VIRGINIA DEPARTMENT OF CRIMINAL JUSTICE SERVICES

POLICY AND PROCEDURES

The Content Owner will review this procedure annually following the effective date. Updates may be made as needed. The full policy and procedure will be reviewed and reissued every four years, or under each Director appointed as soon after appointment as practical, whichever is first.

Policy Area:	**Grants Management and Administration**		
Operating Procedure #:	**5-1:003**		
Procedure Title:	**Grant Risk Assessment, Monitoring, and Compliance**		
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I. Policy:

The Virginia Department of Criminal Justice Services (DCJS) will establish and maintain procedures governing the monitoring of grants of federal or state funds, including earmark funds, awarded to entities based on a set standard of practices and informed by subrecipient risk assessments. Procedures will comply with state statutes and any applicable federal rule, including those specified in Title 2, Part 200 of the Code of Federal Regulations (CFR), *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* issued by the U.S. Office of Management and Budget, and other regulatory rules as may apply to specific funding streams or sources.

This policy and related procedures apply to all grants awarded by DCJS unless specifically excluded under section IV Exclusions.

II. Background:

The Director of DCJS has the authority in Chapter 1 of Title 9.1, *Code of Virginia* (§§9-100 through 186.14) to implement policies needed for the operation of the agency. As the recipient of federal grants, including formula grants required to be passed through to other non-federal entities, DCJS has an obligation to comply with federal regulations governing the management of these funds. Regardless of whether funds are federal or state, DCJS has an obligation to ensure that the funding it awards to other entities are properly accounted for and used for the intended purpose.

DCJS staff are responsible for monitoring the activities of subrecipients to ensure that grant awards are used for authorized purposes, including compliance with applicable statutes, regulations, and guidance attached to the funding. This policy and related procedures provide

for fiscal and programmatic monitoring on all subrecipients, a risk-based monitoring plan for virtual and on-site monitoring visits, and enhanced monitoring of subrecipients determined to be at an elevated risk level.

General fiscal and programmatic monitoring is conducted on each grant awarded and subject to this policy and related procedure. More detailed periodic virtual and on-site visits, as well as desk reviews, are conducted to ensure that subrecipients: a) carry out program activities as approved in the grant application, and as may be specified in grant solicitations and applicable statutes, regulations, and guidance; b) maintain adequate internal controls to manage funding; c) claim reimbursements or advancements for costs that are allowable, reasonable, allocable, and necessary under the approved budget, and applicable statutes, regulations, and guidance; and d) understand and meet special conditions attached to the award.

III. Definitions:

For a list of definitions that apply universally to all sections of DCJS Policies and Procedures, reference DCJS Policy and Procedures 1-1:001, Policies and Procedures Management and Requirements.

Desk review – a review of documents and data accessible via OGMS, grant files, and other documents provided upon request from the subrecipient; does not involve an on-site or virtual monitoring visit.

Earmark funds *or* earmark awards – funds designated or set apart within the State Appropriation Act for DCJS to pass through or award to a single named organizational entity or locality.

Grant Coordinator – as used herein, refers to the individual within the managing Division primarily responsible for managing the grant application review process for a designated grant program, regardless of the individual's official or unofficial title; ensures that funds are used for their authorized purposes in accordance with overall program and fund requirements, statutes, and regulations.

Grant Monitor – as used herein, refers to the individual within the managing Division assigned responsibility for monitoring a subrecipient grant, regardless of the individual's official or unofficial title.

Grant Reviewer – as used herein, refers to an individual participating in the review, and scoring if appropriate, of a group of grant applications under the direction of the managing Division, regardless of the individual's official or unofficial title.

Managing Division – as used herein, refers to the Division within DCJS to which a specific grant fund is assigned for administrative and programmatic purposes.

On-line Grant Management System (OGMS) – the on-line web-based platform utilized by DCJS to manage grants at all stages including solicitation, application, review, and award.

