



# NC Pandemic Recovery Office

## Subrecipient Monitoring Handbook

July 1, 2022

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# Subrecipient Monitoring Handbook

(Includes Policy and Related Exhibits / Attachments)

## Purpose

As direct recipients of State Fiscal Recovery Funds (SFRF) under the American Rescue Plan Act (ARPA), the State of North Carolina (State) and its Administering Agencies are required to provide evidence of exercising due diligence in assessing the qualifications of subrecipients and the processes that they employ to meet the requirements of managing, administering and accounting for SFRF funds in accordance with regulations. This Subrecipient Monitoring Handbook is intended to give Administering Agencies guidance needed to meet their obligations for monitoring subrecipients.

An *Administering Agency* is a State agency or department that received SFRF appropriations through the State's legislative process. The North Carolina Pandemic Recovery Office (NCPRO) will serve both as the State's *Coordinating Agency* with responsibilities for overseeing and coordinating the State's SFRF program, and as an *Administering Agency* when it receives SFRF as a pass-through entity. A *subrecipient* is a non-State entity that receives a sub-award of SFRF funds for the purpose of carrying out projects that have been authorized through the legislative process.

NCPRO will provide oversight and technical assistance to Administering Agencies on an as-needed basis. NCPRO will provide this assistance to help Administering Agencies improve their operations and compliance with State and federal requirements for subrecipient monitoring. NCPRO can only act in an advisory role, as it does not have the authority to direct Administering Agencies to take specific actions. Please refer to the Standard Operating Procedures for Administering Agency and the Standard Operating Procedure for Subrecipients for further information.

If an Administering Agency already has an adequate Subrecipient Monitoring Policy in place, they may use their own policy rather than this sample policy provided by NCPRO. However, any policies and procedures used must, at a minimum, meet the criteria established in this document.

## 1.0 Subrecipient Monitoring Policy

Section [200.332](#) of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), requires pass-through entities (the Administering Agencies) to:

- Evaluate each subrecipient's risk of noncompliance to determine the appropriate level of monitoring to apply to each subrecipient'
- Monitor the activities of subrecipient organizations to help ensure that sub-awards follow applicable federal regulations and terms of the sub-award.
- Verify that subrecipients are audited as required by Subpart F of the Uniform Guidance.

SFRF recipients that are pass-through entities as defined under [2 CFR 200.1](#) (Administering Agencies) are required to manage and monitor their subrecipients to assess their compliance with requirements of the SFRF requirements for pass-through entities (see [2 CFR 200.332](#)).

## 2.0 Roles and Responsibilities of the Administering Agency

### 2.1 – Pre-Award

Prior to making a sub-award the Administering Agency must:

- Determine whether the transfer of SFRF to another entity is a sub-award to a subrecipient as defined under the Standard Operating Procedures.
- Verify that the subrecipient has applied for, received and provided a U.S. Federal UEI (Unique Identifier Entity Number) number (this number was historically referred to as the DUNS number). Please note: In the event that UEI numbers cannot be obtained through SAM.gov in a timely manner, the grantee Taxpayer Identification Number (TIN) will be accepted in the interim.
- Perform a search on [SAM.gov](https://sam.gov) to determine if the subrecipient has been debarred or suspended from doing business with the federal government. A subrecipient must have an active System for Award Management (SAM) registration.
- Perform a search on the State suspension and debarment list.
- Obtain a proposed budget from the subrecipient.
- Obtain an outline of the subrecipient's organizational structure, with the names of its officers, and officer titleholder.
- Obtain a copy of the subrecipient's policies and procedures.

#### Important Aspect

It is critical that Administering Agencies **clearly document** that it completed these tasks

### 2.2 – Post Award

After the Administering Agency has reviewed and approved a sub-award, it must:

- Participate in a subrecipient monitoring workshop or webinar, if required by NCPRO.
- Review and approve the subrecipient's budget, with a listing of all expenditures.
- Review and approve the subrecipient's application narrative, goals of the sub-award, performance statement and the subrecipient's grant budget.

