VA Financial Policies and Procedures
Grant Program Development

CHAPTER 2

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0201 OVERVIEW

This chapter establishes the Department of Veterans Affairs (VA) Grants Program Office (GPO) policies and procedures that apply to the development of new Federal programs.

0202 POLICIES

020201 Program Development

Purpose. This chapter outlines Department of Veterans Affairs (VA) policies for developing new programs to be carried out by funding through Federal financial assistance.

Scope. This chapter applies to all current and future VA Federal financial assistance programs.

020202 Authorizing Statute/Appropriation

An appropriation is the statute that provides the authority for Federal agencies to incur obligations and to make payments out of the U.S. Treasury for specified purposes. Appropriations may be either classified as mandatory (entitlements) or discretionary spending appropriations. While discretionary spending is defined by annual appropriation acts, entitlements are controlled by laws other than appropriation acts. Although most grant programs are funded by annual appropriations, some programs are entitlements regardless of their funding source because the authorizing statutes for the programs unconditionally obligate the United States to make payments. For example, Veterans’ compensation is one of these entitlements.

020203 OMB Apportionment

An apportionment is an OMB-approved plan to use budgetary resources (31 U.S.C. 1513(b); Executive Order 11541). It typically limits the obligations that may be incurred for specified time periods, programs, activities, projects, objects, or any combination thereof. It may also place limitations on the use of other resources, such as full-time equivalent (FTEs) or property. An apportionment is legally binding, and obligations and expenditures (disbursements) that exceed an apportionment are a violation of, and are subject to reporting under, the Antideficiency Act (31 U.S.C. 1517(a)(1), (b)).

020204 Development of Regulations

In some cases, an authorizing statute may require a program to be regulated. If this is required, the program office should first contact the regulation point of contact within
their administration (VBA, VHA, or NCA). Programs outside of the administrations will work directly with Office of Regulation and Policy Management (02REG). These offices will assist in regulation development. Included in this development the program office may be asked to provide an Impact Analysis or other documentation of the new program. The regulation process is lengthy and may take up to 24 months.

020205 Allocation of Funds

VA uses appropriated funds for programs by further subdividing the apportionment into allotments, suballotments, and allocations. The VA Office of Budget is responsible for the allocation of funds. The budget life cycle is outlined in VA policies and procedures at Volume II Chapter 2, Budget Cycle and Fund Symbols.

020206 Develop Notice of Funding Opportunity Announcement

Each individual program office is responsible for the development of Federal financial assistance Funding Opportunity Announcements. VA policy for developing and issuing information about funding opportunities under VA Federal financial assistance programs and the application submission deadlines can be found in Volume X Chapter 3, Grant Funding Availability Announcement Process.

020207 Catalogue of Federal Domestic Assistance (CFDA)

A. For programs newly authorized by Congress, VA must announce the availability of assistance under the program through the CFDA, or any OMB-designated replacement. The CFDA is the single, authoritative, governmentwide comprehensive source of Federal financial assistance program information produced by the executive branch of the Federal Government. It contains financial and non-financial assistance programs administered by departments and agencies of the Federal Government. Each program is assigned a unique number by agency and program that follows the program throughout the assistance lifecycle enabling data and funding transparency. The complete CFDA number is a five digit number, XX.XXX, where the first two digits represent the Funding Agency (VA is 64: 64.XXX) and the second three digits represent the program. CFDA serves as the authoritative source for all CFDA numbers. The VA contact to obtain a CFDA number is the Office of Finance and Information Resources Management (OFIRM) in the Office of Finance (047).

B. Program offices must submit detailed information to OFIRM through the CFDA Program Information Template. See Appendix B, in order to obtain a CFDA number, and subsequently announce the availability of the assistance under the program. After the program office provides this information to OFIRM, OFIRM will coordinate the submission to the General Services Administration (GSA). The detailed information necessary for this process includes the following:
(1) Program Description, Purpose, Goals and Measurement. A brief summary of the statutory or regulatory requirements of the program and its intended outcome. Where appropriate, the Program Description, Purpose, Goals, and Measurement should align with the strategic goals and objectives within the Federal agency’s performance plan and should support the Federal agency’s performance measurement, management, and reporting as required by Part 6 of OMB Circular A-11;

(2) Identification of whether the program makes Federal awards on a discretionary basis or the Federal awards are prescribed by Federal statute, such as in the case of formula grants.

(3) Projected total amount of funds available for the program. Estimates based on previous year funding are acceptable if current appropriations are not available at the time of the submission;

(4) Anticipated source of available funds. The statutory authority for funding the program and, to the extent possible, agency, sub-agency, or, if known, the specific program unit that will issue the Federal awards, and associated funding identifier (e.g., Treasury Account Symbol(s)); and

(5) General eligibility requirements. The statutory, regulatory or other eligibility factors or considerations that determine the applicant’s qualification for Federal awards under the program (e.g., type of non-Federal entity); and

(6) Applicability of single audit requirements as required by Subpart F – Audit Requirements of 2 C.F.R. Part 200.

020208 Budget Object Codes and Cost Centers

Each new Federal financial assistance program developed within VA must have the appropriate accounting string. Prior to issuing payments to awardees of a new Federal financial assistance program, a Budget Object Code (BOC) and cost center must be assigned to the program as part of the accounting string. For further details on BOC and cost center assignment, reference Volume XIII (Cost Accounting) of VA Financial Policy Chapters 1, Cost Centers and 2, Budget Object Codes.

020209 Grant Program Performance Measures

The Government Performance and Results Act of 1993 (GPRA) as amended by the GPRA Modernization Act of 2010 directs Federal departments and agencies to improve the effectiveness of their programs by engaging in strategic planning, setting outcome-related goals for programs, and measuring program results against those goals. VA must establish meaningful performance standards and measurements for its programs.

