



**The Library of Michigan  
Library Services and Technology Act**

**Modeling the Future  
Grant Administration  
Handbook**



Information Partners for the 21<sup>st</sup> Century



**The Library of Michigan  
Library Services and Technology Act**

**Modeling the Future  
Grant Administration Handbook**

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## Library of Michigan Modeling the Future Grant Administration Handbook

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The Library of Michigan is part of the Department of History, Arts and Libraries, whose mission is to enrich quality of life for Michigan residents by providing access to information, preserving and promoting Michigan's heritage, and fostering cultural creativity. The department also includes the Mackinac Island State Park Commission, the Michigan Council for Arts and Cultural Affairs, the Michigan Film Office, and the Michigan Historical Center.

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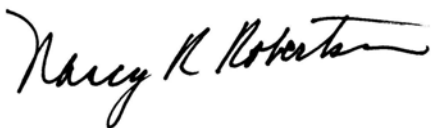
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Dear Colleagues:

Congratulations on your successful Modeling the Future grant proposal! We are pleased to be able to resume the LSTA competitive subgrant program and to assist the development of innovative local projects. Your creativity and hard work will provide improved and new services to your patrons and examples for the library community to follow.

With the acceptance of your proposal, we now look forward to the project implementation. This handbook provides information on the required forms, reports and records retention. After the grant training, you will have the tools and knowledge needed to successfully complete your grant.

We wish you success and hope the project is a rewarding experience for all involved. We look forward to working with you throughout the grant period as you go forward with your project!



Nancy R. Robertson  
State Librarian  
Library of Michigan

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## I. INTRODUCTION

This handbook contains guidelines for administering your LSTA grant, including guidance on reimbursement policies, procedures and documentation, reporting requirements, project revisions, and records retention. Grantees should carefully follow the guidelines to ensure a successful project. The handbook can be useful for everyone involved in project activities and administration. The handbook is available online at [www.michigan.gov/lsta](http://www.michigan.gov/lsta) if additional copies are needed. The scalable project manual is described in more detail in the *Project Manual Outline*, which is also available at [www.michigan.gov/lsta](http://www.michigan.gov/lsta).

This grant is funded under the Library Services and Technology Act (LSTA), which is administered at the federal level by the Institute of Museum and Library Services (IMLS). This federal program has two broad funding areas:

- to encourage activities that use technology for information sharing among libraries and between libraries and other community services;
- to support programs that make library resources more accessible to urban and rural localities, low-income residents, and others who have difficulty using library services.

The Library of Michigan administers the grant program in Michigan and is responsible for developing a statewide plan for service within the federal guidelines. The Library of Michigan detailed goals for the improvement of library service, as well as the specific programs and services to be funded, in the *Library Services and Technology Act Five-Year Plan for Michigan, October 1, 2007 - September 30, 2012*, available at [www.michigan.gov/lsta](http://www.michigan.gov/lsta). The state plan is implemented through annual statewide LSTA programs, services and competitive subgrants.

## II. TIMELINE

Modeling the Future Competitive Grants: \* - Indicates received, not postmarked

Grant Agreements Executed	March
Grant Administration Workshops	March
Grant Expenditures Begin	After Agreement is Executed
Interim Reports Due	
First	Last Business Day of September
Second	Last Business Day of March
Project Revision Due	Last Business Day of January
Grant Expenditures Complete	Last Business Day of June
Final Reimbursement Request Due	Last Business Day of July
Project Manual Due	*Last Business Day of August
Final Project Report Due	*Last Business Day of August

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### III. AWARD PROCESS

**Award Letters:** The State Librarian will send a letter to announce the award of an LSTA grant. This announcement will contain a contingency that awards are not certain until after the approval of the federal budget. Project spending must not occur until after grant agreement execution.

**Grant Administration Workshops:** Each grant recipient will be **required** to attend a grant administration workshop. The workshop will provide project management information for effective LSTA grant administration. The grant administrator must attend the workshop to maintain grant eligibility. Library directors, fiscal agents or others involved in the project are encouraged to attend as well. Exceptions to the attendance requirement must receive prior approval from the Library Grants Coordinator.

**Grant Agreements and Certifications:** The Library of Michigan will prepare and execute a grant agreement with each grantee. The grant agreement will identify both the responsibilities of the grantee and the Library of Michigan and the award period in which all expenditures and obligations must be incurred. Grant agreements must be signed by all parties and returned to the grantee before any grant funds are spent. Expenditures or contractual obligations incurred outside of the award period will **not** be eligible for reimbursement. Return the signed agreements and certifications as soon as possible to prevent delays in the start of the grant period and the Library of Michigan's ability to disburse reimbursement funds.

**Forms:** All forms needed to administer the LSTA grant will be provided at the Grant Administration workshop. The forms may be reproduced as necessary and are also available at [www.michigan.gov/lsta](http://www.michigan.gov/lsta).

### IV. GENERAL ADMINISTRATION GUIDELINES

The following guidelines will help grantees successfully manage their grant.

