



Department of
**Finance &
Administration**

GRANTS WORKSHOP

The Period of Performance (POP)

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PERIOD OF PERFORMANCE (POP) WORKSHOP AGENDA



Grants Updates



POP Overview



POP Causes and Controls



Illustrative Examples



Q & A

GRANTS UPDATES

❖ Grant Information Sharing Website **Update**

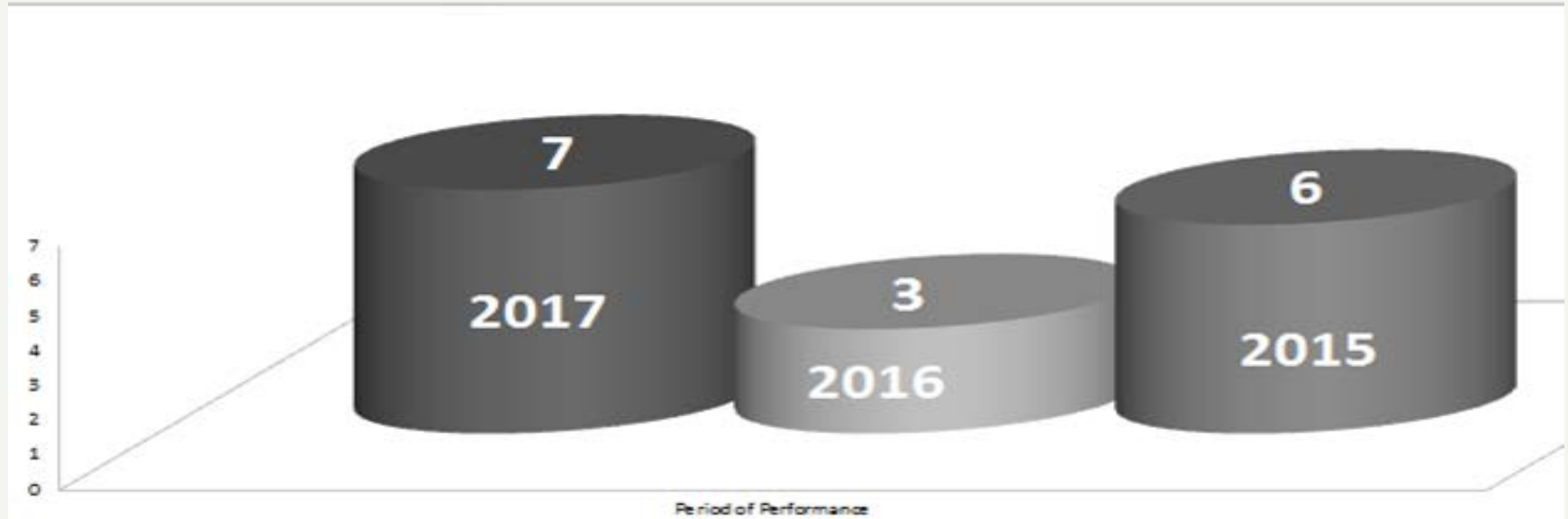
- The Grants Information Sharing Site, Newsletter section. click [here](#).
- Corrective Action Plan (CAP) template and PC079 Form including its guidelines, click [here](#).



Period of Performance Overview

❖ Objectives

1. Meet **Federal Compliance** requirements
2. Reduce **audit findings**



Period of Performance Overview

Until 2015:

- ❖ **Period of Availability (Circular [A-110, .28](#)):** A recipient may charge to the grant only allowable costs resulting from obligations incurred during the funding period (Circular [A-110, .2\(r\)](#)).

2015 to current:

- ❖ **Period of Performance (UG [200.309](#)):** A non-Federal entity may charge to the Federal award only allowable costs incurred during the period of performance ([200.77](#)).

Period of Performance Overview

❖ Definitions and guidelines from Uniform Guidance:

1. 200.77, Period of Performance means the **TIME** during which the non-Federal entity may incur new **obligations**** to carry out the work authorized under the federal award. The Federal awarding agency must include **start** and **end dates** of the period of performance in the Federal award.

Period of Performance Overview

**** 200.71, obligations** means orders placed for property and services, contracts and subawards made, and similar transactions during a given period that require payment by the non-Federal entity during the same or a future period.

Examples are:

- Purchase order
- Vouchers
- Travel
- Contracts
- Personal services-payroll

Period of Performance Overview

§76.707 When obligations are made.

