access but not the official, legal version www.eCFR.gov

Technical corrections

December 19, 2014

http://www.gpo.gov/fdsys/pkg/FR-2014-12-19/pdf/2014-28697.pdf

July 22, 2015

 $\frac{https://www.gpo.gov/fdsys/pkg/FR-2015-07-22/pdf/2015-17753.pdf}$

September 10, 2015

 $\frac{https://www.federalregister.gov/articles/2015/09/10/2015-}{22074/universal-identifier-and-system-of-award-management-corrections}$

OMB Regulations

OMB regulations are available for download at the Federal Register website.

https://www.govinfo.gov/features/searching-fr

Locating final rules and proposed rules: <u>www.regulations.gov</u>

Use **Advance Search**.

Keywords: "Uniform Administrative Requirements"

Agency: OMB
Document types Notice, Rule
Sort by: Newer – Older

Search for the latest news; see what's on the horizon with this search engine.

COFAR Disbanded; now CFO

"OMB M-17-26, Reducing Burden for Federal Agencies by Rescinding and Modifying, rescinded the COFAR. The group's policy priorities will now be considered part of the President's Management Agenda and in the CFO Council. The Financial Assistance Committee for E-Government (FACE), will remain operational."

Source:

https://cfo.gov/grants/grantsresources/ obtained on 2/13/18.

✓ Warning: Pay close attention to the dates of training materials; consider the evolution of the Uniform Guidance through subsequent technical corrections.

Training Online, Free

Grants resources – overview of many materials

https://cfo.gov/grants/grants-resources/

Grants resources – main site for Grantee access

https://cfo.gov//grants/#RUUG

Frequently asked questions

FAQs as of July, 2017

https://cfo.gov//wp-

content/uploads/2017/08/July2017-

UniformGuidanceFrequentlyAskedQuestions.pdf

Classes, Presentations, and More

Grants 101

Module 1 – Laws, Regulations, and Guidance

Module 2 – Financial Assistance Mechanisms

Module 3 – Uniform Guidance Administrative Requirements

Module 4 – Cost Principles

Module 5 – Risk Management and Single

Audithttps://cfo.gov/grants/training/

Glossary of Grant Terminology http://www.grants.gov/web/grants/learngrants/grant-terminology.html

Promising Practices - panel discussions, July 2016

Some panel postings recommend additional resources, and those links are listed in the table below.

Panel Topic		Resources Recommended
Panel 1 Risk assessment	EDUC Entity Risk Report Example: http://go.usa.gov/x36 DHS Vulnerability Risk Assessment: http://go.usa.gov/x36 DHS FAPO Risk Assessment Tool Chart: http://go.usa.gov/x34dF	
Panel 2: Contract and sub-award determination	AGA Contractor vs. Subrecipient Checklist: http://go.usa.gov/x34ml ³⁶	
Panel 3: Subrecipient monitoring		
Panel 4: Implementing personnel services		ORT: Labor Effort Reporting under the Federal onstration Partnership Pilot
	•	oll Certification at Michigan Technological University //go.usa.gov/x3WMd
Panel 5: Indirect cost rates		
Panel 6: Single Audit and comprehensive annual reports	CAROI Playbook: http://go.usa.gov/x34cB (2016) 37 AC CAROI Guide: http://go.usa.gov/x34cY (2010)	

³⁶ Association of Government Accountants; see http://agacgfm.org.

³⁷Cooperative Audit Resolution and Oversight Initiative (CAROI) was created through a collaborative effort by the U.S. Department of Education and state and local partners.

Regulations, Statutes, etc.

31 U.S.C.

http://www.gpo.gov/fdsys/granule/USCODE-2010-title31/USCODE-2010-title31-subtitleVchap63- sec6301/content-detail.html

Federal Audit Clearinghouse (FAC)

List of many online resources for auditing and accounting published data

https://harvester.census.gov/facweb/

Tracking federal spending

www.grants.gov – See menu for grant opportunities (Search Grants), applying for a grant online (Applicants), and more. (current as of 1/22/2019)

USA Spending provides a search tool, download capability into Excel, and data dictionary to see the data elements. www.usaspending.gov

Do Not Pay

Do Not Pay is an online portal – a suite of tools – that helps users detect and prevent improper payments to vendors, grantees, loan recipients, and beneficiaries. It is managed by the Bureau of the Fiscal Service within the Department of the U.S. Treasury.

The portal provides access to many data sets, and access varies. Some are available to the public, and others can be searched only by federal agency users. Some databases can be searched by both user groups but limit the information provided to the public. Read more about the databases and the software tool that access them at https://fiscal.treasury.gov/DNP/.

TOP – Treasury Offset Program

The Treasury Offset program is available only to federal agency users. It essentially maintains the collection of delinquent non-tax debt filings by federal agencies.

SAM - System for Award Management

SAM is one of the databases available through the Do Not Pay portal. There are two access points: one for authorized federal agency users (shows detailed information) and one for the general public's use, which displays exclusion records.

Users can also access SAM directly (without going through the Do Not Pay portal) at www.SAM.gov.

DMF - Death Master File

This database is available to the public by the Social Security Administration to verify whether a payee is deceased.

Others

There are many other databases listed on the Do Not Pay portal, but the above are the ones most commonly used by HIDTA users.

Federal Service Desk

The Federal Service Desk handles questions for:

- SAM (System for Award Management)
- CFDA (Catalog of Federal Domestic Assistance)
- eSRS (Electronic Subcontracting Reporting System
- FBO (Federal Business Opportunities)
- FPDS-NH (Federal Procurement Data System)
- FSRS (FFATA Sub-award Reporting System)
- WDOL (Wage Determinations Online)

Visit www.fsd.gov to learn more.

FAR – Federal Acquisition Regulation for all federal agencies

You can obtain a full download of the entire FAR, Federal Acquisition Regulation, by visiting https://www.acquisition.gov/browse/index/far (current as of 1-22-2019).

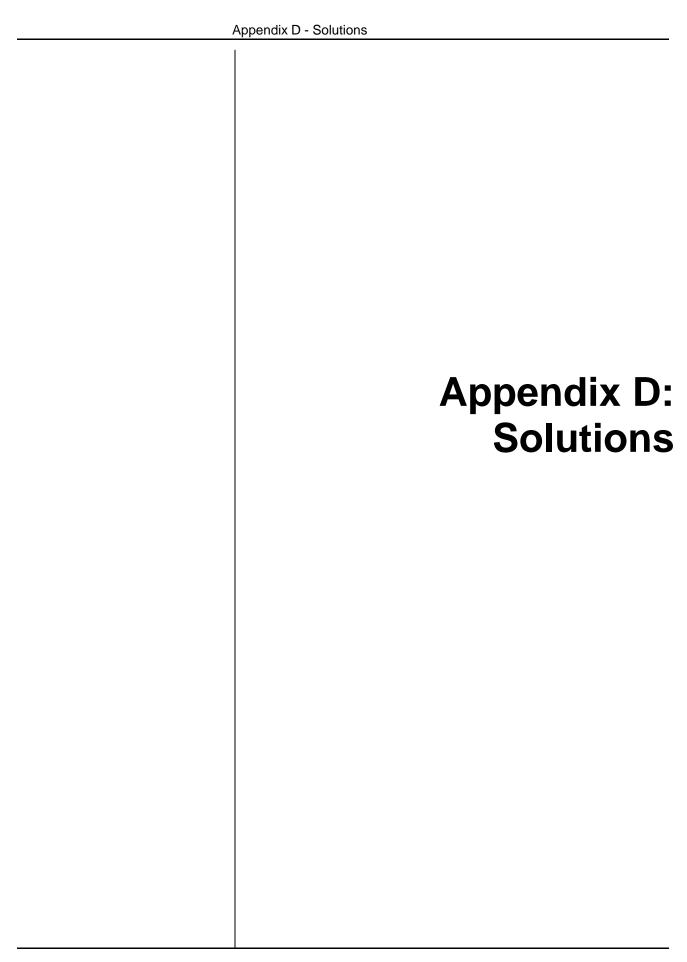
Green Book

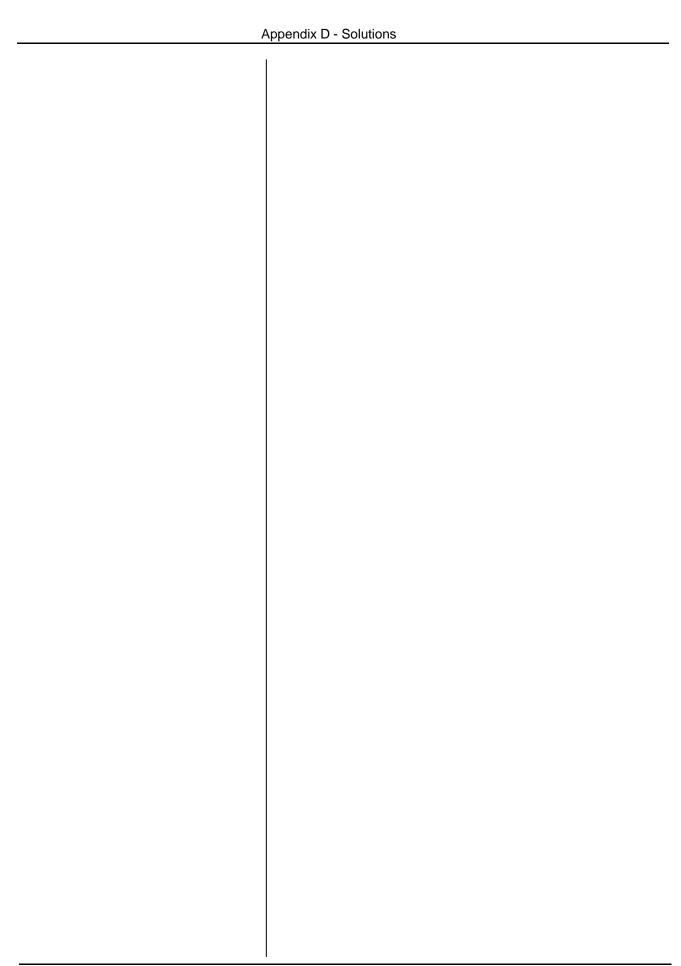
The Green Book is the official guide to standards for internal control in the federal government. To order a copy, visit http://bookstore.gpo.gov/products/sku/020- 000-00292-1.

Professional Development / Professional Organizations

Government Finance Officers Association: www.gfoa.org

Governmental Accounting Standards Board (GASB): http://gasb.org/.





CB

Case Study #1 Sample Solution

There is no perfect solution to this case because so much is open to interpretation, knowledge of prices, experiences at various HIDTA offices, and so forth. However, the following list provides some obvious errors and areas of concern that might be discovered when reviewing the budget input. Also, look at the included Budget Input Worksheets; areas in question or of concern are shaded.

Feedback for Waterways Drug Initiative

- Clerical overtime is generally not allowed unless tied to a specific task force operation with justification and approval in advance.
- There is a budget amount for vehicle maintenance. Isn't that covered by the automobile's lease agreement?
- \$4,000 for an ordinary laptop is too expensive. What type is this?
- All of the budget amounts for Supplies need a monthly rate; otherwise, how was each annual amount determined?
- Vehicle fuel is not allowed if the individual agencies provide a fuel allowance per employee.
- Commercial database should be in services (because it has a monthly access fee).
- Be a little more specific on the type of software we are purchasing for \$1,450. (Too vague.) Besides, if the quantity is for one software program that costs \$1,450, then it is equipment; if \$1,450 represents several software programs (each less than \$500), then they should be classified as supplies.
- You need to move training to the Training Initiative.

Budget Input Received Initiative: Waterways Drug Transportation Task Force

A. Personnel (Salary + Fringe) Total Amount: \$197,813

Position	Salary	Fringe	Full-time?
(SSPD) Clerical	\$18,000	\$4,500	Yes
(SSPD) Task force officer (2)	93,000	23,250	Yes
(NSPD) Investigative officer (2)	96,500	24,126	Yes
(DNR) 1 st officer (1)	45,500	11,375	Yes

B. Overtime Total Amount: \$126,456

Position	Amount Each	Subtotal
(SSPD) Task Force Agents (14)	\$8,875 each	\$124,250
(SSPD) Clerical	2,206	2,206

C. Travel/Per diem Total Amount: \$30,000

Reason for Travel	Estimate %	Subtotal
(NSPD) Investigative	\$10,000	\$10,000
(SSPD) Investigative	10,000	10,000
(SSPD) Training	10,000	10,000

D. Facilities Total Amount: \$10,000

Description	No. of Months	Monthly Rate	Subtotal
(NSSD) Pro rated portion of lease and			\$10,000
utilities			

E. **Services**

Description	Quantity	No. of Months	Monthly Rate	Subtotal
(SSPD) Telephone – long distance	N/A	12	\$600.00	\$7,200
(SSPD) Cell phone service	5	12	100.00	6,000
(SSPD) Copier fees	1	12	500.00	6,000
(SSPD) Vehicle rental	14	12	500.00	84,000
(SSPD) Vehicle maintenance	14	12	50.00	8,400
(SSPD) Training				<u>6,000</u>
(SSPD) Subtotal				\$117,600
(NSPD) Database access fees	6	12	50.00	3,600
(NSPD) Subtotal				\$3,600

Total Amount: \$121,200

Total Amount: \$99,550

F. **Equipment**

Description	Quantity	Unit Price	Subtotal
(NSPD) Personal computer (laptops)	2	\$3,000	\$6,000
(NSPD) B/W Laser printer	1	1,000	1,000
(NSPD) Computer scanner	1	3,000	3,000
(NSPD) Software		1,450	1,450
(SSPD) Computer tables	2	\$300	600
(SSPD) Handheld radios	10	4,000	40,000
(SSPD) Digital cameras	2	500	1,000
(SSPD) Digital micro cassette recorders	2	2,000	4,000
(SSPD) Binoculars	4	250	1,000
(SSPD) Digital phone and body transmitter	2	2,000	4,000
(SSPD) Fax machine	2	500	500
(SSPD) Pen register slave units	2	6,000	12,000
(SSPD) Page intercept system	1	12,000	12,000
(SSPD) Office furniture (desk and chair)	10	800	8,000
(SSPD) File cabinets	10	500	5,000

Total Amount: \$18,200

Total Amount: 130,000

G. Supplies

Description	Quantity	No. of Months	Monthly Rate	Subtotal
(SSPD) Film				\$250
(SSPD) Audio tapes				500
(SSPD) Video tapes				250
(SSPD) Vehicle fuel	3	12		4,600
(SSPD) Miscellaneous software	12	12		1,700
(SSPD) Reference software	12	12		1,700
(SSPD) Commercial database (monthly access)	12	12		5,000
(SSPD) General office supplies		12	500	3,000
(SSPD) Postage		12	100	1,200

H. Other Costs

Purpose	Annual Amount	Subtotal
(NSPD) Purchase of evidence	\$45,000	\$85,000
(NSPD) Purchase of information	30,000	45,000

TOTAL BUDGET \$733,215

Abbreviations:

NSPD North Shores Police Department NSSD North Shores Sheriff Department SSPD South Shores Police Department SSSD South Shores Sheriff Department

Feedback for: Fishing Vessel Methamphetamine Labs

- Needs more detail for the software purchase.
- Vehicle and boat fuel is not allowed if the individual agencies already provide a fuel allowance per employee or per boat.
- Where is the cost for a boat slip? You can't park a boat just anywhere. Need to budget for boat slip as services.
- Purchases are classified as equipment if a) each unit costs \$5,000 or more, and b) if the item has a useful life of more than 1 year.
- There is a mistake in the amount for general boat supplies. The \$200 per month does not equate to \$28,400 per year. Which is correct?
- The community fish fry is out!

Budget Input Received Initiative: Fishing Vessel Methamphetamine Labs

A. Personnel (Salary + Fringe) Total Amount: \$330,938

Position	Salary	Fringe	Full-time?
(SSPD) Clerical	\$20,000	\$5,000	Yes
(SSPD) Computer specialist	50,000	12,500	Yes
(SSPD) Task force officer (2)	93,000	23,250	Yes
(NSPD) Investigative officer (1)	48,250	12,063	Yes
(DNR) 1 st officer (1)	45,400	11,375	Yes

B. Overtime Total Amount: \$132,912

Position	Amount Each	Subtotal
(SSPD) Task Force Agents (10)	\$11,076 each	\$110,760
(DNR) 1 st officer (2)	11,076 each	22,152

C. Travel/Per diem Total Amount: \$15,000

Reason for Travel	Estimate %	Subtotal
(DNR) Investigative	\$5,000	\$5,000
(DNR) Training	10,000	10,000

D. Facilities Total Amount: \$38,396

Description	No. of Months	Monthly Rate	Subtotal
(DNR) Boat lease (30' cruiser, twin 250 HP engines)	12	\$2,200	\$28,400
(NSSD) Pro rated portion of lease and utilities			9,091

E. **Services**

Description	Quantity	No. of Months	Monthly Rate	Subtotal
(NSSD) Telephone – long distance	N/A	12	\$300.00	\$3,600
(NSSD) Cell phone service	10	12	100.00	12,000
(NSSD) Database access fees	6	12	50.00	3,600
(NSSD) Copier fees	1	12	1,000.00	12,000
(NSSD) Training				3,000

Total Amount: \$34,200

Total Amount: \$67,640

F. **Equipment**

Description	Quantity	Unit Price	Subtotal
(NSSD) Personal computer (laptops)	2	\$4,000	\$8,000
(NSSD) Computer scanner	1	3,000	3,000
(NSSD) Software		1,450	1,450
(NSSD) Handheld radios	10	4,000	40,000
(NSSD) Digital phone and body transmitter	2	2,000	4,000
(NSSD) Global positioning system	2	1,200	2,400
(NSSD) Microwave directional antenna w/cable	1	995	995
(NSSD) Video camera multiplexer 4 channel	1	2,995	2995
(NSSD) Compact recorders with LCD monitors and time/date	2	1,800	3,600
(NSSD) Video motion detectors	2	600	1,200

Total Amount: \$96,150

Total Amount: \$3,000

Supplies G.

Description	Quantity	No. of Months	Monthly Rate	Subtotal
(NSSD) Audio tapes				\$500
(NSSD) Video tapes				250
(NSSD) Vehicle fuel (cars)	3	12	200	
(NSSD) Postage		12	100	1,200
(NSSD) General office supplies		12	500	3,000
(DNR) Boat fuel	1	12		60,000
(DNR) General boat supplies		12	200	24,000

H. **Other Costs**

Purpose	Annual Amount	Subtotal
(NSSD) Community fish fry (to gather	\$3,000	\$3,000
intelligence)		

TOTAL BUDGET

\$718,236

Abbreviations:

NSPD North Shores Police Department

NSSD North Shores Sheriff Department SSPD South Shores Police Department SSSD South Shores Sheriff Department

Feedback for Canadian Board Intelligence Center

- Need to budget for 8.33% of facilities cost (lease and utilities); should budget \$9,996.
- No vehicle maintenance allowed unless you can verify that maintenance isn't covered by the rental agreement.
- Ordinary laptops don't cost \$4,000 these days. What type is this?
- What kind of software is being purchased?
- Vehicle fuel may not be allowed if the individual agencies already provide a fuel allowance per employee.
- Miscellaneous software of \$400 each (for 4 units) sounds like padding. Exactly what will be purchased?
- For general office supplies, why is the monthly rate \$500 yet the annual (12 month) total is only \$3,000? Which is correct?
- Purchases are classified as equipment if a) each unit costs \$5,000 or more, and b) if the item has a useful life of more than 1 year.

