

Nevada Water Conservation and Infrastructure Initiative Subrecipient User Guide for SLFRF Grants Compliance

Date: August 2024

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1 Introduction

All recipients of federal grant funding are accountable for how funds are expended, including funds that are granted to subrecipients (2 CFR 200.332). This manual is to assist subrecipients of State and Local Fiscal Recovery Funds (SLFRF) through the Nevada Water Conservation and Infrastructure Initiative (NWCII) -ALN/CFDA: 21.027 in their understanding the requirements and adhering to both state and federal compliance requirements associated with awarded SLFRF grants funds.

Ensuring funds are spent according to state and federal requirements and confirming the subrecipients provide periodic financial and programmatic reports on their spending and the corresponding results is critical. The subrecipient reporting will be consolidated and reported on by the recipient, Nevada, as part of the monthly, quarterly, and annual requirements detailed below.

Subrecipient grant compliance is overseen by the Nevada Water Conservation and Infrastructure Initiative Program Manager. The purpose of this document is to describe the compliance requirements and processes used by NWCII to ensure its compliance with state and federal requirements.

Given the U.S. Department of the Treasury's (Treasury) frequent updates and changing requirements for the SLFRF grant, NWCII will be closely monitoring the requirements and provide updates as needed through our website regarding both subrecipient reporting and the associated compliance and oversight responsibilities. These updates can be found at <https://dcnr.nv.gov/nwcii>.

1.1 General federal reporting guidance and requirements for SLFRF

The SLFRF recipient, Nevada, and therefore subsequent subrecipient requirements are based on the agreements that Nevada has signed with Treasury. The agreements explicitly outline recipient and subrecipient reporting requirements and cross-reference other documents, including program guidance such as frequently asked questions (FAQs) and plans submitted by Nevada.

As of August 2024, Treasury has published the [2022 Final Rule](#) and [2023 Interim Final Rule](#) that proposes amendments to the final rule for the SLFRF program. Additionally, Treasury has published a wide range of [guidance that applies to the SLFRF program](#). Recipients and subrecipients are also expected to be familiar with any additional guidance published after the release of this guide. Recipient should be aware of both the [Drinking Water State Revolving Fund \(DWSRF\)](#) rules, as well as, [Clean Drinking Water State Revolving Fund \(CDWSRF\)](#) requirements where they intersect with SLFRF guidance.

1.2 Compliance activities

The NWCII Compliance Team will perform the following activities to maximize compliance of its subawards:

- **Communicating compliance requirements to subrecipients.** NWCII will post to its [website](#) feedback received from subrecipients, updated programmatic requirements, and commonly identified compliance issues.
- **Collecting data from subrecipients to meet reporting deadlines.** NWCII will send reminders to subrecipients ahead of reporting deadlines and collect data in a standardized format for simple analysis and compilation. NWCII will also notify and work with subrecipients who submit incomplete or inaccurate reporting data in an attempt to assist subrecipients in meeting timely deadlines with accurate data.

- **Producing reports to submit to federal awarding agencies.** NWCII will interpret requirements of the federal awarding agencies to develop reports for submission, using various data sources including subrecipients' quarterly progress reports.
- **Monitoring compliance of subrecipients.** NWCII will require information from SFLRF subrecipients to ensure subrecipients are self-certifying their conformance with program rules, requirements, and NWCII procedures and funding agreements. NWCII will follow up with subrecipients as needed.

2 General Requirements

This section includes general SLFRF reporting and compliance requirements.

2.1 Records management

Subrecipients must maintain all records associated with the awards—including the application, financial documents, disbursement requests and payments received, and key correspondence—for a minimum of six years after the close of the program, which is expected to be no earlier than December 31, 2026. These documents must be made available upon request.

2.2 Executive compensation reporting

For subrecipients that are public entities, per the Transparency Act and [2 CFR Part 170, Appendix A](#), they must annually report the names and total compensation of their five most highly compensated executives for the subrecipient's previous fiscal year if the following criteria are met:

- The recipient or subrecipient received 80% or more of their gross annual revenue from federal contracts or grants;
- The recipient or subrecipient received more than \$25 million of their gross annual revenue from federal contracts or grants; and
- The executive compensation information is not already publicly available.