The Federal awarding agency must include in the Federal award an indication of the timing and scope of expected performance by the non-Federal entity as related to the
outcomes intended to be achieved by the program. Where appropriate, the Federal award may include specific performance goals, indicators, milestones, or expected outcomes (such as outputs, or services performed or public impacts of any of these) with an expected timeline for accomplishment. Reporting requirements must be clearly articulated such that, where appropriate, performance during the execution of the Federal award has a standard against which non-Federal entity performance can be measured, as required by 2 C.F.R. Part 200.210(d). The Federal awarding agency may include program-specific requirements, as applicable. These requirements should be aligned with agency strategic goals, strategic objectives or performance goals that are relevant to the program.

Each individual program office is responsible for coordinating the development of performance measures in order for the agency to determine the effectiveness of VA programs. Program officers should work closely with the VA Office of Regulation and Policy Management in developing the performance measures for a program. The workflow process to have the Office of Regulation and Policy Management (02REG) approve new guidance and submit that guidance to OMB for approval is documented in Appendix A.

The application notice must clearly convey to the public, VA’s performance measures and expectations for the program, so potential applicants can design their projects to meet the established performance measures. The performance measures must also be included in the application package.

In preparing an application package, the program staff must also include specific program objectives, program performance measures and, if necessary, other program-specific measures so that applicants can develop evaluation techniques that provide valid and reliable data on the established performance measures. The Web-based version of the application package must include a hyperlink to the reporting form that will be used for the program.

Applicants must understand that VA reports progress on the program performance measures annually to OMB and Congress.

020210 Strategic Plan

VA’s Strategic Plan describes the goals and objectives of VA. The Strategic Plan articulates VA’s long-term vision as expressed through strategic goals, integrated objectives and strategies, and planned initiatives. The success of the Strategic Plan depends largely on the people who work at VA.

The discretionary grant process is one of the tools VA uses to help meet the goals and objectives of the Strategic Plan and to continue improving services for our nations
Veterans. The current year’s Strategic Plan can be located at the VA Plans, Budget, and Performance site.

020211 Program Risk Assessments

Each new program must complete a risk assessment in accordance with the Improper Payments Elimination and Recovery Act (IPERA) of 2010 (Public Law No. 111-204). Policies regarding programmatic risk assessments are addressed in VA financial policy Volume VII Chapter 9. Required reviews of grantee risk are covered under 2 CFR Part 200.205 and included in VA policy Volume X – Chapter 4.

0203 AUTHORITY AND REFERENCES

020203 31 U.S.C. 1513(b), Officials Controlling Apportionments

020203 Executive Order 11541, Prescribing the duties of the Office of Management and Budget and the Domestic Council in the Executive Office of the President

020203 The Antideficiency Act

020205 VA Policy Volume II Chapter 2, Budget Cycle and Fund Symbols

020206 VA Policy Volume X Chapter 3, Grant Funding Availability Announcement Process

020207 A-11, Preparation, Submission, and Execution of the Budget

020208 The Government Performance and Results Act of 1993 (GPRA)

020208 GPRA Modernization Act of 2010

020209 VA Plans, Budget, and Performance

020211 Improper Payments Elimination and Recovery Act (IPERA) of 2010 (Public Law No. 111-204)

020211 VA Policy Volume VII, Chapter 9, Erroneous and Improper Payment Reporting under OMB Circular A-123 Appendix C

020401 Chief Financial Officers Act of 1990

020401 38 U.S.C. 309 Chief Financial Officer
0204 ROLES AND RESPONSIBILITIES

020401 The Assistant Secretary for Management and Chief Financial Officer (CFO) oversee all financial management activities relating to the Department’s programs and operations, as required by the Chief Financial Officers Act of 1990 and 38 U.S.C. 309. Responsibilities include the direction, management and provision of policy guidance and oversight of VA’s financial management personnel, activities and operations. The CFO establishes financial policy, systems and operating procedures for all VA financial entities and provides guidance on all aspects of financial management.

020402 Under Secretaries, Assistant Secretaries, and other key officials are responsible for ensuring compliance with the policies and procedures set forth in this chapter.

020403 The Office of Finance, Office of Financial Policy (OFP) is responsible for developing, coordinating, reviewing, evaluating, and issuing VA financial policies, including those that impact financial systems and procedures for compliance with all financial laws and regulations. The Grants Management Service within OFP is specifically responsible for developing, coordinating, and issuing Federal financial assistance policy.

0205 PROCEDURES

None.

0206 DEFINITIONS

020601 Appropriation. A provision of law (not necessarily in an appropriations act) authorizing the expenditure of funds for a given purpose. Usually, but not always, an appropriation provides budget authority.

020602 Entitlement. A program in which the Federal Government is legally obligated to make payments or provide aid to any person, State or local government that, meets the legal criteria for eligibility.

0207 RESCISSIONS

None.

0208 QUESTIONS

Questions concerning these policies and procedures should be directed as shown below: OFP Grants Management Services
## 0209 REVISIONS

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<th>Section</th>
<th>Revision</th>
<th>Office</th>
<th>Effective Date</th>
</tr>
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<td>Vol X Ch 2</td>
<td>New policy chapter</td>
<td>Grants Mgmt</td>
<td>July 2014</td>
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Appendix A: Significant Guidance Document Approval Workflow

For the most up-to-date version of this workflow go to [http://vaww.va.gov/ORPM/Tools_For_Writing_VA_Regulations_2.asp](http://vaww.va.gov/ORPM/Tools_For_Writing_VA_Regulations_2.asp)
Appendix B: CFDA Program Information Template

Title
Agency: Department of Veterans Affairs
Office:

PROGRAM INFORMATION

Authorization (040):

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