



State of Alaska

Division of Homeland Security and
Emergency Management

*Sub-Recipient Grant Management and
Monitoring Policy*

Alaska Division of Homeland Security and Emergency Management
Sub-recipient Grant Management and Monitoring Policy

TABLE OF CONTENTS

I. PURPOSE2

II. OVERVIEW2

III. OFFICE BASED MONITORING.....3

A. FILE REVIEW.....3

Fiscal and Compliance Monitoring.....3

Programmatic Monitoring4

IV. ON-SITE MONITORING4

Fiscal and Compliance Monitoring.....4

Programmatic Monitoring5

V. STATE SINGLE AUDIT5

VI. GRANT CONTACT INFORMATION6

Alaska Division of Homeland Security and Emergency Management Sub-recipient Grant Management and Monitoring Policy

Purpose

The Division of Homeland Security and Emergency Management (DHS&EM), as the federal grantee, is responsible for monitoring sub-recipients and ascertaining all fiscal, compliance, and programmatic responsibilities are fulfilled. This includes monitoring sub-recipient reporting, recordkeeping, and internal operation and accounting control systems. Grant management ensures the grant program is operating efficiently, its internal control program is operating successfully, and any deficiencies detected in the grant program are corrected in a timely manner. DHS&EM grant programs subject to this general monitoring policy include:

- BZPP – Buffer Zone Protection Program
- EMPG – Emergency Management Planning Grant Program
- EOC – Emergency Operations Center
- HSGP – Homeland Security Grant Program
 - SHSP – State Homeland Security Program
 - CCP – Citizen Corps Program
 - MMRS – Metropolitan Medical Response System Program
- LEPC – Local Emergency Planning Committee Grant Program
- IECGP – Interoperable Emergency Communications Grant Program
- PDM – Pre-Disaster Mitigation Grant Program
- Any funds from other program sources provided through the sub-recipient award process

HSGP Specific: DHS&EM is the State Administrative Agency (SAA) and primary recipient of homeland security grant funds. DHS&EM is tasked with monitoring the progress of sub-recipient projects in accordance with the *State Homeland Security Strategy (SHSS)* and *State Preparedness Report (SPR)* to gauge statewide progress toward strategy implementation required for up-line reporting to the U.S. Department of Homeland Security (DHS) Grants Preparedness Directorate (GPD). Sub-recipient monitoring is also critical to determine whether grant funds awarded for planning, organizational, equipment, training, exercise, and administrative projects are expended in accordance with Code of Regulations (CFR) 44, GPD programmatic and fiscal guidelines, and sub-grant awards.

II. Overview

The DHS&EM Grant Programs Section administers sub-recipient grants and monitors their activities from award to closeout. DHS&EM provides day-to-day oversight, reconciles and approves programmatic sub-recipient expenditures, prepares the *Request for Reimbursement* form, and provides general support and assistance relating to procurement and project implementation. DHS&EM authorizes reimbursement for expenditures, audits quarterly *Narrative* and *Financial Progress Reports*, and generates the *Request for Reimbursement* with supporting documentation for compliance, then forwards for payment. Accounting personnel within the Department of Military and Veterans Affairs (DMVA), Division of Administrative Services process the reimbursements and issue a warrant for payment to the sub-recipient. DHS&EM Grant Management and Audit Section perform quarterly master file audits, office-based monitoring, and on-site sub-recipient monitoring visits.

HSGP Specific: Monitoring NPD grants encompasses two main areas: 1) ***fiscal and compliance*** monitoring of planning, procurement and contracts, exercise, administrative, and training funds, and compliance with regulations; and 2) ***programmatic*** monitoring of sub-recipient progress and operations, including equipment deployment, for project implementation and execution.

Sub-recipient monitoring is carried out through two means: ***office-based*** monitoring and ***on-site*** monitoring. Monitoring assists DHS&EM to identify areas of need for sub-recipient support and provides feedback on ways to improve its services. Both forms of monitoring require written documentation.

For reference, DHS&EM conducts sub-recipient fiscal, compliance and programmatic monitoring based upon the following:

- 2 CFR Part 215, OMB Circular A-110
- 2 CFR Part 225, OMB Circular A-87
- 2 CFR Part 220, OMB Circular A-21

Alaska Division of Homeland Security and Emergency Management Sub-recipient Grant Management and Monitoring Policy

- 2 CFR Part 230, OMB Circular A-122
- OMB Circular A-133
- 44 CFR Part 13, Common Rule for Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments
- Certifications and Assurances
- Grant Program Guidance
- Applicable Code of Federal Regulations
- US DHS/GPD State and Local Government Coordination & Preparedness, Office of Grants Management
- Federal Grants Management Handbook, Thompson Publishing Group
- Sub-recipient Obliging Award Document

III. Office-Based Monitoring

For each active grant program, DHS&EM will conduct office-based monitoring reviews for all sub-recipients per fiscal year. Office-based monitoring will occur each quarter or before on-site visits are scheduled. Open, multi-year sub-grants under the same program will be reviewed and monitored at the same time.