- Execute a Memorandum of Understanding (MOU) between the Administering Agency and the subrecipient.
- Monitor and approve quarterly financial and performance statement reports received from the subrecipient.
- Assess the subrecipient's ability to meet performance requirements under the sub-award.
- Ensure it has and maintains the following federal award information for the subrecipient:
  - SAMs and UEI (previously DUNS) numbers and name of federal grant
  - Federal award date
  - Sub-award period of performance start and end date
  - Amount of federal funds obligated to the subrecipient
  - Federal award project description
  - Name of federal awarding agency, prime grant recipient, contact information of the awarding official
  - All requirements imposed by the prime grantee on the subrecipient so that the federal award is used in accordance with federal and/or State statutes, regulations, and the terms and conditions of the grant award (see Exhibit B)
- Ensure it has access to the subrecipient's financial records to meet the requirements of 2 CFR 200 (see Exhibit B).
- Document appropriate terms and conditions concerning closeout of the sub-award.
- Review and approve subrecipient justification and request for funding.
- Obtain financial and performance reporting data from the subrecipient. Consolidate and report it as required to NCPRO.
- Complete the post-award subrecipient risk assessment (Exhibit A), and assign a risk rating based on criteria defined in Exhibit A.
- Perform annual monitoring of subrecipient (refer to Section 3 for further details).
- Review its subrecipient monitoring processes and procedures and revise as needed.



### 3.0 Subrecipient Monitoring Procedures

As part of its subrecipient monitoring processes and procedures, the Administering Agencies must:

- Review, if applicable, the subrecipient's Single Audit report, which can be found at the [Federal Audit Clearinghouse](#) website.
- Review past and current quarterly financial and performance reports and assess the subrecipient's performance and compliance with requirements.
- Receive each month the subrecipients report on all expenditures of funds and report the information to NCPRO by the 15<sup>th</sup> of each month. The Administering Agency should receive a report from the subrecipient even if subrecipient has no new activity to report during the month.
- Request subrecipients sign a document acknowledging the receipt of, and agreement to comply with, all federal/State and/or program grant award special conditions.
- Provide the subrecipient a description of the requirements for sub-award documentation that subrecipient to the Administering Agency during the grant periods. (See Exhibit B).

The Administering Agencies shall continuously assess subrecipients' performance by conducting the following activities:

- Determine whether there are sufficient internal controls per 2 CFR 200.303, and whether the subrecipient has complied with federal statutes, regulations, and the terms and conditions of the federal award. The subrecipients must:
  - Return to the Administering Agency a signed acknowledgment of the terms and conditions of the sub-award.
  - Agree to evaluation and monitoring of their compliance with statutes, regulations, and terms and conditions of the sub-award by allowing access to subrecipient records and financial statements, and the performance of on-site reviews of the sub-recipient's program operations.
  - Take prompt action when instances of noncompliance are identified.
  - Take reasonable measures to safeguard sensitive information consistent with applicable federal, State, and local laws.
- Communicate with subrecipients on a regular basis, via Accountability Calls.
- Document and retain communications regarding project performance.
- Report any significant issues to NCPRO.
- Obtain documentation and perform the following review and assessment activities. The

extent of these activities will be determined by the results of the risk assessment and ongoing observations.

