



**OFFICE OF COMMUNITY SERVICES (OCS)
DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS
STATE OF HAWAII**

**OPERATING
GRANT-IN-AID (GIA) GUIDELINES**

The Legislature makes appropriations for grants in accordance with Chapter 42F of the Hawaii Revised Statutes (HRS). The grants tend to support events, programs, and facilities that benefit the community. There are two types of grants: Operating and Capital Improvement Project (CIP) grants. Funds are available on a reimbursement basis and payments are contingent upon fulfillment of the terms and conditions of the grant agreement.

This document outlines the general process that the Office of Community Services (OCS) uses to administer Operating grants and provides guidelines to help you understand your obligations of being awarded state funds under the law as well as the process involved to obtain and expend public funds. This guideline only applies to grants which have been assigned to OCS (LBR 903). OCS reserves the right to change this guideline at any time without notice. If your grant was not assigned to OCS, please contact your assigned expending agency for more information.

The four stages for Operating grant administration are:

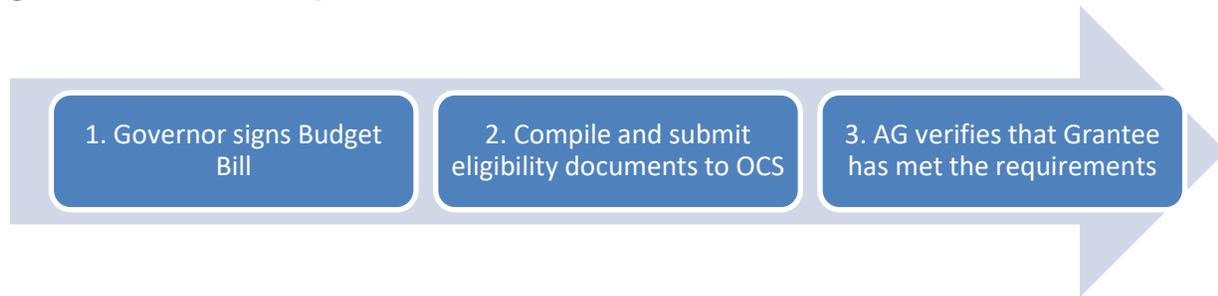
1. Eligibility Verification
2. Release of Funds
3. Contract Execution
4. Contract Administration

This document and other reference materials are available online at:

<https://labor.hawaii.gov/ocs/service-programs-index/gia/grant-in-aids-grantee-information/>.

1 ELIGIBILITY VERIFICATION

The first stage requires submission of documentation to **verify that the Grantee meets the standards for a grant award under HRS §42F-103.**



Step 1. The Governor must first sign the bill that that authorizes the GIAs. OCS notifies grantees that have been assigned to LBR 903 of their award.

Step 2. Grantees must submit the following documents to verify that they meet the **“Standards for the Award of Grants”** in accordance with HRS §42F-103.

1. Is licensed or accredited, in accordance with federal, state, or county statutes, rules, or ordinances, to conduct the activities or provide the services for which the grant is awarded (*e.g., Certificate of Good Standing*);
2. Complies with all applicable federal and state laws prohibiting discrimination against any person on the basis of race, color, national origin, religion, creed, sex, age, sexual orientation, or disability (*e.g., policy statement*);
3. Agrees not to use state funds for entertainment or lobbying activities (*e.g., policy statement*);
4. Allows the state agency to which funds for the grant were appropriated for expenditure, legislative committees and their staff, and the auditor full access to your records, reports, files, and other related documents and information for purposes of monitoring, measuring the effectiveness, and ensuring the proper expenditure of the grant (*e.g., records retention policy-- records must be maintained for at least 3 years after closing of contract*);
5. Is incorporated under the laws of the State (*e.g., Certificate of Good Standing or Articles of Incorporation*);
6. Has bylaws or policies that describe the manner in which the activities or services for which the grant is awarded shall be conducted or provided (*e.g., policy statement*); and
7. For non-profit organizations:
 - a. Is determined and designated to be a non-profit organization by the Internal Revenue Service (*e.g., a copy of your organization’s IRS determination letter*); and
 - b. Has a governing board whose members have no material conflict of interest and serve without compensation (*e.g., policy statement*).

Please note: a “policy” should be approved by the organization’s board of directors and therefore can be identified and enforced.

Step 3. The Department of the Attorney General (AG) determines if the grantee meets the standard for a grant award under the law. OCS will inform the grantee once a decision has been made.

