

State of Wisconsin Department of Administration



Grants Monitoring Plan

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1.0 Introduction

The purpose of this grants monitoring plan is to define the expectations of the Department of Administration, Division of Energy, Housing, and Community Resources (DEHCR) relative to the oversight and monitoring of state and federal grant funds. The chapters in this plan have been designed to conform to the oversight and monitoring requirements of federal rules and regulations on reporting for state grant funds and 2 CFR Part 200. Additionally, the plan is designed to ensure that each of the core steps in effective monitoring are addressed.

For purposes of the plan and any related forms, “state grant funds” are defined as any Federal pass through funds or State funds for which DEHCR is responsible.

2.0 Priorities

The Division of Energy, Housing and Community Resources (DEHCR) has made a strong commitment to providing effective grants oversight and monitoring throughout the life of the grant. To this end, we are establishing with the publication and distribution of this document a plan for grants monitoring that adheres to the mandates contained in the rules and regulations used by the U.S Department of Housing and Urban Development (HUD), Wisconsin Statutes, DEHCR policies, and 2 CFR Part 200. Effective monitoring is not a one-time event, but an ongoing process of planning, implementation, communication, and follow-up.

To create an effective monitoring program, it is the intention of DEHCR management to devote the necessary resources to accomplish our monitoring goals. Resources are understood to include personnel, equipment, and an adequate budget to perform the necessary travel to conduct monitoring visits. While it is not possible to set concrete numbers for resources, it is our intention to provide adequate resources based on the number and type of grants for which the department is responsible.

3.0 Goals and Objectives

DEHCR established a grants monitoring plan for all state and federal grants for which the department is responsible. Our goal is to provide the level of oversight and monitoring for grants that will allow us to provide accurate data on grant performance throughout the life of the grant. Specific objectives are to:

- Provide on-going oversight and monitoring of federal and state grants.
- Develop a grants monitoring program that will meet the specific policies and regulations of the U.S. Department of Housing and Urban Development, Wisconsin State Statutes, 2 CFR Part 200 and document compliance with program requirements.

- Ensure the achievement of the intended purposes of the various grants for which DEHCR is responsible.
- Identify and track grant results.
- Identify the technical assistance needs of grantees.
- Ensure timely expenditure of grant funds.
- Prevent fraud and abuse.
- Identify innovative tools and techniques for the achievement of grant objectives.
- Identify “best practices” to help assist in effective grant management.

4.0 Monitoring

The overall purpose of monitoring and evaluation is to: ensure the appropriate use of federal and state funds; document that funds are spent effectively to accomplish the intended purpose and used in accordance with the terms of the grant award, document the measurement of performance goals, and review information to provide technical assistance. Thus, monitoring should not be a one-time event. Grants should be reviewed periodically, taking into account the following:

- Amount of the grant
- Associated risks
- Sensitivity of the grant
- Type of grant

DEHCR expects to review grant information at several key phases of the contract/agreement cycle and monitor at least once before or at the close out of the grant.

Periodic Review: On-going review of grant information will be conducted during the life of the grant agreement. The types and frequency of the review may include the following reports: Section 3, MBE/WBE, Davis Bacon, requests for disbursement, annual reporting, or any other reports as specified in the grant agreement.

Monitoring: Monitoring schedules will in most instances be risk-based and may consider factors other than grant or award amounts. The risk assessment can include:

- Prior grant experience
- Single audit information
- Capacity to administer a grant, including record keeping, financial transactions and reporting
- Past monitoring
- Amount of the grant
- Incorrect documentation submissions
- Failure to submit timely reports
- Citizen complaints
- Repeated requests for time extensions

Completion of Grant: A final review of grant activity, accomplishments, expenditures, matching, reports, and any other contractual information will be conducted at the completion of the grant.

The above monitoring can be accomplished through various means based on the needs of the grant recipient. Techniques to be used may include: reviews of periodic written reports, requests for disbursement documentation, and other required reporting; telephone and email communications; and on-line review of grant data.