On-site monitoring visit – an in-person visit to the subrecipient program site for the purpose of conducting a structured monitoring visit, including completion of a monitoring checklist, monitoring tool, and subsequent letters of findings and closure.

Subrecipient – the term used for all grant recipients awarded grant funds from DCJS, regardless of whether the funds are state or federal pass-through.

System for Award Management (SAM) – the federal website used to register for, enter into agreements, track, and report obligations regarding contract or grant awards from the federal government.

Uniform Guidance *or* 2 CFR Part 200 – Title II, Subtitle A, Chapter II, Part 200 of the *Code of Federal Regulations* issued by the U.S. Office of Management and Budget, titled the *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*.

Virtual monitoring visit – a virtual visit with the subrecipient program site for the purpose of conducting a structured monitoring visit, including completion of a monitoring checklist, monitoring tool, and subsequent letters of findings and closure.

Unique Entity Identification (UEI) – a unique entity identifier number issued by the federal government via the System for Award Management (SAM).

IV. Exclusions:

This section applies to all federal and state grant awards, including earmark awards, with the exception of: funds awarded under "599" distributions, funds provided to individual persons as reimbursement under a project or fund, payments made as part of a procurement contract, or other non-grant payments as determined exempt from these procedures by the Director of the Division of Finance and Administration.

All procedures specified herein apply to awards made via earmark funds unless otherwise noted within DCJS Policy and Procedures 5-1:004, Earmark Funds.

V. Procedures:

A. Pre-Award Review, Risk Assessments, and Additional Conditions

1) Prior to a grant award decision, as part of the grant review process:

   a) Grant Coordinators and staff from the Grants Management Section will verify the initial eligibility of each applicant to receive an award based on:

      (i) Prior history and current status of DCJS awards;

      (ii) Submission of a UEI and, for grants involving federal funds, a valid SAM registration with the application; and

      (iii) Current standing with state and federal debarment criteria (see DCJS Policy and Procedures 5-1:006, Debarment and Suspension from Federal Grants).

   b) Grant Reviewers will verify the eligibility of each applicant to receive an award based on other conditions as specified within the specific grant program solicitation.

   c) All applicants must have a UEI, and applicants for federal funding must have a valid and active SAM registration to be eligible for funding.

      (i) Applicants will be required to provide their UEI, and when federal funding is to be awarded, proof of SAM registration, at the time of application.

      (ii) See DCJS Policy and Procedures number 5-1:005 (Federal Funding Accountability and Transparency Act Compliance) and 5-1:006 (Debarment and Suspension from Federal Grants) for subrecipient requirements and SAM status verification.

2) A risk assessment on each subrecipient of federal or state grant funds made available through DCJS will be completed and reviewed by the managing Division to evaluate each subrecipient's fraud risk and risk of noncompliance with applicable state and

federal statutes, regulations, and the terms and conditions of the award to determine the appropriate level of monitoring necessary.

a) Initial risk assessments should be completed prior to issuing grant award documentation if possible, but no later than 30 calendar days after the date award documentation is issued to the subrecipient, and then annually thereafter for active grants.

b) A standard risk assessment tool within OGMS will be utilized for all grants awarded by DCJS, unless the managing Division's Director has approved use of an alternative risk assessment tool and provided notice and justification to the Grants Management Section Director.

c) If the risk assessment tool includes a self-assessment component to be completed by the subrecipient, the Grant Monitor or other designated managing Division staff member will review it for completeness and accuracy and add additional information as required for completion.

d) If the risk assessment tool does not include a self-assessment component to be completed by the subrecipient, the Grant Monitor or other designated managing Division staff member will complete the assessment in its entirety.

e) Risk assessment tools for all subrecipients, regardless of funding source, will consider, at a minimum, factors related to:

   (i) Financial stability: the applicant's record of effectively managing financial risks, assets, and resources.