- Assess whether invoices are timely, accurate, and contain the appropriate backup documentation to support the expense. For any questionable expense(s), the Administering Agency should request additional backup from the subrecipient specific to the charge(s).
- Request financial reports from the subrecipient that show the sub-award amount, invoice(s) by sub-award budget category, and remaining sub-award amount after expenses.
- Assess whether cumulative expenses exceed the total approved sub-award amount and help ensure the rate of spend is consistent with the timeline of the project.
- Review other financial or non-financial reports required by the sub-award such as sub-recipient list of supplies and equipment purchased with grant funds.
- Review and approve any budget revision requested by the subrecipient.
- Maintain documentation of the Administering Agency's monitoring of the subrecipient, including, but not limited to email correspondence, invoices, deliverables such as relevant data for quarterly progress report(s) and other supporting documentation.
- Follow up with subrecipient regarding findings during annual subrecipient site visit and request subrecipient's resolution of site visit findings.
- Request additional supporting detail for all financial invoices and expenses in accordance with the sub-award terms and conditions.
- Document and retain communications regarding project performance.
- Report any significant issues to NCPRO.
- If appropriate, take further action – e.g., withholding payments, performing additional site visits, termination of the sub-award.



## 4.0 Annual Reviews

Administering Agencies shall conduct Annual Reviews of subrecipients. Administering Agencies must complete an annual on-site review of every high-risk subrecipient. For medium and low risk subrecipients, Administering Agencies shall conduct desk audits/virtual reviews of a sample of selected transactions. Administering Agencies should determine the sample size of the transactions to be reviewed for medium and low risk subrecipients based on the results of its on-going monitoring of these subrecipients. As part of the Annual Review, the Administering Agency must:

- Contact the subrecipient in writing to coordinate logistics and describe the Annual Review process.
- Send, on letterhead, details of the focus of the Annual Review will focus, including, the need to gather assurance that the subrecipient is compliant with federal statutes, regulations, and the terms and conditions of the federal award. This correspondence should also identify invoice(s) and a detailed list of expenditures made with grant funds that will be reviewed. (See Exhibit D for example of pre-site visit letter).
- Begin the Annual Review with a meeting of key subrecipient staff to describe the reason for the site visit and matters to be discussed. Also, make the subrecipient aware of supplies and equipment purchased with grant funds that will need to be verified by physical observation.
- Use the Monitoring Checklist to assess whether the subrecipient satisfies the administrative and financial elements of the sub-award. (See Exhibit C).
- End the Annual Review with a meeting that discusses the project, and how the subrecipient used the SFRF funds sub-awarded to it. The Administering Agencies must discuss with the subrecipient all issues identified during the Annual Review.

After the Annual Review, the Administering Agencies will send, on its letterhead, a description of:

- matters reviewed
- conclusions reached regarding the adequacy of the subrecipient's controls, policies and procedures; and
- all findings.

See Exhibit E for example of a post-site visit letter.

The Administering Agency should help ensure that the subrecipient has documented all actions it has taken or will take to resolve any issues identified during the Annual Review. The subrecipient should document this by completing the Subrecipient Annual Review Evaluation Report (see Attachment 2) and the Post-Annual Review letter (see Exhibit E). This report should be sent to

the subrecipient within one week of the Annual Review. The findings will be discussed during an exit conference. The subrecipient should respond to the Administering Agency with an acceptable plan to resolve issues/findings within 30 days after completion of the Annual Review. The Administering Agency will review and approve the subrecipient's written report, or require additional information, if needed. All findings and resolutions will be included in the subrecipient's file.

#### **4.1 Types of Monitoring Based on Risk Ratings**

This section discusses the steps that Administering Agencies should take in conducting:

- Accountability Calls (low risk)
- Accountability Calls and Desk/Virtual Reviews (medium or low risk)
- Accountability Calls and On-Site Reviews (high risk)

Exhibit C contains a checklist that Administering Agencies should use for each Accountability Call, Desk/Virtual Review or On-Site Review.

##### **Low Risk Subrecipients: Grant Accountability Calls**

The Administering Agencies should perform "Accountability Calls" with all subrecipients on a periodic basis. The Administering Agencies should establish the frequency of Accountability Calls based upon its assessment whether the subrecipient is considered low, medium, or high risk. The Accountability Calls will address:

- progress toward their project goals,
- expenditures charged to the grant,
- update on monitoring plans, and,
- budgets, and future forecast needs.

