

Future Proofing Workshop: A Holistic Approach to Subrecipient Management, Active Fund Use

Training for State & Local
Grantees & Subgrantees

December 2024




Notice of Recording

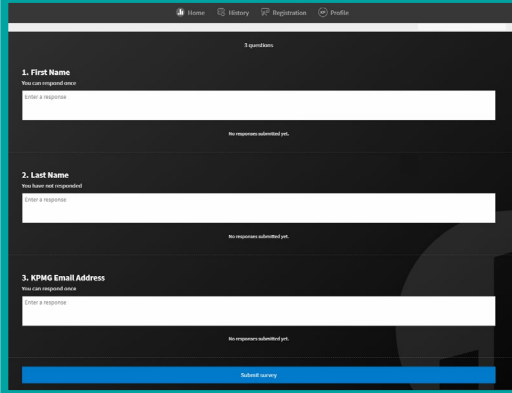
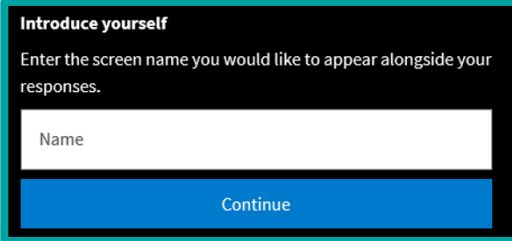
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1. From your laptop OR mobile device, navigate to:  <https://pollev.com/oscworkshop>
2. Introduce yourself: Please enter your FULL NAME when prompted (do not skip!) and click/tap Continue.
3. Complete the Check In shown on screen. Complete all three fields and then click Submit.
4. Keep the Poll Everywhere window open. You will need it throughout the training.



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- ✓ Attend for entire session.
- ✓ Complete **both** the Check In and Check Out in Poll Everywhere.
- ✓ Participate in ALL polling questions.
- ✓ CPE eligibility is based on both time in the session and responses to polling.
- ✓ Participation is tracked.
- ✓ Failure to actively participate will result in denial of CPE credits.

Check In

0 surveys completed

0 surveys underway

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State of Colorado



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State of Colorado

KPMG Training Facilitators



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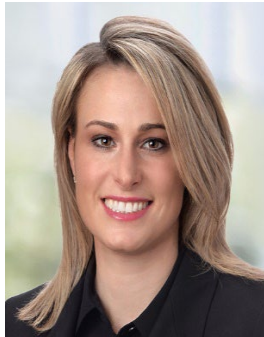
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Learning Objectives



The objective of this training is to explore tactics for holistically managing subrecipients. This would include pre-use risk assessments, readiness, and program design, as well as project execution, monitoring, quality assurance, and closeout and audit readiness.

The goal is to provide approaches to coordinated subrecipient management involving department leadership, contracting, program and risk staff, and other stakeholders.

Participants should be familiar with their existing subrecipient management processes, including roles and responsibilities.

A Holistic Approach to Subrecipient Management

Day 2

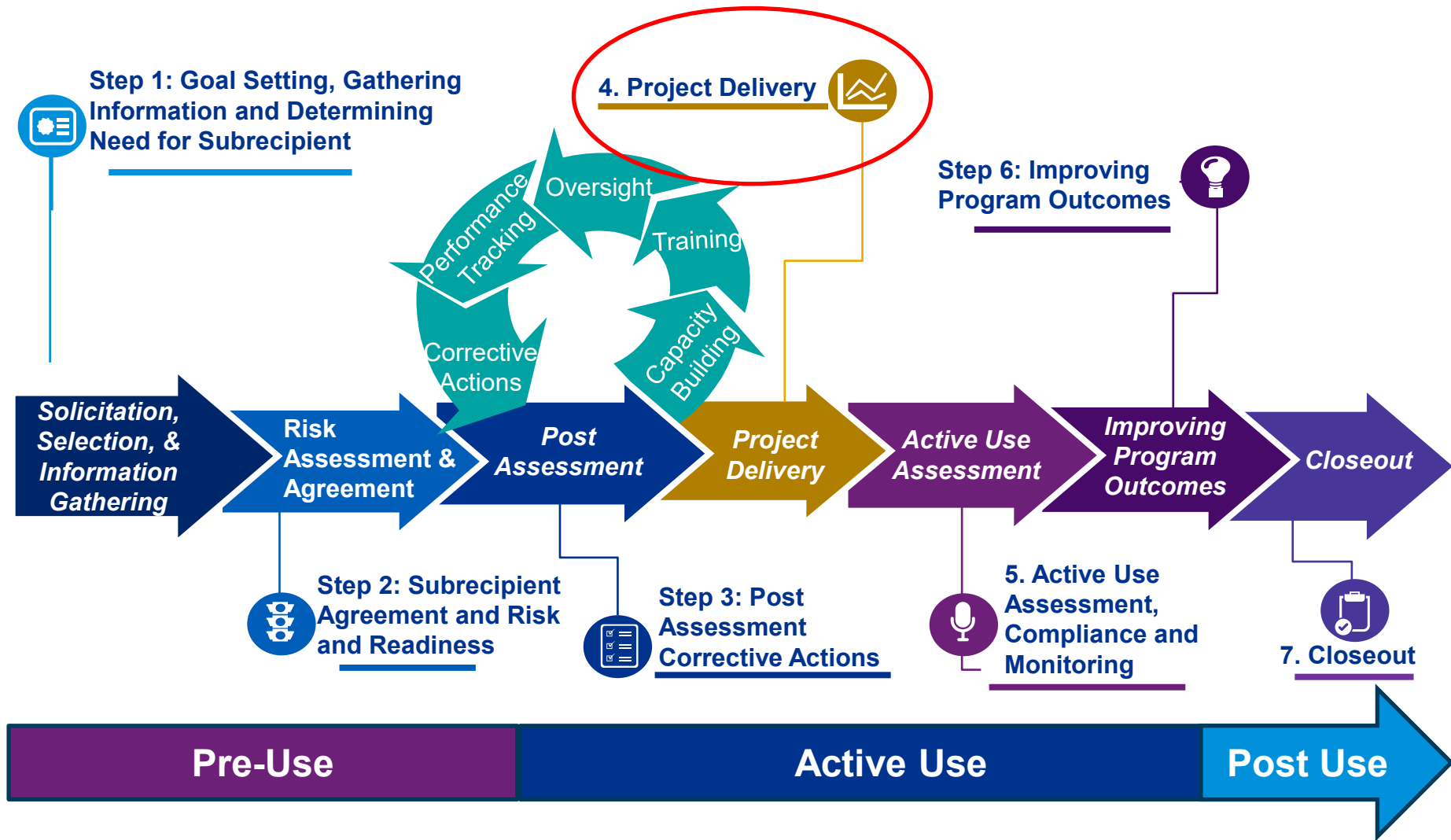
Training Schedule – Day 2

Time	Topic
9:00 am– 10:30 am	Collaborating with Subrecipients to Execute Projects
10:30 am – 10:40 am	Break
10:40 am – 11:35 am	Active Performance Risk Assessment & Monitoring
11:35 am – 12:15 pm	Lunch
12:15 pm – 1:15 pm	Active Compliance Risk Assessment and Monitoring
1:15 pm – 1:50 pm	Leveraging Active Fund Use Risk Assessments & Monitoring to Improve Program or Project Execution
1:50 pm – 2:00 pm	Break
2:00 pm – 2:40 pm	Subrecipient Closeout Process, Requirements and Audit Readiness
2:40 pm – 3:00pm	Wrap Up & Q&A

Collaborating with Subrecipients to Execute Projects



Subrecipient Management & Support Cycle



Topics for Discussion

- ✓ Federal and State Expectations for Assisting Subrecipients Implementing Projects
- ✓ Considerations for Collaborative Program or Project Design (Roles, Responsibilities, Process Ideas)
- ✓ Tactics for Supporting Execution
- ✓ Case Study

PolIEV Question #1



In your experience, what are some essential elements of successful collaboration between your agency and its subrecipients?



Nobody has responded yet.

Hang tight! Responses are coming in.

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Federal Expectations for Supporting Subrecipients

Uniform federal funding rules direct recipients to not just monitor subrecipients for accountability but to **also support them in helping recipients achieve intended program or project aims** and federal policy mandates...

- ✓ Ensure **“subrecipients take corrective action... to meet the milestones or the objectives of a subaward”** (2 CFR 200.332(e)(2)).
- ✓ Provide **“subrecipients with training and technical assistance on program-related matters”** (§200.332(f)(1)).
- ✓ Assist subrecipients to meet **“performance goals, indicators, targets, and baseline data...included in the Federal award”** (§200.211(a)); **“goals and objectives developed during program planning and design”** (§200.202(a)(2)); and to **“share lessons learned, improve program outcomes, and foster the adoption of promising practices”** (§200.310).

Considerations for Helping Subrecipients Implement: Be the coach not just the enforcer! (1 of 2)

Define Department Roles and Responsibilities: Consider aspects of implementation the department is best suited to handle.

- ✓ Help create metric & provide data analytics
- ✓ Subject matter expertise
- ✓ Documentation and Reporting Structure

“Communicate, Communicate, Communicate”: Establish clear lines of communication to promote collaboration and efficiency during design and execution.

- ✓ Dedicated staff for advising on implementation
- ✓ Schedule touchpoints throughout execution

Conduct Trainings to Bolster Performance: Provide active and ongoing trainings on topics that would help programs succeed.

- ✓ Intake and process applications
- ✓ Develop a performance plan
- ✓ Engagement and Outreach

Considerations for Helping Subrecipients Implement: Be the coach not just the enforcer! (2 of 2)

Conduct Regular Brainstorming Sessions: Actively meet with subrecipients to share ideas, viewpoints and examples

- ✓ Use dedicated teams apart from Risk and Accountability
- ✓ Receive feedback as to departments performance
- ✓ Tailor to changing needs over course of implementing

Establish Shared Means of Evaluating Progress: Separate from metrics used to hold subrecipients accountable, consider using data to track collaborative efforts and program progress to use in implementation and brainstorming efforts.

PolIEV Question #2



How often do you conduct training for your subrecipients?

-  0

Monthly

Quarterly

Annually

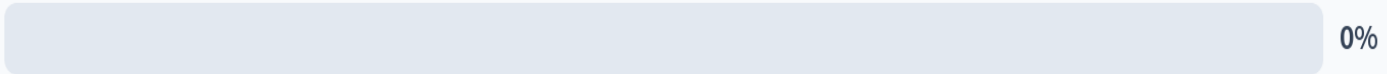
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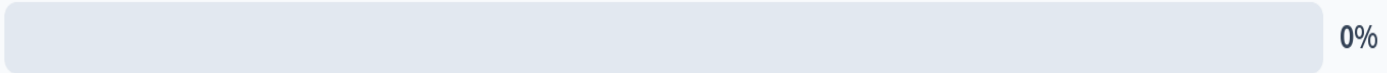
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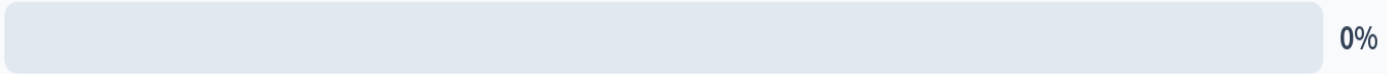
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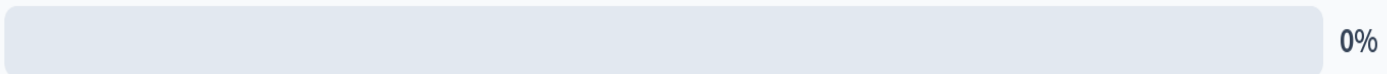
Quarterly



Annually



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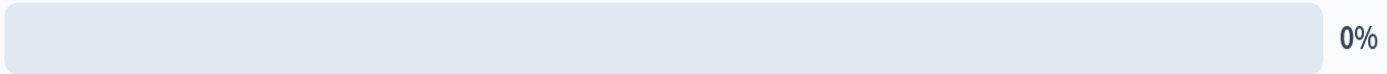


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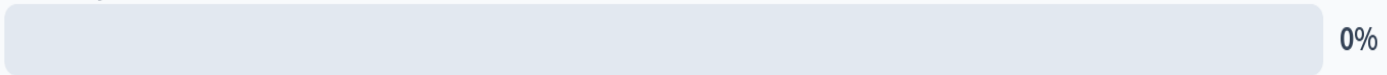
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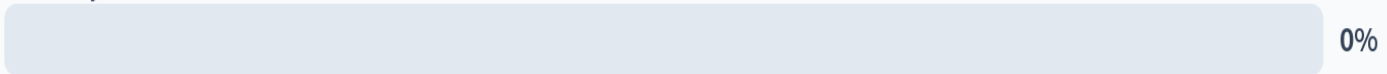
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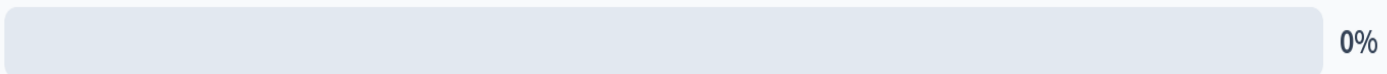
Quarterly



Annually



As needed



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Tactics for Supporting Execution (1 of 3)

Objective: Collaborative implementation requires well defined approaches to executing the following components of project implementation.

Metric Creation & Tracking

- ✓ Leverage data gathering analytics to support creation and tracking of metrics
- ✓ Collaboratively create KPIs (Key Performance Indicators) based on project objectives and feasible available information
- ✓ Assign other roles between department and subrecipient based on respective resources, strengths and responsibilities

Project Profile Development

- ✓ Actively collaborate with subrecipients to gather project specific details and information. This includes clarifying project goals, scope, timelines, risks, and resource entitlements.

Tactics for Supporting Execution (2 of 3)

Fund Use/Cost Decision-Making

- ✓ Support subrecipients in decision-making in fund usage by providing clear guidelines, templates, and tools.
- ✓ Establish procedures to manage budgets effectively and transparently in cost reporting and fund allocation

Information & Technology Sharing for Performance Planning and Execution:

- ✓ Assist subrecipients by establishing a technology-sharing platform process (i.e., the cloud, google drive, etc.) that effectively supports communication, information sharing and performance tracking of the program execution and goals

Communication:

- ✓ Establish regular, effective, and open communication channels. Through regular check-in meetings, monthly or quarterly progress reports, and ad hoc discussions if risks/challenges are identified their queries, suggestions, and concerns.

Tactics for Supporting Execution (3 of 3)

Information Gathering for Reporting & Audit Readiness:

- ✓ Subrecipients should be guided on proper methods of information gathering for audits and reporting.
- ✓ Department(s) should offer assistance on how to accurately document transactions, maintain records, prepare financial statements, etc. to ensure audit readiness.

Project or Program Modifications:

- ✓ Guide subrecipients on how to centrally manage and document program modifications. Subrecipients should notify the department of any risks that may result in a program or project modification

Project Profile Example (1 of 2)

The following is an example of an SLFRF-specific Project Profile for Expenditure Category #2: Negative Economic Impacts.

ii. Project Justification

The following section details the negative economic impacts that are the object of the Project; the relevant expenditure category(ies); and how the project has been designed and executed to meet applicable funding use mandates and goals for that category.

Applicable Eligible SLFRF Use for Addressing Negative Economic Impacts from COVID-19
1) Negative Economic Impact Addressed: 2.1 Household Assistance: Food Programs
2) Disproportionate Negative Economic Impact Addressed: N/A

Negative COVID-19 Economic Impact Addressed by Project
<p>In response to the State of Colorado receiving its \$3.8 billion allocation of State & Local Coronavirus Fiscal Recovery Funding (SLFRF), the Colorado General Assembly appropriated \$10 million in SLFRF intended “to provide funding for administration and support, research, outreach, laboratory services, and emergency preparedness and disaster response activities as well as to support Colorado’s 53 local public health agencies” (LPHAs).⁷ These aims are part of what the State of Colorado considers to be its “Core Public Services” to be provided to communities and residents.</p> <p>Due to the COVID-19 pandemic that spread to Colorado in February of 2020, Colorado’s LPHAs and other public institutions have had to institute an unprecedented number of measures to meet these core public health services, including by extension, to prevent and address the spread of COVID-19, including testing, contact tracing, isolation and quarantine, public communications, issuance and enforcement of health orders, vaccinations, and expansions to health system capacity like alternative care facilities and other program investments.</p> <p>The Colorado Department of Public Health and Environment (CDPHE), which is responsible for working with the state’s LPHAs to determine the highest public health needs in their respective jurisdictions and provide support to LPHAs so that they may manage and build capacity to address immediate and emerging needs in response to the COVID-19 pandemic, has distributed SLFRF funding among LPHAs based on population size and underserved and disproportionately impacted populations in particular. In turn, LPHAs submitted funding use proposals to CDPHE for approval in line with the General Assembly’s intended aims for SLFRF use among LPHAs.</p> <p>The Gunnison County LPHA utilized \$16,237.73 in SLFRF to address a significant demand in food assistance among vulnerable individuals and families, especially Black, indigenous, and people of color (BIPOC), elderly, low-income, rural individuals with limited access to transportation, and/or migrant field workers in partnership with the Gunnison County Food Pantry (GCFP), which is serving as a contractor to Gunnison County LPHA.⁸ In particular, from 2019 to 2021, GCFP saw a 30% increase in demand for food assistance as part of its pre-existing Gunnison County Food Pantry as noted below:</p>

⁷ See Appendix C, SB 21-243 (Colorado Department of Public Health and Environment Appropriation Public Health Infrastructure).

⁸ See Appendix D (Determination of contractor status for GCFP)

Project Profile Example (2 of 2)

The following is an example of an SLFRF-specific Project Profile for Expenditure Category #2: Negative Economic Impacts.

State of Colorado, Office of the State Controller, Distributions to Local Public Health Agencies – Food Programs (Treasury Project ID: NEF050)

- In 2019, [redacted] served 801 households (comprised of 1,570 people) who asked 6,810 times.
- In 2020, [redacted] served 1,460 households (3,606 people) who asked 7,241 times.
- In 2021, [redacted] served 1,045 households (2,277 people) who asked 6,672 times.