   (ii) Management systems and standards: quality of management systems and ability to meet management standards and internal controls.

   (iii) History of performance: the applicant's record of managing previous and current awards, including compliance with reporting requirements and conformance to the terms and conditions of awards, if applicable.

   (iv) Audit reports and findings: reports and findings from audits performed and required or the reports and findings of any other available audits, if applicable.

   (v) Organizational stability: whether the applicant has new or substantially changed systems and personnel.

   (vi) Ability to effectively implement requirements: the applicant's ability to effectively implement statutory, regulatory, or other requirements imposed on subrecipients of awards.

   (vii) For awards including federal funds only:

      1. Specific management areas as may be required in accordance with the Uniform Guidance or other applicable federal regulation; and

      2. The extent and results of any federal agency monitoring, if known.

      3. Other factors, as may be required by the Uniform Guidance.

   (viii) Other factors as determined related to risk which may include, but are not limited to:

1. Factors specific to the funding opportunity, authorizing statute, and related regulations.
2. Factors specific to the type of applicant (such as private for- or non-profit organizations).
3. Factors specific to comply with Commonwealth of Virginia statutes, regulations, and guidance.

f) A weighted numeric value will be assigned to each factor, with higher numbers indicating higher risk.

g) Based on the total risk score, subrecipients will be placed in a risk category of high, moderate, or low.

3) A subrecipient's risk level may be adjusted to a higher level based on additional information that DCJS is aware of, or becomes aware of, including, but not limited to a high-risk designation from a federal or state agency, financial instability, results from previous site visits, recurring or unresolved issues, questions or concerns regarding internal controls, financial management issues, the subrecipient's compliance with the terms and conditions of the award, and the subrecipient's ability to meet expected performance goals.

4) Adjustments to risk level will be documented in OGMS by the Grant Monitor with the reasons noted.

5) Should concerns arise during an active grant award period necessitating greater monitoring and scrutiny, the risk level will be adjusted and:

a) An explanation will be placed in OGMS by the Grant Monitor as to the concern and what additional monitoring activities will be attached to the award;

b) The Grant Monitor will notify the subrecipient of the change in monitoring activities and change in risk level classification.

c) Prior to imposing additional specific conditions or encumbrances as specified below, the subrecipient will be notified as to:

(i) The nature of the specific condition(s) or encumbrance(s);

(ii) The reason why the specific condition(s) or encumbrance(s) is being imposed;

(iii) The nature of the action needed to remove the specific condition(s) or encumbrance(s);

(iv) The time allowed for completing the actions; and

(v) The method for requesting DCJS to reconsider imposing a specific condition or encumbrance.

d) The monitoring plan will be modified as appropriate to reflect the new risk level and ensure proper accountability and compliance with program requirements and achievement of performance goals.

6) Specific conditions and encumbrances related to an increased risk level may include:

a) Denial of advance payments if previously allowed;

b) Withholding authority to continue or proceed with project until receipt of evidence of acceptable performance is provided;

c) Requiring additional or more detailed financial reports, including added documentation;

d) Requiring additional project monitoring;

e) Requiring the subrecipient to obtain technical or management assistance;

f) Establishing additional prior approvals;

g) Temporarily withholding payments until the subrecipient takes corrective action;

h) Disallowing costs for all or part of the activity associated with the noncompliance of the subrecipient; or

i) A combination of any of the above noted conditions.

7) Decisions to withhold funding should be approved in advance by the managing Division's Director or designee in instances determined appropriate by the managing Division's Director.

8) The Grant Monitor will place any additional special conditions and encumbrances in OGMS and note claim payment holds as determined appropriate.

9) Any specific conditions and related encumbrances must be removed once the conditions that prompted them have been satisfied.

B. Monitoring Activities and Monitoring Plan

1) All active grants awarded by DCJS will be subject to general and risk-based monitoring.

