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**EDWARD BYRNE MEMORIAL JUSTICE ASSISTANCE
GRANT PROGRAM (JAG)**

State Project/Program: BYRNE JUSTICE ASSISTANCE GRANT (BYRNE JAG)

U.S. Department of Justice

Bureau of Justice Assistance

Federal Authorization: Part E of title 1 of the Omnibus Crime Control and Safe Streets Act of 1968 as amended Subpart 1 of such part (42 U.S.C. 3751-3759). Consolidated Appropriations Act, 2008, Public Law 110-161. Public Law 109-162. Title XI, Department of Justice Reauthorization, Subtitle B, Improving the Department of Justice’s Grant Programs, Chapter 1, Assisting Law Enforcement and Criminal Justice Agencies, Section 1111. Merger of Byrne Grant Program and Local Law Enforcement Block Grant Program.

**N.C. Department of Public Safety
Governor’s Crime Commission**

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The auditor should not consider the Supplement to be “safe harbor” for identifying audit procedures to apply in a particular engagement, but the auditor should be prepared to justify departures from the suggested procedures. The auditor can consider the supplement a “safe harbor” for identification of compliance requirements to be tested if the auditor performs reasonable procedures to ensure that the requirements in the Supplement are current. The grantor agency may elect to review audit working papers to determine that audit tests are adequate.

This compliance supplement should be used in conjunction with the OMB 2018 Compliance Supplement which will be issued in the summer. This includes “Part 3 - Compliance Requirements,” for the types that apply, “Part 6 - Internal Control,” and “Part 4 - Agency Program” requirements if the Agency issued guidance for a specific program. The OMB Compliance Supplement is Section A of the State Compliance Supplement.

I. PROGRAM OBJECTIVES

The purpose of the Edward Byrne Memorial Justice Assistance Grant Program, Byrne JAG, is to provide states and units of local government with funds to provide additional personnel, equipment, supplies, contractual support, training, technical assistance, and information systems for criminal justice.

II. PROGRAM PROCEDURES

The awarding Federal agency (DOJ) announces its programs available for funding in the Federal Register. The State submits its Application for Federal Assistance (SF 424) and DOJ reviews the application and approves it with an Award Document (form 4000/2), which provides the grant period, the award amount, and special conditions. The State accepts the award by signing the Award Document and returning it within 45-days from the beginning date of the Award.

The State then announces its programs available for funding every year by November in its “Announcement of Availability of Federal Grant Funds.” All eligible applicants are listed in the “Announcement.” Eligible applicants (Implementing agencies) include local units of government, councils of government, universities or colleges, independent school systems, state agencies, the Eastern Band of Cherokee Indians and non-profit entities. Eligible applicants (Implementing Agencies) then submit a pre-application for a project for review via the Governor’s Crime Commission website at www.ncdps.gov. Once the pre-applications are reviewed and ranked, selected recipients are then notified by April 1st that they are required to submit a full application with additional information for review and complete all necessary revisions as directed. Once a grant project is finally selected for funding, a Grant Award is issued which provides the federal award amount, the grant period, special conditions, etc. The grantee accepts the award by signing the Award Document and returning it within 60-days from the date in which the grant award is mailed. The grant project must be operational within 90-days of the beginning of the grant and so certified by a Notice of Grant Implementation Report.

The Office of Justice Programs Financial Guide and the GCC Grant Award Packet must be used for the administration of this grant.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

The Type of Compliance Requirements can be found in Section B in the link: 2018 Agency Matrix for Federal Programs. This matrix incorporates the OMB Compliance Supplement “Part 2 - Matrix of Compliance Requirement.” A State Agency may have included a Y, even if the compliance requirement normally does not pass to a subrecipient, or an N, indicating that the compliance requirement normally does not apply. However, if specific information comes to the auditor’s attention that provides evidence that a compliance requirement could have a direct and material effect on the major program, the auditor should test it. This should arise infrequently.

A. Activities Allowed or Unallowed

Compliance Requirement

The U.S. Department of Justice, Bureau of Justice Assistance, has specific federally allowable program areas in which to expend their federal funds. The Governor’s Crime Commission selects their funding priorities from those specific program areas and those are listed in our “Announcement.”

Federal grant funds can then only be expended on those services that are directly related to their approved grant application. The project must be directly related to one of the federally recognized program areas.