Among these households, the need for increased food access was particularly acute among the County's young and elderly populations within vulnerable communities. Specifically, more than one-third of children in [redacted] qualify for Free and Reduced-Priced Meals. During the school year, meals are available to students at school. But many children come to school without snacks to get them through the day. Even more students still are unsure where their meals will come from during the 64 hours between leaving school on Friday and returning to school on Monday morning.⁹ Similarly, among adults aged 60 and over, limited mobility, fixed incomes, and other barriers to food access hamstring the County's elderly population to meet their nutrition needs, which was all the more the case during the height of pandemic public health restrictions.¹⁰

How the Project addresses the targeted COVID-19 negative economic impact (e.g., type of aid, assistance, capital expenditures, etc. that will be implemented using SLFRF)

The [redacted] operates four distinct programs, each of which were expanded in their offerings to meet increased demand from negative economic pressures caused by COVID-19.¹¹ SLFRF funding support, which represented an amount equal to 30% of GCFPs costs accrued because of the pandemic, translated into program, facility, and staffing amongst the following initiatives:¹²

Food for Distribution

GCFP utilized its SLFRF towards the provision of food at its central pantry location as well as by stocking Emergency Boxes at locations across the Gunnison Valley. Emergency Boxes come in individual and family size and provide enough food for three days, with minimal cooking necessary to prepare items. Boxes are located at community service locations where vulnerable individuals or households seeking help would likely visit.

SLFRF investments enabled this "Access to Food Assistance" effort to be increased from once a month to once a week and include an additional weekly distribution site.

Food for Adults 60+

[redacted] used SLFRF to support its "60+ Day" program, which assists older clients in [redacted] age 60+ who are on limited and fixed incomes by dedicating weekly times at their pantry location for older customer visits along with weekly home deliveries, the latter of which was specifically enabled using SLFRF.

Food for Children

[redacted] conducts several initiatives aimed squarely at addressing food access insecurity among Gunnison County children. This includes the provision of 1,000 snacks per month to children facing hunger through a

⁹ See, <https://gunnisoncountryfoodpantry.org/programs/food-for-children/>

¹⁰ See, <https://gunnisoncountryfoodpantry.org/programs/adults-60-plus/>

¹¹ More information with respect to the four GCFP programs enabled by SLFRF can be found at: <https://gunnisoncountryfoodpantry.org/>

¹² See Appendix E, DHHS Appeal for COVID Funding

Communication Plan Example (1 of 2)

The below is an example of a Communication Plan created by the Department of Human Services (CDHS) for one of their programs.

Communication Goals

The goals of communication specifically about the DVP Flex Funds Project include

1. To provide accessible information to participating organizations related to the GAE to support appropriate and timely spend-down of the funds
2. To ensure participating organizations adhere to Project Standards and requirements
3. To report timely project information to all interested parties including advocates, supervisors, DVP staff, CDHS staff, the public, and the Governor's office

Target Audience

The following stakeholders are the target audience for various project communications

- DVP Flex Fund Project partners, known as participating organizations (includes advocates, supervisors, executive directors, financial contacts, etc. at the organization)
- DVP Team (Beth Collins (Director), Shelley Reader, Maddi Ring, Chelsea Baldwin, Tiffany Abeyta)
- Training & Technical Assistance (TTA) Providers (Evaluation Team, Violence Free Colorado (VFC) & Colorado Coalition Against Sexual Assault (CCASA))

Communication Plan Example (2 of 2)

Methods

The following communication methods will be used for the project:

Method	Frequency	Target Audience(s)	Purpose
DVP Team Meetings (Google Meet)	Weekly	DVP Director & Team	Project Update, request for support, budget updates, project needs, feedback discussion, evaluation updates
Project Updates (MailChimp)	Weekly	DVP Director & Team Funded Organizations TTA Providers Other stakeholders	Project updates, standards reminder, trends, budget update, dashboard reminder, evaluation updates
Project Dashboard (Google Studio)	Weekly	All audiences	Budget updates, project trends
Subcommittee Meetings (VFC - Zoom)	Monthly	DVP Director & Team Funded Organizations	Project updates, standards reminder, trends, budget update, dashboard reminder, organization feedback
Training & Technical Assistance Meetings (Google Meet)	Monthly	DVP Director & Team TTA Providers	Project updates, standards reminder, trends, budget update, dashboard reminder, TTA needs, evaluation updates, feedback from organizations
Outputs & Outcome Reports (Google Sheets)	Quarterly	DVP Director CDHS Chief Recovery Officer CDHS Performance Management Division Governor's Office	Outputs & Outcomes, budget updates, trends
Evaluation Report	Annual	All audiences	Evaluation analysis, trends, project needs

Fund Use & Allowable Cost Example (1 of 3)

The below example is from the Department of Education's Grantee Handbook, included in their Grant Management section under Grants Fiscal Reference. This document is posted on their website, found [here](#).

Allowable Expenses (AEFLA)

This information is provided to assist grantees in determining the allowability of costs under the federal AEFLA Grant. This guidance is for expenditures paid with the Federal funds and match expenditures.

All costs must:

- Be necessary and reasonable, and allocable,
- Conform to any limitations or exclusions set forth in the cost principles or the award,
- If grantees are applying policies and procedures across the organization, this must also include all activities within the AEFLA grant program.
- Be accorded consistent treatment,
- Be determined in accordance with Generally Accepted Accounting Principles (GAAP),
- Ensure amount charged for a purchase paid from the AEFLA grant includes credits, and
- Be adequately documented and reported.

No cost related to an AEFLA cost objective may be related to/expensed to any other federally funded award.

Additional guidance can be found in the federal [Uniform Grant Guidance](#).

The list below shows allowable and unallowable costs for AEFLA funds. Note this list is not comprehensive, nor all-inclusive. Expenditures must follow the Uniform Grant Guidance, EDGAR, Cost Principles, GAAP, GEPA, and be permitted by the WIOA Title II and WIOA Title II rule and Joint Rule.

Fund Use & Allowable Cost Example (2 of 3)

Allowed

- Advertising Costs
 - The costs associated with communicating grantee offerings is allowed. The grant will cover the cost of flyers, brochures that are created to promote AEFLA program activities. These costs must be reasonable.
- Child care
 - If the grantee is providing family literacy activities, local program must first attempt to coordinate with other programs and services in the local area prior to using AEFLA funds. This process should be documented and kept on file.
- Educational expenses associated with the delivery of literacy, numeracy, and life skills instruction
- Equipment
 - *Teacher* - The grant will cover the cost of a computer for teachers paid with the grant funds. The cost must be allocable and proportionately paid for with AEFLA funds. Example: If a teacher will be hired .50 FTE for grant activities and .50 FTE will be spent addressing other awardee needs, only half of the computer would be allocable to the grant and the balance would need to be paid from other funding sources.
- Fingerprinting
 - ABEA application fee and fingerprinting.
- Food Costs
 - The grant will **Not** cover the cost of food costs for parent and student activities/meetings.
- Indirect Costs
 - Indirect cost are allowable if:
 - The documentation from the agency's cognizant Federal Office approving a restricted indirect cost rate is submitted to Grants Fiscal Management.
 - The de minimis rate can be utilized by a non-profit upon review and approval of the Modified Total Direct Cost (MTDC) documentation submitted to Grants Fiscal Management. §200.414 (f)
 - The agency can elect to charge a maximum of 10% administrative costs in lieu of indirect costs upon approval by CDE.
 - Indirect costs may not be counted as match.

Fund Use & Allowable Cost Example (3 of 3)

Not Allowed

- Contingencies - This includes a budget line that states-funds will be held for professional development however the needs are not known at this time.
- Fundraising
- Entertainment Costs
- Gift cards
- Food costs, including snacks
- Incentives to staff/participants/volunteers, including luncheons
- Fines, Penalties
- Legal Expenses
- Political activities
- Lobbying costs
- Grant writing
- Vacation time - This cost should be accrued by the awardee and not charged to the AEFLA Grant.
- High School Equivalency assessments
- Course costs related to obtaining the ABEA
- Tuition and fees that create barriers.
- Promotional materials such as pens, hats, shirts and water bottles.

Information Gathering & Data Reporting Example

The below is an example of a Data Reporting Requirements Guide created by the Department of Human Services (CDHS) for one of their programs.

COLLECTING DATA FOR DVP

Organizations must develop internal processes to collect data and ensure timely and accurate reporting to DVP. Examples include development of spreadsheets, databases, or the use of database software. DVP endorses and supports the use of the CAFÉ database to manage client records and records of community awareness events and activities in addition to using the CAFÉ for quarterly data reporting. For organizations not using the CAFÉ for client record management, DVP has Excel spreadsheets and other forms that can be used to organize DVP-required data. These forms and templates are available through hyperlinks embedded throughout this guide. Accurate record keeping is essential and DVP will view redacted case records and data collection processes during monitoring activities and as otherwise requested.

USING THIS GUIDE

Organizations must review this guide thoroughly before beginning data collection or submitting reports to DVP. This guide has terminology definitions, instructions on data collection and tips for reporting to DVP. This guide is organized into detailed descriptions of what data should be collected, how it can be collected, and information on what exactly to report to DVP. A summary of the requirements is included at the end of each section.

WHY DO ORGANIZATIONS COLLECT DATA?

Organizations must keep records related to the delivery of services to clients. Records should be useful tools for advocates and supervisors 1) for meeting clients' safety needs; 2) for statistical and evaluation purposes; 3) to maintain programmatic functions and maintain transparency; and, 4) to meet reporting requirements for funding sources.

PolIEV Question #3



What is the most common challenge you face in subrecipient management?



Non-compliance with regulations

Delayed reporting

Financial mismanagement

Communication issues

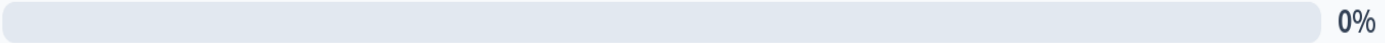
Other

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What is the most common challenge you face in subrecipient management?

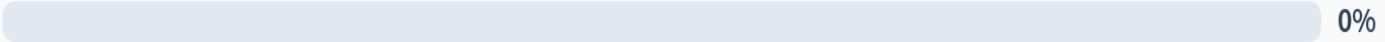
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Non-compliance with regulations



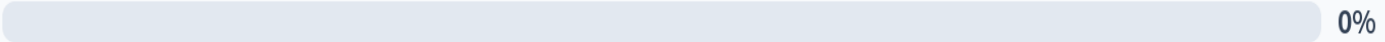
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Delayed reporting



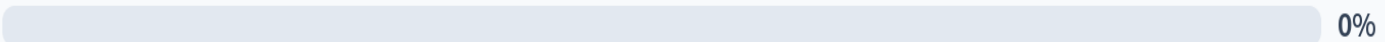
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Financial mismanagement



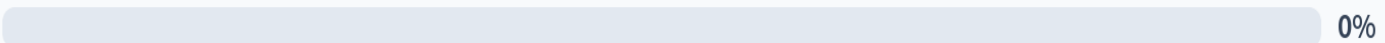
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Communication issues



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Other



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What is the most common challenge you face in subrecipient management?

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Non-compliance with regulations

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Delayed reporting

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Financial mismanagement

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Communication issues

0%

Other

0%

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Case Study



Helping Subrecipients with Summer at the Museum!

You work at the Department of Economic and Community Development (DECD) administering the "Summer at the Museum" program, which provides free museum access for children. The funds provided to the museums are to be used to offset the cost of increased visitation due to free admission. The museums are provided program guidelines including details around what the funds can be used for (i.e. salary and benefits, personal protective equipment, advertising and marketing, program and educational supplies).

The goal of the program is to provide free museum access to as many children as possible and create an educational experience for all visitors. The program partners with local schools, youth centers, and other organizations to prioritize affordable museum access for low- and moderate-income households. It also includes educational curriculums developed with community organizations that align with the museums' offerings, aiming to provide enriching learning experiences and foster community engagement.

Before distributing funds, a risk assessment of subrecipients was conducted, evaluating their background, program execution capacity, community relationships, and experience managing federal funds. The assessment showed that non-profit subrecipients have strong community ties while for-profit subrecipients excel in curriculum development and financial management but face challenges in program execution and community networking.

Helping Subrecipients with Summer at the Museum!

Discussion Questions

1. Based on risk assessment findings, how should you leverage the strengths and weaknesses among non-profit and for-profit subrecipients to define their roles in carrying out the program?
2. What factors would you consider in deciding the level of assistance for non-profit subrecipients? For-profit subrecipients?
3. What are ways DECD can serve as a “coach” over the course of program implementation for both types of subrecipients in their respective roles for program implementation? Would you manage the for-profit and non-profit museums differently?

PolIEV Question #4



Based on the discussion in your group, what factors would you consider in deciding the level of assistance for subrecipients? Select all that apply.



Subrecipient experience managing federal funds

Subrecipient skillset

Personal relationships

Project/program complexity

Previous audit findings

Financial stability

Organization's logo

Organization's number of years in operation

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Based on the discussion in your group, what factors would you consider in deciding the level of assistance for subrecipients? Select all that apply.



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Based on the discussion in your group, what factors would you consider in deciding the level of assistance for subrecipients? Select all that apply.



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PolIEV Question #5



Which strategy has been most effective for you in overcoming subrecipient management challenges?

0

Increased training

Enhanced monitoring

Clearer agreements

Regular feedback sessions

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Which strategy has been most effective for you in overcoming subrecipient management challenges?

0

Increased training

0%

Enhanced monitoring

0%

Clearer agreements

0%

Regular feedback sessions

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Which strategy has been most effective for you in overcoming subrecipient management challenges?

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Increased training

0%

Enhanced monitoring

0%

Clearer agreements

0%

Regular feedback sessions

0%

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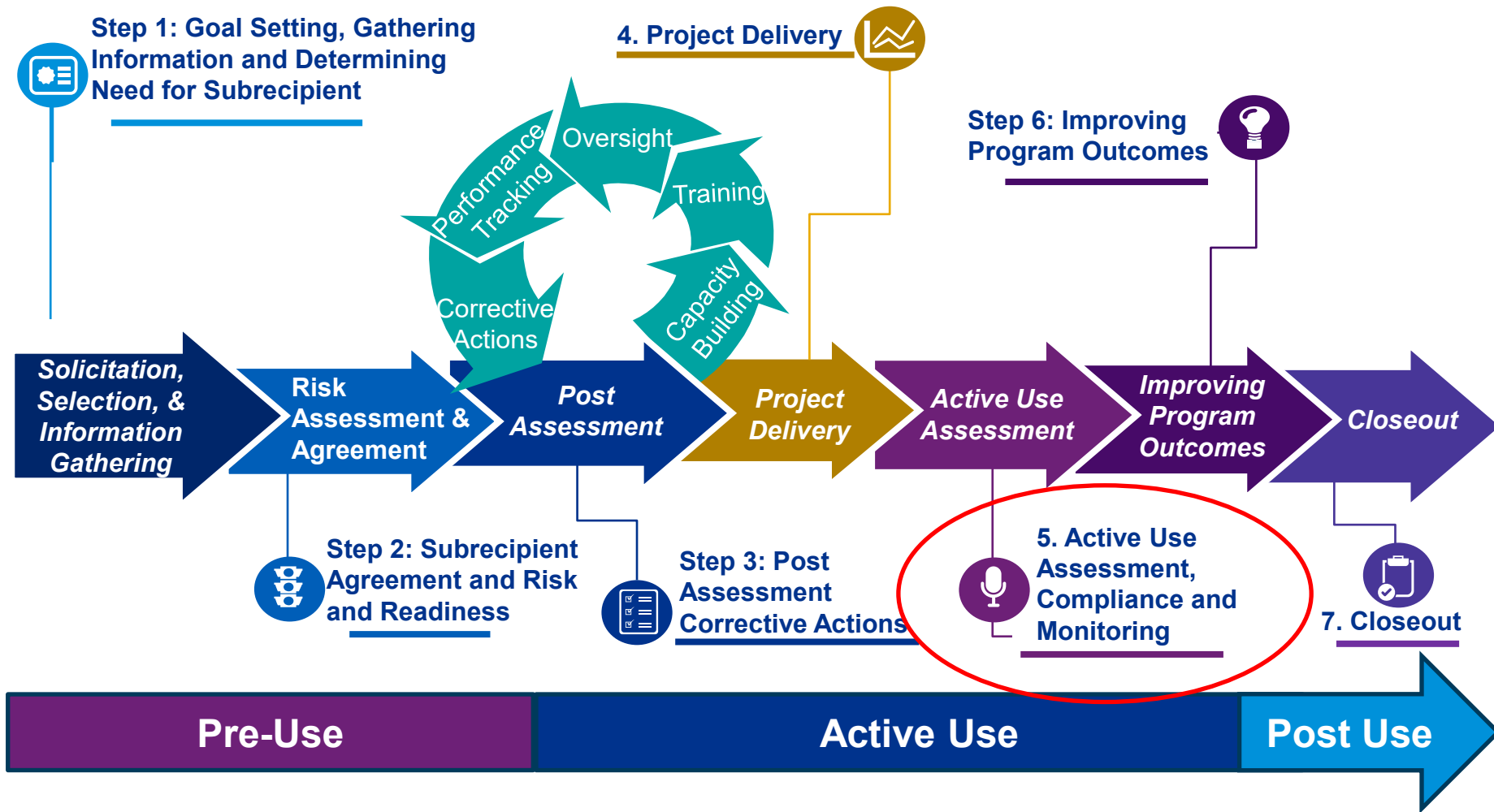
Break



Active Performance Risk Assessment & Monitoring



Subrecipient Management & Support Cycle



Topics for Discussion

- ✓ Minimum Federal Standards for Active Risk Assessment & Monitoring of Subrecipients During Funding Use
- ✓ Considerations for Collaborative Monitoring Focused on Performance, Cost, and Documentation Mandates
- ✓ Tactics for **Performance & Programmatic** Risk Assessment & Monitoring
- ✓ Case Study Activity

PolIEV Question #6



How do you primarily monitor subrecipient compliance?



