

**Technical Assistance Guide
for
Homeless Veterans Program Grantees –
PY 2023 Incremental Funding Requests**

**Grant Officer's Memorandum 01-23
Attachment #1**



UNITED STATES DEPARTMENT OF LABOR

Veterans' Employment and Training Service
Office of National Programs

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Competitive Grants Technical Assistance Guide – Homeless Veterans Program Grantees – PY23 Incremental Funding

I. Eligibility for Incremental Funding

- Veterans' Employment and Training Service (VETS), Homeless Veterans' Reintegration Program (HVRP) grant recipients in their first or second year of their period of performance (POP) are eligible for Incremental Funding. To receive the second and third year of incremental funding, the grant recipient must submit an incremental funding request via an Incremental Funding amendment to their respective Grant Officer's Technical Representative (GOTR) in GrantSolutions.
- A grant recipient must have an active registration with the System for Award Management to receive funding.

II. Incremental Funding Amendment Requirements

Grant recipients must submit Incremental Funding amendments to their GOTR by **January 18, 2023**. The amendment must include the following:

- **SF-424 Application for Federal Assistance** – This form must be completed online in GrantSolutions and indicate the total amount of projected funding needed to continue operations for the next 12-month Program Year (PY) within the period of performance (POP). Please see section III. below for guidance. **NOTE: The amount entered on the SF-424 must not exceed the amount referenced in the initial Abstract submitted under the applicable funding opportunity announcement.**
- **SF-424A Budget Information** – This form must be completed online in GrantSolutions, reflect the amount on the SF-424, and must crosswalk to the budget narrative.
- **Letter of Memorandum** – Must be uploaded into GrantSolutions, must indicate the funding amount requested, whether there are any changes to the scope of the grant agreement, and must be signed by the individual who is authorized to enter into this grant agreement with the Department of Labor (DOL). Please see section III. below for additional guidance.
- **Budget Narrative** – Must be uploaded into GrantSolutions and provide a description of costs associated with each line item on the SF-424A. The Budget Narrative total must equal the totals on the SF-424 and SF-424A. The Budget Narrative should also include a section describing any leveraged resources provided (as applicable) to support grant activities. VETS considers any resources contributed to the project, beyond the funds provided by the agency, as leveraged resources.
- **Approved Negotiated Indirect Cost Rate Agreement (NICRA) or Cost Allocation Plan (CAP)** – Must be uploaded into GrantSolutions (must be current at the start of the incrementally funded PY being requested).
- **Project Narrative (if applicable)** – Must be uploaded into GrantSolutions and is only required if the grant recipient requests changes to the project or scope of work.

- **Incremental Funding Planned Goals Change Request – Planned Goals Chart (if applicable)** – Only required with the Incremental Funding amendment if the grant recipient requests revisions to their quarterly or cumulative goals. Changes to the planned cumulative goals are changes in the condition of the award and require sufficient justification, as well as approval by the Grant Officer, in accordance with VPL 03-18, Grant Modification Request Due to Unanticipated Circumstances Resulting in Poor Performance. Grant recipients requesting to change or realign their goals must submit the Incremental Funding Planned Goals Change Request – Planned Goals Chart, available on the [VETS website](#) under Program Documents. **NOTE: The GOTR is responsible for completing Attachment 2, the Incremental Funding Goals Comparison Chart, when applicable.**