Budget Input Received Initiative: Canadian Border Intelligence Center

Personnel (Salary + Fringe) **Total Amount: \$766,200** A.

Position	Salary	Fringe	Full-time?
(NSPD) Task force agents (1)	55,000	13,750	Yes
(SSPD) Task force agents (2)	96,000	24,000	Yes
(SSPD) Computer intelligence specialists (2)	116,000	29,000	Yes
(SSSD) Computer intelligence specialists (2)	116,000	29,000	Yes
(SSPD) Network administrator (1)	45,000	11,250	Yes
(SSPD) DBA administrator (1)	60,000	15,000	Yes
(NSPD) Investigative auditors (2)	125,000	31,250	Yes

Total Amount: \$77,532 В. Overtime

Position	Amount Each	Subtotal
(NSPD) Task force agents (1)	\$11,076 each	\$11,076
(SSPD) Task force agents (2)	11,076 each	22,152
(SSPD) Computer intelligence specialists (2)	11,076 each	22,152
(SSSD) Computer intelligence specialists (2)	11,076 each	22,152

C. Total Amount: \$10,000 Travel/Per diem

Reason for Travel	Estimate %	Subtotal
(NSPD) Investigative	\$7,000	\$7,000
(SSPD) Training	3,000	3,000

D. **Facilities Total Amount: None**

Description	No. of Months	Monthly Rate	Subtotal
missing			

E. **Services**

Description	Quantity	No. of Months	Monthly Rate	Subtotal
(SSPD) Telephone – long distance	N/A	12	\$600	\$7,200
(SSPD) Cell phone service	5	12	100	6,000
(SSPD) Database access fees	6	12	50	3,600
(SSPD) Copier fees	1	12	500	6,000
(SSPD) Vehicle rental	14	12	500	84,000
(SSPD) Vehicle maintenance	14	12	50	8,400
(SSPD) Training				6,000
(NSPD) Data network service (for Blackberry devices)	6	12	40	2,880

Total Amount: \$43,080

Total Amount: \$23,450

Total Amount: \$9,400

Equipment F.

Description	Quantity	Unit Price	Subtotal
(SSPD) Laptop computer	4	\$4,000	\$16,000
(SSPD) Color Laser printer	1	4,000	4,000
(SSPD) Software		1,450	1,450
(NSPD) Blackberry messaging devices	6	500	3,000

G. **Supplies**

	No. of				
Description	Quantity	Months	Monthly Rate	Subtotal	
(SSPD) Vehicle fuel	2	12	\$50	\$1,200	
(SSPD) Miscellaneous software	4			1,600	
(SSPD) Reference software	4			3,600	
(SSPD) General office supplies			500	3,000	

H. Other Costs

Total Amount: \$10,000

Purpose (NSPD) Purchase of information (online)

Annual Amount \$10,000

Subtotal \$10,000

TOTAL BUDGET

\$937,782

Abbreviations:

NSPD North Shores Police Department NSSD North Shores Sheriff Department SSPD South Shores Police Department SSSD South Shores Sheriff Department

Feedback for Erie North Shores

Although this budget will be returned into the requested template format for rework, there are suggestions that can help with the next version of this budget.

- In Section D, the grammar doesn't make sense. What were you trying to say here?
- We aren't pooling overtime this budget year. See Derrick Desmond's memo.
- You need to budget for 8.33% of facilities cost (lease and utilities); which would be \$9,996.
- Who is getting those leased cars? Please list the job titles of those who will receive the cars.
- The K-9 unit should be in a) Equipment (purchase of dog); b) Services (vet); and c) Supplies (food). Travel may also be needed as well.
- Purchases are classified as equipment if a) each unit costs \$5,000 or more, and b) if the item has a useful life of more than 1 year.

Budget Input Received Initiative: Erie North Shores Drug Task Force

BUDGET INPUT SHEET

Initiative Title: Erie North Shores Drug Task Force (ENSDTF)

- J. Personnel
- K. Fringe
- L. Overtime

Overtime funds are pooled for all local agents. Prior approval by a command officer in the initiative is required. The command officer also reviews overtime reports submitted by each agent. This verifies the accuracy of the report and ensures that all overtime is related to HIDTA investigations.

M. Travel

> Due to our participation in interdiction operations, this initiative expects to incur travel expenses during the year.

- N. **Facilities**
- O. Services
- P. Equipment
 - 4. Our initiative is requesting funds for a K-9 Unit. This would include the purchase of the canine, the training of both the dog and the handler, installing an identification microchip into the dog, vehicle modifications to convert to a K-9 unit, and the food/veterinarian bills associated with maintaining the canine. The City of Overlook would provide the personnel required.
 - 5. The addition of a body wire and receiver would enhance the investigations conducted by the ENSDTF. The repeater would give this device a greater range.
 - 6. The time-lapse VCR requested would give the ENSDTF the ability to use existing camera equipment on a longer-term basis and would add options to our video surveillance capabilities.
- Q. **Supplies**
- R. Other

BUDGET WORKSHEET

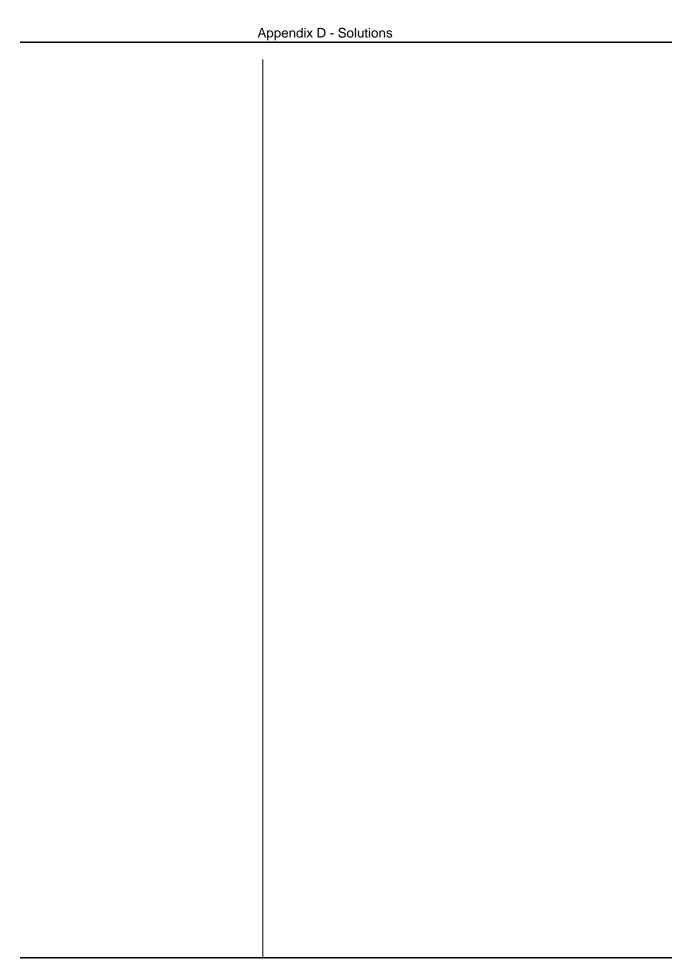
Account	Item	Unit Price	Subtotal
A. Personnel			N/A
B. Fringe			N/A
C. Overtime	Pooled		47,000
D Travel.	Case Related	8,000	8,000
E. Facilities			N/A
F. Services			
22	Nextel Telephones @ 100/month	2,200.00	26,400
12	Lease Cars (350 per month each)	4,200	50,400
G. Equipment			
1	K-9 Unit	20,000	20,000
1	Recurring Expenses for K9	1,000	1,000
	LEA 6320 Synthesized Intelligence System		
1	w/ transmitter		4,895
1	LEA 6359 2 Watt Tactical Repeater		2,695
1	AG-RT600 Real Motion Time Lapse VCR		699
Total			<u>\$161,089</u>

CB

Case Study #2 Sample Solution

The following pages represent one of several possible solutions for the case study. The variation during class is due to differences among fiduciaries, e.g., what the local policies require, and the different experiences that class attendees have encountered while working with their local HIDTAs, its initiatives, and participating agencies.

Regardless of the solution presented here, continue to follow your local HIDTA's policies and rules for internal controls, documentation, and required approvals.





Case Study #2

Preparing a Disbursement Package

Overview

You are a HIDTA financial manager helping new staff at Cook County, the fiduciary for the Canadian Border HIDTA.

In addition to the agency policies and grant terms and conditions, the HIDTA Executive Board set fiscal policies for HIDTA expenditures, as shown on page 3.

Cook County receives an administration fee of 5%.

Instructions

Prepare a disbursement package to submit to the National HIDTA Assistance Center for approval. You received these documents from the Accounting Department of Cook County; the fiduciary for Canadian Border HIDTA. The Accounting Department has reviewed and paid these claims and now seeks reimbursement from the grant funds. Therefore, the fiduciary's staff has reviewed these receipts but, there has been recent turnover in that department, so be forewarned.

Suggested steps

- 1. Review the local HIDTA policy on page 3.
- 2. Locate and set aside the Detailed Expenditure Worksheet; you will complete it as you work.
- 3. Assign each of the 9 budget accounts to members of your group. One group member may be assigned Personnel, Fringe, and Overtime since those are related accounts. Another member might be assigned Equipment and Supplies, and so forth, to divide the workload.

- 4. Distribute the receipts to the respective group members. Each can work separately; ask the whole group for advice ifquestions arise. Some claims may be unacceptable, and some may not be required.
- 5. To help class discussion, indicate on each receipt:
 - HIDTA initiative and budget account
 - Grant year each expenditure is posted
 - Reason for rejection, if rejected
 - Any other markings you feel useful to an auditor for explanation
- 6. For each initiative, total each account and complete the Detailed Expenditure Worksheet.

Online Recordkeeping

The fiduciary's accounting system electronically stores the documents related to each transaction, i.e., purchase orders, travel vouchers, warrants, and other documents.

Before paying an invoice, the Cook County accounting staff looks up and verifies purchase orders, travel vouchers, etc. to authenticate the documents are accurate and properly authorized.

Similarly, Cook County provides you, the HIDTA financial manager, Read-only access these electronic source documents, so there is no need for you to doubt purchase orders, voucher signatures, and so forth.

(i) Important: Presume all employee and approver names and signatures are authentic and accurately represent the stated positions, when provided. You do not need to verify initiative rosters, for example.

Date: Dec. 5, 2016

Re: Reimbursement Policies for HIDTA Funds

From: Finance Committee (signatures on file)

Executive Board, Canadian Border HIDTA

To: All HIDTA participants

Policies for HIDTA Funds Use

All participants in the CB HIDTA must follow these policies and standards when seeking reimbursement from HIDTA grant funds.

Required Authorizations

Before every HIDTA-funded expenditure, the expenditure must be budgeted and approved.

After every HIDTA-funded expenditure, the expenditure must be adequately documented as shown in the table on the following page.

Exceptions to these procedures require written approval in advance of the expenditure.

Direct invoicing from the service provider or vendor to the fiduciary is preferred for contracted services and purchases over \$1,000. For occasional purchases of goods and services, a <u>written statement of receipt</u> is required along with other proof of expenditure.

<u>Payments to individuals</u> are allowed only for reimbursement of travel expenditures and require 2 approval signatures from within the HIDTA program.

Payment processing

The fiduciary receives and processes reimbursement requests twice monthly, on or about the 5th and the 20th of each month.

All payment requests require an invoice prepared by the service provider, vendor, or resource recipient entity, properly detailing the HIDTA expenditure. Source documents must be in full compliance with HIDTA Program Policy and the regulations of the Uniform Guidance (2 CFR, Part 200). Details for each type of expenditure are provided within the table on the next page.

Thank you for your cooperation and participation in the HIDTA Program.

Reimbursement Policy Dec 5, 2016 Page 2 of 2

Personnel	I
Fringe	

As needed: Complete initiative roster of member names – only if members changed from previous invoice, or 1st invoice for a new initiative.

1st invoice, budget detail in FMS.net must specifically list each <u>position</u> within the budget to authorize payroll expenditures.

Each invoice, submit timekeeping records that show rate of pay, hours worked, rate of fringe (if any), and overtime hours, rate of pay, and subtotals (current period and YTD).

Overtime

Same requirement as Personnel, plus provide signed OT Verification Form that indicates:

Part 1: Initiative supervisor approved the hours and purpose of OT hours.

Part 2: The employee's parent agency has verified key elements of HIDTA policy and certifies policy compliance; see attached form, preferred.

Travel

Before: Original travel voucher must be signed by supervisor and HIDTA Executive Director in advance of 1st day of travel.

After: Travel vouchers must be submitted with travel receipts. Cash receipts or credit card statements (in line item detail) are required except for per diem amounts. If the actual amount exceeds the pre-approved travel voucher amount, the initiative commander must submit a memo to explain the variance.

Facilities, Services, Equipment, Supplies

Each invoice/receipt must show PO Number, Contract Number, or if emergency purchase, attach subsequent PO and attach an explanatory memo with 2 approval signatures, above the purchaser's level.

- Receipts must be signed and show date goods or services were received.
- Capital assets (over \$5,000) must provide cross-reference to inventory records.

Other

Administrative fees must be recorded as a line item in the HIDTA's budget <u>and</u> invoiced with Contract Number referenced.

HIDTA funds cannot be used for PE/PI/PS at the Canadian Border HIDTA.

Additional Information

The receipts on the following pages represent expenditures for these initiatives and participating agencies at Canadian Border HIDTA.

4 resource recipients

Ashland County Sheriff's Office Bayfield County Sheriff's Office Cook County Sheriff's Office (the fiduciary) Delta County Sheriff's Department

4 initiatives

HRTF – Heroin Response Task Force
 ISC – Investigative Support Center
 TR – Training
 M&C – Management and Coordination
 Lt. Max Wells
 T. L. Mathis, SAC
 Victor Wellsley
 Pat Tombs

Additional approvers

K. Newton Fiduciary's A/P supervisor
Derrick Desmond HIDTA Executive Director
Dean McDaniel HIDTA Deputy Director

Note: Cook County submits an internal invoice to itself for its HIDTA expenditures.

Budget Balance By Initiative

PY 2017 – Canadian Border HIDTA

Grant Balance by Initiative

All Initiatives

All Agencies

Current Budget (net of approved transactions)

		APP	ROVED)		PEN	DING		
	Awarded		Current	Disbursed	Current			Total	Pending
	Budget	Reprogramming	Budget	Funds	Available	Advance	Reimbursement	Disbursements	Balance
HRTF									
Overtime	64,000		64,000	14,757	49,243	0	0	7,207	42,036
Services	72,000		72,000	11,500	60,500	0	0	0	60,500
Equipment	16,000		16,000	4,715	21,285	0	0	0	21,285
Supplies	1500		1500	72.00	1,422	0	0	0	1,422
ISC									
Personnel	54,000		54,000	12,000	42,000	0	0	0	42,000
Overtime	62,000		62,000	238	61,762	0	0	0	61,762
Travel	22,000	(1,500)	20,500	6,212	14,288	0	0	0	14,288
Equipment	111,750		111,750	903	110,847	0	0	0	110,847
Supplies	1500		1500	0	1500	0	0	0	1500
M & C									
Personnel	172,000		172,000	2,000	170,000	0	0	0	170,000
Fringe	97,000		97,000	0	97,000	0	0	0	97,000
Travel	67,500		67,500	659	66,841	0	0	1,121	65,720
Facilities	585,000	(4,000)	581,000	80,000	501,000	0	0	0	501,000
Services	149,000		149,000	10,412	138,588	0	0	3,088	135,500
Supplies	4,500		4,500	87	3,900	0	0	0	3,900
Training									
Personnel	76,000		76,000	1,000	75,000	0	0	0	75,000
Fringe	28,500		38,500	230	38,270	0	0	0	38,270

Note: This report is available in FMS.net, the Financial Management System. The NHAC only considers the **Current Available** balance (highlighted in gray above). Notice the NHAC does not consider pending disbursements, but you should.

Detailed Expenditure Worksheet

(An Excel worksheet available from FMS.net.)

DETAILED EXPENDITURE WORKSHEET

Grant # G16CB0093Z FIVIO# 1010000101

Period

5/09/2017 Date:

Request #

Circle one: Cash or Accrual CASH

Requestor:

<u>Initiative</u>	Personnel	Fringe	Overtime	Travel	Facilities	Services	Equipment	Supplies	Other
Heroin Response Task Force			4,138.57			5,848.85		228.92	
Investigative Support Center	2,124.80			4,898.22			9,200.00	78.10	
Management & Coordination	13,744.00	3,916.04			63,191.96	507.88			
Training & Support									
Total Request	15,868.80	3,916.04	4,138.57	4,898.22	63,191.96	6,356.73	9,200.00	307.02	

SOLUTION

Fiduciary cannot get reimbursed for Adminstrative fee unless it submits an

invoice for the fee.



Ashland County Sheriff's Office 601 Main Street Ashland, WI 54806

May 2, 2017

Cook County Sheriff's Office Attn: Accounts Payable 1560 Fraser Drive Grand Rapids, MN 55744

RE: **INVOICE** for HIDTA Overtime

for April 2017

Please see the enclosed, signed certification form(s) that verifies the hours of these officers during the pay periods indicated. In accordance to the *Uniform Guidance*, 2 CFR, 200.338, additional timekeeping and payroll records are available for your review.

Work Period / Description

Amount

Overtime for personnel assigned to these HIDTA units: HRTF - Heroin Response Task Force:

4/1/17 - 4/15/17Holowecky, Hayden (see online time records)......400.00

4/16/17 - 4/30/17

Hlavati, Timothy (see online time records)237.60

Thank you,

Tammy Wayner

Accounts Receivable Department

Public safety is our first concern!



Authorization for Overtime Reimbursement from HIDTA Funds

The following persons are authorized for HIDTA-funded overtime, and reimbursement is requested for the amounts indicated below.

