GRANTS MANAGEMENT PROCEDURES
Implemented: November 2018
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OVERVIEW

To fulfill its mission to be a world leader in scaling evidence-based and cost-effective programs that reduce the burden of poverty, Evidence Action relies significantly on grants. It is therefore critical that we have established procedures for managing them.

Scope

This handbook outlines grant procedures for all departments that manage or work on grants. Sections of the handbook are organized chronologically to mimic the grant life cycle. This includes:

1. Applying for a grant
2. Grant Receipt and On-boarding
3. Grant Implementation
4. Grant Renewal or Close-out

Evidence Action's grant policy and procedures for grant accounting are not covered in this handbook. For details on Evidence Action's grant policy, please see Global Finance Manual For Staff. For details on grant accounting, please see Global Finance Manual for Finance Staff.

Grants and Contracts: What's the difference?
A contract is distinct from a grant, in that it is used to procure goods or services. When procuring goods or services, Evidence Action's global or regional procurement procedures should be followed. Evidence Action issues grants, and not contracts, with organizations that implement our programs. Examples of contracts may include IT support, a vendor that supplies program materials, or training to support a larger programmatic effort or initiative. (Note: If training is the primary program or intervention, it should be funded as a grant, not a contract.) A more detailed comparison can be seen in the "Types of Agreement" chart. The scope of this manual is grants received by Evidence Action and subgrants and subcontracts issued by Evidence Action.

Roles & Responsibilities

Because titles across programs at Evidence Action do not necessarily translate to the same responsibilities, this manual uses generic titles to define action items and responsibilities. The definitions for these generic titles and intended individuals for each department are listed below.

Program Lead/ Country Manager: The EA staff person responsible for implementing the program, specifically described in the grant agreement. i.e. any individual responsible for managing the program implementation associated with a grant. Responsibilities: Implementing grant, budget holder, drafting or delegating drafting of donor reports, primary point of contact with donors for program related discussions.

Program Finance: The EA staff person responsible for budget and financial analysis and reporting as it relates to programs and program implementation. i.e. Kara Kirby (Nutrition), Palesa Hanc (Maternal, Neonatal & Child Health), Sospeter Muiruri (Safe Water). Responsibilities: Drafts and modifies budgets with Program Lead, reviews donor reports and expenses, monitors the spend-down of grants and staff allocations.

GLT Program Lead: The EA staff person accountable for the program who is on GLT. i.e. Jeff Grosz, Brett Sedgewick Responsibilities: Provides oversight of the implementation of the program and approves donor applications, reports, and amendments. For Accelerator, these approvals are conducted accordingly to the delegation matrix.

Grant Budgets Manager: EA staff person responsible for creating or delegating financial donor reports. i.e. Sospeter Muiruri. Responsibilities: creates budgets with Program Leads for grant applications, drafts donor financial report, creates BMR on a monthly basis, monitors staff spending against budget for Safe Water.

Grants Compliance: EA staff person(s) responsible for grants on global level. Responsibilities: Primary point of contact with donor for administrative issues related to grants/contracts and facilitates approvals for approvals of amendments, extensions, i.e. Joanna Wald. Manages donor reporting deadlines, payments, documentation, i.e. Kara Newman.

Global Finance: EA staff person(s) responsible for overseeing finance and accounting for grants. i.e. Alexis Tobolski. Responsible for creating fund codes, requesting fund codes be added to process maker.

CFAO: EA staff person accountable for ensuring EA is managing grants and contracts compliantly, i.e John de Wet.

Salesforce

Salesforce (SF) is the web-based tool used by Evidence Action to manage grants. Salesforce is used for the following purposes as it relates to grants:

- Tracking organizations, funding opportunities, and current grants.
- Recording projected revenue for applications and other opportunities and recording funding that we have received or will receive through a signed grant agreement.
- Recording application deadlines, report due dates, and other deadlines associated with a funding organization or specific grant.
- Tracking payments owed to Evidence Action, invoices, and funding when it is received.
- Logging fund codes, grant restrictions, and links to agreements.
- Tracking email conversations with donors and phone calls (see “Cirrus Insight” below)

The names and labels within the Salesforce platform may differ from the terms used by Evidence Action. Below are terms you will come across within the Salesforce system and their meanings:

➢ Account = Funder/Foundation/Grantor
➢ Contacts = People from funding organization
➢ Opportunities = Potential, Active or Inactive Grants

Program Leads, Grants, and Fundraising staff should request a Salesforce license from their manager. Information on how to obtain a Salesforce license and training can be found HERE.

Cirrus Insight (for Salesforce users)
Anyone with a Salesforce license can use Cirrus Insight to quickly capture important grant information discussed via emails, calls and other communications between Evidence Action and funders.

- You can **attach emails** (directly from your email - using either web-based Gmail or Outlook) and **log calls** you’ve had to a contact, grantee organization, or application in SalesForce. Click on the link to view an instructional video on how to save emails and log calls in Salesforce

Box Protocol

While Salesforce acts as a space to profile organizations and grants, key communications, and to manage the ongoing implementation of a grant (payments, deadlines, and tasks), Box remains the primary document repository.