Site visits

Desk reviews

Self-reported data

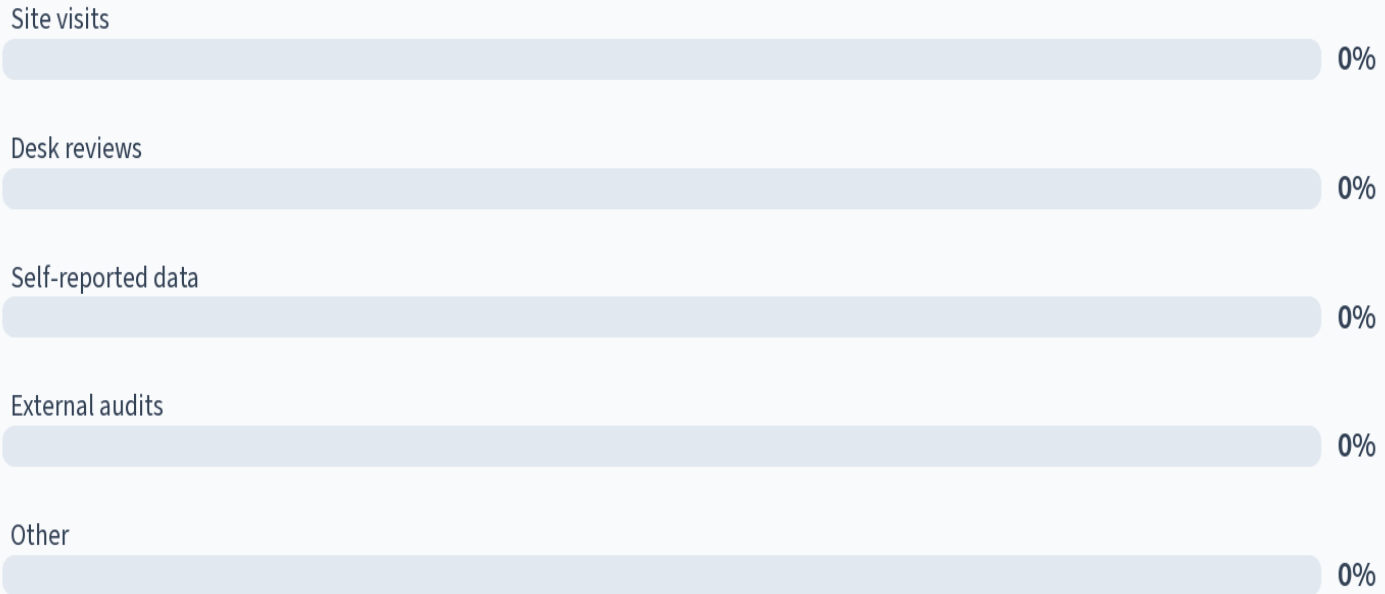
External audits

Other

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How do you primarily monitor subrecipient compliance?

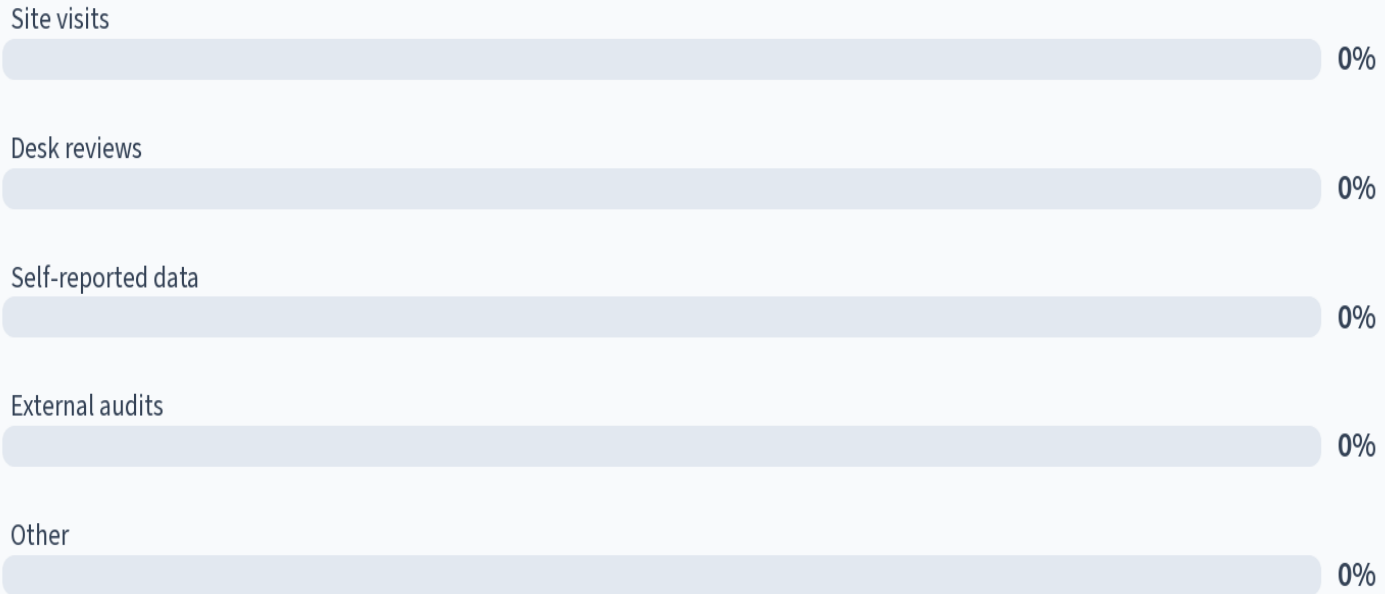
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How do you primarily monitor subrecipient compliance?

0



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Statutory Requirements for Risk Assessments

Pass-through entities are required to evaluate **subrecipient risk**, per the Uniform Guidance. Per 2 CFR 200.332, a pass-through entity must:

“Evaluate each subrecipient's fraud risk and risk of noncompliance with a subaward to determine the appropriate subrecipient monitoring described in [paragraph \(f\)](#) of this section. When evaluating a subrecipient's risk, a pass-through entity should consider the following:

- ✓ The subrecipient's prior experience with the same or similar subawards;
- ✓ The results of previous audits. This includes considering whether or not the subrecipient receives a Single Audit in accordance with subpart F and the extent to which the same or similar subawards have been audited as a major program;
- ✓ Whether the subrecipient has new personnel or new or substantially changed systems; and
- ✓ The extent and results of any Federal agency monitoring (for example, if the subrecipient also receives Federal awards directly from the Federal agency).”

Statutory Requirements for Subrecipient Monitoring

Pass-through entities are **also** required to perform **subrecipient monitoring**. Per 2 CFR 200.332, a pass-through entity must:

“Monitor the activities of a subrecipient as necessary to ensure that the subrecipient complies with Federal statutes, regulations, and the terms and conditions of the subaward. The pass-through entity is responsible for monitoring the overall performance of a subrecipient to ensure that the goals and objectives of the subaward are achieved.”

Per 2 CFR 200, monitoring subrecipients must include the following:

- ✓ Review financial and performance reports
- ✓ Ensure the subrecipient takes corrective action on all significant developments that negatively affect the subaward
- ✓ Issue a management decision for audit findings for the Federal award
- ✓ Resolve audit findings related to the subaward.

Tools for Subrecipient Monitoring

Per 2 CFR 200.332, “Depending upon the pass-through entity's **assessment of the risk** posed by the subrecipient, the following **monitoring tools** may be useful for the pass-through entity to ensure proper accountability and compliance with program requirements and achievement of performance goals:

- ✓ Providing subrecipients with training and technical assistance on program-related matters;
- ✓ Performing site visits to review the subrecipient's program operations; and
- ✓ Arranging for agreed-upon-procedures engagements as described in [§ 200.425](#).”

Collaborative Monitoring of Performance and Compliance Relies On...

- ✓ **Collaboration and communication** across program managers and fiscal compliance staff to achieve holistic subrecipient oversight.
- ✓ **Standardized processes**, templates, and consistent application of them regardless of who/what department is doing the work.
- ✓ **Centralized data management** for real time sharing of program performance and expenditures
- ✓ **Alignment and shared understanding** of programmatic and regulatory requirements
- ✓ **Agreed-upon key performance indicators (KPIs)** for all subrecipients and programs.
- ✓ Others?

Key Steps for Active Performance Monitoring

Subrecipient monitoring should follow a risk-based approach, whereby the level of monitoring is informed by the level of risk in terms of the subrecipient's project delivery and compliance.

Step 1. Risk Assessment

Assess risk of the subrecipient at the program-level

Step 2. Monitoring Plan

Develop tailored monitoring plans based on areas of risk. Monitoring plans should identify programmatic and financial elements for monitoring and any areas for technical assistance

Step 3. Conduct Monitoring

Monitor the subrecipient on an ongoing basis, e.g., through program and financial reporting, desk reviews, site visits

Post-Award Risk Assessment Overview

Risk assessments are intended to provide **ongoing monitoring and oversight** of subrecipients. Outcomes of the risk assessment are, in turn, used to determine the level of monitoring, oversight, and technical assistance provided to the subrecipient.

Risk assessments should be conducted on at least an **annual basis** based on changes to project performance, institutional knowledge of the subrecipient, etc.

Changes in the subrecipient's level of risk identified throughout the project lifecycle may impact their level of monitoring.

Key Considerations to Assess Risk During Active Fund Use

Keep in mind these key risk factors while conducting ongoing risk assessments of subrecipients throughout the grant lifecycle:

- ✓ **Obligation and Spend Pace** – Assesses ability to obligate and spend on the grant within the period of performance.
- ✓ **Project Delivery** – Monitoring for scope creep, schedule delays, delivering within budget, etc.
- ✓ **Program Performance** – Ability to meet the objectives outlined within the subrecipient grant agreement.
- ✓ **Duplication of Benefits** – Subrecipient risk in terms of a potential duplicating benefit at the program or beneficiary level.
- ✓ **Fraud Risks** – Potential fraud risks within the subrecipient’s program, consequences and impacts, and mitigating factors to address each identified risk, and processes in place.

Example Post-Award Risk Assessment (1 of 2)

F. Percent Complete on Existing Work			
F.1	Is the project spend-to-date on budget compared to the baseline or current re-baselined project budget?	<input type="checkbox"/> Spending on schedule <input type="checkbox"/> Spending behind <input type="checkbox"/> Spending significantly behind schedule	On budget: 0 Behind spend plan: 5 Significantly behind spend plan: 10
F.2	Are the deliverables completed to date aligned to the baseline or current re-baselined identified project deliverables/milestones to date?	<input type="checkbox"/> Deliverables completed align w/ project plan <input type="checkbox"/> Deliverables completed to date are behind plan <input type="checkbox"/> Deliverables completed are significantly behind	On plan: 0 Behind Plan: 5 Significantly behind Plan: 10
F.3	Is the project on schedule compared to the baseline or current re-baselined project schedule?	<input type="checkbox"/> Project is on schedule <input type="checkbox"/> Project is slightly behind schedule (1-3-month delay) <input type="checkbox"/> Project is behind schedule (3-6-month delay) <input type="checkbox"/> Project is significantly behind schedule (over 6-month delay)	On schedule: 0 1-3-mon delay: 5 3-6-mon delay: 10 +6-mon delay: 15
F.4	How many times has the provider asked for an update to the baseline project plan?	<input type="checkbox"/> 1-3 updates <input type="checkbox"/> 4-5 updates <input type="checkbox"/> 6+ updates	1-3 updates: 0 4-5 updates: 5 6+ updates: 10
F.5	Are there any internal risks impacting the provider's organization related to either spending funds or completing the scope of work within the grant's period of performance? Please check all that apply and provide a brief description, as well as any strategies to address these risks.	<input type="checkbox"/> Organizational inefficiencies <input type="checkbox"/> Poorly defined roles <input type="checkbox"/> Lack of resources <input type="checkbox"/> Leadership buy-in <input type="checkbox"/> Documentation needs <input type="checkbox"/> Financial risks <input type="checkbox"/> Safety issues <input type="checkbox"/> Other	Not applicable: 0 All others: 5pts per checked box

Source: (Developed by KPMG for Colorado Office of Information Technology)

Example Post-Award Risk Assessment (2 of 2)

F.6	<p>Are there any external risks related to the provider either spending funds or completing the scope of work within the grant's period of performance? Please check all that apply and provide a brief description, as well as any strategies to address these risks.</p>	<input type="checkbox"/> Contracting delays <input type="checkbox"/> Procurement delays <input type="checkbox"/> External stakeholder risks <input type="checkbox"/> Lack of contracted resources <input type="checkbox"/> Issues with contracted resources <input type="checkbox"/> Documentation needs <input type="checkbox"/> Weather risks (e.g., snow, storms) <input type="checkbox"/> Remoteness of location <input type="checkbox"/> Environmental risks <input type="checkbox"/> NEPA, SHPO processes <input type="checkbox"/> Critical crossings, right-of-way, easement or permitting processes <input type="checkbox"/> Funding <input type="checkbox"/> Safety issues <input type="checkbox"/> Other <input type="checkbox"/> Not applicable (no external risks)	<p>Not applicable: 0 All others: 5pts per checked box</p>
F.7	<p>Is the provider executing according to project plan and deliverables within the grant agreement?</p>	<input type="checkbox"/> Yes <input type="checkbox"/> No	<p>Yes: 0 No: 10</p>
F.8	<p>Is the project being installed in accordance with the State-approved project plan?</p>	<input type="checkbox"/> Yes <input type="checkbox"/> No	<p>Yes: 0 No: 10</p>
F.9	<p>Is the project being installed in accordance with the project's technical specifications?⁶</p>	<input type="checkbox"/> Yes <input type="checkbox"/> No	<p>Yes: 0 No: 10</p>

PolIEV Question #7



What is your most common finding during subrecipient monitoring?



Missing documentation

Misallocated costs

Delayed reporting

Non-compliance with program requirements

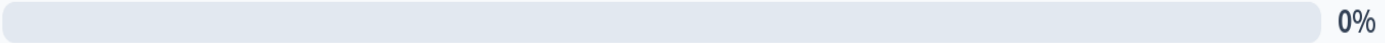
None of the above

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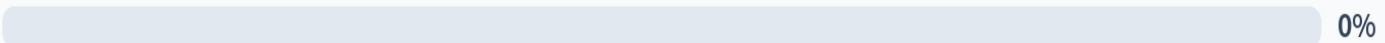
What is your most common finding during subrecipient monitoring?

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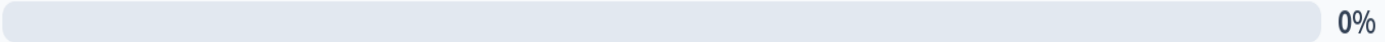
Missing documentation



Misallocated costs



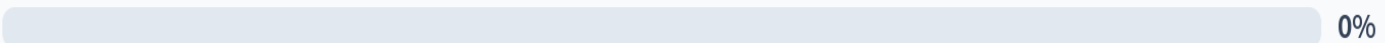
Delayed reporting



Non-compliance with program requirements



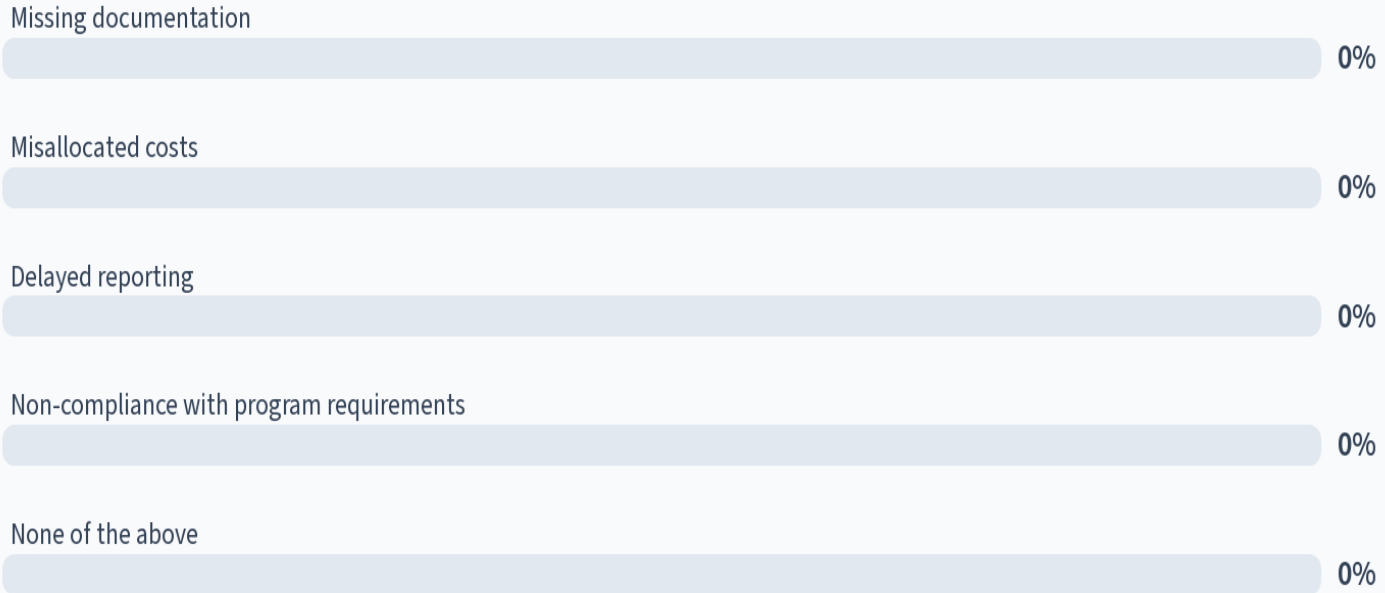
None of the above



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What is your most common finding during subrecipient monitoring?

-  0



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Leveraging the Risk Assessment to Inform Monitoring (1 of 2)

Based on the level of risk identified during ongoing risk assessments, subrecipient monitoring should be tailored to meet specific needs.

