Turning Your OAA Grant Award into Impact:

Grants Management Next Steps for Cities and Counties

Thursday, May 21, 2026

Virginia Opioid Abatement Authority

WELCOME

MEET YOUR PRESENTERS

We're glad you're here! Today's session will be led by the OAA Grant Operations team.

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Director of Operations

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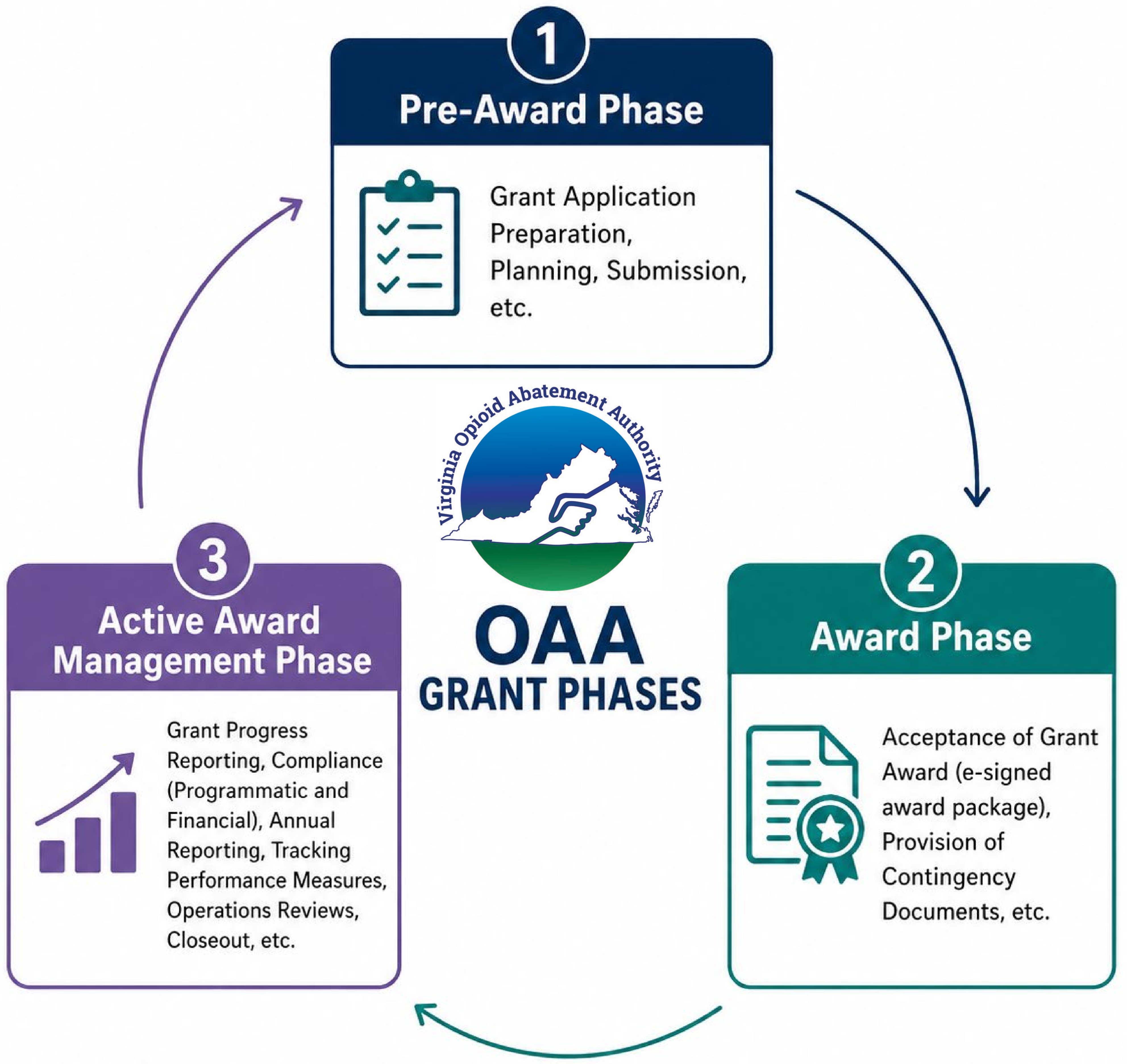
AGENDA

1. OAA Grant Phases and Award Phase Checklist
2. Important Update – Updated OAA Award Terms and Conditions
3. Tips to Avoid Common Mistakes/Issues for OAA Grants
4. Separate Accounting Requirements
5. Fiscal Agent Responsibilities
6. Subrecipient Monitoring
7. Maintaining Programmatic and Financial Compliance for OAA Grants
8. OAA Operational Reviews
9. Connect with the OAA
10. Questions?