- Grantees are strongly encouraged to begin their project as soon as the agreement is executed. The expenditure period is approximately 18 months.
- All LSTA project activities **must** occur within the expenditure period identified in the grant agreement. Project costs and obligations incurred or paid prior to or after the expenditure period in the grant agreement will **not** be reimbursed.
- Libraries may not charge patrons for the use of materials or equipment acquired with LSTA funds during the grant period. After the close of the grant, fees are a matter of local policy.

- Libraries **must** notify the Library of Michigan of any changes in the key personnel, i.e. grant administrator, authorized official, board chairperson or fiscal agent, by submitting a *Change in Key Personnel* form.
- When issuing statements, press releases, requests for proposals, bid solicitations, and other documents describing projects or programs funded in whole or in part with federal money, all grantees must include the IMLS logo and state **“This project is funded (in part) with a Library Services and Technology Act grant from the Institute of Museum and Library Services administered by the Library of Michigan.”** You may also include “The Institute of Museum and Library Services is the primary source of federal support for the nation’s 122,000 libraries and 17,500 museums. The Institute’s mission is to create strong libraries and museums that connect people to information and ideas.”

This requirement also applies to all printed promotional materials, online resources such as web sites, and to equipment purchased with LSTA funds. Tags for equipment and digital files of the IMLS logo are available upon request to the Library of Michigan LSTA Team.

[www.imls.gov/recipients/logos.shtm](http://www.imls.gov/recipients/logos.shtm) - logos.

[www.imls.gov/recipients/acknowledgement.shtm](http://www.imls.gov/recipients/acknowledgement.shtm) - instructions.

- If the authorized official fails to respond to a request for information, the Library of Michigan may contact the Board Chairperson to obtain information and to prevent the lapse of federal funds.
- The State Librarian must approve any exceptions to the grant administration policies and procedures.

## V. REIMBURSEMENT POLICIES AND PROCEDURES

### Reimbursement Policies:

**Approved Costs:** Funds must be expended solely for the purposes described in the budget of the approved grant project proposal or project revision. If the grantee purchases items not specifically detailed in the grant proposal budget, the grantee runs the risk of covering those expenditures with local funds. Submit project and budget revision requests prior to modifying activities or purchases to ensure approval and reimbursement. The Library of Michigan retains the right to deny reimbursement for items or activities that are not described sufficiently in the initial grant proposal or subsequent approved revision requests.

**Reimbursements:** Funds are available to grantees on a reimbursement basis only. The Library of Michigan will reimburse the grantee when:

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1. The grantee has received the goods and/or services; and
2. The grantee has paid for the goods and/or services; and
3. The grantee submits the *Reimbursement Request* form with supporting documentation to the Library of Michigan.

The final 10% of the grant funds will be disbursed on the Library of Michigan's approval of the project manual. To meet this requirement, the grantee shall submit all required reimbursement documentation and all reimbursement payments will be made at 90% of the total reimbursement request. The final 10% will then be disbursed after the Library of Michigan's approval of the project manual.

**Subscriptions and maintenance agreements** that have received prior approval and are in direct support of project objectives may extend beyond the grant period for no more than twelve months if the subscriptions and agreements are ordered and paid for prior to the expenditure deadline.

**Printed Items:** Include a complete sample of promotional materials with your *Reimbursement Request* when those costs are claimed as part of the grant. The following statement and the IMLS logo must be included on all printed, promotional materials funded by LSTA dollars and in publicity such as web sites, press releases, etc. about the LSTA project. The statement must also be placed on equipment purchased with LSTA funds.

**“This project is funded (in part) with a Library Services and Technology Act grant from the Institute of Museum and Library Services administered by the Library of Michigan.”**

See the second bullet point on page 8 for more detail on crediting IMLS.

**Professional Services:** Grantees may contract for services from individual libraries, library cooperatives, or other entities. Rules regarding reimbursement vary depending upon the type of service provider. In most cases a contract is not required for professional services to be provided by unrelated entities. In cases in which a contract is used, the contract must be executed by the Project Revision deadline of the last business day of January in the year ending your grant period. *Reimbursement Request* documentation must be in the form of an invoice on the letterhead of the service provider. If this cannot be provided, please confirm the allowability of the service with the LSTA Team first and document the costs with the *Record of Professional Services Form*. Travel costs must be documented separately on the *Travel Reimbursement* form.

Professional services to be provided by another library or library cooperative must be documented to reflect an arms-length transaction. Invoices submitted for reimbursement must be on the letterhead of the service provider, list the dates when the services were performed, and include a description of both the services and charges for the services. The service dates must be within the grant period.

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Contracts over \$2,000 that include services performed by laborers or mechanical workers (i.e. carpentry, alteration, electrical work or painting) are covered by the Davis Bacon Act as well as other related federal acts. These contracts require the payment of federally established prevailing wages and fringe benefits. If you suspect that your project involves this type of contractual situation, contact the Library of Michigan for further information before signing any contracts. **LSTA funds, in general, are not eligible for projects when the Davis Bacon Act applies.**

**Travel Reimbursement:** The grantee may incur travel costs, including meals, only when they are in direct support of project objectives. Mileage requests require a beginning and ending destination city, as well as the purpose of the travel. Expenses for lodging must be supported by dated receipts. Travel related expenses must be approved in the initial grant proposal or subsequent revision requests.