Subrecipient monitoring could include a variety of tools and techniques to measure and monitor for program performance. These should be documented in the subrecipient **monitoring plan**:

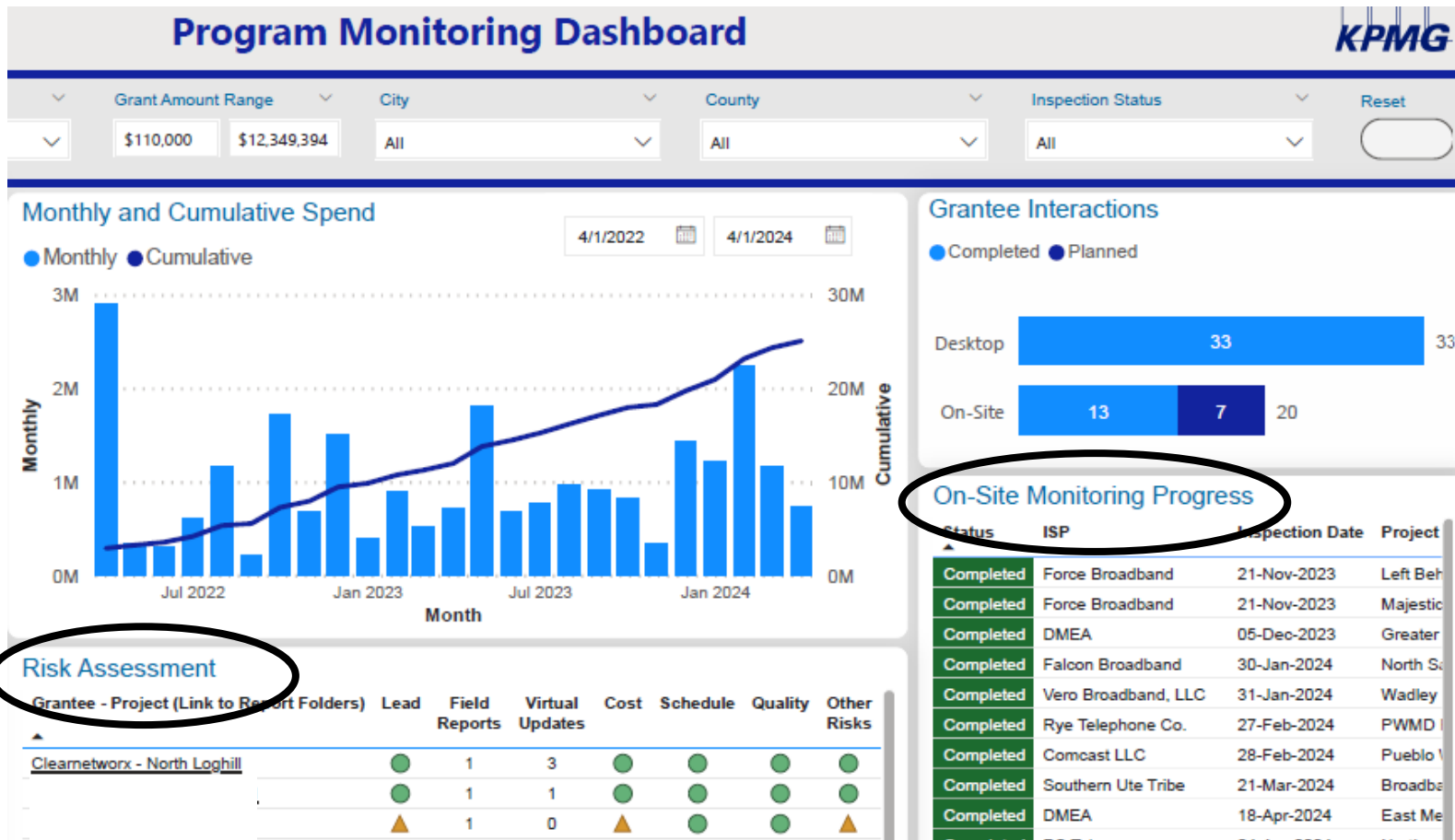
- ✓ Financial reporting
- ✓ Performance reporting
- ✓ Reporting on statutory requirements (Davis Bacon, labor agreements, etc.)
- ✓ Desk reviews
- ✓ Site visits
- ✓ Technical assistance and training
- ✓ Cross-program collaboration

Leveraging the Risk Assessment to Inform Monitoring (2 of 2)

Desk Reviews	Site Visits
<ul style="list-style-type: none">• Conducted remotely• Focuses on documentation and records provided by the subrecipient such as financial reports, progress reports, Invoices, receipts, and contract• Review of submitted documents for completeness, accuracy, and adherence to regulations.• Communication mainly occurs via email, phone, or digital platforms.	<ul style="list-style-type: none">• Conducted at the physical location(s) of the subrecipient.• Comprehensive review that includes both documentation and on-site observations.• Physical inspection of facilities, equipment or inventory.• Interviews with staff and management• Observation of program implementation• High level of direct interaction; allows for real-time questions and clarifications.

Risk Assessment Monitoring

Example of risk assessment outcomes used to inform monitoring and site visits within Colorado OIT (redacted):



Example Subrecipient Health Assessment

Example subrecipient health assessment from CO Department of Higher Education (CDHE), used for monitoring:

	Below Expectations	Meets Expectations
Completions Goal	<ul style="list-style-type: none"> Limited to no increase in completions Not tracking or mapping out future completions Lack of support for students to stay on track toward credential completion 	<ul style="list-style-type: none"> Increase of completers as grant progresses Tracking student progress consistently; monitoring future graduates Supporting students to stay on academic plan and complete credential by end of grant term
Enrollment Goal	<ul style="list-style-type: none"> Limited to no increase in enrolling participants Unclear or minimal efforts to recruit/onboard students Not spending funds for outreach/marketing 	<ul style="list-style-type: none"> Consistently serving/enrolling more students in the program Conducting outreach and marketing to support students Spending funds toward outreach
Grantee Engagement	<ul style="list-style-type: none"> Doesn't meet with COSI Lead consistently Doesn't communicate or follow up; doesn't ask questions or request support Not an active participant in community-based events and training sessions 	<ul style="list-style-type: none"> Sets and participates in consistent check-ins/meetings with COSI Lead Reaches out to COSI consistently throughout the year; asking questions and requesting support as needed Active participant in community-based events and training sessions
Information Sharing/Response	<ul style="list-style-type: none"> Doesn't turn paperwork/signatures or delays with paperwork Responds to emails and information requests timely 	<ul style="list-style-type: none"> Paperwork is completed and returned timely (agreements or documents are submitted back to COSI in timely fashion) Responds to emails and information requests
Monthly/Quarterly Reporting	<ul style="list-style-type: none"> Doesn't submit quarterly report timely Consistent need to update or re-submit Numbers are inconsistent Number reported doesn't show progress and doesn't align with program goals 	<ul style="list-style-type: none"> Submits quarterly report early on due date, if not before (no reminders) Accurate submissions Numbers are increasing as program expands; align with budget categories Numbers show progress; align with program goals
Spending Toward Total Allocation	<ul style="list-style-type: none"> Did not follow spending categories, concerns over allocations between direct and indirect student support. Not spending down enough funding per year to exhaust funds Not adjusting expenses or increasing spending; anticipating 	<ul style="list-style-type: none"> Followed spending categories outlined in the agreement, with more direct student financial support Not spending down enough funding per year to exhaust funds

Need 75% or higher to stay in good standing

6 in "meets expectations" = 100%

5 in "meets expectations" = 83%

4 in "meets expectations" = 66%

3 in "meets expectations" = 50%

2 in "meets expectations" = 33%

1 in "meets expectations" = 16%



Example Subrecipient Monthly Performance Report

The following is an example monthly progress report for Colorado OIT's internet service providers installing broadband:

Project Summary

Project Price			
	Grant Amount	Match Amount	Total Amount
Original Amount:	\$ 616,088	\$ 410,725	\$ 1,026,813
Original Percent:	60%	40%	

Invoicing			
	Previous	Current Month	Cumulative
Amount	\$ 321,067	\$ -	\$ 321,067
Percent	52%	0%	52%

Current Amount:	\$ 616,088	\$ 941,249	\$ 1,557,337
Current Percent:	40%	60%	

Forecast Completion Date	01-May-25
--------------------------	-----------

Project Progress

Quantities	
Commodity	Total Qty
Fiber [LF]	154,000
Addresses [EA]	276

Installation Progress			
Commodity	Previous	Current Month	Cumulative
Fiber [LF]	30,000	20,000	50,000

Installation Progress (Percent)			
Commodity	Previous	Current Month	Cumulative
Fiber [LF]	19%	13%	32%

Serviceable Addresses			
Commodity	Previous	Current Month	Cumulative
Addresses [EA]	62	0	62

Serviceable Addresses (Percent)			
Commodity	Previous	Current Month	Cumulative
Addresses [EA]	22%	0%	22%

Check Address List

Approximate Take Rate To-Date	20%
-------------------------------	-----

Example Subrecipient Annual Performance Report

Part I: AELA Outcomes and Progress Measures

Table 1: Total Performance Outcomes and Progress Measures as of Quarter 4 (06/30/23)

Performance Outcomes	Total Performance Outcomes as of Quarter 4 (06/30/23)	Progress Measures	Total Progress Measures as of Quarter 4 (06/30/23)
Post-test Educational Functioning Level (EFL) Gain	28	Post-testing	60
		Scale Score Increased	37
Secondary Equivalent Credential Attainment or Secondary Credential Attainment	6	Passed an Official Practice Test	4
		HSE Subtest Score Increased	1
		Passed an HSE Subtest	27
		Pass one official HSE practice test subject area and take corresponding HSE subtest	33
		Transcript or Report Card Progress - Secondary	N/A
<u>2 Generation Strategies:</u> <i>No Outcomes in this group in year two of the grant.</i>	Not applicable.	Increased Involvement in Children's Education	0
		Increased Involvement in Children's Literacy Activities	32

Table 2: Performance Outcomes and Progress Measure Targets and Actual Percentages as of Quarter 4 (06/30/23)

Performance Target Rate (Set)	Q4 Performance Target Rates (Actual)
Percent of learners who will achieve 3 or more Progress Measures from the options selected above in year 1: 50%	21%
Percent of learners who will achieve 5 or more Progress Measures from the options selected above in year 1: 25%	7%
Percent of learners who will achieve 1 or more Outcomes from the options selected above in year 1: 25%	14%

The following is an example annual report for Colorado Department of Education's (CDE) Adult Education Learning program:

Suggested Elements in a Site Visit Checklist

The following are suggested elements to include in a site inspection checklist:

- ✓ **Project Overview:** Includes basic elements on project, location, status, etc.
- ✓ **Funding Sources and Cost:** Program funding sources and cost breakdown.
- ✓ **Project Performance:** Review of scope complete, schedule complete, performance requirements met, and explanation of any variances.
- ✓ **Review of Policies/Procedures:** Review of financial and administrative policies and procedures in place.
- ✓ **Labor:** Subrecipient's labor strategy (if applicable, includes in-house vs. contracted, division of labor).
- ✓ **Project Safety:** Safety observations from the inspection (if applicable).
- ✓ **Project Quality:** Observations in terms of the quality of work.
- ✓ **Project Risks:** Risks related to safety, quality, resources, project delivery.

Programmatic Example Site Visit Checklist (1 of 2)

Example Site Inspection Checklist provided by OSC:

Monitoring Visit Date: [Click here to enter a date.](#)

Evaluation Date: [Click here to enter a date.](#)

Project Name: [Click here to enter text.](#)

Fiscal Agent:

Project Director:

Grant Number:

RATING				EVALUATION			
A	N/I	N/A	N/R	A = ACCEPTABLE	N/I = NEEDS IMPROVEMENT	N/A = NOT APPLICABLE	N/R = NOT REVIEWED
SECTION 1. FINANCIAL EVALUATION							
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Grantee maintains an organized grant file including the Grant Agreement, amendments, budget modifications, letters, reimbursement requests, receipts, invoices, vendor agreements, etc.			
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Financial tracking is in place to manage budgets and expenditures.			
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Fiscal Agent has a current audit or financial review on file consistent with law, rules or policy.			
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Grantee reimbursement request dated Click here to enter a date.			
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Payroll reimbursement exemplar(s) validated by corresponding time of auto theft activity, time record documentation, and payroll records reviewed and approved by the Project Director.			
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Financial policies and procedures provide internal expenditure and approval controls.			
SECTION 2. ADMINISTRATIVE EVALUATION							
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Policies, procedures, protocols and/or plans are in place to control activities of the project.			
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Written interagency agreements are active and up-to-date with participating agencies.			
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Partnering and participating agencies demonstrate coordination across funded project area.			
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Project has work-flow processes and work-load capacities established to manage resources.			
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Project has established processes, procedures or protocols to defer non-auto theft work.			
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Project has updated equipment inventory and can validate the use of equipment for auto theft.			

Programmatic Example Site Visit Checklist (2 of 2)

Example Site Inspection Checklist provided by OSC:

SECTION 3. PROGRAMMATIC EVALUATION				
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Grantee completes reporting requirements consistent with the Special Conditions of the project.
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Methodologies are in place to track progress with the Project's goals, objectives and performance measurements.
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Grantee uses data to evaluate or adjust progress and outcomes.
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Grantee evaluates the programmatic effectiveness through processes of cost effectiveness, investment return, qualitative and/or quantitative feedback instruments.
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Grantee uses baseline data to support monthly, quarterly or semi-annual reports.
SECTION 4. OVERALL EVALUATION				
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Grantee has met conditions as listed in the grant agreement.
GRANT MANAGER			PROJECT DIRECTOR'S ACKNOWLEDGEMENT	
Name:	Click here to enter text.		Name:	Click here to enter text.
Signature:			Signature:	
Date:	Click here to enter a date.		Date:	Click here to enter a date.

Example Site Visit Checklist for COIT (1 of 3)

Example Site Inspection Checklist for Colorado OIT Broadband:

A Project Overview								
A.1	Project Name:							
A.2	Encumbrance No. (by Client):							
A.3	ISP name:							
A.4	Project location (City):							
A.5	Project description:							
A.6	Contract No.:							
A.7	Grant No.:							
A.6	Project status:	Cost (Growth in Matched Funds)	Quality (Installation Quality)	Schedule (Milestone Risk)	Other Risk (All other risks)			
A.7	Price:	Original	Current	Variance	Invoiced			
	Grant:	\$ - #DIV/0!	\$ - #DIV/0!	\$ - #DIV/0!	\$ - #####			
	Matched:	\$ - #DIV/0!	\$ - #DIV/0!	\$ - #DIV/0!				
	Total:	\$ - #DIV/0!	\$ - #DIV/0!	\$ - #DIV/0!				
A.8	Schedule:	Contract Start Date	Current Contract Finish	Forecast Finish		Variance		
		00-Jan-00	00-Jan-00 0 d	00-Jan-00	0 d	0 days	#####	
A.9	Metrics:	Progress vs. Invoicing		Addresses Served		Take Rate		Observations
		Progress	0%	Completed	0	Planned		Comment 0
		Invoiced	#DIV/0!	To Go	0	Actual		Risk 0
		Variance	#DIV/0!	Total	0	Variance	0%	Finding 0

B Project Safety	
B.1	Describe any observed safety concerns.
B.2	Have there been any safety events? - If so, please describe
B.3	How is safety managed on this project: - Processes? - Who is responsible?

Example Site Visit Checklist for COIT (2 of 3)

C		Funding Sources and Cost			
C.1	Funding Sources:	Original	Current	Variance	Invoiced
	Grant:	#DIV/0!	#DIV/0!	\$ - #DIV/0!	####
	Matched:	#DIV/0!	#DIV/0!	\$ - #DIV/0!	
	Total:	\$ -	\$ -	\$ - #DIV/0!	
C.2	Explanation of variance:				
C.3	Cost Breakdown:	Total Project Amount	Total Grant Amount	Total Grant Invoiced	Total Grant to Go
	Supply:		#DIV/0!	#DIV/0!	\$ - ####
	Install:		#DIV/0!	#DIV/0!	\$ - ####
	Other:		#DIV/0!	#DIV/0!	\$ - ####
	Contingency:		#DIV/0!	#DIV/0!	\$ - ####
	Total:	\$ -	\$ - #DIV/0!	\$ - #DIV/0!	\$ - ####
C.4	Additional commentary:				
C.5	Explanation of other funding sources and unfunded amounts:				

D		Schedule			
D.1	Contract Schedule	Contract Start Date	Current Contract Finish	Forecast Finish	Variance
			0 d	0 d	0 days ####
D.2	Explanation of variance:				
D.3	Quantities	Total	Purchased	Installed	Install to Go
	Fiber (LF)		#DIV/0!	#DIV/0!	0 ####
	Addresses Served (No)			#DIV/0!	0 ####
D.4	Additional commentary:				

E		Labor
E.1	Labor Strategy	
	- Self-Perform vs. Contract - Division of Scope	
E.2	Additional commentary:	

Example Site Visit Checklist for COIT (3 of 3)

F		Project Risks	
F.1	Summary of risks		
F.1.1	Safety		
F.1.2	Quality		
F.1.3	Third Party Impacts (Permitting, Make Ready, Locates, etc.)		
F.1.4	Resources (craft, equip., workload, etc.)		
F.1.5	Security (Laydown, Sites, etc.)		
F.1.6	Cost		
F.1.7	Schedule and quantities		
F.1.8	Other		
F.2	Additional Commentary:		

G		Project Quality	
G.1	Describe any observed quality concerns.		
G.2	Have there been any quality events? - If so, please describe		
G.3	Describe the project's approach to quality management (e.g., inspections):		
G.4	Is the ISP fully compliant with all document submissions to date?		
G.5	Has the ISP conducted speed tests to confirm performance (≥10% of sites)?		
G.6	Do speed tests align with FCC standards and grant commitments?		
G.7	Discuss testing approach and results:		

PolIEV Question #8



Which of the following is not an example of active performance monitoring:



Conducting regular site visits

Reviewing monthly progress reports

Performing annual audits

Responding to ad-hoc questions from subrecipients

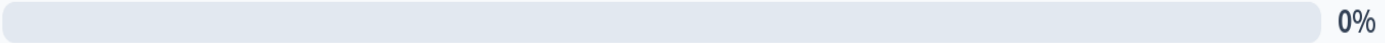
Holding quarterly performance review meetings

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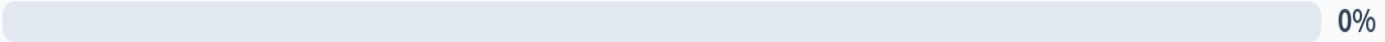
Which of the following is not an example of active performance monitoring:



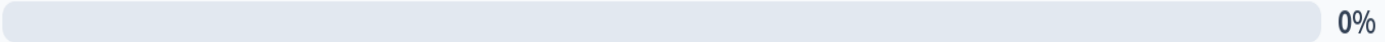
Conducting regular site visits



Reviewing monthly progress reports



Performing annual audits



Responding to ad-hoc questions from subrecipients



Holding quarterly performance review meetings

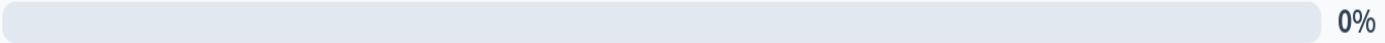


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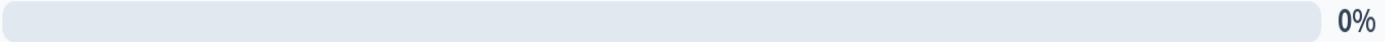
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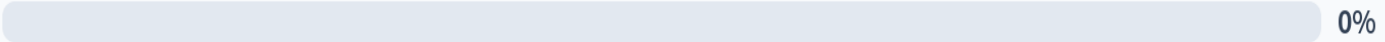
Conducting regular site visits



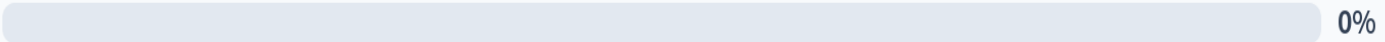
Reviewing monthly progress reports



Performing annual audits



Responding to ad-hoc questions from subrecipients



Holding quarterly performance review meetings



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Active Performance Risk Assessment & Monitoring: Discussion Activity

1. At what point does Program Management staff begin its role in the grant management process?
2. How does your program staff's role differ with respect to program and fiscal management of subrecipient activity?
3. **Inputs:** What information do you receive/should receive (need) to define program staff roles? From whom?
4. **Outputs:** What are examples of processes, guidance, etc., that program staff could create to define and guide execution of its roles?
5. **Strengths:** What processes in place work well and can be leveraged to continue to improve defining program staff roles in managing grant use – particularly among subrecipients?
6. **Weaknesses:** What processes need to be improved upon to better define program staff roles in managing grant use – particularly among subrecipients? What is contributing to these weaknesses?