2) General monitoring and related activities will occur on all active grant awards annually, or more frequently if noted or determined necessary, as follows:

a) Grant Monitors will:

(i) Complete new and updated risk assessments as necessary or required in accordance with procedures outlined in subsection A.

(ii) Review financial, programmatic, and data reports submitted by the subrecipient in accordance with the specific grant program reporting requirements.

(iii) Ensure reported activities and expenditures are in-line with approved grant activities.

(iv) Address deficiencies pertaining to the grant award as detected through reports, monitoring visits, reviews, audit reports, and other activities.

(v) Follow-up with subrecipients to ensure subrecipients take timely and appropriate action on outstanding requirements and encumbrances.

(vi) Review materials submitted in response to special conditions and encumbrances.

(vii) Review programmatic activities as applicable to specific operations, regulations, standards, or statute.

(viii) Evaluate any newly revealed information that may affect a subrecipient's risk score and modify the monitoring plan as necessary.

(ix) Conduct additional monitoring activities as required by the risk assessment and related actions or the annual monitoring plan.

(x) Provide technical assistance to subrecipients and work with subrecipients to develop improvement plans when necessary.

(xi) Provide technical assistance to subrecipients as needed to help with grant management.

(xii) Alert division management of any concerns regarding fraud or mishandling of funds.

(xiii) Coordinate with the Grants Management Section as needed.

(xiv) Document activities in OGMS as applicable.

b) Grants Management Section staff will:

(i) Verify through appropriate on-line systems that the subrecipient is not debarred in accordance with DCJS Policy and Procedures 5-1:006, Debarment and Suspension from Federal Grants, prior to grant award and periodically throughout the award period.

(ii) For grants involving federal funds, verify through the Federal Audit Clearinghouse or Viriginia Auditor of Public Accounts the submission of single audits by the subrecipient as may be required by the Uniform Guidance and review audit findings for elements that may require additional monitoring conditions.

(iii) For other grants to public entities, verify through the Virginia Auditor of Public Accounts the submission of audits by the subrecipient, or audits directly submitted to DCJS, and review audit findings for elements that may require additional monitoring conditions.

(iv) For other grants to non-public entities, review audits submitted to DCJS for findings that may require additional monitoring conditions.

(v) Notify appropriate Grant Monitors of audit findings necessitating additional monitoring conditions.

(vi) Conduct financial reviews on specific grants or subrecipients based on requests from Grant Monitors or management.

(vii) Provide assistance upon request of Grant Monitors to examine internal controls, financial management systems, and policies and procedures utilized by the subrecipient for tracking grant expenditures when fraud or mismanagement of funds are suspected, or when other concerns necessitating deeper financial review are raised. Assistance may include accompanying Grant Monitors during on-site monitoring visits.

(viii) Enter subrecipient and award information in SAM in accordance with DCJS Policy and Procedures 5-1:005, Federal Funding Accountability and Transparency Act Compliance.

(ix) Document activities in OGMS as applicable.

3) At the beginning of each state fiscal year Division Directors or their designee(s) will develop a risk-based monitoring plan for each funding program under their purview.

a) Monitoring plans shall include on-site monitoring visits required in accordance with the risk assessment determinations and specified herein.

b) Monitoring plans shall include virtual monitoring visits or desk reviews if being done as an approved exception to a required on-site monitoring visit (see section V.B.6 of this procedure).

c) Monitoring plans may include additional on-site or virtual monitoring visits, desk reviews, or informal meetings for planning purposes.

d) Grant monitoring plans should specify:

(i) The subrecipient, grant award number(s), funding program name, and period of performance under review;

(ii) The format of the monitoring visit (on-site visit or exception);

(iii) Approved exceptions to an on-site monitoring visit (specify virtual monitoring visit or desk review); and

(iv) The estimated planned month and year of the monitoring visit or desk review.