These calls will also provide opportunities to provide address needed technical assistance in areas that the subrecipients may find challenging. During the calls, Administering Agencies will review submitted reports and confirm whether reporting is current and inclusive of all required information. If a subrecipient needs additional support, the frequency of Accountability Calls may increase, or the subrecipients may receive additional monitoring (i.e., desk review or on-site/virtual monitoring). For suggested questions related to Accountability Calls please refer to Exhibit C.

##### **Medium Risk Subrecipients: Grant Accountability Calls and Desk/Virtual Reviews**

Administering Agencies will conduct desk reviews to monitor subrecipients who have medium risk. Desk reviews are acceptable as a form of monitoring that can help ensure compliance with

grant goals and requirements. While the requirements of desk reviews are less, the scope and degree of the review activities can be increased to the extent deemed necessary. Desk reviews can include, but are not limited to reviewing:

- correspondence with subrecipients (emails, Accountability Call notes, etc.)
- monthly or quarterly reports (financial, programmatic/narrative, etc.) and supporting documentation
- expenditures and appropriate documentation (invoices, signed timesheets, purchase orders, travel authorizations, etc.)
- subrecipients' progress toward project goals
- Providing technical assistance to subrecipients

In addition, these reviews may include technical assistance if a subrecipient needs additional support. Desk review documentation can be submitted via email for review by the Administering Agencies. Administering Agencies should submit a desk review monitoring report to the subrecipient no later than 90 days after the desk review is completed.

### **Risk Rating High Risk: Accountability Calls and On-site Reviews**

Administering Agencies will conduct an on-site monitoring Annual Review for all high-risk subrecipients. These site visits will be conducted in a manner similar to desk reviews, with the difference being that the Administering Agency conduct at least the first review in person or virtually. The Administering Agency can use its best judgment to determine whether follow-up meetings should be conducted in person or through video conferencing.

If a subrecipient needs additional support, they may receive further monitoring (i.e., on-site/virtual monitoring). Administering Agencies should submit an on-site/virtual review monitoring report to the subrecipient 90 days after the on-site review is completed.

Please refer to Exhibit C for a sample Subrecipient On-site Review Monitoring Report that should be completed during the visit.

## 5.0 Process for Closing out Sub-awards

In accordance with federal regulations, SFRF eligible expenditures must be incurred or obligated by December 31, 2024 and expended by December 31, 2026. To close out any sub-award of the SFRF, Administering Agencies shall:

- Send written notification to subrecipients six months prior to the grant ending date, and a follow-up reminder three months later to ensure that they are fully aware of the award closing and close-out requirements.
- Obtain the following documents from the subrecipient: final invoice(s), final financial report, final expenditure report.
- Perform a final review of invoices, financial reports, and performance measurement; and, if necessary, request additional supporting documentation.

## Exhibit A: Post-Award Risk Assessment for SFRF Subrecipient Checklist

### Purpose

A risk assessment is a way to evaluate the potential financial and compliance risk of a subrecipient. Several factors should be considered when determining the level of risk associated with a subrecipient. This will help assess risk and dictates the monitoring plan for subrecipients.

### Procedures

At a minimum, the Administering Agency should perform the following to determine a risk rating for each subrecipient:

- Review Single Audit of subrecipient organization (if one was conducted) and assess whether there are timely and effective resolutions and correction action to respond to any of the audit’s recommendations and findings
- Review previous financial and programmatic performance of subrecipient
- Assess subrecipient’s previous grant experience
- Assess adequacy of subrecipient’s policies and procedures to administer funds to beneficiaries. Does the subrecipient have formal Uniform Guidance policies and procedures? Are those policies and procedures circulated to staff?
- **Use the Exhibit A-1 *List of Items Needed from Subrecipient* to gather information from the subrecipients**
- **Complete *Risk Assessment Scorecard* (please refer to excel document “Risk Assessment Scorecard” in PDF Attachments pane)**
- Assess other risk factors as deemed applicable