2.3 Civil rights compliance

Subrecipients receiving funding must meet the legal requirements relating to nondiscrimination, which are initially documented in the signed subrecipient agreement. Subsequent documentation during the award period could be conducted through spot checking and random sampling.

Additional information can be found on page 13 of Treasury's [SLFRF Compliance and Reporting Guidance](#).

2.4 Audit

Subrecipients that are public entities are subject to a single audit if they expend more than \$750,000 annually in federal funding (all federal awards combined, not just SLFRF) per the requirements of the Single Audit Act and 2 CFR 200. Additional information can be found in [2 CFR 200, subpart F](#).

Contractors hired by the subrecipient as part of the grant are not subject to these requirements.

2.5 Conflict of interest

A conflict of interest typically consists of a conflict between responsibilities of the grant and financial or personal relationships with certain persons (e.g., family or household members, employers, or business affiliates). If in doubt as to whether a situation qualifies as a conflict of interest, err on the side of caution and report the potential conflict as a precaution.

2.6 Nevada fraud, waste, and abuse policy

Fraud, waste, and abuse of federal funds are not tolerated by the State of Nevada. All situations of fraud, waste, or abuse should be reported immediately to the confidential Governor's Finance Office, Division of Internal Audits Fraud Hotline (775-687-0150 or iaudits@finance.nv.gov).

Situations of concern may include the following:

- creating fictitious employees or vendors;
- falsifying invoices or transactions;
- executing related party transactions;
- receiving kickbacks;
- taking excessive travel that is not consistent with the duties of a job;
- submitting incomplete support for payment (e.g., no hotel receipt for a travel claim or no receiving report for office supplies); or
- conducting unusual purchases not included in an approved budget.

3 SLFRF Compliance Requirements

The SLFRF program requires the recipient, Nevada, to ensure that all subrecipients comply with the requirements of:

- [2 CFR 200](#);
- the SLFRF statute;
- the SLFRF Award Terms and Conditions;
- the [2022 Final Rule](#) as published by Treasury;
- the [2023 Interim Final Rule](#); and
- any applicable federal statutes and regulations.

In addition, Treasury published the [Compliance and Reporting Guidance for State and Local Fiscal Recovery Funds](#), which provides detailed guidance on compliance matters for both recipients and subrecipients.

All grants made to subrecipients through this program will support necessary investments in Water and Wastewater infrastructure. The 2022 Final Rule provides detailed expectations for [Drinking Water, Wastewater, and Stormwater projects](#).

Please reference Appendix A – Links to Key Program Guidance (page 17) for a complete list of SLFRF guidance and compliance requirement documents available to date.

3.1 Key funding deadlines

When expending SLFRF funds, submitting Reimbursement Requests (RRs), and preparing associated mandatory reports for submission, key funding date to note are:

- **September 30, 2026.** All SLFRF reimbursements must be submitted to the NWCII by this date. Reimbursements not received by September 30, 2026 may not be able to be reimbursed. All funding must be expended by the NWCII by December 31, 2026. All funds for the program will revert after December 31, 2026. Any funds remaining after this date will be returned to Treasury by the recipient, Nevada.

Specific exceptions exist for certain infrastructure costs that may have been incurred before March 3, 2021. Please see page 6 of the [SLFRF Compliance and Reporting Guidance](#) for additional information. If a subrecipient documented expense falls outside of the approved timeframe and does not qualify for an exception, NWCII should reject it.

