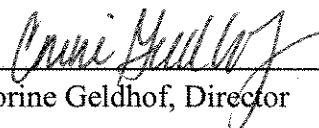


# State of Alaska Department of Labor and Workforce Development

<b>Division:</b> Business Partnerships	<b>Policy:</b> 625.1
<b>Subject:</b> Grant Monitoring	<b>Pages:</b> 4
<b>References:</b> WIA Title I-B Subtitle E Section 183; 29 CFR 97.40; 20 CFR 667.400-10, 500; AS 23.15.575(7); AS 23.15.580(b)(3); 8AAC87.180	<b>Effective:</b> 07/01/05
	<b>Revised:</b> 11/01/2011
<b>Approved:</b>  Corine Geldhof, Director	<u>11/30/2011</u> Date

## 1) Parties Affected

This policy applies to the Division of Business Partnerships' (Division) staff and recipients of grant funds from the Division.

## 2) Purpose

Policy No. 625.1 revises Policy No. 625.0 (issued 07/01/05) to remove procedural instructions and to inform Division staff, Grant Recipients and Sub-Recipients of the monitoring function of the Division while providing a background and definition of terms.

## 3) Background

The Division is responsible for monitoring compliance with appropriate federal uniform administrative requirements for grants as promulgated in the Office of Management and Budget Circulars and/or federal regulations. The Division also has a responsibility to ensure state general funds or any other workforce development resources allocated to the Division are spent in accordance with statute, legislative or other funding source intent.

- a) The monitoring ensures that Grant Recipient financial management systems:
  - i. Provide fiscal control and accounting procedures to permit timely preparation of required reports;
  - ii. Permit the tracing of funds to establish that funds have been used in accordance with fund restrictions;
  - iii. Demonstrate compliance with matching requirements, cost limitations and proper classification of costs;
  - iv. Provide the proper allocation of costs by adopting consistently applied methods that reflect a reasonable relationship for cost benefit; and,
  - v. Demonstrate compliance with insurance, procurement, property management and other requirements referenced in the grant agreement.

- b) The monitoring ensures that Grant Recipient program operations:
  - i. Support activities to assure program quality and performance goals are achieved;
  - ii. Demonstrate alignment with the program design component of the Request for Grant Applications;
  - iii. Align with the policies, guidance and directions issued to support program performance; and,
  - iv. Reflect appropriate program practices and procedures including participant eligibility, assessment, planning, placement and other agreed upon activities and outcomes defined in the negotiated grant award.

#### **4) Policy**

The policy of the Division is to monitor and provide technical assistance to Grant Recipients and Sub-Recipients to ensure grants are administered in compliance with the programmatic and financial requirements, laws, regulations, and terms and conditions of the grants.

The Division will annually assess whether an on-site or desk monitor will be conducted. At the Division's discretion: on-site monitoring may be waived; or, supplementary monitoring may be conducted in those circumstances the Division determines a Grant Recipient warrants monitoring more than once in a fiscal year.

To the extent possible and practical, the Division will:

- a) Coordinate to complete a single, on-site monitor of the Grant Recipient when a Grant Recipient receives more than one of the Division's grants in a fiscal year, rather than conduct multiple monitors during the year;
- b) Coordinate the program and financial on-site monitors to minimize the disruption and time requirements placed upon the Grant Recipient's organization and staff;
- c) Issue a formal written monitor report within 45 days of the on-site or desk monitor exit interview, identifying findings of non-compliance, administrative concerns or questioned costs, to which the Grant Recipient should undertake to resolve and provide a corrective action plan, if required, in a formal written response within the timeframe specified in the monitoring report; and,
- d) Issue a final determination regarding the resolution of the monitoring findings of non-compliance or questioned costs, which includes notification to the Grant Recipient of possible sanctions and of the Grant Recipient's right to appeal.

#### **5) Definitions**

The following terms are those commonly used in reference to the monitoring of grants.

- a) *Administrative or Program Concerns* are conditions or activities that are not assessed to be a substantial or material violation of the statutory, regulatory, or policy requirements, or grants terms and conditions, but if continued could result in noncompliance. These concerns are advisory and do not require formal corrective action by the Grant Recipient.

- b) *Best Practices or Positive Practices* are those processes or service delivery strategies that seem to be particularly effective and are possible to replicate in another program or setting. Evidence of such practices includes information on the sustainability of a practice and the measureable outcomes generated from the practice.
- c) *Corrective Action Plan* is a formal written statement by the Grant Recipient regarding the measures or activities the Grant Recipient will complete in order to resolve findings of non-compliance or questioned costs identified through grant monitoring.
- d) *Disallowed Costs* are questioned costs, which through a formal resolution process are determined to not be allowed under the requirements of the grant or program. Disallowed costs may be subject to repayment to the Division.
- e) *Desk Review* is the regular monthly or quarterly review by Division staff of financial and program activity reports submitted by the Grant Recipient and the provision of technical assistance related to those reports, if required.
- f) *Desk Monitoring* is the review of grant related activities and documents by Division staff at the Division's office.
- g) *Exit Interview/Conference* is a meeting between Division staff and Grant Recipient staff following an on-site or desk monitor in which the Division provides preliminary information regarding the Grant Recipient's performance, including acceptable and problem or deficient areas; any concerns, findings or questioned costs; and the approximate time line for the draft monitoring report to be completed.
- h) *Final Determination* is the final decision of the Division regarding the resolution of findings of non-compliance or questioned costs identified during grant monitoring.
- i) *Findings of Non-Compliance* are conditions or activities that are a substantial or material violation of the statutory, regulatory, or policy requirements, or grant terms and conditions and require formal corrective action by the Grant Recipient.
- j) *Grant* is all of the documents included in the contractual agreement between the Division and a financial assistance recipient under one of the Division's job training programs and includes Reimbursable Services Agreements (RSA) with other state agencies where funds are provided for services to the public.
- k) *Grantee or Grant Recipient* is the organization named in a grant agreement or RSA.
- l) *Initial Determination* is the preliminary decision of the Division regarding the resolution of findings of non-compliance or questioned costs.
- m) *Monitoring* is a systematic review of grant-related activities conducted by Division staff on a routine or periodic basis.
- n) *On-site Monitoring* is the review of grant-related activities at a grant recipient's place of business.
- o) *Questioned Costs* are expenditures charged to a grant that are violations of the requirements

of the grant agreement or funding program.

- p) *Required Actions* are specific measures, which a Grant Recipient must complete to resolve findings of non-compliance or questioned costs identified through the monitoring process.
- q) *Recommendations* are suggested measures that the Grant Recipient may want to undertake in response to administrative or program concerns identified through the monitoring process.