The following table shows when a State or a subgrantee makes obligations for various kinds of property and services.

If the obligation is for—	The obligation is made—
(a) Acquisition of real or personal property	On the date on which the State or subgrantee makes a binding written commitment to acquire the property.
(b) Personal services by an employee of the State or subgrantee	When the services are performed.
(c) Personal services by a contractor who is not an employee of the State or subgrantee	On the date on which the State or subgrantee makes a binding written commitment to obtain the services.
(d) Performance of work other than personal services	On the date on which the State or subgrantee makes a binding written commitment to obtain the work.
(e) Public utility services	When the State or subgrantee receives the services.
(f) Travel	When the travel is taken.
(g) Rental of real or personal property	When the State or subgrantee uses the property.
(h) A pre-agreement cost that was properly approved by the Secretary under the cost principles in 2 CFR part 200, Subpart E—Cost Principles	On the first day of the grant or subgrant performance period.

Period of Performance Overview

2. 200.309, a non-federal entity may charge to the Federal award only **ALLOWABLE COSTS** incurred **during** the period of performance and any costs incurred **before** the Federal awarding agency or pass-through entity made the Federal award that were **authorized by the Federal awarding agency** or pass-through entity.

Period of Performance Overview

3. 200.331 (a)(1)(v), pass-through entity must provide subaward period of performance **START and END date** to subrecipients.
4. 200.307(f), income (program income) after the period of performance. There are **no Federal requirements** governing the disposition of income earned **after the end of the period of performance** for the Federal award.

Period of Performance Overview

5. 200.461(3), the non-Federal entity may charge the Federal award **before closeout** for the **costs of publication or sharing of research results** if the costs are not incurred during the period of performance of the Federal award.
6. 200.343 (b), a non-Federal entity must **liquidate all obligations incurred** under the Federal award **not later than 90 calendar days** after the end date of the period of performance.

Questions and Answers


1. True or False: The Federal awarding agency is required to provide start and end dates of the period of performance, but a pass-through entity is not required to provide subaward period of performance start and end dates to subrecipients.

Questions and Answers


2. The state was awarded a Federal grant in the amount of \$500K. The start date is 10/1/2017 and the end date is 9/30/2018.

True or False? The state entered a contract agreement in the amount of \$300,000 to obtain work on 9/30/2018 and payment was made by 12/23/2018. The remaining \$200,000 of this grant was not obligated or spent. \$500,000 can be charged to this 2018 grant.

COMMON CAUSE FOR NON-COMPLIANCE

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- ❖ Insufficient internal control (grants entered into Edison did not align with terms of actual Federal awards).
 - ❖ When expenditures were reallocated to different grants without considering the period of performance.

COMMON CAUSE FOR NON-COMPLIANCE

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- ❖ Subrecipient expenditures charged to Federal grants without proper review of period of performance (e.g. Transaction (service) date vs. accounting date).
 - ❖ Costs were charged to the award before the start date of the period of performance without Federal pre-award approval.

Questions and Answers

3. The state was awarded two Federal grants. Grant A has a start date of 10/1/2017 and end date of 9/30/2018. Grant B has a start date of 10/1/2018 and end date of 9/30/2019.

True or False: Personal services by a State employee were performed during September 2018 and paid in October 2018. Payroll expenditures should be reallocated from Grant A to Grant B.

CONTROLS TO PREVENT NONCOMPLIANCE

❖ Update internal risk assessment controls:

1. To monitor how and when to review contracts and speedcharts used at beginning and ending grant periods.
2. To monitor transactions for costs recorded during the performance period beginning and ending dates to verify that the underlying obligations occurred within the Period of performance and liquidations (payment) were made within the allowed time period (90 days).



**Risk
Assessment**

CONTROLS TO PREVENT NONCOMPLIANCE

❖ As a Recipient of Federal Award:

1. When entering new grants into Edison, use both the Grant Entry Information and the Grant Entry Checklist template to make sure start and end dates are in the period of performance.
2. Review reallocation journal entries during the approval process to make sure that the costs are in the period of performance.



Recipients
Control

CONTROLS TO PREVENT NONCOMPLIANCE

❖ As a Pass-through Entity of Federal Award:

1. Provide Federally required information in accordance with [200.331 \(a\)](#) including period of performance to subrecipients on Grants Contracts.
2. Conduct a review of documentation of period of performance before reimbursing the funds to subrecipients.



