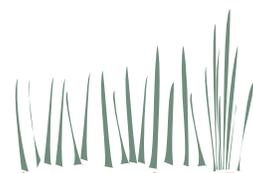


Intermediary Development Series

Designing Sub-Award Programs



Compassion Capital Fund

A DETERMINED ATTACK ON NEED
EMPOWERING AMERICA'S GRASSROOTS

The National Resource Center gratefully acknowledges the following expert and experienced practitioners who assisted in the development of *The Intermediary Development Series* guidebooks:

Acquiring Public Grants
Building Multiple Revenue Sources
Delivering Training and Technical Assistance
Designing Sub-Award Programs
Establishing Partnerships
Identifying and Promoting Promising Practices
Managing Public Grants
Measuring Outcomes

The ideas and information in this publication should not be construed as an official Department of Health and Human Services position. This guidebook is published in the interest of technical information exchange.

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Introduction

Welcome to *The Intermediary Development Series*—a multi-volume series designed to outline the key steps and elements necessary to help intermediaries build capacity in the faith-based and community-based organizations (FBO/CBOs) they serve. This series represents more than the sharing of information. It represents a common commitment to an intermediary's ideals—providing the most effective services in a more efficient manner to the grassroots organizations that are reaching those in our country with the greatest needs.

Who is the audience for *The Intermediary Development Series*?

An *intermediary* is something that exists between two persons or things, or someone who acts as an agent or mediator between persons or things. An intermediary organization, then, exists between the people with the resources and the organizations needing the resources—namely finances or information.

The Compassion Capital Fund, administered by the U.S. Department of Health and Human Services, helps FBO/CBOs build capacity and improve their ability to provide social services to those in need. In this context, an intermediary acts as a mediator between the Federal government and grassroots organizations to help accomplish these goals. This series will prove useful to both existing and emerging intermediaries (those currently funded through CCF as well as an expanded audience of potential recipients) and the FBO/CBOs they serve.

What is *The Intermediary Development Series*?

Think of it as help when and where it's most needed—a ready reference for common priority issues and comprehensive answers to critical questions. It was developed as a key component of the Compassion Capital Fund in response to the questions and concerns consistently posed by intermediaries representing all areas of expertise and experience levels. The following titles are included in this eight-volume series:

Acquiring Public Grants
Building Multiple Revenue Sources
Delivering Training and Technical Assistance
Designing Sub-Award Programs
Establishing Partnerships
Identifying and Promoting Promising Practices
Managing Public Grants
Measuring Outcomes

How is *The Intermediary Development Series* used?

It is intended to be used as a practical guide for intermediaries to help FBO/CBOs in a variety of tasks including securing more funding, providing services more effectively or on an increased scale and also helping them operate more efficiently. As such, it's flexible—readers who wish to use it as a self-guided reference for specific questions are likely to keep it nearby. Key terms (bolded within the text) are defined in a glossary of terms included in the appendix of each

guidebook. It's also comprehensive—emerging intermediaries may find the volume, *Delivering Training and Technical Assistance*, especially helpful for more in-depth assistance. Finally, regardless of the audience, its user-friendly format makes it easy to share with the variety of organizations intermediaries serve.

Who developed The Intermediary Development Series?

This series was developed for the Department of Health and Human Services by the National Resource Center—an information clearinghouse designed to provide customized technical assistance, specialized workshops and other useful tools to help increase intermediaries' scale, scope and effectiveness. Expert practitioners were enlisted to develop and field-test each topic in *The Intermediary Development Series*, ensuring each volume would provide accurate and, most of all, *practical* answers to common questions.

Designing Sub-Award Programs

By reading this particular volume in *The Intermediary Development Series*, you will better understand the following regarding developing a comprehensive plan to provide sub-awards to build the capacity of faith-based and community organizations:

- Key components
- Processes
- Requirements

This guidebook has been created to assist you, as a leader of an intermediary, in the design and development of an effective program to sub-grant Federal funds to faith-based and community organizations.

This guidebook will help organizations answer these key questions:

- What are the key components and steps of a successful sub-award plan?
- What are the key steps of a sub-award solicitation and selection process?
- What level of accountability is required for organizations receiving sub-awards?
- What are the Federal rules and regulations regarding disbursing Federal grant dollars in sub-awards?
- What is the role of the intermediary in ensuring sub-award funds are used appropriately?
- What measures can intermediary organizations take to help ensure sub-awards are used properly?

Designing Sub-Award Programs Overview

Let's look at a few key definitions before we get started. According to the Department of Health and Human Services Code of Federal Regulations (45 CFR Part 74), a **sub-award** is defined as “an award of financial assistance in the form of money, or property in lieu of money, made under an **award** by a **recipient** to an eligible **subrecipient**.”¹ Also from 45 CFR Part 74, a subrecipient (or sub-awardee) is defined as “the legal entity to which a sub-award is made and which is accountable to the recipient for the use of funds provided.”²

Along with the provision of **training** and **technical assistance**, the granting of sub-awards is a demonstrated way for intermediary organizations to assist smaller organizations in building their capacity. The Department of Health and Human Services, through its Compassion Capital Fund grant program, defined capacity building for faith-based and community organizations as “...increasing their effectiveness, enhancing their ability to provide social services, expanding their organizations, diversifying their funding sources, and creating collaborations to better serve those in need.”³

As an intermediary, one of your key goals is to help build the capacity of smaller faith-based and community organizations. Combining a well-designed training and technical assistance plan along with a sound and detailed sub-award plan will put your organization on the road to achieving that goal. For more information on sub-award planning, see the *Delivering Training and Technical Assistance* and *Identifying and Promoting Effective Practices* guidebooks, part of the National Resource Center's *Intermediary Development Series*. These guidebooks can help you in developing a comprehensive plan to provide both sub-awards and comprehensive training and technical assistance, including information on effective practices, to the faith-based and community organizations that you serve.

Why Develop a Sub-Award Plan?

Because a sub-award program involves the granting of Federal funds from a Federal grantee to subrecipients, most if not all Federal grant programs involving sub-awards require grantees to develop and submit sub-award plans for approval to the program's Federal Project Officer. The program announcement for the grant program usually contains the necessary information and elements required for the sub-award plan. Additional information may be supplied by the Federal Project Officer to assist intermediaries in developing plans that meet Federal guidelines and requirements as well as particular grant program purposes.

For example, in the 2003 CCF program announcement, intermediary organizations were asked to develop “a basic outline of its sub-award approach.”⁴ Intermediary organizations that receive CCF grants are required “to develop, with guidance from and in consultation with ACF

1 The Code of Federal Regulations (CFR) is the codification of the general and permanent rules published in the Federal Register by the executive departments and agencies of the Federal Government. It is divided into 50 titles and represents broad areas subject to Federal regulation. Each volume of the CFR is updated once each calendar year and is issued on a quarterly basis. Each title is divided into chapters, which usually bear the name of the issuing agency. Each chapter is further subdivided into parts that cover specific regulatory areas. Large parts may be subdivided into subparts. All parts are organized in sections, and most citations in the CFR are provided at the section level. The Code of Federal Regulations for the Department of Health and Human Services is title 45 and is listed as 45 CFR. To access the CFR, go to www.gpoaccess.gov/cfr/index.html.

2 Also from 45 CFR Part 74.

3 2003 CCF Program Announcement, C. Program Purpose and Objectives, p. 38,054. You can access the CCF Program Announcement through the CCF website: www.acf.hhs.gov/programs/ccf.

(Administration for Children and Families), a detailed plan for this process within 60 days of receipt of award under this announcement.”⁵

Other Federal agencies, particularly the Department of Labor, also offer grant programs for intermediary organizations that include sub-award plans as a part of the application and program implementation requirements. As of the writing of this guidebook, the Department of Labor has three grant programs designated to fund intermediary organizations. Each of the grant programs requires the intermediary organizations to sub-grant significant portions of the award to eligible local faith-based and community organizations⁶ and to outline their plans to provide sub-awards in their grant applications.

⁴ The section on sub-awards from the 2003 Compassion Capital Fund Program Announcement (“Sub-Award Excerpts”) is included in the Appendix of this guidebook.

⁵ 2003 CCF Program Announcements, Section C. Sub-Awards, p. 38056.

⁶ The three grant programs through the Department of Labor are: 1) Office of Disability Employment Policy; Center for Faith-Based and Community Initiatives; Intermediary Grants for Mentoring Youth with Disabilities; 2) Employment and Training Administration Grants for Intermediaries; 3) ILAB Grant to Combat HIV/AIDS in Ugandan Workplaces. For more information about each of these grants, contact the Department of Labor’s Center for Faith-Based and Community Initiatives Office at www.dol.gov/cfbci/funding-past.htm.

Developing Your Sub-Award Plan

Determining Your Purpose: Starting with the End in Mind

The first step in developing your sub-award plan is to determine the reason or purpose underlying the effort. In other words, why conduct a sub-award program? What impact do you want to encourage? What change in the organizations receiving awards do you want to see take place?

To identify your purpose, you will need to determine what you want to accomplish and how it fits in with the goals and outcomes of your overall grant proposal. Be sure to review the Federal program announcement for any information on the purpose of the sub-awards from the Federal perspective. Also, if you have already submitted a grant proposal, be sure to review that proposal for guidance and consistency in developing a purpose statement.

A purpose statement usually contains the following elements:

- Whom you will serve or work with
- What you will do for them
- What you expect to be the result or outcome

Here are some examples of sub-award purpose statements from CCF intermediary organizations. Christian Community Health Fellowship (CCHF), a national network of Christian health professionals and others concerned about the health care needs of the impoverished communities in the U.S., identified the purpose of their sub-award program as *assisting faith-based and community health care organizations to become operationally effective and financially viable providers of community-oriented primary health care in underserved communities and populations.*⁷

Another 2002 CCF intermediary, Mennonite Economic Development Associates, an organization dedicated to helping the poor earn sustainable livelihoods through the development of business, listed the purpose of their sub-award program as *advancing community and faith-based organizations' efforts to build capacity, increase their efficiencies, and expand their scope of services.* They further specified that sub-awards would be expected to *increase grantees' ability to respond to organizational needs; capacity to expand their services; access to funding; capacity for effective publicity; and ability to engage in effective long-term planning.*⁸

Checklist for Determining Your Sub-Award Plan Purpose

- Review the program announcement for guidance
- Review your grant proposal for purpose statement language
- Develop a purpose statement that contains three purpose elements: whom you will serve, what you will do, what is the expected result
- Check your written purpose statement to make sure that it is consistent with the program announcement/guidelines as well as your grant proposal

⁷ CCHF website, www.cchf.org/CCPC.