4) Risk-based monitoring will be utilized for all active grant awards as follows:

a) For high-risk subrecipients, Grant Monitors will address identified issues and ensure compliance by:

(i) Conducting an on-site monitoring visit at least once every year;

(ii) Conducting desk reviews as necessary;

(iii) Conducting virtual or in-person meetings to discuss risk areas and project progress as necessary; and

(iv) Providing technical assistance.

b) For moderate-risk subrecipients, Grant Monitors will address identified issues and ensure compliance by:

(i) Conducting an on-site monitoring visit at least once every two years;

(ii) Conducting desk reviews as necessary;

(iii) Conducting at least one informal virtual or in-person meeting to discuss risk issues and project progress in each year an on-site or virtual monitoring visit is not conducted; and

(iv) Providing technical assistance.

c) For low-risk subrecipients, Grant Monitors will address identified issues and ensure compliance by:

(i) Conducting an on-site monitoring visit at least once every four years;

(ii) Conducting at least one desk review during the three-year period an on-site monitoring visit is not conducted (this may be waived by the managing Division's Director or designee if an on-site or virtual monitoring visit is completed more than once every four years);

(iii) Conducting at least one informal virtual or in-person meeting to discuss risk issues and project progress during the three-year period an on-site

monitoring visit is not conducted (this may be waived or adjusted by the managing Division's Director or designee if an on-site or virtual monitoring visit is completed more frequently than once every four years); and

(iv) Providing technical assistance as needed.

d) When the risk level of a subrecipient increases or decreases, the higher rating prevails in determining on-site monitoring visit requirements in the first year of the new rating.

e) The risk-based required frequency of on-site monitoring visits should be based on grant awards of a like nature to the same subrecipient, such as those receiving on-going or continuation awards, even if the award is made one or two years at a time.

f) On-site monitoring visits according to risk level are specified as "at least" and may be conducted more frequently or augmented with additional on-site monitoring visits or virtual monitoring visits.

5) On-site monitoring visits must be conducted as soon as practical when a significant concern is raised regarding the funded project's legitimacy or management that cannot be resolved by other means.

6) Exceptions to the minimum requirement of risk-based on-site monitoring visits may be granted by the managing Division's Director under the following circumstances:

a) The grant award is for a one-time equipment only purchase when proof of purchase, appropriate use, and management practices can be determined by other means. In such cases, a desk review is acceptable in place of a required on-site monitoring visit.

b) The grant award is for a one-time, limited award period, evaluation, assessment, training curriculum development, or similar document, and the use of funds and management practices can be verified by other means. In such cases, a desk review is acceptable in place of a required on-site monitoring visit.

c) The grant award is for a one-time, single-year grant project or program that is not associated with any on-going or continuation project, and the use of funds and management practices can be determined by other means. In such cases, a desk review or virtual monitoring visit is acceptable in place of a required on-site monitoring visit.

d) The grant award is $10,000 or less. In such cases, a desk review is acceptable in place of the required on-site monitoring visit.

e) In the event of a public emergency or when circumstances exist which make an on-site visit impractical, and the site visit cannot be rescheduled within a reasonable timeframe to meet the risk-based requirement. In such cases, a virtual monitoring visit may be utilized in lieu of an on-site monitoring visit.

f) Federal or state-imposed travel restrictions or budget limitations which limit on-site monitoring abilities. In such cases, a virtual monitoring visit may be utilized in lieu of an on-site monitoring visit.

7) Each on-site or virtual monitoring visit, desk review, procedure-required virtual or in-person meeting, and exception must be noted in OGMS by the Grant Monitor, with

relevant documentation uploaded and justification noted in each grant file as applicable.

C. On-Site and Virtual Monitoring Visit Procedures

1) Absent an agencywide monitoring checklist for monitoring visits, each division shall develop one or more monitoring checklists to utilize with funding programs under its purview.

2) If available, an agencywide monitoring checklist for monitoring visits will be utilized for all funding programs, unless the managing Division's Director has approved use of an alternative checklist and provided notice and justification to the Grants Management Section Director.

