Appalachian Regional Commission

GRANT ADMINISTRATION MANUAL

ARC Non-Construction Grants
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Welcome

Congratulations on receiving an ARC award! This manual provides guidance on the post-award administration of ARC non-construction projects from the time of grant approval through closeout and beyond. Each section contains information and instructions on how to manage your grant while remaining compliant with all applicable rules and regulations that are subject to your award. This manual also includes a "Quick Start Checklist" (see Appendix A) which serves as an actionable overview of key responsibilities. Grantees may refer to this checklist as needed to ensure that no critical compliance or administrative steps are missed in the management of their ARC award.

Shortly after the date of the executed ARC Grant Agreement, grantees should receive a system-generated email which includes additional information on reporting and other helpful resources to further support the successful management of their award. This email can be shared with your project team, saved and used as a point of reference to quickly access those items most pertinent to the administration of your grant.

If you have questions about any aspect of your ARC grant, contact the ARC Project Coordinator identified in your Pathways project record.

Applicability

This version of the Grant Administration Manual: Non-Construction Grants supersedes all prior versions. If you have received a prior version published by ARC, please consider it replaced by this version.

This manual applies to non-construction projects administered by ARC; however, there are some non-construction projects (e.g., Access to Capital, Administrative and Consolidated Technical Assistance, etc.) that are accompanied by unique post-award processes and reporting requirements. Please refer to your ARC Grant Agreement and check with your ARC Project Coordinator to verify that you are following the appropriate guidelines.

This manual does not apply to ARC construction projects which are administered by either a registered state basic agency (RSBA) or a federal basic agency. If you are an ARC construction project grantee, please reach out to your project's basic agency to gain further information about post-award requirements.

Project Management

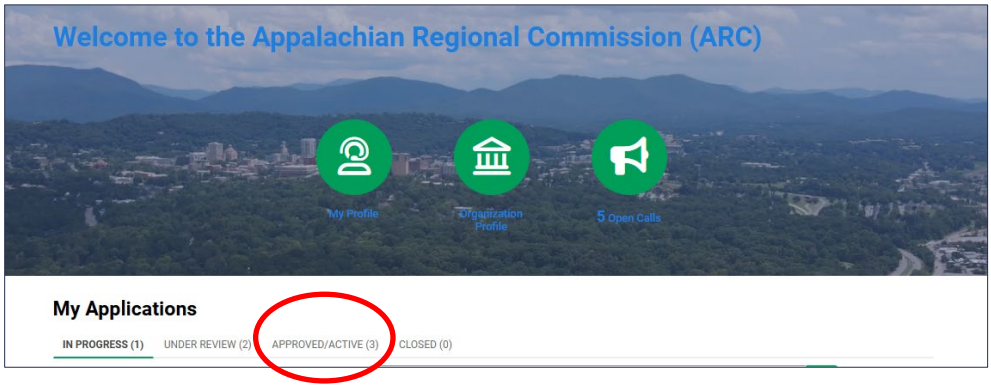
What to Do First

Log into **Pathways**, ARC's grants management system, to access your dashboard and electronic project record. At this point, you should already have an account in Pathways; if you have not

received an email with account activation steps OR if you have access to Pathways but don't see the approved project on your dashboard, please check with the project's Primary Contact to confirm you have been invited. If you continue to have trouble accessing your account, email pathways-support@arc.gov

NOTE: It is your role designation in Pathways that determines the actions you can take on any particular project (e.g., view only access, editing access, the ability to certify and submit, etc.). If you find that you need a different role designation to perform specific administrative tasks, reach out to the Primary Contact of that project to make that request. The Primary Contact for any given project is listed under the project's *Applicant Info* tab in Pathways.

From your home screen, you will find a list of approved projects by clicking on the *Approved/Active* tab. Select the appropriate project and proceed to manage your award.



Supplemental Resource: For step-by-step instructions on how to navigate Pathways and additional guidance on the technical components of ARC grant administration, refer to *Post-Award Activities* section in the *Pathways How-To Guide for External User's Manual.*

Grant Award and Project Review

Before signing the ARC Grant Agreement, the Authorized Representative should carefully read all of its provisions. After grant execution, the entire project team should review the Grant Agreement and understand its requirements before beginning project activities. The Grant Agreement is a binding contract that provides requirements you must meet throughout the grant performance period. Remember: you are responsible for complying with all the terms of the Grant Agreement. Additionally, take the time to review the projected performance measures for your project, as they appear in Pathways, to make sure they are accurate in count and description. You are responsible for tracking these measures and reporting your progress in interim and final reports to ARC.

The project's start and end dates (the "project period" or "period of performance") are specified both in your Grant Agreement and on your electronic project record. Do not begin project activities before the project's start date nor continue them beyond the end date, as only activities conducted and costs incurred during the period of performance are eligible for reimbursement or are able to be used as match.

Video Resource: Signing Your Grant Agreement in Pathways

Communication and Primary POCs

Throughout the duration of your award, the Project Coordinator assigned to your grant will be your primary point of contact at ARC. As you move through this manual, you will find many references related to contacting or reaching out to your Project Coordinator, as well as the occasional reference to other key individuals that are involved in the administration of your award (e.g., State Program Managers). While the name and contact information of your Project Coordinator is included in your ARC Grant Agreement, this assignment may change over the course of your award. You can refer to the project's *Applicant Info* tab in Pathways to verify the name and contact information of the current Project Coordinator assigned to your project.

