



STATE OF VERMONT

DEPARTMENT OF PUBLIC SAFETY

GRANTING PLAN PART 1

FINANCIAL GRANT MANAGEMENT

Effective Date July 1, 2018 (version 7)

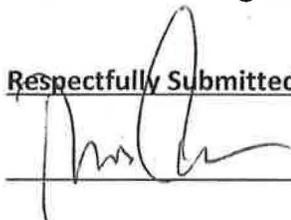


STATE OF VERMONT
DEPARTMENT OF PUBLIC SAFETY
GRANTING PLAN SUBMISSION CERTIFICATION SHEET

The Department of Public Safety is submitting the attached Granting Plan as required by the Department of Finance & Management, and the Agency of Administration Bulletin 5. The DPS plan contains four parts as follows:

- Part 1: Financial Grant Management
- Part 2: Subaward Management
- Part 3: Financial Monitoring
- Part 4: Program Workcenters

Respectfully Submitted By:



(Deputy) Commissioner of Public Safety

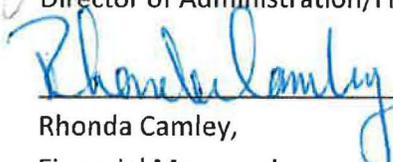
5/31/18

Date:


Joanne L. Chadwick,
Director of Administration/Finance

5/29/18

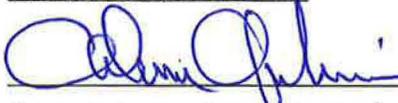
Date:


Rhonda Camley,
Financial Manager I
(Point of Contact for Content)

5-29-18

Date:

Accepted/Approved By:



Commissioner, Department of
Finance & Management

5 June 18

Date:

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Introduction

Forward

This manual is for those in all levels of responsibility using and managing grant funds by the State of Vermont, Department of Public Safety (DPS). This document is the department's required plan in accordance with the Agency of Administration Bulletin 5, *Policy for Grant Issuance and Monitoring*. Grants are agreements with the Department of Public Safety not individual divisions of the department. This manual does not supersede state or federal regulations. Rather this document has been drafted to ensure grants are managed in accordance with all applicable regulations.

Granting Plan Mission Statement

The administration division collaborates with program workcenters to efficiently obtain and effectively manage grants and subawards. The Financial Administrators in DPS apply consistent DPS grant management policies and procedures.

Definitions

Account code: assigned by the Agency of Administration Department of Finance and Management and used in the VISION accounting system to track expenditures. Expenditures for subawards are coded as follows: municipalities - 550000; for all other - 550500; and cooperative agreements - 550510.

Advance Notice to Proceed: Per DPS memo from Commissioner Keith Flynn, dated April 8, 2011, DPS does not reimburse costs incurred prior to the full execution date. However, in rare circumstances DPS appointing authority may approve an advanced notice to proceed which will allow reimbursement of pre-award costs that have occurred within the performance period.

Agency of Administration (AOA): The State of Vermont executive branch Agency with primary responsibilities related to human resources, statewide accounting and budget management, physical plant and IT infrastructure, and contracting and general services. As principal administrative aide to the Governor, the Secretary of Administration issues general policy requirements through administrative memoranda and bulletins to implement executive orders and legislative mandates applicable to the executive branch of state government.

Award: grants, contracts and, other agreements between a State, local and Indian tribal government and the Federal Government. This includes financial assistance and other agreements as described in 2 CFR 200.38.

Budget modification: any change to the approved budget during the fiscal year.

Competitive grant: also known as a discretionary grant. The awarding agency reviews applications, in part through a formal review process, considering the legislative and regulatory requirements and published selection criteria established for a program. The review process gives the awarding agency discretion to determine which applications best address the program requirements and are therefore, most worthy of funding.

Conflict of interest: a pecuniary interest of an employee in the award or performance of the grant, subaward or contract, or such an interest, known to the employee, by a member of his

/her immediate family or household or a business associate. Every effort should be made to avoid the "appearance" of a conflict of interest in the granting process. An appearance of a conflict is anything that would lead a reasonable person to question whether this grantee was selected for improper reasons.

Delegation of Authority/Signature Authority (i.e. Appointing Authority): organization heads include those officers occupying appointive positions defined in 32 VSA 1003 (b); to include the exempt deputies of agency secretaries and department commissioners, elective officers and their deputies who head operating departments and heads of divisions, boards, committees and commissions *not reporting to* a department commissioner. As of the date of the last revision of this document, the Department of Public Safety only has a Commissioner and Deputy Commissioner qualified as Appointing Authority under this definition (see Bulletin 3.3)

Discretionary Grants: Funds may be distributed based on the discretion of the DPS. In such cases, potential grantees apply directly to the DPS and are selected to receive funds, in a competitive environment. Such grants are considered "discretionary grants".

DPS Restricted Parties List: The Department of Public Safety has policy AU-04 for enforcement of the requirements under subrecipient agreements and other department requirements.

Entitlement grant: a grant established by legislation or granting agency. Legislation frequently establishes the method by which the granting agency will distribute the appropriated grant funds. Formula grants fall into this category.

Equipment: tangible, nonexpendable, personal property having a useful life of more than one year and an acquisition cost of \$5,000 or more per unit as defined in 2 CFR 200.33. Capital assets are not necessarily tangible however in accordance with VISION Procedure #1 they are part of the DPS's asset inventory. A granting agency may use its own definition of equipment provided such definition would at least include all equipment defined in regulation. The definition of equipment is separate from the threshold for contracting requirements.

Execution date: the date the Department of Public Safety Appointing Authority signs a subaward agreement.

Federal Extension: federal agencies may authorize an extension of their grant performance period and/or close-out (liquidation) period in accordance with their procedures.

Federal Funding Accountability and Transparency Act (FFATA): the intent of FFATA is to empower every American with the ability to hold the government accountable for each spending decision. The goal is to reduce wasteful spending in the government. The FFATA legislation requires information on federal awards (federal financial assistance and expenditures) be available to the public via a single, searchable website, which is www.USASpending.gov.

Formula grant: a grant specifying a precise formula in the legislation creating the program. The specified formula is a rule that tells potential recipient governments precisely how they can calculate the quantity or portion of appropriated aid to which they are entitled under the provisions of law, if the recipient qualifies for such assistance under the stipulations of the program. All formula grants distribute funds to states or localities proportionally, based on the locality's relative standing given the formula specified.

Financial Office: the office located in DPS Administration division charged with consolidated coordination and financial management of all grant funds used by DPS and subawarding activities of funds passed through DPS regardless of fund source. This office will be the primary point of

contact for subrecipient and the primary point of contact for federal agencies on financial matters. The Financial Office will maintain the official file for all DPS awards and subawards passed through DPS.

Grant Application: any documentation required by a granting agency or entity as a condition of receiving a grant. This includes federal, private or other grants.

Hard match: allowable costs borne by non-Federal grants or by other cash donations from non-Federal third parties that contribute to the achievement of the project/program goals during the period to which the cost sharing or matching requirements applies.