3.2 Environmental compliance

Approximately 86% of land in the State of Nevada is designated as federal, requiring subrecipients to comply with federal environmental regulations implemented primarily through the U.S. Bureau of Land Management and U.S. Forest Service, as well as the National Park Service, Bureau of Reclamation, Fish and Wildlife Service, and U.S. Department of Defense to a lesser degree. Key environmental and resource requirements that may be applicable include but are not limited to:

- Archaeological and Historic Preservation Act, Pub. L. 93-291, as amended
- Protection and Enhancement of the Cultural Environment

- Clean Air Act, Pub. L. 95-95, as amended
- Coastal Barrier Resources Act, Pub. L. 97-348
- Coastal Zone Management Act, Pub. L. 92-583, as amended
- Endangered Species Act, Pub. L. 93-205, as amended
- Environmental Justice, Executive Order 12898
- Flood Plain Management, Executive Order 11988 as amended by Executive Order 12148
- Protection of Wetlands, Executive Order 11990 as amended by Executive Order 12608
- Farmland Protection Policy Act, Pub. L. 97-98
- Fish and Wildlife Coordination Act, Pub. L. 85-624, as amended
- Magnuson-Stevens Fishery Conservation and Management Act, Pub. L. 94-265
- National Environmental Policy Act, Pub. L. 91-190
- National Historic Preservation Act, Pub. L. 89-655, as amended
- Safe Drinking Water Act, Pub. L. 93-523, as amended
- Wild and Scenic Rivers Act, Pub. L. 90-54 as amended

3.3 Reporting

The State of Nevada is required to report to Treasury on SLFRF programs on a quarterly basis, including activities of all subrecipients during each quarter. All SLFRF NWCII subrecipients are also required to provide a minimum of quarterly reports to the NWCII Program Manager. Nevada will summarize the quarterly reports as part of the quarterly Treasury reporting. In addition, the NWCII Program Manager requires advance reporting on any upcoming scheduled construction for oversight purposes on a daily basis.

3.3.1 Reporting timeline

Treasury requires quarterly reports to be submitted one month after the close of a fiscal quarter. To ensure timeliness, reports are due from subrecipients five days after the close of the fiscal quarter. NWCII then has 10 days to review, validate, and compile subrecipient submissions for a comprehensive submission to Treasury. Please see Section 5 for details on completing reports.

Report	Period Covered	Subrecipient Due Date	Due Date to State Reporting Official	Federal Report Due Date
Q3 2023	Jul 1–Sept 30, 2023	Oct 5, 2023	Oct 15, 2023	Oct 31, 2023
Q4 2023	Oct 1–Dec 31, 2023	Jan 5, 2024	Jan 15, 2024	Jan 31, 2024
Q1 2024	Jan 1–Mar 31, 2024	Apr 5, 2024	Apr 15, 2024	Apr 30, 2024
Q2 2024	Apr 1–Jun 30, 2024	Jul 5, 2024	Jul 15, 2024	Jul 31, 2024

Q3 2024	Jul 1–Sept 30, 2024	Oct 5, 2024	Oct 15, 2024	Oct 31, 2024
Q4 2024	Oct 1–Dec 31, 2024	Jan 5, 2025	Jan 15, 2025	Jan 31, 2025
Q1 2025	Jan 1–Mar 31, 2025	Apr 5, 2025	Apr 15, 2025	Apr 30, 2025
Q2 2025	Apr 1–Jun 30, 2025	Jul 5, 2025	Jul 15, 2025	Jul 31, 2025
Q3 2025	Jul 1–Sept 30, 2025	Oct 5, 2025	Oct 15, 2025	Oct 31, 2025
Q4 2025	Oct 1–Dec 31, 2025	Jan 5, 2026	Jan 15, 2026	Jan 31, 2026
Q1 2026	Jan 1–Mar 31, 2026	Apr 5, 2026	Apr 15, 2026	Apr 30, 2026
Q2 2026	Apr 1–Jun 30, 2026	Jul 5, 2026	Jul 15, 2026	Jul 31, 2026
Q3 2026	Jul 1–Sept 30, 2026	Oct 5, 2026	Oct 15, 2026	Oct 31, 2026
Q4 2026	Oct 1–Dec 31, 2026	Feb 28, 2027	Mar 15, 2027	Apr 30, 2027

4 Award Documentation

Subrecipients are required to maintain documentation associated with their SLFRF award for a minimum of six years after the close of the program, which is expected to be no earlier than December 31, 2026. Documentation should be uploaded to the [Nevada Infrastructure Finance System](#) (NIFS) and made available upon request.