The Pathways system has built-in functions that enable direct communication between you, your Project Coordinator, and any other ARC points of contact as indicated. Whenever possible, you should utilize these functions as they're intended (e.g., responding to an annotation request, submitting an amendment request, etc.).

Video Resource: *Submitting your Project Report:* "Responding to Annotations" section

Any email communication that occurs outside of Pathways with Project Coordinators or other ARC points of contact **should include the complete grant number** (including all hyphens) in the subject line. Note that grant numbers have letters, numbers, hyphens (-), and no spaces, e.g., AL-12345.

Grantee responses to Project Coordinator communications including requests, questions, and annotations must be provided in a timely manner. Any unreasonable delay in the grantee's responses to Project Coordinator communications may prevent ARC from providing necessary project decisions, approvals, and instructions. ARC may impose a specific condition on the grant award (see 2 CFR 200.208) or seek a remedy for noncompliance (see 2 CFR 200.339) if the grantee is unresponsive to communications without reasonable justification, including failures to meet response deadlines, failure to provide substantive responses, and repeatedly providing incomplete or nonresponsive replies. This can compromise ARC's ability to effectively monitor the grantee's performance under the ARC award. Any circumstances that may impact the grantee's ability to provide timely responses to Project Coordinator requests should be provided to the ARC Project Coordinator as soon as feasible.

SAM.gov Registration Requirements

In order to receive grant funds, all ARC grant recipients must maintain a valid full registration on the System for Award Management (SAM.gov). ARC grant recipients are responsible for ensuring that their registration does not become inactive and that the information in their SAM.gov record is accurate. If at any point during the grant period, a grantee's SAM.gov registration is inactive or the grantee is ineligible to receive federal funds, ARC will not be able to provide a grant payment.

Starting the Project

You can begin work on your ARC-funded project as soon as the period of performance included in your fully signed Grant Agreement begins. Unless explicitly stated in your ARC Grant Agreement, you do not need to contact ARC before you begin. ARC Project Coordinators and state contacts are available to answer your questions and provide guidance as needed.

Written Policies and Procedures

Before beginning your ARC project, please review the Uniform Guidance (2 CFR 200) to ensure your organization has adopted all the written policies and procedures required by the Uniform Guidance. Generally, written policies and procedures are required to ensure that applicable grant regulations and the procedures of your organization are followed anytime you incur a cost in your grant budget. You may also consult the ARC Policies and Procedures Checklist for guidance on the kinds of policies and procedures you should have in place.

Procurement

If your project involves procurement of a good or service, written procurement policies and procedures are required by the Uniform Guidance. Your ARC Project Coordinator may ask you for information on your written procurement policies and procedures before the project starts. It is critical for ARC grant recipients and subrecipients to have and adhere to robust, written procurement policies and procedures, and that each and every procurement meets the applicable procurement standards found in the Uniform Guidance. To view the procurement standards, please visit 2 CFR 200.317-327.

Contracting or Subawarding

Prior ARC approval is required for any new subawards or contracts not previously identified in the original, approved proposal, or any approved revision. Prior approval is not needed if a previously approved activity will be carried out by a different subrecipient, but please notify your Project Coordinator of any change to subrecipients as soon as you are aware.

It is important that, when planning for a contract or subaward under an ARC grant, you take care to properly identify the party as a contractor or subrecipient. Very different obligations apply to contractors and subrecipients, and specific oversight responsibilities apply to you as a contract administrator as opposed to a grantee with a subrecipient. You should review the factors identified in 2 CFR 200.331 to help you make this determination.

SAM.gov Registration Requirements: Subrecipients

Subrecipients do not need to complete registration in SAM.gov. However, first-tier subrecipients of ARC grantees (meaning organizations that directly receive funds from a grantee) must obtain a Unique Entity Identifier (UEI) from SAM.gov. This is a shorter process than completing full registration. Subrecipients of subrecipients (second-tier subrecipients) are not required to register or obtain a UEI from SAM.gov.

Suspension, Debarment and Enforcement Remedies

All recipients and subrecipients of ARC funds are subject to suspension and debarment requirements at 2 CFR Part 180, which restrict awards, subawards, and contracts with parties that are debarred, suspended, or otherwise excluded from participation in federal assistance programs or activities.

Grantees and subrecipients that provide a subaward to a subrecipient, or enter into any other "covered transactions" under 2 CFR Part 180, are responsible for verifying that their subrecipient is not excluded or disqualified. See 2 CFR 200.332(a).

Further, grantees and subrecipients are responsible for ensuring compliance with the terms and conditions of the ARC award. In instances of non-compliance, ARC may require specific conditions (additional requirements on the grantee or subrecipient) or may terminate the award. Terminations may also occur for other reasons; please refer to the termination provisions of your ARC Grant Agreement.

Supplemental Resource: ARC's Grant Compliance Guide

Project Reports

Project reports are used to communicate project activity, progress, as well as budgetary needs and spending for ARC funded projects, and are required for grants to remain active, to stay in compliance with federal regulations, and to receive award payments. To review the specific reporting requirements for an ARC project, refer to the ARC Grant Agreement.

Reporting Intervals

ARC grantees are required to report on project activities throughout the performance period (interim reports) and after the project concludes (final report). The reporting periods and due dates are determined by the Grant Agreement, including any incorporated supplements and/or amendments. Grantees should review their current Grant Agreement for information on reporting requirements.