PolIEV Question #9



What is one main take away from your small group discussion?



Nobody has responded yet.

Hang tight! Responses are coming in.

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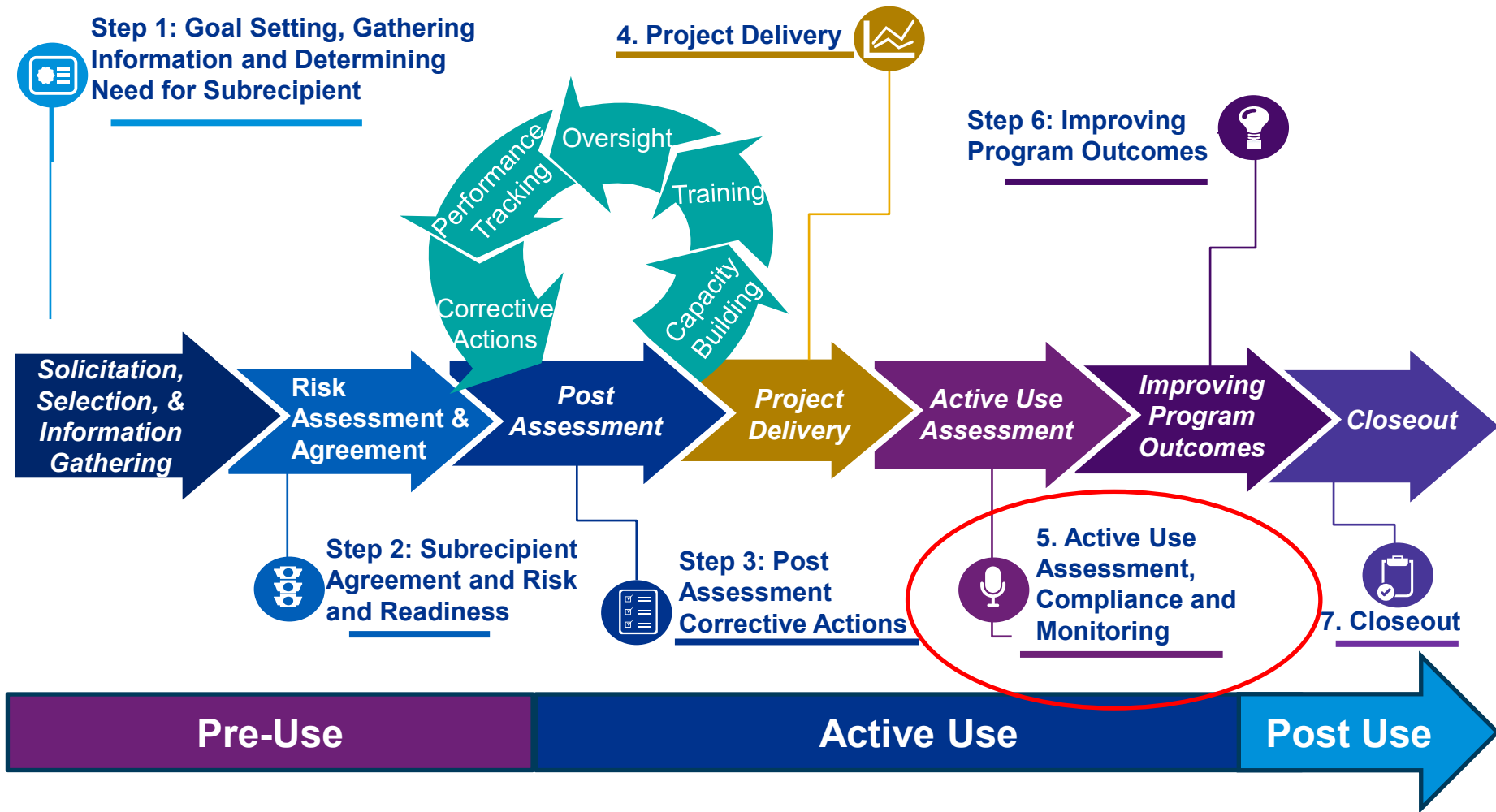
Lunch Break



Active Compliance Risk Assessment & Monitoring



Subrecipient Management & Support Cycle



Topics for Discussion

- ✓ Tactics for **Cost Documentation (Fiscal)** Related Risk Assessment & Monitoring
- ✓ Transaction Monitoring Activity

PolIEV Question #10



Which of the below subrecipient monitoring methods and techniques does your agency currently use? Select all that apply.



Data Mining and Sampling

Independent and Quality Assurance Reviews

Internal Audits

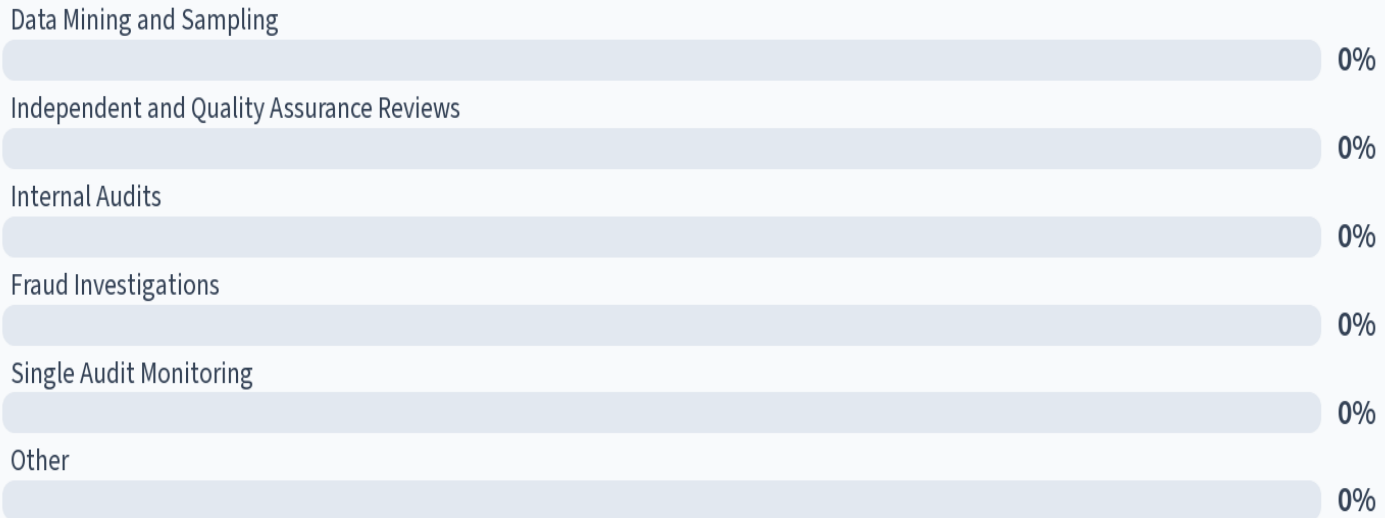
Fraud Investigations

Single Audit Monitoring

Other

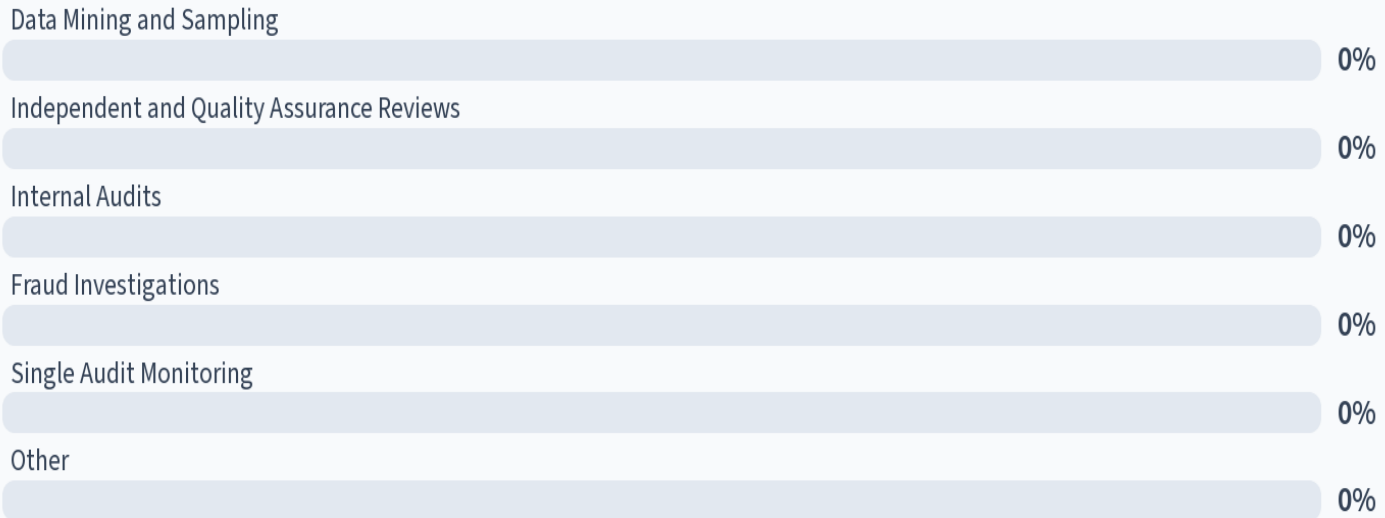
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Which of the below subrecipient monitoring methods and techniques does your agency currently use? Select all that apply.



Start the presentation to see live content. For screen share software, share the entire screen. Get help at pollev.com/app

Which of the below subrecipient monitoring methods and techniques does your agency currently use? Select all that apply.



Start the presentation to see live content. For screen share software, share the entire screen. Get help at pollev.com/app

Fiscal Compliance Requirements (1 of 2)

The Compliance Supplement issued by OMB identifies 12 types of compliance requirements that could be applicable to federal programs and the related audit objectives and suggested audit procedures for each of the compliance requirements.

It also identifies in Part 2 which of the 12 compliance requirements are subject to audit for many of the largest federal programs.

A	Activities allowed or unallowed	H	Period of performance
B	Allowable costs/cost principles	I	Procurement and suspension and debarment
C	Cash management	J	Program income
D	<i>Reserved</i>	K	<i>Reserved</i>
E	Eligibility	L	Reporting
F	Equipment and real property management	M	Subrecipient monitoring
G	Matching, level of effort, earmarking	N	Special tests and provisions

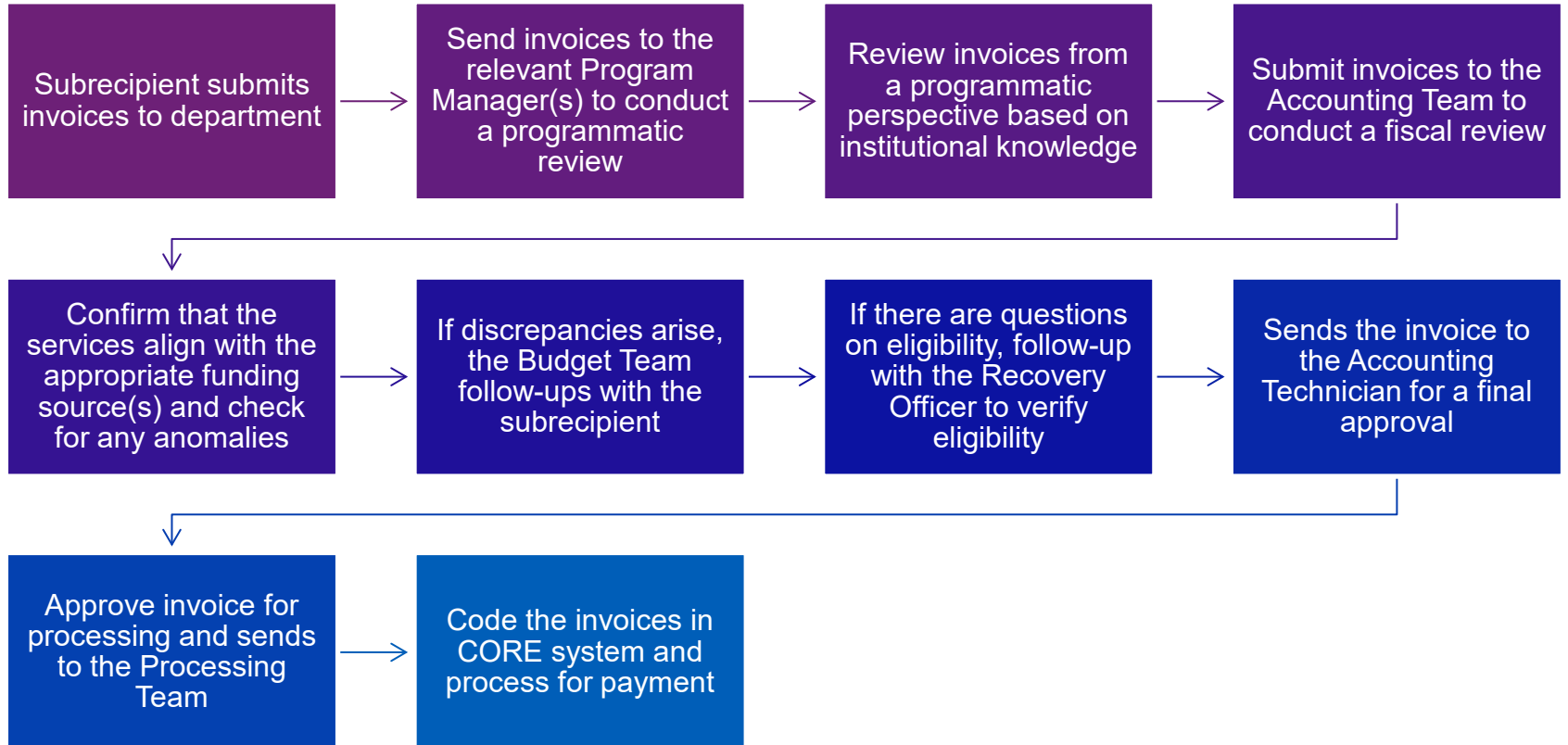
Fiscal Compliance Requirements (2 of 2)

The Office of Management and Budget’s (OMB) “Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards” (Uniform Guidance) sets forth the regulations for federal grants. The Uniform Guidance is located in the Code of Federal Regulations, 2 CFR Part 200. Costs must meet the following cost principles:

Reasonable	Allocable	Allowable	Consistent
<ul style="list-style-type: none"> ✓ Is the expense justified as reasonable and necessary, as stipulated under 2 CFR 200.404 and 407? ✓ Is the cost reasonable based on market research and price analysis? ✓ Is the cost consistent with reviews, cost-benefit determinations, or other thresholds? 	<ul style="list-style-type: none"> ✓ Is the cost associated with a use for which the legislature budgeted funding to the department for such purposes? ✓ Is the cost related to a department budget line item, directly or indirectly? ✓ Is the cost assigned, distributed, or charged to an executed contract, subgrant, or beneficiary disbursement? 	<ul style="list-style-type: none"> ✓ Is the cost associated with an eligible use based on the federal grant rules? ✓ Was the cost obligated and spent within the statutory deadlines and meet other grant rules for eligibility? ✓ Does the cost meet applicable CFR provisions for procurement and special use requirements? ✓ If to a beneficiary, does it demonstrate the cost is not a duplicating effort? 	<ul style="list-style-type: none"> ✓ Is the accounting for the cost consistent with the department’s practices?

