

RESEARCHER GUIDELINES AND RESOURCES for EVALUATION OF PROPOSED COSTS AND FINANCIAL GRANT MANAGEMENT CAPABILITIES:

The Water Research Foundation, in discharging the public trust through both subscriber and government funding, is obligated to assess both technical merit and the proposed costs of research proposals, as well as the financial grant management capabilities of proposing organizations. The purpose of this document is to summarize WRF's policy and process for:

- I. **analysis of research proposal costs (budget),**
- II. **assessing the financial grant management capabilities** that must be demonstrated by each successful proposing organization, and to
- III. investigating some **possible educational resources** for the development of those capabilities.

A successful proposer (sub-recipient) and proposal will meet technical, cost, and financial grant management capabilities criteria. These criteria, which provide the basis for proposal review and selection, are identified in WRF's:

- Request for Proposal (RFP),
- Proposal Guidelines, and
- Project Funding Agreement (PFA).

Section I: Analysis of Research Proposal Costs (Budget)

The budget and budget narrative are the cost expressions of the proposed project and must undergo a cost analysis that may include (but is not limited to) the following:

- verifying cost data;
- evaluating specific elements of cost; and
- examining data to determine the necessity, reasonableness, and allocability of costs in the budget and their allowability under the RFP, Proposal Guidelines, Project Funding Agreement and related Federal regulations.

This cost analysis is initiated through, and generally guided by, the proposer's *Budget and Budget Narrative forms* and other required stand-alone documents (indirect cost rate agreements, financial statements, etc.) submitted with the research proposal.

Section II: Assessing the Proposing Organization's Financial Grant Management Capabilities

In evaluating the research proposal, WRF must review the financial grant management capabilities of the proposing organization. WRF makes a risk assessment, as an integral part of its sub-recipient monitoring strategy, as to the likelihood that a sub-recipient can comply with the President's Office of Management and Budget (OMB) Uniform Grants Guidance implemented on December 26, 2014, and program (project) requirements contained in the RFP, Proposal Guidelines and Project Funding Agreement (PFA).

Underlying WRF's RFP, Proposal Guidelines and PFA, and foundational to its sub-recipient risk assessment and monitoring process, WRF has adopted the Uniform Grants Guidance (UGG), which consolidated the several OMB circulars previously referenced in these Guidelines. All OMB references herein are now made to this UGG at 2 CFR 200 – "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards." An electronic version of 2 CFR 200 is available at this website: www.ecfr.gov by browsing to Title 2, Subpart 200. Cost principles for commercial entities are still referenced under the FARS at 48 CFR 31.2, an electronic version is available at www.ecfr.gov by browsing to Title 48, Subpart 31.

Sub-recipient organizations must demonstrate general familiarity with their applicable administrative requirements and cost principles and an understanding of how these are relevant to the proposed project.

This assessment is initiated through, and generally guided by, the proposers *Financial Grant Management Capabilities form*, submitted as a stand-alone item within the research proposal. This form outlines some of the basic knowledge, systems, policies and procedures that are evaluated to establish whether or not the applicant is capable of meeting the criteria outlined in WRF's Project Funding Agreement.

WRF encourages all potential proposing organizations to undertake a basic **self-assessment** to determine their level of familiarity and compliance with the UGG. A possible guide to conducting such a self-assessment would be WRF's Financial Grants Management Capabilities form in concert with a review of the UGG and Project Funding Agreement.

Section III: Third Party Educational Resources

While the Water Research Foundation is not able to provide individualized education and training in grants management to prospective proposers, we can answer specific questions related to our RFPs, Proposal Guidelines and the Project Funding Agreement.

WRF recommends that prospective proposers investigate third party programs and materials

designed to educate researchers on the management of federal financial assistance awards and subawards. WRF cannot make any specific representation as to their effectiveness in preparing your organization to manage WRF awards.

- The Environmental Protection Agency offers free online training, “Grant Management Training for Non-Profit Applicants and Recipients” at <http://www.epa.gov/ogd/training/index.htm>. This short online program provides an introduction to grants management. For-profit sub-recipients will need to augment this training with a review of 48 CFR 31.2 in order to address some of the cost issues not addressed in this non-profit oriented training program.
- Thompson Publishing and Thompson Interactive – provides grants management training through printed and audio materials at www.thompson.com and www.thompsoninteractive.com. Click on the Grants tab on each site.
- In our experience, the following two-part strategy is a good start towards **developing basic in-house expertise in the management of subawards** (essentially, grants management).
- **SELECT A GRANTS MANAGEMENT EMPLOYEE** – This is not necessarily a full-time position, but you need someone who is:
 - familiar with accounting and budgeting concepts
 - capable of learning and performing the grants management responsibilities
 - good at process development, documentation and implementation, and
 - good at keeping other employees informed as to requirements and process.

FORMAL BASIC GRANT MANAGEMENT TRAINING for the Grants Management Employee - “Management Concepts” is a trainer that we have used. While they offer a full grants management training program for professional grant managers, you may find that just a few courses would provide the fundamentals that will help you to begin to develop your grant management capabilities. To see the courses go to <http://www.managementconcepts.com> and select “Offerings by Topic,” then “Grants and Assistance,” then “Grants Management Certificate Program,” then “Recipient.” This series of courses is designed for employees of organizations that receive federal funds, either directly from a federal agency or from a pass-through entity [such as WRF], and use those funds to perform programmatic work.

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