Initiative HRTF

Commander Lt. Max Wells

Period April 1, 2017 to April 30, 2017

Requesting

Agency Ashland County Sheriff's Office

Address 601 Main Street West

Ashland, WI 54806

Completed by Inititiave Commander

Commander: Please highlight employee name if 2+ cases worked Email to parent agency as needed w.i 2 days

Employee	Case No. or	OCDETF	Overtime Hrs
(1 case per row)	Descr.	Case?	Worked

(1 case per row)	Descr.	Case?	Worked
HOLOWECKY, H	44-00069	N	22.25
HLAVATI, T	44-90073	N	5.50

Completed by Parent Agency Does the overtime rate include Fringe? 1

1/1/17 FY start date (1st date of Cum. OT shown below)

Eligible for OT ²	Hourly Rate	OT Rate ¹	G. Lina	Cum. HIDTA OT to Date ³	Notes ⁴
Υ	\$32.50	\$48.75	\$ 1,084.69	\$2,950.00	
Y	\$28.80	\$43.20	\$ 237.60	\$2,595.50	

Footnotes

Certification Statements

As initiative commander, I certify the above overtime hours to be accurate and in full compliance with HIDTA policy.

7 11 00 1 WWS 2-May

As an official representative of our agency, I certify the above overtime pay calculations to be accurate according to our payroll records and in full compliance with HIDTA policy.

Certifying official signature, (type name below)

Date

¹ If fringe is paid on overtime, please include fringe in the OT Hourly Rate. Ensure Cum. OT to Date excludes fringe on this report.

² "Y" certifies the employee is eligible for overtime from his/her parent agency based on current labor contract and/or current OT policy at agency.

³ This field is manually keyed from the Payroll System. It is not calculated on this spreadsheet.

⁴ If any, list all other federal sources of employee's OT and Cum. amounts of each.



Bayfield County Sheriff's Department 985 Keynote Circle Bayfield, WI 54814

May 7, 2017

Chris Tomlin, Grants Administrator Cook County 1560 Fraser Drive Grand Rapids, MN 55744

HIDTA reimbursement of overtime for officer McDonald. Subject:

HIDTA Grant Year: 2017

Attached is the certification document required by the Canadian Border to verify the hours in this invoice. Payable upon receipt. For questions or requests to view payroll or/and timekeeping records, please contact:

Sherry Brock, Accounting Department

Office: (715) 594-3168 / Email: sbrock@baycity.mn.gov

Officer Overtime

Larry McDonald (Badge # 5491) assigned to HRTF Overtime hours worked April 1, 2017 to April 30, 2017:

28 hrs. @ \$31.53/hr.....\$725.19

Remit to:

Accounting Department Bayfield County Sheriff's Department PO Box 9 Bayfield, WI 54819

SOLUTION

Invoiced amount disagrees with the certified amount (correct). Amounts must agree to be supporting documentation.



Authorization for Overtime Reimbursement from HIDTA Funds

The following persons are authorized for HIDTA-funded overtime, and reimbursement is requested for the amounts indicated below.

Initiative

HRTF

Commander

Lt. Max Wells

Period

April 1, 2017 to April 30, 2017

Requesting

Agency Bayfield County Sheriff's Department

Address 985 Keynote Circle

Bayfield, WI 54814

Completed by Inititiave Commander

Commander: Please highlight employee name if 2+ cases worked

Email to parent agency as needed w.i 2 days

Employee	Case No. or	OCDETF	Overtime Hrs
(1 case per row)	Descr.	Case?	Worked
McDonald, Larry	44-00069	N	28.00

Completed by Parent Agency

Does the overtime rate include Fringe? 1

1/1/17 FY start date (1st date of Cum. OT shown below)

Eligible for OT ²	Hourly Rate	OT Rate ¹	01 41110	Cum. HIDTA OT to Date ³	
Υ	\$21.02	\$31.53	\$882.84	\$2,950.00	DOJ - OCDETF: \$2,103

Footnotes

Certification Statements

As initiative commander, I certify the above overtime hours to be accurate and in full compliance with HIDTA policy.

Initiative commander signature (type name be Date

As an official representative of our agency, I certify the above overtime pay calculations to be accurate according to our payroll records and in full compliance with HIDTA policy.

¹ If fringe is paid on overtime, please include fringe in the OT Hourly Rate. Ensure Cum. OT to Date excludes fringe on this report.

²"Y" certifies the employee is eligible for overtime from his/her parent agency based on current labor contract and/or current OT policy at agency.

³ This field is manually keyed from the Payroll System. It is not calculated on this spreadsheet.

⁴ If any, list all other federal sources of employee's OT and Cum. amounts of each.



Cook County Sheriff's Office 1560 Fraser Drive Grand Rapids, MN 55744

MEMORANDUM

Date: May 2, 2017

From: Phil Walters,

Deputy Director, Accounting and Finance

To: Chris Tomlin,

Accounting Specialist

Re: Charges to HIDTA Grant

For Payroll Expenses, April 2017

Warrant No. 410606

Per our MOU agreement with the HIDTA, please see the attached documentation of HIDTA payroll expenses for HIDTA. The warrant referenced above is available online for your inspection.

_			-
Pρ	ren	m	าคโ

ISC M & C		
Fringe ISC		679.94
M & C	SOLUTION	3,916.04
Overtime HRTF	HRTF - Personnel and Fringe is not invoiced for reimbursement. It appears on the standard payroll report perhaps to authenticate the Overtime rate for HRTF members.	\$ 2,816.28
Invoice Total	ISC – Fringe is not budgeted, so not reimbursable. M & C - Overtime for White is correctly omitted from the invoice.	\$ 23,281.06



Cook County Sheriff's Office 1560 Fraser Drive Grand Rapids, MN 55744

April, 2017 Payroll By Initiative

		REGULAR	HOURLY		OVERTIME	UNIFORM		32%	PERSWB	MEDICARE			DEDUCTI	ONS			соѕт
LN	PERIOD	PAY	RATE	OT HRS.	PAY	ALLOW.	TOTAL	FRINGE	14.00%	1.45%	DENTAL	HEALTH	UNUM	AD&D	STD	LTD	CENTER INIT
FULLER, S	4/1-4/16/17	784.00	19.60	12.00	352.80		1,136.80	250.88	159.15	11.37							4411 HRTF
FULLER, S	4/16-4/30/17	784.00	19.60	12.00	352.80		1,136.80	250.88	159.15	11.37							4411 HRTF
GLASS, ET	4/1-4/16/17	895.20	22.38	8.00	268.56	282.35	1,446.11	286.46	202.46	61.16							4411 HRTF
GLASS, ET	4/16-4/30/17	895.20	22.38	4.00	134.28	282.35	1,311.83	286.46	183.66	61.16							4411 HRTF
HAVERES, G	4/1-4/16/17	853.20	21.33	8.50	271.96		1,125.16	273.02	157.52	24.07	14.79	247.47					4411 HRTF
HAVERES, G	4/16-4/30/17	853.20	21.33	6.00	191.97		1,045.17	273.02	146.32	24.07	14.79	247.47	8.60	2.15	3.58	8.00	4411 HRTF
KREUTZER, A	4/1-4/16/17	1,032.80	25.82	4.00	154.92		1,187.72	330.50	166.28	28.14	39.93	268.08					4411 HRTF
KREUTZER, A	4/16-4/30/17	1,032.80	25.82	10.50	406.67		1,439.47	330.50	201.53	28.14	39.93	268.08	10.00	2.50	3.58	8.00	4411 HRTF
PEHARE, P	4/1-4/16/17	945.20	23.63	9.50	336.73		1,281.93	302.46	179.47	39.42	14.79	247.47					4411 HRTF
PEHARE, P	4/16-4/30/17	945.20	23.63	9.75	345.59		1,290.79	302.46	180.71	39.42	14.79	247.47	10.00	2.50	3.58	8.00	4411 HRTF
Initiative total		9,020.80		84.25	2,816.28	564.70	12,401.78	2,886.64	1,736.25	328.32	139.02	1,526.04	28.60	7.15	10.74	24.00	
DEPASQUE, D	4/1-4/16/17	1,062.40	26.56		-		1,062.40	339.97	148.74	39.42	19.97	334.09					4451 ISC
DEPASQUE, D	4/16-4/30/17	1,062.40	26.56		-		1,062.40	339.97	148.74	3,950.53	19.97	334.09	5.00	1.25	1.79	4.00	4451 ISC
Initiative total		2,124.80		-	-	-	2,124.80	679.94	297.48	3,989.95	39.94	668.18	5.00	1.25	1.79	4.00	
KOPORE, K	4/1-4/16/17	753.20	18.83		_		753.20	241.02	105.45	14.88							4401 M&C
KOPORE, K	4/16-4/30/17	753.20	18.83		_		753.20	241.02	105.45	15.14							4401 M&C
KRUGE, K	4/1-4/16/17	1,044.80	26.12		_		1,044.80	334.34	146.27	14.50	19.96	334.08					4401 M&C
KRUGE, K	4/16-4/30/17	1,044.80	26.12		_		1,044.80	334.34	146.27	14.50	19.96	334.08	5.00	1.25	1.79	4.00	4401 M&C
LEITER, L	4/1-4/16/17	1,120.40	28.01		_		1,120.40	358.53	156.86	30.68	39.93	268.08	5.00	1.25	2.75		4401 M&C
LEITER, L	4/16-4/30/17	1,120.40	28.01		_		1,120.40	358.53	156.86	30.68	39.93	268.08	10.00	2.50	3.58	8.00	4401 M&C
McDONOUGH, I		1,057.20	26.43		_		1,057.20	338.30	148.01	56.42	39.93	345.72					4401 M&C
McDONOUGH, I		1,057.20	26.43		_		1,057.20	338.30	148.01	56.42	39.93	345.08	10.00	2.50	3.58	8.00	4401 M&C
SIEGLE, S	4/1-4/16/17	1,002.00	25.05		_	361.00	1,363.00	320.64	190.82	81.89	00.00	0.5.00	20.00	2.50	0.50	0.00	4401 M&C
SIEGLE, S	4/16-4/30/17	1,002.00	25.05		_	361.00	1,363.00	320.64	190.82	90.59							4401 M&C
WELCH, W	4/1-4/16/17	990.00	24.75		_	301.00	990.00	316.80	138.60	50.47	39.93	345.72					4401 M&C
WELCH, W	4/16-4/30/17	990.00	24.75			_	990.00	316.80	138.60	50.47	39.93	235.08	10.00	2.50	3.58	8.00	4401 M&C
WHITE, B	4/1-4/16/17	904.40	24.73	2.00	67.83		972.23	289.41	136.11	55.77	39.93	268.08	10.00	2.50	3.30	6.00	4401 M&C
WHITE, B	4/16-4/30/17	904.40	22.61	4.00	135.66)	1,040.06	289.41	145.61	64.47	39.93	268.08	10.00	2.50	3.58	8.00	4401 M&C
Initiative total	4/10-4/30/1/	904.40 13,744.00	22.01	6.00	203.49	722.00	1,040.06 13,163.09	3,916.04	1,842.84	596.86	359.36	3,012.08	45.00	2.50 11.25	3.58 16.11	36.00	4401 IVIQC
milialive lotal		15,/44.00		0.00	203.49	× /22.00	13,103.09	3,910.04	1,042.84	390.86	333.36	3,012.08	45.00	11.25	10.11	30.00	
April, 2017 Tota	als	24,889.60		90.25	3,019.77	1,286.70	27,689.67	7,482.62	3,876.57	4,915.13	538.32	5,206.30	78.60	19.65	28.64	64.00	



Authorization for Overtime Reimbursement from HIDTA Funds

The following persons are authorized for HIDTA-funded overtime, and reimbursement is requested for the amounts indicated below.

Requesting

Initiative

Lt. Max Wells Commander

April 1, 2017 to April 30, 2017 Period

HRTF

Agency Cook County Sheriff's Department

Address 1560 Fraser Drive

Does the

Grand Rapids, MM 55744

Completed by Inititiave Commander

Commander: Please highlight employee name if 2+ cases worked

Email to parent agency as needed w.i 2 days

Employee (1 case per row)	Case No. or Descr.	OCDETF Case?	Overtime Hrs Worked				
FULLER	45-99206	N	24.00				
GLASS	45-99110	N	8.00				
GLASS	45-99206	N	4.00				
HAVERES	44-00069	N	14.50				
KREUTZER	44-90073	N	14.50				
PEHARE	44-00069	N	19.25				

Com	pleted by	Parent Agency
overtime rate	include	Fringe? 1

7/1/17 FY start date (1st date of Cum. OT shown below)

Eligible for OT ²	Hourly Rate	OT Rate ¹	OT this period	Cum. HIDTA OT to Date ³	Notes ⁴
Y	\$19.60	\$29.40	\$705.60	\$2,854.71	
Y	\$22.38	\$33.57	\$268.56	\$4,598.19	
Y	\$22.38	\$33.57	\$134.28	1, 100	
Y	\$21.33	\$32.00	\$463.93	\$9,008.12	
Y	\$25.82	\$38.73	\$561.59	\$4,250.09	
Y	\$23.63	\$35.45	\$682.32	\$7,903.24	
			62 016 20	\$20 C14 2E	

Footnotes

Certification Statements

As initiative commander, I certify the above overtime hours to be accurate and in full compliance with HIDTA policy.

Initiative commander signature (type name be Date

As an official representative of our agency, I certify the above overtime pay calculations to be accurate according to our payroll records and in full compliance with HIDTA policy.

Certifying official signature, (type name below)

¹ If fringe is paid on overtime, please include fringe in the OT Hourly Rate, so all calculations will include fringe. Ensure Cum. OT to Date excludes fringe on this report.

² "Y" certifies the employee is eligible for overtime from his/her parent agency based on current labor contract and/or current OT policy at agency.

³ This field is manually keyed from the Payroll System. It is not calculated on this spreadsheet.

⁴ If any, list all other federal sources of employee's OT and Cum. amounts of each.



Delta County Sheriff Department

1316 N "E" Street Copper Harbor, MI 49918

Copper Harbor Township
Where life is easy and living is Superior.

May 4, 2017

Chris Tomlin Grants Administration Dept. Cook County 1560 Fraser Drive Grand Rapids, MN 55744

Subject: HIDTA reimbursement of overtime

Samuel Stanfield, SS # ***-**-8080

Overtime

Overtime Stanfield worked April 1, 2017 to April 13, 2017 for ISC unit of HIDTA.

21 hrs. @ \$30.35/hr\$ 637.35

SOLUTION

Omitted; no documentation of payment or obligation and no certification for cap. This could conceivably be allowed, however, if Delta County SD is a contracted entity. Acceptability depends on the terms and conditions of the contract between the fiduciary (Cook) and contractor (Delta Co. SO).

TIME SHEET FOR NON-EXEMPT/HOURLY EMPLOYEES TIMEKEEPER PLUS PAYWEEK REPORT Exported to Excel on 4/30/17 by ST Stanfield (STS) DEPARTMENT HIDTA-ISC NAME Stanfield, Samuel T. SSN -8080DATE: DATE: Pay Period Two 04/06 04/07 04/07 04/08 04/09 04/10 04/11 04/12 04/13 04/15 04/03 Calculation key From: 04/01/2017 04/02 04/04 04/05 Week for computing to 04/30/17 WEEK TWO **WEEK ONE** Total WED FRI SAT SUN MON TUE WED THU FRI SAT SUN MON TUE THU INDICATE TIMES 7:30 7:30 7:30 7:33 11:00 9:00 7:30 7:30 7:30 7:25 CLOCK IN 7:29 7:32 11:32 11:20 11:45 11:30 11:00 11:30 11:32 11:30 11:30 11:30 11:30 CLOCK OUT 12:44 12:30 12:03 12:30 12:30 CLOCK IN 12:30 12:30 12:30 12:28 12:30 15:30 15:30 17:00 18:30 20:30 16:30 15:26 15:31 15:30 15:30 15:30 CLOCK OUT CLOCK IN CLOCK OUT 80 TOTAL REGULAR HOURS 8 8 8 8 8 CODE BENEFIT HOURS XX @@ HOLIDAY OT SOT / OT / OT / OT & OT CODE OVERTIME 30.35 ** 21 8 HOURS 3 TOTAL PAID HOURS 8 11 13 80 8 TIMEKEEPER ROUNDS EACH DAY TO THE NEAREST .25 OF AN HOUR RECORD EXACT TIME STARTED AND FINISHED WORKING **OVERTIME PAY HOURS CODE** TWO WEEK TOTALS BENEFIT HOURS CODE OFFICE USE ONLY REGULAR CO - CALL-OUT - MANDATORY 80 Compensation Time Calculations C - COMPENSATORY OC - ON CALL BENEFIT F-FUNERAL H - HOLIDAY OT - OVERTIME accumulated to date TOTAL REGULAR RATE 1,618.67 J - JURY DUTY HOT - HOLIDAY OVERTIME (DOUBLE PAY HRS) ALLOCATION OF OVERTIME HOURS SOT - SUNDAY OVERTIME (DOUBLE PAY HRS) added this pay P - PAID TIME-OFF PAY ON CK 21 SD - SHORT-TERM DISABILITY BANK HRS U - UNPAID TIME used this pay TOTAL OT OVERTIME 637.35 time left to date HOLIDAY OT EMPLOYEE (SIGNATURE) DEPARTMENT HEAD OR SUPERVISOR APPROVAL (SIGNATURE)

* * * * * TRIP 1 * * * * * * 4/1 – 4/4/2017, Benefield to Atlanta, GA

Tony Benefield

From: Tony Benefield

Sent: Friday, April 5, 2017

To: Krystal Newton < Krystal Newton@cbhidta.org>

Subject: Travel Reimbursement (Voucher # H16-0011)

Attached are my receipts for my trip to Atlanta last week – can you review and forward to Cook County? I have a 1099 already on file (they always ask that), so please have them send the reimbursement check here to the office. Thanks.

Here's a summary of the actual costs for my reimbursement request:

Air fare \$1,178.20 Hotel \$846.72

Per diem \$ 207 (2 full days, 2 travel days at 50%)

Parking \$32

Mileage (4.6 each way to airport) 9.2 miles @ 53.5 cents = \$4.97

Total \$2,268.89

Tony Benefield Group Supervisor, ISC Canadian Border HIDTA Cell: 920,334.0012

TRIP 1 4/1 - 4/4/2017, Benefield to Atlanta, GA



Voucher No:		Issued to / date of submission			
		H16-0011	Tony Benefic	eld, ISC Mar	nager, HIDTA 03/14/2017
From To	Green Bay, WI Atlanta, GA		Travel Begin date	04/01/17	Purpose of travel: Attend vendor demo of integrated
Estimated Cost	Transportation	\$ 1,200	End date	04/04/17	Intel sw at Atl/Carolinas HIDTA. POC: J. Killorin
	Lodging	\$ 900			
	Per diem /	207	Traveler	Jan B	Chekveld
	Mileage, parking	70	signature) '	Tion,
	Total	\$ 2,377	Supervisor signature	Mes	Doub
			2 nd Level	1	

Form: TA 1-2016, Finance Administration, Office of County Auditor – Treasurer; online electronic forms issuance now available at https://CCty.gov/forms/TA Cook County Courthouse, 4112 W. 2nd Street, Grand Marais, MN 55604

* * * * * TRIP 1 * * * * * * 4/1 – 4/4/2017, Benefield to Atlanta, GA



Hello, Tony, SkyMiles® *** None ***

Want to get the most of your travel experiences? Enroll in Delta's Frequent Flyer program today and get 10,000 bonus miles for enrolling. Points never expire for Delta's Frequent Flyer Program because we delivery more miles and more smiles to you!