Interim Reports

ARC requires interim progress reports for every 120-day period, beginning with the start date of the period of performance, and a final report at the end of your project's period of performance, unless otherwise provided in the Grant Agreement. Grantees that executed their Grant Agreement in ARCnet, ARC's previous grant management system, must submit interim reports no later than 30 days after the close of each reporting period. The new Grant Agreement executed in Pathways requires interim reports to be submitted no later than 60 days after the close of each 120-day reporting period. If program activities did not start within the reporting period, or if the project is delayed any time during the reporting period, progress and financial reports are still required, explaining the reasons for the delay and how any problems are resolved.

Final Reports

The final narrative report and all financial documents are due after your project ends (typically within 30 days or 60 days of the project end date; please refer to the Grant Agreement to determine the applicable deadline). After your ARC Project Coordinator approves your report, he/she will prepare a closeout memo which becomes the basis for closing the grant. Upon approval of the final report, ARC will release any withheld project funds and make the final payment, as appropriate. If project activities conclude within 60 days or less after the end of the previous 120-day reporting period, Grantees are permitted to include those days in the previous reporting period and utilize that report as the final report. There will be no penalty for the final report covering up to 180 days of project activities.

Extensions of Reporting Deadlines

Please plan ahead to ensure submission of reports prior to the required deadline. ARC may consider extensions to the deadline only upon request from the grantee with an adequate justification but

cannot guarantee approval of this request. Any changes to the Grantee's reporting period must be expressly approved by ARC.

*Grantees must keep track of their reporting deadlines and submit reports at the time that they are due. Reports submitted even a day after the deadline are considered late and demonstrate non-compliance with the terms and conditions of your award.

Late Reporting

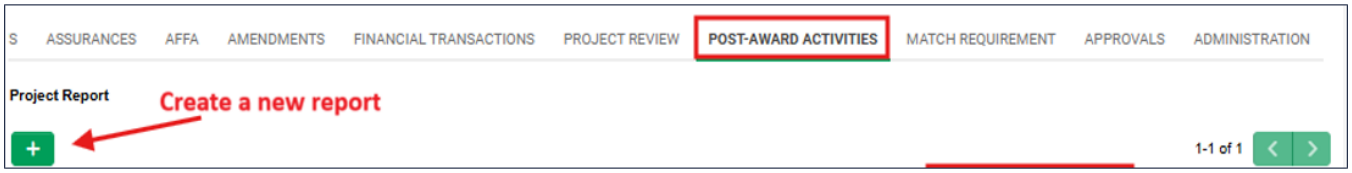
Grantees who are late more than once on reports or who are late once for more than 60 days may be subject to one or more of the following: factoring the late reporting into the risk review determination for future ARC grant applications, requiring the grantee to obtain technical or management assistance from entities such as an LDD, or reporting the non-compliance in SAM.gov.

Back-Reporting

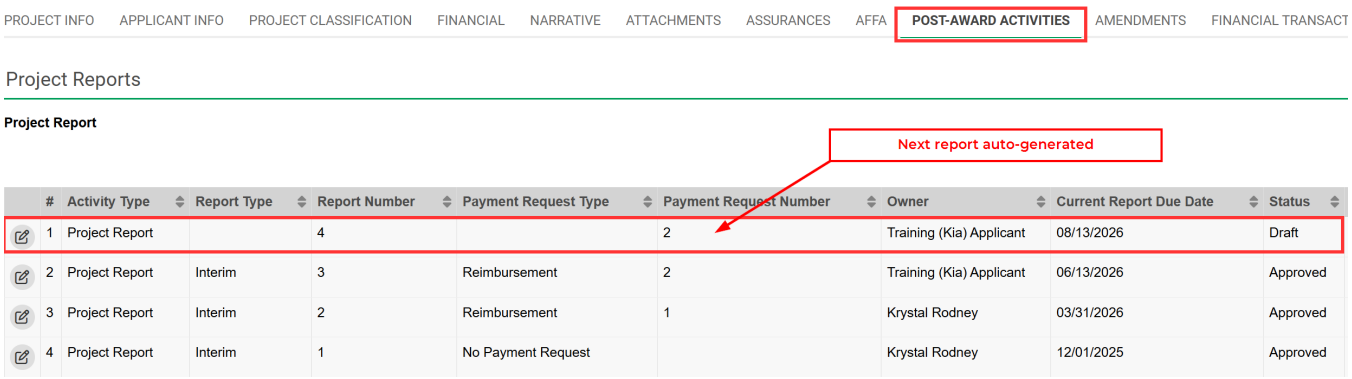
Grantees may combine the final report and last interim report as long as the end of the period of performance is within the 60-day deadline of the interim report. Except for that instance, grantees must submit a report for each 120-day period during the grant period of performance, even if they have missed the deadline and time has passed. Doing so is a grant award requirement. For example, if a grantee is behind on two reports they still must submit two reports to ARC.

Completing Project Reports in Pathways

All reporting activity takes place within Pathways under the *Post-Award Activities* tab. This is where you can generate and submit new progress and financial reports for each reporting period.



Note: After your first report, Pathways will automatically generate your next report once your previous report has been approved which will appear as a draft in your project report list. You will no longer generate reports on your own.



