

Subject: Subgrant and Contract Monitoring
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Regulations: [5101:9-4-07](#); [5101:9-1-88](#); [5101:2-47-23.1](#)
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Previous Documents: Subgrantee Monitoring Policy

PURPOSE & SCOPE: This policy will be enforced by Clark County Department of Job and Family Services staff to ensure that activities funded through subgrant agreements and selected contracts are monitored according to the level of risk as established through an annual risk assessment conducted at the initiation of all subgrant agreements and select contracts and 30 days prior to the conclusion of each 12-month period during the term of the agreement.

This policy has four objectives:

1. To determine if subgrantees or contractors are delivering services in accordance with the terms of the subgrant agreement or contract; and
2. To determine if the activities, eligibility determinations, and invoicing procedures of the subgrantee or contractor are compliant with the negotiated agreement as well as with the policies and procedures of the Clark County Department of Job & Family Services (CCDJFS), County, State, and/or Federal entities; and
3. To provide program guidance and direction in order to ensure quality services to our customers; and
4. To enable subgrantees or contractors to improve services, if necessary.

This policy applies to all subgrantees of federally-funded programs administered through the CCDJFS and selected contracts. The Business Administrator determines which contracts require monitoring based on the complexity of services provided. Monitoring is not required for purchases of equipment, maintenance agreements for equipment or software, or other simple contracts. Monitoring is required for all contracts to provide programmatic services to CCDJFS customers. The Business Administrator maintains a list of all contracts to which this policy applies. **Social Security Act Title IV-D and IV-E Contracts have different monitoring procedures, which are included in the Procedure Section below as provisions VIII and IX.**

POLICY:

- I. A risk assessment is conducted by assigned CCDJFS staff with each subgrantee or selected contractor after final agreement terms have been negotiated but prior to the effective date of the agreement.
 - a. The risk assessor shares the results with subgrantee/contractor immediately upon completion.
 - b. The risk assessor provides this policy to the subgrantee or contractor and notifies them of the specific policy section applicable to them based on the result of the risk assessment and the proposed duration of the agreement.
- II. Subgrantees and selected contractors are monitored based upon the results of the risk assessment as follows:
 - a. High-risk subgrantees/contractors are monitored a minimum of four (4) times during the one-year period beginning with the effective date of the agreement or the one-year period beginning on the 1st of the month following the annual risk re-assessment.
 - b. Moderate-risk subgrantees/contractors are monitored a minimum of two (2) times during the one-year period beginning with the effective date of the contract or the one-year period beginning on the 1st of the month following the annual risk re-assessment.
 - c. Low-risk subgrantees/contractors are monitored a minimum of one (1) time during the one-year period beginning with the effective date of the contract or the one-year period beginning on the 1st of the month following the annual risk re-assessment.