OAA Grant Phases

- The Pre-Award (or application preparation/submission) phase was completed for FY 2027 applications in March/April 2026.
- The OAA will issue a press release after June 15, 2026, announcing all FY 2027 awards to cities and counties. Additionally, OAA staff will communicate OAA recommendations for FY 2027 awards on or around June 8, 2026.
- The Active Award and Grant Management Phase will occur after cities and counties have formally accepted their FY 2027 OAA awards by having the award package e-signed by their respective City/County Executive.

AWARD PHASE CHECKLIST

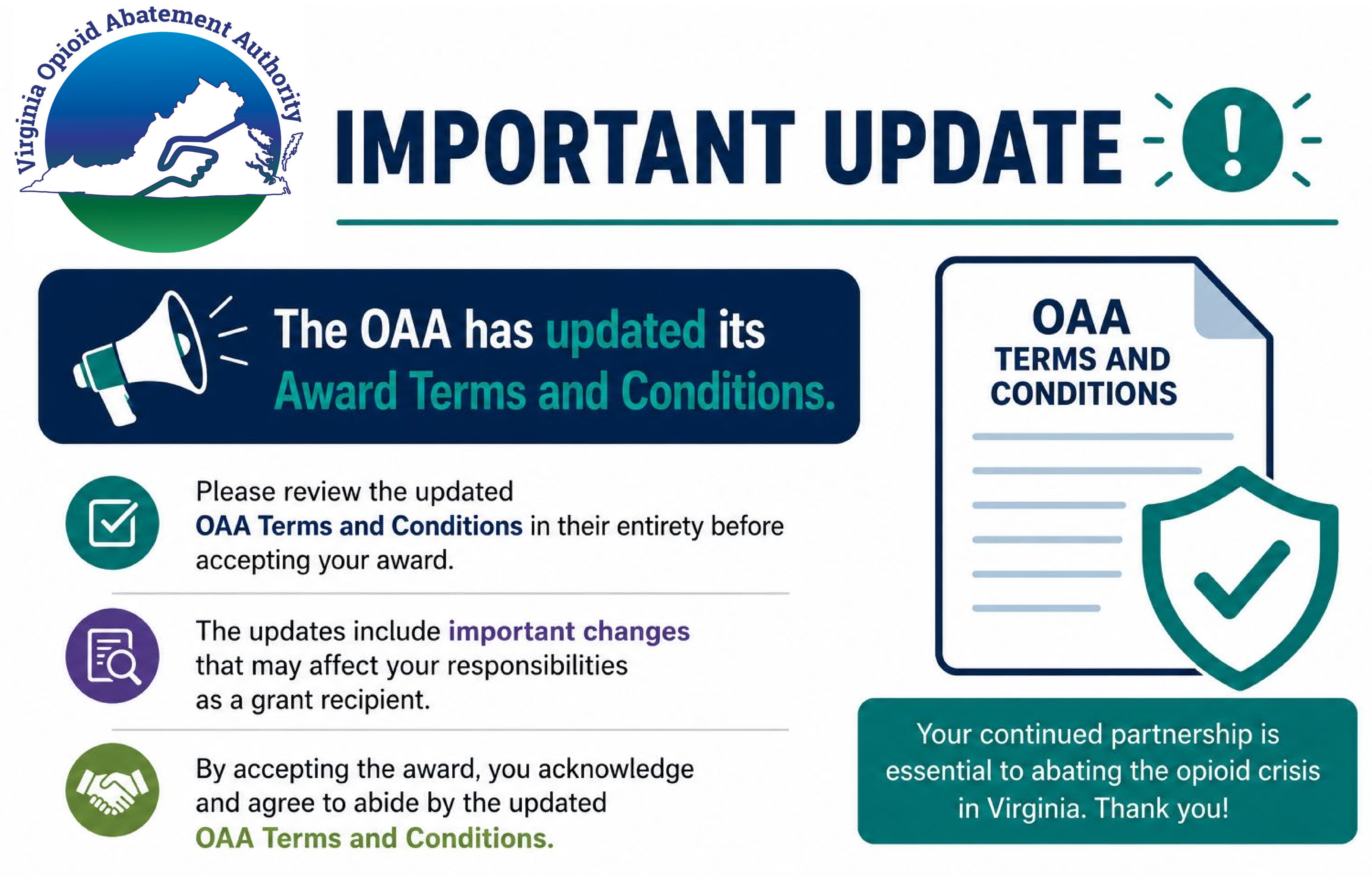
1. Ensure you **review and reply** to any OAA communications sent via the **OAA Grants Portal**.

