Library of Michigan
Library Services & Technology Act (LSTA)

COLLABORATIVE LIBRARY SERVICES GRANT PROGRAM

GRANT ADMINISTRATION INFORMATION

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I. INTRODUCTION

This handbook contains guidelines for administering your LSTA grant, including guidance on reimbursement policies, procedures and documentation, reporting requirements, project revisions, and records retention. Grantees should carefully follow the guidelines to ensure a successful project. The handbook can be useful for everyone involved in project activities and administration. The handbook is available online at www.michigan.gov/lsta.

For further information, all federally funded grants are issued under the authority of the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. This Uniform Grant Guidance (UGG) applies to the use of LSTA funds and grantees should look to the UGG for direction on grant management and fiscal policy.

This grant is funded under the Library Services and Technology Act (LSTA), which is administered at the federal level by the Institute of Museum and Library Services (IMLS). LSTA funds are distributed under Catalog of Federal Domestic Assistance (CFDA) number 45.310.

The Library of Michigan administers the grant program in Michigan and is responsible for developing a statewide plan for service within the federal guidelines. The current Library of Michigan plan is the *Library Services and Technology Act Five-Year Plan for Michigan, October 1, 2017 - September 30, 2022,* available at www.michigan.gov/lsta.

II. TIMELINE

Award Announcement Letters	August
Grant Agreements Executed	August
Grant Administration Training	September
Grant Contract Start	October 1st
Quarterly Project Reports Due	Last Business Day of December, March, June, & September
Quarterly Reimbursement Requests Due	Last Business Day of December, March, June, & September
Project Revision Due (Optional)	No later than last business day of April
Grant Activities Complete	September 30th
Final Reimbursement Request Due	Last Business Day of September
- Grant Expenditures Complete	Last Business Day of August

Final Project Report Due	Last Business Day of October

III. AWARD PROCESS

Award Letters: The State Superintendent will send a letter and Grant Award Notice to announce the award of an LSTA grant. Project spending must not occur until after the start date of the Grant Award Notice.

Grant Administration Meeting: Each grant recipient will be required to attend a grant administration meeting. The meeting will provide project management information for effective LSTA grant administration. **The grant administrator must attend the meeting to maintain grant eligibility**. Library directors, fiscal agents, or others involved in the project are encouraged to attend as well. Exceptions to the attendance requirement must receive prior approval from the Library Grants Coordinator.

Grant Certifications: The Library of Michigan accepts the signed grant documentation included in the submitted grant application as agreement to abide by the federal terms & conditions.

Forms: All forms needed to administer the LSTA grant will be explained at the Grant Administration workshop. Forms are submitted online in the grant site https://www.grantrequest.com/SID_5829?SA=AM. Most are online forms and the remainder are available at www.michigan.gov/lsta in the Collaborative Library Service grant program section and are then submitted in the online grant site.

IV. GENERAL ADMINISTRATION GUIDELINES

- Grantees are STRONGLY encouraged to begin their project as soon as possible after the start date in the Grant Award Notice.

- All LSTA project activities must occur within the grant period identified in the grant award letter. Project costs and obligations incurred or paid prior to or after the expenditure period in the grant agreement will not be reimbursed. The expenditure period is in the Grant Award Notice.

- Grantees may not charge for the use of materials or equipment acquired with LSTA funds during the grant period. After the close of the grant, fees are a matter of local policy.

- Grantees must notify the Library of Michigan of any changes in the key personnel, i.e. grant administrator, authorized official, board chairperson or fiscal agent, by notifying the Library Grants Coordinator in writing. This may be via email, but the grantee is responsible for ensuring the receipt of the information.

- When issuing statements, press releases, requests for proposals, bid solicitations, handouts, printed promotional materials, web sites, social media posts, etc. describing projects or programs funded in whole or in part with federal money, all grantees MUST include the IMLS logo and credit statement or hashtag. The credit statement is "This project is funded (in part) with a Library Services and Technology Act grant from the Institute of Museum and Library Services administered by the Library of Michigan." You can find logo files and detailed instructions in the IMLS Acknowledgement Requirements.

- If the authorized official fails to respond to a request for information, the Library of Michigan may contact the Board Chairperson or Director to obtain information and to prevent the lapse of federal funds.