- III. Monitoring may include, but not be limited to:
- a. An on-site or desk review/audit of the subgrantee's/contractor's records to verify the services being provided are within the scope of the funding being received and the subgrantee/contractor has an effective means of determining recipients are eligible for the services being provided. Allowability of services and eligibility will be monitored by examining one or more of the following items:
 - i. Program records to review brochures and/or material disseminated to the public; and/or
 - ii. Program forms to ensure that they capture accurate program services and eligibility requirements; and/or
 - iii. Case files, completed applications, service delivery documentation, and other program records and forms to determine whether the subgrantee/contractor is appropriately assessing eligibility criteria and the service delivery documentation is valid.
 - b. An on-site or desk review/audit of the subgrantee's/contractor's records in order to provide reasonable assurance the cost of goods, services, and property are allowable, in accordance with applicable federal, state, and local regulations and expenditures appear to be within the budget submitted for approval examining one or more of the following items:
 - i. Purchasing records or invoices to ensure expenditures are allowable, necessary, and reasonable; and/or
 - ii. Monthly expenditure reports to compare with the annual budget amounts to determine an appropriate level of spending and expenditures being charges against the funds are supported by an approved budget; and/or
 - iii. Invoices and budgets, in order to provide reasonable assurance that costs and charges are within the scope of allowable federal costs; and/or
 - 1. The reviewer may:
 - a. Interview management personnel; and/or
 - b. Review procedure manuals, inventory, and audit reports to ensure the subgrantee or contractor has effective control over accountability for all funds, property, and other assets.
 - iv. Financial records to assure accounting records identify the source of funds and provide for accurate division of charges and costs between federal and non-federal activities; and/or
 - v. Subgrantee's/contractor's procedure manual or other operating policies to determine whether the subgrantee/contractor has an effective means of communication, internal controls, and guidance for its employees to reasonably guard against the misuse of funds; and/or
 - vi. Quarterly/Annual inventory reports to determine the subgrantee/contractor has a method for safeguarding assets to assure they are used for authorized purposes; and/or
 - vii. Audit reports to determine compliance with any existing corrective action plans.
 - c. An on-site or desk review audit of the subgrantee's/contractor's records in order to provide reasonable assurance the subgrantee/contractor has acquired goods and services in accordance with applicable state and federal regulations by examining one or more of the following:
 - i. Subgrantee's/contractor's procurement policy or manual to determine whether the policy represents an acceptable level of internal control and is in accordance with federal procurement requirements; and/or
 - ii. A sample of various transactions to ensure the policy is being followed; and/or
 - iii. Codes of conduct and other policies regarding standards of ethical behavior for making procurements to assure practice of acceptable procurement principles; and/or
 - iv. An on-site or desk review audit in order to provide reasonable assurance reports are supported by underlying accounting or performance records and are submitted in accordance with the provision of the subgrant agreement or contract by examining

supporting documentation for a sampling of the reports to assure the accuracy and completeness of the data and information included in the reports as well as the timely receipt of required reports.

- d. A review of personnel files for personnel providing any level of service under the subgrant agreement or contract;
 - e. Fiscal review which may include review of :
 - i. Documentation of actual expenses for all items included in the approved budget; and/or
 - ii. Documentation of personnel costs (salary and fringes); and/or
 - iii. All invoices and supporting documentation submitted to the department (may be conducted through a desk review at the CCDJFS at the discretion of the CCDJFS); and/or
 - iv. Verification of service provision; and/or
 - v. Additional documentation as requested by the CCDJFS.
 - f. Program review which may include:
 - i. Observation of program service delivery required through the subgrant agreement or contract; and/or
 - ii. Review of safety and/or security requirements; and/or
 - iii. Review of all deliverables; and/or
 - iv. Review of methodology for reporting outcomes; and/or
 - v. Additional documentation as requested by the CCDJFS.
- IV. Results of monitoring visits and actions taken by subgrantees or selected contractors under Continuous Improvement Plans (CIP) may be considered by CCDJFS in future requests for proposals or other competitive bidding processes.
- V. Contracts for the provision of Title IV-D services do not require a risk assessment or on-site monitoring.
- VI. Contracts for IV-E placement of children do not require a risk assessment. On-site monitoring will be conducted at least once every thirty days for Contractors with an active placement by the CCDJFS Case Worker who is assigned to the child who resides in placement. On-site monitoring will not be conducted for contractors who do not have a current placement.

PROCEDURE

- I. The Business Administrator or Contract Developer conducts a risk assessment of each subgrantee or selected contractor prior to the start date of the subgrant agreement or contract.
 - A. The Business Administrator or Contract Developer ensures the subgrantee/contractor has a copy of this policy prior to the risk assessment.
 - B. The Business Administrator or Contract Developer shares the results of the risk assessment with the subgrantee/contractor immediately after the risk assessment is completed.
- II. The Contract Developer schedules monitoring visits with subgrantee/contractor at the frequency specified by the risk assessment.
 - A. Contract Developer provides subgrantee/contractor with a list of documents that will be monitored.
- III. The Contract Developer conducts monitoring visits and reviews all documents requested.
 - A. If documents are unavailable at the time of the monitoring visit, Contract Developer requests that subgrantee/contractor submit these documents electronically within 1 week after the visit is conducted.
- IV. The Contract Developer conducts an exit meeting with the subgrantee/contractor prior to concluding the monitoring visit.
 - A. The Contract Developer:
 - 1. Reviews the results of the monitoring visit including suggestions for program/procedure