Your Trip Confirmation #: G9X9UT

Sat, 01APR	DEPART	ARRIVE
DELTA 1895	Green Bay, WI	Atlanta, GA
DELTA COMFORT+™ (W)	10:02am	12:04pm

Wed, 04APR	DEPART	ARRIVE	
DELTA 1895	Atlanta, GA	Green Bay, WI	
DELTA COMFORT+™ (W)	11:30am	1:47pm	

U.S. DOT BANS SAMSUNG NOTE 7 DEVICE

The U.S. Department of Transportation has issued an emergency order that bans all Samsung Galaxy Note 7 devices from commercial air transport effective at noon Eastern Time on October 15.

Delta customers should comply by not traveling with this device in any form, whether on their person, in a carry-on bag, in a checked bag or shipped as cargo.

The U.S. DOT has provided additional information about the ban on their website.

RESTRICTED HAZARDOUS ITEMS

To ensure the safety of our customers and employees, Delta no longer accepts hoverboards or any lithium battery powered self-balancing personal transportation devices on board its aircraft. These items are prohibited as both carry-on and checked baggage.

Spare batteries for other devices, fuel cells, and e-cigarettes are permitted in carry-on baggage only. If your carry-on bag contains these items and is gate checked, they must be removed and carried in the cabin. Further information and specific guidelines regarding restricted items can be found here.

Passenger Info

Name	Flight	Seat	
Tony Bennefield	DELTA 1895	13E	
	DELTA 1494	11E	

Visit delta.com or use the Fly Delta app to view, select or change your seat.

If you purchased a Trip Extra, please visit My Trips to access a receipt of your purchase.

TRIP 1 4/1 - 4/4/2017, Benefield to Atlanta, GA

Flight Receipt

Ticket #: 0062364994096

Place of Issue: Delta.com Ticket Issue Date: 03MAR17

METHOD OF PAYMENT

VISA******4997 \$1,178.20 USD

CHARGES

Air Transportation Charges

\$932.56 USD Base Fare

Taxes, Fees and Charges

United States - Flight Segment Tax (ZP) \$8.00 USD

United States - September 11th Security Fee(Passenger Civil Aviation

\$11.20 USD Security Service Fee) (AY) United States - Passenger Facility Charge (XF) \$9.00 USD United States - Transportation Tax (US) \$17.44 USD TICKET AMOUNT \$1,178.20 USD

This ticket is non-refundable unless the original ticket was issued at a fully refundable fare. Some fares may not allow changes. If allowed, any change to your itinerary may require payment of a change fee and increased fare. Failure to appear for any flight without notice to Delta will result in cancellation of your remaining reservation.

Note: When using certain vouchers to purchase tickets, remaining credits may not be refunded. Additional charges and/or credits may apply.

Fare Details: ATL DL GRB122.79TAUSXOCB DL GRB109.77XAUQXOCM USD932.56END ZP ATLGRB XF ATL4.5GRB4.5 *** NON-REFUNDABLE ***

Checked Bag Allowance

The fees below are based on your original ticket purchase. If you qualify for free or discounted checked baggage, this will be taken into account when you check in.

Sat 01 Apr 2017	DELTA: GRB ATL

CARRY ON	First	Second	
Free	\$25 USD	\$35 USD	

Visit delta.com for details on baggage embargos that may apply to your itinerary.

Tue 04 Apr 2017		DELTA: ATL GRB
CARRY ON	First	Second
Free	\$25 USD	\$35 ^{USD}

* * * * * TRIP 1 * * * * * * 4/1 – 4/4/2017, Benefield to Atlanta, GA

Transportation of Hazardous Materials

Federal law forbids the carriage of hazardous materials aboard aircraft in your luggage or on your person. A violation can result in civil penalties. Examples include: Paints, aerosols, lighter fluid, fireworks, torch lighters, tear gases and compressed gas cartridges.

There are special exceptions for small quantities (up to 70 ounces total). For further information visit delta.com Restricted Items Section.

MORE CHOICES, MORE MILES, NOW WITH AIRBNB. >

SkyMiles® brings you more ways to earn miles through our new partnership with Airbnb. NEED MORE MILES? >

Buy and transfer miles on delta.com.

We have partnered with The Nature Conservancy to allow you to offset your carbon emissions from this trip. Go to delta.com/CO2 to calculate your CO2 emissions and learn more about offsetting.

Terms & Conditions

This ticket is non-refundable unless the original ticket was issued at a fully refundable fare. Some fares may not allow changes. If allowed, any change to your itinerary may require payment of a change fee and increased fare. Failure to appear for any flight without notice to Delta will result in cancellation of your remaining reservation.

Note: When using certain vouchers to purchase tickets, remaining credits may not be refunded. Additional charges and/or credits may apply.

Checked Bag Allowance

*On Delta operated flights, you may carry on one bag and a small personal item at no charge.

Delta One[™]/First/Business Class weight allowance reverts to 50 lbs for all checked bags beyond regular free allowance.

At the time of check in with Delta, SkyMiles Medallion members, SkyTeam Elite & Elite Plus and active US Military personnel are eligible for fee waivers and other benefits. For more details, visit delta.com/baggage. Basic Cardmembers with a Gold, Platinum, or Reserve Delta SkyMiles Credit Card from American Express are eligible for the first bag fee waiver. More details on the program can be found at delta.com/firstbagfree.

A standard checked bag with Delta may be up to 50 lbs and 62 linear inches (per piece). Additional fees apply for oversize, overweight, and/or additional pieces of checked baggage. Please review Delta's baggage guidelines for details. Weight and size restrictions may vary when checking baggage on carriers other than Delta. Contact with the operating carrier for detailed checked baggage allowances. You must be checked in at the gate by the applicable check-in deadlines or your reservation may be cancelled. Please review Delta's check-in requirement guidelines for details. Check-in requirements vary by airline, so if your ticket includes travel on other airlines, please check with the operating carrier on your ticket.

Do you have comments about our service? Please email us to share them.

TRIP 1 4/1 - 4/4/2017, Benefield to Atlanta, GA

Residence Inn Marriott.

Residence Inn, Atlanta Midtown 97 10th Street Atlanta, GA 30309 United States of America Telephone 404-524-0006 FAX 404-524-0007 Reservations

www.marriott.com or 1-800-MARRIOTT

Benefield, Tony Room No: 809/K1 04/01/2017 Arrival Date 04/04/2017 1005 Cormier Road Departure Date Green Bay, WI 54306 Adult/Child 1/0 United States of America Cashier ID: A. Bowers / Jordan

Room Rate:

AL: Delta Rewards # NA

Confirmation #: 3209674597 VAT#

Folio No/Che 120099 GR

Residence Inn Atlanta Midtown 04/04/2017 6:19:00 AM

Date	Description	ID	Ref No.	Charges	Credit	Balance
04/01/2017	Guest Room	R. Walker	474229	239.00		
04/01/2017	Local Tax	R. Walker	474229	19.12		
04/01/2017	State Tax	R. Walker	474229	19.12		
04/01/2017	State Hotel/Motel Fee	R. Walker	474229	5.00		
04/02/2017	Guest Room	R. Walker	474676	239.00		
04/02/2017	Local Tax	R. Walker	474676	19.12		
04/02/2017	State Tax	R. Walker	474676	19.12		
04/02/2017	State Hotel/Motel Fee	R. Walker	474676	5.00		
04/03/2017	Guest Room	J. Heard	475002	239.00		
04/03/2017	Local Tax	J. Heard	475002	19.12		
04/03/2017	State Tax	J. Heard	475001	19.12		
04/03/2017	State Hotel/Motel Fee	J. Heard	475002	5.00		
04/04/2017	VISA ***4997	A. Bowers	475081		(846.72)	00.00
			*** BALANCE	***		\$0.00

You have earned approximately 12,300 points for this stay. Marriott Rewards stays are posted within 72 hours of checkout. To check your earnings or book your next stay, visit www.marriott.com.

Credit Card Detail

Appr Code 3750A9 Merchant ID 4108184789 Card Number VISA***4997 Exp Date 4/19 Transaction ID 474757 Trans Type Sales

**** TRIP 1 ***** 4/1 – 4/4/2017, Benefield to Atlanta, GA



TRIP 1 4/1 - 4/4/2017, Benefield to Atlanta, GA

M&IE (5)

Jal

FY 2017 Per Diem Rates for Atlanta Georgia

To determine what county a city is located in, visit the National Association of Counties (NACO) website (a non-federal website). Cities not appearing below may be located within a county for which rates are listed.

October 2016 - September 2017 The following rates apply for Atlanta Georgia. Max lodging by month (excluding taxes.) The last column is the Meals and Incidental Expense (M&IE) rate.

Jun	\$140
May	\$140
Apr	\$148
Mar	\$148
Feb	\$148
2017 Jan	\$148
Dec	\$140
Nov	\$140
2016 Oct	\$140
County (3, 4)	Fulton / Dekalb / Cobb
Primary Destination (1, 2)	Atlanta

Footnotes

- 1. Traveler reimbursement is based on the location of the work activities and not the accommodations, unless lodging is not available at the work activity, then the agency may authorize the rate where lodging is obtained
- 2. Unless otherwise specified, the per diem locality is defined as "all locations within, or entirely surrounded by, the corporate limits of the key city, including independent entities located within those
- 3. Per diem localities with county definitions shall include "all locations within, or entirely surrounded by, the corporate limits of the key city as well as the boundaries of the listed counties, including independent entities located within the boundaries of the key city and the listed counties (unless otherwise listed separately).
- When a military installation or Government-related facility (whether or not specifically named) is located partially within more than one city or county boundary, the applicable per diem rate for the entire installation or facility is the higher of the rates which apply to the cities and/or counties, even though part(s) of such activities may be located outside the defined per diem locality
- Meals and Incidental Expenses, see Breakdown of M&IE Expenses for important information on first and last days of travel.

U.S. General Services Administration

***** TRIP 2 *****

4/1 - 4/4/2017, Stoltz to Atlanta, GA

SOLUTION

This trip was reimbursed; no one caught the per diem calculation error.

Questions for discussion:

- 1. Whose job is it to check the subtotals and such details of an invoice?
- 2. Is it cause for rejection when the per diem amount invoiced (\$276 this page) is more than the per diem amount approved on the travel voucher (\$207)?
- 3. Is it ok to have variances from the travel voucher at line items as long as the total trip is within the approved voucher amount?

From: Lt. John Stoltz

To: Krystal Newton, HIDTA / Accounting Departmen

Date: April 9, 2017

Re: Reimbursement of Travel Expenses

Trip: April 1, 2017 to April 4, 2017 Approval voucher: H16-0014

To whom it may concern:

Enclosed are my receipts for the trip to Atlanta, April 1 – April 4, 2017. My actual expenses were as follows:

Air fare to Atlanta, Delta	\$1,178.20
Lodging, Residence Inn	930.72
Car rental, Enterprise	163.54
Gasoline for rental car	27.47
Per diem: (2) @ \$69 full days; (2) @ 34.50 for partial days	276.00
Parking (4) days at \$8/day	32.00
Mileage to airport (40 miles at \$.535 /mile)	21.40
Total of my expenses	\$2,629.33

Please use the HIDTA address (ISC Initiative) for my reimbursement check; I filed my 1099 back in September, 2016, when I joined the HIDTA ISC.

Thanks,

Lt. John Stoltz, ISC Manager Canadian Border HIDTA Phone: 919-889-0091

4/1 - 4/4/2017, Stoltz to Atlanta, GA



Voucher No	o:	H16-0014	Issued to / d		mission ager, HIDTA 03/14/2017
From To	Green Bay, Atlanta, GA	WI	Travel Begin date	04/01/17	Purpose of travel: Attend vendor demo of integrated
Estimated	Transportation	\$ 1,250	End date	04/04/17	Intel sw at Atl/Carolinas HIDTA. POC: J. Killorin
Other	Lodging	\$ 956		2	- 1
	Per diem	207	Traveler	hh	Shills
	Other Mileage-\$25; parking-32, car rental - 200; gas-50	307	signature	7	/ I I I I I I I I I I I I I I I I I I I
	Total	\$2,720	Supervisor signature	Taller 1	Methor SAC
Advance?			2 nd Level signature	and	FOR OFFICE USE ONLY

Form: TA 1-2016, Finance Administration, Office of County Auditor—Treasurer, online electronic forms issuance now available at https://CCty.gov/forms/TA Cook County Courthouse, 4112 W. 2nd Street, Grand Marais, MN 55604

***** TRIP 2 *****

4/1 - 4/4/2017, Stoltz to Atlanta, GA

From: Lt. John Stoltz

To: Cook County Sheriff's Office

Date: March 14, 2017

Re: Travel voucher details

"Other" travel expenses to Atlanta, GA, April 1, 2017 to April 4, 2017

Below are additional details of expenditures I expect to incur during my trip to Atlanta, GA, April 1, 2017 to April 4, 2017.

Car rental	\$200.00
Enterprise intermediate size because I will be providing transportation for 3 colleagues, with luggage. The city does not have public transportation to the HIDTA's office, and taxi fare is more expensive than renting a car and paying valet parking (included in hotel rate quote). I'm also providing transportation to my colleague, Tony Benefield (ISC)	
Gasoline for rental car	\$50.00
Parking	32.00
Mileage to airport (40 miles at .535 /mile)	21.40
	\$303.40

Thanks,

Lt. John Stoltz, ISC Manager Canadian Border HIDTA Phone: 919-889-0091

4/1 - 4/4/2017, Stoltz to Atlanta, GA



Your Trip Confirmation #: G9W9QU

Sat, 01APR	DEPART	ARRIVE
DELTA 1895	Green Bay, WI	Atlanta, GA
DELTA COMFORT+™ (W)	10:02am	12:04pm

Wed, 04APR	DEPART	ARRIVE	
DELTA 1895	Atlanta, GA	Green Bay, WI	
DELTA COMFORT+™ (W)	11:30am	1:47pm	

U.S. DOT BANS SAMSUNG NOTE 7 DEVICE

The U.S. Department of Transportation has issued an emergency order that bans all Samsung Galaxy Note 7 devices from commercial air transport effective at noon Eastern Time on October 15.

Delta customers should comply by not traveling with this device in any form, whether on their person, in a carry-on bag, in a checked bag or shipped as cargo.

The U.S. DOT has provided additional information about the ban on their website.

RESTRICTED HAZARDOUS ITEMS

To ensure the safety of our customers and employees, Delta no longer accepts hoverboards or any lithium battery powered self-balancing personal transportation devices on board its aircraft. These items are prohibited as both carry-on and checked baggage.

Spare batteries for other devices, fuel cells, and e-cigarettes are permitted in carry-on baggage only. If your carry-on bag contains these items and is gate checked, they must be removed and carried in the cabin. Further information and specific guidelines regarding restricted items can be found here.

Passenger Info

Name	Flight	Seat
John Stoltz	DELTA 1895	12A
	DELTA 1494	14A

Visit delta.com or use the Fly Delta app to view, select or change your seat.

If you purchased a Trip Extra, please visit My Trips to access a receipt of your purchase.

**** TRIP 2 *****

4/1 - 4/4/2017, Stoltz to Atlanta, GA

Flight Receipt

Ticket #: 0062364994096

Place of Issue: Delta.com Ticket Issue Date: 03MAR17

METHOD OF PAYMENT

VISA******4997 \$1,178.20 USD

CHARGES

Air Transportation Charges

Base Fare \$932.56 USD

Taxes, Fees and Charges

United States - Flight Segment Tax (ZP) \$8.00 USD

United States - September 11th Security Fee(Passenger Civil Aviation

 Security Service Fee) (AY)
 \$11.20 USD

 United States - Passenger Facility Charge (XF)
 \$9.00 USD

 United States - Transportation Tax (US)
 \$17.44 USD

 TICKET AMOUNT
 \$1,178.20 USD

This ticket is non-refundable unless the original ticket was issued at a fully refundable fare. Some fares may not allow changes. If allowed, any change to your itinerary may require payment of a change fee and increased fare. Failure to appear for any flight without notice to Delta will result in cancellation of your remaining reservation.

Note: When using certain vouchers to purchase tickets, remaining credits may not be refunded. Additional charges and/or credits may apply.

Fare Details: ATL DL GRB122.79TAUSX0CB DL GRB109.77XAUQX0CM USD932.56END ZP ATLGRB XF ATL4.5GRB4.5 *** NON-REFUNDABLE ***

Checked Bag Allowance

The fees below are based on your original ticket purchase. If you qualify for free or discounted checked baggage, this will be taken into account when you check in.

Sat 01 Apr 2017	DELTA: GRB AT	L

CARRY ON First Second Free \$25 USD \$35 USD

Visit delta.com for details on baggage embargos that may apply to your itinerary.

Tue 04 Apr 2017	DELTA: ATL GRB

CARRY ON First Second Free \$25 USD \$35 USD

4/1 - 4/4/2017, Stoltz to Atlanta, GA

Transportation of Hazardous Materials

Federal law forbids the carriage of hazardous materials aboard aircraft in your luggage or on your person. A violation can result in civil penalties. Examples include: Paints, aerosols, lighter fluid, fireworks, torch lighters, tear gases and compressed gas cartridges.

There are special exceptions for small quantities (up to 70 ounces total). For further information visit delta.com Restricted Items Section.

MORE CHOICES, MORE MILES, NOW WITH AIRBNB. >

SkyMiles® brings you more ways to earn miles through our new partnership with Airbnb. NEED MORE MILES? >

Buy and transfer miles on delta.com.

We have partnered with The Nature Conservancy to allow you to offset your carbon emissions from this trip. Go to delta.com/CO2 to calculate your CO2 emissions and learn more about offsetting.

Terms & Conditions

This ticket is non-refundable unless the original ticket was issued at a fully refundable fare. Some fares may not allow changes. If allowed, any change to your itinerary may require payment of a change fee and increased fare. Failure to appear for any flight without notice to Delta will result in cancellation of your remaining reservation.

Note: When using certain vouchers to purchase tickets, remaining credits may not be refunded. Additional charges and/or credits may apply.

Checked Bag Allowance

*On Delta operated flights, you may carry on one bag and a small personal item at no charge. Delta One™/First/Business Class weight allowance reverts to 50 lbs for all checked bags beyond regular free allowance.