	#	Activity Type	Report Type	Report Number	Payment Request Type	Payment Request Number	Owner	Current Report Due Date	Status
	1	Project Report		4		2	Training (Kia) Applicant	08/13/2026	Draft
	2	Project Report	Interim	3	Reimbursement	2	Training (Kia) Applicant	06/13/2026	Approved
	3	Project Report	Interim	2	Reimbursement	1	Krystal Rodney	03/31/2026	Approved
	4	Project Report	Interim	1	No Payment Request		Krystal Rodney	12/01/2025	Approved

Required Components of Project Reports

Both interim and final reports must include:

- *Report Set-Up*: Indicates the type of report (interim or final) and financial request being made, as well as reporting period dates. Payment Request Types include:
    - No Payment Request: You are not seeking reimbursement for this reporting period; however, you may report on outlays from a previous advance or match incurred during the reporting period.
    - Reimbursement: You are seeking reimbursement and/or reporting on outlays and match for this reporting period.
    - Advance: You are requesting an advance payment at the start of the project, before the end of the first reporting period. This option must not be used after the end of your first reporting period.
    - Reimbursement and Advance: You are seeking reimbursement/reporting on outlays and match for this reporting period, as well as an advance payment for future work/reporting period.
- *Progress Report:* Document progress of project activities and performance measures.
- *Financial Report:* Report on costs incurred during the current reporting period and/or forecast period costs for advance payment request.

Report Format and Contents

Progress Reports

Progress reports may be completed by project contacts/collaborators of various role distinctions, however, each must be signed and certified by an authorized individual prior to ARC review. Those without signing authorization will have the option to edit and save reports for the Authorized Representative to then certify and submit to ARC for review.

All progress reports, both interim and final, must include narratives of each element listed below.

Background

Provide a short statement regarding the need for this project. What problems did you hope to solve when you applied for ARC funding? This response automatically carries over from the initial report to all subsequent reports in Pathways however, grantees should revisit this section and make edits as necessary (e.g., if the project has been amended in a way that changes its scope and impacts background description).

Activities

Describe in detail what happened during this reporting period and explain how you implemented the approved scope of work. If there have been significant changes to your program during the course of the project, or if the project was implemented differently than described in your original proposal, please describe those changes here. If you retained a consultant, list their credentials and describe what they were paid to do.

For the final report, separate and in addition to describing any activities that occurred in the reporting period, review, highlight, and summarize the activities that took place throughout the duration of your project and as you implemented your approved scope of work.

Project Outcomes

Although it may be difficult to document outcomes (results) during the grant's performance period, grantees should describe any progress made to date. If outputs and/or outcomes will not be attained until after the end of the grant period, predict the likelihood of meeting those original targets—and give a date in your final report. Remember: you are responsible for accurately tracking and documenting all listed outputs and outcomes from the Approval Memo and the Project Classification tab in Pathways.

For the final report, separate and in addition to describing any progress made in the reporting period, write an assessment of how your project has impacted the problems you were trying to solve. Were there unexpected benefits? Shortfalls? If you proposed meeting the performance measures by the end of the performance period and have not met them, include an explanation regarding why that has happened, in your judgment, and if/when you think the performance measures will be met.

Problems Encountered

Describe any and all major issues that arose during the implementation of the project. What would you do differently if you were starting this project again? Knowing the types of difficulties you encountered and how you resolved them will guide us in offering technical assistance to future grant applicants. Address each issue separately in its own section and describe whether and how the issues were resolved. Also, briefly discuss the implications of any unresolved issues or concerns.

For the final report, separate and in addition to describing any problems that were encountered in the reporting period, identify the challenges that you faced as you implemented your project in its entirety. How did those challenges impact your workplan, finances, or overall implementation efforts? What measures did you take to address or resolve these challenges as they arose and how did your project or approach evolve as a result?

Upcoming Activities (For Interim Reports)

Describe the project activities that are planned to take place in the in the next reporting period and how they will be implemented. Note if there are any deviations from your original workplan and, if so, explain why and how you will address these changes in the context of your approved scope of work.

Performance Measures

Enter the unique outputs and/or outcomes achieved for the reporting period and provide any statistical information that helps document the outputs and outcomes of your project to date. Do not include measures from previous reporting periods but only those achieved in the applicable reporting timeframe. Cumulative totals for each measure reported on throughout the project will be calculated automatically and displayed in the "Cumulative" column.

Note: You must report actual outputs, and any progress toward outcomes, in interim reports throughout the duration of your project as well as in a final report once a project is completed. The documentation of performance measures consists of two elements: the input of quantitative data as

it relates to achieved performance measures and any narrative that should accompany them. Actual performance measures should also continue to be tracked and recorded* for the period agreed upon in your grant project proposal.

*Grantees and subrecipients must have an accurate and reliable system in place for tracking and recording their performance measures, including a clear methodology for measurement and records that support the results. Common project management tools that are used for tracking outputs and outcomes include internal databases, excel sheets, and dashboards.

Program Continuation and Sustainability (For Final Report)

Describe how the project activities will be sustained without the grant funding. Did the project generate income? Will the program continue with other funding, and if so, what other sources of funds have been identified? If the program is to be discontinued, has it served its purpose, or is there still a need to solve the problems you were addressing? What additional steps are being taken to obtain other resources needed to continue the project?

Conclusions and Recommendations (For Final Report)

Summarize your entire project and the lessons learned during its implementation. Include a review of your successes and suggest ways that your experience may be helpful to others. If an output of your grant was to produce a plan or report, please email this to your Project Coordinator in PDF format for upload onto your electronic project record.

NOTE: If your report contains photos, you must have written permission or releases signed by the individuals and/or their guardians, to use photos of any recognizable individuals before sending them to ARC. Do not submit photo releases to ARC but retain them with your project files.

Do not submit to ARC protected personally identifiable information, e.g., social security numbers, birthdates (see 2 CFR 200.1), or other sensitive personal information. ARC's records of its doings and transactions are made available for public inspection pursuant to the Appalachian Regional Development Act of 1965, as amended, 40 USC 14308, and ARC's Open Records Policy (see the ARC Code Section 4.5). As such, any information received by ARC is subject to disclosure.