4.1 Award documentation

Examples of SLFRF documentation are provided below to guide subrecipients in creating and maintaining robust records. The information in Section 4 is intended to be illustrative but not comprehensive; it is up to the subrecipient to determine documentation required based on individual award and submit those documents to the NWCII [Nevada Infrastructure Finance System](#) (NIFS). Please note many of these documents are created and maintained within NIFS

- **Application process**
 - Application and proposed budget
 - Feedback from NWCII on initial application and updated application if applicable
 - Executed subaward agreement
 - Approved budget at time of executed agreement
 - Any subsequent modifications to relevant documents
- **Grant Draws Reimbursement Requests, approvals, payments, or denials**
 - Requests for grant disbursement
 - Updated Budget Detail Spreadsheet (BDS), including funds expended
 - Documentation of approved costs incurred (receipts, invoices, etc.)
 - NWCII approval or denial of Reimbursement Request
 - Documentation of payments made
- **Project Change Requests (PCR)**
 - Each request requires:
 - Submission of a separate PCR
 - A BDS supporting the requested change
 - Documentation of new pricing or costs (invoices, quotes, reason for additional labor/services, etc.)
 - NWCII approval, denial, or provisional approval and resubmission of any PCRs or associated BDS
- **Quarterly Reporting**
 - Federal Financial Reporting
 - Submission of Quarterly Financial Report, including an updated BDS reflecting the most recent quarter's expended funds
 - Reimbursement Requests
 - Relevant NWCII notification and communications

- Federal Progress Reporting
 - Submission of quarterly progress report, tied to approved program metrics
 - NWCII documentation of approval, request for additional information, etc.
 - Relevant NWCII notification and communications
- Quarterly Labor Requirements Report
 - Submission of quarterly report confirming adherence to required labor standards or, if applicable, documentation that the Quarterly Labor Quarterly Report requirements are not applicable due to the total cost of the project being below the \$10 million total cost threshold
 - NWCII documentation of approval, request for additional information, etc.
 - Relevant NWCII notification and communications
- **Miscellaneous**
 - Relevant internal (subcontractors) and external (NWCII) correspondence
 - Proactive notification of any key concerns (e.g., timelines, staffing)

5 Completing Reports and Reimbursement Requests

This section is intended to provide subrecipients additional guidance on how to complete SLFRF reports and Reimbursement Requests. Following the guidance provided below will decrease the potential for errors and delays in approvals due to reports being returned for corrections or requests for additional information.

This section is categorized by report type, beginning with periodic reports and then ad hoc reports.

5.1 Quarterly Progress Report

The Progress Report collects information for two key components: (1) narrative data for each project and (2) programmatic compliance. Subrecipients are required to complete and submit this report quarterly.

5.1.1 *Successfully completing the Quarterly Progress Report*

When preparing Quarterly Progress Reports, subrecipients should consider taking the following steps to ensure an error-free submission:

1. Review and validate grantee/subrecipient information section, including identifying information, reporting period, and ID number.
2. In the grantee/subrecipient Quarterly Progress Report section:
 - a. Review and compare the status update, percent complete, timeline updates, and narrative with the milestones and key indicators in the agreement.
 - b. Status updates should provide more information about each milestone, including details such as goals, strategies, persons responsible, and expected outcomes. The narrative should provide an overview of the project and any changes or important updates. The Progress Report should align with funding expended and accounted for in the Fiscal Report.
 - c. Compare this quarter's update with the previous quarter's update to determine if continual progress is being made.
3. Ensure preparer and authorized official signatures are complete.
4. Retain a copy of the completed report per the award documentation requirements in Section 4.
5. Quarterly documentation is required for the duration of the grant reporting period.
6. Retain completed report per the award documentation requirements in Section 4.