III. Instructions for Completing Required Incremental Funding Amendment Documents

- **Letter of Memorandum (LOM):** The LOM is addressed to the Grant Officer through the GOTR and indicates the amount of funding requested and whether there are any changes to the scope of work. The LOM must also include a statement from the Authorized Representative signing the memorandum that indicates their authority to enter into an agreement with DOL/VETS.
 - A grant recipient not requesting changes to the program should state, “This request is a continuation of the current program as originally approved.”
 - A grant recipient requesting a change must state “this request is a continuation of the current program as modified” **and describe the requested changes.**
 - Examples of changes requiring Grant Officer approval are:
 - Changes to the Service Delivery Area
 - Revisions or changes to goals (quarterly or cumulative)
 - Change in Authorized Representative
 - Include any other information relevant to the program/request (e.g., with an outdated NICRA, the grant recipient should describe their efforts in securing a current NICRA).
 - **SF-424 Application for Federal Assistance (Note: not all required fields are listed below. Also, some fields are automatically populated)**
 - Block 1 – Mark “**Application**”;
 - Block 2 – Mark “**Revision**” and select the appropriate letter in the drop-down menu. An Incremental Funding request is “**A: Increase Award**”;
 - Block 5b – Grant numbers will not change, include current grant award number;
 - Block 8 – Applicant Information:
 - c. UEI
 - Block 11 – Catalog of Federal Domestic Assistance Number: **17.805**;
 - Block 12 – Funding Opportunity Announcement (FOA) under which the grant recipient originally applied (e.g., FOA-VETS-21-01);
 - Block 14 – Areas to be served (This is **NOT** the same as Congressional Program/Project16b)

- Include attachment of affected areas
 - Block 16 – Congressional District – This information must remain consistent with the original awarded application unless the grant recipient was approved to modify the project service delivery area OR if they are requesting to modify the service delivery area for PY23;
 - Block 18a-g – Estimated Funding – Must crosswalk with the SF-424A and BudgetNarrative;
 - Block 21 – Must contain the name and contact information of the Authorized Representative of the grant agreement and match the signatory on the LOM.
- NOTE: The signature block is automatically populated by the GrantSolutions user entering the amendment and may not match the name of the Authorized Representative.**
- **SF-424A – Budget Information – Non-Construction Program**
 - **Section A – Budget Summary**
 - Block 1(a) – Grant Program must include: **HVRP**
 - Block 1(b) – Catalog of Federal Domestic Assistance Number: **17.805**
 - Block 1(c) – Reflect amount of award requested – must crosswalk to the SF-424A, Budget Narrative, and LOM
 - Block 1(e)(g) – Reflect amount of award requested – must crosswalk to the SF-424, Budget Narrative, and LOM
 - **Section B – Budget Categories**
 - All appropriate object class categories must be completed in column (1) and column (5)
 - a. Personnel – Grant staff only
 - b. Fringe Benefits – Grant staff only
 - c. Travel – For personnel (grant staff) only
 - d. Equipment – Per unit costs of \$5,000 or more
 - e. Supplies – For grant staff only
 - f. Contractual – For contracts and subawards/subrecipient
 - g. Construction – Left blank (not allowable)
 - h. Other – For participant costs, stipends, incentives, or items not covered elsewhere
 - i. Total Direct Charges – Reflects the total on the SF-424
 - j. Indirect Charges – If a grant recipient is charging indirect, allowable amount should be entered here. The grant recipient must have an approved NICRA, CAP, or use the de minimis rate. **See below resources for assistance with indirect charges.**
 - The National Veterans’ Training Institute (NVTI) offers a [recorded webinar](#) regarding CAPs, different types of costs, and calculating the indirect cost rate against the allocation base

- Questions or concerns can be directed to Emily Wen (Wen.Emily.W@dol.gov) at DOL's Cost and Price Determination Division
- *Section C – N/A*
- *Section D – Forecasted Cash Needs*
 - Grant recipient should show quarterly forecasted amounts not to exceed annual award
- *Section E – Budget Estimates of Federal Funds Needed for Balance of the Project*
 - Grant recipient should show forecasted amounts not to exceed annual award
- *Section F – Other Budget Information*
 - Block 21 – Direct Charges – include direct charges
 - Block 22 – Indirect Charges – include indirect charges

IV. Budget Narrative Guidance:

The Budget Narrative must reflect the total award amount and provide a description of costs associated with each line item on the SF-424A. **Grantees must use whole dollar amounts.**

Personnel: List all staff positions by title (both current and proposed) and include the roles and responsibilities as they pertain to the award. For each position, provide the annual salary, the percentage of time devoted to the project, and the amount of each position's salary funded by the grant.