Travel costs are limited to rates established by the U.S. General Services Administration that are in effect at the time the expense is incurred. These rates change periodically. The current rates are available at [www.gsa.gov/perdiem](http://www.gsa.gov/perdiem) (select Michigan) and [www.gsa.gov/mileage](http://www.gsa.gov/mileage). The *Travel Reimbursement* form must be used to document travel reimbursement requests for staff and contractors.

**Unallowable Costs:** The following items are examples of costs that are not allowable under federal rules and as such, are **not** eligible for reimbursement. This is **not** an exhaustive list. The CFR section for the type of institution governs allowable costs. 2 CFR 225 (formerly OMB Circular A-87) governs public and public school libraries. 2 CFR 220 (formerly OMB Circular A-21) governs college & university libraries. 2 CFR 230 (formerly OMB Circular A-122) governs nonprofits. 45 CFR 74, App. E governs hospitals. If you are uncertain of whether a cost is allowable, please contact the Library of Michigan LSTA team.

- Entertainment;
- Food and beverages provided at meetings or open houses;
- Advertising not directly related to the LSTA project;
- Overhead and indirect costs;
- Lobbying;
- Sales tax;
- Office and information technology equipment for general use;
- Professional services under some circumstances.

### Reimbursement Procedures:

**Reimbursement Request Invoice Summary form:** Reimbursement requests for expenses incurred for the project must be submitted on this form. The form **must** have original signatures of the Grant Administrator and Fiscal Agent. Use the *Change of Key Personnel* form to notify the Library of Michigan should either of these individuals change during the project. The Library of Michigan **must** receive all completed

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*Reimbursement Request* forms, including all documentation attachments, no later than the last business day of July in the year ending your grant period.

This form summarizes the project expenditures for which reimbursement is being requested. If the Library of Michigan's review of the form determines that information is missing, the reimbursement request may need to be resubmitted, in part or in its entirety. The Library of Michigan will notify the grantee in writing, by email or letter, if the reimbursement request needs to be resubmitted.

When complete documentation and signatures are received with the reimbursement request, the Library of Michigan will process a payment promptly. The grantee should staple the reimbursement check stub or EFT records to their file copy of the request after it has been received from the Michigan Department of Treasury, to identify the source of funding in case of audit.

If reimbursement requests are received with signatures of key personnel who were not signatories of the grant proposal or on a *Change in Key Personnel* form, the request will not be processed until the Library of Michigan receives a *Change in Key Personnel* form with the new personnel listed.

Documentation must accompany the reimbursement request. A legible copy of the vendor invoice documenting each service or purchase listed is **required**. The Library of Michigan will give reimbursement only for services and purchases that occur within the expenditure period. Invoices must be dated and they must include the quantity, unit cost, and clear descriptions of the goods and/or services provided. For online purchases, a vendor order confirmation showing the order date, description of the item(s) ordered, and price for each item, plus shipping and other charges, may be accepted in place of an invoice. Packing slips that include the above information are acceptable when the vendor does not provide an invoice. Please see the forms listed below for possible additional documentation requirements.

**Documentation Forms:** The following forms are **required** documentation to **accompany** the *Reimbursement Request Invoice Summary* when 1.) staff wages, 2.) travel expenses, 3.) professional services are provided without an invoice, or 4.) equipment with a per-unit cost of \$5,000 or more are listed for reimbursement. The grantee must fill out documentation forms completely.

*Timekeeping Report:* Grantees must include this form for reimbursement of staff time for activities that are done by individuals who are on the library's regular payroll and are specified in the approved project proposal. A separate form must be used for each LSTA-funded library employee to claim reimbursement for wages. You must support wages AND fringe benefit rates by providing copy of the approved library wage scale or similar Board approved documentation with your first timekeeping report.

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Library employee wages are allowable only when:

1. The employee is on the library's payroll;
2. The functions supplement, not supplant activities normally carried out by the library;
3. The wage is appropriate and reasonable for the LSTA activity; and
4. The functions are allowed under the LSTA program guidelines.

Staff time documentation must be a) submitted at least monthly, b) account for all time worked, c) coincide with pay periods, d) be an after the fact record of actual hours worked, and e) be signed by the employee. The timekeeping form shows hours worked, both LSTA and non-LSTA. LSTA hours are multiplied by the pay rate and recorded in the lower right-hand section of the timekeeping report. The number of hours recorded on the time sheets must tally with the number of hours for which reimbursement is requested. The employee and the supervisor **must** sign and date all time sheets submitted to the Library of Michigan for reimbursement.

*Travel Reimbursement:* Grantees must include this form as documentation for travel, meals and lodging of staff members or contractors. Travel, meals and lodging are allowable costs when incurred in direct support of project objectives. Travel related expenses must be approved in the initial grant proposal or subsequent revision requests. See allowable travel rates at [www.gsa.gov/perdiem](http://www.gsa.gov/perdiem) and [www.gsa.gov/mileage](http://www.gsa.gov/mileage).