Based on my review and subrecipient's past performance, this subrecipient is determined to be:

Low Risk	Medium Risk	High Risk
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

---

{Authorized Representative Administering Agency}

---

Date

## Exhibit A: Post-Award Risk Assessment for SFRF Subrecipient Checklist (Continued)

### Monitoring Determination

Based upon the risk assessment, subrecipients will need to be monitored in a tiered approach based on the following categories:

Risk Rating	Type of Monitoring Conducted
Low Risk	Accountability Calls and Reporting Reviews
Medium Risk	Accountability Calls and Desk Reviews
High Risk	Accountability Calls and On-Site Monitoring Visits

Please refer to Section 4.1 Types of Monitoring Based on Risk Rating for more detailed information regarding the types of monitoring conducted.

In summary, the higher the risk rating, the higher the audit risk (i.e., higher risk of material weakness and material noncompliance). Subrecipient monitoring reduces the risk associated with doing business with an external entity. As part of the State's annual Single Audit, auditors will test Administering Agencies' compliance with federal laws that require subrecipients.



## **Exhibit A-1: List of Items Needed from Subrecipient**

This list of items should be used to gather information from the subrecipient to obtain information on the subrecipient's financial and management status. The subrecipient should be responsive in responding the Administering Agency's request for documentation.

1. Please provide copies of the Financial Statements, Uniform Guidance Single Audit Report, and Required Auditor Communications Letter/Management Letter for the last two fiscal/calendar years.
2. If the prior audit reports contained any findings or internal control matters, please provide an update as to the corrective action plan and resolution of the matters.
3. Please provide a copy of the organization's Uniform Guidance policies and procedures.
4. Please provide the most recent internal financial reports that were presented to the organization's Board of Directors.
5. What is the organization's current staffing structure for performing the monitoring function?
6. What software packages do you use for tracking and maintaining financial and performance data and metrics related to the grant programs?

If a software package is not being used, how is your organization monitoring and tracking financial and performance data and metrics related to the grant program? Please provide as much detail as possible that includes templates that have been developed and/or screenshots.

7. Does your organization have a negotiated Indirect Cost Rate? If yes, please provide a copy of your current agreement.
8. Does your organization have any new personnel (e.g., key personnel, financial management, grants management, IT Management, or other staff service in a grants administration role)? If yes, please provide information regarding new personnel.

## **Exhibit B: Requirements for Sub-Award Documentation to be Submitted by SFRF Subrecipient to the Administering Agency**

Subrecipients must provide the following documentation to the Administering Agency:

1. Signed Subrecipient Grant Agreement.
2. Signed acknowledgment of receipt of Subrecipient Monitoring Handbook (*see Attachment 1*)
3. Requests for payment for goods and services for approved projects on a schedule to be agreed upon between the Administering Agency and the subrecipient. Invoices must be accompanied by sufficient and accurate backup documentation that supports the expense. Expenses incurred prior to the grant begin date or after the grant end date will not be reimbursed.
4. List of expenditures purchased with grant funds. List should show description of equipment purchased in excess of \$5,000 (per individual item) and has a useful life of greater than one year, serial number if any, vendor name, date of purchase, amount of item, location where the items are kept, funding source, disposal date, and value at disposal date.
5. Subrecipient financial report that shows sub-award amount, invoices paid by sub-award budget category, remaining amount of sub-award after invoices paid. Funds remaining unused after the end of the project will be returned to the Administering Agency and then reverted to OSBM.
6. Response by subrecipient (email is acceptable) for information requested for reports.
7. Response by subrecipient (email is acceptable) of agreement to cooperate during monitoring activities including supporting compliance of federal statutes, regulations, and terms/conditions of award, and on-site reviews of the subrecipient's program operations, and allow access to subrecipient's financial records.
8. Budget modification requests, as needed, should be submitted by the subrecipient, along with explanation of why a budget modification is needed and how the budget modification supports the goals and objectives of the grant application.
9. Change in Scope requests, as needed, should be submitted by the subrecipient, along with explanation of why a change in scope is needed and how the change in scope and/or additional goals and objectives of the grant application/solicitation.
10. Resolution of findings within 30 days, if any, after annual site visit.