Additional Guidance for Final Reports Only

The final report is your opportunity to share the significant features of your project and present information about the results your project achieved. Each one of the narrative elements listed above should include two separate summaries: one that is reflective of the current reporting period and one that is reflective of the entire period of performance. . Final report narratives should focus on the totality of the project, should summarize and add context to the information contained in preceding reports, and be written as though the reader has no prior knowledge of your project.

Financial Reports and Payment

Financial reports are reviewed to confirm that expenditures are consistent with the approved budget and reflect the project's activities described in the progress report. Payments may be viewed and tracked on the *Financial Transaction Tab* in Pathways.

The ARC Grant Agreement outlines the conditions which must be met for a grantee to receive reimbursement for incurred expenses. Unless there are unforeseen or outstanding issues, payments

are typically made within 30 days after a grantee submits both a detailed progress report and corresponding accurate and completed financial report. Payments will not be authorized until the ARC Project Coordinator has received and approved both components.

Financial Report Contents

Current period costs must accurately reflect all outlays/costs incurred during the Current Reporting Period (to include ARC funds, outlays from previously approved advances, and match) and should be verified against accounting records. If no costs were incurred, report $0.00. As you input this data into Pathways, keep in mind that both ARC and matching funds must be identified in financial reporting that accompanies all payment requests.

Anticipated forecast period costs must be entered to accompany any request for an advance payment. See below for more information on requesting an advance.

*NOTE: The completion of a Financial Report is required even if no payment is requested for the reporting period.

Requesting an Advance Payment

ARC may advance funds when a grant recipient is requesting the minimum amount needed to meet an actual, immediate cash requirement necessary for carrying out the project in the forecast period. The forecast period dates will be set by the system according to the reporting requirements outlined in your grant agreement. The grantee must also have adequate written procedures and financial management systems for receiving advances and meet any applicable requirements for advance payments contained in 2 CFR 200.305. If requesting an advance payment, the grantee must include in the advance payment request a statement identifying the immediate cash need and explaining why an advance is necessary - this justification should be included in the Justification for Advance section of their financial report. Advance payments must be fully expended in a timely manner; this should be no later than the next reporting period. Actual expenditures should be listed as current period costs within your financial report. ARC does not permit advances in a final report. Grantees must expend the prior advance amount before requesting another.

Requesting a Final Payment

The final payment due to the grantee is contingent upon submission to ARC, and ARC's approval of the final project report. Final payments are processed when the project closeout is complete and may take longer than interim payment requests. The final reports must include the source(s) and amount(s) of all matching funds. The final report should also detail how all matching funds were used.

ARC Payment Process

ARC makes electronic payments to grantees using the Automated Clearinghouse (ACH) payment system. No payments will be made without a completed ACH enrollment form (SF-3881) on file. The SF-3881 enrollment form with instructions was included with the ARC Grant Agreement that was electronically sent to the project's Authorized Representative for signature. Information about your financial institution submitted to ARC on the SF-3881 must be consistent with your active registration in SAM.gov or payment will not be made. ARC does not issue paper checks as payment and only makes payments electronically. Subject to the terms and conditions of the ARC Grant

Agreement, ARC typically withholds the final $100,000 or 10 percent of the grant amount, whichever is less, until the final reports are approved and the project is closed.

Submitting Reports

While any project contact with editing access can prepare reports in Pathways, it is only the Authorized Representative who can certify reports for submission to ARC. Project reports will not be received for review by ARC until they are both certified and submitted. Once received, ARC Project Coordinators will review reports and either request additional information via the annotation process in Pathways or approve them pending no error or omission. After creating your first report, Pathways will automatically generate your next report; you do not need to generate new reports.

Video Resource: Submitting Your Project Report in Pathways

Amendments

With few exceptions, changes to a project will need to be facilitated through Pathways and documented on your electronic project record. If you have any questions prior to initiating a request, however, reach out to your ARC Project Coordinator and State Program Manager, as applicable, to discuss any changes or adjustments that are needed. Grantees should submit an amendment proposal within 30 days of knowing an amendment is needed and not proceed with any activities or incur any costs outside of the approved project scope or budget until they receive confirmation from their ARC Project Coordinator that their amendment request has been approved. Note, ARC's ability to approve amendments for competitive grants is greatly restricted. Please refer to the relevant NOSA for more information.

Types of Amendments

This section details types of project changes that may be requested during project performance. These are typically processed as amendments in the Pathways system. Please note that some of these changes require prior approval from ARC, meaning that you cannot begin to incur costs or engage in the new grant activity until you have received approval from ARC to do so.

Schedule Changes

Changing the Period of Performance of an ARC Grant Agreement

If a project cannot be completed within the approved period of performance, you may request an extension. The request should be received and approved **prior to the project end date listed in the ARC Grant Agreement**. The request must include the reason for the extension and the proposed revision to the end date.

Scope Changes

Performance Measures, Area of Impact, and Other Changes

Requests for substantial changes to a project's scope of work must be reviewed and approved in a process that is similar to the review of the original application. This involves varying levels of review, approval, and state concurrence.

Cost Changes

Modifying the Budget of Your ARC Project

Significant budget changes. Prior ARC approval is always required for the addition of new budget line items, the removal of existing budget line items, and for changes to existing budget line items when i) the ARC grant amount is higher than the simplified acquisition threshold and ii) all the budget shifts for your project total more than 10 percent of the project's total approved budget (both grant award and match funds). Note that the 10 percent threshold for budget changes is cumulative over the life of the project.