*Record of Professional Services:* Grantees must include this form as documentation for professional services when the service provider cannot provide an invoice on company letterhead. Please confirm the allowability of the service with the LSTA Team prior to arranging for services.

*Equipment Inventory:* Grantees must use this form to document all tangible, non-expendable personal property with a useful life of more than one year and an acquisition per-unit cost of \$5,000 or more. Unless already approved as part of the grant application, the grantee must have prior written approval from the Library of Michigan for purchases of equipment with per-unit costs of \$5,000 or more. The completed form must include:

1. A description of the equipment, including the manufacturer's model and serial number;
2. Acquisition cost (net invoice price of the equipment, including the cost of installation, transportation, testing and similar preparatory costs, modifications, attachments, accessories, or auxiliary apparatus necessary to make the equipment usable for the purpose for which it was acquired);
3. Vendor from which the equipment was purchased;
4. Date equipment was received by the library;
5. Location of the equipment in the library;
6. Federal share of the cost (percentage of acquisition cost paid by LSTA funds);
7. Information on whether the equipment purchased is used by library patrons and/or library personnel;

8. Any final data such as information on transfer or disposition of the equipment. List the date, sale price, or method used to determine fair market value, when applicable. See Section X for more information.

Equipment purchased with grant funds is subject to federal regulations (45 CFR 1183.32) and state guidelines. Such equipment **must** be identified with a faceplate as provided by the Library of Michigan LSTA Team.

## **VI. PROJECT REVISIONS**

Prior written approval is required for programmatic or budget changes. Specifically, major changes made to your project from those stated in the original proposal or an earlier revision must be submitted in writing on the *Grant Project Revision* form. Changes must be approved prior to being made.

A project revision is **required** if:

- Cumulative adjustments to approved activities result in a budget shift of ten percent or more of the grant award in total or within a grant objective; or
- The overall scope and specific objectives of the project change.

**Please note grant awards cannot be increased.**

If a grantee is uncertain whether a revision is necessary in their situation, please contact the Library of Michigan's LSTA team for assistance.

### **Project Revision Procedure:**

To request approval for a project revision, the grantee must submit a *Grant Project Revision* form. Please file a revision form as soon as it becomes clear the project must be changed. If the grantee carries out the project revision before receiving approval from the Library of Michigan, the grantee runs the risk of covering those expenditures with local funds.

The completed revision form should:

1. Describe the proposed project revision and explain how the revision relates to the goals and objectives of the approved project; and
2. Clearly show the changes to all project objectives, activities, and budgets that are affected by the revision; and
3. Include a revised Summary Budget.

The grantee must submit one paper copy and one electronic copy of the project revision form. All project revision forms must be filed no later than the project revision deadline of the last business day of January in the year ending your grant period.

### VII. REPORTS:

Grantees are required to file three reports throughout the grant period. The required reports are two interim reports and a final narrative report.

The interim reports are brief updates on the project progress and give the Library of Michigan information on project expenditures and progress on project objectives. The information is required for federal and state reporting. The LSTA team also reviews the interim reports to see if grantees need assistance to avoid problems with the grant.

The final narrative report is a detailed analysis of the results of the project and provides the LSTA team the information needed to file the annual LSTA Report with the Institute of Museum and Library Services. The report must include a complete evaluation of the achievement of the project objectives, the successes and failures of the project, and the impact of the project on the individuals and communities the library serves. Include a final number of people served by the project. The grantee may find it useful during the course of the project to maintain a file of anecdotes, quotes and comments to include in the final report. An evaluation **must** be included and the use of outcomes based evaluation (OBE) is preferred. OBE frequently requires pre-testing so you may need to start your evaluation process early. Include a copy of promotional and training materials with the written report. Please review the final narrative report questions early in the grant period to assist in the collection of appropriate data.

Failure to submit a complete final narrative report may result in **disqualification** for future grant awards. The grant recipient will be returned to eligible status after a waiting period of 12 months from the date on which the grant was accepted as satisfactorily completed by the Library of Michigan.

#### **Reporting Forms:**

*Interim Report:* The first interim report is due no later than the last business day of September in the year beginning your grant period. The second interim report is due no later than the last business day of March in the year ending your grant period. The same form is used for both reports and the report should include no more than what fits in the space provided. The grantee must submit one paper copy and one electronic copy of the report.

This form is required to document the project progress. In the first section, list the amount of funds currently invoiced that no reimbursement has been requested for and the additional amount expected to be invoiced. In the second section, briefly summarize your progress in meeting the project objectives and timeline. The grantee must submit one paper copy and one electronic copy of the interim reports. An original signature is required on the paper copy only.

*Final Narrative Report:* The final report is required to document the use and impact of the grant funds. The Final Narrative Report is a list of topics that must be covered in the

grantee's report. The completed report must include all topics listed and a copy of promotional and training materials. Please format the report with the headings given in the order listed. The grantee must submit two paper copies and one electronic copy of the report. An original signature is required on the paper copies only. The Final Narrative Report is due no later than the last business day of August in the year ending your grant period.

