

IOWA ECONOMIC DEVELOPMENT AUTHORITY

DESTINATION IOWA

Compliance Readiness Webinar

June 1, 2023



Agenda

- Grant Recap
- Grant Agreement Terms / Reimbursement Requirements
- 2 CFR Part 200 Overview / Requirements
- Procurement Documentation Requirements
 - Proof of Purchase to Vendor
 - Proof of Purchase from Vendor
 - Proof of Payment
- Questions & Answers

Destination Iowa Grant Recap

- The Destination Iowa Grant Program was designed to bolster the quality of life in Iowa's communities and attract visitors and new residents to the state.
- The program has four separate funds: Economically Significant Development, Outdoor Recreation, Tourism Attraction, and Creative Placemaking.
- The period of performance for the Destination Iowa Grant is the award date to September 30, 2026.
- Note that all funds need to be obligated by December 31, 2024, but can be expended until September 30, 2026.

Grant Agreement Terms

- The Destination Iowa Grant is paid out to Subrecipients on a reimbursement basis.
- Reimbursement requests are to be submitted to destinationiowa@iowaeda.com.
- Subrecipients can request up to 4 reimbursements per year.
- Final reimbursement to be requested and finalized by September 30, 2026.

Destination Iowa Disbursement & Reimbursement Requirements

To be eligible for disbursement, the following are needed, if not provided previously:

- Executed agreement
- Procurement Policy
- Documentation to demonstrate 100% financing.
 - Resolution from governing entity for contribution (debt financing or cash), if applicable
 - Donor & Grant Spreadsheet, if applicable
 - Grant award letters, if applicable
 - Letter of credit from financial institution for debt financing (non-profit & for-profit)
- Resolution from entity's governing board.
- Form W9

When submitting for reimbursement, the following are needed:

- Draw Request Reimbursement Form
- Draw Request Itemization
- Paid invoices (as shown on draw request itemization)
- Additional documentation as requested – cancelled checks, invoices, receipts, staff time or payrolls, proof of payment

Destination Iowa Grant's Funding Source

- Funding for the Destination Iowa Grant was provided to the State of Iowa from the American Rescue Plan Act ("ARPA") of 2021.
- As a Subrecipient of a Federal award, it is imperative that all Destination Iowa projects are facilitated in accordance with 2 CFR Part 200 and its applicable appendices.
- It is the responsibility of each Subrecipient to be aware and remain in compliance with all applicable federal regulations throughout the grant period.
- Note that failure to comply with federal regulations can result in your request for reimbursement to be denied in partial or entirety.

What is 2 CFR Part 200?

- 2 CFR Part 200 details the uniform administrative requirements, cost principles, and audit requirements for Federal awards to IEDA and/or the Subrecipients of Federal awards.
- Cost principles determine the allowable costs incurred by IEDA and/or the Subrecipients of a Federal Award.
- Audit requirements set the standards for consistency and uniformity among the Federal agencies for the audit of IEDA that expend the Federal awards.
- **Key Detail:** The procurement of goods and services should be competitive and weed out fraud, waste, and abuse.
- You can view 2 CFR 200 through this [link](#)

Unique Entity Identifier & System for Award Management (SAM)

- Each Subrecipient of a Federal award is responsible for registering with SAM.gov and obtaining a unique entity identifier (UEI). ([2 CFR Appendix-I-to-Part-200 D.3.](#))
- Note that once an UEI is assigned, additional steps will be required to activate the entity registration.
- Each registration will remain active for one calendar year. It is the responsibility of each Subrecipient to ensure that annual renewal procedures are completed in a timely manner.
- Subrecipient registrations must maintain an active status throughout the duration of the grant period.

Procurement Policies

- All Subrecipients of a Federal award are required to have a written procurement policy. ([2 CFR 200.318\(a\)](#))
- Each procurement policy will be required to be submitted to IEDA / RSM.
- Ideally, procurement policies should contain purchasing thresholds that each require its own rules for purchasing goods or services. These thresholds will be evaluated to the 2 CFR Part 200 thresholds and the more stringent thresholds will be evaluated when testing.
- Note that during review, procurement thresholds are evaluated at the aggregate vendor level. That means full contract, invoice, and receipt totals will be assessed for the threshold, regardless of whether the items are specific to the awarded project.
- Please ensure that all procurements are well documented. All applicable procurement documentation must be submitted to the review team with your request for reimbursement.