Sample Invoice Review Process

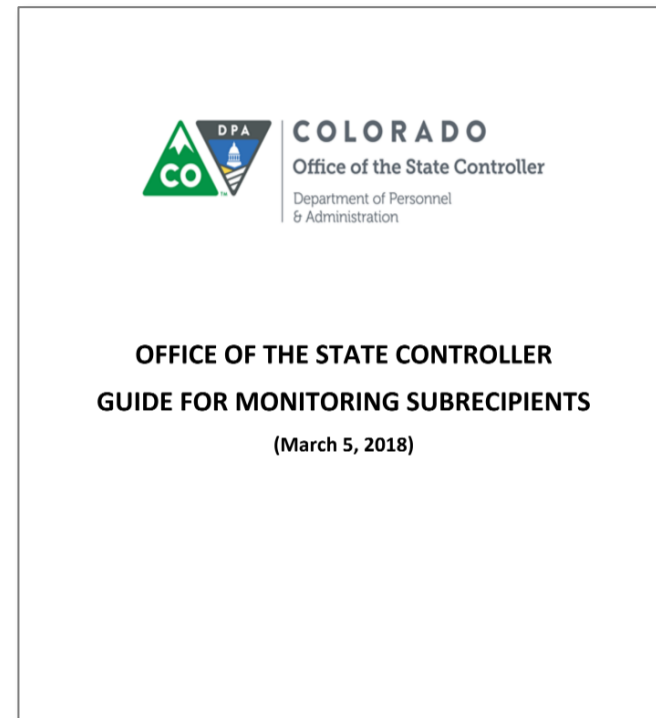
The following is a sample process flowchart for reviewing and approving subrecipient invoices and reimbursement requests:



Fiscal Subrecipient Monitoring Measures

The subrecipient's monitoring plan is based on the level of risk determined during the risk assessment. Below are suggested **subrecipient monitoring methods** and techniques from a fiscal perspective, per OSC's Guide for Monitoring Subrecipients:

- ✓ Data Mining and Sampling
- ✓ Independent and Quality Assurance Reviews
- ✓ Internal Audits
- ✓ Fraud Investigations
- ✓ Single Audit Monitoring



Source: [OSC Guidance on Subrecipient Monitoring](#)

Subrecipient Monitoring through Transaction Testing

Transaction testing is the process by which program **expenses are assessed on a sample basis** to verify their eligibility and allowability in terms of the enumerated eligible uses.

Transactions are tested against a series of questions that aim to address the following:

- ✓ Is the cost **reasonable**?
- ✓ Is the cost **allowable** based on federal requirements and/or based on the eligible uses within the grant agreement?
- ✓ Is the cost **allocated** to a qualified project and contract agreement?
- ✓ Is there adequate **supporting documentation** in place to verify the expense?

Transaction testing should be **risk-based**, so that the frequency of testing, program selection, sample size, etc. is determined based on the risk of the subrecipient. Transaction sampling can be conducted using a **judgmental** or **statistical sample**.

Suggested Assessment Criteria for Transaction Testing

- ✓ Transaction falls within the subrecipient's **period of performance**?
- ✓ Transaction **does not exceed the total award** of the subrecipient agreement?
- ✓ Transaction is clearly allocated to a **budget category** within the agreement?
- ✓ Transaction includes a narrative of the **purpose of the expense**?
- ✓ Was the expense **spent on an allowable use**, based on the subrecipient agreement and other eligibility requirements, per the federal funding source?
- ✓ Is the **cost necessary** to further the program's scope of work?
- ✓ Does the expense meet mandatory **performance requirements** (if applicable)?
- ✓ Were procurement processes followed and/or does documentation justify that the **amount was reasonable** based on market analysis or cost comparison?
- ✓ Is there any risk that the expense may be a **duplicating benefit** or risk of **fraud**?
- ✓ Does the transaction amount align with the subrecipient's **work performed** (e.g., based on deliverables complete, time and effort reported)?
- ✓ Does the transaction have **supporting documentation** in place?
- ✓ Does the **transaction amount reconcile** with the supporting documentation?

Transaction Sampling: Assigning Transaction Risk

As an outcome of transaction testing, transactions should be assigned a level of risk in terms of their eligibility and allowability and based on the supporting documentation. A **proposed rating scale** is below:

Transaction Rating	Definition
No Further Recommendations	No further suggestions for improvement.
Cost Documentation Improvement Recommendation	Although documents describe the nature of the expense and its eligibility and allowability, additional supporting documentation is recommended.
Cost Documentation Corrective Action	Requires changes to existing documents (i.e., corrections) or substantial additional supporting documentation to verify expense's eligibility and allowability.
Potential Use Violation	Indicates that the transaction could be considered a misuse of grant funds or other similar high-risk concerns that may be a clawback risk.

PolIEV Question #11



Which of the below principles is NOT part of the Office of Management and Budget's (OMB) "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards" (Uniform Guidance)?

0

Reasonable

Important

Allocable

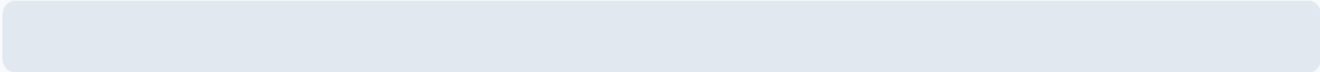
Allowable

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Which of the below principles is NOT part of the Office of Management and Budget's (OMB) "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards" (Uniform Guidance)?

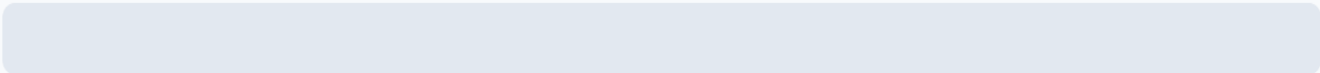
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Reasonable



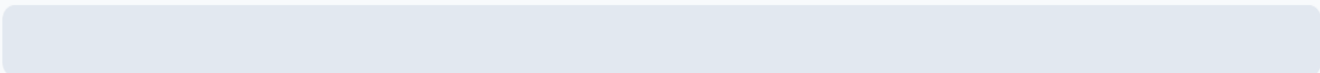
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Important



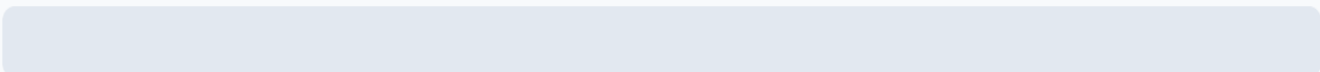
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Allocable



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Allowable



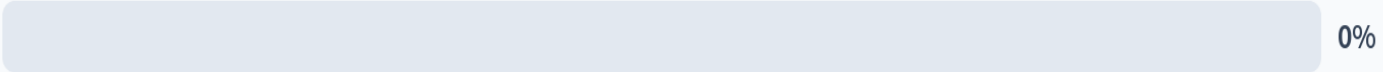
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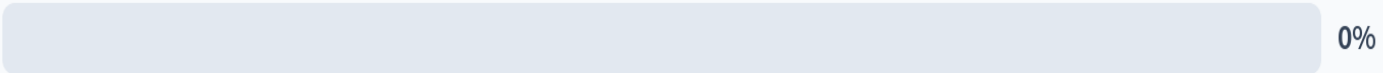
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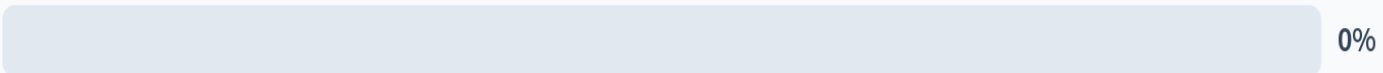
Reasonable



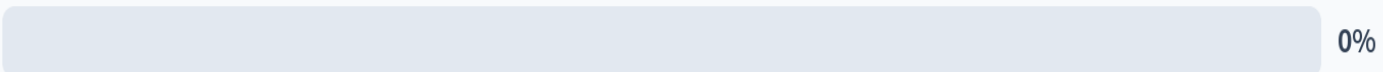
Important



Allocable



Allowable



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Good Practice Program Supporting Documents for Reviewers

When reviewing expenses during transaction testing and when reviewing and approving reimbursement requests during fiscal monitoring, reviewers will need to refer to the subrecipient agreement and applicable federal regulations to verify the eligibility and allowability of the expenses.

Key **program-level** documents to review expenses include:

- ✓ Executed **subrecipient agreement** and any amendments
- ✓ Subrecipient **purchase orders** (if applicable)
- ✓ **Legislative enabling documents** for the program (e.g., House Bill, Senate Bill, Interagency Agreement, Governor's Allocation)
- ✓ Department **program-level narrative** describing the program's purpose and objectives and program alignment to an enumerated eligible use (e.g., via Project Profiles or similar)
- ✓ **Transaction record listing** the total transaction amount.

Good Practice Transaction Supporting Documents

Although supporting document needs will vary based on the cost type, at the transaction-level, subrecipients should generally maintain:

- ✓ **General ledger** of program expenses
- ✓ **Subrecipient agreement**, to include the statement of work and budget
- ✓ **Reimbursement requests** for the expenses
- ✓ **Narrative** of the expenses and **clear alignment** to the program budget
- ✓ **Invoices** with invoice number, date, description of items purchased, quantities, amounts, vendor name, shipping information, receipt of purchase
- ✓ **Purchase orders** (if applicable)
- ✓ **Internal approvals** for purchases made
- ✓ **Proof of payment** for expenses
- ✓ **Progress reports** or **deliverables** associated with the expenses
- ✓ For **beneficiary payments**: proof of disbursement to the beneficiary, demonstration of beneficiary's eligibility, and beneficiary's completed application for assistance.

Good Practice Transaction Supporting Documents: Payroll

For payroll-related costs and time and effort expenses, subrecipient supporting documentation should include:

- ✓ **Payroll summary report** (with names of the individuals, titles, total amounts paid and breakdown of pay, pay period, hours worked)
- ✓ **Timecards** and/or signed attestation forms verifying time spent towards the program
- ✓ **Percentage of time** spent on activities related to the grant program
- ✓ Supervisory **approval** of individuals' time for the pay period
- ✓ Description of individuals' **roles/activities** towards the program
- ✓ **Clear alignment** between transaction amount(s) reported in the general ledger to the amounts listed in the payroll reports
- ✓ **Proof of payment** to the individual
- ✓ Records that outline the **calculated fringe benefit** for employees

Key Considerations for Payroll Expenses

Reviewers should keep in mind the following when reviewing subrecipient expenses related to time and effort reporting:

- ✓ Payroll should clearly align to one of the **approved budget categories**.
- ✓ There should be a **clear explanation** that describes how the individuals relate to the program objectives.
- ✓ The amount of time spent towards grant activities during the pay period should be **proportionate** to the amount requested for reimbursement.
- ✓ If the amount recorded on the program general ledger **does not match** the amount in the supporting documentation, clarify how the transaction amount recorded in the general ledger was **calculated**.
- ✓ If time and effort reports are unavailable, **signed attestation forms** can be used to verify the time spent towards grant-related activities.
- ✓ The pay periods of the transactions must fall within the **subrecipient agreement's period of performance**.

PolIEV Question #12



How does your agency decide on the transactions to sample and monitor during transaction monitoring?



All transactions are sampled and monitored (100% of the samples)

Only a fixed percentage of transactions are sampled and monitored, regardless of...

Samples are selected based on the risk associated with the program

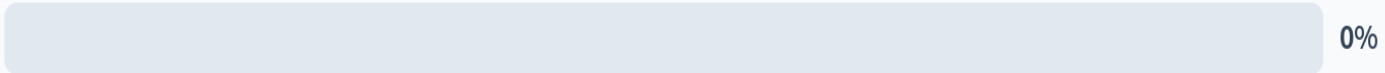
Transactions are selected randomly, with no regard to risk or volume

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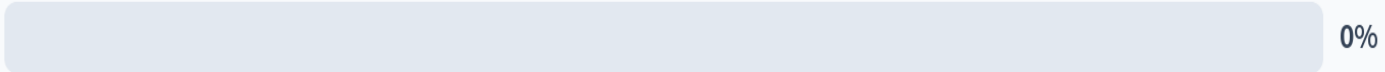
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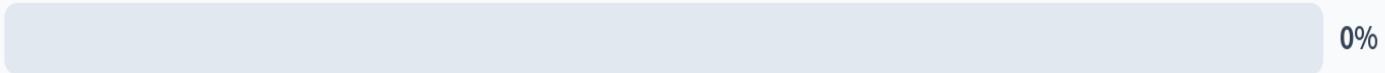
All transactions are sampled and monitored (100% of the samples)



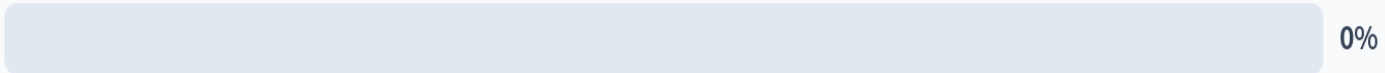
Only a fixed percentage of transactions are sampled and monitored, regardless of other factors



Samples are selected based on the risk associated with the program



Transactions are selected randomly, with no regard to risk or volume

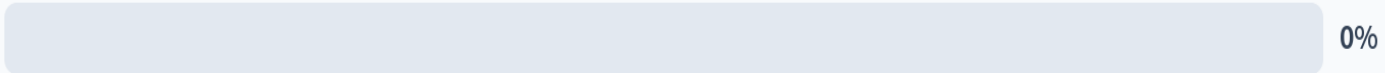


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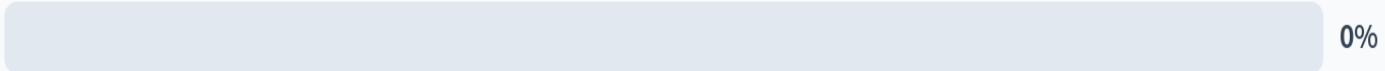
How does your agency decide on the transactions to sample and monitor during transaction monitoring?



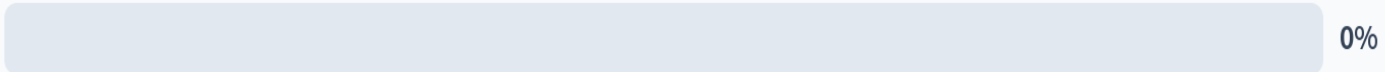
All transactions are sampled and monitored (100% of the samples)



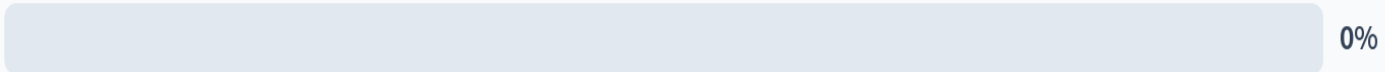
Only a fixed percentage of transactions are sampled and monitored, regardless of other factors



Samples are selected based on the risk associated with the program



Transactions are selected randomly, with no regard to risk or volume



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Activity



Transaction Review Monitoring Activity

- ✓ Review the example transaction and provided supporting documentation.
- ✓ Based on your review of the documents provided what observations do you have or is there anything missing?
- ✓ Finally, based on your review and observations, would you have any recommendations of additional documentation or support to substantiate this transaction?

Transaction Review Monitoring Activity Example

Summary of the Transaction: This transaction is associated with a subrecipient payroll expense in the amount of \$55,748.63 on 12/13/2023. The subrecipient was awarded SLFRF funding through a grant program.

Provided Documentation:

- | | |
|---|---|
| ✓ Eligibility and Compliance Document | ✓ SLFRF Subrecipient Quarterly Report |
| ✓ Executed Subrecipient Agreement effective as of 8/11/2023 | ✓ Subrecipient Invoice for the Reimbursement Period of 9/1/23 – 9/30/23 |
| ✓ Proof of Payment | ✓ Approved FY24 Budget (Exhibit B of Subrecipient Agreement) |

PolIEV Question #13



Based on your review of the documents provided, what observations do you have?

-  0

Nobody has responded yet.

Hang tight! Responses are coming in.

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PolIEV Question #14



Do you have any recommendations for additional documentation/support to substantiate the transaction?



Nobody has responded yet.

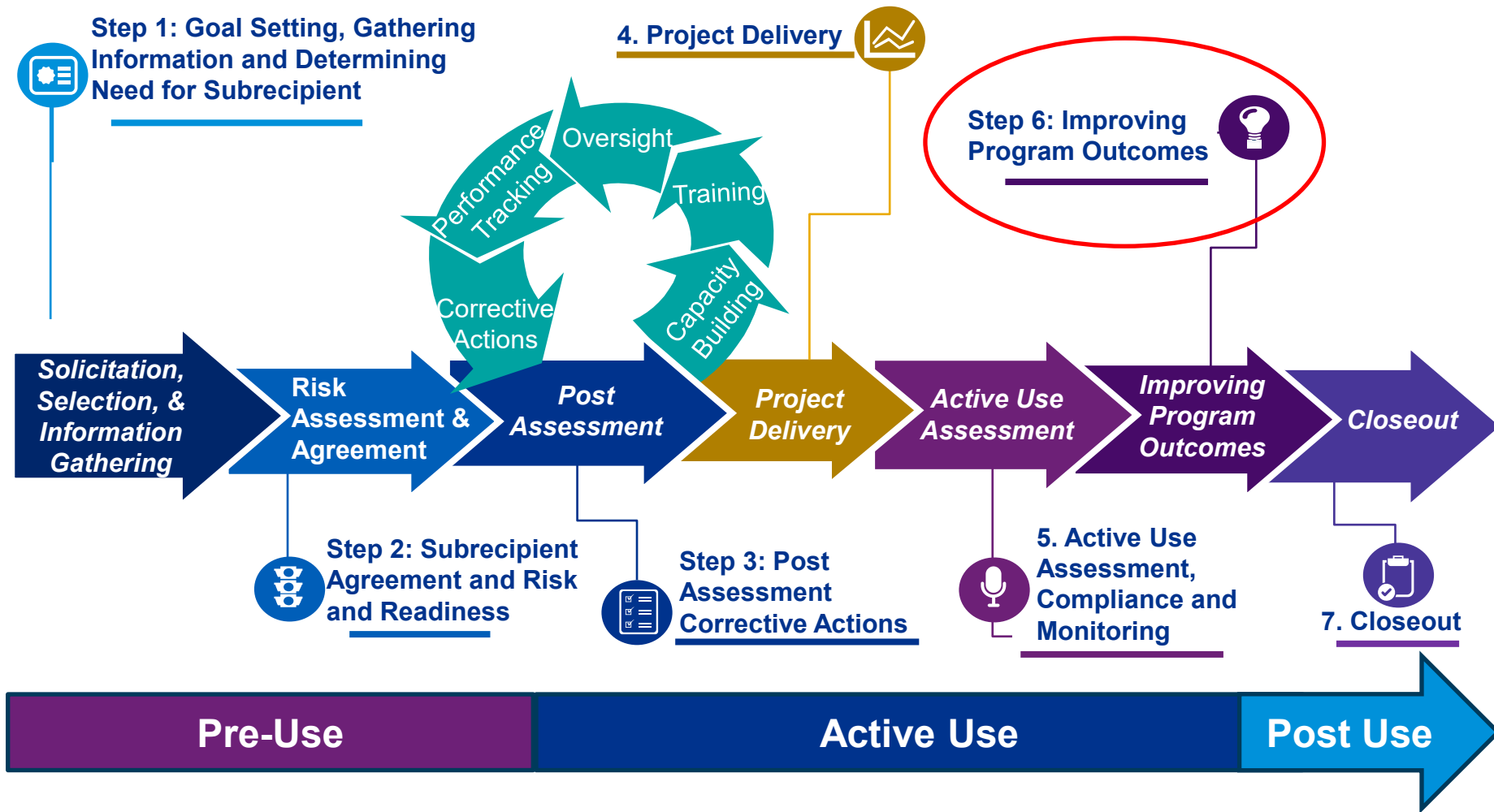
Hang tight! Responses are coming in.