- The State Librarian must approve any exceptions to the grant administration policies and procedures.

- All forms and reports are submitted online in the grant site https://www.grantrequest.com/SID_5829?SA=AM. Any uploaded documents must be PDF documents and the file name must be *Grantee Name-Document Name-Date.pdf.* The grantee is responsible for ensuring they can receive email notices from the grant system.

- Grantees receiving more than $25,000 of LSTA funds in a given federal fiscal year **MUST** maintain a DUNS number throughout the award period. For more information, see DUNS and FFATA in the glossary on page 20 and 21.

- Grant Management Red Flags – Grantees should take care to manage the grant project appropriately. Some red flags for funders and auditors include:

    - Unwritten rules
    - Written rules that are not implemented
    - Inconsistent time and effort tracking for salaries
    - Lack of competitive pricing for supplies and equipment
    - Lack of an appropriate bid processes
    - Conflicts of interest
    - Lack of documentation for programmatic or financial activities
    - Unexplained expenses
    - Grant funded resources (supplies, equipment, staff) used for non-grant purposes.

- Procurement and bidding – Grantees must follow the federal guidelines from the UGG for procurement and bidding, which are 200.317 through 200.326 in the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.

- Multi-year budgets – If your grant is two or three years, you are limited to the budget amount requested in each year, even if you do not spend all the funds from a previous

year. You may request a budget revision to move unspent funds from one fiscal year to another, but approval is contingent on the availability of LSTA funds that fiscal year. Note that funds availability in year two and three of a grant depends on the Library of Michigan receiving federal LSTA funding.

- The Library of Michigan encourages grantees to expend ALL granted funds. If a grantee has less expenditures than anticipated, please contact the Library of Michigan to discuss a budget revision.

V. REIMBURSEMENT POLICIES AND PROCEDURES

Reimbursement Policies:

Funds are available to grantees on a reimbursement basis ONLY. The Library of Michigan will reimburse the grantee when:

- The grantee has **received** the goods and/or services; and
- the grantee has **paid** for the goods and/or services; and
- the grantee submits the *Reimbursement Request* form with supporting documentation **showing itemized purchases and payment made** to the Library of Michigan online at https://www.grantrequest.com/SID_5829?SA=AM.

Approved Costs: Funds must be expended solely for the purposes described in the budget of the approved grant project proposal or project revision. If the grantee purchases items not specifically detailed in the grant proposal budget, the grantee runs the risk of covering those expenditures with local funds. Submit project and budget revision requests prior to modifying activities or purchases to ensure approval and reimbursement. The Library of Michigan retains the right to deny reimbursement for items or activities that are not described sufficiently in the initial grant proposal or subsequent approved revision requests.

Indirect Costs: An indirect cost is a grantee's incurred costs that cannot be readily isolated or identified, commonly referred to as overhead. If the approved final budget for the grant project included indirect costs, the grantee can be reimbursed for those. However, calculating the rate and what direct costs to which the rate can be applied can be complex. Please refer to the IMLS Indirect Costs documentation at https://www.imls.gov/grants/apply-grant/fy15nofolinks#indirect before requesting reimbursement for indirect costs.

Printed Items: Include a complete sample of promotional materials with your Reimbursement Request when those costs are claimed as part of the grant. The following statement and the IMLS logo must be included on all printed promotional materials funded by LSTA dollars and in publicity such as web sites, social media posts, press releases, etc. about the LSTA project. The statement must also be placed on equipment purchased with LSTA funds. See page 5 for more detail on crediting IMLS.

"This project is funded with a Library Services and Technology Act grant from the Institute

of Museum and Library Services administered by the Library of Michigan."

Professional Services: Grantees may contract for services from individual libraries, library cooperatives, or other entities. Rules regarding reimbursement vary depending upon the type of service provider. The grantee is responsible for following local procurement requirements for professional services. In cases in which a contract is used, the contract must be executed in a time frame that will allow completion of the professional services during the grant period. Reimbursement request documentation must be in the form of an invoice on the letterhead of the service provider. Travel costs must be documented separately on the Travel Reimbursement form.