5.2 Draw Request Reporting

As part of the Draw Request process subrecipients will be required to provide a short narrative that provides a project update. This should include information for the duration of the grant regarding permits, planning, environmental reviews, and other major project milestones. This narrative gives the program an idea of the status of a given project.

5.2.1 *Successfully completing the Draw Narrative*

When preparing the Draw Reports, subrecipients should consider taking the following steps to ensure an error-free submission:

1. Provide grantee/subrecipient information, including identifying information and report dates covered.

2. Review report for completeness, including the submission of any supplemental materials.

5.3 Draw Requests

Draw Requests may be submitted as either an Advance or Reimbursement Request at anytime during a project. Draw Requests should include documentation of services rendered (e.g., invoices and receipts), payment completed, and a corresponding project documents. Draw requests should include a brief description of the status of a project and a description providing information on what the draw is supporting. Please note that subrecipient should upload all project contracts and bid information to NIFS. Invoices should have a corresponding contract and bid documents on file with the program. It is the responsibility of the subrecipient to conform to all purchasing rules required under 2 CFR Part 200. After approval of the Draw request payment is contingent on confirmation of submission and approval of all previously due reports and proof of payment.

5.3.1 *Successful completion of Draw Requests*

When preparing a Draw Request, subrecipients should consider taking the following steps to ensure an error-free submission:

1. Review and validate grantee/subrecipient information section, including identifying information, grantee ID, date, reimbursement number, and vendor identification.
2. Compare the Budget Detail Spreadsheet, RRs, invoices, and payment documentation, as well as the approved budget to ascertain the reimbursements:
 - a. Are within the allowable timeframe;
 - b. Are within the approved budget categories and descriptions;
 - c. Have available funding within the overall approved budget and within the subcategory; and
 - d. Have amounts requested that align across documentation (request from, invoice, and payment).

3. Ensure that invoices or receipts have descriptions of the goods or services and documentation of payment dates within the reporting quarter.
4. Ensure proof of payment is sourced from a third party (such as a bank statement where the bank name and address information are visible or the front and back of a canceled check).
5. Ensure fiscal agent signature is complete.
6. Retain a copy of the completed Reimbursement Request per the award documentation.
7. Notify NWCII upon receipt of payment.

5.4 Project Change Request

A subrecipient seeking a change to the approved budget or project scope must submit the request through the NIFS system and email the request to NWCII@dcnr.nv.gov. Supporting documentation is required with the submission of a PCR.

A PCR should be submitted by the subrecipient as soon as a change is anticipated, and changes should not be finalized by the subrecipient until approved by the NWCII Program Manager. A PCR must be submitted for all changes resulting in a change between budget category allocations.

6 Closeout Activities

Grant closeout procedures are required to be completed at the end of the period of performance or when expenditure of all funds is complete. All final subrecipient reports will be due to the recipient, Nevada, no later than 30 days from the end of the period of performance. All recipient reports to Treasury will be due within 120 days of the end of the period of performance.

SLFRF specific closeout procedures and required activities will be provided when and if Treasury provides them.

Appendix A – Links to Key Program Guidance

State and Local Fiscal Recovery Funds

2022 Final Rule

- [2022 Final Rule](#)
- [Overview of the 2022 Final Rule](#)
- [2022 Final Rule Frequently Asked Questions](#)
- [2022 Final Rule Webinar](#)
 - [2022 Final Rule Webinar Slide Presentation](#)

2023 Interim Final Rule

- [2023 Interim Final Rule](#)
- [Overview of the 2023 Interim Final Rule](#)

Compliance and reporting

- [Compliance and Reporting Guidance – State and Local Fiscal Recovery Funds](#)
- [Statement Regarding Compliance with the Coronavirus State and Local Fiscal Recovery Funds Interim Final Rule and Final Rule](#)
- [Recipient Compliance and Reporting Responsibilities \(links to user guides by project period\)](#)
- [2023 SLFRF Compliance Supplement](#)
- [Recovery Plan Performance Report User Guide](#)
- [Recovery Plan Template](#)
- [Webinar: “Q2 2022 Project and Expenditure Report Updates to Revisions and Bulk Editing Functions”](#)
- [Presentation: “An Introduction to the Coronavirus State and Local Fiscal Recovery Funds Compliance and Reporting Guidance”](#)