Budget changes combined with scope changes. Prior approval from ARC is also needed for budget changes that involve substantial revision to the scope of work or objectives of the project, regardless of the grant amount or amount of money being moved. Even minor budget revisions, when combined with a scope change, will need to be submitted to ARC and reflected accurately on your electronic project record in Pathways.

Funding Changes

Changes in Cost Share/Match

Prior ARC approval is required for any changes to the approved cost share or match provided. This includes additional funding from an approved match source as well as the addition of a new match source or the removal of an existing match source.

Addition of ARC Funds

Prior ARC approval is required for any changes to initial funding amounts. This includes the addition or the transfer of funds as approved in your ARC Grant Agreement.

Grantee/Fiscal Agent Changes

Changing Key Personnel

Prior ARC approval is required for a change in key personnel specified in the grant application or the Grant Agreement. This includes changes to the named Authorized Representative and/or Primary Contact. For proposed changes to the named Authorized Representative or Primary Contact, reach out to your Project Coordinator for next steps as these changes will not be initiated by the Pathways Amendment Proposal process. Any proposed changes to Fiscal Agent, grantee name, or grantee organization, will require initiation in Pathways, as well as additional action beyond the submission of an amendment request in Pathways. ARC will review and notify you accordingly.

Reducing Engagement

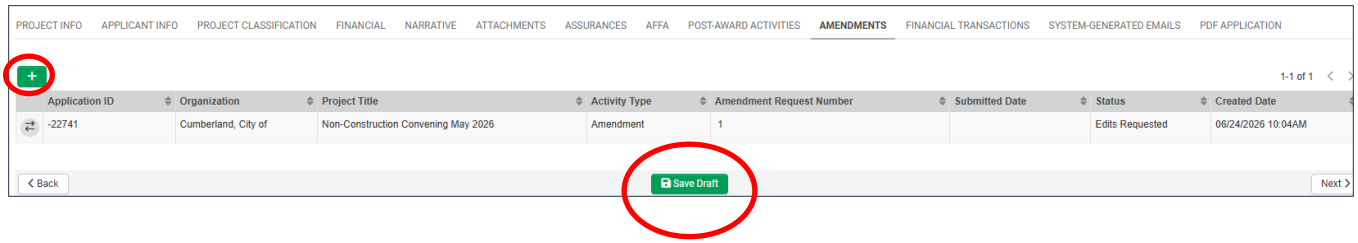
Prior ARC approval is required if you disengage from your ARC project for more than three months, or a reduction in the time and effort devoted to the project by 25 percent or more.

Basic Amendment Process in Pathways

Step 1: Initiating the Amendment Proposal

In Pathways, all amendment requests are initiated in the same way: by accessing the *Amendments* tab on the dashboard of your electronic project record and creating a "new amendment" proposal.

Amendments can be initiated by anyone on your project team as listed on the *Applicant Info* tab (with the exception of those that have been designated as "Applicant Contact View Only"). Make sure your request is clear and include supporting documentation accordingly.



Step 2: Proposal Classification and Explanation

Following the submission of your request, the Project Coordinator assigned to your project will review the request, classify it according to amendment type, and follow up with questions as needed. This communication will take place through Pathways and will be led by a number of annotation prompts that will facilitate the exchange.

Step 3: Amendment Certification and Initial Approval

Following the resolution of all annotations as well as the subsequent certification of the Authorized Representative, the Project Coordinator will approve the request and decide if additional levels of review and approval are needed. If so, the amendment request will move forward in the approval process.

Step 4: Amendment Approval Process

The level of review and approval, as well as the need for State concurrence for all amendment requests depends on a number of factors including project funding source (e.g., Area Development or competitive initiative), the nature and circumstances of the request, as well as whether the proposed amendment would result in significant change to essential project criteria (e.g., scope of work, funding amounts, key personnel, etc.). As noted above, your Project Coordinator will make that determination and will route your request through the appropriate process. Amendments will be considered approved once ARC signs the amendment and then receives final signature from the Authorized Representative.

* As with project reports, any project contact with editing access can initiate an amendment request and respond to the annotations that are requested by the Project Coordinator however it is the certification of the Authorized Representative that allows this request to proceed in the approval process and become finalized.

Video Resource: Submitting Your Amendment Request in Pathways

Making Changes to Grantee's Financial Institution

Complete a new ACH enrollment form if your financial institution changes during the period of performance for your ARC Grant Agreement. Include a note indicating that it is revised and submit

the new form by email to finance-forms@arc.gov . Alternatively, you may mail the form to the ARC Finance Office, 1666 Connecticut Ave. NW, Suite 700, Washington, DC 20009-1068. Be sure to include your full ARC project number on the form.

Record Keeping and Audits

Office of Management and Budget Guidance/Federal Regulations

ARC grants are administered in accordance with the Uniform Guidance at 2 CFR Part 200. As a grantee, you are expected to be familiar with, and ensure that the project adheres to, these regulations.

As mentioned, ARC now has a Grant Compliance Guide to help ARC grantees navigate both federal and ARC requirements. This guide can be accessed in both the Applicant and Grantee Resources section of ARC's website.

Audit Requirements for ARC Grants and Subawards

Grantees and subgrantees must maintain accurate and complete records relating to costs incurred under the ARC award, and make these available to ARC upon request, or for audit, as necessary, by the ARC Office of Inspector General (OIG) or the Government Accountability Office (GAO). Each year, ARC's Office of the Inspector General conducts random audits of selected ARC projects to ensure compliance with the Appalachian Regional Development Act, the ARC Grant Agreement, ARC policies and procedures, and federal regulations.