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Leveraging Active Fund Use Risk Assessments & Monitoring to Improve Program or Project Execution



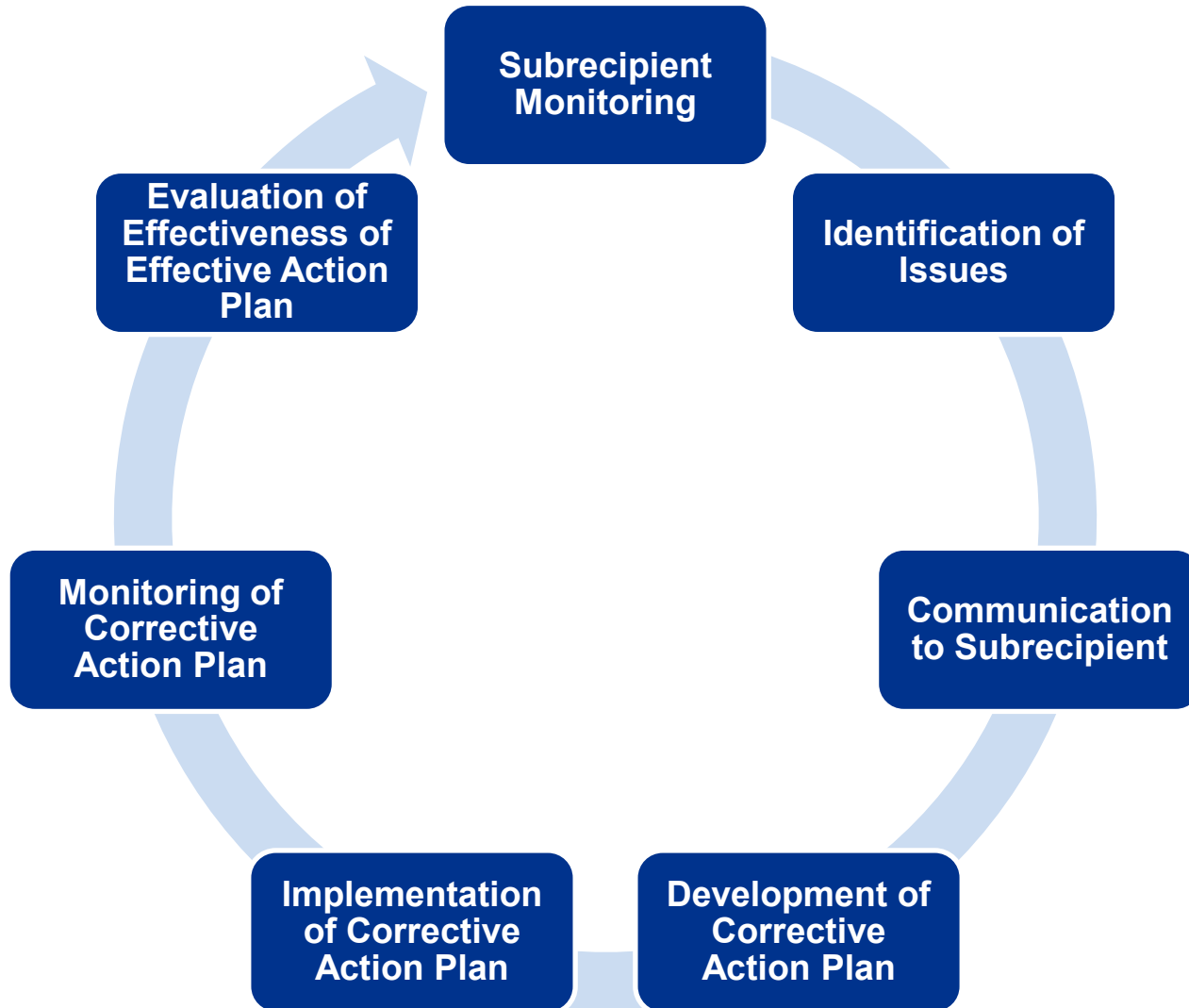
Subrecipient Management & Support Cycle



Topics for Discussion

- ✓ Establishing **corrective action plans** based on weighted risk scores and cost-benefit considerations
- ✓ Tactics for **supporting implementation** of corrective actions
- ✓ Case Study Activity

Process Flow for Establishing Corrective Actions



Pinpointing Corrective Action Strategies (1 of 2)

- ✓ **Scope modification** – Consider adjusting project parameters or objectives to ensure compliance with regulatory requirements. This may include redefining project goals, timelines, deliverables, and resources to align with regulatory requirements and organizational capabilities.
- ✓ **Claw back** – After a thorough review of expenditures and documentation of non-compliance issues, recover previously disbursed funds not utilized appropriately or in accordance with all compliance standards.
- ✓ **Withhold Reimbursements** – Temporarily suspend reimbursements until the subrecipient demonstrates that it has met all compliance measures.
- ✓ **Training** – Develop and conduct targeted training sessions for staff and stakeholders to enhance understanding and adherence to compliance requirements based on identified need(s).

Pinpointing Corrective Action Strategies (2 of 2)

- ✓ **Targeted Transaction Reviews** – Implement additional oversight and monitoring procedures to review compliance of individual costs and rectify potential discrepancies in real-time.
- ✓ **Adjust Approach to Future Awards and Monitoring:** Apply greater scrutiny to the subrecipient in the future by updating award criteria, enhancing the monitoring framework applied, and maintaining closer sustained communication.
- ✓ **Assess Federal Compliance Issues:** Clearly assess and pinpoint the consequences that a subrecipient's noncompliance would have on the department's federal audit readiness.
- ✓ **Rerouting Funds:** If compliance violations are ongoing and/or severe in nature, consider redirecting funds to other subrecipients with a proven track record of successful compliance and performance.

Post Assessment Actions

- ✓ **Identify Finding Types** – Does the finding fall into a performance, compliance or documentation risk?
- ✓ **Evaluate the Consequences of Not Addressing the Finding** – What impact will not addressing the identified risk have on the program execution?
- ✓ **Identify the Most Important Findings** – What findings should be prioritized based on their impact and likelihood?
- ✓ **Translate Findings into Corrective Actions** – What findings can be addressed or cannot be addressed based on resource capacity, feasibility and cost/benefit calculations?
- ✓ **Establish a Tactical Framework** – What uniform processes can be applied to address identified risks and suggested corrective actions?

PolIEV Question #15



In your experience, what are the most challenging aspects of implementing corrective actions in subrecipient management?



Nobody has responded yet.

Hang tight! Responses are coming in.

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PolIEV Question #16



Which of the following is not an effective corrective action strategy that can be applied when a subrecipient is not meeting program objectives or compliance requirements?



Providing technical assistance and training

Increasing the frequency of monitoring visits

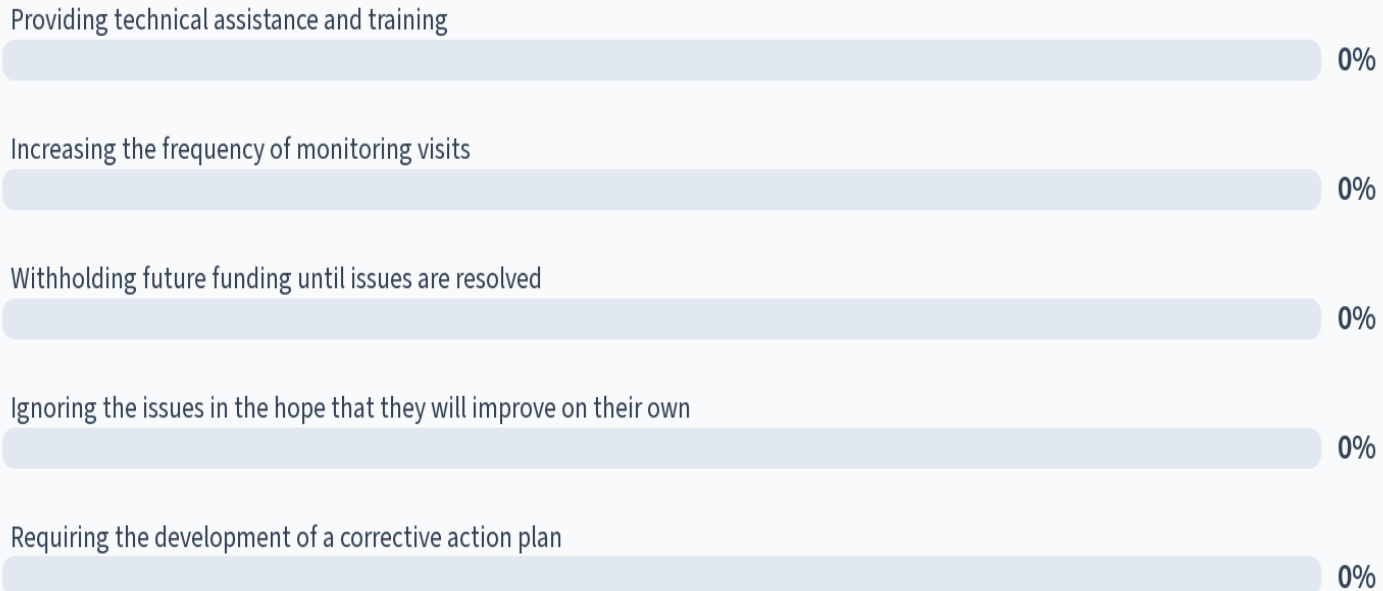
Withholding future funding until issues are resolved

Ignoring the issues in the hope that they will improve on their own

Requiring the development of a corrective action plan

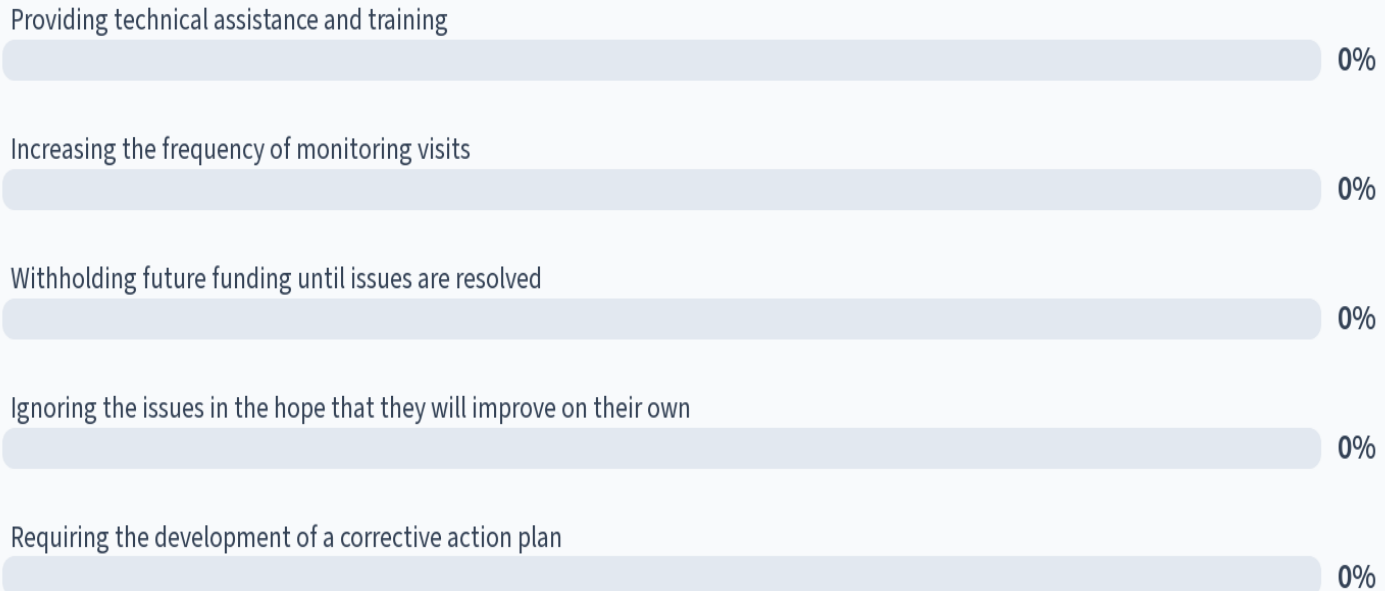
Start the presentation to see live content. For screen share software, share the entire screen. Get help at pollev.com/app

Which of the following is not an effective corrective action strategy that can be applied when a subrecipient is not meeting program objectives or compliance requirements?



Start the presentation to see live content. For screen share software, share the entire screen. Get help at pollev.com/app

Which of the following is not an effective corrective action strategy that can be applied when a subrecipient is not meeting program objectives or compliance requirements?



Start the presentation to see live content. For screen share software, share the entire screen. Get help at pollev.com/app

Subrecipient Closeout Process, Requirements and Audit Readiness



PolIEV Question #17



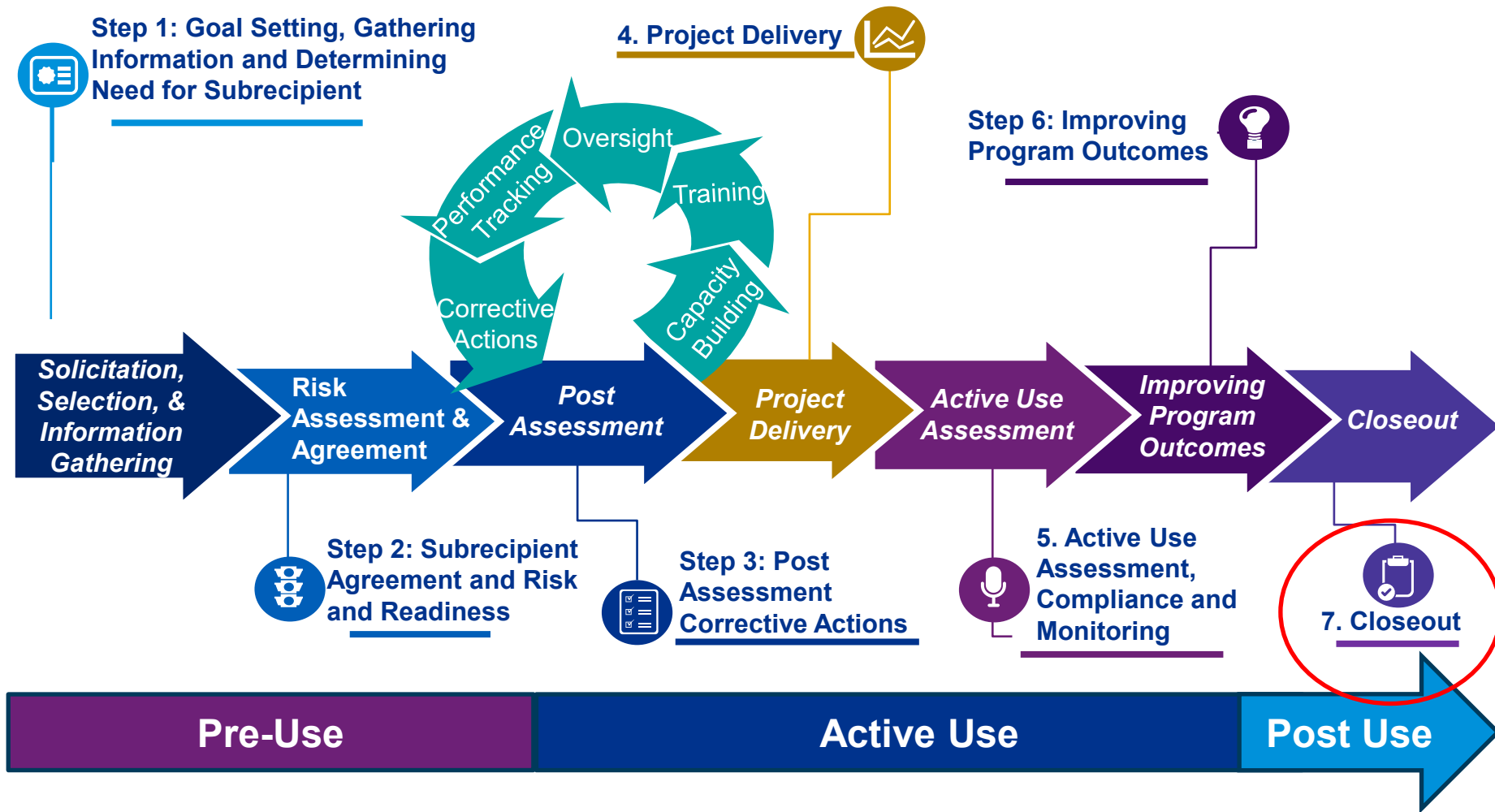
What is the biggest challenge you are currently facing with the closeout process?

Nobody has responded yet.