Procurement

- Each Subrecipient will provide procurement documentation for all material and service costs during the reimbursement process.
- Procurement documentation must demonstrate **how you determined to source the materials or services**, such as quotes, RFBs, bid tabulations, change orders, etc in concurrence with 2 CFR Part 200.
- Most often, material and service cost expense support will include a form of **original proof of purchase to vendor** (ex: purchase order or contract), **proof of purchase from vendor** (ex: receipt, pay application, or invoice), and **proof of payment** (ex: cancelled check, redacted bank statement).

Common Procurement Methods & Thresholds

- Micro-Purchase Threshold (< \$10,000)
 - Purchases under this threshold typically do not require formal procurement methods ([2 CFR 200.320\(a\)\(1\)](#))
- Small Purchase Threshold (\$10,000.01 < \$250,000)
 - Purchases within this threshold typically require quotes prior to purchasing ([2 CFR 200.320\(a\)\(2\)](#))
- Simple Acquisition Threshold (\geq \$250,000)
 - Purchases made above this threshold require competitive procurement procedures (formal bids, etc.) ([2 CFR 200.320\(b\)](#))
- Noncompetitive Procurement ([2 CFR 200.320\(c\)](#))
 - Aggregate dollar amount does not exceed the micro-purchase threshold
 - Item is only available from a single source
 - Public exigency or emergency will not permit any delay
 - The Federal Awarding agency or pass-through entity expressly authorizes a noncompetitive procurement in response to a written request
 - ***Note that IEDA will not be authorizing any requests for a noncompetitive procurement***
 - Competition is determined to be inadequate after solicitation of a number of sources

Procurement: Proof of Purchase

At a minimum, the **proof of purchase to the vendor** (ex: contract / purchase order) must include:

- Name of the vendor
- Organization / Subrecipient name (as stated in Grant Agreement)
 - Subrecipients should disclose any aliases used in the support provided to help prevent additional processing time.
- Date that falls within the period of performance
- Description of the goods or services to be purchased
- Rate / cost of the goods or services to be purchased
- If procuring services, a contract must be provided between the Subrecipient and the vendor to demonstrate that the services are in-scope and all rates are pre-set

Note that not all expenses may not require a contract and/or purchase order (receipts, purchases under micro-purchase threshold, etc.).

Contracts: Appendix II of 2 CFR Part 200

- Appendix II of 2 CFR Part 200, contains required provisions that should be included in all contracts made under Federal awards.
- Please ensure all vendor contracts include the applicable provisions.
- For all future contracts, statements, and certifications of compliance or the Appendix II required verbiage (if applicable) will be accepted.
- For all contracts previously executed, please contact the vendor to add an addendum that covers any required provisions that were not included in the original contract draft.
- The link to Appendix II of 2 CFR Part 200 can be found [here](#).

Procurement: Purchase Order Example

Purchase Order

July 17th, 2022

Purchase date falls within the period of performance

Organization name

Des Moines Internet Pros
123 Sesame Street
Des Moines, Iowa 50300
515-987-6543
Contact@DSMInternetPros.com

Vendor name

Supplier:
Fiber & More
778 Northwest 98th Avenue
Kansas City, Missouri 64105
123-456-7890
Purchasing@FiberandMore.com

Description of the goods and services purchased

DESCRIPTION	PRICE	QUANTITY	AMOUNT
Fiber Cover	\$20	140	\$2,800
Splitter	\$50	340	\$17,000
10' Optic Cable Roll	\$25	200	\$5,000
		Subtotal	\$24,800
		Estimated Sales Tax	\$1,488
		Estimated Shipping & Handling	\$100
		Order Total	\$26,388

Rate / cost of goods

Procurement: Proof of Purchase

- At a minimum, the **proof of purchase from the vendor** (ex: invoice, receipt, pay application) must include:
 - Name of the vendor
 - Organization / Subrecipient name (as stated in Grant Agreement)
 - Applicants should disclose any aliases (or parent/subsidiary relationships) used in the support provided to help prevent additional processing time.
 - Date that falls within the period of performance
 - Description of the goods or services purchased
 - Rate / cost of the goods or services purchased