All applications, agreements, budgets, formal approvals, donor reports and any other binding document related to a grant (including donor emails clarifying terms) are saved in Box. It is the primary responsibility of the following roles to save the following documents:

Role	*Primary Box Responsibilities*
Grants Compliance (Kara Newman)	-Final grant agreement, budget and attachments. -Final submitted donor reports (i.e. the version sent to the funder.) -Prior Approvals -Amendments/No Cost Extensions -Binding correspondence with the grantor.
Program Lead	-Final Grant Application, budget and attachments. -Draft donor reports (i.e. when practical the version of the donor report that is being drafted.) -Draft narratives & budgets being reviewed/shared with funders for revisions, amendments, renewals, and no-cost extensions. - Concept notes related to new funding opportunities and any associated budgets.
Grants Budgets Manager	-Draft financial donor reports. -Budget Monitoring Reports
Program Finance	-Draft budgets,budget modifications, application budgets and donor reports. - CoA Change Request Form

Box Location
Grant documentation is saved in the "Funding- RESTRICTED" folder. If you do not have access to this folder you can request access by emailing your manager and the Senior Associate, Grants (Kara Newman)

Naming Protocol
Org.Name_Program_ Doc Type_ yyyy.mm.dd_Status

- "Org. Name" is the name or abbreviation (as written in Salesforce) of the organization issuing the agreement.
- "Program" is DtW (Deworm the World), IFA (Iron and Folic Acid Supplementation) , DSW (Dispensers for Safe Water) , ILC (Inline Chlorination) and MS (Maternal Syphilis) .
    - Program may also be a "sub-program & location", e.g. "Kenya LF", "CGC", "DSW Malawi".
- "Doc Type" may be Report and period, Budget, Contract, Grant, Amend.
    - Amendments shall be numbered chronologically within the program doc type, eg. Amend No. 1.
- "yyyy.mm.dd" equals the date. For agreements the date is the effective date of the agreement.
- "Status" is Final, Draft, or if appropriate, signed.

- For Agreements only, “Program_yyy.mm.dd” is the agreement “number”.
    - If more than one agreement is effective on the same date, the extension (1), (2), or (3) shall be added to the date.

Example
ENDFund_KenyaLF_Grant_2017.12.31_Final
JPF_DSW Malawi_Q2 2018 Fin Report_2018.06.01_DRAFT

GRANTS TOOLBOX (if you read one thing, read this!)

The checklists, forms and other resources referenced throughout the procedures are listed below and can be accessed in Box HERE.

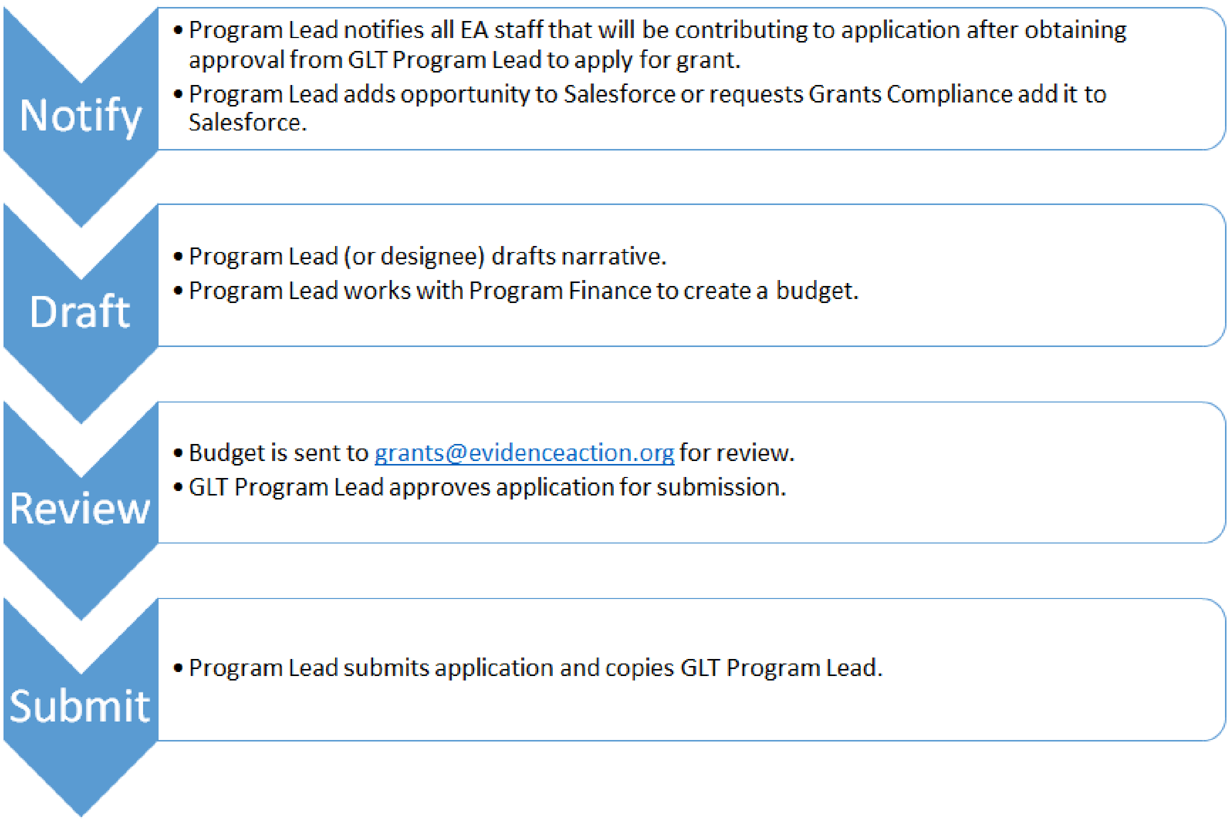
Checklists/Forms Note: Hyperlinks lead to the form in Box.	**What is it?** Note: Hyperlinks navigate to the section in the procedures that discusses the checklist/form.	**Completed by?**	**Checklist Required?**
Application and Renewal Checklist	A checklist that outlines the process for ensuring grant budgets are created and reviewed and that opportunities are captured in Salesforce.	Program Lead, Program Finance	No
Award Review Checklist	A checklist for reviewing a draft agreement from a funder that includes common items that may be incorrect or need negotiating before the agreement is signed.	Grants Compliance, other reviewers	No
Chart of Accounts Change Request Form	The form submitted to accounting to create a Fund Code in the chart of accounts.	Program Finance	Yes
Closeout Checklist	A checklist that outlines the timing and steps required to close-out a grant.	Grants Compliance	Yes
Grant Renewal Checklist	A checklist that outlines the process for ensuring grant budgets are created and reviewed and that opportunities are captured in Salesforce.	Program Lead	No
Grant Intake Checklist	A checklist that outlines the steps that need to be completed when processing an incoming fully executed grant agreement to ensure grant information/documentation is captured in Salesforce and Box.	Grants Compliance	Yes
Kick-off Call Checklist	A list of all of the items that need to be discussed and considered by Program, Finance, and Grants before implementing a grant. Used During the Kick-off Call, which is internal to Evidence Action.	Grants Compliance	Yes