⁸ MEDA Compassion Capital Fund Demonstration Project Subgrant Award Plan, January 15, 2003.

Deciding the Components of Your Sub-Award Program

1. Checking the Rules and Regulations

In developing a sub-award plan, it is essential to know the governing rules and regulations concerning Federal grants and sub-grants. General rules and regulations regarding Federal grants and sub-grants from the Department of Health and Human Services (DHHS) can be found in 45 CFR 74, as mentioned earlier. Other Federal agencies have similar governing legislation listed in various titles of the Code of Federal Regulations.

It is recommended that every intermediary organization that has received or desires to receive grants from a Federal agency familiarize itself with the Code of Federal Regulations for that particular agency, not only for information regarding sub-awards but also for guidance on Federal grant management.⁹ Review the following table outlining various Federal agencies and the corresponding titles of the Code of Federal Register for each.

Federal Agencies	Code of Federal Regulations Reference
Health and Human Services	45 CFR Part 74
Education	34 CFR Part 74
Housing and Urban Development	24 CFR Part 84
Justice	28 CFR Part 70
Labor	29 CFR Part 95

2. Identifying the Key Components

A number of key elements go into developing a sub-award plan, including types of grants, target groups for sub-awards, number of grants, amount of grants and the grant period. You may consider these in any order.

■ Determining the Types of Grants to Offer

Once you've determined your purpose, it's time to look at what type or types of grants you want to offer consistent with that purpose. Based on its sub-award purpose, Associated Black Charities, a 2002 CCF grantee which represents and responds to issues of special significance to Maryland's African American communities, identified three different types of sub-awards it offered to eligible applicants:

- 1 *Organizational Development Grants*: to provide basic operating support to emerging organizations that are interested in building infrastructure to deliver services in the community.
- 2 *Capacity Building Grants*: to provide operational/program support to increase the number of persons served.
- 3 *Service Expansion Grants*: to expand services by replicating an existing program or program element that is demonstrating "promising practices."

⁹ You may retrieve a CFR by citation at www.gpoaccess.gov/cfr/retrieve and follow the directions provided.

Nueva Esperanza, Inc., a Latino faith-based community development corporation and another 2002 CCF grantee, offered two types of sub-award grants in its 2002-03 program plan:

- 1 *Community Development Fund*: to provide support to projects that show a need and use targeted resources to develop, expand and/or improve specific organizational, strategic, programmatic or resource-related capacities.
- 2 *Strategic Leveraging Fund*: to provide support to projects that present a plan to leverage other funding from public or private sources.

The University of Hawaii's Compassion Capital Fund project, Hawaii Moving Forward, offered one type of capacity building sub-awards to local faith-based and community organizations to assist them in increasing capacity to provide a particular social service or to make the service more effective in achieving a particular outcome.

■ Targeting Organizations for Impact

In developing your plan, it is important to determine what type of organizations you will target to receive sub-awards. As you focus on specific types of organizations, you are better able to plan outreach efforts, manage the flow and review of applications, provide training and technical assistance specifically designed for those organizations and achieve the purpose of your sub-award plans.

A Word about Competitive Sub-Awards

Depending on the Federal guidelines in the program announcement you are applying for, you may need to offer all sub-awards on a competitive basis rather than pre-select awardees. The 2003 CCF Program Announcement specifically required that sub-awards must be given through a competitive process and may not be pre-selected. Not all Federal grant programs involving sub-awards state this clearly. Although you may know and have already pre-selected eligible and worthy organizations to receive sub-awards within your program scope, it is best to maintain a competitive process when distributing Federal funds.

Before you start to identify the specific type or types of organizations, see if there is any Federal guidance on the issue in the program announcement or in guidelines/directives from the Federal project officer. For example, the program announcement for the Department of Labor's Office of Disability Employment Policy's Intermediary Grants for Mentoring Youth with Disabilities stated that intermediary organizations may issue sub-awards to community or faith-based organizations that "have social services as a major part of their mission; are headquartered in the local community to which they provide services; have a total annual operating budget of \$300,000 or less; or have 6 or fewer full-time equivalent employees."¹⁰

Likewise, the 2003 Compassion Capital Fund program announcement requires that "applicants must develop sub-award plans that are consistent with the following principles..." Some examples of those principles include: "participation in the CCF sub-award program must be open to faith-based and community organizations" and that intermediaries should focus on providing sub-awards to "...small organizations...organizations that historically have not received grants from the Federal government...and organizations implementing programs that address priority social needs (a list of the priority social needs is provided)."¹¹

10 From the Program Announcement for the Department of Labor's Office of Disability Employment Policy's Intermediary Grants for Mentoring Youth with Disabilities: www.dol.gov/cfbci/funding-past.htm.

11 For a list of the principles, see "Sub-Award Excerpts" from the 2003 CCF Program Announcement included in the Appendix.

As you think about the organizations you will target, you may want to consider the following potential eligibility criteria for sub-awards:

- Faith-based **and** community-based organizations—Are you planning to make awards available to both faith-based and community-based organizations?
- Size of the organization—(determined by the number of staff or size of the budget) Do you want/need to specify a certain size of organization?
- Age of organization—Is it important to target new or emerging organizations?
- Service areas—Do you want to target organizations in a particular service area consistent with your organization and/or with the priorities of the Federal government (if those already have been identified)?
- Geographic location—Do you want to designate a particular location(s) (*e.g.*, neighborhood, city, state, and region)? Or do you want to designate organizations in a particular type of location such as urban, rural or suburban?
- Funding history—Do you want to target organizations that have not received Federal funds in the past?

To illustrate how you might target organizations, let's look at a few examples of 2002 CCF intermediaries. Clemson University's South Carolina Rural Communities Compassion Project targeted organizations that were rural, faith-based and community organizations in South Carolina—located and servicing populations outside of the urban/area clusters of Greenville, Columbia and Charleston. The Institute for Youth Development, a national organization that seeks to improve the lives of youth through positive programs and messages, targeted three types of faith-based and community organizations:

- Established organizations that have a promising program and have *unsuccessfully* applied for Federal funding
- Established organizations that have a promising program and have *not yet* applied for Federal funding
- Start-up organizations with limited experience

The University of Hawaii, as the lead agency in the Hawaii Moving Forward program, targeted organizations that provided services in three priority areas: homelessness, families of incarcerated persons and individuals transitioning from welfare to work. In addition, the University specified they would target organizations that:

- Have been in operation for a minimum of two years
- Have annual budgets of less than \$250,000

As you describe the type of organization(s) you will target, that description then becomes the basis of your eligibility requirements for applicants seeking sub-awards.

■ Deciding on the Number of Grants and Grant Amounts

After you have decided on the types of grants you will be offering and the organizations that are eligible, the next step is to determine the amounts you plan to offer in sub-awards both in total as well as for each sub-award.

If you are in the process of applying for a grant or have received a grant, you have likely determined the total amount you plan to distribute in sub-awards. The Federal Program Announcement for the particular grant program also may provide guidelines for the total amount. For example, the 2003 CCF program announcement requires intermediaries to provide at least one-quarter of the total Federal share for which they are applying in sub-awards to other organizations. However, it also encourages applicants to exceed this threshold, if possible.¹² The Department of Labor's Employment and Training Administration Grants for Intermediaries solicitation for grant applications stated that "the intermediary is expected to sub-grant a substantial portion of its award to eligible local grass-roots organizations."¹³

The next step is determining how many sub-awards you will offer and how much you will provide for individual sub-awards. Consider the following questions as you make this determination:

Number of Awards

- How many sub-awards can your organization effectively distribute and monitor during the budget period?
- What kind of additional T/TA support will the sub-awardees need?
- Will your organization be able to provide that level of support for the proposed number of sub-awardees?

Amount of Individual Awards

- What size grant amount(s) will make a difference to sub-awardees?
- What size grant amounts will sub-awardees be able to effectively manage?
- What size grant amount is appropriate for the particular grant type(s) that you are considering? (If you are considering more than one type of grant, you may want to consider different grant amounts commensurate with the grant types.)

¹² 2003 CCF Program Announcement, Sub-Awards, June 26, 2003.

¹³ See www.dol.gov/cfbci/funding-past.htm.

Again, let's look at examples from the 2002 CCF intermediary organizations to help illustrate this aspect. Associated Black Charities identified three types of grants and determined that they would give a certain number of grants for each type as well as a certain amount per budget year. These are outlined in the following table.

Associated Black Charities		
Types of Grants	Number of Grants	Amount per Grant
Organizational Development	21	\$5,000
Capacity Building	21	Up to \$28,000
Service Expansion	4	Up to \$50,000
<i>Total Grant Amount</i>	<i>46</i>	<i>\$695,000</i>

Nueva Esperanza identified two types of grants that they would provide for sub-awards. Like Associated Black Charities, they designated a certain number of awards and a certain amount for each type of grant.

Nueva Esperanza, Inc.		
Types of Grants	Number of Grants	Amount per Grant
Community Development Fund	44	\$8,000 average per grant
Strategic Leverage Fund	5	\$30,000 average per grant
<i>Total Grant Amount</i>	<i>49</i>	<i>\$695,000</i>

Other CCF intermediary organizations determined that they would offer just one type of award with a range amount for each award. The University of Hawaii provided a total of \$600,000 in sub-awards to 21 organizations with awards ranging from \$13,800 to \$21,900.

