Introduction to OSBM Administered Grants – Guidance for Grant Recipients

NC Office of State Budget and Management

December 7, 2023

Integrity   Innovation   Teamwork   Excellence

- Introduction to OSBM
- Step-by-Step through the Process to Receive State Funds
- Funding Types
- Resources
- Q&A Session

- OSBM is the primary fiscal advisor to the Governor of North Carolina
- We prepare and recommend the Governor's budget
- We administer the budget passed by the General Assembly

Our Mission

To professionally serve North Carolinians by providing objective information and analysis to ensure a balanced budget and effective stewardship of public resources

- **State Appropriations Act has two pieces**
  - The Bill
  - The Committee Report

- Plus, any other ratified bills that **modify the Act**

- **2023**

  - S.L. 2023-134: 2023 Current Operations Appropriations Act

1. **Realize You Received Grant/Determine Which Grants You Have**
2. Submit Required Documentation
3. Negotiate & Sign Grant Agreement (Contract)
4. Receive Funds
5. Conduct Work & Report

OSBM Grants Management team reaches out to notify you of your grant and requests the required documents.

Custom Upload link is provided to securely submit required documents

- If you did not receive an email or Custom Upload Link, please email NCGrants@osbm.nc.gov

Please submit the required forms using your grant's secure upload link:
https://bit.ly/OSBMUnionCo

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Required Documentation

1. ## Substitute W-9
   - Do not upload a standard W-9 form

2. ## Electronic Payment/Vendor Verification Form
   - Includes submitting cancelled check or other banking documentation
   - Need to be able to account for each state grant separate from all other funding sources
     - Some smaller entities open a separate bank account to ensure this

3. ## Conflict of Interest Policy
   - Here is a sample policy you can download and use if your organization does not have one.

4. ## No Overdue Tax Debts: Sworn Statement
   - Signed by **two** representatives and notarized

5. ## Scope of Work
   - outlining what will be accomplished with grant funds

*Each organization only needs to submit 1 document for the first 4 required documents. The Scope of Work is the only document you will need to submit for each grant.

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What goes in a Grant Agreement (Contract)?

- Grant Agreements via DocuSign

  - Once all legislatively required documents are submitted and approved by the OSBM Grant Team, your Grant Administrator will reach out to request the following information for your grant's Contract Signer:
    - Name
    - Title
    - Email
    - Phone Number
    - Fiscal Year End Month

  - The contract includes the effective term, recipient and agency duties, funds management and reporting requirements.

Special Items to Remember

Directed grants are for nonsectarian, nonreligious purposes only

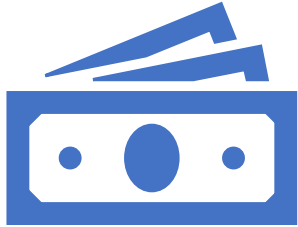State funds for any one employee of a nonprofit are capped at $140,000.00

Directed Grant/General Fund Grants - shall not revert until October 3, 2025

State Capital and Infrastructure (SCIF) Grants do not revert
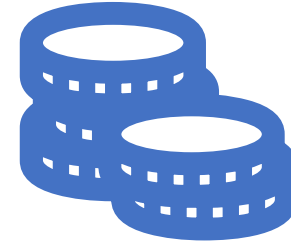
Funding Sources

General Fund (GF) Grants:

FY23-24 – Funds Revert October 3, 2025

FY24-25 – Funds Revert June 30, 2026

- Regional Economic Development Reserve
- GF (General Fund)
- GF – Recurring (General Fund, Recurring)
- Shallow Draft Fund
- Water Infrastructure Fund
- SFRF Reserve

State Capital Infrastructure Fund (SCIF) Grants:

Funds do not revert

- SCIF
- ARPA Temporary Savings Fund
- SCIF – IT Reserve

Two easy ways to determine your grant's funding source:

1. *Refer to the initial notification email:*

   Grantee Legal Name: American Town Inc.
   Grant Amount (FY23-24): $300,000.00
   Grant ID: 10001
   Grant Funding Source: GF – Directed Grant - Regional Economic Development Reserve
   Grant Description:
       Provides a directed grant to the Town of Bunn for capital improvements or equipment at town hall.

2. *Review our online grant database:*

   Database of Directed Grants

OSBM created a **Directed Grants database**

- Information deemed reliable but not guaranteed

https://www.osbm.nc.gov/directed-grants-database

OSBM Database of Directed Grants

Show [100 ▼] entries   Search: [city of eden]

County	Organization Receiving Funding	Administering Agency	Agency Contact	S.L. 2023-134 Section	Item #	FY2023-24	FY2024-25
Rockingham (+)	Eden, City of	DEQ	cathy.akroyd@deq.nc.gov	S.L. 2023-134, Sec 12.2(e)	P 365	$7,000,000	$-
Rockingham (−)	City of Eden	OSBM	ncgrants@osbm.nc.gov	S.L. 2023-134, Sec. 2.2	F 51, Item 179	$1,000,000	$-

Source of Funds Regional Economic Development Reserve

General Fund (GF) Grant: Grant Funds revert October 3, 2025.