Indirect Costs: means those costs incurred for a common or joint purpose benefitting more than one cost objective, and not readily assignable to the cost objectives specifically benefitted, without effort disproportionate to the results achieved (2 CFR §200.56). Each organization must research their appropriate section of the Uniform Guide to determine if they may apply for an indirect cost rate or an Allocation Cost Plan. The Department of Public Safety has a federally approved Modified Total Direct Cost (MTDC) indirect cost rate with a Simplified Method (see 2 CFR §200.68) and must apply it to all programs unless a federal agency has a publicized approved exception under 2 CFR § 200.414 (c).

Joint Fiscal Office (JFO) and Committee (JFC): provide non-partisan financial analyses to the House and Senate Appropriations Committees, the House Ways & Means Committee, the Senate Finance Committee, the House and Senate Transportation Committees, and the Joint Fiscal Committee. The Office also provides additional non-partisan staff support to committees in a variety of fiscal areas including health care, education finance, institutions and general fiscal analysis. The Committee also has the authority to approve the acceptance of grants by state agencies and departments and approve establishment of positions when the legislature is not in session.

Letter of Understanding (LOU): see Subrecipient Agreement

Match (Non-Federal Share): the value of state, local or private contributions that support the performance of a grant funded project and are not charged to the federal government. Match can be “hard” or “soft” dependent on the source of the funds. (See Hard and Soft Match in this section).

Memorandum of Understanding (MOU): see Subrecipient Agreement

OMB: the U.S. Office of Management and Budget.

Performance Period: the time during which a subrecipient can incur costs and perform eligible work under a subrecipient agreement. The period will not start until the subrecipient organization and the appointing authority for Public Safety fully execute the subrecipient document.

Primary Pass-Through Entity: The State of Vermont agency assigned the responsibility for receiving and reviewing the Single Audit of a particular subrecipient (GASB 24).

Program Manager: a DPS employee in a program workcenter responsible for implementation, monitoring and reporting of grant and subaward activities.

Program Workcenter: any division, unit or office within DPS using granted funds to accomplish the DPS objective or function for which that work unit is responsible. The use of the funds may be in-house or the DPS unit may subaward the funds to elements of local government, boards,

commissions, nonprofit organizations or other eligible subrecipients to accomplish the intended purpose of the funding agency.

Risk assessment: the identification and analysis of relevant risks to the achievement of the objectives of an organization. The key to risk assessment is using it as a tool to institute controls to manage and mitigate risk.

Soft match: the value of third party in-kind contributions to the achievement of the project/program goals during the period to which the cost sharing or matching requirements applies.

SOV: State of Vermont.

Subrecipient Agreement: the legally binding document that authorizes the expenditure of funds. DPS uses the term subrecipient agreement to refer to grants they issue as a pass-through agency and for agreements we issue that are out of our direct appropriation. The subrecipient agreement has the written terms, period of performance, scope of work, reporting requirements and all conditions of the subaward funds. The subrecipient agreement is only valid after all parties have expressed their agreement to all terms by signing the document. Letters or memorandums of understanding serve the same purpose for intra-DPS or intra-State subaward of funds respectively. All DPS subrecipient agreements are managed in accordance with Agency of Administration Bulletin 5, 2 CFR 200 and this manual.

Subrecipient: in this document means a non-federal entity accountable for the use of the funds received from DPS to carry out a federal or state funded program.

Point of Contact

As a matter of DPS grant management policy, the Administrative Division will be the point-of-contact to receive and store the following documents:

- *Grant announcements & solicitations*
- *Grant funded invoices*
- *Federal grant application*
- *Grant close out letters*
- *Federal grant agreement to DPS*
- *Grant monitoring notice, letters and correction plans (reviews and audits)*
- *Required federal reports*
- *Subaward applications*
- *Key communications (i.e. memos, presentations, emails, etc.) from federal agencies*
- *Subaward agreements*
- *Subaward requests for reimbursement*
- *Requests for reimbursement from granting agency*
- *Subaward funded invoices*

References

- *Department of Finance and Management [Budget and Accounting Glossary](#) and [VISION Glossary](#)*
- *Office of Management and Budget (OMB) issued Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, Final Rule, called "Uniform Guidance" 2 CFR 200 <http://finance.vermont.gov/policies-and-procedures/grant-guidelines-and->*

[procedures](#)

- Vermont Statutes
- Agency of Administration [Bulletins](#)
 - Agency of Administration Policy for Grant Issuance and Monitoring [Bulletin 5](#)
 - Agency of Administration Contracting Procedures [Bulletin 3.5](#)
- SOV Department of Finance and Management [Policies, Procedures, Guides and Reference Materials](#)
- OMB Circulars:
 - CFR Title 28 – Justice
 - CFR Title 29 – Labor
 - CFR Title 44 – Emergency Management
 - CFR Title 49 – Transportation
- Federal Grant Agreement terms and conditions outlined in awards

Policy Exceptions

Exceptions to the DPS Granting Plan must be documented with the written approval of the appointing authority of Public Safety. All exceptions are to be retained in the official grant file.

Approval of alternative from Bulletin 5 procedures must have an approved waiver signed by the Commissioner of Finance and Management. DPS should not issue or monitor grants in a manner that is not in full compliance with Bulletin 5 without prior approval.

Attachments

1. *Division of Responsibilities Table*
2. *Subrecipient vs. Contractor Determination Checklist*

Chapter One: Life Cycle of a Grant

Purpose

This chapter is a description of the overall process of how DPS applies for and manages grants under a centralized grant management concept. This chapter is not all-inclusive of the requirements but a guide to the process. Within this document is a comprehensive list of the grant workflow (attachment 1).

Steps

I. Funding Opportunity Identified:

When anyone in DPS becomes aware of an opportunity to apply for grant funds, they should notify the manager of the potential program workcenter. The program workcenter manager decides if the opportunity is applicable and feasible and decides to start the application process. Once the program workcenter manager decides to pursue a grant opportunity, the program workcenter manager should immediately notify the Financial Office of their intent to apply for the grant. The program name and grant solicitation should be forwarded to the Financial Office Supervisor(s). The Financial Office Supervisor will assign the appropriate Financial Administrator to perform the financial administration of the potential new or ongoing program.

II. Strategic Review:

The DPS program workcenter together with the Financial Office staff completes DPS Strategic Grant Review Form (ADM-101)¹ and submits it to the appointing authority for consideration and approval for each grant program (the form is used for both new and reoccurring awards). Its' intended purpose is to make sure that all of the impacts of the grant are fully understood by all parties before we apply. Impacts on the Department can change from year to year and this should be noted on the form before each application is submitted. The appointing authority will determine whether to accept and apply for any funding opportunity given impacts on the department. These funding opportunities subject to the Strategic Review Form can be new or reoccurring. Appointing authority (Signature Authority) is defined on page 4 under definitions, and in the Agency of Administration Bulletin 3.3.

III. Grant Application Development:

The staffs of the program workcenter and the Financial Office cooperatively develop the grant application. The application developers may solicit participation in the process from interested parties outside of DPS. The awarding agency normally stipulates the application elements and format. DPS will follow their instructions. Applications should be prepared and packaged in a

¹ *The Strategic Review form must identify impacts of the funding i.e. staff time, overhead costs, administrative costs, office space requirements, matching requirements, maintenance of effort requirements, etc.*

clear, well-organized manner that reduces the need for follow-up questions. The application can be completed concurrently with the Strategic Review (ADM 101).

