

Section 8.2.6.1: Finding Resolution Guidelines

PURPOSE AND POLICY

When a state program manager identifies findings as part of a site visit report that require subgrantee response, the subgrantee is requested to respond within 45 calendar days. The state program manager is responsible for following up to make sure the subgrantee meets any obligations or for collaborating with the subgrantee to resolve issues or questions.

PROCEDURES

1. **State program manager follow-up.** State program managers are required to follow up and collaborate with subgrantees to resolve administrative and financial issues, questions, or findings until they are closed. As a general guideline, state program managers should be able to resolve and close the following types of issues/findings within 45 calendar days, whether discovered as a result of a site visit or recipient-initiated activity:
 - a. Incomplete or inaccurate subgrantee award files
 - b. Delinquent progress and/or financial reports
 - c. Incomplete progress and/or financial reports
 - d. Request for reimbursement issues that require additional reimbursements to be made or return of overdrawn funds
 - e. Collection of performance measurement data
 - f. Adequate record of property inventory records
 - g. Request for technical assistance

Though the timeline for resolving and closing the following types of issues/findings cannot be defined, state program managers are encouraged to try to resolve them within one year. In cases where subgrantees take longer than one year to resolve findings, state program managers should document the steps taken by subgrantees and plan for future action, and obtain approval from their supervisor. State program managers are strongly encouraged to obtain and document approval at one year as well as once every six months immediately following, until the issue/finding has been resolved.

- a. Program issues related to the overall implementation of project goals and objectives
 - b. Resolution of co-mingled grant funds
 - c. Resolution of various flow-down requirements
2. **Non-responsive grantees.** As a general guideline, subgrantees should be considered nonresponsive if they do not respond to issues/findings within 45 calendar days. This does not require subgrantees to resolve issues within this timeframe; however, subgrantees should address the issues. In such instances, state program managers should contact the subgrantee via phone, e-mail or letter and request a response within 15 calendar days. If there is still no response, the subgrantee is considered to be delinquent and should be notified via a follow-up letter informing them of their delinquency. The subgrantee should be given 15 calendar days from the date of the letter to respond.

- a. If no response, the state program manager should forward documentation related to the non-responsive subgrantee to his/her supervisor for review. The Office of Grants and Federal Resources' (GFR's) recommendation generally would be to suspend a subgrant and allow the subgrantee an opportunity to take appropriate corrective action prior to a termination decision. If the subgrantee does not take appropriate corrective action during the period of suspension, state program managers are required to work with their supervisors to determine if the subgrant will be terminated.
3. **Closing of issues/findings.** If a subgrantee provides justification for site visit findings, and this justification is accepted by the state program manager, the state program manager is responsible for notifying the subgrantee that findings have been closed. State program managers should send a "follow up letter finding closed" within 15 days of receipt of the subgrantee justification.