Procurement: Invoice Example

Vendor name

Fiber & More

778 Northwest 98th Avenue
Kansas City, MO 64105

Organization name

Date

8.1.2022

To

Des Moines Internet Pros
123 Sesame Street
Des Moines, IA 50309

Ship To

Same as recipient

Purchase date falls within the period of performance

Invoice 63-324

Instructions

Quantity	Description	Unit Price	Total
140	Fiber Cover	\$20	\$2,800.00
340	Splitter	\$50	\$17,000.00
200	10' Optic Cable Roll	\$25	\$5,000.00
Subtotal			\$24,800.00
Sales Tax			\$1,488.00
Shipping & Handling			\$100.00
Total Due By 8.31.2012			\$26,388.00

Description of the goods and services purchased

Rate / cost of goods

Thank you for your business!

Procurement: Proof of Payment

- At a minimum, the **proof of payment** (ex: cleared check, redacted bank statement) must include:
 - Name of the vendor
 - Organization / Subrecipient name (as stated in the Grant Agreement)
 - Applicants should disclose any aliases used in the support provided to help prevent additional processing time.
 - Payment date
 - Amount
 - Note that if the payment includes multiple invoices, a batch detail will need to be provided that can demonstrate that the affiliated invoice was included with the payment.
 - Proof that the payment has cleared the bank
- A screenshot from the financial or accounting system is **not** considered adequate proof of payment.

Procurement: Proof of Payment Examples

Bank Statement Example

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Description	Amount	Description	Amount
Beginning Balance	\$ 0.00	Average Balance	\$ 0.00
Deposits/Credits	\$2,150,574.20	Average Collected Balance	\$ 0.00
Checks	\$ 0.00	Number of Days in Statement Period	31
Withdrawals/Debits	\$2,150,574.20	Annual Percentage Yield Earned	.00%
Ending Balance	\$ 0.00	Interest Paid Year to Date	\$ 0.00

Organization name

Vendor name

Cleared Check Example

Des Moines Internet Pros
123 Sesame Street
Des Moines, Iowa 50309

8-28-2022 1607

PAY TO THE ORDER OF Fiber & More \$ 26,388

Twenty six thousand three hundred eighty eight dollars and no/100 DOLLARS

First Savings Bank
FOR Equipment

Clark Kent SIGNATURE

SAMPLE IMAGE

8866520300

UNITED COMMERCIAL BANK
1-800-999-1234 02/12/05
>1110012345 6543 00
7500100900

Cleared bank

System screenshots are **not** considered adequate proof of payment

Innoprise Software Financials System

Home Chart of Accounts Std Rpt: Authorized Spending Std Rpt: Budget Revenue Budgets Std Rpt: Trial Balance Std Rpt: GLTX Detail Projects/Grants Std Rpt: Working Budget Checks |

245929 contains Filter Clear

showing 1 - 7 of 7

Return Refresh

Check #	Name - First, Middle	Vendor Address 1	Vendor Address 2	Vendor City	Vendor State	Vendor Zip	Check Amount	Check Date	Check Status	Invoice Desc	Invoice Date	Invoice Total	Line#	Item Desc	Quantity	Unit Price	Line Total	Commodity Code	Effective Date	Payment Type	Account	GL Allocation Vendor Invoice Amount
149964							119,624.22	03/01/2018	Cleared	118-000246	02/26/2018	306.43	1		1.00	306.4300	306.43	CHANGE ORDR	02/26/2018	Check		306.43 KIS101717-02C 1

Destination Iowa Grant & IowaGrants

Please submit all reimbursement materials and questions to destinationiowa@iowaeda.com.

Please note that the Destination Iowa Grant will be moving to IowaGrants in July. Once this happens, all requests for reimbursements and correspondences will be sent through the IowaGrants portal.

More details to come once finalized. Please expect another Webinar invitation in the future on an IowaGrants tutorial.



QUESTIONS AND ANSWERS

THANK YOU FOR
YOUR TIME AND
ATTENTION

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