4.01 Monitoring Schedule

Monitoring is performed according to each program requirement. All programs track and document:

- Contract #
- Grantee
- Monitoring Type
- Date Scheduled
- Date Completed
- Grantee Response
- Date Monitoring Completed/Closed

The actual scheduling of monitoring efforts is based on an assessment of risks in two broad areas:

- **Compliance** – the likelihood that the grantee may violate state or federal regulations, fail to comply with grant agreement or statutory requirements, or be open to fraud and abuse.
- **Performance** – the likelihood that, even without actual compliance violations, the results of the activity may not result in the desired outcome for the grant.

4.02 Monitoring Types

Each program has a monitoring strategy and follows state and federal guidelines. DEHCR program managers will perform either a desktop or on-site review.

Desk Review

A desk review is performed for low risk recipients or may be performed in lieu of an on-site monitoring for a higher risk recipient if they maintain grant files in an electronic format that allows for remote, off-site review. Each program provides the grantee with one or more checklist(s) on the items that may be reviewed. This allows the program manager or assigned staff member to select the file documents to review, identify technical assistance needs, and determine if an on-site review is warranted.

On-Site Monitoring

An on-site monitoring may be conducted for recipients that are deemed at risk, do not have the grant files in an acceptable electronic format, have not had a site visit for some time, and/or have a project selected for a visit to check site work progress. The

program manager sends one or more checklist(s) in advance of the on-site meeting to ensure that materials are made available for the on-site visit.

5.0 Documentation and Analysis

5.01 Reporting Format

The grantee is expected to provide reports identified in the agreement signed between DEHCR and the grantee. These reports do not have any flexibility, and if the grantee fails to file the required reports within the allowable timeframes, then the grantee may be deemed in non-compliance with the program. As a result, DEHCR may take steps to recover funding and/or stop all funding to the grantee.

Program staff will review the documents to make sure they are complete and that the information agrees with any requests for disbursement, periodic reporting, monitoring checklist(s), and terms of the grant agreement.

5.02 Monitoring Records

Each program manager/monitor is expected to fully and accurately document all monitoring efforts. A monitoring section of the grant file is maintained for each grantee, to include:

- Desk review monitoring report;
- Corrective action plan (if applicable);
- Annual report and/or monitoring checklist(s); and
- Copies of e-mail, memos, or other written correspondence with grantee, including notification informing the grantee of the scheduled monitoring and the results of monitoring, letters following up on monitoring results, and/or the status of monitoring compliance.

6.0 Staff Roles & Reporting Structure

6.01 Staff Roles

The program manager or assigned staff member is responsible for ensuring that the grants are monitored on a timely basis. That action may be completed through a desk review, on-site monitoring, and/or assistance from a co-worker or partner State or quasi state agency. DEHCR may use other resources to ensure monitoring is completed timely. The U.S Department of Housing and Urban Development and DEHCR reserves the right to review any and all grant information on site upon request. Each program manager and staff member assigned to monitor recipients maintains a monitoring schedule. This schedule tracks all monitoring activity from start to finish.

6.02 Reporting Structure

Program/monitoring staff report through the Section Chief or Bureau Director. If any problems arise with a grant, the program manager/monitor should immediately communicate that information to their direct supervisor. Once problem issues have been identified the program manager/monitor should draft the monitoring letter to the grantee for the review by the supervisor.

6.03 Follow Up

The program manager or assigned staff member will issue a report to the grantee via a letter on the results of a desk or on-site monitoring, in most cases, within 30 days of the event. The monitoring letter/report may include findings and/or concerns and the associated corrective actions. A finding is a violation of regulation or policy requiring correction. A concern is a problem that if not addressed may result in a violation of regulation or policy. A report or a letter with findings will state the violation and a required or recommended corrective action plan. The corrective action will include:

1. A description of each finding/concern;
2. The corrective action(s) required or recommended; and
3. Specific steps to be taken to complete the corrective action(s) and/or implement the recommendation.