



Title: Grant Monitoring Policy and Procedures

Revision History: September 12, 2008; January 31, 2019

Effective Date: March 5, 2019

Purpose:

The Department of Criminal Justice Services (DCJS) Grant Monitoring Plan ensures that sub-grantees are in compliance with all grant conditions. The flow of the monitoring process can be found on page 4 of the *Grant Process Flowchart* (Attached). The department develops a risk-based monitoring plan, conducts fiscal and programmatic monitoring on all sub-grantees, and enhanced monitoring of sub-grantees determined to be medium and high risk.

Authority:

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.

Grant Monitors and the Grants Administration Staff are responsible for monitoring the activities of sub-grantees to ensure that awards are used for authorized purposes and in compliance with 2 C.F.R. §§ 200.303 and 200.331, and other federal statutes, regulations, and the terms and conditions of the awards. The DCJS grant solicitation, subsequent application and statement of grant award (SOGA) contain all of the required information listed in 2 C.F.R. § 200.331 (a).

Policy:

As part of the application process new applicants that have not previously received federal grant funds from DCJS will be required to complete the DCJS New Sub-Grantee Questionnaire (Attachment 1). This questionnaire meets the Uniformed Guidance required for pass-through entities outlined in 2 CFR 200.331 (b). The questionnaire is used by the grant monitor to complete a risk assessment.

Grant Monitors will conduct on-site monitoring visits and desk reviews of sub-grantees with the level and frequency based on the results of annual risk assessments. The objectives of periodic reviews are to ensure sub-grantees:

1. Carry out program activities as stipulated in the grant solicitation, grant application, and Statement of Grant Award (SOGA);
2. Have adequate internal controls to protect federal funds;
3. Claim reimbursements for costs that are allowable, reasonable, allocable, and necessary under program guidelines;
4. Identify any conflicts of interests that exist; and,
5. Maintain reported supporting documentation/records for future auditing purposes.



GRANT MONITORING RISK ASSESSMENT

A risk assessment is completed by the Grant Monitor before the grant award period begins and/or annually to inform the monitoring plan for the following fiscal year. Grant Monitors will complete a risk assessment using the *Grant Monitoring Risk Assessment Tool (Attachment 4)* which meets the required elements in 2 CFR 200.331 (b), to evaluate each sub-grantee's risk of noncompliance with federal statutes, regulations, and the terms and conditions of the award to determine the appropriate level and schedule of sub-grantee monitoring (*Attachment 2 Monitoring Plan Schedule*).

The risk assessment takes into consideration the following financial and programmatic factors:

1. Total dollar amount of grant award
2. Timeliness of financial reporting to DCJS
3. Results of a Single-Audit
4. When a site-visit was last conducted
5. Timeliness of programmatic progress reporting to DCJS
6. Turnover of DCJS-funded key staff
7. Duration of sub-grantees grant experience.
8. Other issues of noncompliance and recurring or unresolved issues

A weighted numeric value is assigned to each factor, with higher numbers indicating higher risk. Based on the total risk score, sub-grantees will be placed in the risk categories of high, moderate, or low. A score of six or lower is low risk. A score of seven to thirteen is medium risk. A score of 14 or greater is high risk.

A sub-grantee's risk level may be adjusted to a higher level based on additional information that DCJS is aware of, including results of other grant monitoring from partner agencies, financial instability, results from previous site visits, recurring or unresolved issues, concerns about internal controls, and financial management issues. These concerns should be documented on the *Grant Monitoring Risk Assessment Tool*. A completed copy of the risk assessment will be kept in the sub-grantee's file.

MONITORING ACTIVITIES AND MONITORING PLAN

At the beginning of each state fiscal year, grant monitors will develop a monitoring plan for each sub-grantee based on the sub-grantee's assessed risk level. If issues arise that cause the sub-grantee's risk level to be reclassified, the Grant Monitor will modify the monitoring plans to reflect the new risk level and to ensure proper accountability and compliance with program requirements and achievement of performance goals. The grant monitor will use the *Sub-grantee Monitoring Tool (Attachment 3)* for site-visits.

Regardless of the assessed level of risk, certain monitoring activities will be performed on all sub-grantees. Based on the assessed level of risk, additional monitoring activities will be performed.



Grant Monitoring for All Sub-grantees

Grant Monitors will:

1. Review quarterly financial and programmatic reports required by DCJS.
2. Follow-up with sub-grantees and ensure that sub-grantees takes timely and appropriate action on all deficiencies pertaining to the grant award detected through audits, on-site monitoring visits, desk reviews, and other monitoring activities.
3. Conduct trainings and/or provide technical assistance for sub-grantees to help administer the grant.
4. Evaluate any newly revealed information that may affect sub-grantees' risk score and modify the monitoring plan as necessary.
5. Perform pre-award review based on the questionnaire to determine the fitness of sub-grantees to receive new grant funds, or perform a risk assessment.
6. Coordinate with the DCJS Grants Management Section for the issuance of management decisions for audit findings relating to DCJS grant funding.
7. Conduct on-site monitoring visits of sub-grantees to ensure financial and programmatic compliance.