Fringe Benefits: Provide a breakdown of the amounts and percentages that comprise fringe benefit costs such as health insurance, Federal Insurance Contributions Act (FICA), retirement, etc. **NOTE: For staff who are less than 100 percent, GOTRs must verify that the percentage of fringe benefits is accurate.**

Travel: For grantee staff only, specify the purpose, number of staff traveling, mileage, per diem, estimated number of in-state and out-of-state trips, and other costs for each type of travel. **The applicant must include funds and allowable expenses to provide for travel to and from an annual post-award conference, professional conference, and/or trainings at an estimated national location (Washington, D.C.).** Applicants must provide justification for travel expenditures that exceed 10 percent of the one-year budget. Mileage reimbursements must not exceed the current federal mileage reimbursement rate and can be verified at the [U.S. General Services Administration website](#).

Equipment: Identify each item of equipment you expect to purchase that has an estimated acquisition cost of \$5,000.00 or more per unit (or, if your capitalization level is less than \$5,000.00, use your capitalization level) and verify the item has a useful lifetime of more than one year. See 2 Code of Federal Regulations (C.F.R.) § [200.1](#) for the definition of "Equipment." **Generally, DOL/VETS does not permit the purchase of equipment during the last funded year of the award.** Prior approval is required only when the acquisition cost is \$5,000.00 or more, regardless of the non-federal entity's capitalization threshold.

Supplies: Supplies means all tangible personal property other than those described in the definition of Equipment. A computing device is a supply if the acquisition cost is less than the lesser of the capitalization level established by the non-federal entity for financial statement purposes or \$5,000, regardless of the length of its useful life. Identify the categories of supplies

for staff (e.g., office supplies) and, as needed, list the item, quantity, and total costs. Cost allocations for supplies that are not broken down by item must document their methodology in determining the amount allocated for this line item, per 2 C.F.R. § 200.405(d). NOTE: Supplies for participants should be placed in the “Other” line item.

Contractual: Under the Contractual line item, delineate contracts and sub-awards separately. Contracts are, as defined by 2 C.F.R. § 200.1, a legal instrument by which a non-federal entity purchases property or services needed to carry out the project or program under a federal award. A sub-award, as defined by 2 C.F.R. § 200.1, refers to an award provided by a pass-through entity to a sub-recipient for the sub-recipient to carry out part of a federal award received by the pass-through entity. It does not include payments to a contractor or payments to an individual that is a beneficiary of a federal program. For each proposed contract and sub-award, specify the purpose and activities to be provided, and the estimated cost.

Construction: Construction costs are **unallowable**, and this line item must be zero. Minor alterations to adjust an existing space for grant activities (such as a classroom alteration that does not involve construction costs) may be allowable, as DOL/VETS does not consider this to be construction. Such costs must be shown on other appropriate lines such as Contractual.

Other: Provide **clear and specific detail**, including costs, for each item so DOL/VETS can determine whether the costs are necessary, reasonable, and allocable. List items, such as participant support costs, stipends or incentives, not covered elsewhere.

Indirect Costs: If you include an amount for indirect costs (through a NICRA or de minimis) on the SF-424A budget form, then include one of the following:

- a. If you have a NICRA, provide an explanation of how the indirect costs are calculated. This explanation should include which portion of each line item, along with the associated costs, are included in your cost allocation base. Also, provide a current version of the NICRA.