At the time of check in with Delta, SkyMiles Medallion members, SkyTeam Elite & Elite Plus and active US Military personnel are eligible for fee waivers and other benefits. For more details, visit delta.com/baggage. Basic Cardmembers with a Gold, Platinum, or Reserve Delta SkyMiles Credit Card from American Express are eligible for the first bag fee waiver. More details on the program can be found at delta.com/firstbagfree.

A standard checked bag with Delta may be up to 50 lbs and 62 linear inches (per piece). Additional fees apply for oversize, overweight, and/or additional pieces of checked baggage. Please review Delta's baggage guidelines for details. Weight and size restrictions may vary when checking baggage on carriers other than Delta. Contact with the operating carrier for detailed checked baggage allowances. You must be checked in at the gate by the applicable check-in deadlines or your reservation may be cancelled. Please review Delta's check-in requirement guidelines for details. Check-in requirements vary by airline, so if your ticket includes travel on other airlines, please check with the operating carrier on your ticket.

Do you have comments about our service? Please email us to share them.

***** TRIP 2 *****

4/1 - 4/4/2017, Stoltz to Atlanta, GA

Residence Inn Marrioll

Residence Inn, Atlanta Midtown
97 10th Street
Atlanta, GA 30309
United States of America
Telephone 404-524-0006 FAX 404-524-0007
Reservations
www.marriott.com or 1-800-MARRIOTT

Stoltz, John

90 Main Street Believue, WI 54301 United States of American

United States of America

Confirmation #: 3209674116

 Room No:
 809/K1

 Arrival Date
 04/01/2017

 Departure Date
 04/04/2017

 Adult/Child
 1/0

 Cashier ID:
 A. Bowers / Jordan

Room Rate: AL: DL 2099956456-Rewards # 009345598 DIAMOND

Folio No/Che

120095 A

Residence Inn Atlanta Midtown 04/04/2017 6:15:00 AM

Date	Description	ID	Ref No.	Charges	Credit	Balance
04/01/2017	Valet Parking	R. Walker	474228	28.00		
04/01/2017	Guest Room	R. Walker	474229	239.00		
04/01/2017	LocalTax	R. Walker	474229	19.12		
04/01/2017	State Tax	R. Walker	474229	19.12		
04/01/2017	State Hotel/Motel Fee	R. Walker	474229	5.00		
04/02/2017	Valet Parking	R. Walker	474675	28.00		
04/02/2017	Guest Room	R. Walker	47467G	239.00		
04/02/2017	Local Tax	R. Walker	474676	19.12		
04/02/2017	State Tax	R. Walker	474676	19.12		
04/02/2017	State Hotel/Motel Fee	R. Walker	474676	5.00		
04/03/2017	Valet Parking	J. Heard	475001	28.00		
04/03/2017	Guest Room	J. Heard	475002	239.00		
04/03/2017	Local Tax	J. Heard	475002	19.12		
04/03/2017	State Tax	J. Heard	475001	19.12		
04/03/2017	State Hotel/Motel Fee	J. Heard	475002	5.00		
04/04/2017	AX ***2001	A. Bowers	475081		(\$930.72)	00.0
0.70.77			*** BALANCE ***		\$0.0	0

You have earned approximately 12,300 points for this stay. Marriott Rewards stays are posted within 72 hours of checkout. To check your earnings or book your next stay, visit www.marriott.com.

Credit Card Detail

 Appr Code
 109375

 Card Number
 AX***2001

 Transaction ID
 474756

Merchant ID Exp Date Trans Type 4108184789 9/21 Sales

**** TRIP 2 ****

4/1 - 4/4/2017, Stoltz to Atlanta, GA



Rental Agreement: #434477513 Invoice #: 90071389044

Renter Information

Renter Name John Stoltz

Renter Address 90 Main Street Bellevue, WI 54301 US

Vehicle Information

ELANTRA License #: 177TLP State/Providence: KY

Vehicle Class Driven INTERMEDIATE 2/4 DOOR AUTOMATIC A/C

Vehicle Class Charged INTERMEDIATE 2/4 DOOR AUTOMATIC A/C

Odometer Mileage/Kilometers Starting: 14934.0 Ending: 15174.4 Total: 240.4

Trip Information

Pickup Sat, Apr 1, 2017 03:33 PM

ATL INTL ARPT (ATL) → 2200 Rental Car Ctr Pkwy College Park, GA 30337

Return Tue, Apr 4, 2017 © 07:26 AM

ATL INTL ARPT (ATL) → 2200 Rental Car Ctr Pkwy College Park, GA 30337

Rental Charges

Rental Rate	3 days @ \$35.97/day	\$107,91
Add-Ons	Discount (5.00%)	\$ 5.40
Mileage	Unlimited Mileage	Included
Taxes/Fees	Facility Charge 6.00/day	\$18.00
	Concession Fee (11.11%)	\$11.39
	Stadium surcharge (3.25%)	\$3.33
	Maintenance Fee (.61/day)	\$1.83
	Vehicle Lic. Surcharge (5%)	\$5.12
	Trans Priv. Tax (10.30%)	\$10.56
Total		\$163.54
(Subject to a	audit)	
Amount cha	rged on Apr 4, 2017 to AX	\$163.54
Amount Du	9	(\$0.00)

Thank you for renting with Enterprise.

We appreciate your business.

Please do not reply directly to this email. If you have a question or comment regarding your rental agreement, place send it to customerservice@enterprise.com.

***** TRIP 2 *****

4/1 - 4/4/2017, Stoltz to Atlanta, GA





**** TRIP 2 ****

4/1 - 4/4/2017, Stoltz to Atlanta, GA

M&IE (S)

\$140

FY 2017 Per Diem Rates for Atlanta Georgia

Cities not appearing below may be located within a county for which rates are listed.

To determine what county a city is located in, visit the National Association of Counties (NACO) website (a non-federal website).

October 2016 - September 2017 The following rates apply for Atlanta Georgia. Max lodging by month (excluding taxes.) The last column is

the Meals and Incidental Expense (M&IE) rate.

	Aug	\$140
	Jul	\$140
	Jun	\$140
	May	\$140
	Apr	\$148
	Mar	\$148
	Feb	\$148
	2017 Jan	\$148
	Dec	\$140
	Nov	\$140
	2016 Oct	\$140
	County (3, 4)	Fulton / Dekalb / Cobb
Primary Destination	(1, 2)	Atlanta

Footnotes

1. Traveter reimbursement is based on the location of the work activities and not the accommodations, unless lodging is not available at the work activity, then the agency may authorize the rate where lodging is obtained.

2. Unless otherwise specified, the per diem locality is defined as "all locations within, or entirely surrounded by, the corporate limits of the key city, including independent entities located within those

- 3. Per diem localities with county definitions shall include all locations within, or entirely surrounded by, the corporate limits of the key city as well as the boundaries of the listed counties, including boundaries."
- When a military installation or Government-related facility (whether or not specifically named) is located partially within more than one city or county boundary, the applicable per dlem rate for the entire installation or facility is the higher of the rates which apply to the cribes and/or counties, even though part(s) of such activities may be located outside the defined per diem locality.

independent entities located within the boundaries of the key city and the listed counties (unless otherwise listed separately).

5. Meals and incidental Expenses, see Breakdown of M&IE Expenses for important information on first and last days of travel.

GSA U.S. General Services Administration

***** TRIP 3 *****

4/17 - 4/20/2017, Desmond to Denver, CO

SOLUTION

Canadian Border HIDTA

1 Ulmer Street
Green Bay, WI 54303
Main (920) 889-4300 / Fax (920) 889-431
www.cbhidta.org

Did not reimburse this entire trip cost due to 2 errors:

- 1) Room Service on hotel bill when hereceived a per diem to cover that, and
- 2) No receipt for airport parking pricequotes are not proof of payment.

April 24, 2017

Accounting Department Cook County Sheriff's Office 1560 Fraser Drive Grand Rapids, MN 55744

Re: Reimbursement Request for HIDTA Travel (April 17 – 20, 2017)

Travel Voucher H16-0019

Please accept the enclosed receipts as a complete accounting of my travel expenses for the above mentioned Travel Voucher, duly authorized and approved by the HIDTA Financial Manager and the Finance Subcommittee. You will find enclosed receipts to substantiate the expenses below. Note that I traveled from point of origin Milwaukee, WI rather than Green Bay, WI (HIDTA location) due to personal reasons, but doing so did not incur additional cost to HIDTA. In fact, it saved both time and cost of airfare.

No reimbursement needed for:

Course fee: MC # 2062, already paid to Management Concepts at enrollment – prior to attendance; invoiced to Cook County S. O. and paid separately under PO 334121.

Reimbursement needed for:

Air fare	923.20
Car rental	143.24
Lodging	510.84
Gasoline in Denver	9.07
Per diem 2 days at \$69/day; 2 travel days at 50% of \$69/day	207.00
Mileage (pro forma from office to Green Bay, WI airport - b/c less than	1
actual mileage to Milwaukee Airport) 64 miles round-trip at \$.535/mil	
Parking 4 days @ \$13/day	52.00
	\$1,879.58

4/17 - 4/20/2017, Desmond to Denver, CO

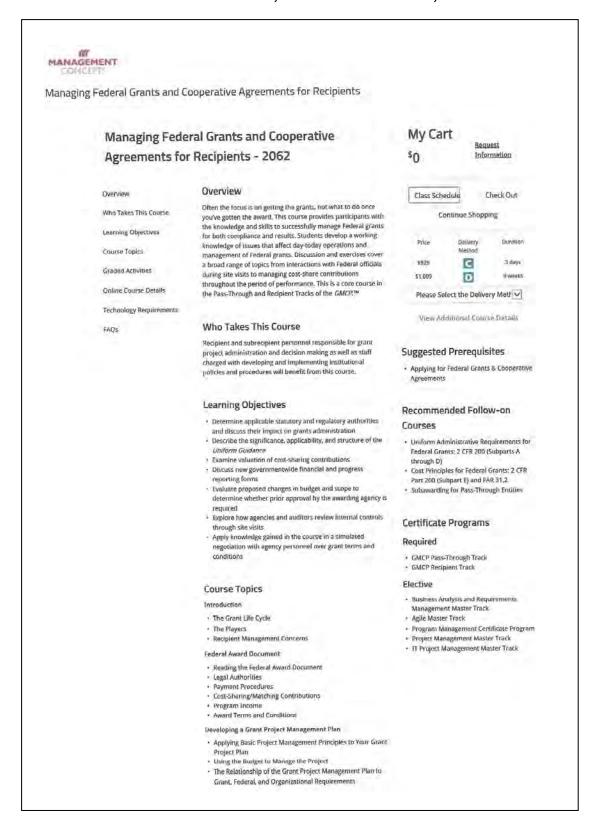


Voucher No);	H16-0019	Derrick Desr			04/01/2017
From To	Green Bay, Denver, CO		Travel Begin date	04/17/17		
Estimated Cost	Transportation No public; no hotel shuttle; conf far frm airport	\$ 1,000	End date	4/20/2017	Purpose of travel: Attend training cour Management Conc Managing Federal (Cooperative Agreer	se of epts: #2062: Grants and
	Lodging	500			0	
	Per diem	207	Traveler	Doug.	Donn	
	Other: parking -52; mileage- 35; car rental- 150; gas-30	267	signature =			
	Course fee	929	Supervisor signature	Day	4cXa	
	Total	2,903				

Form: TA 1-2016, Finance Administration, Office of County Auditor — Treasurer, online electronic forms issuance now available at https://CCty.gov/forms/TA Cook County Courthouse, 4112 W. 2nd Street, Grand Marais, MN 55604

**** TRIP 3 *****

4/17 - 4/20/2017, Desmond to Denver, CO



* * * * * * * * * * TRIP 3

4/17 - 4/20/2017, Desmond to Denver, CO

Reporting on Project Performance

- Why Do Awarding Agencies Care About Performance?
- · Tracking Progress
- · Prepare the Report

Changes in Budget and Scope

- · Prior Approval Requirements
- Procedures for Requesting and Granting Prior Approval

Subrecipients, Contractors, & Beneficiarles

- Distinguishing Among Subrecipients, Contractors, and Beneficiaries
- Awarding and Administering Subawards
- · Administering Contracts
- · Administering Awards with Beneficiaries

Other Grants Management Issues

- · Documentation and Recordkeeping
- Financial Reporting
 Property Management
- Single Audits
- · Continuation Applications

Interacting with the Awarding Agency

- · What Is the Agency's Role?
- · How Do Agencies Monitor Recipients?
- Audits
- Agency Sanctions
- Agency Involvement in Cooperative Agreements
- · Federal Ethics Regulations

End of the Grant Issues

- Options at the End of the Grant Period
- · Closeout
- · Renewal Applications
- Unfunded Extensions

Evaluating Your Management of Grants

- . Conducting a Self-Evaluation
- · Developing and Implementing a Corrective Action Plan

Negotiating Your Next Grant

- Negotiable Issues
 Tips for Successful Negotiation

Graded Activities

The final exam must be completed with a grade of 70% or higher

Online Course Details

Students are required to log into the course site at least once per week and should expect to spend two to five hours per week completing assignments and exchanging ideas and experiences in the discussion forum. Assignments must be completed by the designated weekly due dates.

Technology Requirements

This course is available in the following delivery modalities: Classroom, and Online. To view technology requirements by modality, click here.

**** TRIP 3 *****

4/17 - 4/20/2017, Desmond to Denver, CO



Greetings, Mr. Desmond,

As a valued AAdvantage member, you are entitled to use your points in many different ways to make your flight the best part of your travel experience. Visit AA.com and login to your account to see the list of your many choices on how to redeem your points.

Your Trip Confirmation #: G9X9UT

Mon, 17 APR	DEPART	ARRIVE	
AA 5487	MKE	Denver, CO	
EXTRA-COMFORT+™ (W)	10:02am	12:04pm	

Thu, 20 APR	DEPART	ARRIVE
AA 1895	DEN	Milwaukee, WI
EXTRA-COMFORT+™ (W)	11:30am	1:47pm

U.S. DOT BANS SAMSUNG NOTE 7 DEVICE

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RESTRICTED HAZARDOUS ITEMS

To ensure the safety of our customers and employees, AA no longer accepts hoverboards or any lithium battery powered self-balancing personal transportation devices on board its aircraft. These items are prohibited as both carry-on and checked baggage.

Spare batteries for other devices, fuel cells, and e-cigarettes are permitted in carry-on baggage only. If your carry-on bag contains these items and is gate checked, they must be removed and carried in the cabin. Further information and specific guidelines regarding restricted items can be found here.

Passenger Info

Name	Flight	Seat	
Derick Desmond	AA 1895	13E	
Derick Desmond	AA 1494	11E	

Visit AA.com or use the AA app to view, select or change your seat.

Flight Receipt

Ticket #: 0062364129096 Place of Issue: AA.com Ticket Issue Date: 03APR17

4/17 - 4/20/2017, Desmond to Denver, CO

METHOD OF PAYMENT	VISA******4997	\$923.20 USD
CHARGES		
Air Transportation Charges		

Base Fare

\$682.56 USD Taxes, Fees and Charges

United States - Flight Segment Tax (ZP)

\$7.00 USD

United States - September 11th Security Fee(Passenger Civil Aviation Security Service Fee) (AY)

\$9.20 USD

United States - Passenger Facility Charge (XF)

\$7.00 USD

United States - Transportation Tax (US)

\$11.44 USD

TICKET AMOUNT

\$923.20 USD

*** NON-REFUNDABLE ***

This ticket is non-refundable unless the original ticket was issued at a fully refundable fare. Some fares may not allow changes. If allowed, any change to your itinerary may require payment of a change fee and increased fare. Failure to appear for any flight without notice to American Airlines will result in cancellation of your remaining reservation.

Checked Bag Allowance

The fees below are based on your original ticket purchase. If you qualify for free or discounted checked baggage, this will be taken into account when you check in.

CARRY ON	First	Second
Free	S25 USD	\$50 USD

Visit AA.com for details on baggage embargos that may apply to your itinerary.

Hazardous Materials

Federal law forbids the carriage of hazardous materials aboard aircraft in your luggage or on your person. A violation can result in civil penalties. Examples include: Paints, aerosols, lighter fluid, fireworks, torch lighters, tear gases and compressed gas cartridges.

There are special exceptions for small quantities (up to 70 ounces total). For further information visit AA.com Restricted Items Section.

Checked Bag Allowance

*On American Airlines operated flights, you may carry on one bag and a small personal item at no charge. AAdvantage®/First/Business Class weight allowance reverts to 50 lbs for all checked bags beyond regular free allowance.

***** TRIP 3 *****

4/17 - 4/20/2017, Desmond to Denver, CO



EMBASSY SUITES DENVER SE
EMBASSY SUITES DENVER SOUTHEAST
7525 E. HAMPDEN AVE. DENVER, CO 80231
United States of America
TELEPHONE 303-696-6644 FAX 303-337-6202
Reservations
www.embassysuites.com or 1 800 EMBASSY

DERRICK DESMOND

5490 KLAUS ST GREEN BAY, WI 54313 UNITED STATES OF AMERICA Room No: Arrival Date Departure Date Adult/Child Cashier ID: Room Rate: AL: HH VAT # Folio No/Che 208/NQS 4/17/2017 6:11:00 PM 4/20/2017 12:44:00 PM 1/0 DWHITTAKER2 142.00 DL 2099956456 969762847 SILVER 570136A

Confirmation Number: 8410343

EMBASSY SUITES DENVER SE 4/20/2017 12:44:00 PM

Date	REF NO	DESCRIPTION	Charges
04/17/2017	3723502	GUEST ROOM	\$142.00
04/17/2017	3723502	STATE TAX	\$5.68
04/17/2017	3723502	CITY TAX	\$15.27
04/17/2017	3723826	GUEST ROOM	\$142.00
04/18/2017	3723826	STATE TAX	\$5,68
04/18/2017	3723826	CITY TAX	15.27
04/18/2017	3724127	ROOM SERVICE	\$21.99
04/18/2017	3724206	GUEST ROOM	\$142.00
04/18/2017	3724206	STATE TAX	\$5.69
04/19/2017	3724206	CITY TAX	\$15.27
04/19/2017	3723373	DC *9443	(\$510.84)
		*** BALANCE ***	\$0.00

You have earned approximately 13389 Hilton HHonors points for this stay. Hilton HHonors(R) stays are posted within 72 hours of checkout. To check your earnings or book your next stay at more than 3,900, visit www.hilton.com.

Thank you for staying with us. Visit emassysuties.com for more information on hotel packages, subscribe to our E-nnouncements newsletter, or to plan your next stay at close to 200 destinations.

SOLUTION

Room service + tax is not allowed when being paid by per diem rate.

Some agencies discount the per diem if the hotel provides breakfast.