### VIII. FORMS

**LSTA Forms:** A sample of each form described below will be provided to you. Forms may be reproduced as necessary and are also available at [www.michigan.gov/lsta](http://www.michigan.gov/lsta). All forms must be completed in their **entirety**, which includes all signature lines completed and dated.

**Signatures:** All signatures listed on a form must be included and be original signatures. Signature stamps and copies of signatures will not be accepted. Forms will be returned if signatures and dates are not complete and this may delay reimbursement.

#### **Reimbursement Forms:**

*Reimbursement Request Invoice Summary:* This form is required for all reimbursements. Please mark the box on the form if this is the final reimbursement request. The final reimbursement request must be submitted no later than the last business day of July in the year ending your grant period. See page 10 for further information.

*Timekeeping Report:* This form is required documentation for all reimbursement requests of staff wages paid for project activities. Record hours in blocks of time, i.e. 3.5 hours. Total time listed on the report should match the time requested for reimbursement on the reimbursement request. See page 11 for further information.

*Travel Reimbursement:* This form is required documentation for travel expenses in direct support of project objectives by both staff and contractors. Mileage requests require a beginning and ending destination city, as well as the purpose of the travel. Expenses for lodging must be supported by dated receipts. Travel related expenses must be approved in the initial grant proposal or subsequent revision requests and will be reimbursed at federal rates, unless the grantee provides a copy of a local, written travel policy with costs that are reasonable by federal standards. See page 12 for further information.

*Record of Professional Services:* This form is required documentation for services provided by a non-library employee who is unable to provide an invoice on company letterhead. Grantees should confirm the allowability of such services with the LSTA Team before arranging the service.

*Equipment Inventory:* This form is required documentation for reimbursement for purchases of equipment with a per-unit cost of \$5,000 or more. See page 12 for further

information. See also page 17 for more information on managing equipment purchased with federal funds. At a minimum, a physical inventory of the property must be taken and the results reconciled with the property records at least once every two years. A copy of the inventory must be submitted to the Library of Michigan on the *Equipment Inventory* form. This must be done through the grant period AND until the property value is less than \$5,000.

### **Other Forms:**

*Change in Key Personnel:* Changes in key personnel, as listed on the original application, must be reported to the Library of Michigan. The form should be submitted as soon as any personnel changes are made during the grant period. Forms signed by new personnel when a *Change in Key Personnel* form has not been filed cannot be accepted and will delay reimbursements. Key personnel are the grant administrator, fiscal agent, authorized official, and board chairperson, e.g. those that signed the grant application.

*Grant Project Revision:* The project revision form must include a detailed description of the proposed project changes. If the revisions change the Summary Budget or any of the Project Objectives sections of the application, these must be revised and sent with the project revision form. The grantee must submit one paper copy and one electronic copy of the project revision form and attachments. An original signature is required on the paper copy only. All project revision forms must be filed no later than the project revision deadline of the last business day of January in the year ending your grant period. See page 12 for further information.

## **IX. PROJECT MANUAL**

As part of the grant activities, grantees are required to write a scalable project manual, suitable to allow another library of the same type (public, school, academic) to implement the same program. The *Project Manual Outline*, available at [www.michigan.gov/lsta](http://www.michigan.gov/lsta), has the full details on the format and content for the project manual. In general terms, the manual will include a description of the planning process, materials and equipment needed, vendors used, project activities, and project evaluation. The manual will describe the previous information in such a way that it is clear to readers how to scale the project to meet local staffing and budgetary considerations.

During the reimbursement process, the Library of Michigan holds 10% of the grant funds, pending approval of the project manual. The final 10% of the grant funds will be disbursed to the grantee after the LSTA team approves the project manual.

The scalable project manual must be RECEIVED at the Library of Michigan no later than the last business day of August in the year ending your grant period. The manual must be approved no later than the last business day of September in the year ending your grant period. If you need to revise the manual, the LSTA team will notify you within a week of their receipt of the manual. You will be given a week to complete the revisions. If a

second revision is required, you will be given another week to complete the revisions. The LSTA team will work closely with any grantee that needs to revise the project manual.

## **X. SITE VISITS**

As part of the administration of the LSTA program, the Library of Michigan is required to conduct site visits. The site visits are to confirm the grant recipients have met the proper procedures and requirements for use of the federal funds. The Library of Michigan will select the sites for visits randomly among grantees after the grant period is complete. Grant recipients selected for a site visit will be notified in writing and provided with a copy of the questions to be asked and a list of materials the site visit team will need to review. The site visit will be held at a mutually agreeable time with as many of the key personnel as possible at the meeting. The Library of Michigan will complete a site visit report and a copy will be provided to the grantee.

## **XI. PROPERTY AND SERVICES PROCUREMENT**

All goods and services purchased with federal funds must conform to applicable federal laws and standards (45 CFR 1183.36). All procurement transactions must be conducted in a manner providing for full and open competition. Procurement by small purchase is a relatively simple and informal method of securing services, supplies, or property that cost no more than \$100,000. If small purchase procurement is used, price and rate quotations should be obtained from an adequate number of qualified sources. The grantee must retain sufficient records to detail the procurement method used. These records should include, but are not limited to, the following: rationale for the method of procurement; selection of contract type; contract selection or rejection; and basis for the contract price.