By signing below, I agree to provide all documents listed above and additional documentation if needed, to the State agency by the date requested.

---

Subrecipient Representative

---

Date

## Exhibit C: Checklist for Monitoring Reviews

This review is a  Accountability Call (low risk);  Desk/Virtual Review (medium risk), or  On-Site Visit (high risk).

Completed	Checklist Item
<b>Accountability Calls</b>	
<input type="checkbox"/>	Obtain a brief update on whether the subrecipient is achieving its goals or objectives.
<input type="checkbox"/>	Do you have a copy of the latest subrecipient's budget?
<input type="checkbox"/>	Is the subrecipient's rate of spending appropriate for its progress on the project?
<input type="checkbox"/>	Does the subrecipient have any questions or concerns at this time?
<input type="checkbox"/>	Obtain an update on the subrecipient's beneficiaries, contractors, and subrecipients.
<b>Desk/Virtual Review (includes all items under Accountability Calls, and the below items)</b>	
<input type="checkbox"/>	Do you have a signed acknowledgment of receipt and understanding of the grant agreement, and any special conditions, and requirements for sub-awards?
<input type="checkbox"/>	Do you have a list of invoices paid by the subrecipient under the SFRF project, as well as the corresponding list of equipment to be reviewed with the subrecipient?
<input type="checkbox"/>	Are invoices from subrecipient delayed, inconsistent, or improperly documented?
<input type="checkbox"/>	Do the subrecipient's invoices support the goals and objectives of the grant (sample invoices to gain a better understanding)?
<input type="checkbox"/>	Does subrecipient submit information required for quarterly reports?
<input type="checkbox"/>	Has the subrecipient provided an inventory of equipment purchased in excess of \$5,000 with grant funds?
<input type="checkbox"/>	Is performance progressing in a manner expected to support the goals and objectives of the grant?
<input type="checkbox"/>	Are there severe programmatic or administrative issues that may cause the sub-award to be terminated?
<input type="checkbox"/>	Does the subrecipient respond timely to requests for financial and budget/scope revision information?

<input type="checkbox"/>	Has the subrecipient resolved and previous findings from the previous monitoring visits?
<input type="checkbox"/>	Are invoices from subrecipient delayed, inconsistent, or improperly documented?
<input type="checkbox"/>	Has the subrecipient resolved findings from the Annual Review?
<input type="checkbox"/>	Have you reviewed all programs and funding disbursements criteria and review how funds are being disbursed (including the subrecipient's beneficiaries, contractors, and subrecipients)?
<input type="checkbox"/>	Have you reviewed how the subrecipient's beneficiaries, contractors, and subrecipients are receiving federal assistance through this program?
<b>On-Site Review</b>	
<i>Since the on-site reviews are for high-risk subrecipients, it is recommended that a formal monitoring report be completed in addition to the above items.</i>	
<input type="checkbox"/>	Complete the Subrecipient On-Site Review Monitoring Report

**SAMPLE SUBRECIPIENT ON-SITE REVIEW MONITORING REPORT**

A subrecipient is a non-federal entity that receives a sub-award from an Administering Agency to carry out part of the SFRF federal award. The Prime Recipient (Administering Agency) is ultimately responsible for the subrecipient's performance and compliance with federal and State regulations and requirements. As a result, the Administering Agency must monitor the activities of the subrecipient.