Professional services to be provided by another organization must be documented to reflect an arms-length transaction. Invoices submitted for reimbursement must be on the letterhead of the service provider, list the dates when the services were performed, and include a description of both the services and charges for the services. The service dates must be within the grant period.

Travel Reimbursement: The grantee may incur travel costs, including meals, only when they are in direct support of project objectives and are incurred by a grantee employee. Mileage requests require a beginning and ending destination city, as well as the purpose of the travel. Expenses for lodging must be supported by dated receipts. Travel related expenses must be approved in the initial grant proposal or subsequent revision requests.

Travel costs are limited to rates established by the U.S. General Services Administration that are in effect at the time the expense is incurred. These rates change periodically. The current rates are available at http://www.gsa.gov. The Travel Reimbursement form must be used to document travel reimbursement requests for staff. It must be clear what the purpose of the travel was, and which staff member traveled.

Unallowable Costs: The following items are examples of costs that are not allowable under federal rules and as such, are not eligible for reimbursement. This is not an exhaustive list. Allowable costs are addressed in 2 CFR 200, Subpart E, Cost Principles - Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. **If you are uncertain of whether a cost is allowable, please contact the Library of Michigan Library Grants Coordinator.**

- Performers or entertainers;
- food and beverages as part of programs or events;
- advertising not directly related to the LSTA project;
- collection development purchases not directly related to grant goals or integral to the grant program;
- construction, renovation, or repairs, including fixtures, for either buildings or vehicles;
- lobbying of any kind;
- transportation or travel for program participants or non-grant funded personnel;

- databases currently offered or similar to ones offered by the Library of Michigan;
- equipment or technology not specifically needed for the grant activities;
- awards, honoraria, prizes or gifts;
- souvenirs or promotional items;
- costs incurred outside the grant period. Note that you may not request funds for planning that happens BEFORE the grant period or for any activities after the grant period.

Reimbursement Procedures:

The Library of Michigan will process reimbursement requests on request. Grantees must submit reimbursement requests **at least** quarterly. Requests must be submitted correctly with the appropriate documentation to be eligible for reimbursement.

The Library of Michigan must receive the final completed Reimbursement Request form, including all documentation, no later than September 30th. To allow for time to get proof of payment documentation, grant expenditures must be complete no later than August 30th. Salaries are the only exception to this rule.

Reimbursement form: Reimbursement requests for expenses incurred for the project must be submitted online. This form summarizes the project expenditures for which reimbursement is being requested. If the Library of Michigan's review of the form determines that information is missing, the reimbursement request may need to be resubmitted, in part or in its entirety. The Library of Michigan will notify the grantee in writing if the reimbursement request needs to be resubmitted.

When complete documentation is received with the reimbursement request, the Library of Michigan will process a payment promptly. The grantee should keep a record of the request after payment has been received from the Michigan Department of Treasury, to identify the source of funding in case of audit.

Documentation must accompany the reimbursement request. A legible copy of the **receipt** documenting each service or purchase listed in the reimbursement form is required. The Library of Michigan will give reimbursement only for services and purchases that occur within the expenditure period. Receipts must be dated, and they must be itemized, e.g. include the quantity, unit cost, and clear descriptions of the goods and/or services provided. Invoices that include the above information are acceptable when the vendor does not provide a receipt if accompanied with an accounts payable printout, or a copy of check or credit card statement showing the vendor name and amount from the invoice. An order form or invoice is NOT documentation of payment by the grantee. Please see the forms listed below for possible additional documentation requirements.

Documentation Forms: The following forms are required documentation to accompany the

Reimbursement Request when 1) staff wages, 2) travel expenses, or 3) equipment with a per-unit cost of $5,000 or more are listed for reimbursement. The grantee must fill out documentation forms completely.

Timekeeping Report: Grantees must include this form for reimbursement of staff time for activities (Time & Effort) that are done by individuals who are on the library's regular payroll and are specified in the approved project proposal. A separate form must be used for each LSTA-funded library employee to claim reimbursement for wages. You must document wage rates AND fringe benefit rates by providing copy of the approved wage scale or similar Board approved or contract documentation with your first timekeeping report.

Library employee wages are allowable only when:

1. The employee is on the library's payroll;
2. The functions supplement, not supplant activities normally carried out by the library;
3. The wage is appropriate and reasonable for the LSTA activity; and
4. The functions are allowed under the LSTA program guidelines.