3) Monitoring checklists must account for the following:

   a) Review of requirements and compliance related to applicable statutes, regulations, and guidelines, including those related to fiscal and programmatic operations;

   b) Review of requirements and compliance related to special conditions attached to the grant award;

   c) Review of documentation to verify compliance with policy and procedure requirements, time and effort use of employees paid by grant funds (sample), sole source procurements, purchases made with grant funds (sample), equipment purchases, proper proration, match, and inventory of equipment purchased with grant funds;

   d) Review of information provided in programmatic, data, and financial reports submitted to DCJS (including source data) and accuracy testing;

   e) Review of audit findings and related concerns;

   f) Review of programmatic activity, including site operation, status of project targets, goals, and objectives;

   g) Review of budget to actual spending; and

   h) Other elements as may be necessary to comply with federal monitoring requirements if the grant program utilizes federal funding.

4) Notification process

   a) The Grant Monitor will send a formal notification letter to the subrecipient contacts at least 45 calendar days before the on-site or virtual monitoring visit to:

      (i) Confirm dates and scope of review;

      (ii) Provide details of documentation needed for the review (including specifying what documents are to be provided before the review and what are to be available during the review);

      (iii) Specify expected timeframe for the review; and

      (iv) Ensure that the subrecipient grant's Project Administrator, Finance Director, and Project Director are notified, and they or their designee and grant-funded staff are available during the visit.

b) If extenuating circumstances arise prohibiting 45 days' notice and DCJS is requiring an immediate visit, notice will be sent, and arrangements made to meet at the soonest time available for both parties.

c) As part of the notification, the Grant Monitor will provide the subrecipient with a monitoring checklist of items to be reviewed and request any documents that may be necessary for review prior to the visit.

5) File review and preparation

a) The Grant Monitor will review all documentation in the subrecipient's file, including the subrecipient's application for funding, Statement of Grant Award (SOGA), special conditions, financial and progress reports, drawdown history including payments made to the subrecipient, and copies of recent audit reports prior to the monitoring visit.

b) The Grant Monitor will review all documentation requested and submitted in advance of a monitoring visit.

c) The Grant Management Section will provide support and review of expenses as requested by Grant Monitors for financial activities and procedures identified as questionable.

6) Supporting documentation, data gathering, and analysis

a) Monitoring visits will include, but not be limited to:

(i) Review of physical space (tour if on-site);

(ii) Review of purchases made with grant funds and related documentation;

(iii) Review of staff time sheets and payments for staff paid with grant funds;

(iv) Review of meeting minutes, rosters, etc. as related to grant funded programming;

(v) Interviews with management and staff, as appropriate, related to grant funded programming;

(vi) Review of policies and procedures regarding programming, internal controls, and elements proving compliance with state and federal statutes, regulations, and guidance;

(vii) Review of approved grant budgets and related expenses;

(viii) Review of goals, objectives, and implementation plans in application or revisions against documentation, observation, and interviews;

(ix) Review of source documents used for data reporting;

(x) Review of contracts or other documents; and

(xi) Testing of expenditures (including review of documentation to verify match, time and effort use of employees paid by grant funds (sample), sole source procurements, purchases made with grant funds (sample), equipment purchases, and inventory of equipment purchased with grant funds).

b) During the review, the Grant Monitor will note areas of compliance or deficiencies, and address noted concerns with the subrecipient.

c) The Grant Monitor will analyze all information gathered through a checklist, document review, and interviews to assess compliance with the grant.

d) Grant funded staff may be interviewed for the purpose of understanding program operation and performance; however, Grant Monitors may not require individual, private interviews with each staff member.

7) Exit conference

a) At the end of the monitoring visit, the Grant Monitor will meet with the subrecipient grant's Finance Director and Project Director, or designees, to present the tentative findings noted from the site visit. Others may be included as determined appropriate by the subrecipient.

b) The exit conference will:

(i) Present preliminary results of the site visit.