2 RELEASE OF FUNDS

The second stage involves *securing the Governor's approval for the release of funds* in order for a contract to be executed. Per Executive Memo 19-03 the Governor has delegated authority to release funds for Operating grants to department heads of the designated expending agency. The steps for this stage are as follows:



Step 1. Grantee compiles and completes the following:

- Cover letter that includes the project status, revised scope of work, timeline, and budget, including additional sources of funding, if applicable.
- List and status of other sources of funds for the project, if applicable.
- Other documentation that may be required.

Step 2. OCS reviews the compiled packet.

Step 4. Once the release of funds has been approved, OCS will notify the Grantee.

3 CONTRACTING EXECUTION

Once the funds have been released, OCS works with the Grantee to *execute a contract*.



Step 1. Provide to OCS the following documents [Note: The Grantee’s name on the grant application and on all supporting documents must be consistent with the Grantee’s legal name.]:

- Certificate of Vendor Compliance from Hawaii Compliance Express or compliance documentation from the following agencies:
 - a. Hawaii Department of Taxation
 - b. Internal Revenue Services
 - c. Hawaii Department of Commerce and Consumer Affairs
 - d. Hawaii Department of Labor & Industrial Relations
- Certificate of liability insurance from the Grantee’s insurance agency provided as follows:
 - a. General liability insurance in an amount of at least **\$2 million** for bodily injury and property damage resulting from Grantee’s performance under the contract, including changes, and work performed incidental to or connected therewith;
 - b. Additionally insuring the State of Hawaii and the Office of Community Services, their officers, employees, and agents for any liability arising out of resulting from occurrences connected with the Grantee’s performance under the contract;
 - c. A statement from the insurance agency that the insurance policy shall not be cancelled or materially changed unless the insurance company has first given the State thirty (30) calendar days prior written notice by registered mail;
 - d. The period of insurance shall cover the entire period of the contract; and
 - e. The contract identification number shall be identified on the certificate
- The Grantee’s State and Federal tax identification numbers.
- A copy of the document showing the duly designated person(s) who has the authority to sign contract on behalf of the Grantee.
- A copy of the Grantee’s letterhead or invoice showing its mailing address.

Step 2. OCS will prepare the contract to be routed for approval by the AG. Upon approval, OCS sends two copies of the contract to the Grantee for signature.

Step 3. The Grantee’s duly designated person(s) signs and notarizes both copies of the complete contract, then returns the signed contracts to OCS. The OCS Executive Director and AG will then sign the contract. Once executed, OCS returns an original to the Grantee for file.

4 CONTRACT ADMINISTRATION

Once the contract is executed, the grantee is now able to expend funds according to the contract.



Step 1. Payment Request -The Grantee submits fiscal and progress reports. The Forms are provided by OCS and samples are attached to these guidelines. OCS reserves the right to modify these forms or substitute new forms during the course of the grant period. There are two components to the periodic reports:

1. --Fiscal Reports: (Forms 300, 310, and Cash Request Ledger)

- Form 300 (Attachment E): This report uses the numbers from Form 310 to create the “invoice” for the State. This form must be signed and submitted.
- Form 310 (Attachment G): Expenditures are inputted into this form and the cash request for the period is automatically transferred to Form 300. This form must be submitted as an excel.
 - Grantees **are not permitted to make any changes to the budget, as defined in the contract without prior approval from OCS**
 - All requests for reimbursement must be accompanied by **accurate and complete copies of supporting documentation of expenditures (e.g., receipts, invoices, timesheets, payroll, etc.)**. The Grantee shall retain all original documentation for its tax, audit, and other purposes.
 - Tips to remember: Payments are on a reimbursement basis only. No advance payments will be made. Expenses incurred outside of the contract period, will **not** be reimbursed. Expenses must follow the budget as defined in the executed contract. OCS cannot approve requests for payments without proper documentation.
- Cash Request Ledger (Attachment H): This ledger helps expedite the review process by matching supporting documents provided to the respective budget line item in the Form 310.

2. Progress Report (Attachment I). The program progress report shall provide an explanation of program progress, including progress regarding deliverables/outcomes, and a justification of the expenditures and financial obligations.

Further instructions on how to complete the fiscal forms may be found on OCS’ website:
<https://labor.hawaii.gov/ocs/>.

Due Date: Reports (fiscal and program) are due by the 30th day after the end of the fiscal quarter.

Reports are due even if no activity has taken place during the reporting period. If no activity has taken place, the report should (a) request \$0 reimbursement, (b) explain why no activity has taken place, and (c) explain what the Grantee is doing to complete the work specified in the contract.