Page 1

4/17 - 4/20/2017, Desmond to Denver, CO

	RECEIPT	
Rental Agreement Vehicle Number	Number	760452243 46812754
YOUR INFORMAT	ION	
DESMOND, DERR	ICK	
RAPID REZ	DE819	N
BUDGET DISC		
FASTBREAK EN PAYMENT METHO		
7 7 7 7 7 7	DC DC 34	++3
YOUR RENTAL	m lesk i	
Picked up	DEN	H7@A1-200M
Date/Time Returned	DEN DEN	17@02:38PM
Date/Time		17@10:54AM
Veh Group	Intermedia	
Veh Charged	Compact	
Vehicle		ELANTRA SEDAN
Odometer Out	19593	
Odometer in	19714	
Fuel Reading	Full	
YOUR VEHICLE C	HARGES	
3 DY@ 35.00		105.00
DISCOUNT 5.0		5.25
YOUR TIME AND	MILEAGE	99.75
YOUR TAXABLE F	EES	
*** 11.11% FEE		11.47
CUST FAC CHARG	E 2.15/DY	6.45
VEH LIC RECOUP	0.38/DY	1.14
ENERGY RECOVE	RY 0.79/DY	2.37
YOUR SUBTOTAL		
TAXABLE SUBTO	Г	121.18
TAX 13.250%		16.06
YOUR NON TAXA	ABLE ITEMS	
ROAD SAFETY FE	E 2.00/DY	6.00
TOTAL CHARGES		143.24
NET CHARGES		USD 143.24
YOUR TOTAL DU	E	0.00
PAID ON DC XX9	443	
**CONCESSION		EE
THANK YOU FOR	RENTING W	ITH BUDGET
For inc	uiries or e-re	celpt visit
	Charles and the	COM

7680 W. Pena Blvd Denver CO 80249 UNITED PACIFIC 6546 09439910 7680 PENA BLVD , co DENVER 04/20/2017 668661082 10:43:52 AM 9443 DC **INVOICE 104242** AUTH 00-561214 REF530020402171042 **PUMP# 19** REGULAR 3.7816 \$2.399 PRICE/GAL \$ 9.07 FUEL TOTAL \$ 9.07 CREDIT Batch: 53 Seg Num: Z Term ID: 19 ZIP ENTERED Workstation ID: 00 Your opinion counts: Enter to Win 1 of 60 \$25 gas gift cards!!! Provide feedback www.gasvisit.com Leand how to earn 30 cents/gallon in fuel statement credits. Go to drivesavyy.com or see credit application. Restrictions apply. Offer experies 6/30/17. 795

**** TRIP 3 *****

4/17 - 4/20/2017, Desmond to Denver, CO



SOLUTION

This is a price quote, not proof of an expenditure. Need "paid ticket," or credit card statement showing the line item for parking.

Most travelers prefer to use a credit/debit card for this reason – provides backup receipt in case of lost receipt.

If receipt is lost, the traveler can submit an affidavit with 2 supervisory signatures to substitute for lost receipt.

4/17 - 4/20/2017, Desmond to Denver, CO

M&IE (5)

\$59 695

\$132 Sep

FY 2017 Per Diem Rates for Colorado

To determine what county a city is located in, visit the National Association of Counties (NACO) website (a non-federal website), Cities not appearing below may be located within a county for which rates are listed.

October 2016 - September 2017 within denver, Colorado. Max lodging by month (excluding taxes.) The last column is the Meals and Incidental Expense (M&IE) rate.

Your search inquiry returned more than one possibility. Here are the possible rates.

\$132 \$132	\$178 \$178
\$132	\$178
\$132	\$178
\$132	\$178
\$132	\$178
\$132	\$178
\$132	\$149
\$132	\$149
\$132	\$178
\$132	\$178
Boulder / Broomfield	Denver / Adams / Arapahoe / Jefferson
Boulder / Broomfield	Denver/Aurora
	Boulder/Broomfield \$132 \$132 \$132 \$132 \$132 \$132 \$132 \$132

Footnotes

- 1. Traveler reimbursement is based on the location of the work activities and not the accommodations, unless lodging is not available at the work activity, then the agency may authorize the rate where lodging is obtained.
 - 2. Unless otherwise specified, the per diem locality is defined as "all locations within, or entirely surrounded by, the corporate limits of the key city, including independent entities located within those Per diem localities with county definitions shall include "all locations within, or entirely surrounded by, the corporate limits of the key city as well as the boundaries of the listed counties, including
- When a military installation or Government-related facility (whether or not specifically named) is located partially within more than one city or county boundary, the applicable per diem rate for the entire independent entities located within the boundaries of the key city and the listed counties (unless otherwise listed separately)."
 - installation or facility is the higher of the rates which apply to the cities and/or counties, even though part(s) of such activities may be located outside the defined per diem locality. Meals and Incidental Expenses, see Breakdown of M&IE Expenses for important information on first and last days of travel.

U.S. General Services Administration



Invoice Number	Invoice Date	Account Number	Page
5-508-01439	Mar 31, 2017	2307-810603	1 of 1

FedEx Tax ID: 71-0427007

Billing Address:

Canadian Border HIDTA Krystal Newton, Financial Manager 1 Ulmer Street, Su 400 Green Bay, WI 54304 **Shipping Address:**

Canadian Border HIDTA 1 Ulmer Street, Su 400 Green Bay, WI 54304

Invoice Questions?

Contact FedEx Revenue Services

Phone: (800) 645-9424 M-F 8-4 (EST)

Fax: (800) 48-3020 Internet: www.fedex.com/usgovt

Invoice Summary Mar. 31, 2017

FedEx Express Services

Transportation Charges67.53Special Handling Charges4.00Total Charges\$71.53TOTAL THIS INVOICE\$71.53

Other discounts may apply.

Detailed descriptions of surcharges can be located at fedex.com

To ensure proper credit, please return this portion with your payment to FedEx. Please do not staple or fold. Please make check payable to FedEx.

For change of address, check here and complete form on reverse side.

Invoice Number	Account Number	Amount Due
5-508-01439	2307-810603	USD \$71.53

Remittance Advance

Your payment is due by Apr 24, 2017

23078105550801014296300000715308

0039940 D1AT 0.396 **AUTO T8 1 122 18226-164300 Canadian Border HIDTA
Krystal Newton, Financial Manager
1 Ulmer Street, Su 400
Green Bay, WI 54304





FedEx PO Box 371461 Pittsburgh, PA 15250-7461

<<Services>>

Lt. Max Wells

From: trackingupdates@fedex.com [mailto:trackingupdates@fedex.com]

Sent: Friday, March 24, 2017

To: Max Wells <max.e.wells@cbhidta.org>

Subject: FedEx Shipment 02901001504306766763 Delivered

This tracking update has been requested by:

Name: Bayfield County Sheriff's Office ATTN: Maj. Barney Smith

E-mail: 'not provided by requestor'

Our records indicate that the following shipment has been delivered:

Purchase order number: HRTF/PO 148993

Reference: P507936 Ship (P/U) date: Mar 25, 2017

Delivery date: Mar 27 2017 2:53 PM
Service type: FedEx SmartPost

Packaging type: Package
Number of pieces: 1

Weight: 3.70 lb.

Tracking number: 02901001504306766763

Shipper Information Recipient Information
Lt. Max Wells Maj. Barney Smith
CB HIDTA Bayfield Sheriff's Office

1 Ulmer Street 985 Keynote Circle

 Green Bay
 Bayfield

 WI
 WI

 US
 US

 54304
 54814

Please do not respond to this message. This email was sent from an unattended mailbox. This report was generated at approximately 3:13 PM CDT on 03/27/2017.

To learn more about FedEx SmartPost, please visit our website at fedex.com.

All weights are estimated.

To track the latest status of your shipment, click on the tracking number above, or visit us at fedex com.

This tracking update has been sent to you by FedEx on the behalf of the Requestor noted above. FedEx does not validate the authenticity of the requestor and does not validate, guarantee or warrant the authenticity of the request, the requestor's message, or the accuracy of this tracking update. For tracking results and fedex.com's terms of use, go to fedex.com.

Thank you for your business.

<<Services>>



OIL EXCHANGE INC.

www.oilexchangeinc.com 1498 1/2 N. MAIN ST GREEN BAY, WI 54305 (920) 663-6200

Page 1 of 1

WI-GC3931340

DATE 4/16/17 9:31 AM TRANSACTION NO 16121600117360 **INVOICE NO** 117360

VEHICLE ID

FAST LUBE CENTERS

Customer Information	Service History
HIDTA On File Green Bay, WI 54304	DATE MILEAGE SERVICES 4/16/17 12075 FS3 OF OIL 12/12/16 5677 FS3 OF OIL
Vehicle Information	12/12/10 30/7 133 6/ 0/2
2016 DODGE DURANGO 6 cyl 3.6L FI VIN 1C4RDJAG6GC39139340 MILEAGE 120	5
ALT ID	
Fle	et Information
DEA/HIDTA (D100-L)	9131 TAFT PO BOX 123
	Merrillville, IN 46410 (219) 650-2451
Employees	Service Comments
UPPER LOWER T.G.S. CASHIERSM	
CR CM CR JM	
Service Checklist	SOLUTION
3. LUBRICATE CHASSIS 4. BATTER MAIN FIL 5. BELTS 6. POWER STEERING FLUID 7. BRAKE FLUID 8. WIINDOW WASHER FLUID 9. AIR FILTER 10. BREATHER ELEMENT 11. TRANSMISSION FLUID 12. REAR DIFFERENTIAL 13. TIRE PRESSURE COMP FULL W APPRS CHECI FULL FULL FULL FULL FULL FULL FULL FUL	u should question this if you notice the et Information refers to the vehicle as a A vehicle. See Program Policy, "fuel." thout explanation, we reject mbursement of this cost. In future, uester can handwrite a note onto the eipt explaining this is non-federal nicle, using DEA's price discount eement. Include an ID # of some type this vehicle.

Any faulty work reported to Oil Exchange within thirty calendar days or 1,000 miles from date of service will be promptly corrected by our facility. If work to correct a fault is done by an automotive facility, without written consent of Oil Exchange, or if any automotive work is done to alter services performed or parts installed by Oil Exchange including removal of any parts by any non-Oil Exchange employees for any reason, then all claims are voided and Oil Exchange is released from all liabilities and responsibilities to said automobile.

Visit us on the web at www.oilexchangeinc.com

Recommend next service on 07/16/2017 or 15,075 miles.

Cardholder acknowledges receipt of goods and/or services in the amount shown hereon and





Remittance Advice - Consolidated Invoice Please Return With Payment

Page: Customer:

Customer Number: 303053 Cook County CB HIDTA

Consolidated Invoice No. MYN3176347

Invoice Date: 05/01/2017

Mail Payment To: ENTERPRISE FM TRUST

Due upon receipt, late if not paid by 15th of May Enterprise Fleet Management Customer Billing

Total Charges: PO Box 800089 \$6,469.23

Kansas City MO 64180-0089

Amount Remitted

For billing questions, please call Accounting Department 1P99 at 630-534-7700

Line	Cust Ref	Unit #	Invoice Number	Date	Description	Charges	Amount Paid/Comments
1	303053	225CT3 ¹	225CT3-0517-MR	05/01/17	MONTHLY LEASE CHARGES	516.14	
2	303053	225CT81	225CT8-0517-MR	05/01/17	MONTHLY LEASE CHARGES	517.62	
3	303053	2298DW ¹	2298DW-0517-MR	05/01/17	MONTHLY LEASE CHARGES	493.95	
4	303053	229GQP1	229GQP-0517-MR	05/01/17	MONTHLY LEASE CHARGES	468.83	
5	303053	22BN6X1	22BN6X-0517-MR	05/01/17	MONTHLY LEASE CHARGES	488.25	
6	303053	22BN6X ¹	3583509-OT	05/01/17	OTHER CHARGE-SEE INVOICE	(368.80)	
7	303053	BL851G1	3604456-OT	05/01/17	LEASE SETTLEMENT	200.00	
8	303053	BL851G1	3553789-OT	05/01/17	OTHER CHARGE-SEE INVOICE	(100.00)	
9	303053	BL858P1	BL858P-0517-MR	05/01/17	MONTHLY LEASE CHARGES	529.01	
10	303053	222LEV ¹	222LEV-0517-MR	05/01/17	MONTHLY LEASE CHARGES	510.12	
11	303053	BL520P1	BL520P-0517-MR	05/01/17	MONTHLY LEASE CHARGES	497.35	
12	303053	BL521P1	BL521P-0517-MR	05/01/17	MONTHLY LEASE CHARGES	495.31	
13	303053	BL521P1	3406252-OT	05/01/17	OTHER CHARGE-SEE INVOICE	112.50	
14	303053	222SMR ¹	222WPZ-0517-MR	05/01/17	MONTHLY LEASE CHARGES	566.90	
15	303053	222WPZ ¹	2245RJ-0517-MR	05/01/17	MONTHLY LEASE CHARGES	521.91	
16	303053	2245RJ ¹	2245RJ-0517-MR	05/01/17	MONTHLY LEASE CHARGES	512.26	
17	303053	22733M ¹	22733M-0517-MR	05/01/17	MONTHLY LEASE CHARGES	507.88	
					Total Due:	6,469.23	

SOLUTION

Line 13 charges are for a stop light violation, which is a prohibited use by the Uniform Guidance (____.441). It may be possible to get a waiver from ONDCP, but quicker and easier to find other funding sources, or ask the county/city to waive the fine.

303053 / MYn3176347

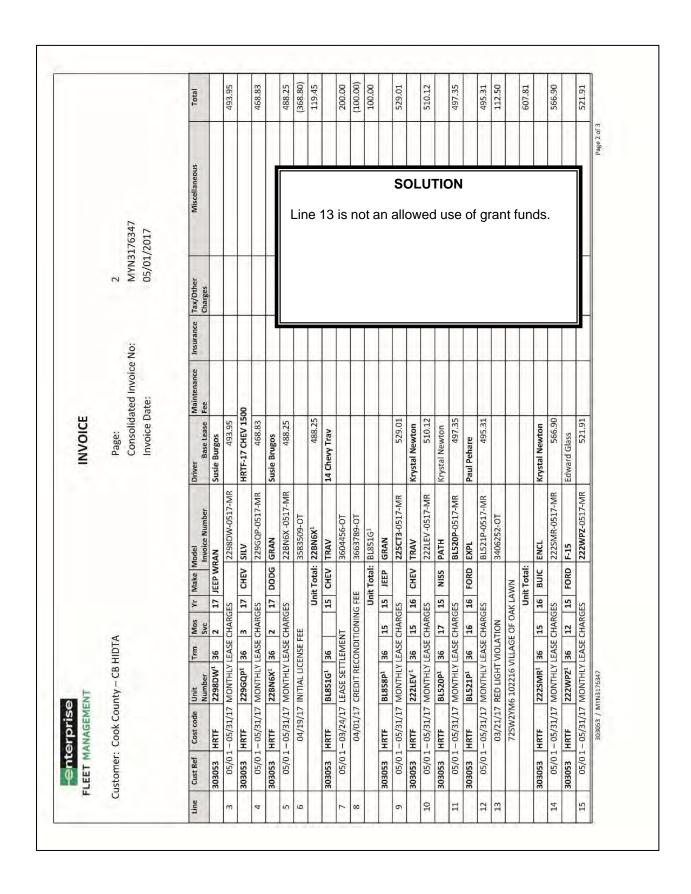
Page 1 of 1

enterprise		
FLEET MANAGEMENT	INVOICE	
	Page:	1
Please Remit To:	Consolidated Invoice No:	MYN3176347
ENTERPRISE FM TRUSE	Invoice Date:	05/01/2017
Enterprise Fleet Management Customer Billing	Customer Number:	303053
PO Box 800089	Due upon receipt, late if not paid by the 15th of May	iid by the 15 th of May
Kansas City MO 64180-0089		
United States	AMOUNT DUE:	\$ 6,469.23
Customer	Please send all payments and the address.	Please send all payments and the corresponding remittance advice to the remit to address.
Cook County – CB HIDTA		
1560 Fraser Drive	For billing questions, please cal	For billing questions, please call Accounting Department 1P99 at: 630-534-7700
Grand Rapids, MN 55744		
¹ Enterprise FM Trust, a Delaware statutory trust, is the owner of the vehicle covered by this Schedule. Enterprise FM Trust (not Enterprise Fleet Management) is and shall be deemed to be the Lessor of such vehicle under the Master Lease Agreement and shall have all rights and obligations o the Lessor under the Master Lease Agreement with respect to such vehicle. All rental and other payments owed by the Lessee with respect to such vehicle under the Master Lease Agreement in its capacity as the servicer for Enterprise FM Trust. All reference in Sections 11(a) (insurance) and 12 (indemnity) of the Master Lease Agreement to the "Jessor" shall include any servicels) and/or other agent(s) for or of Enterprise FM Trust.	statutory trust, is the owner of the vehicle covered by this Schedule. Enterprise FM Trust (not Enterprise Fleet Mana ssor of such vehicle under the Master Lease Agreement and shall have all rights and obligations o the Lessor under th such vehicle. All rental and other payments owed by the Lessee with respect to such vehicle under the Master Lease orise Fleet Management in its capacity as the servicer for Enterprise FM Trust. All reference in Sections 11(a) (Insuran Rereement to the "Jessor" shall include any service(s) and/or other agent(s) for or of Enterprise FM Trust.	statutory trust, is the owner of the vehicle covered by this Schedule. Enterprise FM Trust (not Enterprise Fleet Management) is ssor of such vehicle under the Master Lease Agreement and shall have all rights and obligations o the Lessor under the Master such vehicle. All rental and other payments owed by the Lessee with respect to such vehicle under the Master Lease prise Fleet Management in its capacity as the servicer for Enterprise FM Trust. All reference in Sections 11(a) (Insurance) and 12 persement to the "Jessor" shall include any service(s) and/or other agent(s) for or of Enterprise FM Trust.

references in this [Invoice/Schedule/Quote], all such maintenance services are to be performed by Enterprise Fleet Management, Inc., and all such maintenance into by and between Lessee and Enterprise Fleet Management, Inc.; provided that such maintenance fees are begin billed by MF Trust, and are payable at the direction of FM Trust, solely as an authorized agent for collection on behalf of Enterprise Fleet Management, Inc. fees are payable my Lessee solely for the account of Enterprise Fleet Management, Inc., pursuant to that certain separate [Maintenance Agreement] entered

						ĺ								
Cust	Line Cust Ref Cost code Unit	st code	Jer.	Tra	Mos	*	Mos Yr Make Model Svc Invoi	fodel Invoice Number	Driver Mair Base Lease Fee	Maintenance Insurance Tax/Other Fee Charges	Insurance	Tax/Other Charges	Miscellaneous	Total
3030	303053 HRTF		225CT31 36		m	17	3 17 DODG DURA		Susie Burgis					
0	15/01-05	5/31/17	05/0 1 - 05/31/17 MONTHLY LEASE CHARGES	LEASE	CHAR	GES		225CT3-0517-MR	516.14					516,14
3030	303053 HRTF		225CT81 36		2	17	2 17 GMC ACAD		Susie Burgis					
0	15/01-05	5/31/17	05/01-05/31/17 MONTHLY LEASE CHARGES	LEASE	CHAR	GES		225CT8-0517-MR	517.62					517.62

Financial Management of HIDTA Funds



		Total	512.26	5,961.35		507.88	201.101		
	6347	Miscellaneous							
	2 MYN3176347 05/01/2017	Tax/Other Charges							
	:: O Z	Insurance							
-072	Page: Consolidated Invoice No: Invoice Date:	Maintenance Base Lease Fee							
INVOICE	Page: Consolidated Invoice Date:	Driver Base Lease Krystal Newton	512.26		Derrick Desmond	507.88	00.000		
		e Number	2245RJ-0517-MR	RTF	RAN	22/44IM-US1/-IVIK		33053	
		Make		Cost Code Total: HRTF	16 DODG GRAN	Cost Code Total: M.P.C	1000	Total for Customer 303053	
		Mos Yr Svc	ARGES	So	16	ARGES Cor		tal for C	
	IDTA	Trm Mos	EASE CH	10	9	ASE CH		T ₀	
	- CB H		NTHLY		22733M¹ 36	NIHLYL	ľ		78:37
MENT	County		17 MO	c)	727	T/ MO	ŀ	$\ $	TREST FRINAM / E-SHEUE
NAGE	Cook (Cost code	05/01 - 05/31/17 MONTHLY LEASE CHARGES		M&C	US/U I = US/31/1/ MONTHLY LEASE CHARGES			303053
FLEET MANAGEMENT	Customer: Cook County – CB HIDTA	Cust Ref	05/01		303053	10/50			
7	73	Line	16		M.	7,	t		



Serving the Fox Valley since 1952

Thario Building Services 730 Kuehn Court Neenah, WI 54956

Call us anytime, day or night! Phone: 920-722-5136 Toll free: 800-553-1855

Fax:

920-722-5073

Cook County Invoice No: 56259

1560 Fraser Drive P0 Number: H02163/M&C Grand Rapids, MN 55744 Invoice Date: 04-30-2017

Location serviced: HIDTA Building at:

> 1Ulmer Street Green Bay, WI 54304

TERMS: Due 20 days after invoice date above.