Grant Application Deadline:

Grant applications should be complete and ready for final appointing authority review, signature and processing with sufficient lead-time before the due date of the application to allow thorough appointing authority review.

Grant Application Submission:

The Financial Office obtains all required signatures for the application and submits the application, assurances, signed certifications and other supporting documentation as required under the grant application guidelines and procedures.

IV. Grant Acceptance:

The Financial Office is the official recipient of any award notification. Upon receipt of an award notification or authorization to proceed, the Financial Office may need to complete the new award acceptance process or AA-1.

When the federal agency has granted the funds and AA-1 is approved, then the Financial Office will notify the program workcenter and establish a master grant file, document critical dates², and will make appropriate entries in VISION fund/grant tracking and reporting systems.

Joint Fiscal Committee (JFC) AA-1:

All new awards to the state require the legislature to approve. When the legislature is not in session the Joint Fiscal Committee (JFC) will need to approve. The states process for new award approval is as follows:

Type of New Award	Department Commissioner Approval	Human Resource (HR) Approval	Finance and Management Approval	JFC or Legislature Approval
Cash or non-cash award less than \$5,000	Yes	No	No	No
Cash or non-cash award over \$5,000 (no position request)	Yes	No	Yes	Yes
Cash or non-cash award over \$5,000 with a new position request	Yes	Yes	Yes	Yes

² Financial Administrators often create Outlook calendar or task manager to document deadlines.

The Financial Office will prepare the required Department of Finance and Management AA-1 form and submit the form with all required supporting documentation to the Department of Finance and Management Budget Analyst. If there are any new positions requested to meet the requirements of the grant, this request will be included in the AA-1 document for approval. The program workcenter manager or director will prepare a Joint Fiscal Committee Review Limited Service-Grant Funded Position Request Form (available on the Department of Human Resources webpage). This form is then sent by the Financial Office to HR for approval. Once HR approves they send the documents on to Finance and Management. The Joint Fiscal Committee has authority to approve the award (32 V.S.A. § 5). The Joint Fiscal Committee approval timeline is unpredictable and can be lengthy so timely submission is critical.

V. Obligate Funds

The period where funds must be obligated is defined by the awarding agency. During this step the Financial Office and the program workcenters will work together to ensure that program areas are properly identified in the grant budget. Subrecipient agreements and projects are defined and executed during this phase (see DPS Granting Plan Part 2 for the full detail of this process).

For projects with work performed by more than one division

Occasionally a division receives an award that will require that work be performed by another division in DPS. When required by a specific federal program, a Letter of Understanding (LOU) will be executed to identify work to be performed and the appropriate method of documentation and reimbursement.

VI. Program Activity and Spending:

Program workcenter begins performing activity defined under the grant scope of work.

Tracking and Reporting

See chapter 3 of this part for the tracking and reporting activities.

Grant Budget Adjustment

During the life of a grant, it may be necessary to reallocate funds within spending categories. The Financial Administrator will initiate the action using a ADM-207 form and record the change in the Financial Workbook, following the process described above.

If the required/desired change exceeds the budget reauthorization tolerance of the grant, the Financial Office staff and Program Manager will work collaboratively to create and submit a Grant Adjustment Notification (GAN) to the funding source.

Grant Draws

The Financial Office staff will collect financial data of expenditures required match and grant balances to prepare request for reimbursement to DPS. The Financial Office staff will reconcile

potential draw amounts to VISION before requesting reimbursement. The Financial Office staff will enter draws or other required documentation into granting agency payment systems. They will prepare an AR Pending transaction in VISION to record the accounts receivable.

Financial Corrections

The Financial Office staff ensures the proper identification of expenditures with specific accounting codes by monitoring the monthly financial workbook. Financial managers will analyze expenditures monthly to ensure costs are allowable and properly accounted for. If the financial manager finds questionable costs or suspects accounting error, they will research, start the correction and then they will submit it to their supervisor for review and approval.

VII. Grant Closeout

When a performance period is nearing its end, Financial Office staff collaborates with program workcenter staff to ensure all invoices, payroll and expense reports are submitted and applicable contracts and subawards are completed in a timely manner to allow the closeout of the award.

The DPS Staff ensures the following minimum conditions exist:

1. All funds that have been expended are reported
2. All fund revenues have been received
3. All required match has been reported, and properly documented
4. All progress (programmatic) reports have been submitted, and approved by the funding agency
5. Subrecipient expenditures, payments and reporting is current, and subrecipient has received closeout letters officially closing all subawards
6. Any Special Conditions have been satisfied
7. Expenses and revenues for each project number in VISION have been reconciled by ensuring funds are balanced
8. Reconcile VISION and financial workbook.
9. *The grant file contains* Grant solicitation (and modifications, if any)
10. *The grant file contains* Grant guidance documents, including relevant correspondence
11. *The grant file contains* Grant application, including all attachments
12. *The grant file contains* Award document, including all attachments
13. *The grant file contains* Amendments or Grant Adjustment Notices (GANs), in chronological order
14. *The grant file contains* Financial Reports for each quarter, including the Final in chronological order
15. *The grant file contains* Close-Out documents
16. *The grant file contains* Complete subaward files (if applicable)

The Financial Office coordinates the compilation, approval and submittal of required closeout, final or annual reports to the granting agency. The Financial Administrator will also make needed entries in VISION, other databases and the funding source management system.

VIII. Audits

Audits of DPS

Applicable DPS staff are responsible for preparing for and participating in all federal or state audits of the grant program or any specific grant as it becomes necessary.

The Financial Office shall be responsible for:

- *financial ledgers*
- *financial reports (includes quarterly reports)*
- *expenditure and revenue source documentation*
- *contracts*
- *subawards (aside from programmatic documentation)*
- *indirect cost documentation*
- *internal control policy and procedures*
- *asset and inventory lists*
- *copy of past audit reports and corrective action plans*

Program workcenters shall be responsible for:

- *progress reports*
- *detailed asset/inventory documents (if required)*
- *subaward (programmatic monitoring documentation)*
- *division specific policies and procedures*
- *personnel documentation regarding position description and work activity*

Documentation Available for Audit

The State of Vermont is subject to audit by any federal agency providing funds for various purposes. The state makes all the documentation supporting the operations and expenditures of the funds available for inspection.

Grant Files

The administration division will maintain the official grant file for audit. Subrecipient file organization and content is specified in the DPS Granting Plan Part 2.

The Administration division's official grant file will be organized by classification type folders, with two partitions/six positions. Documentation may be saved electronically rather than a paper file however the paper file needs to list the required documents that are stored electronically and where they are stored. The contents may follow this format:

Position 1	Financial Reports, Draws, and Closeout Information
Position 2	Quarterly Reports: SF 425 and Indirect Allocation
Position 3	PG Budget Sheet

- Position 4 Activity Reports sent to fund source, progress reports

- Position 5 Emails, notes, telephone call notes and other correspondence
- Position 6 Award Document, changes, extensions, special requirements and guidance
- Position 7 DPS Application with Financial sheet (424a), and Application Follow up Correspondence
- Position 8 Correspondence Announcement/Solicitation, Senior Staff Review Form, Comments & Commissioner's Approval to Proceed

Monitoring performed by DPS

See Granting Plan Part 3 & 4

Chapter Two: Financial Management

This chapter addresses several issues critical to grant management for DPS. This chapter addresses cost eligibility for grants.