Global Procurement Request Form for outgoing program agreements and U.S. based contracts.	Completed BEFORE issuing a sub-grant or sub-contract or amendment to obtain approval and documentation of procurement initiation.	Program Lead	Yes

Other Resources Note: Hyperlinks lead to the resource in Box.	**What is it?**
Accelerator's delegation matrix DtWI Authorized delegations	This is the matrix that outlines who on the Accelerator team can approve specific types of documents and requests.
Payment Request template	Template used by Grants Compliance to request payments from funders.
Due Diligence Box Folder	Folder in Box that contains documents commonly requested by funders.
Global Procurement Procedures for Outgoing Program Agreements and U.S.Based Contracts	Procedures for entering into an outgoing program agreement.
Incoming Funds Log Process	The process followed by Global Finance and Grants Compliance to ensure ACH and wire payments to Evidence Action are associated with the correct grants/fund codes.
Indirect Rate Justification	Provides text that can be shared with donors to justify our Indirect Cost Rate.
Payment Confirmation template	Template used by Grants Compliance to confirm payments to funders.
Salesforce Instructions	Used by all staff with Salesforce license to ensure same protocols are being followed.
Types of Agreement	Chart outlining how Evidence Action defines different types of agreement (e.g. Contracts, Grants)

GRANT APPLICATION

Overview



Applications

After deciding to apply for a grant, the GLT Program Lead designates a Program Lead who is responsible for drafting or overseeing the creation of the narrative and budget. The instructions below detail the critical approvals necessary before submitting an application, and this Application Checklist can be used to ensure that all of the steps for submitting an application are executed before submission.

The Program Lead drafting the narrative and budget is responsible for:

(1) At least two weeks before the application is due (when possible), emailing Program Finance, Grants Compliance, Grants Budgets, and any other Evidence Action staff that need to contribute to the application.
(2) Entering the application into Salesforce as “Prospecting”
    - Navigate to “Opportunity” tab in SF; Select “New”; Select “Grant”
    - Complete form and save. Detailed instructions for creating a new Opportunity in Salesforce can be found here.
(3) Program Lead works with Program Finance staff to create a budget (create budget template by Dec 2023?). The instructions for using the template are on the first tab of the budget template workbook.

EA's budget template is used before using the donor template to ensure that all application budgets can be mapped back to EA's budget and that critical elements such as Evidence Action's 18% indirect rate and regional direct costs are included.

- If a donor has capped the indirect rate at less than 18% and it is not clear that the indirect rate cap is an unwavering policy, Program Lead reaches out to Grants Compliance and Program Finance to arrange a call with the donor to discuss Evidence Action's Indirect Rate Justification.