2. If your application is approved for award, log into the **OAA Grants Portal** to review the award package which includes information such as the awarded amounts, any matching funds, the project's period of performance year, the grant number, the award contingencies, the approved performance measures, and the OAA Terms and Conditions. Reach out to the OAA to discuss any discrepancies noticed in the award package.

3. Send the award package to your city/county executive for e-signature via the **OAA Grants Portal**. *Note, this requirement is time-sensitive.*

4. Upload and submit any required contingency documents (Operational Agreements, Virginia W-9 Forms, 80% Encumbrance Documentation, MOUs, etc.) via the **OAA Grants Portal**.
   Note: This requirement is time-sensitive.

5. The project moves into the **Active Award and Management Phase.**



The OAA has updated its **Award Terms and Conditions** that are **effective with Fiscal Year 2027 awards**. Click here to access the OAA Abatement Academy video recording on the Updated Award Terms and Conditions.

TIPS TO AVOID COMMON MISTAKES/ISSUES FOR OAA GRANTS

1. **Do not wait** to send the award package to your City/County Executive for e-signature. The award package can and should be executed, even if there are delays in getting executed contracts, an executed Operational Agreement (new Cooperative Partnership awards only), etc.

2. For projects that have subrecipients, the OAA recommends fiscal agent cities/counties **meet with subrecipients** on a monthly basis, or at a minimum on a quarterly basis. Subrecipients should be frequently reporting on their expenditures, achieved performance measures, status of project objectives, and progress on the grant.

3. The OAA recommends that fiscal agent cities and counties provide funding to project subrecipients on a **reimbursement basis**, as opposed to a lump sum payment. This allows the fiscal agent city/county to continuously monitor the financial and programmatic compliance of the subrecipient. ***Note: The fiscal agent is responsible for the overall compliance (financial and programmatic) of the grant.***

4. The project's period of performance runs through July 1 – June 30 annually. OAA awards grants one year at a time. For FY 2027, the period of performance is **July 1, 2026 – June 30, 2027**. Therefore, **no expenses should be incurred prior to July 1, 2026**. Additionally, **no expenses should be incurred after June 30, 2027**. There is a 90-day liquidation period following the end of the grant performance year. However, all FY 2027 grant expenses should be **encumbered by June 30, 2027**, and cities and counties will have **until September 30, 2027** to liquidate encumbered FY 2027 expenses.

5. Cities and Counties will be required to submit an FY 2027 Annual Report on or around **October 1, 2027**. Fiscal Agent Cities and Counties should report on the **City/County's expenses** as a part of the Annual Report – not the subrecipient's expenses. Fiscal agents should monitor subrecipient expenses but for the sake of the Annual Report, the OAA requests the expenses of the city/county and not the subrecipient organization.

SEPARATE ACCOUNTING REQUIREMENTS

OAA award recipients must maintain separate accounting of each fund source that is part of an awarded project.