Frequently asked questions

- [SLFRF FAQ - Self-Service Resources](#)

Code of Federal Regulations (CFR)

- [Reporting Subaward and Executive Compensation \(2 CFR Part 170\)](#)
- [Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards \(2 CFR Part 200\)](#)
- [Audit Requirements \(2 CFR Part 200, Subpart F\)](#)

Appendix B – Cross Cutting Federal Authorities

Cross-cutting federal authorities are the requirements of other federal laws and Executive Orders that applying the case of federally funded projects. The cross-cutters include (but are not limited to): environmental laws such as the Endangered Species Act, the National Historic Preservation Act, executive orders on the protection of wetlands and flood plains, social policy authorities such as executive orders on equal employment opportunity in federally assisted programs, and economic authorities such as rules implementing executive orders on the debarment and suspension of persons who have engaged in misconduct. In the State Revolving Fund programs, compliance with federal cross-cutting authorities is required by all recipients of these federal funds. A list of the possible applicable cross-cutters follows.

Nevada Water Conservation and Infrastructure Initiative Authorities

- American Rescue Plan Act, Pub. L. 117-2
- Coronavirus State and Local Fiscal Recovery Funds, 31 CFR Part 35

Environmental Authorities

- Archaeological and Historic Preservation Act, Pub. L. 93-291, as amended
- Protection and Enhancement of the Cultural Environment
- Clean Air Act, Pub. L. 95-95, as amended
- Coastal Barrier Resources Act, Pub. L. 97-348
- Coastal Zone Management Act, Pub. L. 92-583, as amended
- Endangered Species Act, Pub. L. 93-205, as amended
- Environmental Justice, Executive Order 12898
- Flood Plain Management, Executive Order 11988 as amended by Executive Order 12148
- Protection of Wetlands, Executive Order 11990 as amended by Executive Order 12608
- Farmland Protection Policy Act, Pub. L. 97-98
- Fish and Wildlife Coordination Act, Pub. L. 85-624, as amended
- Magnuson-Stevens Fishery Conservation and Management Act, Pub. L. 94-265
- National Environmental Policy Act, Pub. L. 91-190
- National Historic Preservation Act, Pub. L. 89-655, as amended
- Safe Drinking Water Act, Pub. L. 93-523, as amended
- Wild and Scenic Rivers Act, Pub. L. 90-54 as amended

Economic and Miscellaneous Authorities

- Debarment and Suspension, Executive Order 12549
- Demonstration Cities and Metropolitan Development Act, Pub. L. 89-754, as amended, and Executive Order 12372
- Drug-Free Workplace Act, Pub. L. 100-690
- New Restrictions on Lobbying, Section 319 of Pub. L. 101-121
- Prohibitions relating to violations of the Clean Water Act or Clean Air Act with respect to Federal contracts, grants, or loans under Section 306 of the Clean Air Act and Section 508 of the Clean Water Act, and Executive Order 11738
- Uniform Relocation and Real Property Acquisition Policies Act, Pub. L. 91-646, as amended

Civil Rights, Nondiscrimination, Equal Employment Opportunity Authorities

- Older Americans Act, Pub. L. 94-135
- Equal Employment Opportunity, Executive Order 11246

- Section 13 of the Clean Water Act, Pub. L. 92-500
- Section 504 of the Rehabilitation Act, Pub. L. 93-112
- Title VI of the Civil Rights Act, Pub. L. 88-352
- Disadvantaged Business Enterprise Authorities
- Small, Minority, and Women-owned Business Enterprises, Executive Orders No. 11625, 12138, and 12432
- Section 129 of the Small Business Administration Reauthorization and Amendment Act of 1988, Pub. L. No. 100-590
- 40 CFR Part 33 Participation by Disadvantaged Business Enterprises in Procurement under Environmental Protection Agency (EPA) Financial Assistance Agreements.