Checklist for Determining Your Sub-Award Key Elements

- Decide what type(s) of sub-awards you want to offer based on your goals and objectives
- Determine your target groups and organizations
- Determine the number of grants and the grant amounts you will offer
- Determine the length of the grant period

■ Determining Your Grant Period

You will need to decide how long sub-award organizations will have to use and spend their funds. First, check the program announcement or contact your Federal Projects Officer or Office of Grant Management officer to determine if there are any guidelines or directives provided. If so, you will need to make your decision based on those guidelines. Sub-award funds generally are spent within the same Federal fiscal year in which they are granted. If circumstances do not allow for adequate time to spend the funds within the same Federal fiscal year, then you may want to extend the budget period to within the calendar year or within a 12-month period from notification of the sub-award. The important issue is that the budget period for spending meets all the Federal requirements for the particular grant.

Determining Your Sub-Award Process

Now that you have identified the purpose and the key elements making up your sub-award plan, let's turn to developing the process you will use to implement your plan. There are four main steps in the sub-award process:

Steps in the Sub-Award Process	
STEP 1	Soliciting Applications
STEP 2	Reviewing and Selecting Sub-Awardees
STEP 3	Distributing Funds and Monitoring Sub-Awardees
STEP 4	Reporting on Sub-Awards

We'll take a look at each step in-depth to help guide you in developing the sub-award process that best fits your project and organization.

Step 1: Soliciting Applications

This first step of soliciting applications is comprised of four phases: A) developing your request for proposals (RFP); B) distributing your RFP; C) providing support for applicants; and D) taking preventative measures to ensure accountability.

The goal of soliciting applications should be to receive a sufficient number of applications for the number of awards you are offering that all meet your eligibility criteria. A good numerical goal is to solicit three to five applications for every sub-award you will offer. Of course, you don't want to limit your choices by having too few applicants. And you don't want too many applicants taking up too much of your organization's time and effort.

A. Developing Your RFP Packet

Based on the purpose, the targeted groups, the number of awards, the amount per award and the length of the grant period, you are ready to begin to develop your RFP and accompanying materials in a RFP packet. First, you will need to determine what information about and from the applicant you need to make your sub-award decision. In most cases, you will need to include requests for information about the organization itself, its proposed project, the budget of the organization and the requested budget for the project and any compliance requirements concerning the sub-award. The following table summarizes the various recommended components to include in the RFP packet. An example of a sub-award application is also included in the Appendix.

Recommended Components for RFP Packets		
Components	Description	Recommendations
Information on the grant and the sub-award program	Materials that describe the purpose of the grant and sub-awards, the sub-award categories, eligible organizations, requirements and intended outcomes.	<ul style="list-style-type: none"> • Include an overview of the grant, and the purpose of the sub-awards. • Provide a timeframe for the sub-award grant process with deadlines. • Clearly list eligibility and funding criteria. • Describe the size of grants. • Identify any workshops, technical assistance or support available to applicants. • Provide contact information for the grantee organization.

Recommended Components for RFP Packets (cont.)		
Components	Description	Recommendations
Qualifying organization information	Information that describes the type(s) of organization that can apply for which award(s)	<ul style="list-style-type: none"> • Include questions that provide information you want to know about the applying organization. Specifically request information that you can use to determine if the organization meets your eligibility criteria: mission of organization, location, size (budget and staff), service areas, etc. • You may want to request one or more of the following: a list of the current board of directors; supporting materials from the organization (brochures, articles, letters of support).
Proposed project information	Information that outlines the proposed project of the applicant	<ul style="list-style-type: none"> • Determine what you need to know about the applicant's proposed project: 1) project purpose/goal 2) problem/issue to be addressed 3) projected outcome/impact 4) project plan 5) timeline 6) outcome measurement process
Budget information	Information that provides an overview of the proposal budget as well as the organization's current budget	<ul style="list-style-type: none"> • For sub-awarding Federal funds, include the 424 form, instructions, and accompanying budget category definitions. • Ask for the organization's current operating budget and the organization's most recent audited financial statement (if available).

Recommended Components for RFP Packets (cont.)		
Components	Description	Recommendations
Requirements or compliance information	Information that awardees need to be aware of and agree to in order to participate in the program	<ul style="list-style-type: none"> Any conditions for receiving a sub-award should be clearly listed for organizations to consider. Some requirements could include: participation in training and/or technical assistance, allowing a representative to help set up systems to account for grant funds, complying with all Federal regulations and submitting financial, progress and outcome reports. Some grantor organizations may want to develop a preliminary Memorandum of Agreement (MOA) outlining all post-award requirements of the sub-awardee. A preliminary MOA could to be included in the applicant packet for signature. The actual MOA then would be signed when the applicant was designated as a sub-awardee. An example of a MOA is provided in the Appendix.
Scoring percentages	Percentage amounts given to each of the key areas of the application.	<ul style="list-style-type: none"> For reviewing purposes and to provide information on scoring to the applicant, provide percentage amounts for scoring on each of the key areas of the application. The percentages should add up to 100%.

In designing your RFP packet, be sure to put it in a user-friendly format that is accessible for your specified audiences. For example, if you are targeting organizations that are from different language or cultural groups, you may want to consider translating the packet contents into the appropriate languages. The Southeast Asia Resource Action Center, another 2002 CCF grantee and national nonprofit organization dedicated to advancing the interests of Southeast Asian Americans, posted its sub-award application in five different languages: English, Hmong, Khmer, Vietnamese and Lao.

In addition, be sure to provide guidance in completing the application. Include clear directions and specify any requirements, such as length of application (number of pages to be submitted), deadline for submitting application, supporting materials or information to be included with application and the address to which you want the application sent.

You may want to consider designing your application to be consistent with other area foundations or organizations' applications. JVA, Consulting, a Denver-based intermediary, modeled their RFP and proposal process after the Colorado Common Grant Application which has been widely accepted by a number of Colorado foundations. Once the RFP is completed by an applicant for a JVA sub-award, it can be re-used and adapted for other funding requests. You may also want to design your application so that it is consistent with other funding organizations' applications in your geographic area (city, state) or in your particular area of service (homelessness, at-risk youth, etc.).

B. Distributing Your RFP Packet

After designing your packet materials, the next step is to determine your outreach strategy and plan—how best to contact and inform those eligible organizations and groups of the availability of your award(s) and how to obtain the RFP packet. By now, you already have identified your targeted groups and organizations; next, you will need to compile an outreach list (both email and street address lists) in order to contact those groups. You can develop your master list by combining a series of lists:

- Your own organization's mailing list
- Mailing lists of partners associated with your project
- Association lists (organizations in particular service areas such as homeless shelters or after-school programs)
- Nonprofit lists (nonprofit organizations usually compiled by city or area by the local United Way, Chamber of Commerce, Junior League or other civic group)
- Faith organization lists (churches, synagogues, mosques, etc.) by type of faith, denomination or particular geographic location

To develop an effective outreach and distribution strategy, consider the following possible elements for your strategy.¹⁴

Distribution Strategy Ideas

- Post information on your and your partners' websites
- Make arrangements to post information on other websites supportive of your project
- Send out email notices to your master email mailing list
- Send out notices by direct mail and/or fax to your master mailing list
- Make personal phone calls to targeted and influential groups (for their information as well as to help pass on the information)
- Make presentations to targeted audiences at organizational meetings, conferences, trainings
- Place notices in publications and newsletters serving the nonprofit and faith community sectors
- Develop a PSA (public service announcement) and release to radio, print, and local cable TV media outlets
- Develop a press release and hold a press conference concerning the award and its availability to targeted organizations
- Ask other organizations (working with the same target group of organizations) to provide the information via their mailing lists, on their websites and in their newsletters

Clemson University's South Carolina's Rural Communities Compassion Project made arrangements to distribute information on its project and the RFP through a variety of organizations including South Carolina Association of Nonprofit Organizations, South Carolina Educational Television and various public libraries across the State. In addition, the Rural Communities Compassion Project assured statewide distribution of their RFP and project information to rural faith-based and community organizations through the cooperation of 46 county United Way offices, 46 county First Steps Offices (coalitions focused on child enrichment), 46 Clemson University Extension Offices, the South Carolina Employment Security Commission, the South Carolina Christian Action Council and 10 South Carolina foundations.¹⁵

Requesting Letters of Intent/Calls of Interest

If you would like to gauge how many applications you are likely to receive so that you can better prepare, you may want to request letters of intent or calls of interest from potential applicants as a part of the RFP process. These will help you determine the level of applicant interest, plan the number of staff/volunteers needed for the selection process, determine if you need to engage in further solicitation to boost the number of applications coming in and screen out applicants that do not meet your eligibility requirements. To do this, you could put information in your RFP packet or in your announcements asking that potential applicants contact you by email, mail or phone.

¹⁴ This information was taken in part from the JVA Consulting Sub-Award Plan, February 2003.

¹⁵ From the South Carolina Rural Communities Compassion Project Progress Report, May 1, 2003. Also note that South Carolina has 46 counties.

C. Providing Support for Applicants

Many intermediaries view the sub-award process as a training and technical assistance opportunity to help applicants further build their capacity in fundraising. JVA Consulting requires all potential applicants to attend training workshops and to participate in one-on-one technical assistance addressing proposal preparation. These mandatory workshops are held prior to each grant deadline to help organizations understand the grant process and comply with all requirements. The workshops emphasize that the sub-award is not just onetime funding, but is an opportunity to build an applicant's understanding of grant-seeking, grant-management and grant-reporting requirements.¹⁶

If your organization cannot or chooses not to provide formal training workshops or individualized technical assistance to support applicants, you may want to consider providing training and technical assistance for applicants either online or by phone. Any assistance your organization provides can bring benefits such as eliminating non-eligible applicants, helping make individual applications stronger and helping ensure accountability of sub-award funds. For more information on designing a training and technical assistance plan which includes sub-award applicant training, see the *Delivering Training and Technical Assistance* guidebook, part of the National Resource Center's *Intermediary Development Series*.

D. Taking Preventative Measures to Ensure Accountability

As an intermediary, your organization is responsible for making sure all Federal funds provided through sub-awards are managed and monitored to ensure compliance with Federal requirements and regulations. You must also ensure the funds are used in the manner for which they were approved. If sub-awardees violate Federal requirements, the requirements specified in their sub-award or otherwise improperly use the funds they receive, you as the grantor as well as the sub-awardee may both be subject to legal action. If a sub-awardee uses its funds fraudulently, it could be subject to criminal prosecution.