Line	Date(s) of service	Description	Amount	
1	4/1 to 4/30/17	Cleaning - 6 day service	6,000.00	
2	4/1 to 4/30/17	Supplies – tissue, soap, cleaning supplies	287.00	
		Total Due:	6,287.00	

Please remit to the above address if Auto-draft is not established.

Thank you for your loyalty! Jack Spellman



To:

Cook County RE: HIDTA 1560 Fraser Drive Grand Rapids, MN 55744

Invoice No: 56259

Invoice Date: 04-20-2017

TERMS: Due on 1st day of month, per lease agreement

Unit	Charge Date	Charge Type	Description	Amount
1	05/01/2017	ADMIN	Administrative Fee	649.33
1	05/01/2017	CAM	Operating Costs	6,705.11
1	05/01/2017	INS	Insurance Charge	385.41
1	05/01/2017	MTNCE	Maintenance Charge	260.10 -
1	05/01/2017	PTAX	Real Estate Taxes	6,905.01
1	05/01/2017	RENT	Rent Charge	42,000.00
	1, 7, 2, 2, 3, 4, 5, 5, 7, 7, 7, 7, 7, 7, 7, 7, 7, 7, 7, 7, 7,		Total Due:	\$56,904.96

Please remit to:

Fogg-Keynote Three, LLC 979 Keynote Circle – Suite 15 Grand Rapids, WI 54305 # OK Perstan 4/24/17

Sgt. John Stoltz

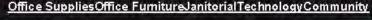
From: Debbie ~ On Time Supplies <support@ontimesupplies.com>

Sent: Wednesday, February 1, 2017

To: Customer

Subject: Paid Receipt for Order No. 148349 from OnTime Supplies, com-





Price

Qty.



Call Us Toll Free: 1-866-501-6055

Total

Dear,

Thank you again so much for your order! We sincerely appreciate your business and we are processing your order today! We estimate that you will receive your order in the next 1-2 business days. For UPS orders, tracking will be downloaded and e-mailed automatically, so you can see an up to date shipping status!

Here is a copy of your Paid Receipt for order number 148349 which you placed with www.ontimesupplies.com on 04/29/2015. If you like our service feel free to check us out on Facebook, Twitter or we can e-mail you exclusive specials to help save time and money!

Have a great day! Debbie

Items Ordered						
SKU						

NSN3176428	Dual Action Mechanical Pencil, 0.5 mm Burgundy, GSA 7520013176428	\$29.15	2 DZ	\$58.30
PENC5052B	Super Hi-Polymer Lead Refills, 0.5mm, 2B, Black, 12 Leads/Tube	\$0.66	30 P K	\$19.80
	Subtotal Shipping Cost		\$78.10 \$0.00	
		GRAND TOTAL		\$78.10

Description

Billing Information	Shipping Information
John Stoltz CB HIDTA 1 Ulmer Road Green Bay, WI 54304	John Stoltz CB HIDTA, ISC 1 Ulmer Road Green Bay, WI 54304
jstotlz@cbhidta.org 920-232-0050	j.stotlz@cbhidta.org 920-232-0050
Payment Information	
Payment Method: Credit Card	
Credit Card: VISA ending in **** 94	400
Call us toll-free at 1-866-501-6055	;
Use <u>Live Chat on our website</u> E-mail us using our <u>Contact Form</u> Thank you very much for your busi	iness!
A C	

David D. Depasque

From: David Depasque <dddepasque@cbhidta.org>

Sent: Friday, April 28, 2017

To: Patrick L. Tombs cbhidta.org>

Subject: PO H990008 (submitted online, but pending approval)

Hey Pat,

Here is the receipt we talked about – emergency purchase, then I found out our budget for the ISC doesn't have anything budgeted for supplies! If you can submit this under your M&C budget, that w/b great.

You still have Supplies budget to cover it, right?

Thanks.

David Depasque Group Supervisor, ISC Canadian Border HIDTA Cell: 920.921.0009

<<See email. ISC (Depasque) purchased pack of paper, w.o budget. Asks buddy in M&C to pay for it.>>

Office DEPOT OfficeMax

OFFICEMAX STORE 6561 1300 Marketplace Blvd Green Bay, WI 54304

04/25/2017 16.9.3 8:52 AM STR 6561 REG 1 TRN 1246 EMP 867468

SALE

Product ID Description Total 676543 PAPER, PREMIUM 14.99 SS

Sales Tax: Subtotal: 14.99
1.05

Total: 16.04 Debit Card 1005 16.04

TDS Chip Read AID A000000980840 US DEBIT

TVR 8000048000 CVS PIN Verified

Shop online at www.officedepot.com

WE WANT TO HEAR FROM YOU!

Participate in our online customer survey and receive a coupon for \$10 off your next qualifying purchase of \$50 or more on office supplies, furniture and more.

Limit 1 coupon per household/business.)

Visit www.officedepot.com/feedback and enter the survey code below: N4VN 9ZOA 8HEX

Please make refund check out to me, David Depasque.

See authorizations below, and refer to **PO H990008**. This was an emergency purchase!

Thanks...

David Depasque

Investigative Support Center

SOLUTION

Depasque (ISC) attempts to get Pat Tombs (M&C) to pay for his expense, b/c the ISC doesn't have any budget for Supplies. No way ! To be paid (with proper approval on the emergency PO), funds must be reprogrammed to from the M&C to the ISC budget.

See email on previous page.

Phil Walters

Chris Tomlin <chris.t.tomlin@CookCo.SO.gov> From:

Sent: Thursday, April 13, 2017

Phil Walters < P.M. Walters @CookCo.SO.gov> To:

Subject: Reimbursement request for HIDTA GY 17 (for Lt. Max Wells)

I've verified the PO and Warrant No. in ARS. Approvals duly noted therein. Ok by you? Best if you sign/initial attached invoice from Best Buy as well as approve in ARS, so we get 2 levels of approval per H policy.

Chris Tomlin Accounts Payable Cook County Sheriff's Office Ph: 218.387.3030

----Original Message----

From: Gerald Sosa < Gerald.a.sosa@CookCo.SO.gov>

Sent: Tuesday, April 11, 2017 4:20 PM

To: Chris Tomlin <chris.t.tomlin@CookCo.SO.gov>

Subject: PO # 148349 / Best Buy purchase by Lt. Wells, for HIDTA HRTF

charge to G16 per KN; 4/30/17. Reprogramming transaction provided funds. CT.

Please reimburse Lt. Wells for his purchase, see receipt attached. He was issued a PO after the purchase, so I also recorded a warrant (#190448) with notation to reference the PO - just to authorize the direct payment to Lt. Maxwell. Gotta keep auditors happy, right?

Make payable to:

Lt. Max Wells, and send check to him at the HIDTA:

Lt. Max Wells, Commander, HRTF

As much as I hate to, we had to use Grant #G17CB0555Z, because no remaining budget for supplies in PY 2016 grant, and nothing available to reprogram.

Thanks, Gerald

Gerald Sosa

Grants Administrator Cook County Sheriff's Office 1560 Fraser Drive Grand Rapids, MN 55744 218-387-3193



From: Orders - Receipt enclosed <BestBuys.com>

Sent: Friday, March 24, 2017

To: Max Wells <max.e.wells@cbhidta.org>

Subject: Paid Receipt for Your PO No. 148349

View: Web | Español



on orders \$35 and up*

WEEKLY DEALS > CLEARANCE >

TVs

Computers & Tablets

Cell Phones

Appliances

Cameras

Video Games

Wearables

Max, thanks for your order on 03/23/17.

ORDER # BBY01-782127019270

Below is a summary of your purchase. Please be sure to review the What You Need to Know section for important details about your order.

Thanks for shopping at Best Buy®. We appreciate your business and look forward to seeing you again soon.

Sincerely,

View Order Status

Pedram Afshar Vice President, Customer Experience



Shipped Items

Your PO #: 148349



<u>Lenovo 65W AC Adapter Black</u> **Model:** 888014997 **SKU:** 8532317 Qty Price

2 \$77.98

10

DENAQ AC Adapter for Select Lenovo Laptops Black

Model: DQ-AC2045-YST

SKU: 4409110 2 \$77.98

19

DENAQ AC Adapter for Select Lenovo Laptops Black Model: DQ-AC20325-YST

SKU: 4409111 2 \$59.98

Of Burgary



WHEN YOUR ORDER SHIPS

We'll send a separate e-mail with tracking details

View Order Status

ORDER SUMMARY

\$213.94 Subtotal FREE Shipping: \$ 14.98 Tax: \$ 0.00 Discounts: \$228.92 Order Total: \$228.92 Paid with VISA ****9905 \$ 0.00 BALANCE DUE:



See how long shipping usually takes

Easy Recycling

How to return or exchange an item

How to cancel an item

Price Match Guarantee

See All Help Topics

Patrick L. Tombs

From: Patrick L. Tombs

Sent: Friday, April 15, 2017

To: Krystal Newton < Krystal.Newton@cbhidta.org>

Subject: Zetronix cameras arrived (PO H010019)

Hey Krystal,

Attached is the receipt for the Zetronix cameras we recently purchased. I used my Corporate AmEx, so Accounting has access to the statement. I'm just forwarding this to you to document that I've received it.

Thanks.

Patrick L. Tombs
Canadian Border HIDTA
Cell: 920.334.0198



119 Braintree St Ste 701 Boston MA 02134 (877) 644-7592 sales@zetronix.com

Purchaser:

Pat Tombs,

Commander, M& C Unit

CB HIDTA

1 Ulmer Street

Green Bay, WI 54304

PO No:

H010091

Order No.

WI994017

Order Date:

04/14/2017

Product Quantity Price

GW 5MP 1920P Weatherproof 32 Channel HD 1920P NVR 2.8-12mm Varifocal Real-time Video Security Camera System,

Pre-Installed 8TB HDD, 16 Bullet and 16 Dome (32 cameras total) 1 Shipping

Tax N/A

Total

Paid with: AmEx ****94007, Auth 9844039, on 4/15/2017

Balance Due:

\$5,199.99 FREE

-- 0 -

-- 0 --

\$5,199.99

Product Details

Dome & Bullet Camera System | Size:32 Camera System

Key Features

Power Over Ethernet connects each IP camera to the NVR 10/100 Mbps PoE Switch Included

Each IP camera delivers 5.0 megapixel at 2592 x 1920 pixels Built-in P2P Cloud service, Quick QR-Code Scan, ONVIF supported

2.8 ~12mm Manual Zoom varifocal lens

Angle of View from 98 degrees to 22 degrees.

Supports Remote View via smartphone & 3G Mobile with

Windows XP, Vista, 7, 8, 10, Mac, iPad, iP IPC input: Up to 32 ch IP camera; HDMI & channel each

Camera record resolution:1080P/1536P @3 1920P@15fqs adjustable)

NVR record resolution: Full 5 MP 1920p/153 Record rate:960 fps Real-time

Record Mode: Manual / Time Scheduled / A Alarm: 16ch inputs/ 1 ch output

Interface type: 2 ch SATA Capacity: Up to 16

Package Includes

1 x GW5532NP: 32 Channel NVR with pre-i

16 x GW5061IP: Bullet camera

16 x GW5071IP: Dome camera

1 x GWSW1602G: 16 Ports PoE Switch

1 Year Warranty and Free Tech Support



SOLUTION

This should not be submitted for reimbursement; it was sent by the HIDTA financial manager for information purposes only - to notify that the equipment was in fact received as ordered.

See email on previous page.

We appreciate your business!



Susteen, Inc. 18818 Teller Ave., Ste 102 Irvine, CA 92612

Date	Invoice #		
4/4/17	9841029		

Bill To

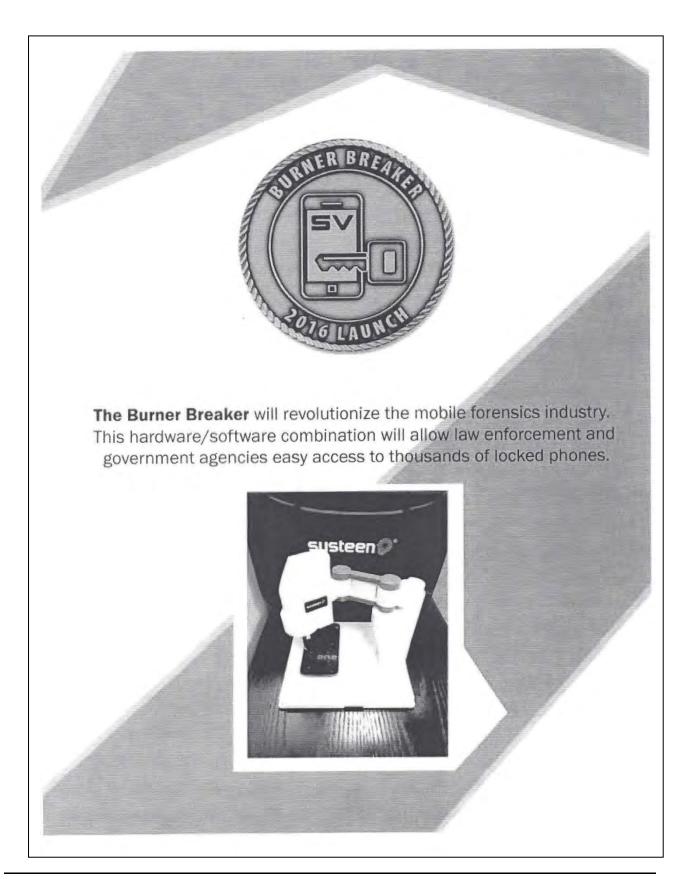
C. Tomlin, Accounts Payable Cook County Sheriff Office 1560 Fraser Drive Grand Rapids, MN 55744

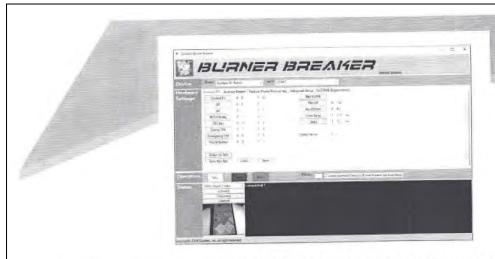
Ship To

Lt. John Stoltz Investigative Support Center Canadian Border HIDTA 1 Ulmer Street Green Bay, WI 54303

S.O. No.	P.O. Number	Terms	Due Date	Rep	Ship	Via
	H010087	Due on receipt	4/4/2017	KK	4/5/2017	UPS

Susteen Burner Breaker	1	9,200.00			
					9,200.00
Pecial goldry Sohn 4/24/11	A EN		· c		N/A \$ 9,200.00
	Pecialby golfy John 4/24/11 John 4/24/11	Pecial Goldy Sohn 4/24/11 & EM Per conv. EN	Pecialby golfny John 4/24/11 4 EM Per cany KN	9 4 24 M	Pecial gathy Jahn 4/24/11 & EM Sales Tax TOTAL

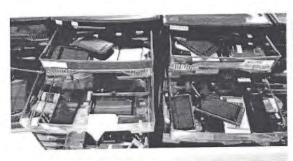




Up until now, no company in the world has had the capability of breaking into "burner, pre-paid, throw-away" phones and non USB OTG Android phones. These phones can be categorized as pre-paid phones including smart phones that are non USB OTG compliant. Some examples include common Android phones found in Walmart, 7-11, Target and other distributors. Other examples would be phones found outside the US including Central and South America, Asia, Europe and most Chinese Chipset phones.

In some cases, law enforcement agencies were able to use invasive JTAG dumps to get data off of locked phones. This will no longer be needed as a phones data can easily be accessed once the pincode, passcode, or pattern lock has been acquired.

Due to "burner phones" having limited data port access (ie. TracFones), no pincode/passcode breaking software was able to "talk" to the phone and break into it. This all changes with our Burner Breaker. Susteen now has the capability to break into almost any phone including Chinese Chipset phones and South American phones.