## **XII. OWNERSHIP OF FEDERALLY FUNDED EQUIPMENT AND SUPPLIES (45 CFR 1183.31-32)**

**Title:** Title to equipment and property acquired with LSTA grant funds vests with the grantee subject to the condition that the grantee shall use the property for the authorized purpose of the project as long as it is needed and, at minimum, throughout the grant period.

**Use:** Equipment shall be used by the grantee in the program or project for which it was acquired as long as needed, whether or not the project or program continues to be supported by federal funds. When no longer needed for the original program or project, the equipment may be used in other activities currently or previously supported with federal funds, regardless of purchase cost or current value.

**Managing Equipment:** Local procedures for managing equipment must, at a minimum, adhere to the following requirements:

1. Property records must be maintained. Such records must include: a description of the property; a serial number or other identification number; the source of the property; title holder; the acquisition date; the cost of the property; percentage of federal participation on the cost of the property; the location, use and condition of the property; and any ultimate disposition data including the date of disposal and sale price of the property.
2. A physical inventory of the property must be taken and the results reconciled with the property records at least once every two years. A copy of the inventory must be submitted to the Library of Michigan on the *Equipment Inventory* form. This must be done until the property value is less than \$5,000, even if this is after the grant period.
3. A control system must be developed to ensure adequate safeguards to prevent loss, damage, or theft of the property. Any loss, damage or theft must be investigated and documented.
4. Adequate maintenance procedures must be developed to keep the property in good condition.
5. Proper sales procedures must be established to ensure the highest possible return if the grant recipient is authorized or required to sell the property. Grant recipients assume any expenses incurred from selling LSTA funded equipment. There is no provision for using any of the sale proceeds to cover expenses.

**Disposition:** Disposition includes, but is not limited to selling, loaning, exchanging, trading in, transferring, donating, destroying, or using the equipment for purposes other than supporting the authorized LSTA project. Disposition reduces a grantee's control of the LSTA funded equipment.

For equipment with a fair market value of \$5,000 or more, the grantee may retain or sell the equipment and the federal government shall have a right to an amount calculated by multiplying the current market value or proceeds from the sale by the federal government's participation in the cost of the original project. This amount is payable to the Library of Michigan as the administrative agency for the LSTA grant. All disposition of such equipment must have prior written approval from the Library of Michigan.

For equipment with a fair market value of less than \$5,000, the grantee may retain, sell or otherwise dispose of the equipment with no further financial obligation to the federal government. If the item was reported on an *Equipment Inventory* form, notice of such disposition must be reported at the time the Library of Michigan conducts an equipment inventory.

**Replacement:** When acquiring replacement equipment, the grantee may use the equipment to be replaced as a trade-in, or sell the property and use the proceeds to offset the cost of the replacement property, subject to prior approval by the Library of Michigan.

**Fair market value:** Fair market value is the estimated, appraised value that could be received for an asset in a transaction with a neutral party in an open market. It is the price for which the asset could be sold in an arms-length transaction between unrelated parties.

### XIII. COPYRIGHTS

The federal awarding agency reserves a royalty-free, nonexclusive, and irrevocable license to reproduce, publish, or otherwise use for federal or state government purposes, the copyright in any work developed under the grant or contract, or purchased with grant support (45 CFR 1183.34).

### XIV. SINGLE AUDIT REQUIREMENTS AND COSTS

Audit requirement for recipients of federal aid are established according to the revised Single Audit Act Amendments of 1996; Public Law 104-156; in accordance with the Office of Management and Budget (OMB) Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. (45 CFR 1183.26) More information is available at [www.whitehouse.gov/omb/circulars/a133/a133.html](http://www.whitehouse.gov/omb/circulars/a133/a133.html)

Michigan public libraries are often included in the Single Audit of their units of local government conducted under the state Uniform Budgeting and Accounting Act. Any library or fiscal agency that is not included in a Single Audit of a local government unit under the Uniform Budgeting and Accounting Act shall contract with an independent auditor to conduct a Single Audit, in accordance with the OMB Circular A-133, when the grantee expends \$500,000 or more of federal funds in the grantee's fiscal year. This total includes funds received from all federal agencies, not only LSTA.

If the Single Audit results in findings related to the management of the LSTA award, the grantee must distribute their audit report and financial statements to the Department of History, Arts and Libraries. For audits that do not meet the \$500,000 threshold, the grantee must distribute their audit report and financial statements to the Department of History, Arts and Libraries only when there is an audit finding in the management of the LSTA funded program.

Auditors should be informed that payments received from LSTA grant awards are one hundred percent federal flow through dollars under the Catalog of Federal Domestic Assistance (CFDA) 45.310 and are subject to the Single Audit Act. All auditors shall comply with the Government Auditing Standards when performing these audits.

When a Single Audit is required solely because of LSTA funds expended, a copy of the prearranged audit contract (audit engagement letter) between the grantee and either the Michigan Department of Treasury or an independent CPA firm must be filed with the

Library of Michigan before the final ten percent of an LSTA award can be released. This contract must show when the Single Audit will be performed and the projected completion date. The grantee should submit the Single Audit report to the Library of Michigan as soon as the audit is completed.