- improvements; and reviews questioned costs and potential repayment plan, if necessary;
 - a. Repayment plan must be approved the by CCDJFS Director (or designee) and is independent of any Continuous Improvement Plan (CIP)
 - 2. Informs the subgrantee/contractor if a CIP will be necessary; and
 - 3. Reviews next steps and follow-up required of the CCDJFS and the subgrantee/contractor.
- V. The Contract Developer completes and distributes to the subgrantee or contractor a written report signed by the Director detailing the results of the visit within thirty (30) days of the completion of the monitoring visit.
 - A. The written report includes:
 - 1. The results of the monitoring visit including suggestions for program/procedure improvements; and
 - 2. A review of any questioned costs and potential repayment plan, if necessary.
 - B. The written reports may assign the subgrantee or contractor to submit a CIP to address findings. The CIP shall include:
 - 1. A plan to address each finding listed in the monitoring report, including steps necessary to ensure compliance with cited requirements; and
 - 2. Target dates for completion of all steps; and
 - 3. Delineation of individuals responsible for the noted improvements.
- VI. The subgrantee or contractor may appeal the written report to the CCDJFS Business Administrator, including questioned costs, within 15 calendar days of the date of the report noting any findings.
 - A. The subgrantee or contractor:
 - 1. States the specific elements being questioned: and
 - 2. Provides appropriate rules, policies, and/or other documentation that supports their compliance with the questioned provisions
 - B. The CCDJFS Business Administrator reviews all documentation/evidence and may request interviews with agency and/or subgrantee/contractor to complete the review of the appeal;
 - C. The CCDJFS Business Administrator, within 10 calendar days, provides a response to the subgrantee/contractor of the review findings upholding the initial findings, modifying the initial findings, or overturning the initial findings. The decision of the Business Administrator is final.
 - D. During the appeal process, no payments are made to the subgrantee/contractor.
 - E. The subgrantee or contractor has sixty (60) days from the issuance of the monitoring findings if no appeal is initiated or the date of the appeal decision if an appeal is filed timely to submit a CIP to CCDJFS.
 - F. Failure by the subgrantee or contractor to submit and implement a CIP constitutes grounds for subgrant agreement or contract termination and the CCDJFS may exercise its option to terminate at its discretion.
- VII. Title IV-D Contractors are required to retain supporting documentation for actual expenses and the number of units of service provided. This documentation shall be provided to CCDJFS monthly with the JFS 07034 form for reimbursement.
 - A. The Contract Developer reviews the monthly documentation to ensure accuracy of the information reported on the JFS 07034 form.
 - B. If it is determined that the number of units provided or the amount of actual expenditures does not match what was reported on JFS 07034, then the IV-D Contractor must correct the JFS 07034 before payment is issued.
 - C. If the discrepancy is not discovered until after payment is issued, the IV-D contractor will be responsible for reimbursing CCDJFS for the overpayment amount. This may be completed by issuing a credit for the overpayment amount on a subsequent invoice.
- VIII. Case Workers and FCS Supervisors will review monthly invoices and compare rates charged to the agreed upon per diem amount from the SACWIS to ensure billing accuracy for contracts for IV-E placement of children.

- A. Case Workers and Family and Children's Services (FCS) Supervisors will review invoices to compare the number of days charged with CCDJFS records to ensure billing accuracy.
- B. Case Workers and FCS Supervisors will review progress reports submitted by Contractors to CCDJFS to ensure that services being delivered are in accordance with the child's treatment plan.
- C. The Contract Developer will work with Contractor, Case Workers and FCS Supervisors to ensure that copies of all required documents are kept on file, including but not limited to home studies, licenses, insurance certificates, and financial and program audits for contractors who have a current placement as well as contractors who do not.