NON-OAA FUNDS

- Direct Distribution (direct settlement funds) (considered Non-OAA)
- Other Non-OAA Grant Funds
- City/County General Funds
- Funds provided on behalf of the city/county
- Any other revenue not provided by the OAA

OAA FUNDS

- Individual Distribution Funds
- Gold Standard Incentive Funds
- Cooperative Partnership Funds
- OAA Unrestricted Funds
- Any other revenue provided by the OAA

The OAA does not prescribe a specific methodology for maintaining separate accounting. However, any method used must reconcile to the city/county's general ledger, while also detailing the usage of each funding type for each OAA project.

FISCAL AGENT RESPONSIBILITIES

The fiscal agent City/County is responsible for coordinating and executing an **Operational Agreement** for all partner cities and counties within a Cooperative Partnership.

The fiscal agent is responsible for all aspects of the project, including coordinating/obtaining information from partner jurisdictions, subrecipient monitoring, executing contracts or written agreements with vendors/contractors, etc., and meeting application and reporting requirements.

The fiscal agent must ensure that any funds received from partner cities and counties are **separately accounted** for by fund source and project.

Fiscal agents will ensure awarded funds and contingent matching funds are spend in the following sequence based on the respective approved budget for each grant:

1 → 2 → 3 → 4 → 5

1	2	3	4	5
Direct Distribution Match (Non-OAA)	Other Non-OAA Match	Individual Distribution	Gold Standard Incentive	Cooperative Partnership

The Fiscal agent is responsible for ensuring **amendments and renewal applications**, as well as any required **reports** are completed accurately and submitted by the due date(s) prescribed by the OAA.

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SUBRECIPIENT MONITORING

Many OAA-funded projects require the fiscal agent city or county to submit to the OAA a **fully executed Memorandum of Understanding (MOU)**, or another formal agreement, between the fiscal agent and project subrecipients.

In this context, a **subrecipient** is an organization or entity that receives OAA funding through the fiscal agent city or county but is **not a direct recipient of OAA funds**. While the subrecipient plays a defined role in implementing the project, it does not have a direct funding relationship with the OAA.

Subrecipients are **responsible for reporting** to the fiscal agent city/county to ensure their use of OAA funding complies with the Terms and Conditions of the OAA grant award.

OAA Tip: To ensure subrecipients remain compliant, the OAA recommends that fiscal agent cities or counties engage in **subrecipient monitoring**—a process through which the fiscal agent oversees and evaluates the activities and compliance of subrecipients who receive all or part of the city or county's OAA grant funds.

By conducting subrecipient monitoring, the fiscal agent city or county can continuously assess the **risk of noncompliance, fund mismanagement, or underperformance** by the subrecipient, and determine whether additional safeguards are needed to ensure compliance with the OAA Grant Award Terms and Conditions.

The fiscal agent (city or county) should **clearly define** the subrecipient's responsibilities, including reporting requirements and internal controls, and collaborate with the subrecipient to create a detailed budget showing how their portion of OAA funds will be used.

ADDITIONAL TIPS FOR SUBRECIPIENT MONITORING

OAA Tip: During the application process, subrecipients may be granted access to the fiscal agent city or county's OAA Grants Portal account, if designated by the fiscal agent. However, the OAA recommends that fiscal agents **do not rely solely on subrecipients** to complete renewal applications, submit required reports, or fulfill other grant obligations. The fiscal agent city or county should **actively coordinate with its Finance or Accounting Office** to ensure financial compliance for both reporting and renewal purposes.

The fiscal agent city or county should **hold regular meetings (at a minimum quarterly)** with subrecipients to assess both the programmatic and financial progress of the project. These meetings should also be used to communicate key information such as OAA reporting deadlines, performance benchmarks, the subrecipient's approved budget, cost allowability, and other compliance requirements.

OAA Tip: The written agreement or MOU between the fiscal agent and the subrecipient should **outline the items listed above** (OAA reporting deadlines, performance benchmarks, the subrecipient's approved budget, cost allowability, etc.) as well.

The fiscal agent city or county should **maintain comprehensive records** related to the subrecipient's role in the OAA grant-funded project, including communications, reports, and financial documentation such as purchase orders, invoices, and payment records.

The fiscal agent should **communicate subrecipient noncompliance promptly** with the OAA.