If a potential funder will not accept our full 18% indirect rate, a waiver must be obtained by the Program Lead from the CFAO by emailing grants@evidenceaction.org and receiving a response, before applying for the grant. When creating a budget that does not allow the full 18% indirect rate, the following steps should be considered by the Program Lead:

➢ Including costs that are typically considered a part of the indirect cost pool, but that can be billed directly to the grant. (e.g. Communications staff time).
➢ Adding a "contingency" line item that includes additional costs that are likely to be incurred because overhead costs are not being fully recovered.
➢ Exploring if the funder will allow the inclusion of a percentage of funds that would be designated as "Reserve Funds".

(4) When necessary, Program Finance staff translates the budget into the donor template. For accuracy and institutional memory, Program Finance maintains both Evidence Action's budget template and the donor template in Box to ensure that the same FS categories are mapped to the donor template categories for financial reports.
(5) Program Lead or Program Finance consults with Grants Budgets, for grant applications implemented in the Africa Region.
(6) Program Lead emails the budget to grants@evidenceaction.org for final review preferably at least two days before it is submitted to the donor. CFAO and Grants Compliance have access to the inbox and will triage the review of budgets based on complexity and availability.
(7) Ensure narrative and budget is approved by the GLT Program Lead.
(8) Submit application and copy or blind copy, GLT Program Lead, Country Manager, Program Finance, and Grants Compliance, when possible. If an application is online, the proposal should be saved before it is submitted and saved in Box. The Box link should then be sent to all of those involved.

Due Diligence Requests

Many funders complete due diligence reviews before, during, or after the application is submitted. Due diligence documents and associated standard language can be provided by Grants Compliance and are saved in Box here. Examples of due diligence documents include:

- Requests related to the organization's history and structure.
- Organization's Financial Documents
- Leadership Bios/Resumes
- Board Information
- Annual Reports
- Tax Documents
- Articles of Incorporation
- IDC justification

GRANT RECEIPT AND ONBOARDING

Overview

Notify
- Program Lead (or whomever receives notice) notifies GLT Program Lead, Program Finance, CFAO and Grants Compliance when EA is recieves an award.

Finalize Terms of Award
- If deliverables are still being negotiated, Program Lead will work with funder to finalize deliverables.
- If budget, payment schedule or reporting schedule needs to be finalized Program Finance and Grants Compliance will facilitate finalizing with funder.

Review
- When recieved, all staff listed above review the agreement and budget.

Execute
- Grants Compliance facilitates signing of award documents through Adobe Sign and sends bank details and first payment request to funder if appropriate.

Process
- Upon recieving the fully executed agreement, Grants Compliance will fill out the Grant Intake Checklist to ensure grant details are captured in Salesforce and Box.

Grant Kick-Off Call
- Grants Compliance schedules and facilitates Grant Kick-off Call.

Key Documents	*Completed by?*	*Required?*
Award Review Checklist	Any staff reviewing a draft grant.	No
Grant Intake Checklist	Grants Compliance	Yes
Kick-off Call Checklist	Grants Compliance	Yes
Chart of Accounts Change Request Form to request a "Fund Code"	Program Finance	Yes*

**Required if EA is required to report budget to actuals against a donor approved budget and may also be used if the program needs to track spending against an internal budget.*

Receipt of Agreement

If the Program Lead receives notification of the grant award, they email the GLT Program Lead who oversees the program in addition to Grants Compliance (if the GLT Program Lead receives notification, they should email Program Lead and Grants Compliance.) If possible, the email should include:

1. The *draft agreement*, if provided by the funder.
2. The *expected date that EA will receive the agreement for signature* (if not already received).
3. *Any discussions with the funder or any internal discussions that need to take place before the agreement is executed*. e.g. Are the deliverables still being finalized?, Does the budget need to be re-worked because we are receiving less funding than we applied for?, Does a payment or reporting schedule need to be drafted?

Finalize Award Terms

If the deliverables are under discussion with the funder, the Program Lead will work with the funder to finalize the deliverables. If the payment schedule or budget needs to be adjusted before the final grant can be issued, the Program Lead coordinates this process with Program Finance.

> 🔍 ***Note:*** *it is important to ensure that the both Program Finance and the Grants Compliance is copied or blind copied on emails to the funder from this point forward as emails frequently affect the terms of the agreement, final payment schedules, and requirements.*

Review & Execute

When a draft agreement is available, Grants Compliance, Program Lead, and Program Finance will review to ensure that it meets our expectations using the Award Review Checklist.

After (or in parallel with) the review by Grants Compliance, Program Lead, and Program Finance, Grants Compliance sends agreement to the GLT Program Lead and CFAO for final review. If there are questions or suggested edits, Grants Compliance coordinates with the Program Lead and donor to resolve the issues. Grants Compliance and CFAO will determine if General Counsel will need to review the agreement as well.

After the agreement is approved by GLT Program Lead and CFAO, Grants Compliance sends the agreement via AdobeSign to CFAO for signature if less than $250,000 and to Chief Executive Officer if more than or equal to $250,000. Note, in the case that the CFAO is out of office/unable to sign an agreement (of less than $250,000), the Chief Engagement Officer can sign the agreement instead.