The specific project activities allowed are those found in the “Project Narrative Operation” section, “Timeline of Project Activities,” and “Project Goals, Objectives, Performance Measures and Evaluation Methods” section of the full application.

Suggested Audit Procedures

1. Review the full grant application and note the following sections; “Project Narrative Operation,” “Timeline of Project Activities,” and “Project Goals, Objectives, Performance Measures and Evaluation Methods.”
2. Test expenditures and related records for adherence to the approved grant budget and subsequent grant budget adjustments.

B. Allowable Costs/Cost Principles

Compliance Requirements

All grantees are required to abide by the Office of Management and Budget (OMB) Circulars and Code of Federal Regulations, as applicable: A-102, A-87, A-110; 2 CFR Chapter I, Chapter II, Part 200 Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards; 2 CFR Part 210-Uniform Administrative Requirements for Grants and Agreements with State and Local Governments; 2 CFR Part 215-Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and other Non-Profit Organizations; 2 CFR Part 220-Cost Principles for Educational Institutions; 2 CFR Part 225-Cost Principles for State, Local, and Indian Tribal Governments; and 2 CFR Part 230, Cost Principles for Non-Profit Organizations. The grantee must also comply with the “Standard Grant Conditions” as stated in the Grant Award Packet and any special conditions mandated by the Governor’s Crime Commission.

The Governor’s Crime Commission as a part of its monitoring efforts, considers allowable costs to be those that are listed in the approved grant application budget section of the approved full application and those which would be included on any approved grant budget adjustments.

Suggested Audit Procedures

1. Review approved grant application budget.
2. Test expenditures and related records for adherence to approved application budget and any subsequent approved grant budget adjustments.

C. Cash Management

Funds are disbursed to grantees on a reimbursement basis through the Department of Public Safety fiscal section. No testing is required since funds are not advanced to grantees.

D. Reserved

E. Eligibility

Compliance Requirement

Eligible applicants include local units of government, councils of government, universities or colleges, independent school systems, state agencies, the Eastern Band of Cherokee Indians and non-profit entities.

Suggested Audit Procedures

Review full grant application.

F. Equipment and Real Property Management

Compliance Requirement

Grantees are instructed to follow their own written policies for equipment purchases. If they do not have a written policy, they should follow the procedures in the Grant Award Packet that is distributed to all grantees each year.

All equipment purchases should be for the purposes or activities of the grant only. The title for equipment purchased under the grant is vested with the implementing agency.

The procedure for disposal of equipment is outlined in the Grant Award Packet. According to the Grant Award Packet which is distributed to each grantee, the grantee is required to keep a Property Control Record Form for equipment purchased with grant funds.

Suggested Audit Procedures

1. Verify that the grantee is in fact properly keeping the Property Control Record Form.
2. Verify if the equipment still exist and is being used as stated in the full application.
3. Verify as to whether or not the equipment has been disposed of and if the grantee has requested and properly followed disposition instructions from the awarding agency.

G. Matching, Level of Effort, Earmarking

Compliance Requirement

Grants may be made for amounts up to 100% of the costs of the programs or projects contained in the approved applications. Sub-grantees no longer have to provide a match on the grant award, unless it is on a voluntary basis. The grantee may finance the match indicated in the budget of the Award Document and on the front page of the full grant application with their own funds. They must describe their source and amount of match in the budget summary of the full application under the section entitled "Description of Match." The match ratio for these federal funds is 75% federal funds, 25% matching funds. Matching funds may include local, state or private funds, but not other federal funds.

Level of Effort and Earmarking are not applicable at the local level and no test work is required.

Suggested Audit Procedures

1. Review Award Document for total federal funding.
2. Test expenditures and reports to ascertain total cost of project and verify non-federal matching requirements are met.
3. Verify source of non-federal matching funds.
4. Verify that the funds awarded will not be utilized to supplant State and/or local funds that would otherwise be available to the grantee or supplant other federal funds with BYRNE JAG funds.

H. Period of Availability of Federal Funds

Compliance Requirement

Federal funds can only be obligated within the period of availability listed on the Grant Award document or as amended on a Grant Adjustment form.

Obligations must be liquidated within the required time period. The grantee has 45 days within which to request their final reimbursement of funds. Failure to request funds within this time frame could result in the grantee not being reimbursed their final reimbursement of funds.