MAINTAINING PROGRAMMATIC COMPLIANCE WITH OAA GRANTS

1. Understand the Grant Terms and Conditions

- Review the Grant Award Package, Terms and Conditions, and all attachments referencing the OAA Grant Award.
- Understand allowable vs. unallowable costs, reporting requirements, performance measures, objectives, and the project's timeline.
- Keep a compliance checklist based on the OAA's Grant Terms and Conditions, the approved grant requirements, etc.

2. Maintain Detailed Records

- Keep detailed records of all grant-related activities, funding applications, expenditures, reports, and decisions.
- Track services delivered, participant outcomes, and performance measure data.
- Maintain written policies and procedures for how the program is implemented and managed.

3. Align Activities with the OAA Approved Scope of Work

- Only conduct activities that were approved in the grant application and/or align with the OAA approved project scope.
- If your grant program needs to change direction, contact the OAA to obtain written approval before making any changes.
- Deviating from the approved project scope without written permission from the OAA is considered non-compliance.

4. Track and Report on Performance Measures

- Regularly monitor whether the project performance measures and objectives are being met.
- Submit timely and accurate reports to the OAA.
- Use data to identify any gaps in meeting performance measures and communicate those gaps with the OAA before taking corrective action.
- Keep a calendar with all reporting deadlines to avoid missing them and communicate reporting deadlines to subrecipients, cooperative partners, etc. for the project.

5. Follow Procurement and Financial Requirements

- Follow your locality's established procurement processes.
- Keep receipts, invoices, and financial backup for every expense charged against the OAA grant.
- Don't guess with grant spending – always confirm with your locality's finance team.

MAINTAINING FINANCIAL COMPLIANCE WITH OAA GRANTS

Recipient understands and agrees that the funds associated with this award **may only be used in compliance** with **Code of Virginia §2.2-2370**, any OAA regulations, and guidance issued by the OAA regarding the foregoing.

The recipient's primary mission, the primary mission of subrecipients, and/or the primary mission of other agencies funding a portion of the proposed program **will not conflict with the OAA's mission** as it is defined in **Code of Virginia §2.2-2366.**

Recipient will determine prior to engaging in any project using this assistance that it has the **organizational, managerial, and financial capability** to ensure proper planning, management, and completion of such project.

- **Individual Distribution** (including "Gold Standard" Incentive) awardee localities will ensure awarded funds and contingent matching funds are spent in the **sequence of 1—4** as outlined below based on the respective approved budget for each grant.
- **Cooperative Partnership Fiscal Agents** will ensure awarded funds and contingent matching funds are spent in the **sequence of 1—5** as outlined below based on the respective approved budget for each grant.

1 Direct Distribution Match (Non-OAA) → 2 Other Non-OAA Matching Funds → 3 Individual Distribution → 4 Gold Standard Incentive → 5 Cooperative Partnership

Note: This order does not remove the OAA's **separate accounting requirement** across all project revenues.

OAA OPERATIONAL REVIEWS

The **mixing of OAA funds** with other funds (also known as comingling) is **prohibited** and may result in audit findings during desk audits, site visits, etc.

The fiscal agent city or county and all subrecipients must **maintain a separate accounting system** – or clearly identifiable cost centers within their accounting system – to track all OAA grant-related revenues and expenditures.

This separation is required to **ensure proper financial management**, facilitate audit readiness, and demonstrate compliance with OAA grant terms and regulations.

BE PREPARED FOR OAA OPERATIONAL REVIEWS

Based on the OAA's Updated Award Terms and Conditions, fiscal agent cities and counties should be prepared for **site visits, desk audits, and other operational reviews** to be conducted by the OAA for grant projects.

To ensure compliance with these OAA reviews, cities and counties should **maintain documentation** of OAA grant-related information such as:

- Subrecipient monitoring meetings/reports
- Project expenditures, invoices, purchase order copies, etc.
- A copy of the city/county general ledger showing a separation of accounting for all revenue sources (both OAA and Non-OAA) associated with the grant
- Documentation regarding the tracking and progress of project performance measures and objectives
- Written contracts or other agreements (procurement documentation)
- Operational Agreement (Cooperative Partnerships only)
- Annual reporting documentation and executed award packages
- Written documentation of Budget Change Request approvals, etc.

