

WEBINAR SERIES 2: PROGRAM MONITORING



July 27, 2017

Monitoring Guide for CDBG, HOME, ESG, CSBG, and JAG

Agenda

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- Welcome
- Webinar Series 1: Survey Follow-up
- Overview
- Risk Analysis Process
- Navigating the Monitoring Process
- Components of Program Monitoring
- Components of Administrative Monitoring
- Components of Financial Monitoring
- Monitoring Results Follow-up
- Additional Monitoring Resources
- Q & A

Webinar Series 1: Survey Follow-up

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- Training Recommendations
 - Board development, improving business skills, announcement bid writing
 - Georgia Center for Non-Profits, www.gcn.org
 - Cobb County needs to assist agencies in their grant proposals
 - Cobb County Priorities can be found in the Consolidated Plan, www.cobbcounty.org/cdbg
 - Training on grant specific reporting requirements.
 - All grants have reporting templates. Contact your Program Manager if you need further assistance.

Overview

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Purpose of Monitoring

- ▣ To ensure compliance with all regulations governing administrative, financial, & programmatic operations.
- ▣ To ensure subrecipients achieve performance objectives on schedule & within budget.

Overview

The overall goal of monitoring is to ensure your organization's project is successful, operating on the principles of;

Open Communication

- A commitment to listening to suggestions and concerns, to gaining an understanding of local operations, and to assist in developing solutions to problems, and to share program improvement ideas by means of transparency.

Joint Problem Solving

- A commitment to promoting an environment in which developing mutually agreeable solutions is possible.

Risk Analysis Process

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At the beginning of each Program Year, the CDBG Program Office conducts a risk analysis for all “active” grants.

The Risk Analysis reveals key financial or programmatic areas of concern that should be monitored.

New or first-time funded grantees or activities should be considered when determining risk score. Recent audits with findings, compliance issues, and fair housing/civil rights issues should also be considered when determining risk score.

The Risk Analysis includes a process that organizes grantees and activities into “high risk” or “low risk.”



Risk Analysis

Risk Analysis Process

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High Risk Subrecipients may Include:

- ▣ Newly funded Subrecipient Agencies. *Newly funded agencies will receive technical assistance within the first year.* The CSBG Program requires all newly funded agencies to be monitored within the first year.
- ▣ Subrecipients that have experienced turnover in key staff positions or a change in goals or direction.
- ▣ Subrecipients with previous compliance or performance problems including failure to meet schedules, submit timely reports, or clear monitoring or audit findings.

Risk Analysis Process

Low Risk Subrecipients may Include:

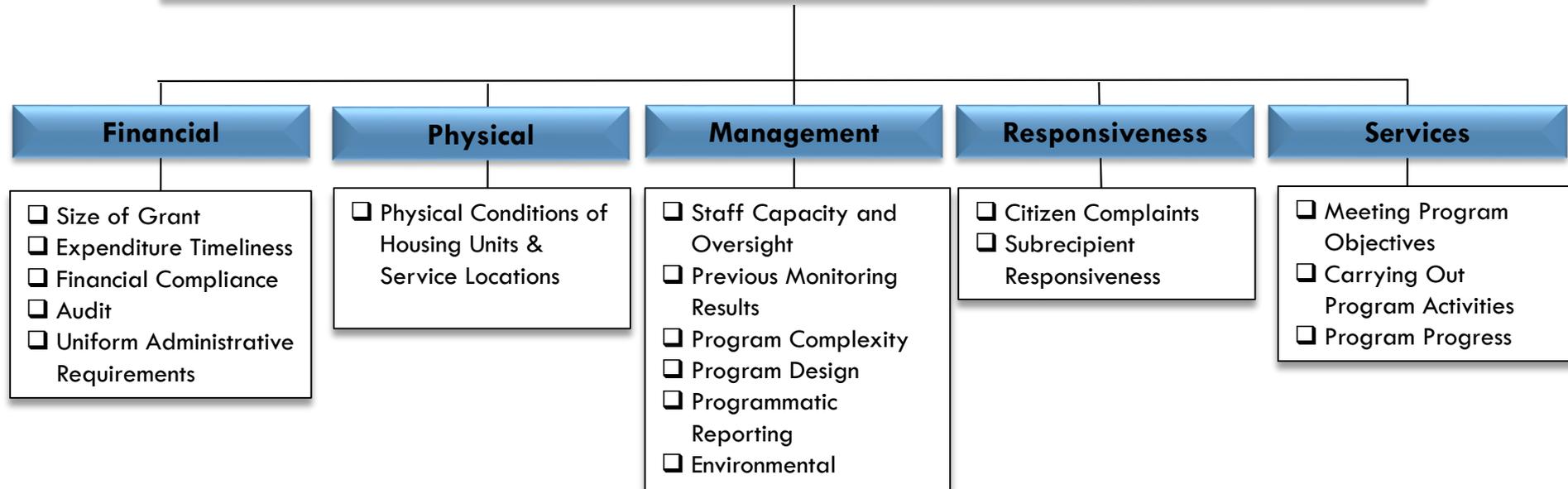
- Subrecipients that maintain an expenditure plan which delineates their activity to expend funds and carryout their intended programs in a timely manner.
- Subrecipients that consistently submit monthly programmatic and expenditure reports.
- Subrecipients with adequate management systems and staff, absent of substantial turnover, to carryout programmatic goals and objectives.