Grant Intake Process

Once the fully executed grant agreement is received, Grant Compliance will fill out and follow the steps outlined in the Grant Intake Checklist . This process ensures the grant agreement details and documentation is properly saved in both Salesforce and Box. Once all of the steps in the checklist are completed, Grants Compliance will email the fully executed agreement to finance@evidenceaction.org, cc'ing Program Finance staff and relevant Program staff.

Grant Kick-off call

A signed grant agreement is a legal document that specifies the terms and conditions for accepting and spending the grant funds. The purpose of the grant kick-off call is to ensure that all staff implementing the grant understand the terms and conditions of the award including the start and end dates, amount, region of implementation, reporting, budgeting, allowable costs, and compliance requirements such as prior approval requirements and restrictions on communication about the grant.

It is the responsibility of Grants Compliance to schedule the grant kick-off call within two weeks of Evidence Action receiving a grant award. Grant Kick-off Calls occur regardless of the amount of the grant and include staff who will be managing the grant, e.g. Program Lead, Program Finance, and the Global Finance office. At the discretion of Grant Compliance, the CFAO, or the GLT Program Lead a grant kick-off call may be skipped for grants that are renewed (and the same terms are applied), for small grants, or for grants that may have more general reporting and compliance requirements, such as Silicon Valley Community Foundation (SVCF) and Open Philanthropy Project Fund (OPPF)

Before the grant kick-off call, Grants Compliance completes the [Grant Kick-off Call Checklist] as much as possible from reading the terms of the grant and any correspondence from the donor. During the call, Grants Compliance reviews the checklist with the rest of the participants and fills in any new information.

After the grant kick-off call:

➢ Grants Compliance ensures that any changes to the checklist are saved in Box. If necessary, Program Finance or Grants Budgets works with the Program Lead to update or create a new budget.

➢ Program Finance emails finance@evidenceaction.org the "Chart of Accounts Changes Request" (available here) and saves the Chart of Accounts Change Request Form in Box. This form must be completed to ensure funder details are added to the financial system so expenses can be charged against the grant.

➢ Program Finance emails staff who will be charging time or expenses to the grant.

> 🔍 ***Charging time to a grant:*** *While staff are notified at the beginning of a grant if they should be charging time to it, Program Finance and Grants Budgets monitors personnel expenses and sends quarterly updates to staff to ensure compliance and appropriate spend-down. See "Monitoring" for details.*

GRANT IMPLEMENTATION

Implementation of the grant occurs in accordance with the timeline or deliverables set-out in the grant agreement. Grant implementation is not a linear process and different grants will cycle through different stages of the grant implementation cycle at different times. For example, a funder may provide funds up-front and require only a final report, while other funders send grant payments on a monthly basis over two to three years and require quarterly reporting.

There are five basic activities that occur during Grant Implementation:
1. Monitoring
2. Reporting
3. Payment Requests and Payments
4. Prior Approvals
5. Amendments

Overview of Responsibilities

Role	*Responsibilities*
Program Lead	Implementing the program according to the approved grant application, budget, and any modifications or amendments. Notifying implementing staff of grant terms, restrictions, and program deliverables. Responsible for ensuring the program team completes donor reports on time by either completing reports or delegating them to the team. Reviews and approves staff timesheets to ensure that time is being allocated as expected.
Program Finance	Monitoring grant budgets and expenditures, overseeing payments related to subgrants and subcontracts, performing analysis related to the program and grant expenditures, and works with Grants Budgets to finalize financial reporting for donors after the initial draft is provided by Grants Budgets. Notifies staff of how time should be allocated and conducts regular checks to ensure approved timesheets are in accordance with that allocation.
GLT Program Lead	Approving grant amendments and grant reports; except for Accelerator, where the GLT Program Lead must be sent the report, but has delegated approval of the reports according to the schedule found HERE (To be Updated).
Grants Budgets	Financial reporting, both for internal monitoring (i.e. budget to actual reports) and external reporting, i.e. creates the first draft of all financial reports for Nutrition, Safe Water and Maternal, Neonatal and Child Health programs and works with Program Lead to make any necessary adjustments.

Grants Compliance	Keeping Salesforce up-to-date, tracking payments, facilitating on-time reporting, sub-grant and contract development, and grant and budget amendments and prior approvals.
Global Finance	Reviewing and signing all financial reports submitted to donors.
CFAO	Reviewing and approving all grant amendments.

Monitoring

Program Finance monitors grant budgets and ensures expenses are coded correctly and compliantly by completing the following tasks on a monthly basis:

- ➢ Reviews Budget Monitoring Reports (BMRs) and detailed expenses in the GL monthly to ensure expenses are being coded to the Chart of Accounts correctly.
- ➢ Reviews staff time allocations and ensures all staff are billing their time as planned on a quarterly basis. The amount that each staff member is set to bill to each funder is listed in a spreadsheet with all staff names and funding codes. If any staff members are billing more or less than expected, Program Finance contacts the Program Lead and staff member to discuss whether or not the budget needs to be adjusted.
- ➢ Creating and disseminating budget to actual reports for internal monitoring and for Program Leads.