Grants Administration Staff will:

1. Ensure entity is not debarred (see Debarred or Suspended Procedure and Policy) prior to award and periodically.
2. Analyze audit findings for sub-grantees that are required under 2 CFR § 200.332 (f) to have a completed audit.
3. Verify that audits are conducted for sub-grantees that are required under 2 CFR § 200.332 (f) to be audited (“when it is expected that the sub-grantee’s Federal awards expended during the respective fiscal year equaled or exceeded the \$750,000 threshold set forth in 2 CFR §200.501 Audit requirements”).
4. Conduct fiscal desk reviews and on-site monitoring visits based on requests from the grant monitors or coordinators.
5. Conduct in-depth financial reviews of programs identified during the fiscal desk reviews and on-site monitoring visits as needing further review.
6. Determine corrective action required of the sub-grantee if there are concerns in the audit finding, fiscal desk reviews, or on-site monitoring visits. Work with the Grant Monitor to communicate concerns to the sub-grantee and monitor compliance with corrective action plans.
7. Issue management decisions for audit findings relating to DCJS grant funding.
8. Enter sub-sub-grantee into FFATA if an award is over \$25,000 (see FFATA Policy).

High Risk Sub-grantees - Monitoring Requirements

For sub-grantees determined to be high risk, DCJS staff will:

1. Conduct an on-site monitoring visit annually.
2. Conduct a fiscal desk review annually of at least 20 randomly selected individual expenditure lines.
3. Provide on-site training and technical assistance.



Moderate Risk Sub-grantees - Monitoring Requirements

For sub-grantees determined to be medium risk, DCJS staff will:

1. Conduct an on-site monitoring visit every two years.
2. Conduct a fiscal desk review annually of at least 10 randomly selected individual expenditure lines.
3. Provide resources for training and technical assistance.

Low Risk Sub-grantees - Monitoring Requirements

For sub-grantees determined to be low risk, DCJS staff will:

1. Conduct an on-site monitoring visit every two years or as the grant program requires.
2. Conduct a fiscal desk review annually of at least 5 randomly selected individual expenditure lines.

ON-SITE MONITORING VISIT PROCEDURES

Notification

Grant Monitor will send a formal notification letter at least 30 calendar days before the visit to confirm dates and scope of review; provide details of documentation needed for the review; specify expected timeframe for the review; and ensure key officials are available during the visit. Should an immediate visit be necessary, notice will be sent and arrangements made to meet at the soonest time available for both parties.

The Grant Monitor will also provide the sub-grantee with the *On-Site Monitoring Checklist (Attachment 5)* and request that supporting documentation be compiled by the start of the on-site monitoring visit. Additional documents may be required for VOCA and OJJDP grant programs.

File Review and Preparation

In preparation for an on-site monitoring visit the Grant Monitor will review all documentation in the sub-grantees file, including the sub-grantee's application for funding, Statement of Grant Award, special conditions, financial and progress report, drawdown history (payments made to the sub-grantee), and copies of recent audit reports.

Supporting Documentation, Data Gathering and Analysis

During the review, the Grant Monitoring will complete the *Sub-grantee Monitoring Tool* and address noted concerns with the sub-grantee.

The Grant Monitor will track each step followed during the review process, document conversations with sub-grantee staff, and inspect the progress of the project/program.

Exit Conference

At the end of the on-site monitoring visit, the Grant Monitor will meet with key officials to present the tentative findings noted from the financial review. The exit conference should cover the following objectives:

- Present preliminary results of the site visit
- Provide an opportunity for the sub-grantee to discuss any disputed findings



- Obtain additional documentation from the sub-grantee to clarify or support their position

For findings discussed, there should be a clear understanding of any remaining action(s).

Post-Review Letter

After the on-site monitoring visit, the Grant Monitor will issue a Post-Review Letter to the sub-grantee within 60 calendar days documenting recommendations for corrective action and requiring the submission of a corrective action plan within 45 calendar days by the sub-grantee.

Corrective Action Plan Review

The Grant Monitor will monitor all corrective action taken. If any findings were not corrected, or were partially corrected, provide the sub-grantee with the timeframe for each resolution.

Closure of Site Visit

If adequate documentation is received to resolve each finding, the Grant Monitor will send a closure letter to close the site visit.

FISCAL DESK REVIEW PROCEDURES

The Grant Monitor/Grants Administration staff may request from the sub-grantee the completed “Administrative Financial Review” section of the *Sub-grantee Monitoring Tool* with documents and analyze the responses for items that may represent non-compliance.

The Grant Monitor/Grants Administration staff may also request and review a randomly selected sample (random selection generated by the Grants Administration Section) of documentation for grant funded expenditures that supports information provided on the Quarterly Financial Reports, including general ledger detail, and proper documentation for each expenditure in the form of a purchase invoices, vendor receipts, payroll register, time cards, dates of training, descriptions of training, match support, and time and attendance records. If necessary the Grants Administration Section may send a representative for an on-site visit or accompany the Grant Monitor depending on need and risk.

The Grant Monitor/ Grants Administration staff will review supporting documentation for each item selected and review for allowable costs and proper support. When a match is provided in a budget, sub-grantees records must clearly show the source, the amount, and the period during which the match was allocated. In-kind contributions should be determined at their fair market value. The basis for determining the value of personal services, materials and equipment must be documented and to the extent feasible, supported by the same methods used by the sub-grantee for its own paid employees.

Volunteer Services used as in-kind match will also be reviewed. Volunteer services may be professional or technical services, consultants, skilled, or unskilled labor assisting on the project. Records must be maintained documenting all service delivery, with verifying signatures of both the volunteer and the person who supervises them. The value shall not exceed the independent sector determination for volunteer hours without written supporting documentation.



Virginia Department of Criminal Justice Services

After reviewing the documentation, the grant monitor will report all findings to the Grants Compliance Section for further review.

The Grants Administration staff will conduct in-depth financial reviews of programs identified during the fiscal desk reviews as needing further review. If it is determined that corrective action is required of the sub-grantee the Grants Administration staff will work with the Grant Monitor to communicate concerns to the sub-grantee and monitor compliance with corrective action plans.

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March 5, 2019

Date