The following is a brief overview of a few major legal obligations and issues regarding grantees' use of Federal funds. Since as an intermediary you likely will be making sub-awards to faith-based and community organizations, some of these issues specifically involve matters that arise when faith-based groups receive Federal funds.¹⁷

Financial reporting requirements – To make sure that grant funds are used properly, organizations that receive Federal funds must file regular financial status reports based on the requirements of the individual grant. As a Federal grantee providing sub-awards, you will need to complete and compile financial reports on your sub-awardees and submit those on a regular basis on Standard Form 269. Accordingly, your sub-awardees will need to submit financial reports to you, consistent with the categories listed in SF 269, to be included in your regular report.¹⁸

¹⁶ From the JVA Consulting, Sub-Award Plan, February 2003.

¹⁷ This section on the legal obligations and requirements of taking Federal funds was taken from two documents, *Guidance to Faith-Based and Community Organizations on Partnering with the Federal Government* and *Protecting the Civil Rights and Religious Liberty of Faith-Based Organizations*. Copies of the documents may be obtained from the White House Office of Faith-Based and Community Initiatives' website: www.whitehouse.gov/government/fbci.

¹⁸ You can find a copy of Standard Form 269 (Financial Status Report—Long or Short Forms) at www.whitehouse.gov/omb/grants/grant_forms.html.

Support of only non-religious social services – A sub-awardee cannot use any part of a direct Federal grant to fund “inherently religious” activities which can include religious worship, instruction or proselytization. Instead, organizations may use government funds only to support the non-religious social services they provide. This doesn’t mean the organization cannot have religious activities. However, they cannot use taxpayer dollars to fund them.

Services open to all eligible persons – If an organization takes Federal money, it cannot discriminate against a person seeking help who is eligible for the service. Religious organizations receiving public funds for a service that they are providing cannot serve only persons of their faith and turn others away. In addition, the faith-based organization may not require those they serve to profess a certain faith or participate in religious activities in order to receive the services they provide for the Federal government.

Employment hiring rights – There is no general Federal law prohibiting faith-based organizations that receive Federal funds from hiring on a religious basis. However, certain Federal laws and regulations, as well as state and local laws, may place conditions on the receipt of Federal funds. As this topic is far too complicated to discuss in this guidebook, you may want to review the information and guidance provided in the White House Faith-Based and Community Initiatives’ document, *Protecting the Civil Rights and Religious Liberty of Faith-Based Organizations: Why Religious Hiring Rights Must Be Preserved*. In addition, you may want to consult a lawyer to learn about specific requirements that apply to faith-based sub-awardees concerning employment hiring rights.

The following provides some ideas on how your organization can take preventative measures, starting with soliciting applications, to help ensure the organizations that receive awards comply with Federal requirements and regulations.

- Include a clear explanation of all requirements and regulations in the RFP application packet and in supporting documentation.
- Provide pre-award training on components such as the Federal requirements and regulations as well as reporting requirements, monitoring requirements, etc.
- Make a site visit to the selected applicants (prior to finalizing an award) to ensure that all submitted documentation is correct and that the applicant understands the requirements associated with receiving the award. If this is not possible, consider a conference call with organizational leadership (executive director, board president, etc.) to discuss their organization, the grant application, proposed project and grant requirements. (This and the following bullet points will be discussed in more detail later in the guidebook.)
- Design a monitoring plan to oversee the sub-award project and spending of sub-award funds. Develop a memorandum of agreement to be signed by all sub-awardees outlining sub-award requirements for grantees.
- Develop intervention procedures to be implemented by your organization with the grantee if problems arise. Communicate those procedures to all sub-award candidates or include them in the memorandum of agreement.

Be sure to invest in a well-planned and well-thought-through solicitation process. It will yield strong candidates for sub-award consideration as well as strong grantees to help achieve your overall program goals.

Checklist for Soliciting Applications

- Create your RFP packet
- Design a strategy to distribute your RFP
- Develop a plan to provide T/TA support for applicants
- Determine the preventative measures your organization will implement

Step 2: Selecting Awardees

At this point, you have already determined the design of your RFP packet, how you will solicit applicants, how you will support applicants in preparing their RFPs and how you will institute preventive measures to ensure sub-awardee accountability. The next step in designing your sub-award plan is to develop your selection process for awardees. There are four phases to the selection process: A) preparing for review and selection; B) making the selection; C) securing awardees' agreement; and D) making the announcement. Reference the chart, Sample Review and Selection Process, for a summary of phases B and C.

A. Preparing for Review and Selection

There are two parts to preparing for the review and selection of applicants: 1) designing your review process and 2) recruiting and training your reviewers. Let's look at designing your review process first.

Part One: Design your review process

Good planning and preparation can transform a potentially daunting challenge into an exciting and rewarding experience for all involved. To make this process work as smoothly as possible, develop standard and impartial review procedures, including criteria for selection and evaluation. The following is a sample review and selection process based on a combination of sub-award processes used by 2002 CCF intermediaries.¹⁹

¹⁹ 2002 CCF intermediary contributors to this sample review process include: JVA Consulting, LLC, Associated Black Charities, University of Hawaii and Mennonite Economic Development Associates.

You may want to consider this sample process and determine what elements and components will best fit your project needs.

Sample Review and Selection Process	
Process Steps	Components
Preliminary Screening	<p>Reviewers screen every application to make sure that:</p> <ul style="list-style-type: none"> • it was submitted by the stated deadline • the organization fits the eligibility criteria • the application is complete <p>All applications passing the preliminary screening are sent to the review committee.</p>
Review and Scoring Applicants	<p>The designated reviewers read all applications based on the review criteria provided by the grantor. Possible review criteria can include:</p> <ul style="list-style-type: none"> • Extent to which the application furthers the Federal government’s and grantor’s project purposes • Viability of the idea • Experience and ability of the project leaders • Extent to which the proposed project furthers promising practices in particular service areas • Geographic distribution of applicants • Organizational size and capacity that will be impacted by a sub-award • Ability and willingness of key individuals to participate in all aspects of the program • Proposed budget consistent with award amounts and budget guidelines provided <p>Reviewers score applicants by completing criteria rating sheet for each area (See examples in Appendix)</p> <p>Preliminary sub-awardees are chosen</p>
On-site Visits Or Pre-award Calls	<p>On-site visits are conducted with preliminary sub-awardees to verify that:</p> <ul style="list-style-type: none"> • the grant applicant is able to manage the proposed project • financial systems and audit procedures are in place to receive Federal funds • the organization’s leadership and board is in agreement with the proposal and the requirements of a potential sub-award grant <p>If on-site visits are not possible, pre-award calls can be made to the applicant leadership to verify information.</p>
Final Decision and Securing Awardee’s Agreement	<p>Based on the reviews, rating sheets and the information from the on-site visits and the pre-award calls, a list of finalists is sent to a review committee and/or the grantor organization itself to make the final selection of awardees</p> <p>Awardees are contacted by phone and/or by letter to inform them of their selection and to secure their agreement to abide by the requirements of the grant. Awardees are asked to sign a Memorandum of Agreement (MOA)²⁰.</p> <p>In addition, selected applicants may be asked to attend an orientation meeting to review the MOA and address any outstanding questions or items.</p>

Now that you have an understanding of the key elements that make up your review and selection process, it’s time to decide who will conduct the review and implement the process.

20 If using a Memorandum of Agreement (MOA), you may want to consider including a preliminary MOA in the RFP packet as noted earlier.

Part Two: Recruit and train your reviewers

Organizations often initially look for reviewers among other staff members within their organization. However, you may want (and need) to consider inviting your organization's or your project partners' board members, volunteers, even funders and clients to sit on the review committee. Reviewers should be familiar with faith and community-based organizations and the project purpose in general.

If you have trouble enlisting reviewers, you may want to expand your recruitment to include community leaders, social service personnel and/or faith and religious leaders. You can estimate the number of reviewers you will need by the amount of letters of intent or calls of interest made by potential applicants.

For their review process, Associated Black Charities formed eight teams of three community volunteer reviewers each to review more than 130 applications. Following a group orientation session, reviewers were given proposals to review independently (no more than 12 per reviewer). Afterward, they reconvened in their review groups to identify the top five choices to recommend to Associated Black Charities' leadership.²¹

Additionally, it is essential to avoid conflicts of interest among your reviewers and the organizations applying for the sub-awards. For example, it would be improper for an employee, an officer, an "acting officer" and/or an immediate past president/chairperson of an applicant organization to be a reviewer on that application. See the Confidentiality and Conflict of Interest Form used by Associated Black Charities provided in the Appendix.

To maintain consistency and standards throughout the review, provide an orientation training on the process to all reviewers at one time so that they may meet each other, learn from each others' questions and discuss the process. At a minimum, the training should consist of four areas: 1) background on your organization and the project; 2) information on the sub-award plan; 3) information on the review and selection process; and 4) information concerning the announcements. You may want to allow two hours or more for training.

²¹ From Associated Black Charities' presentation to CCF intermediaries, May 7, 2003.

Orientation Training for Reviewers	
Area of Training	Possible Topics
Background on Organization and Project	<ul style="list-style-type: none"> • Brief background on your mission, activities, and outcomes • Brief background on the project, including project description and goals, anticipated outcomes, amount of award that your organization received
Background on Sub-Award Plan	<ul style="list-style-type: none"> • Purpose and goal of sub-award plan • Description of targeted organizations • Description of types of awards and award amounts
Review Process	<ul style="list-style-type: none"> • Role of reviewers and anticipated time commitment • Purpose of review • Standards of Conduct: Conflict of Interest, Confidentiality <i>(May use form outlining confidentiality and conflict of interest issues for reviewers to sign.)</i>²² • Application form • Criteria for eligibility • Evaluation process • Scoring <i>(listed on application; also provide rating sheet)</i> • On-site visit protocol <i>(if necessary)</i> • Selection process • Schedule for process <i>(meeting dates and times)</i>
Announcement	<ul style="list-style-type: none"> • When announcements are anticipated • How announcements will be made • What will be offered to applicants not receiving awards

22 See example in Appendix.

B. Making the Announcements

If you have followed the steps outlined in this guidebook, you have just determined how you will conduct the review and selection process, and you have an idea of who will participate in the process and what they will do. The final step in the review and selection process is to make the announcement to the community as well as inform those organizations that did not receive sub-awards.

