

Tip Sheet for HRSA Grantees

A Guide for Developing Effective Financial Management Practices

Each year, the Health Resources and Services Administration (HRSA) works with some of our federal recipients to return grant funds spent on unallowable costs.

This impacts the recipient's ability to accomplish its important health mission.

Here are some tips to help recipients avoid misspending grant funds on unallowable expenditures or activities:

Common reasons for unallowable costs:

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



Stick to your plan

- Use the approved grant application and budget as your guide to spending your HRSA grant funds.
- If you need to adjust your plan, contact your HRSA Project Officer and Grants Management Specialist.
- Track your actual use of HRSA funds and reconcile that with your approved plan. Reconciling frequently, quarterly or even monthly, will help you identify 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 help prevent issues of 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 they are NOT charged to the HRSA grant.



Fix problems

- Good planning and internal controls help you provide reasonable assurance that you are in compliance with the regulations and terms of each federal award received.
- You must have effective internal controls, 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 managing your HRSA grants? Check out the [Manage Your Grant webpage](#).
- For more information related to financial management, refer to [Title 45 part 75 of the Code of Federal Regulations](#), the [HHS Grants Policy Statement](#), and your Notice of Award terms and conditions.