(ii) Provide an opportunity for the subrecipient to discuss any disputed findings.

(iii) Obtain additional documentation from the subrecipient to clarify or support their position.

(iv) For findings discussed, ensure a clear understanding of any remaining actions or future expectations.

8) Post-visit action

a) Following the monitoring visit, the Grant Monitor will:

(i) Analyze the supporting documentation provided and details of the visit.

(ii) Request additional documentation as needed.

(iii) Collaborate with the subrecipient to resolve minor issues as applicable.

(iv) Issue a post-review letter to the subrecipient within 60 calendar days which either closes out the site visit if there are no findings requiring corrective action, or documents findings requiring corrective action by the subrecipient.

(v) Due dates should be assigned for individual corrections, or the subrecipient may be required to submit a corrective action plan with agreed upon due dates.

b) If a corrective action plan is determined necessary due to the nature and extent of corrective actions requested:

(i) The submission of a corrective action plan from a subrecipient should not exceed 45 calendar days from the date of the post-review letter, unless extended time is justified. The due date of the corrective action plan can be extended by the Grant Monitor if circumstances warrant more time.

(ii) Due dates for specific corrective measures may be assigned by the Grant Monitor or developed collaboratively with the subrecipient.

(iii) If necessary, the Grant Monitor will provide technical assistance to the subrecipient in the development of a corrective action plan.

(iv) Upon receipt of the plan, the Grant Monitor will review it and provide feedback as necessary, including acknowledgement and approval or required changes.

9) Corrective remedies

   a) The Grant Monitor will monitor action as required by the post-review letter and, if applicable, the approved corrective action plan.

   b) If any findings are not corrected, or were partially corrected, the Grant Monitor will provide the subrecipient with the timeframe for each resolution.

   c) Once all findings are corrected, the Grant Monitor will send a closure letter to close the site visit within 30 calendar days of the final resolution.

   d) If findings are of significant concern, or continue to be unresolved as expected, the Grant Monitor (and Supervisor if applicable) will advance the concerns and recommendations to their Section Manager to determine appropriate risk level modifications and additional conditions and encumbrances as described earlier in this procedure.

   e) Recommendations to withhold funding, reduce funding, reclaim funding, or terminate the grant must be approved by the managing Division's Director in advance.

10) The Grant Monitor will load all DCJS monitoring reports, letters, actions, and notes into OGMS as soon as practical after issuance and site visit.

D. Desk Review Procedures

1) If available, an agencywide checklist for desk reviews will be utilized for all funding programs, unless the managing Division's Director has approved use of an alternative checklist and provided notice and justification to the Grants Management Section.

2) Absent an agencywide checklist for desk reviews, each division shall develop one or more checklists to utilize with funding programs under its purview.

3) Desk review checklists must account for the following:

   a) Review of requirements and compliance related to special conditions attached to the grant award.

   b) Review of documentation to verify time and effort use of employees paid by grant funds (sample), sole source procurements, purchases made with grant funds (sample), equipment purchases, and inventory of equipment purchased with grant funds.

   c) Review of information provided in programmatic, data, and financial reports submitted to DCJS.

   d) Review of audit findings and related concerns.

   e) Review of programmatic activity, including site operation, status of project targets, goals, and objectives.

4) The Grant Monitor will request information as needed from the subrecipient in order to conduct a complete desk review.

5) During the review, the Grant Monitor will note areas of compliance or deficiencies, and address noted concerns with the subrecipient.

6) Based on review results, additional special conditions and encumbrances as specified in section V.A of this procedure may be imposed on the subrecipient, or an on-site or virtual monitoring visit initiated.

