Government Funding
Latest Opportunities and Considerations
Think about what you’d like your Organization’s relationship to be with government agencies.

Embrace a more hopeful and opportunity-based view of our work in the nonprofit sector through understanding how government resources can advance your organizational and community mission.
Room Check: How does your Org Engage with Government?

- Respond to Requests for Comment
- Lobby/Advocate
- Strategic Partner
- Financial support
  - Grants
  - Contracts
  - Loans
Government Funding: Opportunities for Fiscal Sponsors to Consider
Government spending continues to increase.


In certain cases, this might be the only funding option to expand current programs.

It is more sustainable to meet the needs of this funding stream collaboratively - through a management commons (fiscal sponsorship) approach.

National Council of Nonprofits reported that government contributed 32% of all for charitable nonprofits revenues.

Opportunity to differentiate within the Field of Fiscal Sponsors

➢ Every second fiscal sponsor reported that they managed government funds.

➢ The field scan data reported that almost $600M in government revenues were accepted and co-managed by 50 fiscal sponsors and fiscal sponsees during their reported fiscal year.

➢ The median amount of government revenues managed across the organizations was $542,385.

➢ Only 1 of 5 survey participants reported that they managed over $750K in government funding (required a single audit).

Fiscal Sponsorship Field Scan is available here: socialimpactcommons.org
Opportunities Arises from Key Upcoming OMB Changes

➢ Effective October 1st 2024.
➢ Increase the **threshold** of federal expenditures for when a **Single Audit** under Uniform Guidance is required **from $750,000 to $1 million** during a recipient organization’s financial reporting year.
➢ Increase **equipment threshold from $5,000 to $10,000**.
➢ Raises the de-minimis **indirect cost rate from 10% to 15%**, with updates in MTDCs to include up to the first $50,000 of a subaward, and expectation that all government entities have to follow this expectation.
➢ **Upfront payments** will be the common approach to funding initiatives.
➢ Other changes in language with the intent to **simplify, clarify, advance equity and minimize barriers**, including plain language executive summaries.
Considerations for Fiscal Sponsors

- Government grant applications are the most demanding to prepare and competition for government funding is fierce.

- Government funds must be spent only on approved activities, must be managed to comply with regulations, and are expected to result in measurable results, and often on cost reimbursement basis.

- Financial and performance audits are possible and everyone should be internally ready.

- Certain government opportunities still come with limitations for only 1 application per EIN.
Key considerations for fiscal sponsors and sponsees:

- Are we ready to manage more restricted funding streams, do we have systems and structures to guide us through these processes?
- Are we ready to manage an increased level of compliance?
- Do we have available cash if advances are not possible?
- Do we have unrestricted assets that could absorb unrecovered and unallowable costs?
- Increased operational complexity leads to increased administrative costs. How we are planning to provide and cover related costs?
- Do we have clear direct and shared roles and responsibilities?
- Should we start with being a subcontractor to test out these waters?
- Will this create a competitive funding environment within our community? Will we face single EIN restrictions? Do we have policies and procedures to address those?
### Three Bills, One Moment for Transformation

<table>
<thead>
<tr>
<th>Bill</th>
<th>Spending</th>
<th>Relevant Goal</th>
<th>Signed</th>
<th>Relevant Programs</th>
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<tbody>
<tr>
<td><strong>Inflation Reduction Act (IRA)</strong></td>
<td>$369 billion in climate and energy-related programs</td>
<td>Reduce U.S. Carbon emissions by 40% by 2030.</td>
<td>August 16, 2022</td>
<td>~ $3 billion for Environmental and Climate Justice Block Grants for community-led projects (EPA)</td>
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<tr>
<td><strong>Infrastructure Investment and Jobs Act (IIJA; aka Bipartisan Infrastructure Law)</strong></td>
<td>$550 billion in new spending; $1.2 trillion in total spending *through FY2026</td>
<td>Invest in key infrastructure including transportation (DOT)*, broadband (Commerce), water (EPA), resiliency (FEMA - BRIC), and energy (DOE)</td>
<td>November 15, 2021</td>
<td></td>
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<tr>
<td><strong>American Rescue Plan Act (ARPA)</strong></td>
<td>$350 billion for states and local communities; $1.9 trillion in total spending</td>
<td>Provide states, local, and tribal governments capital funding and relief from revenue losses resulting from the pandemic.</td>
<td>March 11, 2021</td>
<td></td>
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### Practitioner Experience: Tamira Jones

<table>
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<tr>
<th>Administrative Capacity</th>
<th>Financial Management</th>
<th>Policies</th>
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| - Programmatic capability-past performance in successfully completing and managing federally and/or nonfederally funded assistance agreements similar in size, scope, and relevance to the proposed project | - Accounting  
- Internal Controls  
- Allocatable Payroll Costs  
- Subawards vs Contracts  
- Indirect Costs  
- Record Keeping  
  - Grant Files | - Conflict of Interest  
- Travel Policy  
- Personnel Management  
- Property Management  
- Procurement |

Reference:  
- Administrative Capability Form

Reference:  
- Updated (OMR) Uniform Administrative Requirements (effective October 1, 2024)

References:  
- Federal Policy Examples  
- EPA’s Best Practice Guide for Procuring Services Supplies and Equipment
Public Funding RESOURCE GUIDE

SECTIONS:

- Prepare Your Organization
- Prepare Your Projects
- Assess Grant Opportunity
- Find Grants: Databases
- Federal Funding Programs
- CA State Funding Programs
- Templates, Tool and Examples
- Evergreen Training Videos
- Inflation Reduction Act & Bipartisan Infrastructure Law
- Community-Driven Planning
- Find Technical Assistance
- Data Tools

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Tamira@fullcircleconsults.com
Discussion
Four Things to Embrace

❑ **Know your community, financial health and where vulnerabilities exist** (present or future).

❑ **Know what you’re great at and where you want to go with your work.** Does this approach feel right for you, your community?

❑ **Be ready to invest time and other resources.** Remember that not all change requires financial capital, but every change requires “sweat equity”.

❑ **Think about resources broadly** (time, relationships, systems, buildings, stuff), not just money. Vision and drive always lead, money follows.
Government Expectations

**Procurement Standards**
- Competitive purchasing
- Conflict of Interest
- Gift Acceptance
- Need to use different procurement methods (informal, formal, non-competitive)

**Property and Inventory Management Standards**
- Guidance on property management, how to address lost or stolen property, and disposal
- Capital equipment (over $5K) is expected to be a direct expense

**Accounting and financial management standards**
- Robust and detailed budgets and financial reports
- Cost charged are based on allowability, affordability, applicability and allocation principles and need supporting documentation to justify reasonability, necessity, consistency
- Advances, cash payments and overall treasury management
- Prior written approvals are necessary for a number of costs to be allowable
- Fair and accurate time allocations to government grants vs other funding sources
Travel Standards
● Per diems
● Air and ground travel justifications and documentation

Human resources Standards
● Maximum salary reimbursement rates are often in-place
● Fair and transparent compensation approaches, performance management are expected

Subaward management
● Selecting your sub-recipient in a transparent manner
● Conducting proactive risk evaluations of your sub-recipients
● Types of sub-awards that you will issue
● Monitoring your sub-recipients.

Award Types:
Grant
Contract
Fixed Amount Award
Discretionary Award
Cooperative Agreement