In addition, grantees and subrecipients that expend $1,000,000 or more of total federal awards (including any ARC grant) during their fiscal year must have a single or program-specific audit conducted for that year in accordance with Subpart F of 2 CFR Part 200. Grantees must ensure that their subrecipients comply with this audit requirement as applicable.

Common Audit Issues

If your organization is selected for an OIG audit, you are required to cooperate by providing all documentation and information requested. To get a better understanding of the procedural undertakings of the OIG in conducting audits as well as some common audit issues, you may access previous ARC OIG audit and inspection reports. Below are potential audit issues to be aware of:

- **General Financial Management.** Financial management systems must be sufficient to prepare reports, trace all funds, and ensure control and accountability over all property, funds, and assets.
- **Internal controls.** Policies and procedures must provide reasonable assurance that the ARC grant will be managed in compliance with applicable statutes, regulations, and grant terms and conditions.
- **Separate Accounts.** If your organization manages several grants, each grant must be accounted for separately, including activities, receipts, expenditures, and any matching fund documentation. Records must identify the source and use of funds provided for each grant-funded activity; no commingling of funds.

- **Documenting and Identifying Match.** If your project will be using in-kind or third-party property or services for matching purposes, records should be maintained including a listing of sources and documentation showing that the contributions were valued according to federal cost principles at 2 CFR Part 200, Subpart E, and 2 CFR 200.306, e.g., appraisals, evidence of local rates of pay, etc. Documents such as invoices, volunteer time sheets, employee pay records, receipts, etc. should support all services donated to the project.

- **Procurement.** Written procurement policies and procedures should reflect requirements in federal regulations at 2 CFR 200.317-327, including (for grantees that are not state agencies) requirements relating to competition, standards of conduct prohibiting conflicts of interest, and cost and price analyses.

- **Direct/Indirect Costs.** With a few exceptions, indirect costs charged to an ARC project must be pursuant to (a) a federally negotiated indirect cost rate or (b) the de minimis rate provided in federal regulations, as documented in writing. The rate must be listed in the approved ARC budget. Indirect and direct costs must be treated consistently.

- **Equipment and Property.** Written equipment management and maintenance procedures must be established and followed, according to federal regulations and ARC requirements, including inventory requirements, filing of a notice of federal interest, and proper use.

- **Costs with Respect to Travel.** Travel claims should follow written policies of the grantee when consistent with federal regulations at 2 CFR Part 200, including but not limited to 2 CFR 200.475. Invoices should support costs and expenditures.

- **Timeframe of Eligible Expenses.** Expenses charged to the ARC project must be incurred during the grant period of performance. As noted previously, any grant period extensions must be approved by ARC before the grant period expires.

- **Support of Salaries and Wages.** All documentation relating to salaries and wages charged to your ARC grant should be maintained. Salaries and wages must reflect the actual activity of each employee, not a budget estimate.

- **Performance Measures.** Final reports should describe actual achievements rather than estimates, and tie objectives met to the objectives outlined in the Grant Agreement. Grantees and subrecipients must follow a documented method for tracking performance measures.

- **Allowable Costs.** All costs charged to your ARC grant must be allowable under federal cost principles, Subpart E to 2 CFR Part 200.

After Project Completion

Project Closeout

After your project is complete you must submit a final project report. Once this report has been reviewed and approved, your ARC Project Coordinator will prepare documentation to finalize the closeout process. You will receive an email notification when the project has been closed by ARC. The project status in Pathways will also update to "Closed" and it will no longer show on the *Approved/Active* dashboard tab. It will now show in the *Closed* dashboard tab.

You must promptly return any unused advance payments to ARC before your final report can be approved.

Equipment and Real Property Usage and Disposition

The federal government retains an interest in equipment and real property purchased with ARC funds. Because of that, if the equipment or real property is sold the federal government is entitled to an amount equal to its percentage share of the original purchase price multiplied by the current market value of the item or sale proceeds, as applicable (called “federal interest”). Additionally, titles to grant equipment are conditional and subject to some requirements. If equipment or real property purchased with grant funds will no longer be needed for project purposes, please contact ARC to receive advance permission for alternative uses. Grantees with items that have a current fair market value of $10,000 or less (per unit) do not need to reach out to ARC before disposing of the property. State entities and Indian Tribes seeking to dispose of equipment of any value may do so in accordance with their own policies and procedures but should notify ARC before doing so. Please see 2 CFR 200.311 and 200.313 for more information.

Verification Visits and Other Post Award Activities with ARC

You may have other opportunities to share the success of your project if it is selected for a case study or profile by ARC staff or if the project is selected to participate in an independent program evaluation. Grantees and subrecipients are required to comply with requests for information at these times even after the project is closed.

ARC’s project investments are tracked in a variety of ways after a project is closed, including:

Project Performance Verification – The performance verification process is designed to confirm project outcomes after projects have been completed. ARC uses Pathways to collect this information via an electronic form which is sent through the system to grantees three years after the date of grant closeout. There may be times, however, when ARC staff will employ alternative methods to contact grantees to capture additional data on performance measures and grant implementation. This can take place at any point between project completion and several years after. ARC Code Section 8.9 requires grantees and subrecipients to cooperate with evaluators, e.g. by providing the documents requested and participating in interviews and surveys when asked.