Single Audit costs are allowable charges to LSTA grants only when a Single Audit is required due to LSTA funds expended. Single Audit costs must be included in the approved grant proposal if reimbursement will be requested.

The allowable amount of reimbursement for Single Audit charges may be calculated as a percentage of the total Single Audit expense. This expense should not exceed the percentage of LSTA funds in relation to the fiscal agency's total federal funds audited. The percentage can be different if cost documentation demonstrates higher or lower actual Single Audit costs for the LSTA funded projects.

If all other documentation is received, the Library of Michigan will preliminarily close out projects prior to completion of the Single Audit report. Approved Single Audit charges will be reimbursed after submission of the completed Single Audit. To obtain reimbursement of Single Audit fees, use the *Reimbursement Request* form, supported by a copy of the audit bill with the date paid and check number noted.

The Library of Michigan is responsible for ensuring compliance with federal requirements at both the state and grantee levels. This responsibility includes operating the LSTA program, assuring audit resolution, and maintaining property records. In regards to audits, grantees will receive a letter at the end of their award period to confirm if a Single Audit was required and if so, the status of their Single Audit.

If there are audit findings, the grantee is required to develop and implement a corrective action plan that addresses the findings and recommendations resulting from the audit. The Library of Michigan reviews each grantee's Single Audit report and requires that the grantee provide a Single Audit follow-up for inclusion in the grant file.

**Failure to respond to a Library of Michigan request for audit review follow-up or failure to comply with Single Audit requirements will, at a minimum, preclude further participation in the LSTA program.**

## XV. RECORDS RETENTION

Grantees are required to maintain records for LSTA funded projects (45 CFR 1183.42). All records for each project must be maintained separately from those of other projects. Accounting records should be supported by source documentation such as canceled checks, paid invoices, and payrolls.

Records must be maintained for three years after the date of the final expenditure report or the date on which all other pending matters are closed, whichever is later. Equipment

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records must be maintained for three years after the disposition of the inventoried equipment. In cases of audit exceptions, records must be maintained until three years after resolution or three years after the date of the final expenditure report, whichever is later.

# **Library of Michigan**

## **Modeling the Future Grant Program**

### **Appendices**

## APPENDIX A

### Contact Information

All documents and certificates should be mailed to:

Library of Michigan  
Attention: LSTA Team  
702 W. Kalamazoo Street  
P.O. Box 30007  
Lansing, MI 48909-7507

Karren Reish, Library Grants Coordinator	517-241-0021	<a href="mailto:reishk@michigan.gov">reishk@michigan.gov</a>
Sheryl Mase, Statewide Services Director	517-373-4331	<a href="mailto:mases@michigan.gov">mases@michigan.gov</a>
Kyle Kay Ripley, Grants Analyst	517-373-1303	<a href="mailto:ripleyk@michigan.gov">ripleyk@michigan.gov</a>
Janet Laverty, Director of Business Services	517-373-1550	<a href="mailto:lavertyj@michigan.gov">lavertyj@michigan.gov</a>

These individuals may also be reached by fax at: 517-373-5700

Electronic copies should be emailed to [reishk@michigan.gov](mailto:reishk@michigan.gov) and [ripleyk@michigan.gov](mailto:ripleyk@michigan.gov). If you have difficulty sending the documents via email, please contact Karren Reish or Kyle Ripley.

#### LSTA Listserv

The Library of Michigan hosts an LSTA listserv. Individuals may subscribe to the listserv by visiting

[lists.dhal.org/mailman/listinfo/lsta](http://lists.dhal.org/mailman/listinfo/lsta)

The LSTA list provides a forum to discuss issues related to the implementation of the Library Services and Technology Act, including questions from applicants about the competitive grant program and comments on the *Library Services and Technology Act Five-Year Plan for Michigan, October 1, 2007 - September 30, 2012* and future plans. In addition to the discussion generated by its subscribers, this list will include funding announcements and other Library of Michigan staff postings to clarify issues relating to the grant program.

## APPENDIX B

### Glossary

**Arms-length transaction:** When the buyers and sellers of a product act independently of each other and have no relationship to each other.

**Audit:** Any unbiased examination and opinion of the financial statements of an organization in a given fiscal year. Any political entity that receives more than \$500,000 total in federal funds from all sources is required to have an audit that meets the requirements of federal OMB Circular A-133. For more information, see <http://www.whitehouse.gov/omb/circulars/a133/a133.html>

**Audit Finding:** Any exception to generally accepted audit standards found in the financial statements of the audited institution. Grantees are required to notify the Library of Michigan of any audit findings related to an LSTA funded program and to develop and implement a corrective action plan that addresses the findings and recommendations resulting from the audit.

**Authorized Official:** The person authorized to sign legally binding documents for the institution and who will be addressed in communications from the Library of Michigan.

**Board Chairperson:** This individual represents the board if the organization reports to a board. If the organization does not report to a board, the Authorized Official is the highest level official who can authorize the library's participation in the LSTA project. In either case, this person is authorized to sign contracts and legal documents on behalf of the organization.