Hang tight! Responses are coming in.

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Subrecipient Management & Support Cycle



Topics for Discussion

- ✓ Federal and State Requirements for closeout
- ✓ Identifying closeout activities and timelines
- ✓ Closeout best practices

Closeout Objectives

Recipients of federal awards must comply with both **state and federal closeout requirements**. Department(s) should be well-versed in these requirements, understand the necessary information to be collected, and be prepared for **desk reviews and audits**.

- ✓ **State closeout requirements:** Refer to OSC and department closeout requirements.
- ✓ **Federal closeout requirements:** Refer to mandatory closeout requirements in the funding award's code of regulations and any other applicable sources.
- ✓ **Audit readiness:** Adhere to grant-specific documentation requirements for desk reviews and audits.

Department(s) should implement processes that facilitate the **accurate, expeditious, and efficient collection of supporting information from subrecipients on an ongoing basis**.

OSC Closeout Guidance

- ✓ **Grant closeout** is mandated by the Uniform Guidance, indicating that a grant program is approaching the end of its performance period. **The closeout phase of the grant lifecycle is essential to a successful program and future opportunities for funding.**
- ✓ Closeout activities **assess the overall impact of the grant and confirm all applicable administrative and financial tasks have been completed.**
- ✓ Every recipient of federal funds is **required** to perform certain closeout activities to **administratively and fiscally closeout a program** with the state agency and ultimately the federal funding agency.

Source: ([SLFRF Awarding Agency and Subrecipient Closeout](#))

State Guidance for Closeout (1 of 2)

SLFRF Awarding Agency and Subrecipient Closeout

Grant closeout is a requirement under the Uniform Guidance and the ARPA *Final Rule* and signifies a grant program is nearing the end of the performance period. While every part of the grant life cycle is important, the closeout phase is essential to a successful program and future opportunities for funding. Closeout activities assess the overall impact of the grant and confirm all applicable administrative and financial tasks have been completed. Every recipient of federal funds is required to perform certain closeout activities to administratively and fiscally close out a program with the state agency and ultimately the federal funding agency.
[2 CFR 200.344](#) – Closeout Requirements

Subrecipient	
Closeout Responsibilities	Closeout Best Practices
Required to report within 90 days of the performance end date to the awarding agency	Include closeout responsibilities in the project plan submitted with the grant application
Promptly refund any balances of unobligated funds that the awarding agency paid in advance or paid and that are not authorized to be retained by the subrecipient for use in other projects	
For SLFRF, Uniform Guidance requirements for disposition of property, supplies and equipment used for eligible uses under the <i>Final Rule</i> make return to Treasury unnecessary (FAQ 13.16)	
Reporting Requirements	
Subrecipients are required to complete a final performance report and a final expenditure report.	
Record Retention Requirements	
Records pertinent to SLFRF must be retained for a period of five (5) years after the final expenditure report is submitted. (see Record Retention Guidance for additional information)	

Awarding Agency	
Closeout Responsibilities	Closeout Best Practices
For recipients, closeout period for liquidating expenditures is 120 days after the period of performance end date	Discuss project and financial closeout responsibilities at the beginning – make this part of your early project review
Project must be closed within one year after the period of performance end date	For SLFRF, develop checklists that will assist in keeping track of closeout responsibilities particular to the project. Develop a checklist of items based on the RFA for tasks to be done, starting at a minimum of six (6) months, and continuing at intervals of 90/60/30 days before the award end date
Promptly refund any balances of unobligated cash that the federal awarding agency paid in advance or paid and are not authorized to be retained by the state awarding agency	Develop a detailed and robust checklist for post award closeout through to the end of the award



Source: ([SLFRF Awarding Agency and Subrecipient Closeout](#))

State Guidance for Closeout (2 of 2)

For SLFRF, Uniform Guidance requirements for disposition of property, supplies and equipment used for eligible uses under the Final Rule make return to Treasury unnecessary (FAQ 13.16) Note that responsibilities may continue beyond the SLFRF period.	
Reporting Requirements	
Awarding agencies are required to complete a final performance report and a final expenditure report as well as provide a Closeout letter to each subrecipient.	
Record Retention Requirements	
Records pertinent to SLFRF must be retained for a period of five (5) years after the final expenditure report is submitted. (see Record Retention Guidance for additional information)	

Subrecipient Closeout Checklist

The use of a checklist during the closeout process will assist recipients and subrecipients in the required steps of closing out the grant program. Below is a link to a sample subrecipient closeout checklist, which also includes a final budget to assist in the reconciliation of final funds. State Agencies should provide technical assistance to subrecipients throughout the grant cycle in order for the closeout process to be less burdensome.

[Subrecipient Closeout Checklist](#)



Source: ([SLFRF Awarding Agency and Subrecipient Closeout](#))

CO OSC SLFRF Closeout Checklist

Complete subrecipient closeout checklists for **ALL** subrecipients. Department(s) may use the OSC's Subrecipient Closeout Checklist templates or utilize department-specific standardized closeout process.

OSC Resources:

- ✓ [OSC SLFRF Closeout Checklist](#)
- ✓ [OSC Grant Setup and Closeout Checklist](#)
- ✓ [OSC SLFRF Department Closeout Processes Step-by-Step User Guide](#)



OSC's Department Closeout Processes for SLFRF (1 of 2)

Departments should follow OSC's nine (9) step process for closing out their SLFRF projects:

Step 1: OSC Compliance initiates SLFRF Department Closeout Checklist and Certification form as project nears completion end date.

Step 2: OSC Compliance notifies department of project end date (30 days) via email.

Step 3: Department notifies all subrecipients of grant end date.

Step 4: OSC Compliance and Strategy Officer verify Eligibility Document and initiatives modification (as needed).

Step 5: Department begins closing subrecipient grants, using OSC's Subrecipient Closeout Checklist or standard department closeout process. This must be completed within 45 days of project end date.

OSC's Department Closeout Processes for SLFRF (2 of 2)

Step 6: Department completes financial reconciliation processes per department standards:

- ✓ All outstanding invoices paid and adjustments made in CORE within 90 days.
- ✓ Clawback funds from subrecipient within 90 days.
- ✓ Department completes final Gravity reporting within the next available reporting cycle.
- ✓ OSC Reporting begins coordinating 45 days after project end date.

Step 7: Department and OSC complete final review of Closeout

- ✓ Verify Subrecipient Closeout Checklists are completed with OSC Compliance.
- ✓ Verify completion of SLFRF Closeout Checklist and Certification Form, and Department signs form.

Step 8: OSC Reporting completes and uploads Financial Summary to Shared drive.

Step 9: OSC Compliance sends Final Grant closeout email to Department.

PolIEV Question #18



Who is required to perform closeout activities?



Subrecipients every 5 years

Every subrecipient at the end of the grant cycle

The subrecipient is not responsible for closeout activities, it is solely the responsi...

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Who is required to perform closeout activities?

0

Subrecipients every 5 years

0%

Every subrecipient at the end of the grant cycle

0%

The subrecipient is not responsible for closeout activities, it is solely the responsibility of the department

0%

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Who is required to perform closeout activities?

0

Subrecipients every 5 years

0%

Every subrecipient at the end of the grant cycle

0%

The subrecipient is not responsible for closeout activities, it is solely the responsibility of the department

0%

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OSC's Closeout Timeline for SLFRF Projects

OSC Closeout Processes

30 Days

OSC Department 30 Day Closeout Email

- ✓ OSC initiates Dept Closeout & Certification Checklist
- ✓ OSC emails program manager and Controller at Dept of 30-day performance period end date
- ✓ OSC cc's the Strategy Officer and Compliance Liaison
- ✓ Include links to online training and checklist and resource documents.
- ✓ OSC verifies with Strategy Officer that Eligibility Document is up-to-date with no changes. If modification is needed, work with the Strategy Officer to submit a modification in the 30-day window

Department Grant Closeout Processes

90 Days

Department's Subrecipient Closeout

- ✓ Dept notifies subrecipients of grant close date
- ✓ Dept begins completing Subrecipient Closeout Checklist per subrecipient
- ✓ Dept completes final financial reconciliation process
- ✓ OSC Reporting begins coordinating 45 days after project end date
- ✓ Dept and OSC complete final review of closeout documents
- ✓ Signed Dept Closeout & Certification Checklist stored in shared file
- ✓ OSC sends Final Grant Closeout email to Dept and copies Strategy Officer
- ✓ PDF Final Closeout Letter and file in the shared file in the appropriate Dept project file

2 CFR 200.344 Guidance for Closeout

The **Federal awarding agency or pass-through entity must** closeout the award when **all administrative actions and required work are completed**, even if the subrecipient has not fulfilled all requirements.

- ✓ The recipient must submit all financial, performance, and other required reports **within 120 calendar days** after the end date of the performance period.
- ✓ The subrecipient must **submit these reports to the pass-through entity within 90 calendar days of the end date** of the subaward, unless otherwise agreed upon.
- ✓ Financial obligations incurred under the Federal award must be liquidated **within the same 120 calendar days** (recipient) or 90 calendar days (subrecipient), unless an extension is approved.
- ✓ **Prompt payments** must be made by the Federal awarding agency or pass-through entity for eligible costs.

Source: ([CFR 200.344 - Closeout](#))

2 CFR Part 200 Guidance for Closeout

- ✓ Any **unobligated cash must be promptly refunded**.
- ✓ **Property acquired** with Federal funds must be **accounted for** as per specified regulations.
- ✓ **Closeout actions**, including necessary reports and grants management activities, should be completed **within one year** after the end of the performance period.
- ✓ If compliance is not met, the Federal agency must **report the recipient's failure** in SAM.gov and may take other **enforcement actions**, using the Contractor Performance Assessment Reporting System (CPARS) for amendments.

Source: ([CFR 200.344 - Closeout](#))

Project Closeout Activities

- ✓ Ensure that the final invoice has been sent to, reviewed, and approved by both Program and Fiscal Managers before closing out the award or subaward.
- ✓ Confirm that all deliverables have been received, reviewed, approved, appropriately filed in the project file.
- ✓ Identify and review large supply purchases that are at risk of not being used by the end of the contract.
- ✓ Verify contracts, purchase orders, and any amendments are properly filed and maintained.
- ✓ Ensure significant post-award communications, including approvals, clarifications, scope changes, etc. are saved in the project file.
- ✓ Confirm that all indirect costs have been accurately reconciled.
- ✓ Organize all files following a consistent file structure and naming convention.
- ✓ Complete and file any necessary equipment disposition documentation.

Required Documentation Recap

Department(s) should store all documents related to closeout in a **centralized repository**. These documents should then be attached to the **Closeout Checklist**. These reports may include:

- ✓ A final performance or progress report
- ✓ A financial status report, outlay report or request for reimbursement for construction programs
- ✓ A final payment request
- ✓ A final inventory of property or real estate acquired or improved with Federal funds

Record Retention Requirements

According to 2 CFR 200.334 and the Colorado State Archives Records Management Manual for State Government Agencies Schedule No. 7 Financial Records and State Controller Policy Records Retention, recipients and subrecipients must retain all Federal award records for **three years from the date of submission of their final financial report and from the date of expiration or termination**, respectively. However, this timeframe may be extended based on the specific Federal program. For instance, the U.S. Treasury Terms and Conditions mandate that SLFRF records must be retained for five years after all funds have been expended or returned to the Treasury. Therefore, Departments must comply with the longest retention period required, which is five years.

Records to be retained may include:

- ✓ Financial and programmatic records
- ✓ Supporting documentation
- ✓ Statistical records

Source: ([CFR Part 200 Subpart D - Record Retention and Access](#))

Closeout Leading Practices

Properly closing out a grant is essential for demonstrating compliance, accountability, and good stewardship of funds. Some best practices to follow include:

- ✓ Internally establish clear **program or project and financial closeout responsibilities**
- ✓ Establish a **periodic** collection, review, and reconciliation of the program or **project's financials, programmatic data, and supporting documentation**
- ✓ **Review project profiles to validate the scope and mission** of the program or project meet objectives as outlined and **update the documentation for nuances** through the implementation of the program or project
- ✓ **Update the program or project's stakeholder register** to clearly identify points of contact in anticipation of any future desk reviews or audits

Source: ([CFR Part 200 Subpart D - Record Retention and Access](#))

PolIEV Question #19



Which of the following steps does not happen during the grant closeout process?



OSC Compliance initiates SLFRF Department Closeout Checklist and Certification...

OSC Compliance and Strategy Officer verify Eligibility Document and initiate mod...

Agency notifies all subrecipients of the grant end date

Agency begins planning new projects before the current project is closed

OSC Reporting completes and uploads Financial Summary to Shared drive

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Which of the following steps does not happen during the grant closeout process?

0

OSC Compliance initiates SLFRF Department Closeout Checklist and Certification form as project nears completion end date

0%

OSC Compliance and Strategy Officer verify Eligibility Document and initiate modifications (as needed)

0%

Agency notifies all subrecipients of the grant end date

0%

Agency begins planning new projects before the current project is closed

0%

OSC Reporting completes and uploads Financial Summary to Shared drive

0%

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Which of the following steps does not happen during the grant closeout process?



OSC Compliance initiates SLFRF Department Closeout Checklist and Certification form as project nears completion end date

0%

OSC Compliance and Strategy Officer verify Eligibility Document and initiate modifications (as needed)

0%

Agency notifies all subrecipients of the grant end date

0%

Agency begins planning new projects before the current project is closed

0%

OSC Reporting completes and uploads Financial Summary to Shared drive

0%

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Wrap-up Questions & Answers



PolIEV Question #20



Do you have any questions based on the content covered today? Is there anything you would like more guidance or clarity on?



Nobody has responded yet.

Hang tight! Responses are coming in.

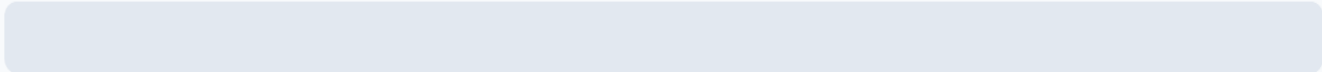
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PolLEV Question #21



Please complete the feedback survey sent in your breakout room chat!

Completed!



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Check Out



Still have questions?

Contact the following individuals at the Office of the State Controller:

Stacey Alles

stacey.alles@state.co.us

303-866-4020

Gina Salazar-Love

gina.salazar@state.co.us

303-866-4289

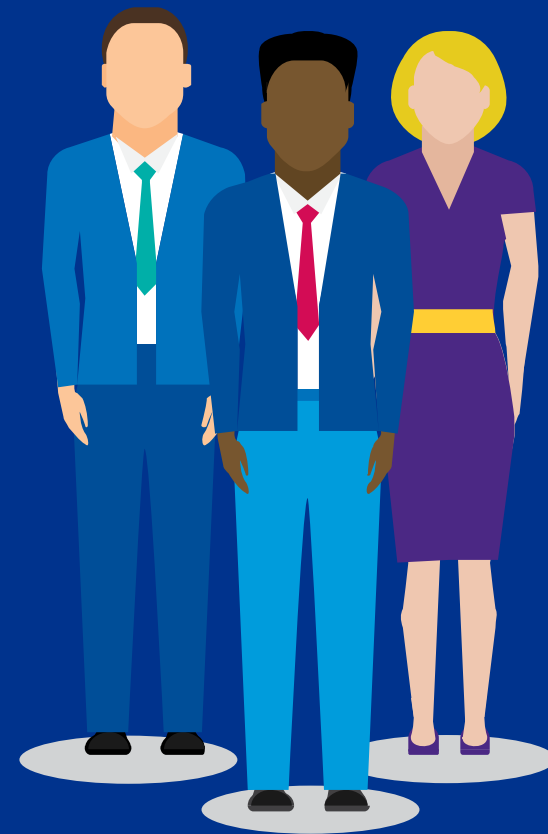
Check Out

0 surveys completed

0 surveys underway

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Thank you!



Appendix:

Additional Information



Updates to 2 CFR Part 200 – Uniform Guidance



Revisions to Uniform Guidance (2 CFR Part 200)

Effective for awards whose effective date is for fiscal years beginning on or after October 1st, 2024.

- ✓ **Equipment (Section 200.313):** The threshold value of federally-funded equipment at the end of a grant period that may be retained, sold, or disposed of increases from **\$5,000 to \$10,000**.
- ✓ **Indirect Costs (Section 200.414):**
 - ✓ The de minimus rate can now be up to **15%**, and an entity cannot seek reimbursement for more than the actual amount of indirect costs that were incurred.
 - ✓ Pass-through entities must accept all federally negotiated indirect cost rates for subrecipients except in special cases.
 - ✓ Recipients or subrecipients can notify OMB of disputes with federal agencies regarding federally negotiated indirect cost rates, but OMB will not serve as a formal arbitrator for these disputes.
- ✓ **Supplies (Section 200.314):** The threshold value of the total amount of remaining federally-funded unused supplies required to be sold at the end of a grant period increases from **\$5,000 to \$10,000**.

OSC Grant Resources



OSC Grant Policies and Procedures

- ✓ [OSC Competition Requirements for Grants Policy](#)
- ✓ [OSC Competition Requirements for Grants Policy - Technical Guidance](#)
- ✓ [OSC Guide for State Agency Compliance with the OMB Uniform Guidance](#)
- ✓ [Sub vs Contractor Determination Tool \(Non SLFRF\)](#)
- ✓ [Sub vs Contractor vs Beneficiary Determination Tool \(SLFRF\)](#)
- ✓ [Standard OSC Risk Assessment Example](#)
- ✓ [SLFRF Risk Assessment Tool](#)
- ✓ [OSC Model Contracts Policy](#)
- ✓ [OSC Modifications of State Contracts and Grants Policy](#)
- ✓ [Standard OSC Grant Agreement Template \(non SLFRF\)](#)
- ✓ [Standard OSC Intergovernmental Grant Agreement Template \(non SLFRF\)](#)
- ✓ [Standard OSC Interagency Grant Agreement Template \(non SLFRF\)](#)
- ✓ [OSC Guide for Monitoring Subrecipients](#)
- ✓ [OSC Subrecipient Closeout Checklist Example](#)
- ✓ [OSC Records Retention Guidance](#)