DHS&EM will perform a comprehensive review of the sub-recipient master grant file to ensure all documentation is complete and up to date; conferring with the DHS&EM Project Manager(s) regarding any file irregularities or problems the sub-recipient is experiencing, and ensuring any apparent problems are addressed. DHS&EM then contacts the sub-recipient by phone and/or email to confirm these findings and reconcile discrepancies. DHS&EM and the sub-recipient agree to a brief written plan and timeline to resolve any problems.

HSGP Specific: For each HSGP grant element (SHSP, CCP, and MMRS) DHS&EM will conduct office-based monitoring reviews for all of the HSGP sub-recipients per fiscal year.

A. File Review

DHS&EM reviews the sub-recipient's master grant file to perform fiscal, compliance and programmatic monitoring. DHS&EM verifies compliance with the certifications and assurances listed on the reverse side of the *Obligating Award Document*. The review assesses the status of quarterly *Narrative Progress Reports* and *Financial Progress Reports*, the rate of expenditure of funds, evaluation of progress implementation and timelines.

Fiscal and Compliance Monitoring

The following are required documents in the sub-recipient official master grant file:

- Complete application with original signatures, date-stamped when received,
- *Obligating Award Document* with original signatures, special conditions, certifications and assurances, project narrative and budget detail,
- *Award Amendment(s)* with original signatures,
- *Signatory Authority Form*,
- Quarterly *Narrative Progress Reports* with supporting documentation,
- Quarterly *Financial Progress Reports* with supporting documentation,
SPECIAL NOTE: Since sub-recipients maintain financial records in a variety of different formats based on their accounting systems and software programs, they are not required to present the information to DHS&EM through a single standardized format, nor change their formal accounting systems to comply with federal requirements. However, ***DHS&EM may require the sub-recipient to modify its existing system to develop subsystems to account for grant funds, and to report costs in accordance with the grant agreement.***
- Paid *Requests for Reimbursement* with original signatures, filed and attached to corresponding quarterly Financial Progress Reports,
- Procurement and Contracting authorizations (e.g. Sole-Source Procurements, Requests for Proposals, Signed Contracts, etc.),
- Annual Equipment Inventory Reports (if applicable),
- Paper and/or electronic copies of any substantial deliverables (e.g. Photos, Power Point presentation, training course, program plans, brochures, outreach materials, etc.), and

Alaska Division of Homeland Security and Emergency Management Sub-recipient Grant Management and Monitoring Policy

- Correspondence, especially any previous monitoring documentation, if applicable.

Expediting the return of the signed *Obligating Award Document* and/or *Award Amendment* is particularly important when involving increases, decreases, or reallocation of project budget amounts because the award/amendment is not effective until DHS&EM receives the original signed document. **No reimbursements will be paid out to a sub-recipient for those affected items with an outstanding, unsigned Obligating Award Document or Award Amendment.** Of significant concern to DHS&EM is if the sub-recipient is experiencing any problems resulting in a slow expenditure of funds. A lack of spending may indicate project inactivity and will be discussed with the sub-recipient. DHS&EM will ask the sub-recipient to further explain and justify reasons for delayed procurement activities. If the sub-recipient has expended significant funds, DHS&EM will inquire about how expenditures have enhanced its operations and response capabilities. In particular, if special conditions are in-place that withheld funds to the sub-recipient, DHS&EM will determine what the sub-recipient must do to satisfy and remove them.

Programmatic Monitoring

DHS&EM reviews the sub-recipient's master grant file to determine the sub-recipient's achievements and potential problems faced in implementing the project. The project narrative is examined for the following information:

- Goals, objectives, and implementation steps planned versus. actual,
- Requirements and activities,
- Timelines, planned versus. actual,
- Evaluation plans, and
- Performance measures.

HSGP Specific: DHS&EM reviews the incidence of exercise and training activities in accordance with the project timeline as defined in the grant award, with relevant goals and objectives in the *SHSS* and the *Alaska Homeland Security Exercise and Evaluation Program (HSEEP)*.

IV. On-Site Monitoring

DHS&EM will conduct on-site monitoring visits for two separate sub-recipients each fiscal year. Selection of the sub-recipient locations are based on the below methodology;

- 1) Geographic regions; South Central, Southeast, and Northern
 - a. Regions will be selected on a rotational basis as above.
- 2) Jurisdiction site selection criteria;
 - a. Two jurisdictions will be selected within the scheduled region each fiscal year based on past grant history and performance scores as determined each year by DHS&EM grant review committee.
 - i. Grant history and performance is based on the following;
 1. Progress in achieving project timelines and milestones
 2. Ability to expend grant funds in a timely manner
 3. On-time vs. delinquent Quarterly reports
 4. Ability to meet any prior Award Special Conditions
 5. Timeliness and justification for Award extensions & reallocations
 6. Results of desk and on-site monitoring reviews
 7. Overall compliance with general grant requirements
 8. Compliance with procurement and contracting requirements
 9. Record of participation in DHS&EM grant management training and conferences
 10. Record of significant findings during a professional audit
 - b. Jurisdictions with the two lowest scores within the region will be considered first.
 - c. Jurisdictions within a scheduled region requesting a site visit will be considered first. If multiple requests, than jurisdiction grant history and performance scores will be considered.