Staff time documentation must be a) tracked at least monthly, b) account for all time worked, including non-grant time, c) coincide with pay periods, d) be an after the fact record of actual hours worked, and e) be signed by the employee. The timekeeping form shows hours worked, both LSTA and non-LSTA funded. LSTA hours are multiplied by the pay rate and recorded in the lower right-hand section of the timekeeping report. The number of hours recorded on these reports must tally with the number of hours for which reimbursement is requested. The employee and the supervisor must sign and date all reports submitted to the Library of Michigan for reimbursement.

NOTE: If a staff person is hired for the grant project and is fully funded by the grant, they CANNOT be assigned other work.

Travel Reimbursement: Grantees must include this form as documentation for travel, meals and lodging of staff members listed as participating in grant activities. Travel, meals and lodging are allowable costs when incurred in direct support of project objectives. Travel related expenses must be approved in the initial grant proposal or subsequent revision requests. See allowable travel rates at www.gsa.gov/.

***Equipment Inventory*:** Grantees must use this form to document all tangible, non- expendable personal property with a useful life of more than one year and an acquisition per-unit cost of $5,000 or more. Unless already approved as part of the grant application, the grantee must have prior written approval from the Library of Michigan for purchases of equipment with per-unit costs of $5,000 or more. The completed form must include:

1. A description of the equipment, including the manufacturer's model and serial number;
2. Acquisition cost (net invoice price of the equipment, including the cost of installation,

transportation, testing and similar preparatory costs, modifications, attachments, accessories, or auxiliary apparatus necessary to make the equipment usable for the purpose for which it was acquired);

3. Vendor from which the equipment was purchased;
4. Date equipment was received by the grantee;
5. Location of the equipment in the grantee;
6. Federal share of the cost (percentage of acquisition cost paid by LSTA funds);
7. Information on whether the equipment purchased is used by patrons and/or grantee personnel;
8. Any final data such as information on transfer or disposition of the equipment. List the date, sale price, or method used to determine fair market value, when applicable. See Section X for more information.

Equipment purchased with grant funds is subject to federal regulations (2 CFR 200) and state guidelines.

VI. PROJECT REVISIONS

Prior written approval is required for programmatic or budget changes. Specifically, major changes made to your project from those stated in the original proposal or an earlier revision must be submitted in writing on the *Grant Project Revision* form. Changes must be approved prior to being made. A project revision is required if:

- Cumulative adjustments to approved activities result in a budget shift of 10 percent or more of the grant award in total or within a budget category;

- or the overall scope and specific objectives of the project change.

- If you want to move unspent funds from one year of the grant budget to another year of the grant budget. You may request a budget revision to move funds from one fiscal year to another, but approval is contingent on the availability of additional LSTA funds that fiscal year.

NOTE: Grant awards cannot be increased.

If a grantee is uncertain whether a revision is necessary in their situation, please contact the Library of Michigan's Library Grants Coordinator for assistance.

Project Revision Procedure:

To request approval for a project revision, the grantee must submit a *Grant Project Revision* form. Please contact the Library of Michigan to request a revision form as soon as it becomes clear the project must be changed. If the grantee carries out the project revision before receiving approval from the Library of Michigan, the grantee runs the risk of covering those expenditures

with local funds.

The completed revision form should:

- Describe the proposed project revision and explain how the revision relates to the goals and activities of the approved project; and
- Clearly show the changes to all project activities and budget that are affected by the revision; and
- Include a revised budget.

Project revision forms must be filed no later than the last business day of April.

VII. EVALUATION

As part of the evaluation for the project, grantees need to include the following questions for program participants both during the project and at the end of the project, as is appropriate based on the evaluation plan submitted in the grant application.

Does your project include instruction for library staff, volunteers or trustees? If yes, you must do an evaluation survey that includes the following questions. The preferred time to collect the information is at the end of the instruction program.

1. I learned something by participating in this library activity.
2. I feel more confident about what I just learned.
3. I intend to apply what I just learned.
4. Applying what I learned will help improve library services to the public.