    -NOT SCIF or ARPA

State Capital Infrastructure (SCIF) Grant: Funds do NOT revert.

    -SCIF or ARPA Temporary Savings

- ARPA Temporary Savings Fund

  - Funds are not immediately available
    - Medicaid Expansion began December 1, 2023, enabling North Carolina to receive an additional 5% federal medical assistance percentage (FMAP) for 2 years beginning retroactively from October 1, 2023. SL 2023-7 established the ARPA Temporary Savings Fund as a special fund consisting of the General Fund savings realized by Medicaid as a result of additional federal receipts arising from the enhanced FMAP available to the state under section 9814 of the American Rescue Plan Act of 2021.

  - Funds will be disbursed in the order prescribed by legislation
    - For FY 2023-24, the General Assembly identified 14 projects to receive funding from the ARPA Temporary Savings Fund (TSF) first. After those 14 projects are disbursed in the order prescribed in session law, DHHS will transfer funds for non-State Capital Infrastructure Fund (SCIF) allocations first in order of least to most, followed by SCIF allocations in order of least to most.
    - DHHS will transfer funds in one lump sum amount to each agency charged with disbursing money for these projects. For your convenience, we have provided an anticipated disbursement schedule. This is merely an estimate. Funds will not be transferred until they are available. Funding may be available either before or after the anticipated disbursement in the schedule.

- Grant Funds should be used for the purposes for which they were intended and can be found in your Grant Description

- Capital improvement - A term that includes real property acquisition, new construction or rehabilitation of existing facilities, and repairs and renovations.

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Funding Notes

- Grant funds should not be co-mingled with your organization's general funds or any other source of funds. You will need to track and report on all grant funds separately from all other funds. If your accounting software is not set up to separate grant funds, you should deposit the grant fund into a new bank account. If your organization has more than one Directed Grant, each grant needs its own account. (internal transfer)

- Grantees can keep interest earned but must use for same purpose as grant (G.S. 143C-6-23.(j))

- Cost of allowable audits can be charged to grant (09 NCAC 03M.0205)

- State agencies are responsible for checking the **State's Suspension of Funding List** and, if necessary, recipients must address any outstanding requirements prior to fund disbursement

- Current Recipients of Grants Administered by OSBM must be in good standing and have submitted all required reporting information prior to receiving any additional grant funds

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Three Levels of Reporting*

- Level I – $25,000 or less
  - Certification that funds received, or held, was used for the purposes for which it was awarded
  - Accounting of all funds received, held, used, or expended
- Level II – greater than $25,000 but less than $500,000
  - All reporting requirements for Level I grantees
  - Report on **activities and accomplishments undertaken** by the recipient, including reporting on any **performance measures** established in the contract
- Level III – equal to or greater than $500,000
  - All reporting requirements for Level I and Level II grantees
  - A single or program-specific **audit** prepared in accordance with Generally Accepted Government Auditing Standards, also known as the Yellow Book

Depending on the source of funds, there may be additional federal reporting requirements that must be complied with.

Recipient Reporting Frequency

Once you receive your funds, you are responsible for submitting:

Quarterly Performance Reports

- Required starting the quarter you received your funds.
- Must submit to provide an update on the project, regardless of whether or not funds have been spent.

Expense Reporting

Audits must be provided no later than nine months after the grantee's fiscal year end

Only required if your organization is a Level III (received, held, or expended $500,000 or more in total state funds within its fiscal year)

Reporting Deadlines:
April 10 for expenditures made January 1 – March 31
July 10 for expenditures made April 1 – June 30
October 10 for expenditures made July 1 – September 30
January 10 for expenditures made October 1 – December 31

Questions

Website:
https://www.osbm.nc.gov/stewardship-services/directed-grants/osbm-administered-grants

OSBM Administered Grants:

NCGrants@osbm.nc.gov

OSBM
OFFICE OF STATE BUDGET
AND MANAGEMENT

Frequently asked questions during the Q&A:

1. **Will this webinar be recorded?**
   - *Yes, it will be on our website, along with a copy of the slide deck. Our website has a lot of information, including FAQs, required documents, and webinar recordings:*
     - *https://www.osbm.nc.gov/stewardship-services/directed-grants/osbm-administered-grants*

2. **When will funds be disbursed?**
   - Once all 5 statutorily required documents are submitted and approved and your grant contract has been signed.

3. **Can I use my grant funds for expenses and projects that have already occurred?**
   - Yes, your state grant funds may reimburse for project expenses that were paid on or after the fiscal year in which your funds were appropriated.
   - To apply your grant funds to any project expenses, they should be paid no earlier than the start of the state fiscal year for which the grant funds were awarded. State fiscal years begin on July 1.

4. **When do I have to spend my funds by:**
   - **Directed/General Fund grants:** If funds were appropriated in the first biennium (FY23-24), then all non-expended funds revert on October 3, 2025. If funds were appropriated in second biennium (FY24-25), then all non-expended grant funds revert on June 30, 2026
   - **State Capital and Infrastructure (SCIF) grants:** S.L. 2023-134, sec. 40.7.(3) states that SCIF Grant funds "shall not revert until expended or the particular project has been completed." That said, grant agreements will have a termination date that can be extended as needed.