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For Perkins Management and Reporting—Fiscal Year 2012

Subrecipient Monitoring for Career and Technical Education Programs

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Office of Vocational and Adult Education
Division of Academic and Technical Education

Key Points for Review

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- The U.S. Department of Education's expectations regarding subrecipient monitoring
- A State's subrecipient monitoring responsibilities
- Important elements of a subrecipient monitoring plan
- Questions, Answers, and Discussion

What is [Subrecipient] Monitoring?

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- More than on-site visits
- Any action taken by grantee throughout the life of a grant to ensure legal compliance and program performance
- Ongoing process

Department Requirements and Expectations

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A pass-through entity shall..[m]monitor the activities of subrecipients as necessary to ensure that Federal awards are used for authorized purposes in compliance with laws, regulations, and the provisions of contracts or grant agreements and that performance goals are achieved.

OMB Circular A-133__400(d)(3), issued under the Single Audit Act of 1984, P.L. 98-502, and the Single Audit Act Amendments of 1996, P.L. 104-156.

Federal Requirements – Education Department General Administrative Regulations (EDGAR)

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Section 80.40 – State, Local and Indian Tribal Governments

- Grantees are responsible for managing the day-to-day operations of grant and subgrant supported activities. Grantees must monitor grant and subgrant supported activities to assure compliance with applicable Federal requirements and that performance goals are being achieved. Grantee monitoring must cover each program, function or activity.

Section 74.51(a) – IHEs, Hospitals, Non-profits,

- Recipients are responsible for managing and monitoring each project, program, subaward, function, or activity supported by the award. Recipients shall monitor subawards to ensure subrecipients have met [A-133] audit requirements in §74.26.

Federal Requirements Single Audit Act

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- Single Audit Act, 1996 Amendments, 31 U.S.C. §7502(f)(2)(B)
- Grantees must:
 - ✓ Monitor subrecipients through *site visits, limited scope audits, or other means*;
 - ✓ *Review subrecipient audits* as necessary to determine whether prompt and appropriate corrective actions have been taken;
 - ✓ Require subrecipients to make records and financial statements available to independent auditors

A-133 Compliance Supplement

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- Pass-through entity is responsible for during-the-award monitoring, through:
 - ✓ Reporting: reviewing subrecipient financial *AND* performance reports;
 - ✓ Onsite reviews: review programmatic *AND* financial records and observe operations;
 - ✓ Regular contact; *OR*
 - ✓ Other means

*STANDARD: Monitoring efforts must provide a **reasonable assurance** that a subrecipient administers Federal funds in compliance with laws and regulations and that performance goals are achieved*

Additional Federal Requirements

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- Review grant award agreements
 - ✓ Program-specific monitoring requirements
 - ✓ General Education Provisions Act (GEPA) Single State Application, 20 U.S.C. §1232d
 - State must monitor agencies, institutions and organizations responsible for carrying out each Program;
 - provide technical assistance to these entities; and
 - correct deficiencies in program operations that are identified through monitoring

Federal Requirements—Conclusions

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- Why do grantees have to monitor subrecipients?
 - It's the law.
- How do grantees have to monitor?
 - It's up to the grantee.
- How should you monitor, or, what does good monitoring look like?



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Best Practices in Subrecipient Monitoring

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Review and Revise Your Monitoring Plan

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What makes up a monitoring plan?

- Written set of policies and procedures that guide the scope and frequency of monitoring activities, including follow up on corrective actions
- Monitoring schedule
- Monitoring checklist
- Risk assessment, i.e., what factors determine the methods and frequency of monitoring subrecipients and programs?

Revising Program Monitoring Checklists

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- Review current laws and regulations to ensure checklists cover all applicable program requirements
- Set forth requirements in plain language, cite to relevant law or regulation
- Identify method of verification and required documentation
- Identify cross-cutting monitoring requirements (e.g., cash management)

Subrecipient Monitoring Plans: Final Thoughts

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- A-133 Single Year Audit Review
 - ✓ Subrecipient monitoring included as a compliance requirement
 - ✓ Suggested audit procedure: review of subrecipient monitoring policies and procedures to gain an understanding of the scope, frequency and timeliness of monitoring activities



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Questions and Answers

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