Checklist for Selecting Awardees

- Design your review and selection process
- Determine recruitment and orientation training for reviewers
- Make the announcements individually as well as publicly (as appropriate)

Prior to making a community announcement, it is important not only to inform the applicants that did not receive an award but also to provide feedback on how they could improve their proposal for the next time. Some intermediary organizations provide one-on-one technical assistance to non-selected applicants over the phone or in a scheduled meeting at the applicant's request. Other organizations provide a onetime "Debriefing Session" for non-selected applicants to review their proposals in a group format and provide individual consultations as requested.

After you have informed both the selected as well as the non-selected applicants, you may want to inform the community through a press release to local media outlets and media contacts with publications and newsletters serving the nonprofit and faith communities. In addition, you may want to consider holding a press conference with selected sub-awardee representatives. This is especially effective if your intermediary organization and the sub-awardees are concentrated in a particular community or area whose local media is eager for positive local stories.

STEP 3: Distributing Funds and Monitoring Sub-Awardees

A. Distributing Funds

Distributing the funds to the selected sub-awardees is the fun part, and there are a number of ways to do so. Check with your Federal Project Officer to determine if there are any guidelines or restrictions that you must follow for your particular grant. Let's briefly look at some of the ways organizations can distribute Federal funds to sub-awardees:

- Provide award payment in installments based on receipts provided by sub-awardee
- Provide award payment in one installment at the beginning of the **project period**
- Provide award payment in two or more installments: one payment at the beginning of the project period and the other payment(s) either at the mid-point or at the end of the award period based on review and approval of expenditures to date²³

As many smaller nonprofit organizations have never competed for or received public funds, you, as the sub-grantor of those funds, may need to provide sub-awardees with procurement guidelines for the receipt and use of Federal funds in purchasing goods and services. The University of Hawaii's Compassion Capital Fund's program developed a manual for their sub-awardees on procurement guidelines based on the University's purchasing procedures. The manual details requirements for each type of procurement action for goods and contract services as well as for equipment purchases. A copy of the Procurement Procedures grid is included in the Appendix.

B. Monitoring Sub-Awardees

As a sub-grantor of Federal funds, you also are responsible for ensuring that the organizations receiving those funds are in compliance with Federal requirements as well as with the terms of agreement (a Memorandum of Agreement or other) with your organization on the project. Consider establishing an oversight and monitoring plan (as part of the larger sub-award plan) for your sub-awardees.

What Should I Monitor Concerning Sub-Awards?

To ensure compliance of sub-awardees, your organization will need to monitor the following for each sub-awardee:

- Project progress is consistent with the approved proposal
- Sub-award funds are used for approved purposes only
- Sub-award funds are not used for inherently religious purposes
- Sub-award funds are properly accounted for

²³ Although there may be different types of payment methods, they all need to be consistent with 45CFR Part 74.22 Payment which outlines payment requirements. Please see Part 74.22 for more details.

How Should I Monitor Sub-Awardees?

Effective monitoring of grants and sub-awards should be performed throughout the project period rather than only at the end of the project. There are a variety of ways that your organization can provide regular and frequent monitoring for sub-awardees, including these examples used by other intermediaries:

- Require regular programmatic and financial reports from sub-awardees. Your organization may want to provide a standard reporting form or template for sub-award organizations to complete and send to you on a scheduled basis via the internet or through standard mail. You may want to make sure that the reports arrive in enough time for you to incorporate in your regular reporting schedule. Some intermediaries have required quarterly or even monthly reports from sub-awardees.
- Contact sub-awardees by phone or through email on a monthly, bimonthly or quarterly basis.
- Hold monthly meetings or regular trainings for sub-awardees. These meetings provide an opportunity for skill building, training, sharing of information among awardees and monitoring. They can also provide early detection of any issues or problems.
- Assign a “mentor consultant” from your organization (or your training and technical assistant consultant pool)²⁴ to work with the sub-awardee and to provide scheduled reports on its progress.
- Hold on-site visits throughout project period. Again, this is only possible if awardees are located in a geographic area that is accessible to the grant-making organization.
- Conduct a sub-award program audit. This requires that each sub-award recipient provides access to its records and financial statements, as necessary. You may want to consider periodic audits at the beginning of the project period to make sure that appropriate accounting procedures are in place, followed by another audit at a mid-point and another at the end of the project period.

Checklist for Distributing Funds and Monitoring Sub-Awardees

- Determine your method(s) for distributing funds
- Establish an oversight and monitoring plan that sub-awardees agree with and understand
- Include corrective steps to take in the monitoring plan if there is a problem

What If There Is a Problem?

If your monitoring unearths a problem or identifies a violation of the agreement by the sub-awardee, take action. If you cannot work out a solution through direct conversations with leadership of the sub-award organization, you may want to bring the issue to a review committee. The committee would review the concern, oversee the gathering of any additional information, conduct further inquiry as needed and recommend appropriate action to the intermediary organization.

²⁴ For more information about developing a training and technical assistance consultant pool, see the *Delivering Training and Technical Assistance* guidebook, part of the National Resource Center's *Intermediary Development Series*.

STEP 4 Reporting on Sub-Awards

Sub-Award Reporting Requirements

As a *grantee* of Federal funds as well as a *grantor* of those funds, your organization is required to fully account for and report on the use of sub-award funds. Become familiar with The Office of Management and Budget (OMB) circulars that contain instructions and/or information that outline government-wide standards and requirements for programs.²⁵

According to OMB Circular A-133, your organization must submit reports including the name and contact information of the organization receiving a sub-award, a summary of the purpose of the award, the amount of the award and the proposed plan for outcome measurement that is supported by the Federal sub-award. In addition, your program progress reports should include your organization's activity related to sub-awards, sub-awardee activity and any information concerning training and technical assistance provided to the sub-awardees.

You also will need to include sub-award information in your financial reports to the Federal awarding agency and the Division of Payment Management. The Federal awarding agency usually requires their grantees (intermediary organizations) to submit financial reports on Financial Status Report Form 269 at specified times determined by the awarding agency.²⁶ For more information concerning reporting and overall grant management, see the *Managing Public Grants* guidebook, part of the National Resource Center's *Intermediary Development Series*.

To gather and report this information on a timely basis for your own grant requirements, you will need to provide guidance to the sub-awardees on what information you will need and in what form you will need it. As a condition of their sub-award grants, JVA Consulting required sub-awardees to have an evaluation consultant work with their organization to establish a system to report on key activities, set up an accounting system and establish a system to track outcomes of clients served with these funds.

Measuring Program Outcomes

As a part of your reporting requirements, you may be asked to report not only on sub-awardee activities and progress to plan but also on the measurable outcomes of your sub-award program. Outcome measurement is defined as “a systematic way to assess the extent to which a program has achieved its results.”²⁷ It involves exploring questions such as, “What has changed in the lives of individuals, families, organizations, or the community as a result of this program? Has this program made a difference? How are the lives of program participants better as a result of the program?”²⁸

Outcome measurement is too vast and too important a topic to cover in this particular guidebook on sub-awards; it is recommended that you review and employ the tools and resources

25 Key OMB circulars involving applying for and managing Federal grants and sub-grants include: A-110: Uniform Administrative Requirements for Grants and Other Agreements with Institutions of Higher Education, Hospitals, and Other Nonprofit Organizations; A-122: Cost Principles for Nonprofit Organizations; and A-133: Audits of States, Local Governments and Non-Profit Organizations. These circulars and others can be obtained through www.whitehouse.gov/omb/circulars (listed in numerical sequence).

26 This form can be obtained through www.whitehouse.gov/omb/grants/grant_forms/.

27 Evaluation Forum, *Outcomes for Success*, Seattle, WA: Organizational Research Services, Inc. and Clegg & Associates, Inc. 2000.

28 From *Measuring Outcomes* guidebook.

provided in the *Measuring Outcomes* guidebook, part of the National Resource Center's *Intermediary Development Series*. This guidebook is designed to assist you and your organization to evaluate the extent to which you are achieving the intended results of your program and conduct outcome measurement activities as required by your Federal grant.

Checklist for Reporting on Sub-Awards

- Identify what your reporting requirements are as a grantee
- Determine what information you need from sub-awardees to fulfill your reporting requirements plus other information important to the evaluation of your sub-award plan
- Provide that information to sub-awardees in a form or process that they can use for reporting to you
- Develop and implement your process for measuring program outcomes and work with sub-awardees to assist them in establishing necessary processes and procedures for outcome measurement

Although it may be a requirement to conduct outcome measurement on your sub-award program, your organization and sub-award program can greatly benefit from engaging in the outcome measurement process. Not only does it help everyone on your project (staff and board members of your organization as well as staff and board members of partner organizations) understand what the key focus of your program is intended to be; it also enables you to understand the impact of your work on the sub-award organizations you serve. With the information you gather, you can determine what works and what needs to be changed to improve the effectiveness of your sub-award program.²⁹

²⁹ From *Measuring Outcomes* guidebook.

Implementation

Developing a Workplan

If you have followed the steps in this guidebook, you have identified most, if not all, of the key elements and processes for your sub-award plan. The next step is to put all the components together in a written plan as well as develop a workplan and schedule to operationalize your sub-award plan. The workplan can include the key activities that need to be accomplished as well as tasks and sub-tasks under each activity.

In addition, for each activity and task, list the person responsible for that activity and/or task as well as a start and end time for that activity to be accomplished. To make sure that the plan proceeds as intended, you may want to designate a person in your organization with the skills and experience to oversee the plan's implementation.