Authorization for Purchases

All purchases, subrecipient agreements and contracts will be properly authorized in accordance with State of Vermont Agency of Administration Bulletin 3.3 and DPS signature authorization list. The DPS Division of Administration will ensure the proper authorization for payment is on all payment requests, contracts and subrecipient agreements.

Suspension and Debarment check:

In accordance with Department of Finance & Management Policy #1 & Federal Executive Orders 12549 and 12689; State Agencies and Departments shall not make purchases over \$25,000 from parties that are suspended or debarred by the federal government and that the claimant is not otherwise barred from receiving payment by federal or State authority.

- All federal contractors are checked on sam.gov by the Procurement Unit.
- All subrecipients are checked on sam.gov by the Financial Office.

When to Use a Contract

(from State of Vermont, Agency of Administration Bulletin No. 3.5, Chapter III)

Contract means any legally enforceable agreement between an agency and another legal entity to provide services and/or products. It includes all types of commitments that obligate the government to an expenditure of appropriated funds and that, except as otherwise authorized, are in writing. In addition to bilateral instruments, contracts include (but are not limited to): Awards and notices of awards; job orders or task orders issued under basic ordering agreements; letter contracts; orders, such as purchase orders, under which the contract becomes effective by written acceptance or performance; and, bilateral contract modifications. Contracts **do not** include agreements where the substance nature of the agreement meets the criteria for grants and cooperative agreements covered by 31 U.S.C. 6301 et seq and as defined by Bulletin 5.0. Contractors are not subject to Single Audit reporting but may be subject to cost principles of 2 CFR 200 *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. In addition, any agency entering into contracts should establish those contracts through an organization's purchasing policy and should always select the contractor competitively.

Contracts are normally used to acquire specific, clearly defined services and/or products from entities or individuals other than state agencies or employees of the State. This includes situations where the State is seeking or is offered a service or product for which it will not pay and may even acquire revenues, for example, wireless internet access at State facilities.

All DPS contracts are managed in accordance with Agency of Administration Bulletin 3.5 and DPS procedures.

Grant means a legally enforceable agreement between an agency and a recipient to carry out a program as defined in a grant agreement. A grant also means an award of financial assistance, including cooperative agreements, in the form of money, or property in lieu of money, by the granting agency to an eligible grantee. The term does not include technical assistance, which provides services instead of money, or other assistance in the form of revenue sharing, loans, loan guarantees, interest subsidies, insurance, or direct appropriations. In addition, the term does not include assistance, such as a fellowship or other lump sum award, for which the grantee is not required to account.

Grants versus Contracts:

Uniform Guidance 2 CFR §200.330, identifies the characteristics to describe subrecipient and contractor relationships. Employees must review these characteristics to determine whether an agreement constitutes a Federal subaward to a subrecipient or a contractor payment for goods and services. Note that the substance of the agreement will determine whether the agreement is a grant vs. contract. Each subaward or contract agreement shall have a Federal Subrecipient or Contractor (Vendor) Determination Checklist (GMU 203b) attached.

All characteristics may not be present in all cases and the pass-through entity must evaluate the features of each agreement individually to determine whether it appears more like a contract or a subrecipient. The substance of the relationship is more important than the form of the agreement and the pass-through entity must use judgment in classifying each agreement as a subaward or a procurement contract.

Contracts for Services/Contractors versus Employees:

Generally, services should be obtained from state employees rather than from contractors. Contractors should not be used to do the continuing work of the government, nor when an agency of the State is able to provide comparable services at competitive market rates.

Federal and state tax laws establish stringent rules regarding an agency “contractor” who must be treated for tax purposes as an “employee.” An agency that is unaware of these tax rules can have an unexpected tax liability, including penalties, after the contract is completed, or may face an unexpected claim for unemployment or workers’ compensation. The fact that an agency chooses to characterize the relationship as “contractual” rather than as “employment” has little bearing on the outcome. An agency’s responsibility in these matters depends on the facts of the relationship and not upon the way it is described.

To minimize such risks, agencies generally should not enter into service contracts when the agency would be liable under state or federal law for income tax withholding, for F.I.C.A. taxes, or for unemployment or workers’ compensation. As stated in Vermont law, one test of

whether a services contract may be subject to these taxes, and thus be considered state employment, is called “The ABC Test.” (See Bulletin 3.5 and 3 V.S.A. § 342 for further discussion.)

Purchasing

Both program workcenter and assigned administration staff members will approve all requisitions and purchase orders when grant funds are involved. These approvals should occur prior to entering the purchase into VISION. Anytime a PS request form has grant fund codes it will be forward it to the Financial Administrator responsible for the program for review and approval.

All purchases made by DPS with grant funds must follow State of Vermont, Department of Public Safety purchasing policies and the requirements of the awarding agency. State of Vermont requires a contract for all purchases of goods, commodities or equipment except for those items covered in a approved [Blanket Delegation of Authority](#) (BDA).

Purchases need to pass the reasonable and necessary test (See 2 CFR 200). Expenditures and purchases must not violate select items of cost listed in 2 CFR 200. All expenditures must be allowable under contract provisions. Awarding agencies have varying requirements and rules regarding allowable costs and approval procedures.

DPS employees need to be familiar with all State of Vermont and federal purchase restrictions however a few examples are listed below:

- *Personal greetings or acknowledgements, gifts and gratuities as well as Goods or Services for Personal Use (State of Vermont, Department of Finance and Management Policy #3)*
- *Purchase of food and beverages has restrictions (State of Vermont, Department of Finance and Management Policy #4)*
- *Purchase of vehicles (State of Vermont Bulletin 2.3)*
- *Contracts (State of Vermont Bulletin 3.5)*
- *Alcoholic Beverages 2CFR 200.423*
- *Donations & Contributions 2CFR 200.434*
- *Entertainment Costs 2CFR 200.438*
- *Lobbying 2CFR 200.450*

General Invoices

Need to be reasonable and necessary as well as purchased under the guidelines of Department of Public Safety purchasing policies. In accordance with State of Vermont law, DPS will accept scanned, emailed or faxed Financial Report Forms (Request for Reimbursement) as original forms of payment. Documents received via email will be date-stamped as received and will have the email attached as proof of date and time of receipt. Subrecipients required to provide documentation of expenses with their request for reimbursement should retain the originals in

their auditable file and provide copies of the backup documentation. The process for making payments is as follows: (1) Administration obtains proper authorization (2) Administration then processes a VISION Purchase Order, Voucher and/or TSF Journal to make appropriate payment (3) original documentation is filed in the grant file if the invoice was 100% grant funded, or if split funded, then the original invoice is filed in the AP vendor files.

Employee Salaries and Wages

DPS workcenters using grant funds to support personnel services will document grant expenditures by properly coding time sheets as directed by the following:

- *DPS payroll policy PA-001 and PA-002*
- *Department of Human Resources payroll procedures*
- *State of Vermont Collective Bargaining Agreements*
- *Specific grant rules/regulations*

Employee Expense Reimbursements

DPS workcenters using grant funds to support travel and reimbursement for other out-of-pocket expenditures, will document grant expenditures by properly coding expense reports as directed by the following:

- *DPS expense policy ER-001*
- *Agency of Administration Travel & Related expenses (State of Vermont Bulletin 3.4)*

Indirect Costs

The financial administrator will be responsible for completing the GMU-504 Indirect Allocation Worksheet. The GMU-504 form is used to calculate and document the proper indirect expense to charge each program. Indirect costs should be calculated for both federal and state direct charges.