**Catalog of Federal Domestic Assistance (CFDA):** CFDA 45.310 applies to Library Services and Technology Act funding to State Library Administrative Agencies. See [www.cfda.gov/](http://www.cfda.gov/) for more information.

**CFR:** Code of Federal Regulations. Library Services and Technology Act grant funds are administered under the requirements of 45 CFR 1183. See [www.gpoaccess.gov/cfr/](http://www.gpoaccess.gov/cfr/) for more information

**CIPA:** The Children's Internet Protection Act restricts the use of funding that is available through the Library Services and Technology Act. These restrictions take the form of requirements for Internet safety policies and technology filters for public and school libraries that use LSTA funds to purchase computers used to access the Internet or to pay for direct costs associated with accessing the Internet.

**Equipment:** For the purpose of federal grants, equipment is any tangible item with a purchase price of \$5,000 or more. Equipment inventory forms must be used for reimbursement of equipment purchases.

**Expenditure Period:** The period identified in the grant agreement during which project costs and obligations must be incurred, which is from when the signed agreement is received to the last business day of June in the year ending your grant period.

**Fiscal Agency:** The organization whose bank account the grant funds flow through for the exclusive benefit of the library organization. The LSTA project reimbursement, which is issued by the State of Michigan, is made payable to this organization. In some cases, the fiscal agency may be a parent organization, such as a city, township, county, or school district.

**Fiscal Agency's Year End:** The end date of the audited period (fiscal year) for the fiscal agency.

**Fiscal Agent:** The individual employed by the fiscal agency who has access to the financial books and records that pertain to the grant project. The grant administrator and fiscal agent may be the same individual.

**Grant Administrator:** The grant administrator must be an employee of the applicant library. A grant administrator is generally responsible for completion of the LSTA project application, required forms during the project and the final narrative report at the project's completion. The grant administrator may be the library director or any other staff member assigned to undertake the responsibilities of managing the project. The grant administrator and fiscal agent may be the same individual.

**Grant Agreement:** A binding legal document that authorizes the implementation of the proposed project and records the legal obligations of the parties to the agreement. The grant administrator, the fiscal agent, and the State Librarian as the state administrator of LSTA programs must sign the grant agreement.

**Grant Period:** The period specified in the agreement document, which is from when the signed agreement is received to the last business day of August in the year ending your grant period.

**Key Personnel:** Grant administrator, fiscal agent, authorized official and board chairperson. A Change in Key Personnel form must be filed if these personnel change during the grant period.

**Supplies:** For the purpose of federal grants, supplies are any tangible item with a purchase price of less than \$5,000.

## APPENDIX C

### U.S. General Services Administration Schedule of Travel Rates & Per Diem Allowances

Use the most recent Hotel, Meals and Incidental Expenses rate for Michigan at

[www.gsa.gov/perdiem](http://www.gsa.gov/perdiem)

Use the most recent Mileage Reimbursement Rates at

[www.gsa.gov/mileage](http://www.gsa.gov/mileage)

Please contact the LSTA team if you have any questions about travel rates and meal costs.

## APPENDIX D

### LSTA FORMS

Forms may be reproduced as necessary and are also available at [www.michigan.gov/lsta](http://www.michigan.gov/lsta).

#### **Reimbursement Forms:**

*Reimbursement Request Invoice Summary*

*Timekeeping Report*

*Travel Reimbursement*

*Record of Professional Services*

*Equipment Inventory*

#### **Reporting Forms:**

*Interim Report*

*Final Narrative Report*

#### **Other Forms:**

*Change in Key Personnel*

*Grant Project Revision*

# Library of Michigan Modeling the Future Grant Program

## FISCAL YEAR TIMELINE

Applicable only if funds are available in a given program year.

<b>Application Availability</b>	<b>Year Round</b>
<b>Intent to File Form Availability</b>	<b>Year Round</b>
<b>Intent to File Form Due Date</b>	<b>Last Business Day of June</b>
<b>Grant Writing Workshops</b>	<b>July/August</b>
<b>Application Due Date</b> (received, not postmarked)	<b>December 1<sup>st</sup></b>
<b>Award Announcement Letters</b>	<b>February</b>
<b>Grant Agreements Executed</b>	<b>March</b>
<b>Grant Administration Workshops</b>	<b>March</b>
<b>Grant Expenditures Begin</b>	<b>After Agreement is Executed</b>
<b>Interim Reports Due</b> First Second	<b>Last Business Day of September</b> <b>Last Business Day of March</b>
<b>Project Revision Due</b>	<b>Last Business Day of January</b>
<b>Grant Expenditures Complete</b>	<b>Last Business Day of June</b>
<b>Final Reimbursement Request Due</b>	<b>Last Business Day of July</b>
<b>Project Manual Due</b> (received, not postmarked)	<b>Last Business Day of August</b>
<b>Final Project Report Due</b> (received, not postmarked)	<b>Last Business Day of August</b>

Applications and all forms are available from the Library of Michigan or electronically from the Library of Michigan's Web site at [www.michigan.gov/lsta](http://www.michigan.gov/lsta).