Does your project include purchasing or creating content for libraries? If yes, you must do an evaluation survey that includes the following questions. The preferred time to collect the information is six months after the materials have been in use.

1. I am satisfied that the resource is meeting library needs.
2. Applying the resource will help improve library services to the public.

Does your project include instruction for the public? If yes, you must do an evaluation survey that includes the following questions. The preferred time to collect the information is at the end of the instruction program.

1. I learned something by participating in this library activity.
2. I feel more confident about what I just learned.
3. I intend to apply what I just learned.
4. I am more aware of resources and services provided by the library.
5. I am more likely to use other library services and resources.

For all questions, use the following scale:

1. Strongly Agree
2. Agree
3. Neutral
4. Disagree
5. Strongly Disagree

As part of your final report, you will be required to report the survey results for each training that took place or each content resource. The following information must be tallied and listed in your report for each evaluation done:

1. Total number of surveys distributed
2. Total number of surveys completed
3. Total number of survey responses for each option on the question scale (SA, A, N, D, SD, NR – No response)

VIII. REPORTS

Grantees are required to file quarterly reports and a final narrative report throughout the grant period. Reports are filed online in the grant site at https://www.grantrequest.com/SID_5829?SA=AM.

Quarterly Reports: These are brief updates on the project progress and give the Library of Michigan information on project expenditures and progress on project objectives. The information is required for federal and state reporting. The Library Grants Coordinator also reviews the quarterly reports to see if grantees need assistance to avoid issues with the grant.

Quarterly Report Deadlines:

Last Business Day of December, March, June, & September

Final Narrative Report: This report is a detailed analysis of the results of the project and provides the Library Grants Coordinator the information needed to file the annual LSTA Report with the Institute of Museum and Library Services. The report must include a complete evaluation of the achievement of the project objectives, the successes and failures of the project, and the impact of the project on the individuals and communities the library serves. The grantee may find it useful during the project to maintain a file of anecdotes, quotes and comments to include in the final report. An evaluation must be included and the use of outcomes based evaluation (OBE) is required. OBE frequently requires pre-testing so you may need to start your evaluation process early. Include a copy of promotional and training materials with the written report. Please review the final narrative report questions early in the grant period to assist in the collection of appropriate data.

Deadline: Last business day of October.

Failure to submit a complete final narrative report may result in disqualification for future grant awards. The grant recipient will be returned to eligible status after a waiting period of 12 months from the date on which the grant was accepted as satisfactorily completed by the Library of Michigan.

IX. FORMS

LSTA Forms: A sample of each form described below will be provided to you, either at the online grant site or on the LSTA web site. Forms may be reproduced as necessary. All forms must be completed in their entirety. All attachments to an online form are submitted as a PDF document. The file name format must be *Grantee Name-Document Name-Date.pdf*.

Reimbursement Forms:

***Reimbursement Request*:** This online form is required for all reimbursements. The final reimbursement request must be submitted no later than 30 days after the end of your grant period.

Timekeeping Report: This form is required documentation for all reimbursement requests of staff wages paid for project activities. Record hours in blocks of time, e.g. 3.5 hours. Total time listed on the report should match the time requested for reimbursement on the reimbursement request.

Travel Reimbursement: This form is required documentation for travel expenses in direct support of project objectives by staff. Mileage requests require a beginning and ending destination city, as well as the purpose of the travel. Expenses for lodging must be supported by dated receipts. Travel related expenses must be approved in the initial grant proposal or subsequent revision requests and will be reimbursed at federal rates.

Equipment Inventory: This form is required documentation for reimbursement for purchases of equipment with a per-unit cost of $5,000 or more. At a minimum, a physical inventory of the property must be taken and the results reconciled with the property records at least once every two years. A copy of the inventory must be submitted to the Library of Michigan on the *Equipment Inventory* form. This must be done through the grant period AND until the property value is less than $5,000.

Other Forms:

Project Revision: The online project revision form must include a detailed description of the proposed project changes. If the revisions change the Approved Final Budget or any of the project objectives, these must be explained fully in the project revision form. All project revision forms must be submitted no later than the last business day of March of the first year of the grant.