E. Remedies for Noncompliance

1) When the managing Division's Grant Monitor, Supervisor (if applicable), and Section Manager determine that a subrecipient's noncompliance cannot be remedied by imposing specific conditions and encumbrances, one or more of the following actions may be taken with prior approval of the managing Division's Director:

   a) Temporarily withhold payments until the subrecipient takes corrective action.

   b) Disallow costs for all or part of the activity associated with the noncompliance of the subrecipient.

   c) Suspend or terminate the award in part or in its entirety.

   d) Withhold further new awards or continuation funding to the subrecipient.

   e) If federal funds are involved, recommend suspension or debarment proceedings be initiated by the federal agency from which the funds originate.

2) The managing Division's Director or designee will coordinate with the Grants Management Section Director and the Director of the Division of Finance and Administration on remedies for noncompliance and OGMS actions.

3) Charges to the grant resulting from financial obligations incurred by the subrecipient during a suspension or after the termination of an award are not allowable unless DCJS expressly authorizes them in the notice of suspension or termination or subsequently. However, costs during suspension or after termination are allowable if:

   a) The costs result from financial obligations which were properly incurred by the subrecipient before the effective date of suspension or termination, and not in anticipation of it; and

   b) The costs would be allowable if the award was not suspended or expired normally at the end of the period of performance in which the termination takes effect.

4) When termination of an award in part or in its entirety is determined appropriate:

   a) Written notice of termination under signature of the DCJS Director will be provided to the subrecipient by the Grants Management Section.

   b) The written notice will include the reasons for termination, the effective date, and, if applicable, the portion of the award to be terminated.

   c) Notice of the termination will be provided to the Criminal Justice Services Board by the DCJS Director if the award is terminated in its entirety.

5) When a voluntary termination of an award in part or in its entirety is requested by a subrecipient due to compliance or related issues:

   a) The Grant Monitor will obtain a written request from the subrecipient on letterhead, signed by the Project Administrator.

   b) Written notice of the termination under signature of the DCJS Director will be provided to the subrecipient by the Grants Management Section.

   c) The written notice will include the reason for termination, the effective date, and, if applicable, the portion of the award to be terminated.

F. Funding Utilization Validity Concerns, Misappropriation, and Fraud

1) Concerns regarding the validity of funding utilization, including fraud or misappropriation, will be elevated to the Grant Monitor's Manager and the managing Division's Director as soon as possible upon discovery.

2) If the managing Division's Director agrees with the concerns:

   a) The Grant Monitor will place a hold on funds in OGMS and note any additional special conditions and encumbrances as may be necessary.

   b) The managing Division's Director or designee will inform the Grants Management Section Director and the Director of the Division of Finance and Administration of the situation and potential next steps.

   c) Additional documentation or information may be requested.

3) If validated, steps will be taken by the managing Division and the Division of Finance and Administration to:

   a) Withhold funding, reduce funding, reclaim funding, or terminate the grant as determined appropriate by the managing Division's Director and the Director of the Division of Finance and Administration.

   b) Notify the subrecipient of the actions taken.

   c) Determine additional actions that may be necessary, as determined appropriate by the managing Division's Director and the Director of the Division of Finance and Administration, including, but not limited to:

      (i) Notifying law enforcement.

      (ii) When federal funds are involved, notifying the federal grant-making agency, and other federal entities as appropriate.

      (iii) When earmark funds are involved, see DCJS Policy and Procedures 5-1:004, Earmark Funds for guidance.

   d) Document actions in OGMS.

VI. References:

2 CFR Part 200 (esp. § 200.208 Specific Conditions; § 200.331-200.333 Subrecipient Monitoring and Management; §§ 200.339-200.343 Remedies for Noncompliance).
DCJS Policy and Procedures 5-1:004, Earmark Funds.
DCJS Policy and Procedures 5-1:005, Federal Funding Accountability and Transparency Act Compliance.
DCJS Policy and Procedures 5-1:006, Debarment and Suspension from Federal Grants.

VII. Attachments: None