Setting a Schedule

As a part of the workplan, you will need to determine a schedule for all key activities and tasks. First, identify any deadlines required by the Federal Awarding Agency regarding the sub-award plan. Must all sub-award funds be distributed by a certain date? Are sub-awardees required to expend all grant funds by a designated time? If so, be sure to develop your schedule to meet these key dates. A partial sample workplan is provided as an example. The workplan's schedule was based on the goal of closing the receipt of applications on April 1, 2004 so that they could be reviewed for selection by May 1, 2004. This date was set so all awards would be distributed by May 15, 2004, and sub-awardees would expend all sub-awards no later than the end of the fiscal year (September 30, 2004).

Designing a Sub-Award Plan Workplan and Schedule			
Key Activities, Tasks, & Sub-Tasks	Person Responsible	Date Started	Date Completed
I. Solicit Applications	M. James, <i>sub-award manager</i>	11/1/03	4/1/04
I.A. Develop RFP	M. James	11/1/03	1/2/04
I.B. Distribute RFP	M. James	1/2/04	4/1/04
I.C. Receive Letters of Intent/Calls of Interest	S. Vaughn, <i>admin asst</i>	1/2/04	4/1/04
I.D. Provide support for applicants	T. Taylor, <i>training director</i>	1/2/04	4/1/04
II. Selecting Awardees	M. James	2/1/04	5/1/04
II.A. Design Selection Process	M. James	12/1/03	2/1/04
II.B. Determine Recruitment and Training	T. Taylor	2/1/04	3/15/04
II.C. Make Selections	M. James	4/1/04	5/1/04
II.D. Make Announcements	M. James	5/1/04	5/15/04
III. Distribute and Monitor Sub-Awards	M. James	5/15/04	9/30/04

For more information on developing a workplan, see the *Managing Public Grants* guidebook, part of the National Resource Center's *Intermediary Development Series*. Additional information on developing a project operational plan is provided in the Resources and References sections of the Appendix.

Summary

By designing and implementing a sub-award plan along with a training and technical assistance program, your intermediary will be providing valuable assistance to smaller faith-based and community organizations.

This guidebook has presented the following key points to keep in mind:

- Key components and steps in designing and implementing a sub-award plan
- Pertinent Federal policies, procedures and regulations for receiving, processing and disbursing Federal grant dollars
- The level of accountability for organizations receiving sub-award funds
- Preventive measures to help your intermediary ensure that sub-award funds are used properly

It is our hope that your intermediary will be able to design and implement an effective sub-award program that will encourage more faith-based and community organizations to reach out with compassion to help even more individuals, families and communities in need.

Appendix

Resources

Web-based Resources

In order to provide intermediaries with the most up-to-date web resources, the Compassion Capital Fund's public website contains a current listing of and links to all the web addresses of the various web resources suggested throughout the *Intermediary Development Series*. For more information, please visit the site at <http://www.acf.hhs.gov/programs/ccf/> or contact:

Compassion Capital Fund National Resource Center
 (703) 752-4331 ■ Fax (703) 752-4332
 E-Mail: Resource_Center@DareMightyThings.com

Code of Federal Regulations (CFR), www.gpoaccess.gov/cfr/index.html, key rules and regulations governing grant programs. The CFR is arranged by titles and sections for the different Federal agencies (already noted in the text). You can access various titles and sections through the web site address listed.

Compassion Capital Fund, www.acf.hhs.gov/programs/ccf, administered by the U.S. Department of Health and Human Services. Federal grant program to intermediary organizations which in turn help faith-based and community organizations build capacity and improve their ability to provide social services to those in need.

Faith in Communities—The Hudson Institute, www.hudsonfaithincommunities.org. The mission of Faith in Communities is to conduct research that contributes to the shaping of public policies that facilitate effective grassroots organizations and to empower faith-based community parishioners through a variety of technical assistance and capacity-building initiatives. The site contains Toolkit Resources, Ministry Models, Charitable Choice information, Policy Resources, Articles and Reviews, Speeches, Research Papers, Technical Assistance.

Federal Agency Centers on Faith-Based and Community Initiatives, provides information on grant opportunities, resources and technical assistance:

- White House Office of Faith-Based and Community Initiatives, www.whitehouse.gov/government/fbci
- Department of Agriculture, www.usda.gov/fbci
- Department of Education, www.ed.gov/faithandcommunity
- Department of Health and Human Services, www.hhs.gov/fbci
- Department of Housing and Urban Development, www.hud.gov/offices/fbci
- Department of Justice, www.ojp.usdoj.gov/fbci
- Department of Labor, www.dol.gov/cfbci

Federal Grant Program Forms, www.whitehouse.gov/omb/grants/grant_forms.html, contains a list of Federal grant forms used for grant application as well as grant management and grant reporting. At least two standard forms are required for all Federal grant programs: SF 424 (Application for Federal Assistance) and SF 269 (Financial Status Report).

Federal Register, www.gpoaccess.gov/fr/index.html, contains all Federal program announcements, rules and regulations published in the Federal Register. The register is updated daily. You may want to check this site regularly for new grant program announcements and regulations that apply to grants.

Guidance to Faith-Based and Community Organizations on Partnering with the Federal Government, www.whitehouse.gov/government/fbcj, contains essential information for organizations that desire to partner with the Federal government. A “must read” for all organizations that apply for Federal funds or have received Federal funds.

OMB Circulars and Forms, www.whitehouse.gov/omb/circulars, The Office of Management and Budget issues circulars governing government-wide standards and requirements for programs.

Protecting the Civil Rights and Religious Liberty of Faith-Based Organizations, www.whitehouse.gov/government/fbcj, contains information on hiring rights of religious organizations, including the background of laws and regulations concerning religious hiring and a description of Congress’s five different approaches to religious hiring.

Public/Private Ventures, www.ppv.org, Public/Private Ventures (P/PV) is a national nonprofit organization whose mission is to improve the effectiveness of social policies, programs and community initiatives, especially as they effect youth and young adults. In carrying out this mission, P/PV works with philanthropies, the public and business sectors and nonprofit organizations. The site contains Resources on Faith-Based Initiatives, resources in youth development, mentoring, program replication and expansion, workforce development.

The Center for Religion and Civic Culture (CRCC) (University of Southern California), www.usc.edu/dept/LAS/religion_online, a research unit of the College of Letters, Arts and Sciences at the University of Southern California. Founded in 1996 through a grant from the James Irvine Foundation, CRCC studies the civic role of religion in Southern California and collaborates with congregations, academics, funds and faith-based organizations in creative ways. CRCC is a broker for new partnerships, an intermediary for the media and faith-based groups and a catalyst for innovative programs. The site contains Resources, Promising Practices, Public-Private Partnerships, Building Communities, Many Faiths, One State.

The National Center for Neighborhood Enterprise (NCNE), www.ncne.com, provides effective community and faith-based organizations with training and technical assistance, links them to sources of support and evaluates their experience for public policy. The site contains Book Reviews, Events, FAQs, Grassroots Network Information, Issues Briefs, Programs, Public Policy Initiatives, Services.

The United Way of America (UWA), www.unitedway.org, national organization dedicated to leading the United Way movement in making measurable impact in every community across America. The United Way movement includes 1400 community-based United Way organizations. Each is independent, separately incorporated and governed by local volunteers. The site contains Outcome Measurement Resource Network, Public Policy, Mobilization for America’s Children.

The Urban Institute, www.urbaninstitute.org, a nonprofit nonpartisan policy research and educational organization established to examine the social, economic and governance problems facing the nation. It provides information and analysis to public and private decision makers to help them address these challenges and strives to raise citizen understanding of these issues and tradeoffs in policy making. The site contains *The Center on Nonprofits and Philanthropy* which examines the roles and impact of nonprofit organizations in democratic societies and analysis trends in the operations and finances of U.S. charitable organizations. It also houses the *National Center for Charitable Statistics* (NCCS).

Glossary

Source: Most definitions have been taken from the Code of Federal Regulations (CFR) from the Department of Health and Human Services (45 CFR 74).

Advance – A payment made by Treasury check or other appropriate payment mechanism to a recipient upon its request either before outlays are made by the recipient or through the use of predetermined payment schedules.

Award – Financial assistance that provides support or stimulation to accomplish a public purpose. Awards include grants and other agreements in the form of money, or property in lieu of money, by the Federal government to an eligible recipient.

Funding period – The period of time when Federal funding is available for obligation by the recipient.

Memorandum of Agreement/Understanding – A signed agreement between two or more parties engaged in an endeavor that outlines the responsibilities and contributions of each party. In the context of Federal grants involving sub-awards, the memorandum is usually developed between the intermediary (Federal grantee) and the sub-awardees receiving Federal funds from the intermediary.

Project costs – All allowable costs, as set forth in the applicable Federal cost principles (see 45 CFR Part 74.27—for HHS grants), incurred by a recipient and the value of the contributions made by third parties in accomplishing the objectives of the award during the project period.

Project period – The period established in the award document during which the Federal awarding agency sponsorship begins and ends.

Recipient – An organization receiving financial assistance directly from a Federal awarding agency to carry out a project or program.

Sub-award – An award of financial assistance in the form of money, or property in lieu of money, made under an award by a recipient to an eligible subrecipient or by a subrecipient to a lower tier subrecipient.

Subrecipient – The legal entity to which a sub-award is made and which is accountable to the recipient for the use of the funds provided.

Suspension – An action by the Federal awarding agency (or a recipient organization providing sub-awards) that temporarily withdraws the agency's (or recipient organization's) financial assistance and sponsorship.

Termination – The cancellation of the Federal awarding agency's (or recipient organization's) sponsorship, in whole or in part, under an agreement at any time prior to the date of completion.

Training – The imparting of knowledge and skills to people in a group setting. Training includes behavioral objectives, opportunities to practice and results in improved performance.

Technical assistance – Providing specialized skills, information and/or support to organizations and/or individuals on a one-to-one basis.