Grants Compliance

- ➢ Responsible for keeping track of all grants in Salesforce this includes:
    - o Running regular reports to review which grants will be expiring in the next three months and setting up a call with the Program Lead and Program Finance to discuss next steps.
    - o Regularly reviewing incoming funds and outstanding invoices.
    - o Reviewing report due dates and sharing deadlines with Program teams.
    - o Reviewing Asana schedules to ensure program teams are on-track to report on-time.

Grants Budgets

- ➢ Creating and sending BMRs to Program Leads and Program Finance, highlighting concerns regarding underspend or overspend and answering questions from Program Leads and Program Finance.
- ➢ Creating and reviewing financial reports required by donors with Program Leads and Program Finance and highlighting variances.

Program Lead

- ➢ Ensures implementation of the program is in alignment with deliverables and metrics in each grant agreement.
- ➢ Reviews BMRs to ensure that grant spend-down is in alignment with anticipated quarter spend for the grant.

Donor Reports

As discussed in the Grants On-boarding section, donor reporting requirements are identified during the Kick-off call, listed on the Kick-off call checklist, and recorded in Salesforce by Grants Compliance.

Grants Compliance emails all staff implementing any aspect of the grant (see Overview of Responsibilities above) in addition to MLE staff, where applicable, each quarter with a list of due dates for upcoming grant grants. The report can be found here in Salesforce. All staff review the list of due dates to assess whether or not the Grants Compliance will need to request an extension to the due date for any of the reports based on work load or other unplanned events. Per the "Notification of Award" section, ideally if there are any known conflicts with a reporting deadline, we would negotiate with the funder to have a more ideal date before the grant agreement is signed.

Between 30- 45 days in advance of a report due date, Grants Compliance creates a "Project" in Asana and assigns due dates for each task that must be completed to create the donor report. After completing the Asana schedule, Grants Compliance emails each person on the Asana schedule in addition to the GLT Program Lead with a link to the project in Asana, the reporting templates, and if applicable, any previous reports that may be relevant.

It is the responsibility of each team member to review the Asana schedule and templates within 7 days to ensure that they can complete the tasks assigned to them within the allotted time frame, or email the Grants Compliance requesting that the timeline be updated. It is also the responsibility of each staff to update tasks in Asana as they are completed. Grants Compliance will send reminders to staff members if a task is overdue.

In reviewing the report due dates, or at any time leading up to submission, if the program staff does not believe that they will be able to complete the report on-time, Grants Compliance will email the donor with a request for an extension. Evidence Action strives to alert the donor at least 30 days in advance if a report cannot be submitted on time.

Payments & Payments Requests

Grants Compliance is primarily responsible for Payments and Payment requests, but other staff are involved as well.

Program Finance: Reviews Salesforce "Unpaid Invoices Report" monthly to ensure that there are no outstanding payments. (See "Incoming Funds Log Process")

Program Lead: Consults with Grants Compliance when necessary regarding funder payment and ensures that Grants Compliance is copied or bcc: on all emails with funders related to payments or payment schedules.

Global Finance Staff: Updates the incoming funds log and upon requests logs into online bank statements to confirm if a payment is received before the Incoming Funds Log is updated.

Grants Compliance: Responsible for entering all payments owed to Evidence Action in Salesforce when the grant is received. If the funder indicates that adjustments need to be made, Grants Compliance updates Salesforce with the new payment amount or expected date or receipt.

If the funder requires that a Payment Request is submitted in order for EA to receive funds (this will be indicated in the "Payment record" in Salesforce), Grants Compliance submits the Payment Request to funder and copies the Program Lead and Program Finance/Admin staff. The donor may require a specific form, but if not, the Payment Request template may be used.

The Grants Compliance updates the "Invoice" sent date and amount record in Salesforce, so that when the "Unpaid Grant Invoices" report is run in Salesforce, it is clear when a payment has not been received. The Grants Compliance reviews the Incoming Funds Log on a weekly basis to track whether or not grant funds have been received.

When the funds are received, the Incoming Funds log is updated by Grants Compliance with the correct Fund Code, the "Payment Received" field is updated in the Opportunity record in Salesforce, and the Grants Compliance sends an acknowledgement letter to the funder, with a cc: to the Program Lead and Program Finance/Admin using the Payment Confirmation template.

Payments Received via Check
All checks are processed by the **Associate, Operations** and **Associate, Fundraising** twice a week (usually on Monday/Tuesday and Thursday). The Associate, Operations will (1) retrieve checks from the P.O. Box and Office Mailbox, (2) scan the checks into Box, (3) deliver the checks to Finance and (4) send the Box link of the scanned checks to the Associate, Fundraising.