If the sub-recipient has received sub-grants under several programs, all program grants are reviewed and monitored at the same time, and the appropriate DHS&EM Project Manager(s) participate. On-site monitoring builds upon the sub-recipient master grant file review and conversations undertaken as part of Office-based

Alaska Division of Homeland Security and Emergency Management Sub-recipient Grant Management and Monitoring Policy

Monitoring. Approximately thirty (30) days in advance of the proposed visit, DHS&EM contacts the sub-recipient to schedule an on-site monitoring visit, briefing the sub-recipient on what activities and discussions will take place. The sub-recipient will be provided with a read-ahead packet, including a cover letter, draft meeting agenda, and proposed list of questions, to ensure on-site time is focused on discussing issues instead of locating documentation. The cover letter will be copied to authorizing officials listed on the award and to appropriate DHS&EM Project Manager(s).

Although DHS&EM staff and the sub-recipient determine the structure of the on-site visit, the Grants Administrator(s) clearly distinguishes the review of fiscal and grant compliance issues from programmatic discussions. Fiscal and compliance issues are generally discussed with the sub-recipient Project Manager and Chief Financial Officer and/or fiscal coordinator. Programmatic issues are discussed with the sub-recipient Project Manager, local authorizing officials, and other recipient agencies or response representatives. ***If multiple grant programs and years are being monitored, the sub-recipient shall ensure the corresponding responsible parties are available to participate in meetings during the site visit.*** The sub-recipient should expect DHS&EM to spend a minimum of one business day on-site.

Fiscal and Compliance Monitoring

In advance of the on-site monitoring visit, DHS&EM conducts a master file review. On-site, DHS&EM reviews sub-recipient grant program files, applicable spending plans, accounting systems and controls, records retention systems, 3rd-party contracting, procurement activities, equipment inventory, and equipment/property management systems.

Programmatic Monitoring

A portion of the meeting may involve discussion about project implementation such as milestones, timeline, rate of funds expenditure, project operations, performance measures and evaluation, etc., and include development or update of the sub-recipient's all-hazards EOP, operations systems, coordination with project-affiliated departments, organizations, contractors, and opportunities for the sub-recipient to improve grant management and outreach capabilities.

At the end of the on-site visit, DHS&EM staff will conduct an ***exit interview*** with sub-recipient officials to discuss findings from the meetings and to clarify any corrective action items for the sub-recipient, or DHS&EM staff to pursue after the visit. DHS&EM staff will ask for feedback to identify areas of improvement by which DHS&EM can better support, assist, or enable sub-recipient project success. The exit interview highlights what will be included in the *Post-visit Letter* to the sub-recipient, copied to authorizing officials, listed on the award, and the appropriate DHS&EM Project Manager(s). The letter summarizes contents of the report which will be placed in the sub-recipient's master grant file. If any outstanding financial, compliance, and programmatic issues are identified the sub-recipient is required to submit a *Corrective Action Plan* within 30 days of receipt of the report identifying what steps the sub-recipient is taking to resolve them.

Sub-recipients submitting a *Corrective Action Plan* will be monitored closely for the next two quarterly reporting cycles (six months). Any further findings during this monitoring period will result in a follow-up site visit. Sub-recipients failing to take corrective measures towards compliance after the second visit will be subject to a single-audit at their cost, de-obligation of funds, ineligible for future funding, and possible loss of bond rating. One or all actions could be taken.

V. State Single Audit

Alaska's *Single Audit Regulation 2 AAC 45* parallels the federal *Single Audit Act Amendments* of 1996 and *OMB Circular A-133*, and its purpose is to promote accountability of state and federal financial assistance, and to increase the efficiency of the monitoring process. The Single Audit Coordinator, Finance Division of the Alaska Department of Administration receives all copies of audit reporting packages. The Single Audit Coordinator provides notification of all jurisdictions out-of-compliance with the Department of Military and Veterans Affairs audit coordinator who then provides information to the Division for the programs we manage. Audit report information is available through the coordinators office or web-page at <http://fin.admin.state.ak.us/dof/ssa/otherinfo.jsp> or by contacting the coordinator at:

Alaska Division of Homeland Security and Emergency Management
Sub-recipient Grant Management and Monitoring Policy

Single Audit Coordinator Contact Info

PO Box 110204 Juneau, AK 99811-0204

Single_Audit@admin.state.ak.us

Phone: (907)465-4666

Fax: (907)465-2169

The DHS&EM Obligating Award Document Block 13(E) specifically requires the sub-recipient to comply with the single audit requirements.

VI. Grant Contact Information

DHS&EM grant point of contacts (POCs) can be found on website at <http://ready.alaska.gov/grants.htm>.

Division of Homeland Security & Emergency Management

Alaska Department of Military and Veterans Affairs

Grants Section

PO Box 5750

Fort Richardson, Alaska 99505-5750

907-428-7000

800-478-2337

Fax: 907-428-7009