X. SITE VISITS

As part of the administration of the LSTA program, the Library of Michigan is required to conduct site visits. The site visits are to confirm the grant recipients have complied with the proper procedures and requirements for use of the federal funds. Grantees and the Library of Michigan staff will select a mutually acceptable date for the site visit.

Grantees will be provided with a copy of the questions to be asked and a list of materials the site visit team will need to review. The Library of Michigan will complete a site visit report and a copy will be provided to the grantee.

XI. PROPERTY AND SERVICES PROCUREMENT

All goods and services purchased with federal funds must conform to applicable federal laws and standards (2 CFR 200.320). All procurement transactions must be conducted in a manner providing for full and open competition. Procurement by small purchase is a relatively simple and informal method of securing services, supplies, or property that cost no more than $150,000. If small purchase procurement is used, price and rate quotations should be obtained from an adequate number of qualified sources. The grantee must retain sufficient records to detail the procurement method used. These records should include, but are not limited to, the following: rationale for the method of procurement; selection of contract type; contract selection or rejection; and basis for the contract price.

XII. OWNERSHIP OF FEDERALLY FUNDED EQUIPMENT AND SUPPLIES

Title: Title to equipment and property acquired with LSTA grant funds vests with the grantee subject to the condition that the grantee shall use the property for the authorized purpose of the project if it is needed and, at minimum, throughout the grant period.

Use: Equipment shall be used by the grantee in the program or project for which it was acquired if needed, whether the project or program continues to be supported by federal funds or not. When no longer needed for the original program or project, the equipment may be used in other activities currently or previously supported with federal funds, regardless of purchase cost or current value.

Managing Equipment: Local procedures for managing equipment must, at a minimum, adhere to the following requirements:

1. Property records must be maintained. Such records must include: a description of the property; a serial number or other identification number; the source of the property; title holder; the acquisition date; the cost of the property; percentage of federal participation on the cost of the property; the location, use and condition of the property; and any ultimate disposition data including the date of disposal and sale price of the property.
2. A physical inventory of the property must be taken, and the results reconciled with the

property records at least once every two years. A copy of the inventory must be submitted to the Library of Michigan on the *Equipment Inventory* form. This must be done until the property value is less than $5,000, even if this is after the grant period.

3. A control system must be developed to ensure adequate safeguards to prevent loss, damage, or theft of the property. Any loss, damage, or theft must be investigated and documented.
4. Adequate maintenance procedures must be developed to keep the property in good condition.
5. Proper sales procedures must be established to ensure the highest possible return if the grant recipient is authorized or required to sell the property. Grant recipients assume any expenses incurred from selling LSTA funded equipment. There is no provision for using any of the sale proceeds to cover expenses.

Disposition: Disposition includes, but is not limited to selling, loaning, exchanging, trading in, transferring, donating, destroying, or using the equipment for purposes other than supporting the authorized LSTA project. Disposition reduces a grantee's control of the LSTA funded equipment.

For equipment with a fair market value of $5,000 or more, the grantee may retain or sell the equipment and the federal government shall have a right to an amount calculated by multiplying the current market value or proceeds from the sale by the federal government's participation in the cost of the original project. This amount is payable to the Library of Michigan as the administrative agency for the LSTA grant. All disposition of such equipment must have prior written approval from the Library of Michigan.

For equipment with a fair market value of less than $5,000, the grantee may retain, sell or otherwise dispose of the equipment with no further financial obligation to the federal government. If the item was reported on an *Equipment Inventory* form, notice of such disposition must be reported at the time the Library of Michigan conducts an equipment inventory.

Replacement: When acquiring replacement equipment, the grantee may use the equipment to be replaced as a trade-in, or sell the property and use the proceeds to offset the cost of the replacement property, subject to prior approval by the Library of Michigan.

Fair market value: Fair market value is the estimated, appraised value that could be received for an asset in a transaction with a neutral party in an open market. It is the price for which the asset could be sold in an arms-length transaction between unrelated parties.

XIII. COPYRIGHTS

The federal awarding agency reserves a royalty-free, nonexclusive, and irrevocable license to reproduce, publish, or otherwise use for federal or state government purposes, the copyright in any work developed under the grant or contract, or purchased with grant support (2 CFR 200.315).