Organizational and Financial Requirements

The Division of Administration will maintain financial records such as cost allocation, indirect and direct costs, budgeting, accounting and, reporting. DPS will maintain accounting for each award separately and prevent commingling of funds on a program-by-program basis in accordance with VISION procedures by utilizing accounting project and program codes.

Grant Match

Matching requirements are outlined in the award agreement. DPS will identify the source of match in the grant application, the Strategic Grant Review Form (GMU 101) and award financial report.

DPS and subrecipient agencies must support matching funds as required by the grant agreement. Grant match can be satisfied in two ways generally called “hard” or “soft” match as defined in the glossary of this document or the federal award guide. For “hard” match, the level of documentation is the same as grant expenditures for which the recipient requests reimbursement. “Soft” match should be documented on a match form with a detailed description of the methodology used to calculate the claimed match amount.

Chapter Three: Financial Tracking and Reporting

In DPS, the Financial Office and program workcenter staff monitor spending on the grant. They will ensure all cost charged to grant funds are allowable under the terms of the grant agreement and general granting agency policies. All parties are responsible for using proper accounting codes for accurate and appropriate tracking.

Financial Tracking

When the Financial Office receives notice of funding availability, the responsible Grant Manager will take the following steps.

- A. Set up a new Financial Workbook
- B. Complete the GMU-207 form using the following steps:
 - a. Determine the budget as approved and accepted from the granting entity based on the fund-source categories (Personal Service, Benefits, Travel etc...).
 - b. Determine master PG numbers ensuring there are no duplicates.
 - c. The recommended method for creating the PG name for VISION. (Names start with the funding source short description, then an underscore and the federal fiscal year of the funds (example: EMPG_12)). Additional information may be included in the PG name.
 - d. Document the appropriate methodologies for draws and reporting.
- C. Set up the fund source budget in VISION.

Financial Workbook

The financial manager will update the Financial Workbook monthly. This report needs to reflect the budget categories and actual expenditures in VISION as of the end of the prior month. The Financial Workbook will be made available to the program workcenters for review.

Progress Reports

The program workcenter staff is responsible for completion of the periodic and final progress reports. These must be completed on the grant-specified schedule. The program workcenter staff submits the reports to the Financial Office in time for submission to the granting agency. Measurement and evaluation will be a key element of progress reports as required by the specific grant program and in accordance with the scope identified in the grant application. DPS personnel applying for grants will consider activity and outcome measurement and evaluation as application and progress reports are developed. The Financial Office submits/uploads the reports to the granting agency as required under the grant provisions.

Required Reports by Granting Agencies

Funding agencies and State of Vermont requires grant recipients to enter allocations and subawards into various tracking systems and databases based on types of funds, level of funding and a mixture of other factors. The Financial Office will document and upload all programmatic and financial reports (draws) to the granting agency.

Periodic Report Submissions

The Financial Office Staff will collect financial data and submit the required report (commonly the federal SF-425) by the deadline outlined in the award agreement.

Federal Funding Accountability and Transparency Act (FFATA) Subaward Reporting System (FSRS)

Subawards are to be reported in the FSRS system by the financial manager no later than the last day of the month following the month in which the subaward/subaward amendment obligation or the (sub)contract/(sub)contract modification was executed. The financial manager will check the appropriate VISION query and financial workbook to be sure all entries are completed as required.

Attachment 1: Division of Responsibilities Table

Financial Office	Shared	Program Workcenter
	Grant Opportunity Identified	
		Completes and coordinates Strategic and Impact Review Process
	Construct an application	
Obtains required signatures and submits the application		
Receives granting agency authorization to proceed		
Notifies Program Workcenter of approval		
Prepares an AA-1 (if needed)		
Creates primary Grant File		
	Obligate funds (if required)	
Enters all project data into external tracking systems and VISION		
Notifies all relevant parties what appropriate tracking codes to use.		
		Starts/performs work
		Reports progress to Financial Office
		Forwards POs to Finance Office
Reviews and reconciles expenditures against approved grant budget		
	Monitors performance and progress	
	Prepares periodic reports for granting agency	
Uploads programmatic and progress reports to the granting agency		
Prepares monthly financial statement including indirect charge		
Uploads draws to granting agency		
		Completes work
Prepare final draw		
	Completes final reports	
Submits final reports and responds to follow-up questions		
	Participates in any audits or reviews	

Attachment 2: Subrecipient vs. Contractor Determination Checklist



STATE OF VERMONT

DEPARTMENT OF PUBLIC SAFETY

GRANTING PLAN PART 2

SUBAWARD MANAGEMENT

Effective Date July 1, 2018

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Chapter One: Life Cycle of a Subaward

Purpose

A subrecipient agreement(s) obligates funds under a program. Step V of DPS’s Granting Plan Part 1 “Lifecycle of a Grant” illustrates how the subaward process fits into the overall process of managing a grant to DPS. The Department of Public Safety issues *subawards* through: 1) state funds and 2) passing through *other* funds to subrecipients. In this guide the term recipient and subrecipient is used for both a state fund grantee and a passthrough subrecipient. This chapter describes the overall process of how DPS solicits applications, selects subrecipients, issues subaward agreements, reimburses subrecipients, closes out subawards and audits subawarded funds. This chapter also contains an outline of DPS’s role and the subrecipient’s role in the subaward process.

DPS and Subrecipient Responsibilities

DPS Responsibilities

- *Identify and provide information about awards (e.g., CFDA and other identifying information) to subrecipients.*
- *Comply with payments outlined in agreement.*
- *Inform subrecipients about compliance requirements.*
- *Monitor subrecipient activities.*
- *Provide technical advice and training.*
- *Ensure subrecipients have single audits, if required.*
- *Issue management decisions within six months on subrecipient Single Audit findings and ensure subrecipients take corrective action.*
- *Take appropriate remedial action as a result of subrecipient audits.*

Subrecipient Responsibilities

- *Administer the grant from award to closeout.*
- *Comply with terms and conditions of the subrecipient agreement and applicable rules and regulations.*
- *Develop internal policies and systems to ensure effective management of federal funds and compliance with policy requirements. (2 CFR 200.303)*
- *Follow their organization procedures as well as grant requirement. If one policy has more limitations, they must follow the more restrictive policy.*
- *Ensure the organization has a financial management system and any other systems that are appropriate such as procurement and property management systems.*
- *Establish a budget of the costs required to perform the program and a method for monitoring actual costs against the budget.*
- *Keep abreast of changes in policies, procedures or requirements and advise staff of any changes.*
- *Request prior approvals when necessary.*
- *Prepare necessary reports.*
- *Keep the pass-through entity aware and informed about subaward project progress.*
- *Properly manage any program income.*
- *Maintain asset list and conduct physical inventory (if required).*
- *Provide mandatory disclosures*

Steps

I. Subaward Solicitation:

Anytime DPS intends to pass-through grant funds, DPS will post a solicitation for open competitive applications. The DPS program workcenter will post a competitive solicitation for public viewing using the best available media. The posting may include but is not limited to; newsletters, DPS website, distribution lists, direct mailing and an electronic web-based grant management system. Any posting process must ensure a suitable and fair dissemination of the subaward opportunity.