Step 2. Payment -After reviewing and approving the report, OCS processes the request for payment. Payments are made by check and mailed to the address on the contract. Payments can take up to one month to process.

Option Contract Extension. A grant contract may be extended once for up to 12 months each beyond the initial expiration date, upon written request by the grantee, at the sole discretion of OCS, provided that:

- (a) the original contract provides for extensions;
- (b) the extension request is made no less than 60 days before the original expiration date or the expiration date of any prior extension;
- (c) there is good cause to extend the contract; and
- (d) the Grantee is continuing to perform its duties under the contract.

Step 3. Contract Closing. Once the grant contract has been completed, the Grantee shall submit to OCS the following documentation in order to process the **final payment within 60 days after the end of the contract**:

- Certificate of Grantee's liability insurance with State as additional insured;
- Certificate of Vendor Compliance from Hawaii Compliance Express; or compliance documents from the following agencies:
 - a. Hawaii Department of Taxation
 - b. Internal Revenue Services
 - c. Hawaii Department of Commerce and Consumer Affairs
 - d. Hawaii Department of Labor & Industrial Relations
- A final program report within 60 days after the end of the contract;
- Pictures of completed project

List of Attachments

Attachment	Description
Attachment A	OCS Form 300
Attachment B	OCS Form 310
Attachment C	Cash Request Ledger
Attachment D	Program Activity Report

Attachment B – Form 310 SAMPLE

Office of Community Services
Department of Labor and Industrial Relations

FORM 310 - Expenditure Report

1. RECIPIENT ORGANIZATION:		ABC Grant		2. FUNDING SOURCE:		GIA	
MAILING ADDRESS:		830 Punchbowl St., Honolulu, HI 96813					
3. PROGRAM:		After School Program		4. CONTRACT NO.:		5. CONTRACT AMOUNT	
				OCS-GIA-17-01		\$42,000.00	
6. CONTRACT PERIOD				7. PERIOD COVERED BY THIS REPORT			
From: July 1, 2017		To: December 31, 2018		From: July 1, 2017		July 30, 2017	
				If FINAL, click box <input type="checkbox"/> FINAL REPORT			
8. CATEGORIES	PROGRAM BUDGET	EXPENDITURES CURRENT PERIOD	EXPENDITURES YEAR TO DATE	VARIANCE VS. BUDGET*	% OF BUDGET EXPENDED*		
A. PERSONNEL COST	\$12,000.00	\$1,000.00	\$1,000.00	\$11,000.00	8.33%		
Executive Director	\$5,000.00	\$416.67	\$416.67	\$4,583.33	8.33%		
Support Staff 1	\$4,000.00	\$333.33	\$333.33	\$3,666.67	8.33%		
Support Staff 2	\$3,000.00	\$250.00	\$250.00	\$2,750.00	8.33%		
B. OTHER PERSONNEL COST	\$9,200.00	\$880.79	\$880.79	\$8,319.21	9.57%		
Payroll Taxes & Assessments	\$1,800.00	\$98.00	\$98.00	\$1,702.00	5.44%		
Social Security	\$3,000.00	\$89.00	\$89.00	\$2,911.00	2.97%		
Unemployment Insurance	\$400.00	\$200.00	\$200.00	\$200.00	50.00%		
Worker's Compensation	\$700.00	\$150.00	\$150.00	\$550.00	21.43%		
Temporary Disability Insurance	\$300.00	\$68.99	\$68.99	\$231.01	23.00%		
Fringe Benefits	\$1,000.00	\$259.80	\$259.80	\$740.20	25.98%		
Health Insurance	\$2,000.00	\$15.00	\$15.00	\$1,985.00	0.75%		
C. OTHER CURRENT EXPENSES	\$20,800.00	\$2,040.00	\$2,040.00	\$18,760.00	9.81%		
Travel, Training, & Related	\$5,000.00	\$549.88	\$549.88	\$4,450.12	11.00%		
G&A, rent, insurance & utilities	\$5,000.00	\$416.67	\$416.67	\$4,583.33	8.33%		
Telecommunication & IT	\$1,200.00	\$100.00	\$100.00	\$1,100.00	8.33%		
Education & Promotion	\$4,100.00	\$698.45	\$698.45	\$3,401.55	17.04%		
Professional/contract services	\$3,000.00	\$0.00	\$0.00	\$3,000.00	0.00%		
Supplies	\$2,500.00	\$275.00	\$275.00	\$2,225.00	11.00%		
D. EQUIPMENT	\$0.00	\$0.00	\$0.00	\$0.00	#DIV/0!		
E. TOTAL (Add line A+ B + C + D = line E)	\$42,000.00	\$3,920.79	\$3,920.79	\$38,079.21	9.34%		