Name of Subrecipient:

Name of Reviewer:

Date of Visit:

<b>SUBRECIPIENT INFORMATION:</b>	<b>YES</b>	<b>NO</b>	<b>N/A</b>
Is there a written Sub-Award document with the Administering Agency?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Has there been any turnover in key positions in the past two years?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
If yes, explain:			
Has the subrecipient had any financial management violations or any other fraud, abuse, or misuse of funds in the past?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
If yes, explain:			
Does the Sub-Award document contain a detail budget to compare budgeted costs with actual costs?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
If no, explain:			
<b>SUBRECIPIENT MONITORING (Financial Management System):</b>	<b>YES</b>	<b>NO</b>	<b>N/A</b>
What type of financial management system does the subrecipient utilize? _____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
How are federal funds identified and tracked in the accounting system? _____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Are sources of non-federal funds identified and tracked separately in the accounting system?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

<b>SUBRECIPIENT MONITORING (Financial Management System) (continued):</b>	<b>YES</b>	<b>NO</b>	<b>N/A</b>
Does the accounting manual describe the criteria for an obligation?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Does the subrecipient use a Chart of Accounts and Accounting Manual?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Are accounting records supported by source documentation?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Does the system provide for prompt and timely recording and reporting of all financial transactions?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>SUBRECIPIENT MONITORING (Policy and Procedures):</b>	<b>YES</b>	<b>NO</b>	<b>N/A</b>
Does the subrecipient have written policy and procedures to adequately administer federal grant programs (Allowable costs, Procurement, Reporting, etc.)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Does the subrecipient have a written conflict of interest policy for their employees?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Are there sufficient internal controls in place to protect against waste, fraud, and abuse of federal funds (segregation of duties, etc.)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>SUBRECIPIENT MONITORING (Cash Management / Expenditures):</b>	<b>YES</b>	<b>NO</b>	<b>N/A</b>
Is the cash receipts function performed by someone other than the person who is responsible for signing checks, reconciling bank accounts, or maintaining non-cash accounting records (i.e. ledgers or journals)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Are payment vouchers or supporting documents identified by grant number, date(s) and expense classification?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Do supporting documents accompany checks when they are submitted for signature?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Are the subrecipient's expenditures, encumbrances, and obligations for eligible activities? (the Administering Agency will need to sample based on level of risk / comfort	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>



<b>SUBRECIPIENT MONITORING (Cash Management / Expenditures) (continued):</b>	<b>YES</b>	<b>NO</b>	<b>N/A</b>
Do supporting documents accompany checks when they are submitted for signature?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Are invoices or vouchers approved in advance by authorized officials?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Does the subrecipient reconcile expenditures with information reported in quarterly and annual reports?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
What is the process for paying beneficiaries, contractors, and subrecipients? _____			
<b>SUBRECIPIENT MONITORING (Record Retention &amp; Access):</b>	<b>YES</b>	<b>NO</b>	<b>N/A</b>
At a minimum, are the subrecipient's record retention practices in compliance with the federal requirements (3 years after the close of the grant)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Has the subrecipient retained all records related to pending litigations, claims negotiations, audits or other actions involving records beyond the regular record retention requirements?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>SUBRECIPIENT MONITORING (Audit Requirements):</b>	<b>YES</b>	<b>NO</b>	<b>N/A</b>
Is the subrecipient required to obtain a Uniform Guidance "Single Audit" for its most recently completed fiscal year?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
If yes, did the subrecipient submit the required audit report?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Did the audit report contain any findings or questioned costs?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
If yes, has the subrecipient assigned someone the responsibility for resolving the findings or questioned costs?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Did the subrecipient submit a timely response to the audit, including a plan for correcting any conditions reported in sustained findings?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

For any issues identified during the review, provide clarification as necessary and specify corrective actions the subrecipient must take to resolve the issues. Describe the nature of any technical assistance provided during the review. Also describe any necessary follow-up actions that should be provided by the Administering Agency's staff.

