



Federal Grant Compliance Checklist for Nonprofits

**Friendly Note: Compliance ensures that your nonprofit maintains its credibility and can access future funding opportunities. Use this checklist as a guiding tool, but always consult with a professional for detailed guidance.*

1. Initial Review & Understanding

- **Grant Agreement:** Thoroughly read and understand the terms, conditions, and guidelines provided.
- **Duration:** Know the start and end dates for the grant period.
- **Budget Limitations:** Be clear on how much can be spent and on what.

2. Financial Management

- **Separate Accounting:** Ensure the grant funds are separately traceable and not mixed with other funds.
- **Allowable Costs:** Verify that each expenditure falls under allowable costs.
- **Direct & Indirect Costs:** Accurately categorize and allocate costs.
- **Timely Expenditure:** Make sure funds are used within the grant's specified period.

3. Reporting

- **Schedule:** Mark reporting dates on your calendar to avoid last-minute rushes.
- **Format:** Use the recommended format or templates for reporting.
- **Accuracy:** Ensure all reported data, especially financials, are precise.
- **Supporting Documents:** Attach any necessary receipts, invoices, or other documents.

4. Monitoring & Evaluation

- **Progress Tracking:** Regularly check the progress of the grant project against milestones.
- **Feedback Integration:** If you receive feedback or recommendations, ensure they're incorporated.
- **Self-audit:** Periodically review your processes to identify and rectify discrepancies.

5. Record Keeping

- **Retention:** Keep all grant-related documents for the time specified in the grant agreement (often several years after the grant period).
- **Organization:** Use a logical system (digital or physical) for easy retrieval of documents.
- **Backups:** Ensure digital records have backups in case of data loss.

6. Communication

- **Liaison:** Have a dedicated point of contact for the grantor.



- **Updates:** Notify the grantor of any significant changes to the project or your organization.
- **Inquiries:** Promptly address any inquiries or concerns from the grantor.

7. Training & Awareness

- **Staff Training:** Ensure that team members involved in the grant project are aware of compliance requirements.
- **Updates:** Stay updated on any changes in federal grant regulations.

8. Closeout

- **Final Reporting:** Submit all required final reports before or by the due date.
- **Unspent Funds:** Return any unspent funds as per the grant agreement.
- **Evaluation & Reflection:** Review the project's successes and areas for improvement for future grants.

Navigating the complexities of federal grant compliance can be challenging, but it's crucial for maintaining trust and ensuring continued funding. If you ever feel overwhelmed, remember that professionals like those at Financial Affairs are here to help!