OCS FORM 310 / Revised 05/2017
INTERNAL USE ONLY

Attachment C – Cash Request Ledger SAMPLE

CASH REQUEST LEDGER
Office of Community Services
Department of Labor and Industrial Relations
830 Punchbowl Street Room 420, Honolulu, Hawaii 96813

RECIPIENT ORGANIZATION
 Contract: OCS-XXX-XX-XX

FORM 310 BUDGET LINES: (According to Contract)
 Payroll
 Utility
 Office Supplies
 Repair Service

QUARTER 1 EXPENDITURES

Supporting Document Description (Payee etc.)	Document Date	Document Reference Number (Invoice Number)	Form 310 Budget Line	Period of Performance	Proof of Payment (Type and Reference #)	Amount
1 April Payroll for Joe, Dan and Julie	5/10/2019	654654	Payroll	4/1/19-4/30/19	Checks 567, 568, and 569	\$5,000.00
2 May Payroll for Joe, Dan and Julie	6/5/2019	263374A	Payroll	5/1/19-5/15/19	Checks 700, 701, and 702	\$4,253.11
3 May Payroll 2 for Joe, Dan and Julie	6/22/2019		2 Payroll	5/16/19-5/31/19	June 2019 Bank statement	\$3,998.28
4 June Payroll 6/1-6/15	7/18/2019	5AE5F454	Payroll	6/1/19-6/15/19	July 2019 bank statement	\$894.00
5 June Payroll 6/16-6/30	7/24/2019	AW3E54	Payroll	6/16-6/30/19	Check 5210	\$68.00
6 HECO Electric bill	5/25/2019	ASD54654	Utility	4/1-4/30/19	Check 5639	\$1,234.52
7 Water bill	7/18/2019	E55W5E	Utility	Month of May 2019	Check 398	\$35,416.00
8 Sewer	7/21/2019	A3D4F	Utility	Month of May 2019	Check 9960	\$654.63
9 Receipt for pens	6/26/2019		3 Office Supplies		Pendiplus Receipt 96332	\$41.52
10 Receipt paper	7/13/2019	ASD54654	Office Supplies		OfficeMax receipt 654589	\$84,654.00
11 techtech copier repair	6/3/2019	A554	Repair Service	6/1/19-6/2/19	Receipt 36	\$277.22
12 Fixit backhoe repair	6/14/2019		1 Repair Service		Invoice 1	\$488.55
13 DFG phone repair	7/6/2019	787	Repair Service		Invoice 787	\$453.00
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90						
QUARTER 1 TOTAL						\$137,032.86

*This total must match your Form 310 total

THESE LINE ITEM SUBTOTALS MUST MATCH YOUR FORM 310 LINE ITEM SUBTOTALS

Payroll	\$13,813.40
Utility	\$37,305.17
Office Supplies	\$84,654.00
Repair Service	\$1,218.77
QUARTER 1 REIMBURSEMENT AMOUNT REQUESTED	\$137,032.86

INCEPTION TO-DATE EXPENDITURE REIMBURSEMENT SUMMARY

QUARTER 1 REIMBURSEMENT AMOUNT REQUESTED	\$137,032.86
QUARTER 2 REIMBURSEMENT AMOUNT REQUESTED	\$0.00
QUARTER 3 REIMBURSEMENT AMOUNT REQUESTED	\$0.00
QUARTER 4 REIMBURSEMENT AMOUNT REQUESTED	\$0.00
TOTAL AMOUNT REQUESTED	\$137,032.86
REIMBURSEMENT RECEIVED TO-DATE	\$0.00
BALANCE NOW DUE	\$137,032.86

Grant-In-Aid Program Progress Report
 Office of Community Services
 Department of Labor and Industrial Relations

Recipient Organization:	Funding Sources: General Funds
Program:	Contract Number: Contract Amount: Contract Period (From/To):
Date Report Submitted:	Report Period (From/To):

1. Estimated Percentage of contract completed as described in Scope of Performance:

Contract Objectives/Goals	Number Served		Percentage
	Reporting Period	Contract-To-Date	

2. Provide a brief narrative of the Program’s major activities, highlights and achievement for this reporting period.

3. Identify any difficulties or challenges your agency faces in attempting to assist clients or in operating your program efficiently and effectively. Provide specific recommendations or suggestions on how OCS might assist your program and how your agency plans to overcome these challenges.