Upon receiving a check related to a grant, the Associate Fundraising will log the check into the Salesforce check log report and send a copy of the check and associated letter to **Grants Compliance**. Upon receiving a copy of the check, the Grants Compliance will update Salesforce and send a notification letter to the donor as they would if the payment was received electronically. *Note:* Grants Compliance should give both the Associate, Operations and Associate, Fundraising advanced notice, if possible, about incoming grants checks to help ensure they are appropriately intercepted and processed.

For more information about the check processing process check out the SOP for Processing and Reconciling Incoming Funds.

Prior Approvals

"Prior Approvals" are instances when Evidence Action must contact the donor to get approval for a change to the program or budget PRIOR to the change taking place.

Requirements for prior approvals are generally written in the grant agreement. Grants Compliance notes all of the requirements for prior approvals in the Kick-off call check list and lists them in Salesforce in the "Prior Approval?" field on the Opportunity record for the grant.

Generally, prior approval is required in the following events:

1. There is a variance of 10% for either the entire budget or per budget category.
2. If there are any substantive changes to the implementation of the program from the approved application. (Note: Regardless of whether or not the donor requires prior notification for substantive changes to the program, the Program Lead contacts the donor to let them know of these changes.)
3. Changes to key personnel.
4. Request for changes to the deliverables-- either the due date or the substance of the deliverable.

Recognizing when a prior approval is necessary during the implementation stage is primarily the responsibility of the Program Lead and Program Finance as these staff members have the best insight into any changes that may be occurring that affect the grant. If unsure, Program Lead and Program Finance consults with Grants Compliance to decide if a prior approval is necessary.

When a prior approval is necessary, the Program Lead or Program Finance emails the GLT Program Lead and Grants Compliance *BEFORE* the changes occur. These changes must be approved by the GLT Program lead. If approved, Grants Compliance emails the donor with the request(s) and copies Program Lead and Program Finance.

The donor should be notified as soon as possible when the need for a prior approval is necessary.

SUB-GRANTS

In some cases, program teams may decide that the most effective way of meeting the deliverables of a grant is to enter into a sub-grant. During the Kick-off call held at the beginning of a grant, Grants Compliance will note on the checklist if sub-grants and sub-contracts are allowable. Typically, at the kick-off call there will also be a conversation as to whether or not there is a plan to enter into sub-contracts or sub-grants and what the process will entail, if allowable. If sub-contracts are allowable the Program Lead should follow the Global Procurement Procedures.

Before entering into a sub-grant, the potential sub-recipient undergoes a due diligence process, led by Grants Compliance to ensure that it is eligible to receive funds from a U.S. based non-profit, that its capable of meeting the deliverables, is able to manage the financial requirements, and that it can meet the provisions being passed-through to them from the prime grant.

(1) **Sanctions List Screening**. Sub-recipients, like all entities receiving funds from Evidence Action, must be screened to ensure that they are not on any sanctions list that would prevent them from receiving funds from a U.S. based non-profit. The process of screening entities through the sanctions list can be found HERE.

    If an entity is on one of the sanctions lists above, the General Counsel will notify the entity that we are unable to enter into an agreement with it, per Evidence Action's Grants Management policy.

(2) **Pass-through requirements.** Grants Compliance will review the prime award to see if there are requirements that would "flow-through" to a sub-grantee. If so, Grants Compliance will send these requests with the Financial Management Survey (see #3 below). An example of a pass-through requirement is the Global Innovation Fund's requirement that Evidence Action have all sub-grantees and sub-contractors sign the GIF Code of Conduct.

(3) **Due Diligence Review**. Potential sub-recipients must complete the Financial Management Survey or a more thorough due diligence review based on the scope of work the sub-recipient will be implementing. The Program Lead, Grants Compliance, and Program Finance will lead the coordination of any due diligence work. Based on the due diligence, Program Lead and Grants Compliance will work with the sub-recipient to mitigate any risks and create a plan for future due diligence/monitoring of the award.

(4) **Drafting and finalizing the agreement**
   (a) **Templates**. Agreement templates pre-approved by the General Counsel can be found HERE. Grants Compliance will work with the Program Lead to decide which template is most appropriate.
   (b) **"Pass-through clauses"** are the clauses in a prime grant that must be incorporated into a sub-grant or contract. Grants Compliance ensures that all required pass-through clauses are incorporated into the final agreement with the subgrantee or subcontractor.
   (c) **Budgets and Payment Schedules.** Budgets and payment schedules should reflect the type of agreement.

Sub-grants:

- Approved sub-recipient budgets should reflect anticipated costs to implement the program including the organization's indirect rate. Staff time should be calculated as a percent of each employee's time.
- Evidence Action pays sub-grantees for the actual costs that are incurred by the subgrantee while implementing the grant. The costs must be in the approved budget, reasonable, and supported by documentation (if requested.)
- Generally, for a medium or low risk sub-grantee, a payment schedule should be designed so that the grantee has funds in advance of incurring the expense. A cost-reimbursement structure may be more appropriate for a high-risk grantee.
- At least 10% of the grant should be scheduled to be paid after the final deliverable is submitted, reviewed, and accepted.