Program Evaluations – Program evaluations are performed by an outside contractor and required by Congress. Program evaluations often involve large numbers of ARC grantees currently

or formerly involved in similar types of activities, such as infrastructure, education, business development, etc.

Inspector General Audits, Inspections, and Investigations – Audits and investigations of the Office of Inspector General relating to agency programs and operations may occur during or after the project performance period (including after the award has been closed out by ARC).

Appendix A: Quick Start Checklist

Quick Start Checklist

Getting Started with Your ARC Non-Construction Grant

Use this checklist to help you get organized before beginning project activities. Refer to the Grant Administration Manual for more information on grant requirements and how to successfully manage your ARC award.

Please note: this checklist is not a comprehensive list of all requirements under 2 CFR Part 200 and the ARC grant agreement terms and conditions. Recipients and subrecipients are responsible for reviewing the Uniform Guidance, the Grant Agreement, the Grant Administration Manual, and other applicable authorities and complying with all requirements therein. This checklist does not constitute legal advice.

▫ Step 1 – Read Your Grant Agreement

☐ Read your fully executed ARC Grant Agreement from beginning to end.

☐ Note your:

- Project number
- Project start date
- Project end date (Period of Performance)
- Project Coordinator
- Approved budget
- Required matching funds
- Reporting schedule
- Special conditions
- Approved scope of work

Remember: Your Grant Agreement is the official governing document for your award.

▫ Step 2 – Log into Pathways

☐ Log into Pathways and locate your project.

☐ Verify that you can:

- Access the project record
- View your assigned role as it appears on record

- Access Post-Award Activities

☐ If you cannot access your project, contact the Primary Contact listed on record before contacting Pathways Support.

▫ Step 3 – Review Your Project Information

Confirm that the following information is accurate on the relevant tabs of your project record in Pathways:

☐ Project contacts *(Applicant Info tab)*

☐ Authorized Representative *(Applicant Info tab)*

☐ Primary Contact *(Applicant Info tab)*

☐ Performance Measures *(Project Classification tab)*

☐ Approved budget *(Financial tab)*

☐ Project start and end dates *(Project Info tab)*

Notify your ARC Project Coordinator immediately if something is incorrect.

▫ Step 4 – Meet Your ARC Project Coordinator

☐ Identify your assigned ARC Project Coordinator in Pathways.

☐ Save their contact information.

☐ Include your complete ARC Project Number in the subject line of all email correspondence with your Project Coordinator.

The name and email address of the assigned Project Coordinator can be found on the Applicant Info tab in Pathways.

▫ Step 5 – Prepare Your Organization

Before spending any grant funds, ensure your organization has:

☐ Well documented policies and procedures (as required in 2 CFR Part 200)

☐ Financial management system that is sufficient for the tracking, reporting, and management of federal awards (See 2 CFR § 200.302)

☐ Appropriate internal controls (See 2 CFR § 200.303)

☐ Recordkeeping procedures that comply with federal requirements (See 2 CFR §§ 200.334, 200.335, 200.336, and 200.337)

☐ Effective documentation and tracking procedures for performances measures, project expenses, matching funds (including in-kind)

▫ Step 6 – Verify Required Registrations and Responses

☐ Confirm your organization's full SAM.gov registration is complete and active.

☐ Confirm you have answered “yes” to the Financial Assistance Representation and Certification on SAM.gov, that you intend to apply for or receive Federal financial assistance.

☐ Ensure your Unique Entity Identifier (UEI) is correct.

☐ Verify banking information is current for ACH payments.

▫ Step 7 – Understand Your Reporting Requirements

Know:

☐ When reports are due

☐ How often reports are required

☐ What must be included in:

- Progress Reports
- Financial Reports

Add reporting deadlines to your organization's calendar.

▫ Step 8 – Establish Project Files

Create a project file to maintain:

☐ Grant Agreement

☐ Approved budget

☐ Match documentation

☐ Cost documentation

☐ Procurement documentation

☐ Contracts and subawards

☐ Financial records

☐ Performance measure documentation

☐ Reports submitted to ARC

☐ Correspondence with ARC

Digital record keeping is preferred whenever practical, allowing files to be maintained in open and machine-readable formats. In most cases, records must be retained for three years after submission of the final financial report. (See 2 CFR 200.334, 336)

▫ Step 9 – Before You Spend ARC or Matching Funds

Confirm that:

☐ The expense is within the approved budget.

☐ The expense is within the approved scope of work.

☐ The expense occurs during the Period of Performance.

☐ Required procurement procedures have been followed.

☐ Supporting documentation will be maintained.

When in doubt, contact your ARC Project Coordinator before proceeding. Remember, matching funds included in the project are subject to the same requirements as ARC funds.

▫ Step 10 – Begin Your Project

Once all items above are complete, you are ready to begin project activities on or after the approved project start date as identified in your executed Grant Agreement.

Throughout the Life of Your Grant

Remember to:

✓ Submit reports on time.

✓ Keep financial records current.

✓ Track performance measures as activities occur.

✓ Document all matching contributions.

✓ Request approval before making significant project changes.

✓ Maintain active SAM.gov registration.

✓ Communicate regularly with your ARC Project Coordinator.

Quick Tips for Success

Plan ahead. Don't wait until reports are due to gather documentation.

Document everything. Good records make reporting, payments, monitoring, and audits much easier.

Ask questions early. If you're unsure whether a change requires ARC approval, contact your Project Coordinator before taking action.

Stay organized. Keeping grant records up to date throughout the project will simplify reporting and closeout.