

GFR's Quarterly Grants Working Group

# Annual Statewide Grant Monitoring Plan



# GFR's Grants Management Manual (GMM)

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- Initial work in 2014.
- Re-established that effort in 2018.
- Two versions - <https://grants.az.gov/grant-manual>
  - State as a Grantee – should be completed by end of this calendar year.
  - State as a Grantor – was completed earlier this month.
- Similar to ADOA-General Accounting Office (GAO) State of Arizona Accounting Manual (SAAM), the GMM is statewide policy.
  - The Auditor General's Office and GAO Internal Controls Group will be assuring compliance within their individual work with your agencies.

# Uniform Guidance

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- Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 CFR 200) (“Uniform Guidance”), specifically §200.331, requires pass-through entities to evaluate each subrecipient's risk of noncompliance in order to determine the appropriate monitoring level, monitor the activities of subrecipient organizations to ensure that the subaward is in compliance with applicable Federal statutes and regulations and terms of the subaward, and verify that subrecipients are audited as required by Subpart F - Audit Requirements of the Uniform Guidance.

# Uniform Guidance

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- Failure to adequately monitor the compliance of subrecipients could result in:
  - Adverse actions taken on your individual agency; and
  - Jeopardize current and future funding across state government.
- It is the responsibility of the State of Arizona and its administrative agencies, as pass-through entities, to ensure the good stewardship of federal funding.

# GMM Chapter 8: Award Monitoring

- Policy Statement
  - The following policy applies to all subawards issued without regard to the primary source of funding i.e. both federal and non-federal grantor programs.
  
- Why this policy?
  - SAAM Topic 05 Section 06, Internal Control Principles and Practices (<https://gao.az.gov/sites/default/files/0506%20Internal%20Control%20Pinciples%20and%20Practices%20170130a.pdf>)
    - Agencies are to perform Risk Assessments.
  - Per the E.O. that created GFR, it stated that an audit clearinghouse is to be established and maintained. Additionally, GFR is to assist in the resolution of the State's Annual Single Audit Report findings as they pertain to grants along with preventing any new findings. Therefore, GFR will:
    - Maintain an Annual Statewide Grant Monitoring Plan which will identify and report on state agency:
      1. Subawards;
      2. Subrecipients scheduled for site visits; and
      3. Status of current monitoring activities.

# GMM Chapter 8: Award Monitoring

- What is the Policy?
  - State agencies are responsible for:
    1. Reviewing their grantor program(s) inventory (number of open, active subgrant programs and subrecipients) to determine their desired sample size.
      - At least 10 percent of open, active subgrants/subawards.
    2. Using the Association of Government Accountants' (AGA's) Risk Assessment Tool (<https://www.agacgfm.org/Intergov/More-Tools/Risk-Assessment-Monitoring-Tool.aspx>), agencies will rate subawards against a standard set of criteria and prioritize subawards most in need of onsite monitoring.
      - The subawards selected for monitoring comprise your Annual Agency Grant Monitoring Plan.
    3. Submit your Annual Agency Grant Monitoring Plan to GFR by May 31 of each year.
      - All agency plans are the basis for the State of Arizona's Annual Statewide Grant Monitoring Plan.

# GMM Chapter 8: Award Monitoring

- What is in a Plan?
  - Subrecipient demographic information
  - Subgrant program/subaward information
  - Monitoring method
    - Substantive, intensive communication (mail, email, and telephone)
    - Desk review
    - Site visit
      - The plan must include the schedule/date for conducting any site visit.
- Who is Exempt?
  - Agencies that do not have subrecipients.
    - AGA's Subrecipient vs. Contractor Checklist (<https://www.agacgfm.org/Intergov/More-Tools/Subrecipient-vs-Contractor-Checklist.aspx>)
    - SAAM Topic 70 Section 10, Subrecipient and Contractor Determinations (<https://gao.az.gov/sites/default/files/7010%20Subrecipient%20and%20Contractor%20eterminations%20050718.pdf>)

# GMM Chapter 8: Award Monitoring

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- What is the Policy?
  - GFR is responsible for:
    1. Posting the State of Arizona's Annual Statewide Grant Monitoring Plan to the eCivis Organizational Documents section within the Organization Library.
      - Facilitate collaboration and coordination amongst other agencies who may be monitoring the same subrecipients throughout the course of the year ensuring that subrecipients are not burdened with multiple or unnecessary visits.
    2. Coordinating quarterly updates with each state agency to capture any plan changes, trends, or best practices.
    3. Publishing all changes to the Statewide Annual Grant Monitoring Plan.



## Next Steps

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- If your agency does not already have a plan, formalize one.
  - If needed, GFR will provide further training and technical assistance on developing an Agency Grant Monitoring Plan including using the AGA Risk Assessment Tool to rate and prioritize monitoring activities.
- By October 31<sup>st</sup>, your agency State FY19 plan should be submitted to [GFR@azdoa.gov](mailto:GFR@azdoa.gov).
- Going forward, your agency's annual grant monitoring plan will be due on May 31<sup>st</sup>. So State FY20 Annual Agency Grant Monitoring Plans are due May 31, 2019. Again, submitted to [GFR@azdoa.gov](mailto:GFR@azdoa.gov).

# Helpful Links

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- GFR's GMM - <https://grants.az.gov/grant-manual>
- GAO's SAAM - <https://gao.az.gov/publications/saam>
- AGA's Risk Assessment Tool - <https://www.agacgfm.org/Intergov/More-Tools/Risk-Assessment-Monitoring-Tool.aspx>
- AGA's Subrecipient Monitoring and Self-Assessment Guide - [https://www.agacgfm.org/AGA/Intergovernmental/documents/Collaboration-Series\\_Subrecipient-Monitoring.pdf](https://www.agacgfm.org/AGA/Intergovernmental/documents/Collaboration-Series_Subrecipient-Monitoring.pdf)
- Uniform Guidance - [https://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title02/2cfr200\\_main\\_02.tpl](https://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title02/2cfr200_main_02.tpl)

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