“Low Risk” rating does not always eliminate the need for monitoring. Other factors could warrant monitoring or technical assistance for a “low risk” grantee.

Risk Analysis Process

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Risk Analysis Subfactors



Navigating the Monitoring Process

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□ Methodology

- A **“Desk Review”** is a documentation review used for targeted level monitoring or in preparation for an on-site visit.
 - In preparation for the monitoring visit, review all the written accessible data , such as:
 - Contractual agreement;
 - Progress reports;
 - Reimbursement requests;
 - Documentation of previous monitoring;
- An **“On-site Visit”** is a review of the subrecipient’s programmatic, administrative, and financial records at an agency’s service or administrative location.

Navigating the Monitoring Process

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Notification Letter

(At least 2 weeks notice provided)

- Date, expected duration, and scope;
- CDBG Program Staff to be involved.



Entrance Conference

(held immediately before monitoring)

- Reiterates purpose, scope and schedule of the monitoring.



Review & Analysis

- Review of programmatic and financial components.
- Analyze information and develop conclusions for any findings and/or concerns that might appear in the monitoring letter.

Exit Conference

(held immediately after monitoring)

- Presentation of preliminary results;
- Additional information collected from appropriate staff to clarify or support their position



Follow-Up Letter

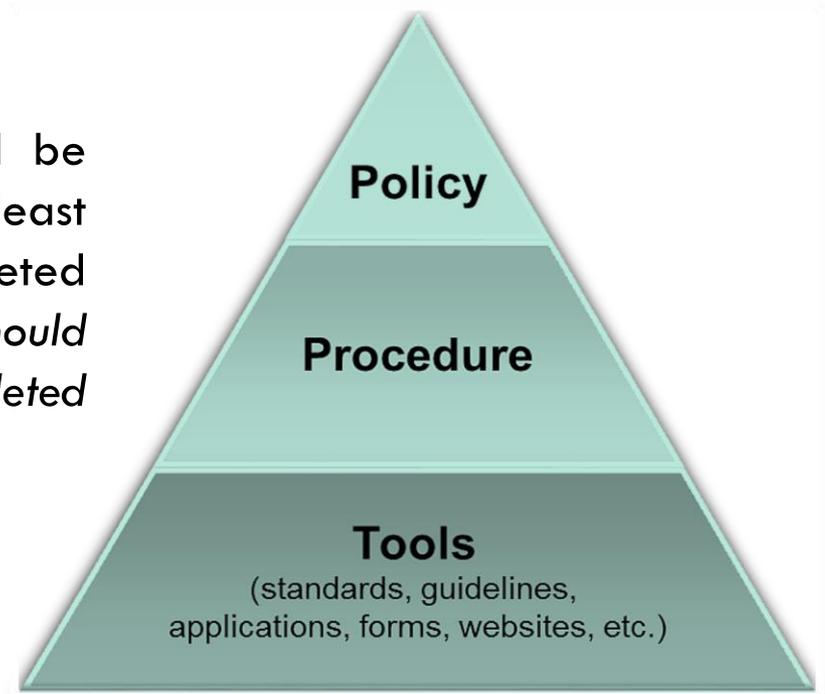
(provided within 45 days of visit)

- States deficiencies/areas of improvement (*concerns*) or regulatory/compliance issues (*findings*) and gives recommendations or required corrective action, as necessary.
- Deadlines for agencies to provide a written response.