XIV. SINGLE AUDIT REQUIREMENTS AND COSTS

Audit requirement for recipients of federal aid are established according to 2 CFR 200, Subpart F.

Michigan public libraries are often included in the Single Audit of their units of local government conducted under the state Uniform Budgeting and Accounting Act. Any grantee that is not included in a Single Audit of a local government unit under the Uniform Budgeting and Accounting Act shall contract with an independent auditor to conduct a Single Audit when the grantee expends $750,000 or more of federal funds in the grantee's fiscal year. **This total includes funds received from all federal agencies, not only LSTA.**

If the Single Audit results in findings related to the management of the LSTA award, the grantee must distribute their audit report and financial statements to the Department of Education. For audits that do not meet the $750,000 threshold, the grantee must distribute their audit report and financial statements to the Department of Education only when there is an audit finding in the management of the LSTA funded program. If there are audit findings, the grantee is required to develop and implement a corrective action plan that addresses the findings and recommendations resulting from the audit. The Library of Michigan reviews each grantee's Single Audit report and requires that the grantee provide a Single Audit follow-up for inclusion in the grant file.

Auditors should be informed that payments received from LSTA grant awards are one hundred percent federal flow through dollars under the Catalog of Federal Domestic Assistance (CFDA) 45.310 and are subject to single audit. All auditors shall comply with the Government Auditing Standards when performing these audits. The grantee should submit the Single Audit report to the Library of Michigan as soon as the audit is completed.

Single Audit costs are allowable charges to LSTA grants only when a Single Audit is required due to LSTA funds expended. Single Audit costs must be included in the approved grant proposal if reimbursement will be requested.

The allowable amount of reimbursement for Single Audit charges may be calculated as a percentage of the total Single Audit expense. This expense should not exceed the percentage of LSTA funds in relation to the fiscal agency's total federal funds audited.
The percentage can be different if cost documentation demonstrates higher or lower actual Single Audit costs for the LSTA funded projects.

The Library of Michigan is responsible for ensuring compliance with federal requirements at both the state and grantee levels. Regarding audits, grantees will receive a letter at the end of each year their grant falls under (October 1st to September 30th) to confirm if a Single Audit was required and if so, the status of their Single Audit.

Failure to respond to a Library of Michigan request for audit review follow-up or failure to comply with Single Audit requirements will, at a minimum, preclude further participation in

the LSTA program.

XV. RECORDS RETENTION

Grantees are required to maintain records for LSTA funded projects (2 CFR 200.333- 337). All records for each project must be maintained separately from those of other projects. Accounting records should be supported by source documentation such as canceled checks, paid invoices, and payrolls.

Records must be maintained for three years after the date of the final expenditure report or the date on which all other pending matters are closed, whichever is later. Equipment records must be maintained for three years after the disposition of the inventoried equipment. In cases of audit exceptions, records must be maintained until three years after resolution or three years after the date of the final expenditure report, whichever is later.

XVI. APPENDICES

APPENDIX A - CONTACT INFORMATION

All documents and certificates not submitted in the online grant system should be emailed, fax or mailed to:

Library of Michigan
Attention: Library Grants Coordinator
702 W. Kalamazoo Street
P.O. Box 30007
Lansing, MI 48909-7507

Karren Reish, Library Grants Coordinator
reishk@michigan.gov
517-241-0021
517-335-1522 fax

Electronic copies should be sent in pdf format with the file name format of *Grantee Name-Document Name.pdf.* Upload all documents in the online grant site unless otherwise noted.

It is the responsibility of the grantee to submit required forms and documentation and confirm receipt at the Library of Michigan by the applicable deadlines.

APPENDIX B - GLOSSARY

Arms-length transaction: When the buyers and sellers of a product act independently of each other and have no relationship to each other.

Audit: Any unbiased examination and opinion of the financial statements of an organization in a given fiscal year. Any political entity that receives more than $500,000 total in federal funds from all sources is required to have an audit that meets the requirements of federal regulations in 2 CFR 200 - Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.

Audit Finding: Any exception to generally accepted audit standards found in the financial statements of the audited institution. Grantees are required to notify the Library of Michigan of any audit findings related to an LSTA funded program and to develop and implement a corrective action plan that addresses the findings and recommendations resulting from the audit.