Suggested Audit Procedure

1. Test a sample of transactions charged to the Federal award after the period of availability ends and verify that the underlying obligations occurred within the period of availability and that the liquidation (payment) was made within the allowed time period.
2. Test a sample of transactions that were recorded during the period of availability and verify that the underlying obligations occurred within the period of availability.

I. Procurement and Suspension and Debarment

Compliance Requirement

According to the aforementioned OMB Circulars and Code of Federal Regulations (A-102, 2 CFR Parts 200, 215, 220, 225 and 230) and as stated in the Grant Award Packet, the grantee must comply with Federal Debarment and Suspension regulations by requiring completion of the “Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion-Lower Tier Covered Transactions” by sub-recipients prior to entering into a financial agreement with the sub-recipients for any transaction as outlined below:

Any procurement contract for goods and services, regardless of amount, under which the sub-recipient will have a critical influence on or substantive control over the transaction.

The grantee is responsible for monitoring the submission and maintaining the official document for review by the Governor’s Crime Commission.

Suggested Audit Procedures

1. As stated in the Grant Award Packet, verify that all contracts have received prior approval by the Governor’s Crime Commission.
2. Verify completion of the certification regarding suspension and debarment.

J. Program Income

Compliance Requirement

According to the Grant Award Packet that is distributed to all grantees, all program income generated by this grant during the project period must be reported to the Governor’s Crime Commission and must be put back into the project or be used to reduce the grantor participation in the program. The use or planned use of all program income must have prior written approval.

Suggested Audit Procedures

1. Test to verify that program income was properly tracked and accounted for.
2. Ensure that program income was used to make additional services available to crime victims.
3. Verify that the grantee did, in fact, receive prior written approval for the use or planned use of their program income.

K. Reserved

L. Reporting

Compliance Requirement

The grantee is required to submit to the Governor’s Crime Commission Grants Management Section the “Notice of Grant Implementation” form within sixty days of the beginning of the grant period, normally October 1st during the regular grant cycle.

The grantee is also requested to submit monthly “Expense Reimbursement Reports” to the Governor’s Crime Commission. The “Expense Reimbursement Report” is a one page document which the grantee uses to report their monthly expenditures according to the five major budget categories (personnel, contractual, travel, supplies/operating expenses, and equipment). Along with the Expense Reimbursement Report, the grantee is required to provide grants management staff with photocopies of expenditure documentation (i.e. time sheets, travel logs, purchase orders, invoices, etc.).

An annual Grant Progress Report is due each year of a grant. If the grantee has a two-year grant, the first Grant Progress Report is due by November 30th. Second year funding will not be added to a grant without the accompanying progress report. The second and/or final Grant Progress Report must be submitted along with the “final” expense reimbursement report. Payment of the “final” expense reimbursement report will not be made without the submission of the final programmatic report(s). Grantees are required to submit Quarterly PMT Reports on-line at <https://bjapmt.ojp.gov/>. These reports are due the 10th of the month following the close of a quarter.

<u>Reporting Time Period</u>	<u>Due Dates</u>
• Covers July 1 through September 30 activity	October 10
• Covers October 1 through December 31 activity	January 10
• Covers January 1 through March 31 activity	April 10
• Covers April 1 through June 30 activity	July 10

Instructions for reports and reporting are included in the Grant Award Packet.

Suggested Audit Procedures

1. Review the grantee’s procedures for preparing the State Reports and evaluate for adequacy.
2. Test reports for completeness.
3. Trace data on reports and verify that they agree with supporting documentation.
4. Review adjustments made to General Ledger amounts in the reports affecting State and/or Federal programs and then evaluate for propriety.

M. Subrecipient Monitoring

Sub-recipient monitoring is conducted through various monitoring activities such as reviewing reports submitted by the subrecipient, desk monitoring, phone calls, performing site visits to review financial and programmatic records and observe operations, arranging for agreed-upon procedures engagement for certain aspects of subrecipient activities, such as eligibility determinations, reviewing the subrecipient’s single audit or programmatic audits results and evaluating audit finding and the subrecipient’s corrective action plan. This applies when awards are passed through to a subrecipient.

N. Special Tests and Provisions (Not Applicable)