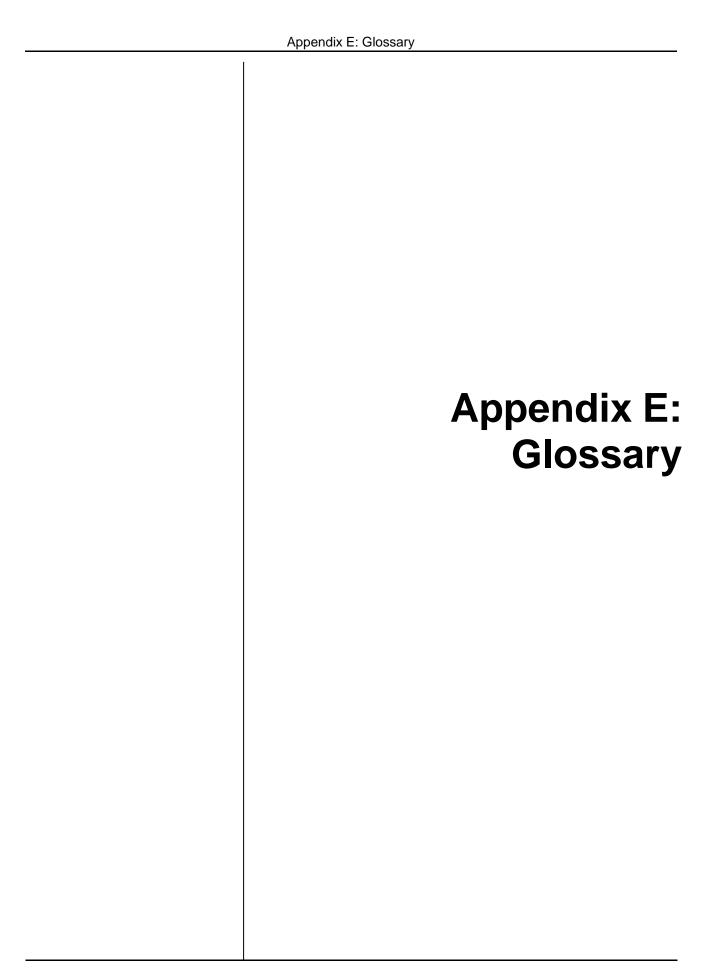


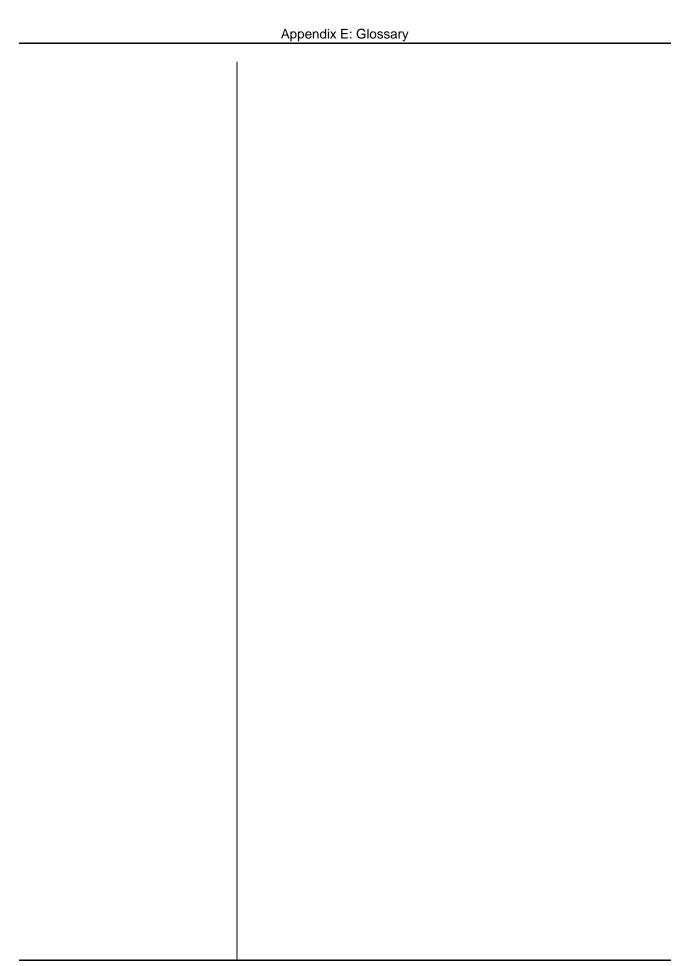


The picture to the left showcases android phones as well as other models that no current pincode breaker can get into, due to their limited interface and lack of USB OTG. Susteen's Burner Breaker can access these phones by pinpointing the location of each number and manually pressing it. Our software can go through thousands of codes and allows access to these locked phones for the first time.

Susteen is leveraging our 18 years of cell phone expertise. Our database of thousands of phones allows us to easily program the Burner Breaker to meet each individual form factor. Every variation of screen size and phone width and height can create thousands of variations, but our engineers have created a hardware/software combination that can be easily adjusted, calibrated and improved.







Glossary

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accrual method An accounting method that recognizes expenses as debt is incurred.

For example, the accrual method of accounting recognizes the obligation as soon as you incur the cost and the money is owed to a vendor or service provider. Compare with *cash accounting method*.

accrued costs Recorded amounts that have been incurred (or are owed), but are not

yet invoiced or paid.

advance HIDTA funds drawn from the Payment Management System

(PMS) and posted in FMS.net for approved and budgeted purposes *before* the expenditure occurs. See the Uniform Guidance, Section _____.306(b)(1) regarding how far in advance of the expenditure funds can be drawn. Program Policy requires supporting documentation and receipts to submitted within 21 days after receiving the funds draw-down from PMS. See *HIDTA Program Policy and Budget*

Guidance (2020), Section 7.26.2.

allowable An expenditure that complies with the cost principles, policies, and

guidelines that apply to HIDTA grants; also known as allowable

cost.

appropriations The Congressional act of setting aside money for a designated

purpose.

award HIDTA funds provided to participating agencies within the HIDTA

program. Non-federal entities receive grants or sub-awards; federal agencies receive funds by way of transfers of spending authority. See *HIDTA Program Policy and Budget Guidance*, v. 2020, for the

official definition of this term.

award letter The official letter informing the grantee that an award has been

made. Enclosed with the award letter is the Grant Agreement and a detailed budget to represent the approved uses for the awarded

funds.

award period The period of time during which awarded HIDTA funds must be

spent – always a two-year period, unless an extension is obtained. Also known as the *funding period*, *project period*, and *period of*

performance.

award recipient

The federal agency or non-federal entity to which ONDCP directly awards the funds. The Uniform Guidance refers to non-federal award recipients as *recipients*; they are informally called *prime grantees*. Compare with *sub-recipient*.

В

budget The requested / approved plan for using awarded HIDTA funds with

line item detail within each account. An *individual budget* shows a resource recipient's portion of an initiative's funding. An *initiative budget* represents the aggregate of all individual budgets for one initiative. Collectively, the aggregate of all initiative budgets

represent the HIDTA budget.

C

CAFR (Comprehensive A set of reports prepared annually by state and local governments about the government entity's financial condition, budgets, revenue

about the government entity's financial condition, budgets, revenues, outstanding debts, and more. It must accurately present the entity's financial position and results of operations and comply with

generally accepted accounting principles.

Comprehensive Annual Financial Reports are reviewed and "certified" by independent auditors who provide an opinion letter that attests to the reports' accuracy, fairness, and completeness –

ideally, without stated exceptions or areas of concern.

cash method An accounting method that recognizes expenses only when payment

is made for the goods or services. Compare with accrual method.

Cash Transaction Report

(CTR)

One of two reports that collectively make up the Federal Financial Report, a quarterly report required of all grantees. See *Federal*

Financial Report, FFR.

chart of accounts A standard set of accounts and sub-accounts for classifying HIDTA

expenditures into categories. Examples include salaries, overtime,

fringe benefits, equipment, supplies, and others.

Closeout The formal process that officially terminates the HIDTA grant. The

process requires actions by the NHAC, the HIDTA Financial

Manager, the Financial Management Office at ONDCP, the HIDTA Executive Director, the ONDCP policy analyst, and as well as the

grantee. Steps are performed in FMS.net and the Payment

Management System (to file a final FFR).

cost category An account within the HIDTA chart of accounts.

current budget The approved budget computed as the initial award +/- changes from

approved reprogramming entries.

D

Detailed Expenditure

Worksheet (DEW)

A worksheet submitted as a cover sheet of a disbursement package submitted for reimbursement; the DEW subtotals expenditures by

account.

disbursement In the Payment Management System, a release (or payment) of grant

funds to the grantee. Within the FFR reports, disbursement refers to the grantee's outlay of program funds for program purposes, i.e.,

payments the grantee makes to vendors, suppliers, etc.

drawdown An increment of grant funds deposited to the grantee's bank account,

following approval of the grantee's payment request using the

Payment Management System (PMS).

Ε

encumbrance A reserve of appropriated funds set aside funds so that overspending

does not occur. The approval of purchase orders and contracts cause

encumbrances to be recorded.

expend To consume, use up, or spend award funds.

expenditure An outlay of HIDTA program funds to pay for goods or services.

See *Uniform Guidance*, __.1, *definition of expenditure*, for the definition of expenditures for reporting purposes, i.e., the precise

definitions for cash basis and accrual basis accounting.

extension A change in the performance period to allow a longer period of time

over which grant money can be spent.

F

Federal awarding agency ONDCP is the federal awarding agency for HIDTA grants. See the

Uniform Guidance, ____.**1** *definition of federal award agency* for the

official definition of this term.

Federal Cash Transaction

Report

See Cash Transaction Report.

Federal Financial Report

(FFR)

A set of online financial reports which must be filed by HIDTA grantees within 30 days of the end of each fiscal quarter. The FFR consists of two separate reports: Federal Cash Transaction Report (1

per grantee) and the Financial Status Report (1 per grant).

Collectively, these reports provide the current status of all grant

funds awarded to the grantee.

fiduciary A role a HIDTA grantee may perform as a service to the HIDTA to

distribute funds to other non-federal entities participating in the HIDTA. See *HIDTA Program Policy and Budget Guidance*, v.

2020, for the official definition of this term.

financial manager A position at the regional HIDTA responsible for oversight of the

HIDTA's budget and accounting duties. Participating agencies may also have a position with a similar title, performing the same duties

for their organization or for a group of grants.

Financial Status Report

(FSR)

A quarterly report submitted via PMS for use by the ONDCP. See

Federal Financial Report, FFR.

fiscal officer A generic position title for the person responsible for signing

contracts and agreements that obligate the entity.

funding period See *award period*.

G

grant An award of financial assistance by the federal government to an

eligible agency or legal entity. The term grant only applies to funds awarded to non-federal entities; federal agencies receive transfers of

spending authority.

grant number The unique identifying number for each grant, assigned by ONDCP.

grantee

The non-federal entity to which HIDTA program funds are awarded; grantees are subject to the regulations of the Uniform Guidance and the terms and conditions of the Grant Agreement. In FMS.net, the grantee is listed as an *award recipient*. See *HIDTA Program Policy and Budget Guidance*, v. 2020, for the official definition of this term.

Н

HHS U.S. Department of Health and Human Services which provides the

online Payment Management System (PMS) to HIDTA and other

grantees receiving federal financial assistance.

HIDTA High Intensity Drug Trafficking Area. The term may refer to the

national program, a geographic area of designated counties, or a physical office building from which operations are managed.

individual budget One agency or non-federal entity's portion of an initiative's budget,

account by account.

initiative Activities that implement portions of the HIDTA's strategy to

address a threat. See HIDTA Program Policy and Budget Guidance,

v. 2020, for the official definition of this term.

initiative commander or

supervisor

The appointed leader(s) of a HIDTA initiative. This person is also referred to a task force commander or supervisor. See *HIDTA*

Program Policy and Budget Guidance, v. 2020, for the official

definition of this term.

initiative description and

budget proposal (IDBP)

An output document of WebPMP software that describes each initiative: its mission statement, participating agencies and assigned personnel from each agency, its performance goals for upcoming

program year, and a summary of its past performance.

intelligence Information compiled and analyzed to determine its meaning and

relevance for efforts to anticipate, prevent, impede, or monitor

criminal activity.

L

line item Another name for a sub-account in the HIDTA chart of accounts, for

example, Intelligence Analyst is a line item (sub-account) to the

Personnel account.

M

(MOA)

Memorandum of Agreement An official award document between the ONDCP and a federal agency receiving a HIDTA award. See HIDTA Program Policy and Budget Guidance, v. 2020, for the official definition of this term.

modification Any approved reprogramming transaction that changes the award

amount: new award documents must be executed to reflect the

modified amount.

N

NHAC National HIDTA Assistance Center. This center, in Miami, FL,

> provides HIDTA-specific services such as accounting assistance, training, and multi-media services to HIDTA program participants.

non-federal entity One of 5 types of non-federal entity types that participate in the

HIDTA program: state, local, and tribal law enforcement agencies, non-profit organizations, and institutions of higher education. See *Uniform Guidance*,____**.1**, *definition of non-federal agency* for the

official definition of this term.

0

obligation An amount that requires future payment. See *HIDTA Program*

Policy and Budget Guidance, v. 2020, for the official definition of

this term.

OCDETF Organized Crime Drug Enforcement Task Force program.

Office of National Drug Control Policy (ONDCP) ONDCP is the office established within the Executive Office of the President of the United States to develop and coordinate the Nation's anti-drug policy. ONDCP also administers the HIDTA program.

P

parent agency The agency that employs or contracts the person, i.e., the HIDTA-

> participating agency to which an individual reports. See HIDTA Program Policy and Budget Guidance, v. 2020, for the official

definition of this term.

A federal agency or non-federal entity with personnel assigned to participating agency

> participate in a HIDTA initiative. See HIDTA Program Policy and Budget Guidance, v. 2020, for the official definition of this term.

pass-through entity The grantee that issues 1 or more sub-awards is known as a pass-

through entity in the Uniform Guidance. See_____.1, definition of

pass through entity, for the official definition.

Payment Management

System (PMS)

A web-based program that allows grant recipients to request payments (although supporting documents must still be sent to NHAC). PMS also provides access to the online FFR, Federal Financial Report that grantees must file quarterly. See *HIDTA Program Policy and Budget Guidance*, v. 2020, for the official

definition of this term.

PE/PI/PS Purchase of evidence; purchase of information; or purchase of

services.

Performance Management

Process (PMP)

A set of successive steps to assist in determining the efficiency and effectiveness of the HIDTA program and individual HIDTAs. See the *PMP User Guide, January 2017*, for the official definition of

this term.

period of performance The time during which the non-Federal entity may incur new

obligations to carry out the work authorized under the Federal

award. See award period.

pre-encumbrance Amount formally planned or expected to be spent, but for which

there is no legal obligation yet. A requisition is a typical preencumbrance transaction, but the classification depends on the procurement procedures of the agency making the purchase. At HIDTA, an Executive Board-approved spending plan is a preencumbrance, but the annual HIDTA budget is not a pre-

encumbrance. See spending plan.

prime grant A grant issued directly from ONDCP to a non-federal entity.

Compare with sub-award.

procurement action One instance of procuring any number of goods and/or services,

with a single decision. Examples of a single procurement action may include single and multiple vendors; multiple items, a set of services over a fixed length of time, or any combination of these.

Program Support Center

(PSC)

A non-appropriated agency hosted by the HHS which manages the Payment Management System (PMS). Visit https://pms.psc.gov for

more information and to access PMS.

program year The calendar year for which the HIDTA award provides funding; the

program year always begins on January 1 of the calendar year.

R

recipient A grantee, i.e., the entity that receives a grant directly from ONDCP.

See Uniform Guidance, __.1, definition of recipient, for the official

definition of this term.

reconcile To bring two data sources into agreement, by identifying

discrepancies and their origin.

reimbursable agreement An official agreement between two HIDTA participating agencies in

which one agency agrees to pay a second agency for goods acquired

or services provided.

reimbursement The payback of money for incurred costs incurred.

reprogramming A transaction that shifts amounts between two or more budget

accounts, resource recipients, initiatives, and/or awards. See *HIDTA Program Policy and Budget Guidance*, v. 2020, for the official

definition of this term.

resource recipient A participating agency receiving any amount HIDTA program

funds.

S

settle The process of reconciling an outstanding advance of grant funds by

providing supporting documentation of the actual expenditures made with the advanced funds and resolving any amount differences (either by returning funds or requesting additional funds so that

actual expenditures are equal to the funds received).

SF-424 Standard Form 424: Application for Federal Assistance.

Single Audit Report The output of a Single Audit performed annually for all non-federal

entities that expend \$750,000 or more in federal grant funds. The

Single Audit allows 1 audit to review all federal assistance

programs, rather than requiring individual audits of the recipient's

grants.

Refer to the *Uniform Guidance*, Sections____.501 and____.512 for

more information.

spending plan

A detailed plan of how the remaining balances of HIDTA awards will be spent. Executive boards may request initiative commanders to submit spending plans for the remainder of the program year, to review remaining balances for projected surpluses – for the purpose of re-allocating the budget surplus to higher priority needs.

sub-award

An award of HIDTA funds provided by a HIDTA grantee to another non-federal entity also participating in the HIDTA. Both the grantee and the sub-recipient must comply with the regulations of the *Uniform Guidance*, See ____.1, *definition of sub-award* for the official definition to this term and ____.334 for a description of the relationship between the 2 non-federal entities.

sub-recipient

The non-federal entity that receives a sub-award from the prime grantee. Sub-recipients must follow many of the conditions and regulations required of the prime grantee by way of the flow down concept described in the Uniform Guidance. See *Uniform guidance*, Section______.1, definition of sub-recipient for the official definition of this term.

supplant

The use of HIDTA or other federal funds by a state or local agency in lieu of state or local funds that have been, or would have been provided, for the same purpose.

supplemental budgets/funding

When awarded, these funds must be tracked separately for each targeted program, with separately reported performance measurements in PMP. Examples include Domestic Highway Enforcement (DHE), National Marijuana Initiative (NMI), Prescription Drug Project (PDP), and others.

T

task force A group of law enforcement and investigative people who work

together to carry out an initiative. Task force members remain

employees of their respective agencies.

task force commander or

supervisor

The leader of task force operations; may also be referred to as an initiative commander or supervisor.

Threat Assessment A strategic document that examines the propensity for violence or

criminality or the possible occurrence of a criminal activity in a certain time or place and focuses on drug and money laundering organizations and their communication, the movement of drugs or

money, the environment, transportation, and security issues.

transfer of funds

To move funds from one federal account at the U.S. Treasury to another (e.g., from ONDCP to DEA to transfer awarded HIDTA funds).

W

WebPMP

A software program developed by Washington/Baltimore HIDTA for the purpose of recording data for HIDTA's performance management process (PMP). The term WebPMP distinguishes the software from the process itself, PMP.

Suggestions from the Reader

We want to hear from you. In the space below, please list your suggestions for improvement of the training program and the training materials. Email this form to:

Vikki Wells Training Manager National HIDTA Assistance Center Email: wellsv@nhac.org

Participant Guide

Page	Suggestion or Correction Needed
Quick Referen	ce Cards, Wall Charts, and Other Class Materials
Document	Suggestion or Correction Needed

Best Practices to Share With Others

Topic	Best Practice	
		_
Other Materials or	Training Needed	
Describe the materia	s or additional training needed.	
		_