The Financial Office, in collaboration with program workcenter staff, will prepare a subaward solicitation document that:

- *clearly defines the parameters a potential subrecipient will follow to meet the requirements for successful subaward application submission*
- *requires applications to include appropriate subrecipient performance goals and objectives*
- *outlines special grant terms and conditions*
- *includes a statement that the applicant organization must have a current (not over one-year-old) risk survey response on file or on the DPS on-line risk survey tool (<http://www.surveymk.com/s/SFVZSTB2013>).*
- *may include how DPS will evaluate and score the application/proposal*
- *may include how DPS will measure performance*
- *may define expected reporting requirements, including a monthly reimbursement request submission*
- *includes any matching requirements (if applicable)*

DPS can bypass the subaward solicitation step only if the granting agency or SOV statute defines the funds as intended for a specific subrecipient.

II. Subrecipient Training:

DPS staff will make every effort to convey all critical grant related information to potential subrecipients and will be available to answer any questions relating to the granting process. The Financial Office will coordinate the development of policy, procedures, forms and formats for this process.

The program workcenter and the Financial Office will work together to develop and conduct program specific training for potential subrecipients. The trainings will include a discussion of the aims and goals of the program, subrecipient and DPS responsibilities in complying with regulations, reporting expectations and financial obligations.

Potential subrecipients with intent to apply for an award should attend training if offered whether or not they have received an award from DPS in the past. The training goal is to minimize risk, reduce misunderstanding and be transparent in the expectations.

III. Application

The Financial Office will provide the document that applicants will use as the official DPS subrecipient application. A Financial Office supervisor may approve variations to the form to facilitate the process on a program-by-program basis after a collaborative review between the Financial Office and the program workcenter staff. On the application, potential subrecipients will provide:

- *Identifying information for their organization (federal ID number, DUNS, Vermont Business Tax ID number, address, etc.)*
- *Project narrative including goals and objectives*
- *Contact information for Financial and programmatic staff*
- *Requested budget (including any equipment \$5,000 or above) including identifying the source of matching funds (if required)*
- *Indirect cost rate approval letters (if applicable)*
- *Identify any program income*
- *Required Insurance Documents (see SOV Standard Attachment C)*
- *Special modification to standard terms (these requests are to be used with justification and must be in accordance with grant regulations and approval from the federal agency [where required])*

In the case where the subaward will be an entitlement grant, the subrecipient must still provide all information normally required in an application (i.e. budget, problem statement, metrics, DUNS and Federal Tax ID numbers, etc.)

Subrecipient with Fiscal Agents: when an organization applies for an award and they require another organization to be their fiscal agent, please refer to page 12 of Bulletin 5 for the appropriate process.

IV. Subaward Funding Decision

DPS will review the subaward applications according to a pre-defined, consistent and documented methodology. The review panel will minimally include the program workcenter manager and will make decisions to subaward funds based on predetermined criteria. The panel members must not have an actual or appearance of a conflict of interest. Instead, the panel will consistently apply criteria to make the funding decision without prejudice. The review panel shall ensure that the **Federal Subrecipient or Contractor (Vendor) Determination Checklist** (ADM 203b) is completed prior to deciding to issue a subrecipient agreement. DPS will retain written documentation of the funding decision for each application. Such documentation shall include:

- *for entitlement grants, DPS will document the statutory language that requires the subaward*
- *the objectives and goals of the applicant*
- *the amount requested*
- *information collected in the application process*

- *prior performance of any applicant*
- *applicant Score Sheet*
- *justification for approval of any modification to standard grant terms*

Determination of Eligibility:

While drafting the subrecipient agreement, the Financial Office will determine the applicant’s pre-award eligibility in accordance with [Bulletin 5 Procedure #1](#) and other federal eligibility requirements by ensuring the following:

- *The applicant’s DUNS number on the federal System for Award Management (SAM) web site (<https://www.sam.gov/portal/public/SAM/>) has no exclusions. The Financial Administrator will print the SAM display for the agency and include it in the subaward file.*
- *The applicant is not delinquent in filing their prior years’ Subrecipient Annual Report*
- *The applicant is not delinquent in submitting a Single Audit Report*
- *The applicant is not on the DPS Restricted Parties List*
- *The applicant is not on the SOV Buildings and General Services Office of Purchasing & Contracting [Debarment List](#)*

Risk Assessment:

As part of the subaward process, DPS will conduct and document a risk assessment for each subaward that identifies the potential subrecipient level of risk. The risk assessment is based upon the complexity and dollar value of the potential award and the subrecipient’s responses to the risk assessment questionnaire. This risk assessment will determine if special conditions¹ are required (See attached [Risk Assessment Form](#)).

All applicants (except state agencies) are required to complete the “Survey Monkey” questionnaire. The Finance Office will print the latest version of the applicant’s most recent risk assessment and complete the DPS’s section of the form to compute the Assigned Risk Level.

For a State of Vermont agency or department, the online “Survey Monkey” questionnaire is not necessary because as a state agency they are part of the same consolidated Single Audit as DPS. For MOUs to other state agencies, the Finance Office will document a risk assessment based on DPS subaward experience with the agency, subaward complexity and the subaward amount. This will create the risk level to establish reporting and monitoring criteria for that subrecipient.

DPS must document the reason for awarding to a high-risk subrecipient and obtain the approval of the appointing authority (as required in Bulletin 5). This is to be provided to the Director of the Administration Division prior to sending to the appointing authority for signature.

¹ *Special conditions may be no cash advance, subrecipient requires additional technical assistance or monitoring, and other conditions determined by DPS.*

V. Subrecipient Agreement Preparation:

If DPS makes the funding decision to award funds to an applicant (for equipment of \$5,000 or more was requested in the application, the decision made by DPS whether to approve the equipment is documented by an approved award being issued), the Financial Office will assign unique Project Grant identifiers (PG), using the ADM-207 PG Budget Form for each subrecipient project within a grant. This unique PG will facilitate subrecipient financial tracking. DPS staff will use a PG on each budget area (category of spending) that requires a unique tracking of expenditures and revenues.

The Financial Office will prepare the DPS **Standard Subrecipient Agreement** for each non-State organization. The program workcenter will provide the Statement of Work (SOW), budget and performance measures to be included in the agreement.

The Financial Office will use **Letters of Understanding Agreements (LOU)** in lieu of the Standard Subrecipient Agreement in cases where a program workcenter within DPS makes grant funds available to another DPS workcenter. (i.e. Division of Emergency Management and Homeland Security (DEMHS) grants funding to Vermont State Police) The workcenter performing the grant-funded work will be subject to the same policies and procedures as a subrecipient.

The Financial Office will use **Inter-Agency Memorandum of Understanding (MOU)** in lieu of the Standard Subrecipient Agreement in cases where a program workcenter makes grant funds available to another SOV business unit (i.e. DPS State Police Division grants funding to the Department of Corrections). The SOV agency receiving the grant funds will be subject to the same policies and procedures of a subrecipient.