**Nueva Esperanza, Inc.
Hispanic Capacity Project Strategic Leverage Fund³⁰**

HISPANIC CAPACITY PROJECT PROPOSAL SUMMARY SHEET

1. Legal Name of Organization
2. Address, City, State, Zip
3. Telephone, Fax, Email address, Web address (if available)
4. Name and title of Contact Person
5. Name and signature of Executive Director
6. Name of Board President
7. Federal ID number
8. IRS 501c3 nonprofit? Please circle: **YES** **NO**
If yes, please attach copy of designation letter from the IRS.
9. Amount requested: \$_____
10. From which fund is support being requested?
 Capacity Development Fund
 Strategic Leverage Fund
11. State the organization's mission (approximately two sentences)
12. Summarize the proposal and how it will increase the organization's capacity (no more than four sentences).
13. Community services currently offered by your organization.
14. Proposal's impact on specific programs offered by your organization.
15. Proposal's target population, constituents, and geographic communities
16. Proposal's impact on people served and on the community in general.
17. Total number of board members.
18. Total number of employees: full time_____ part time_____ volunteer_____
19. Total annual organizational budget: \$_____
20. Dates of fiscal year:
21. Time period this grant will cover: _____/_____ to
 _____/_____

ORGANIZATIONAL INFORMATION (25%)

1. Provide a brief summary of your organization's history and mission.
2. Describe your current community outreach programs, activities, and accomplishments, with an emphasis on the past year.
3. Outline your organization's primary sources of support--including financial, in-kind, and volunteer resources--over the past three years.
4. Explain what makes your organization unique or distinct.

PURPOSE OF GRANT (40%)

1. State the type of support you are requesting (project, program, or operating) and the amount being requested.
2. Describe the situation--opportunity, problem, issue, need, and the community--that your proposal addresses, and how that was determined.
3. Define the overall goal(s) of this grant request.
4. List the objectives that will enable you to achieve your goals.
5. Explain how you will accomplish these objectives including:
 - Specific activities planned
 - Timeframes for activities
 - Target population and number of people served
6. Describe how these activities will impact the community you serve.
7. Explain how and when you will measure the results.
8. Summarize the major goals of your organization's strategic plan for the next three years.
9. If applying for a project or program grant, provide a detailed resource development plans that explains:
 - How this grant will leverage additional resources
 - How additional support will result in an expansion of services OR
 - How additional support will result in an improvement of services
 - How this resource development plan fits into your organization's strategic plan
10. If applying for an operations grant, provide a detailed resource development plan that explains:
 - How this grant will leverage additional resources from private and public resources
 - How this grant and additional resource will promote institutional development
 - How this resource development plan fits into your organization's strategic plan

FINANCIAL INFORMATION (25%)

Submit budget information using the forms provided for income and expenses. Refer to the document *Budget Items and Justification Guidelines* for any items you do not understand. *Complete attached budget forms* (Federal Form 424).

ATTACHMENTS AND OTHER SUPPORTING DOCUMENTS (10%)

Please provide the following attachments and any relevant supporting documents.

- Organization's annual operating budget for current year
- Organization's most recent audited financial statement (if available) or Form 990. If neither one of these is available, provide the organization's income and expense report for previous year.
- Certification form signed by the organization's executive stating that he/she has read and agreed to comply with the standards outlined in the document entitled *Guidance to Faith-Based and Community Organizations on Partnering with the Federal Government*.
- Current board of directors' list with names, titles, employment affiliations, constituencies
- Supporting materials such as program or project brochures, newspaper articles, letters of support, etc.
- One paragraph description of key staff and volunteers, including qualifications relevant to this request

Please return this information no later than June 1, 2003, to:

Rev. Danny Cortez,
Senior Vice President
Nueva Esperanza, Inc.
4261 North 5th Street
Philadelphia, PA 19140
Phone: 215-324-0746
Fax: 215-324-2542
Email: www.esperanza.us

Applicants are encouraged to submit applications online, or applications may be submitted by standard mail or by fax.

If you have any questions or need assistance with the application, please contact us by email or by phone.

Sub-Awards Excerpts

From the 2003 Compassion Capital Fund Program Announcement, June 26, 2003³¹

Sub-Awards. The program goals will be further accomplished through the issuance of sub-awards by the funded intermediary organizations to a diverse set of small faith-based and community organizations that seek to increase program and organizational effectiveness. The total amount of sub-awards proposed in an intermediary's application must represent at least one-quarter or 25 percent of the total Federal share, though applicants are encouraged to exceed this threshold, if possible. Applicants must develop sub-award plans that are consistent with the following principles:

- Participation in the CCF sub-award program must be open to faith-based and community-based organizations;
- Recipients of sub-awards must receive sub-awards through a competitive process and may not be pre-selected;
- The approach must include outreach to both faith-based and community organizations in a fair and open competition;
- Intermediary organizations must provide on-going technical assistance and capacity-building support to the organizations to which they issue sub-awards;
- The criteria for selection of sub-awardees shall not include consideration of the religious nature of a group or the religious nature of the program it offers;
- Intermediaries shall not require sub-award applicants to provide matching funds or give them a preference in the selection process if they offer matching funds in their applications;
- Intermediaries shall not require sub-award applicants to have 501(c) (3) status or to identify a sponsoring organization with 501 (c) (3) status;
- As a general rule, organizations that partner with an intermediary to deliver technical assistance or provide cost-sharing funds for the proposed project shall not be eligible for sub-awards;
- Sub-awards should be in amounts that are manageable for a small organization;
- Priority for sub-awards should be given to organizations implementing programs that address priority social service needs, such as the homeless, elders in need, at-risk youth, families and individuals in transition from welfare to work, those in need of intensive rehabilitation such as addicts or prisoners, and organizations that help couples who choose marriage for themselves, to develop the skills and knowledge to form and sustain healthy marriages;
- The sub-award plan should focus on organizations that historically have not received grants from the Federal government;
- Capacity-building activities that further the sustainability of sub-awardees' social service efforts should form the central focus of an intermediary's proposed sub-award concept. Sub-awards should be used to assist organizations in differing stages of development. For example, funds may be provided to fledgling organizations to improve their basic functions, such as attaining 501(c) (3) status or developing sound financial systems. Sub-awards may also be provided to promising organizations to expand the reach of existing programs. Such funding

³¹ From the Federal Register: June 26, 2003 (Volume 68, Number 123). The Catalog of Federal Domestic Assistance Number is 93.647. To access this document, go to www.wais.access.gpo.gov.

would allow a promising organization to move to a higher level of service, where it is able to assist more people on a sustainable basis. Uses for such funding might include employing a key additional staff person; moving to a larger or better-equipped facility; upgrading case management or informational technology capabilities; or supporting a new social service; and

- Sub-awards should not be used for “direct” services. Rather, they should be used to improve the sub-awardees’ efficiency and capacity. For example, an organization that distributes food to the poor should not receive a sub-award simply to purchase additional food. Nor, for example, should an organization that provides substance abuse treatment services receive additional funds simply to enable it to provide exactly the same services to more people. Although these sub-awards might well enable these organizations to assist additional individuals, they would not serve to improve the organizations’ sustainability, efficiency, or capacity. Rather the organizations would simply use additional funds in the same way that it used existing funds, without fundamentally changing or improving its services.

Plan for Providing Technical Assistance and Sub-Awards. As a part of its application to ACF, each applicant must submit a basic outline of its sub-award approach, describing the kinds of organizations in its community that would benefit and examples of activities that it expects these groups will undertake with sub-award funding. Intermediary organizations that receive CCF awards will be required to develop, with guidance from and in consultation with ACF, a detailed plan for this process within 60 days of receipt of award under this announcement. ACF must review and approve this plan prior to the issuance of any sub-awards using Federal funds awarded under this announcement. Intermediary organizations must report on the use of funds for sub-awards as they do for other types of expenditures of Federal funds received as a result of an award under this announcement and as specified in the Cooperative Agreement. Intermediary organizations will also be required to develop, with guidance from and in consultation with ACF, a plan within six months of receipt of award for working with sub-awardees to develop outcome measures and to evaluate the activities supported by the sub-awards made with Federal funds under this announcement.

**Memorandum of Agreement Between Associated Black Charities
AND
(CCFDP Grantee Organization)**

I. Purpose:

The purpose of this agreement is to support grants to Faith-Based Organizations (FBOs) and Community-Based Organizations (CBOs) consistent with the eligibility criteria and priorities outlined in Associated Black Charities Compassion Capital Fund Demonstration Program (CCFDP) Guidelines: Request for Proposal Submission.

II. Grant Period:

Under this Memorandum of Agreement, the grant period is May 2003 to September 2003. All program activities will occur within this term.

III. Award Amount: \$ Funding Category

IV. Conditions of Award

- Demonstrated need;
- Satisfactory program performance as outlined in your proposal of March 2003 and/or Grantee Award Letter dated April 21, 2003;
- Ongoing availability of funds;
- Participation in organization & technology training activities;
- Signed certification that Grantee has received and read "Guidance to Faith-Based and Community Organizations on Partnering with the Federal Government;"
- Determination that continuation is in the best interests of Associated Black Charities, and the U.S. Department of Health and Human Services;
- Not using grant monies for unauthorized purposes, including inherently religious activities to support religious practices (i.e. religious instruction, worship and/or prayer).

V. Under this Memorandum of Agreement, Associated Black Charities agrees to:

- Allocate Organizational Development Grants in one (1) installment. The payment will be in May 2003.
- Allocate Service Expansion and Capacity Building grants in two (2) installments. The first payment will be in May 2003 and the final payment will be in July 2003 subject to approved expenditures to date. The two allocated payments will be made in an amount not to exceed the total grant amount.
- Assess fiscal and programmatic performance through and by analysis of the monthly expenditure report and receipts as required by Associated Black Charities as well as a final report;
- Respect the grantee's autonomy regarding its policy-making procedures and day-to-day operations;

VI. Under this Memorandum of Agreement, the Grantee Agrees to:

- Submit the Other Funding Report Form as provided by Associated Black Charities.
- Implement the funded program as described in the grant application or as described in the most current program modification as approved by Associated Black Charities;
- Establish the funded program, substantially in place no later than June 2003;
- Submit request(s) for approval of program or budget modifications fifteen (15) days in advance to Associated Black Charities;
- Submit a final programmatic & fiscal narrative using the line items found on the budget form;
- Attend monthly CCFDP Grantee meetings;
- Cooperate in a timely manner with requests for information and site visit appointments;
- Be available, as circumstances permit for photo sessions, interviews, media and/or board appearances serving to highlight grantee programs and grantee affiliation with Associated Black Charities and utilize the following reference statement for such purposes:
This program is funded by a grant to Associated Black Charities of Maryland from the U.S. Department of Health and Human Services, Administration for Children, Youth and Families, Office of Community Services;
- Inform Associated Black Charities of efforts to secure funding from a source other than Associated Black Charities to continue operations of the funded program beyond the funded period, (i.e. letters of support for the funded program);
- Return any unobligated or unspent grant monies to Associated Black Charities by October 31, 2003;
- Ensure that grant monies are not used to support religious practices such as religious instruction, worship or prayer;
- Adhere to all applicable funding requirements of the U.S. Department of Health and Human Services and Associated Black Charities.