## Exhibit D: Pre-Monitoring Letter

{DATE}

[Name of Administering Agency]

Re: {YEAR} Monitoring Visit, {Grant Title, Award #}

*Please see attached list of invoices to be reviewed and Equipment (if any) to be viewed.*

Dear {\_\_\_\_\_}:

On \_\_\_\_\_, 202X, [Name of Administering Agency] will be visiting your site facilities at \_\_\_\_\_ for the purpose of reviewing financial, administrative, and compliance aspects of your sub-award, and also viewing items purchased with grant funds awarded to your agency through the [Name of Administering Agency] as funded by the State Fiscal Recovery Funds (SFRF). Please note that this monitoring may also be conducted remotely and will be agreed on before date of visit.

This visit is part of the monitoring policy that we have incorporated into our grant program as required by 2 CFR 200. The focus of this visit is to assess deliverables like those listed on the attached document and review the financial process of paying grant related invoices. Our visit should be helpful to you in your grant program performance, and we will try to respond to any questions or problems you may have at the time of the visit.

Please be sure that key staff is available for our review. I am hopeful that our meeting will be mutually beneficial. We will meet you at your office at XX:XX a.m., and then proceed with you to the locations where items are stored. We should be finished no later than XX:XX p.m.

Sincerely,

{Administering Agency Authorizing Representative}

## Exhibit E: Post-Monitoring Letter

{DATE}

[Name of Administering Agency]

Re: {YEAR} Monitoring Visit, {Grant Title, Award #}

Dear {\_\_\_\_\_}:

Thank you for the support and cooperation by you and your staff during our site visit on {DATE OF VISIT}. During our review, we examined your financial, administrative, and internal control procedures, and visually inspected the items purchased with federal funds awarded to your agency through [Name of Administering Agency] as funded by the State Fiscal Recovery Funds (SFRF). The federal funding on this site visit involved the following grants / projects:

{Grant / Project Title, Award #}

{Grant / Project Title, Award #}

{Grant / Project Title, Award #}

The monitoring visit is part of the monitoring policy that [Name of Administering Agency] has incorporated into their grant program, which provides for at least one visit per year, per grant. As discussed during the Exit conference, there were no findings or recommendations that need correction.

{OR, describe here the recommendations/findings that need to be addressed. If, a Corrective Action Plan will be required, specify due date for the plan.}

Again, thank you for your cooperation. I look forward to working with you throughout the life of the project.

Sincerely,

{Administering Agency Authorizing Representative}

**Attachment 1**

**STATE FISCAL RECOVERY FUNDS (SFRF) SUBRECIPIENT  
MONITORING HANDBOOK ACKNOWLEDGMENT**

By signing this document, I acknowledge, that I have received a copy of the Subrecipient Monitoring Handbook. I recognize it contains important information on the Administering Agency’s Grant policies, procedures, rules and regulations. It is my responsibility to familiarize myself with the material in the Handbook.

I understand that no statement contained in the Subrecipient Monitoring Handbook creates any guarantee of continued funding or creates any obligation, contractual or otherwise, on the part of the Administering Agency

I understand compliance with the policies and procedures is a condition for the department to continue to be eligible for an award of SFRF funds, and that any violations of the policies and procedures may result in corrective action, including the termination of any grant funds up to the obligation of returning funds to grantor.

{Grant Year}, {Grant Name}, {Grant No.}

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Administering Agency

\_\_\_\_\_  
Subrecipient

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Grant Administrator

\_\_\_\_\_  
Grant Fund Accountant

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

## Attachment 2

### Subrecipient Annual Review Evaluation Report

Name of Subrecipient:

Name of Reviewer:

Date of Monitoring Visit \_\_\_\_\_

Grant Award # \_\_\_\_\_

Attendees from subrecipient:

*List the individuals who were involved / interviewed during the subrecipient monitoring visit.*



## Monitoring Visit Findings

*Describe in detail the findings that came from the monitoring visit.*

## Site Visit Corrective Action Suggestions to Findings

*Write a corrective action plan to help the subrecipient resolve the above findings in a timely manner.*

Subrecipient resolution(s) to findings

*Describe what the subrecipient has done to resolve the findings.*