

Section 10.2: High-Risk Recommendation Process

PURPOSE AND POLICY

Grant program managers are encouraged to refer subrecipients, as appropriate, to the High Risk Designation Coordinator (HRDC) with the Office of Grants and Federal Resources (GFR) at the Arizona Department of Administration (ADOA). Even where coordination with other State of Arizona agencies and grant program managers may not be required, including the subrecipient on the list may afford a useful opportunity for grant program managers to share their experiences so that appropriate precautions may be taken for future State of Arizona subawards regardless of the State of Arizona agency. The HRDC will review the recommendation and determine if the issues identified may affect or involve other current State of Arizona subawards with the same subrecipient.

PROCEDURE

1. **Initiate a recommendation.** To initiate a high-risk recommendation, grant program managers should first vet the recommendation within their respective agencies.
2. **Forward recommendation to the HRDC.** Once the high-risk recommendation is approved within the respective agency, the recommendation should be sent to the HRDC in GFR at ADOA to the email, GFR@azdoa.gov, with the subject line of High-Risk Recommendation. The referral should include:
 - State Agency
 - Grant program name
 - Referring grant program manager name and title
 - Date of State agency internal approval to recommend high-risk designation
 - Subgrantee name [include any DBAs (Doing Business As) if known]
 - Subgrantee DUNS number if appropriate
 - Status of last SAM.gov review for suspension/debarment if appropriate
 - Organization type (e.g. city, county, nonprofit, etc.)
 - Chronological description of non-compliance issues with subrecipient
 - Description of any attempts to resolve non-compliance issues
 - Recommended high-risk tier level
 - Recommended actions subgrantee must fulfill to have high-risk level reduced or removed
 - A listing of any other known active subgrants either in the same state agency or with another state agency of the recommended high-risk subrecipient
3. **HRDC reviews the recommendation.** The HRDC will review the recommendation and determine if other issues may be in progress with the recommended subgrantee. If so, the HRDC will discuss the issues with the referring state agency and update the recommendation, as necessary.
4. **HRDC requests a meeting with affected state agencies and grant program managers.** The HRDC will request a meeting with all affected state parties. During the meeting, each grant program managers will discuss this subgrantee and their grant program relationship. The goal of this meeting is to

consider all factors regarding this subgrantee and identify all of the issue(s) within the current high-risk recommendation with the recommending state agency(ies).

5. **After the meeting:** Within five business days after the meeting, the HRDC will issue a finding:
 - a. If the HRDC concurs with the recommendation, the HRDC will circulate a memorandum to summarize its decision to all state agencies.
 - b. If the HRDC does not concur with the recommendation, the HRDC will circulate a summary of its positions and further proposed actions for the affected state agency. This non-concurrence does not preclude the recommending state agency or another state agency from recommending this subgrantee again after any or all of the proposed actions have been tried.