Pre-Award Costs: Unless there is a written authorization from the DPS appointing authority, DPS will not reimburse recipients for costs incurred prior to the full execution date of the subrecipient agreement. The execution date is the date the agreement is signed by the DPS appointing authority. (with exceptions for disaster grants)

Payment Provisions: The subrecipient agreement will specify that the subrecipient must fill out the ADM-502F or ADM-502S form to request payment. This form must be submitted on a regular basis as defined in the subrecipient agreement. Monthly reimbursement requests are the standard submission terms as this allows appropriate cash management in accordance with state and federal policy.

Payment Options:

The DPS Financial Office, in consultation with the program workcenter, will decide on the most appropriate payment option for each subaward. They will base the decision on the risk assessment that includes size of award, complexity of the program, the subrecipient organization's grant management history and other factors. There are two payment options available: Reimbursement with Documentation and Limited Cash Advance.

Reimbursement with Documentation

Reimbursement with documentation is the default method for subaward payments. Subrecipients submit the DPS Financial Report ADM-502 forms with documentation that is sufficiently detailed to

support the source and allowability of costs incurred to receive payment. Examples of detailed supporting documentation may include payroll reports, timesheets, general ledger reports, paid vendor invoices, and cancelled checks. Reimbursement of costs should be in arrears of the subrecipient incurring the expenditure.

Limited Cash Advance

DPS recognizes on rare occasions, a subrecipient may not be able to execute the requirements of a subrecipient agreement due to cash flow issues affecting their organization. It shall be the policy of the department to provide limited cash advances, subject to any conditions and requirements of the granting agency(s), to facilitate the subaward activity in those specific instances. Subrecipients would not be eligible for cash advance if they have a history of non-compliance with grant agreements. Upon receipt of the cash advance payment the subrecipient must pay for the goods or services within ten business days, notify DPS of the payment and provide proof of the payment. These transactions are subject to future audit and the subrecipient must observe all normal subaward requirements in this process.

The subrecipient can send a written request for a limited cash advance by providing: (1) An explanation of why the subrecipient needs limited cash advance, (2) the period or activity covered by the cash advance (3) the amount requested and (4) any other information as requested by DPS. The Financial Office will send this request to the Financial Office Supervisor for approval and will then notify the subrecipient of the decision.

Elements within a Subrecipient Agreement: In accordance with this plan and 2 CFR § 200.331, all subrecipient agreements must include²:

- *Award Identifying information*
- *Scope of work*
- *Budget*
- *All requirements, regulations, federal grant guidelines, provisions, policies and terms and conditions of the award*
- *Reporting requirements*
- *Bulletin 5: Part 1 Grant Award Detail*
- *Bulletin 5: Part 2 Grant Agreement (with approved changes on the ADM-204 forms)*
- *SOV Standard Attachment C*
- *The subrecipient's indirect cost rate (if applicable & allowable)*
- *Matching requirements*
- *Requirement to allow access to make records available for audit*

² When some of this information is not available, the DPS will provide the best information available to describe the award.

- *Terms and conditions for close-out*
- *Appropriate Signatures*

Once a month the Financial Office Supervisor will prepare a spreadsheet for “Subawards Issued.” This spreadsheet lists all the subrecipient agreements issued by the department in the previous month. The Name, award # and risk assessment result will be on the spreadsheet. This spreadsheet is used to determine subrecipients receiving financial monitoring (see DPS Granting Plan Part 3).

VI. Program Activity and Spending Begins:

The subrecipient begins performing work as defined under the subrecipient agreement. Costs eligible for reimbursement would be within the outlined scope-of-work, time-period and budget.

Subrecipient Organizational and Financial Requirements:

Commingling: Subrecipient must be able to separately identify grant funds on a program by program or project by project basis within their financial management system.

Procurement: Subrecipients must follow both their organization procedures and grant conditions when making a procurement under a subaward, including but not limited to the following:

- *For federal purchases the subrecipient must follow 2 CFR 200.317 – 200.326*
- *All procurement must be competitive*
- *Check that vendors and contractors are not an excluded party using www.sam.gov*
- *The subrecipient must determine that a contractor is not a subrecipient under 2 CFR 200.330*
- *Obtain written authorization from DPS to sub-contract or sub-award. This written authorization can be documented in the grant application if the subrecipient clearly states this intention and the subrecipient agreement clearly outlines the sub-contract or sub-award.*

Supplementing not Supplanting: Most federal funds must be used to supplement and not replace (or supplant) local or state funds which have been appropriated for the same purpose. If there is a potential presence of supplanting, the applicant or grantee will be required to supply documentation demonstrating that the reduction in non-federal resources occurred for reasons other than the receipt or expected receipt of federal funds.

Selected Items of Cost: Subrecipients must ensure that costs under federal grants are allowable and documented in accordance with 2 CFR § 200.420 – 200.475.

Payroll: Subrecipients must document their personal services as required under 2 CFR § 200.430 – 200.431. Some awards may require additional activity logs, programmatic work descriptions/narratives or cost spreadsheet.

Travel: Travel costs may not exceed charges normally allowed by the subrecipient in its regular operations. The subrecipient’s written travel policy may not allow additional costs based on the source of funding. All costs must be allowable under 2 CFR § 200.474.

Equipment: All costs must be approved, documented and allowable as described in grant agreements and 2 CFR § 200.313 and 200.439. A control system must be in place to ensure adequate safeguards to prevent loss, damage or theft of the property. An asset list must be maintained and an inventory performed at least every two years.

Reallocating Costs within Budget Categories: During the performance of a subaward, any of the cost categories in the budget may be increased or decreased by up to 10% of the total award without the need for an official amendment. It would need the prior written approval of the Financial Office. The proposed change:

- *must be within the total award amount in effect at the time of the adjustment, and*
- *must not change the scope of work*

Subaward Amendment:

An amendment is a request to make a programmatic, administrative, or financial change to an agreement. Examples include changes in scope of work, budget modification, and change in agreement term (period of performance). Subaward amendments only affect those items documented on the amendment; all other terms and conditions remain unchanged. No changes, modifications, or amendments in the terms and conditions of an agreement shall be effective unless in writing and signed by an authorized representative of the State and Subrecipient.

Reporting

Progress Reports

Subrecipients may be required to submit various types of progress reports during the award. The program workcenter is responsible for developing and monitoring progress reports for appropriate scope of work and outcomes. DPS may require additional progress reports based on risk identified in step IV of this chapter. When review is completed by the program workcenter, the progress report must be filed in the Financial Office official subrecipient grant file, except when the content is deemed confidential (i.e. JAG, EFF, and DRE). In that case, the reports will be retained per the security policies of the responsible party.

Progress reports provide DPS with information to keep them informed of a grant’s progress, explain any difficulties encountered, provide background information, and suggest ways in which DPS can assist and aid in the attainment of goals and objectives. DPS also uses the information to strengthen the State’s overall program and improve outcomes.

Financial Reports

There are two financial reporting requirements for subrecipients. The first is the periodic submission of the DPS Financial Report Form. The other is the annual submission of the State of Vermont Subrecipient Annual Report (SAR) submitted to the Department of Finance and Management (F&M).