Components of Program Monitoring

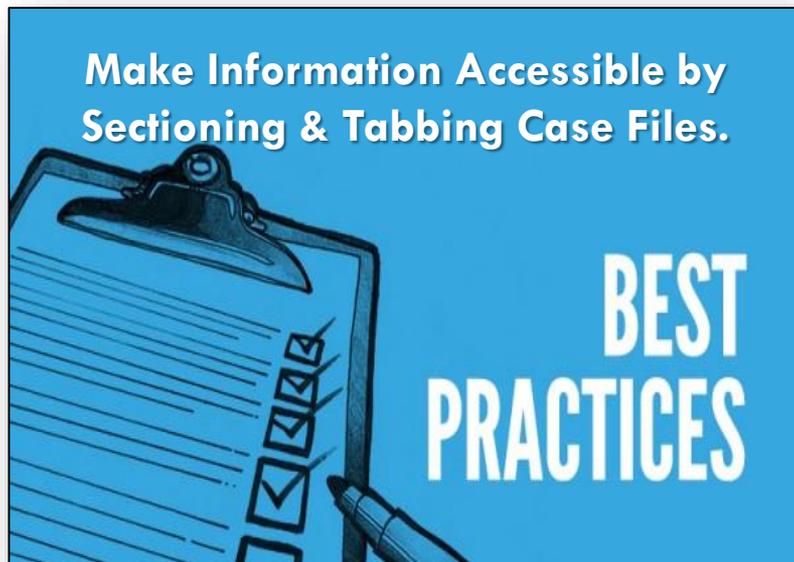
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- Policies & Procedures
- Client Case Files
 - The file(s) review sample should be random and be comprised of at least one third of the total completed projects. *(For example, 25 files should be reviewed for 75 completed projects.)*
- Monthly Reports
- Site Tour



Components of Program Monitoring

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- ❑ Case File Checklist
- ❑ Application for services
- ❑ Consent Forms
- ❑ Proof of Identification
- ❑ Proof of Residency
- ❑ Income Verification Documents
- ❑ Income Limits
- ❑ Environmental Review *(if required)*
- ❑ Housing Eligibility Documentation
- ❑ Additional Services Documentation

Documents should be placed in order of checklist.

Separate case files by grant.

Components of Administrative Monitoring

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- A review of a subrecipient's internal controls and operating processes. An administrative review will be conducted in conjunction with either a financial or programmatic monitoring review.
- Administrative Files, including:
 - Subrecipient Agreement
 - Amendments
 - Budget Revisions
 - CDBG Program Office Communications
 - Match Log (*if required*)
- May required a review of personnel files to:
 - Verify background check requirements



Components of Financial Monitoring

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- Financial Statements, including:
 - Chart of Accounts
 - General Ledger
 - Profit/Loss Statement
- Balance sheet and Statement of Cash Flow
- Organizational financial policies and procedures
- Organizational Chart with staff members' duties identified

Components reviewed for compliance with Uniform Administrative Requirements 2 CFR 200.

Monitoring Results Follow-up

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- The Monitoring Results Letter:
 - Identifies Findings, Concerns, Recommendations, and Corrective Actions based on applicable laws, regulations, or program policies, and supported by the facts/data gathered over the course of the monitoring.
 - Includes deadlines for providing a written response that describes how the subrecipient will resolve any finding(s) and correct each deficiency identified in the letter.
- A **“Finding”** is a violation of law or regulation that can result in a sanction. A
- A **“Concern”** is a matter that, if not properly addressed, can become a finding and can result in a sanction.
- A **“Recommendation”** is a suggested action for the subrecipient to take to prevent concerns from violating laws or regulations at a later date.
- **“Corrective Action”** is the action required by the subrecipient to resolve findings.

Monitoring Quick Tips

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- Always maintain “monitor-ready” files.
 - ▣ Consistently conduct file checks to ensure accuracy of file documents.
 - ▣ Identify any missing information that should be in the files.
 - ▣ Ensure projects are closed-out properly with all necessary beneficiary information
- Regularly update policies with programmatic changes.
 - ▣ Establish systems for incorporating new policy and programmatic changes into your programs
- Conduct semi-annual internal monitoring of files.
 - ▣ Verify program compliance for activities accomplished.
- Perform quarterly financial reconciliations.
 - ▣ Monitor receipt and expenditures of grant funds and program income.
 - ▣ Identify and correct any deficiencies in financial recording across systems.
 - ▣ Ensure accurate reporting of all disbursements of funds.

Summary

Monitoring is an effective tool for avoiding problems and improving performance. As a best practice, Subrecipients should conduct internal audits of files at least semi-annually.

Our primary goal is to ensure your organization complies with all Federal & State Requirements. Together we can build and grow.

Additional Monitoring Resources

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- ▣ CSBG

[CSBG Self-Assessment Monitoring Tool](#)

- ▣ HUD Grants

[CPD Monitoring Handbook 6509.2](#)

- ▣ JAG

[2015 DOJ Grants Financial Guide](#)

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