OR,
- b. If you intend to claim indirect costs using the 10 percent de minimis rate, please confirm that your organization meets the requirements as described in 2 C.F.R. § [200.414\(f\)](#). Clearly state that your organization does not have a current negotiated (including provisional) rate, and is not one described in 2 C.F.R. § [200, Appendix VII\(D\)\(1\)\(b\)](#).
- c. Applicants choosing to claim indirect costs using the de minimis rate must use Modified Total Direct Costs (MTDC), (see 2 C.F.R. § 200.1 below for definition) as their cost allocation base. Provide an explanation of which portion of each line item, along with the associated costs, are included in your cost allocation base. Note that there are various items not included in the calculation of MTDC. See the definitions below to assist you in your calculation.
 - **2 C.F.R. § 200.1 MTDC** means all direct salaries and wages, applicable fringe benefits, materials and supplies, services, travel, and up to the first \$25,000 of each subaward (regardless of the POP of the subawards under the award). MTDC excludes equipment, capital expenditures, charges for patient care, rental costs, tuition remission, scholarships and fellowships, participant support costs and the portion of each subaward in excess of \$25,000. Other items may be excluded only when necessary to avoid a serious inequity in the distribution of indirect costs, and with the approval of the cognizant agency for indirect costs.

The definition of MTDC in 2 C.F.R. § 200.1 no longer allows any sub-contracts to be included in the calculation. You will also note that participant support costs are not included in modified total direct cost. Participant support costs are defined below.

- **2 C.F.R. § 200.1 Participant Support Cost** means direct costs for items such as stipends or subsistence allowances, travel allowances, and registration fees paid to or on behalf of participants or trainees (but not employees) in connection with conferences or training projects.

Other Administrative Standards and Provisions: In accordance with 2 C.F.R. § 200.302(b)(7), **grant recipients are required to have written procedures for determining the allowance of costs charged to the federal grants** under 2 C.F.R. part 200, [subpart E](#) (Cost Principles). A successful applicant must maintain standard operating procedures (SOPs) for the use of funds that support a successful job placement for an eligible participant.

V. Actions Required and Due Dates:

- Grant recipients must submit their Incremental Funding amendment application to their respective GOTR by **January 18, 2023**.
- GOTRs should swiftly process these amendments, ensuring they meet program requirements, as outlined in this Technical Assistance Guide (TAG). **NOTE:** GOTRs are not authorized to deviate from the instructions and/or due dates contained in this guide. If the grant recipient is unable to meet the requirements, GOTRs are to notify their respective RAVET, who will inform the Office of National Programs' Office of Grants and Training.
- GOTRs will notify their regional office (RO) of any recommended revisions to a grant recipient's Incremental Funding amendment as soon as possible, noting the application's deficiencies and recommended corrections.
- ROs with recommendations from the GOTR to return an Incremental Funding amendment for corrections will notify the Office of National Programs' Office of Grants and Training. GOTRs will ensure all recommended corrections and revisions are made by grant recipient.
- GOTRs will confirm their review of completed Incremental Funding amendment within GrantSolutions via generation of an application note by **January 30, 2023**, to their RO.
- RO will confirm review completed and verify completion and finalize the Incremental Funding amendment to the Office of National Programs' Office of Grants and Training by **February 17, 2023**.
- The Office of National Programs' Office of Grants and Training will review the Incremental Funding amendment for completeness and move the amendment forward to the Office of Grants Management (OGM) for processing.
- OGM is responsible for final review and approval of all Incremental Funding amendments.
 - The Grants Management Specialist will review each amendment for completeness and accuracy, and move the amendment forward to the Grant Officer for review and issuance.
 - Once issued, the grant recipient will receive an email notification from GrantSolutions that includes a link to the approved award. The recipient will be able to review the Notice of Award (NOA) and complete grant award package.

- Grant recipients may receive a Conditions of Award (COA) on their grant. The grant recipient is required to respond to the requirements of the COA. Grant recipients may perform grant activities in accordance with their approved statement of work, unless specifically addressed within a COA.
- The effective date of the award will be July 1 of each new PY.

VI. Technical Assistance

Grant recipients are to contact their GOTR for technical assistance on this guidance.

Grant recipients and GOTRs having technical GrantSolutions issues should contact the GrantSolutions Helpdesk: help@grantsolutions.gov at 1-866-577-0771 Monday through Friday 8:00 a.m. to 6:00 p.m. ET.