Pass-
through
Entity
Control

CONTROLS TO PREVENT NONCOMPLIANCE

- ❖ Determine whether obligations were liquidated (payment made) within the required time period - based on Uniform Guidance section [200.343\(b\)](#)
 1. Must liquidate all obligations incurred (e.g. by 9/30/2018) under the Federal award no later than 90 calendar days (e.g. by 12/29/2018) after the end date of the period of performance or allowable time period.



Closeout

CONTROLS TO PREVENT NONCOMPLIANCE

❖ Request Extension - in accordance with Uniform Guidance section [200.308\(d\)\(2\)](#)

1. Initiate a one-time extension of period of performance by up to 12 months.



CONTROLS TO PREVENT NONCOMPLIANCE

2. Must notify the Federal awarding agency in writing with the supporting reasons and revised period of performance at least 10 calendar days before the end of the period of performance.

Note: Carryover must be approved by Federal awarding agency.

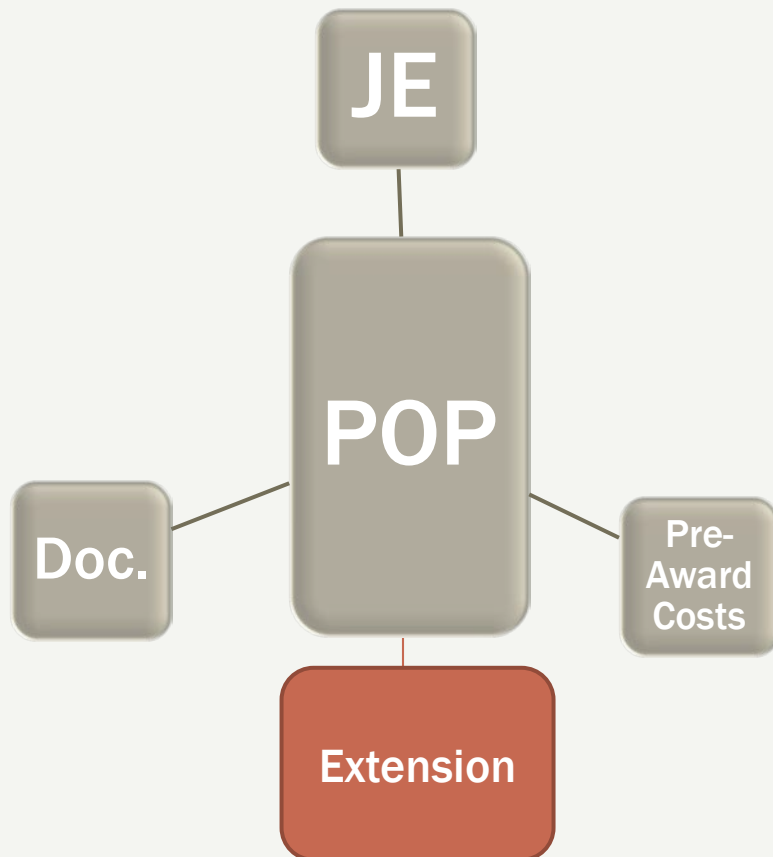


Questions and Answers

4. The state was awarded two Federal grants (500K and 300K). Grant A has a start date of 10/1/2017 and end date of 9/30/2018. Grant B has a start date of 10/1/2018 and end date of 9/30/2019.

True or False: An unobligated balance of \$200K existed for grant A on 9/15/2018 and there is no plan to spend this amount by 9/30/2018. The state should request an extension in order to keep this amount.

CONTROLS TO PREVENT NONCOMPLIANCE



Summary controls to prevent noncompliance:

- ❖ Review **reallocation journal entries** during the approval process in order to charge costs to the correct period of performance.
- ❖ **Pre-award** costs are allowable only if these were authorized by the Federal awarding agency or pass-through entity.
- ❖ Review **documentation** before reimbursing subaward and record expenditures in correct period of performance.
- ❖ Request an **extension** of period of performance.

ILLUSTRATIVE EXAMPLES

- Identifying Federal Report Obligations
- Transaction Dates vs. Accounting Dates
- Speedcharts
- OLT (Over the Billing Limit) of the Customer (Revenue) Contract.
- Close Project to Procurement
- Carry forward with Separate Control/Accounting

Q & A



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