(5) **Monitoring.** When financial and narrative reports are submitted they are reviewed by Program Finance and Program Lead respectively. Invoices are paid according to the organization's and individual programs' AP procedures. Special attention should be given to ensure that all expenses are allowable and within the approved budget. Grants Compliance and Program Lead are responsible for overseeing on-going due diligence as determined during the due diligence review.

GRANT AMENDMENTS AND RENEWAL

Amendments

Initiated by Evidence Action

It is the responsibility of the Program Lead to implement the program in alignment with active grants, but also to ensure that if there are changes to the program that are not in alignment, that we notify the donor as soon as possible. The types of changes that may require both approval from a funder and, if approved, will likely require a modification, include:

- Changes to the scope of work, timeline, or deliverables.
- A change to the Period of Performance/Term/end date of the grant.
- Slow spending that will result in the need for a change to the budget or end date of the grant.
- Change to any clause that the funder may deem necessary such as address or key personnel.

When the Program Lead identifies the need for an amendment they email the GLT Program Lead, Program Finance, and Grants Compliance.

If necessary, Grants Compliance schedules an internal call to discuss the request. Grants Compliance emails the donor with the request and, if appropriate, sets-up a call to discuss with the donor and Program Lead (and Program Finance if the changes are related to the budget.) The GLT Program Lead is copied on all emails and, depending on the relationship with the donor, joins the call or participates in the modification discussions.

If the modification request is approved, Grants Compliance works with the donor to complete the modification to the grant. While some modifications may be specific to the program or the budget, Grants Compliance facilitates the conversation and execution of the agreements.

Initiated by donor

The donor may request a modification to the grant at any time. The donor typically expresses this to the Program Lead. It is the responsibility of the Program Lead to begin copying the GLT Program Lead, Grants Compliance, and Program Finance when modifications to the grant begin. Unless the discussions are specifically and solely related to program and program deliverables, Grants Compliance will facilitate the conversation with the donor and the execution of the amendment.

No-Cost Extensions (NCE)

A no-cost extension is a type of amendment that specifically (and solely) extends the end date of an agreement with a donor that does not entail any changes to the following:

1. Budget
2. Scope of Work
3. Deliverables

A NCE may include an extension of the grant and a change to the payment or reporting schedule, as the last payment is frequently tied to the end of the grant or final report submission.

Requesting a NCE

Program Leads and Program Finance are responsible for recognizing when a NCE needs to be requested from a donor. NCE should be discussed with donors as soon as the need for the extension is recognized if strategic, but at least 3 months in advance, when possible.

When a NCE is necessary, the Program Lead or Program Finance emails GLT Program Lead and Grants Compliance before contacting the donor. The request for a NCE must be approved by the GLT Program lead. If approved, Grants Compliance emails the donor with the request and copies Program Lead and Program Finance. Alternatively, depending on the relationship with the donor, it may be more appropriate for the Grants Compliance to set-up a call with the donor and Program Lead to discuss.

If the NCE is agreed to, the Grants Compliance facilitates the signing of the NCE by the CFAO, if required by the funder.

Grants Compliance is responsible for emailing finance@evidenceaction.org the fully executed NCE. Grants Compliance also saves the NCE in the “Agreement” folder in Box for the correct grant and updates the “End Date” for the grant in Salesforce and any payment or reporting schedule deadlines.

Grant Renewals

Grant Renewal Checklist

Process

Many donors prefer to renew an existing grant with an amendment rather than create a new grant each year or program cycle. Award renewals generally consist of an extension to the agreement, a new budget with additional funding, and new deliverables. In many ways, a renewal is not dissimilar from entering into a new agreement, and thus communication with the donor should be treated as such, meaning that Grants Compliance should be copied on all emails related to the agreement, Program Finance copied on all emails related to the budget, and the GLT Program Lead should be copied or blind copied on all emails to the donor where a request or formal decision is being made related to the renewal.

Frequently, donors require a concept note to be submitted before a grant is renewed. The creation of the concept note is facilitated by the Program Lead. The Program Lead facilitates approval of the concept note and budget by the GLT Program Lead. When the concept note is submitted to the funder, the GLT Program Lead, Program Finance, and Grants Compliance are copied. All four of these roles are also involved in any discussions with the funder around the concept note (although the GLT Program Lead may decide not to join, as appropriate).

When the concept note is approved, Grants Compliance will facilitate the execution of a new grant.

CLOSEOUT

Closing out a grant properly ensures that the funds are spent down appropriately, that any necessary budget adjustments are made in a timely fashion, and that accounting and program teams are given enough warning to ensure ongoing expenses will be covered by other sources of funding.

Grants Compliance will send out a report once a quarter to GLT Program Lead, Program Lead, Program Finance, Global Finance, and Grants Budgets showing the grants that will be closing over the next 6 months, so everyone is aware of upcoming grant end dates. The grant close-out process begins 90 days prior to the end of a grant with Grants Compliance setting up a meeting with the Program Lead and Program Finance to review the Grant Closeout checklist. The Grant Closeout checklist outlines the process for closing out a grant.