FAILURE TO MAINTAIN COMPLIANCE WITH OAA GRANTS COULD RESULT IN:

- The OAA placing the project on a Performance Improvement Plan (PIP) as a corrective measure.
- Continued failed compliance could result in the OAA's termination of the grant award.
- The city/county being required to return the OAA funds.
- Impact to the city/county's ability to apply for OAA grant funding in the future.

CONNECT WITH THE OAA

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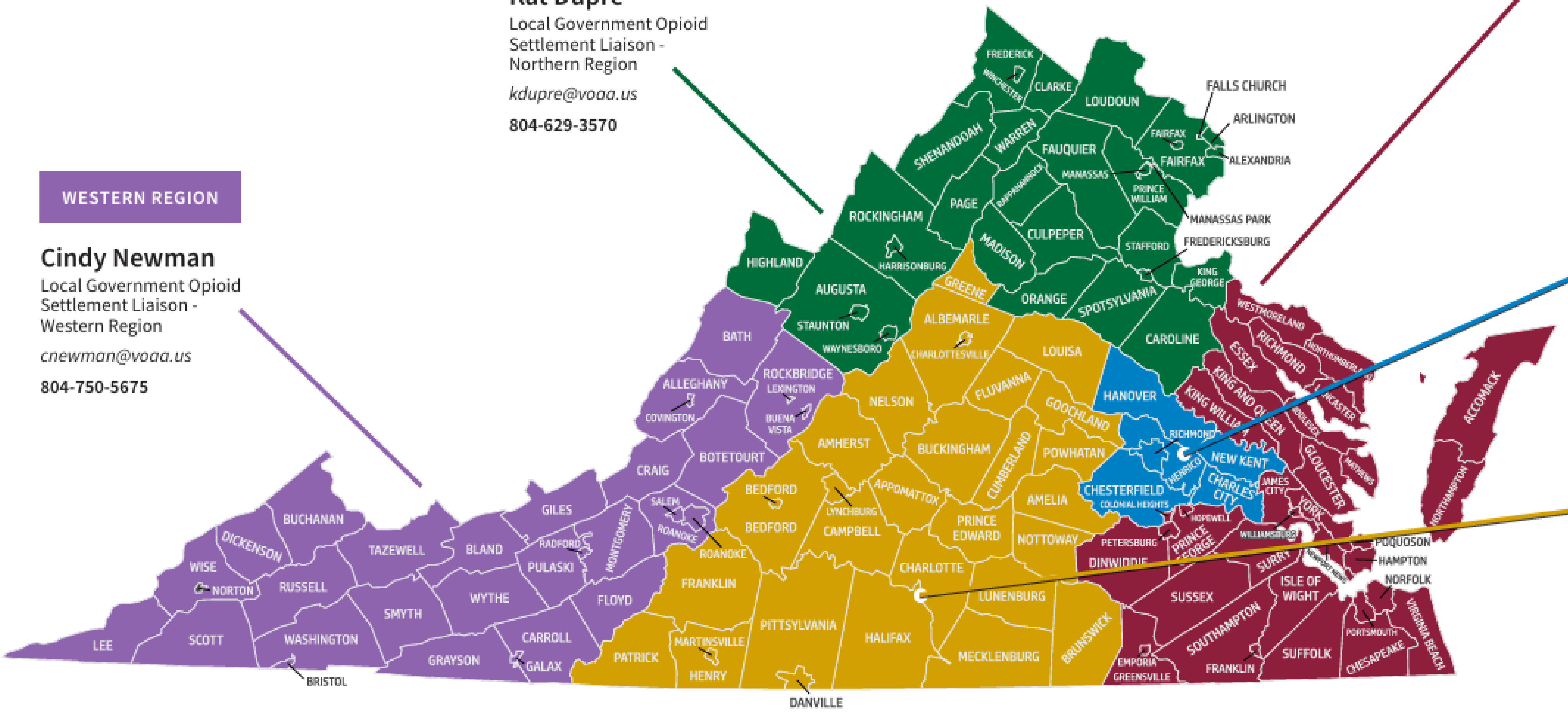

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QUESTIONS?

General inquires and/or cities and counties without current OAA awards, contact us at info@voaa.us