Authorized Official: The person authorized to sign legally binding documents for the institution and who will be addressed in communications from the Library of Michigan.

Board Chairperson: This individual represents the board if the organization reports to a board. If the organization does not report to a board, the Authorized Official is the highest-level official who can authorize the library's participation in the LSTA project. In either case, this person is authorized to sign contracts and legal documents on behalf of the organization.

Catalog of Federal Domestic Assistance (CFDA): CFDA 45.310 applies to Library Services and Technology Act funding to State Library Administrative Agencies. See www.cfda.gov/ for more information.

CFR: Code of Federal Regulations. Library Services and Technology Act grant funds are administered under the requirements of 2 CFR 200 See www.ecfr.gov/ for more information.

CIPA: The Children's Internet Protection Act restricts the use of funding that is available through the Library Services and Technology Act. These restrictions take the form of requirements for Internet safety policies and technology filters for public and school libraries that use LSTA funds to purchase computers used to access the Internet or to pay for direct costs associated with accessing the Internet.

DUNS Number: The Data Universal Numbering System or D-U-N-S® Number is Dun & Bradstreet's copyrighted, proprietary means of identifying business entities on a location-specific basis. The D-U-N-S® Number is widely used by both commercial and

federal entities and was adopted as the standard business identifier for federal electronic commerce in October 1994. A DUNS number may be obtained at 866-705- 5711 or https://fedgov.dnb.com/webform.

Equipment: For the purpose of federal grants, equipment is any tangible item with a purchase price of $5,000 or more. Equipment inventory forms must be used for reimbursement of equipment purchases.

Expenditure Period: The period identified in the grant agreement during which project costs and obligations must be incurred, which is from when the signed agreement is received to the last business day of June in the year ending your grant period.

FFATA: Federal Funding Accountability and Transparency Act - The **FFATA** Subaward Reporting System (FSRS) is the reporting tool Federal prime awardees (i.e. the Library of Michigan) use to capture and report subaward and executive compensation data regarding their first-tier subawards to meet the **FFATA** reporting requirements within 30 days of the award. Subgrantees are required to have a DUNS number and to provide other required information to the Library of Michigan within that 30-day period. A DUNS number may be obtained from Dun & Bradstreet at 866-705-5711 or https://fedgov.dnb.com/webform.

Fiscal Agency: The organization whose bank account the grant funds flow through for the exclusive benefit of the library organization. The LSTA project reimbursement, which is issued by the State of Michigan, is made payable to this organization. In some cases, the fiscal agency may be a parent organization, such as a city, township, county, or school district.

Fiscal Agency's Year End: The end date of the audited period (fiscal year) for the fiscal agency.

Fiscal Agent: The individual employed by the fiscal agency who has access to the financial books and records that pertain to the grant project. The grant administrator and fiscal agent may be the same individual.

Grant Administrator: The grant administrator must be an employee of the grantee library. A grant administrator is generally responsible for completion of the LSTA project application, required forms during the project and the final narrative report at the project's completion. The grant administrator may be the library director or any other staff member assigned to undertake the responsibilities of managing the project. The grant administrator and fiscal agent may be the same individual.

Grant Award: A binding legal document that authorizes the implementation of the proposed project and records the legal obligations of the parties to the agreement. The

grant administrator, the fiscal agent, and the State Librarian as the state administrator of LSTA programs must sign the grant agreement.

Grant Period: The period specified in the award document.

Key Personnel: Grant administrator, fiscal agent, authorized official and board chairperson. The Library Grants Coordinator must be notified in writing if any of the key personnel change during the grant period.

Supplies: For the purpose of federal grants, supplies are any tangible item with a purchase price of less than $5,000.

APPENDIX C

The federal Schedule of Travel Rates & Per Diem Allowances is available at www.gsa.gov.

Use the rates for the location and month the travel occurred. Please contact the Library Grants Coordinator if you have any questions about travel rates and per diem amounts.

APPENDIX D - FORMS

Reimbursement Forms:

- Reimbursement Form - Online
- Timekeeping Report
- Travel Reimbursement
- Equipment Inventory

Reporting Forms:

- Quarterly Report - Online
- Final Narrative Report - Online

Other Forms:

- Project Revision - Online