VII. Under this Memorandum of Agreement, the following are conditions that may result in the termination of your grant:

Failure to honor any of the grantee obligations as state in Part Four (IV) and Conditions of Award as stated in Part Five (V) above.

VIII. Amendments and/or changes:

This Memorandum of Agreement may be amended and/or changed only by the written agreement of the grantee and Associated Black Charities.

CCFDP Grantee Signature

CCFDP Grantor Signature

Confidentiality and Conflict of Interest Form³³

- A. The following persons are excluded from serving on the Compassion Capital Fund Demonstration Program (CCFDP) review panel:**
 - 1. all officers of any applicant;
 - 2. the Executive Director of any applicant;
 - 3. the immediate past President/Chairperson of any applicant; and/or
 - 4. anyone serving in an “acting officer” capacity with an applicant, such as the Acting Director or any Interim Board President/Chairperson/Officer

- B. Persons participating in the review process will abstain from both discussion and voting on issues where there is a potential conflict of interest.**

- C. Persons participating in the review and selection process agree to respect the confidentiality of grantee submissions and the review process**

Compassion Capital Fund Demonstration Program Confidentiality and Conflict of Interest Agreement

I, _____, have read the Confidentiality
(Please print full name)
and Conflict of Interest Policy for the Compassion Capital Fund Demonstration Program grants
process and do hereby, certify my eligibility to participate as a reviewer Fiscal Year 2003 funding.

Signature

Date

³³ This Conflict of Interest form is used with the permission of Associated Black Charities.

Compassion Capital Fund Demonstration Program Criteria Rating Sheet³⁴

Reviewer's Name _____

Date _____

Organization Name _____

Jurisdiction _____

Funding Category _____

1. Organizational Information (20 points)

At a minimum the response should do the following:

- a. Provide a brief statement of the organization's mission and goals.
- b. Describe how the mission and goals fit within the scope of the CCFDP core objective to provide programs and services that support and strengthen children and youth.
- c. Explain within the funding category guidelines the legal structure of the organization, and organization's status as a community-based or a community-serving organization.

SCORE _____

Strengths

Weaknesses

2. Organizational Capabilities and Expertise (25 points)

At a minimum the response should do the following:

- a. Describe the organization's existing programs, activities and/or services.
- b. Explain organizational experience and breadth of knowledge with services, programs and inherent challenges to success conducted on behalf of children and youth.
- c. Provides a brief self-assessment of the organization's skills, technical ability and experience to provide programs and services that support and strengthen children and youth.

SCORE _____

Strengths

Weaknesses

³⁴ This Criteria Rating Sheet is used with the permission of Associated Black Charities.

3. Purpose of Funds Being Sought (35 points)

At a minimum the response should do the following:

- a. Provide a description of the program or service for which the organization is seeking funding.
- b. Provide a statement describing the need the program or service will address, as well as the impact of the program or service on target population.
- c. Spell out in adequate detail the desired outcomes of this program or service and description of how these will be measured.
- d. Attempt to ensure that all specified tasks and deliverables are responsive to the requirements of the CCFDP request for submission.

SCORE _____

Strengths

Weaknesses

4. Budget (20 points)

At a minimum the response should do the following:

- a. Provide a statement indicating the funding category for the service or program.
- b. A statement indicating how the funds will be used, *e.g.* salaries, equipment, facilities, participant stipends, meals, and/or training.
- c. Provide a fiscal narrative compatible with the core objective of the RFP to provide programs and services that support and strengthen children and youth.
- d. Ensure that budget does not fund endowment or capital campaigns, bricks and mortar projects, land purchases, ticket purchases, political or partisan activities, as well as religious practices, religious instruction, worship, and/or prayers.

SCORE _____

Strengths

Weaknesses

Compassion Capital – Hawaii Moving Forward Procurement Procedures³⁵	
Type of Procurement Action	Requirement
Goods and Contract Services	
Purchase of goods or services \$0 - \$2,499	1. Approval from grantee's executive director or fiscal officer indicates price reasonableness.
Purchase of goods or services \$2,500 - \$14,999	<ol style="list-style-type: none"> 1. A competitive process is required. A minimum of three verbal quotations must be requested and documented. 2. In the event that the lowest bid is not selected, or if only one quote is received, grantees are required to document price reasonableness. 3. Grantees may use agency forms, or may use the following forms developed by the project for record keeping: Record of Verbal Quotation, Determination of Price Reasonableness.
Purchase of goods or services \$15,000 and above	<ol style="list-style-type: none"> 1. A competitive process is required. A minimum of three written quotations must be requested and documented. 2. In the event that the lowest bid is not selected, or if only one quote is received, grantees are required to document price reasonableness. 3. Grantees may use agency forms, or may use the following forms developed by the project for record keeping: Request for Written Quotation, Determination of Price Reasonableness.
Sole source purchase of goods or services \$2,500 and above	<ol style="list-style-type: none"> 1. When a competitive bidding process is impractical because only one product/service will meet the need and that one product/service is only offered by one vendor, justification for a sole source purchase must be documented. 2. Price reasonableness must also be demonstrated and documented. 3. Grantees may use agency forms, or may use the following forms developed by the project for record keeping: Sole Source Justification, Determination of Price Reasonableness.
Equipment (\$5,000 and above)	
Competitive purchase of equip- ment \$5,000 - \$14,999	<ol style="list-style-type: none"> 1. The purchase of equipment requires prior approval from the Federal Grants Officer. Therefore, the Equipment Purchase Request form must be completed and submitted to the Compassion Capital – Hawaii Moving Forward Project Coordinator. To expedite the approval process, forms should be faxed to 808-956-4147. 2. A competitive process is required. A minimum of three verbal quotations must be requested and documented. 3. In the event that the lowest bid is not selected, or if only one quote is received, grantees are required to document price reasonableness. 4. Grantees may use agency forms for Steps 2 and 3, or may use the following forms developed by the project for record keeping: Record of Verbal Quotation, Determination of Price Reasonableness.
Competitive purchase of equip- ment \$15,000 and over	<ol style="list-style-type: none"> 1. The purchase of equipment requires prior approval from the Federal Grants Officer. Therefore, the Equipment Purchase Request form must be completed and submitted to the Compassion Capital – Hawaii Moving Forward Project Coordinator. To expedite the approval process, forms should be faxed to 808-956-4147. 2. A competitive process is required. A minimum of three written quotations must be requested and documented. 3. In the event that the lowest bid is not selected, or if only one quote is received, grantees are required to document price reasonableness. 4. Grantees may use agency forms for Steps 2 and 3, or may use the following forms developed by the project for record keeping: Request for Written Quotation, Determination of Price Reasonableness.

³⁵ This Procurement Procedures grid is used with permission from Hawaii Moving Forward.

References

Associated Black Charities' presentation to CCF intermediaries, May 7, 2003.

Christian Community Health Fellowship website, www.cchf.org/CCPC.

Code of Federal Regulations (CFR), 45 CFR, www.gpoaccess.gov/cfr/index.html.

Department of Labor, *Center for Faith-Based and Community Initiatives Office*, www.dol.gov/cfbci/funding-past.htm.

Evaluation Forum, Outcomes for Success, Seattle, WA: Organizational Research Services, Inc. and Clegg & Associates, Inc. 2000.

Federal Register: June 26, 2003 (Volume 68, Number 123), Catalog of Federal Domestic Assistance Number 93.647, www.wais.access.gpo.gov.

Financial Status Report Form, www.whitehouse.gov/omb/grants/grant_forms/.

Guidance to Faith-Based and Community Organizations on Partnering with the Federal Government, White House Office of Faith-Based and Community Initiatives' website, www.whitehouse.gov/government/fbci.

JVA Consulting Sub-Award Plan, February 2003.

MEDA Compassion Capital Fund Demonstration Project Subgrant Award Plan, January 15, 2003.

OMB circulars involving applying for and managing Federal grants and sub-grants: A-110: *Uniform Administrative Requirements for Grants and Other Agreements with Institutions of Higher Education, Hospitals, and Other Nonprofit Organizations*; A-122: *Cost Principles for Nonprofit Organizations*; and A-133: *Audits of States, Local Governments, and Non-Profit Organizations*, www.whitehouse.gov/omb/circulars.

Program Announcement Department of Labor Office of Disability Employment Policy's Intermediary Grants for Mentoring Youth with Disabilities, www.dol.gov/cfbci/funding-past.htm.

Protecting the Civil Rights and Religious Liberty of Faith-Based Organizations, White House Office of Faith-Based and Community Initiatives' website, www.whitehouse.gov/government/fbci.

RFP form, Nueva Esperanza, Inc.

South Carolina Rural Communities Compassion Project Progress Report, May 1, 2003.

Standard Form 269 (Financial Status Report—Long or Short Forms), www.whitehouse.gov/omb/grants/grant_forms.html.

2002 CCF intermediary contributors: JVA Consulting, LLC, Associated Black Charities, University of Hawaii, and Mennonite Economic Development Associates.

2003 Compassion Capital Fund Program Announcement, *C. Program Purpose and Objectives*, page 38,054, www.acf.hhs.gov/programs/ccf.