

Section 8.2.3: Desk Reviews

PURPOSE AND POLICY

Desk reviews facilitate monitoring of subgrant activities throughout the subaward period and assist in the preparation for site visits. Grant program managers are encouraged to conduct desk reviews once every six months, and are required to conduct them no less than annually. A desk review must be complete prior to a site visit. Grant program managers may use previously-completed desk reviews to inform their site visit, but may not rely on desk reviews conducted more than six months prior to the date of their site visit. Desk reviews must be uploaded to the subgrantee's eCivis or agency SRM solution file within 45 calendar days of completion of the site visit. Desk reviews should be performed using an agency/department approved instrument or AGA's Subrecipient Monitoring and Self-Assessment Guide (<https://www.agacgfm.org/Intergov/More-Tools.aspx>). The section below outlines general steps involved in completing a desk review.

PROCEDURE

1. **Review the Award Working File.** Grant program managers are responsible for ensuring that the items listed below are present, complete, properly executed, accurate, and up-to-date. Also, grant program managers are required to review relevant materials to ensure a complete understanding of the project objectives, schedule, milestones and status.
 - a. Original application
 - b. Official correspondence
 - c. Signed subaward documents
 - d. Results of previous desk reviews
 - e. Prior site visit reports files/previous monitoring reports
 - f. Deliverables
 - g. Grant Adjustment Notices (GANs), modifications, extensions and supporting documentation
 - h. Any applicable procurement documentation and policies

If documentation is found to be missing during the desk review, grant program managers should check the subgrantee's eCivis or agency Subrecipient Manager (SRM) solution file. If unable to locate documentation, grant program managers should contact the subgrantee.

2. **Review Progress Reports.** Grant program managers are required to conduct a review of progress reports submitted by subgrantees within the past year. More specifically, grant program managers are required to:
 - a. Review the progress reports and determine if reports are current. For those grants that require semi-annual reports, reports are due July 30 (for the period beginning January 1 and ending June 30) and January 30 (for the period beginning July 1 and ending December 31).

- If progress reports are not current, determine whether the subgrantee's funds have been frozen by agency/department finance staff and the length of time the funds have been frozen.
 - Grant program managers should address any delinquent progress reports with the subgrantee.
 - If a site visit is scheduled following the desk review, progress reports regarding past periods of subgrant performance are due before the start of a site visit. If the subgrantee provides the grant program manager with a progress report during the site visit and submits the report in eCivis or agency SRM solution, the grant program manager should note this late submission in the site visit report as part of technical assistance and/or recommendations, noting that the corrective action is complete.
- b. Review progress reports to determine if the reports are complete and contains sufficient information related to the status of a project, such as:
- Performance measures and associated data as they relate to the subgrantee's performance in executing the subgrant program.
 - Progress achieved on each task in relation to any approved schedule and project milestones.
 - Progress achieved in executing the subgrant program that corresponds with the prior progress reports.
 - Any implementation problems or issue(s) and corrective action(s) planned.
- c. Review the progress reports in conjunction with the financial reports to compare the rate of expenditures with the project activity level noted in the progress report.
- 3. Review Subward Special Conditions.** Grant program managers are required to review the subaward's special conditions to determine whether or not they are being met. In addition, grant program managers should review to assess whether they should be retired through a GAN and initiate the GAN, if necessary. Grant program managers should request appropriate information from the subgrantee to fulfill the requirements of a special condition that has not been met, as applicable.
- 4. Review secondary subgrant/vendor, if applicable.** For those programs that are required to submit secondary subgrant/vendor information, grant program managers should check that secondary subgrant awards and vendor agreements are on file and ensure that all financial entries clearly identify the activities supported by the secondary subgrant, award amount, and additional requirements that accompany federal funds such as FFATA.
- 5. Review Financial Reports.** Grant program managers are required to conduct a general review of financial reports, as well as a review of grant expenditures compared to the approved budget. Grant program managers are required to:
- a. Review the financial report (if applicable) and determine if it is current and complete.
- Grant program managers should address any incomplete or delinquent financial reports with the subgrantee.

- If a site visit is scheduled following the desk review, financial reports regarding past periods of subgrant performance are due before the start of a site visit. If the subgrantee provides the grant program manager with a financial report during the site visit, the grant program manager should note this late submission in the site visit report as part of technical assistance and/or recommendations, noting that the corrective action is complete.
- b. Contact agency accounting staff to conduct a site visit if significant financial irregularities are discovered. In cases where grant program managers suspect severe waste, fraud and abuse indicators, grant program managers should refer to GFR. Though grant program managers have direct access to GFR, it may be pertinent to obtain supervisor approval before contacting GFR. Review subgrant outlays, and where necessary, direct the subgrantee to revise the financial report. Potential problems to look for on financial reports are:
- Limited or no expenditures (if the project is more than half way through the performance period).
 - Expenditures disproportionate to the number of months a project has been operating.
 - Disproportionate expenditures do not always indicate a problem. However, grant program managers should follow-up with the subgrantee to discuss expenditures.
 - Lack of program income reporting, if applicable.
 - Lack of program match/cost sharing reporting or failure to meet requirements, if applicable.
 - It is important for grant program managers to consider subgrant status and terms when reviewing financial reports for match/cost sharing requirement. For example, subgrant terms may indicate that cost sharing/matching should be reported on the final report, so it would not be necessary on an interim financial status report; subgrant may have cost sharing/matching requirements but as of the reporting period, there may not be anything to report.
- c. Grant managers may wish to request a breakdown of expenditures by budget category prior to or during a site visit, if a site visit is planned, to determine if expenditures are reasonable and allowable. Potential problems grant program managers should look for are:
- Unreasonableness of expenditures. Reasonable expenditures are items purchased that are necessary to the project; the cost of the items or services should not be excessive.
 - Unallowable expenditures. Allowable expenditures are those costs that are allowed under public laws and regulations, as well as under the subaward agreement and approved budget. In contrast, entertainment, donations, and interest expenses are unallowable under most state and federally funded programs.

- Cases where expenditures do not appear to be in alignment with the project/approved budget. Grant program managers should plan to investigate during the site visit or contact the subgrantee.
- d. Review the financial reports in conjunction with the progress reports to compare the rate of expenditures with the project activity level noted in the progress report.
- 6. Review drawdown history.** Grant program managers are required to conduct a general review of drawdown history via AFIS or an AFIS extract or report.
- a. If the pattern of drawdowns appears inappropriate, grant program managers should request additional information (e.g. annual accounting records) from the subgrantee to determine if there are issues related to the subgrant that need closer monitoring.
- If it appears that funds are being drawn too quickly, this could be an indication of an inappropriate acceleration of expenditures.
 - If it appears that funds are not being drawn at all, this could indicate poor progress, or may merely be an organizational management issue.
 - Grant program managers may need to direct the subgrantee to revise financial reports, remove the questionable cost(s), and either return excess funds to the state or appropriately offset the next request for reimbursement. If the subgrantee possesses an adequate justification for the expenditure anomaly, he/she should be encouraged to submit a budget modification request via eCivis or agency SRM solution.
- 7. Determine if Site Visit is needed.** Following completion of a desk review for a subgrant that was not intended to be visited, if there is evidence that a site visit is necessary, plan a site visit. See Section 8.2.4 for site visit activities.