

Avoid Misspending HRSA Funds ...

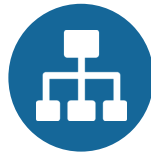
A Guide for Developing Effective Financial Management Practices

Each year, the Health Resources and Services Administration (HRSA) collects several million dollars from federal recipients due to unallowable costs. This impacts the recipient's ability to accomplish its important health mission. HRSA has prepared some simple tips to help recipients avoid misspending grant funds on unallowable expenditures or activities.



Stick to your plan

- Use your approved grant application and budget as a guide to spending your HRSA grant funds.
- If you need to adjust your plan, contact your HRSA Project Officer and Grants Management Specialist as early as possible.
- Track your actual use of HRSA funds and reconcile that back to your approved plan. Reconciling frequently, such as quarterly or even monthly, will help you identify possible issues closer to when they occur, which makes them easier to address.



Follow the flow

- The flow of HRSA grant funds through your organization needs to be clear and well-documented. Ensure you can identify and provide accurate, current, and complete disclosure of each federal award you receive.
- Maintain written procedures for your accounting and financial management system practices.
- Separate employee responsibilities and, when possible, build in layers of review to assist in preventing issues from fraud, waste, or abuse.

NOTE: Flow charts for procedures and responsibilities are helpful in providing a visual representation of your systems and can also highlight missing links or areas or practices that might be strengthened.



Keep your receipts

- Expenses must clearly document the flow of the money from the approved grant budget, to accounting records, to receipts and other supporting documentation.
- For activities not within the scope of your HRSA grant, ensure that your financial procedures identify, segregate, and track all costs associated with those activities so that it is NOT charged to the HRSA grant.

Reasons for unallowable costs:

- Not adequately documented (**the most common!**)
- Not compliant
- Not reasonable
- Not related to the HRSA grant



If you find a problem, fix it

- Good planning and internal controls help you provide reasonable assurance that you are in compliance with the terms and regulations of each federal award received.
- You must have effective internal controls over your HRSA grant, including taking prompt action when instances of noncompliance are identified.
- Minor errors, such as unallowable costs accidentally charged to the federal award account, should be addressed as soon as they are identified. Consider having a pre-established procedure for addressing errors, such as writing a memorandum (with a management official's signature and date) explaining the error and the corrective actions.
- For more significant errors, such as charging the HRSA grant for something already paid for by another federal award or funding source, contact your HRSA Project Officer and Grants Management Specialist immediately for information on corrective actions and how to repay any misspent funds.



Tools & Resources

- Want more information on ways to effectively manage your HRSA grants? Check out HRSA's [Manage Your Grant webpage](#).
- For more information related to financial management, refer to Title [2 part 200 of the Code of Federal Regulations](#), [HHS Grants Policy Statement](#), and your Notice of Award terms and conditions.