DPS Financial Report Forms ADM-502F or ADM-502S: The subrecipient must use this form to request reimbursement of their expended grant funds. The only form accepted by DPS for subrecipient

payments is the DPS Financial Report Form. Subrecipients must submit signed requests to Financial Office staff at least monthly unless a different reporting schedule has been approved and documented in the subrecipient agreement (subrecipients may request a different period of reporting as noted in Section V.). Reports are due one month after the performance period stated on the report (i.e. a report for April 1 through April 30 is due by May 31).

As part of the subrecipient financial reporting, subrecipients will report all required matching funds on the DPS Financial Report Form.

Financial Office Desk Review: The subrecipient prepares the DPS Financial Report form and attaches any required documentation. The subrecipient representative who has the authority to authorize payments and request reimbursements, must sign the completed form. The subrecipient submits the completed form to the DPS Financial Office. The subrecipient should contact the DPS Financial Office if they have any questions about any item of cost, its allowability, or required documentation.

The Financial Office monitors performance and spending on the grant and ensures all expenditures charged to the grant are allowable. DPS will return for correction any request for reimbursement found to have unallowable or undocumented expenditures included in the request.

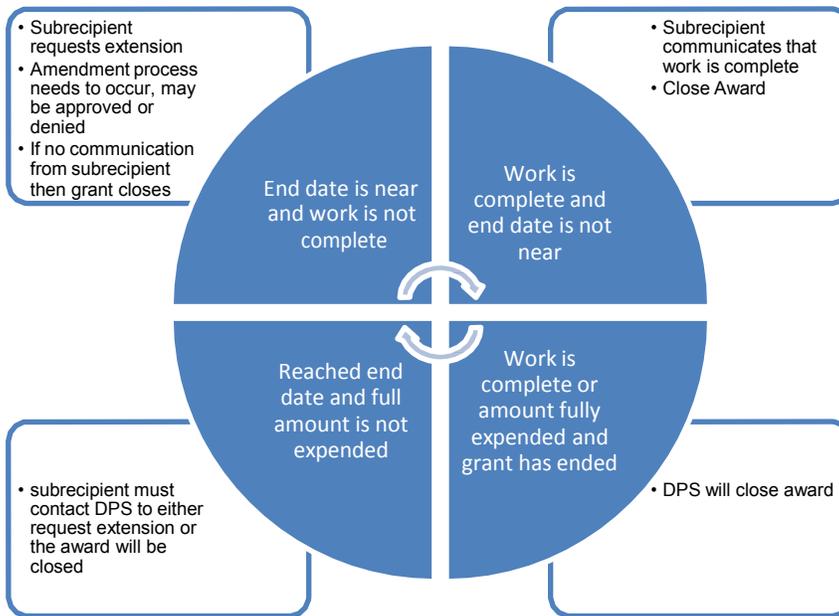
Financial Office will review the request as follows:

- *Ensure the proper authorization for payment*
- *Ensure the claimant is not on the DPS Restricted Parties List*
- *Ensure the request contains the proper backup documentation*
- *Ensure the request has the proper dates, amounts, cost categories and grant number*
- *Record the reported match on the Financial Workbook*

State of Vermont Subrecipient Annual Report (SAR) This is a report of all subrecipient federal expenditures during a subrecipient fiscal year. The form is due to State of Vermont, Department of Finance & Management 45 days after the end of subrecipient's fiscal year. Federal reporting procedures require the state to obtain this information. This requirement is listed in Attachment C of subrecipient agreements. DPS will place subrecipients who are delinquent in filing this report on the DPS Restricted Parties List and no further grants or payments will be made to that subrecipient until the delinquency has been rectified.

VII. Close-Out

When a performance period is nearing its end, the subrecipient should ensure all work is complete and file their reports by the deadline noted in Attachment B of the subrecipient agreement. If they have determined a need for an extension, it must be requested with sufficient time to allow for DPS to review and approve prior to the end of the current award term. If the performance period and date for the final report ends and the subrecipient does not contact DPS for an extension, the Financial Office will close out the award. The below chart outlines different closeout scenarios.



The Financial Office and program workcenter will ensure the following minimum conditions exist then issue a final closeout letter to the subrecipient and record in VISION:

1. All required match is present.
2. Any Special Conditions have been satisfied
3. Reconcile VISION and financial workbook.
4. *The grant file contains relevant correspondence*
5. *The grant file contains grant application, including all attachments*
6. *The grant file contains award document, including all attachments*
7. *The grant file contains amendments (if applicable)*
8. *The grant file contains financial reports in chronological order*
9. *The grant file contains progress reports in chronological order*
10. *The grant file contains Close-Out documents*

VIII. Audit

The subrecipient must maintain files and records for the period required by their organization and in the subrecipient agreement. The subrecipient must ensure that all of the documentation supporting the operations and expenditures of the funds is available for inspection upon request. The State of Vermont, DPS and awarding agencies will periodically monitor subrecipient documentation. Subrecipients must have documentation to verify proper internal controls, financial management systems, cash management, asset management, personnel and payroll records, and documentation of direct and indirect costs.

Below are documents commonly requested in audits (not limited to):

- Grant Management Procedures

- Budget Control Procedures
- Purchasing and Contracting Procedures
- Inventory Procedures and Inventory Records
- Cash Management Procedures
- Separation of Duty procedures
- Excluded parties (www.sam.gov) verification process
- Conflict of Interest Policy
- Equal Employment Opportunity Plan (EEO) policy (if required)
- Insurance Certificates
- Contracts, Solicitations, Bids Received, and Selection Explanation
- Purchase Orders, Bills of Lading, Invoices and Canceled Checks
- Amortization Schedules
- Bank Account Statements
- Journal Entries
- Interest tracking for Cash Advances
- Records of Program Income
- General Ledger Reports for grant transactions
- Chart of Accounts
- Financial Statements
- Single Audit Reports
- Budget Documentation or other support to document no supplanting
- Approved Allocated Cost Plans or indirect cost plan
- Board Meeting Minutes
- Documentation of Communication with DPS Personnel

DPS performs subrecipient monitoring as defined in DPS Granting Plan Part 3 & 4.

If DPS makes a reimbursement and later finds it unallowable, DPS will inform the subrecipient of the finding and require the return of funds in 45 days. Subrecipients may respond with sufficient documentation to demonstrate the expenditure was allowable. DPS will review the response and determine whether this satisfies the requirement or if expenditure is still unallowable. If a subrecipient is not compliant with grant terms, then DPS places them on the DPS Restricted Parties List until the matter is resolved per 2 CFR 200.338.

Chapter Two: Indirect Cost Rate Approvals

Indirect costs charged to a federally funded award, will be accepted by DPS if the subrecipient has an approved Indirect Cost Rate by a cognizant agency and the award allows indirect costs. State funded awards may charge indirect costs at the discretion of DPS. Whether indirect are allowable to be charged to an award will be noted in the solicitation. If an authorized organization other than DPS has approved a subrecipient's indirect cost rate, then DPS must have a copy of the agreement prior to including these costs in our subawards. The agreement must be submitted along with the award application. If an organization receives an approved indirect cost rate *after* the start of the award, DPS would need the subrecipient to request an amendment to allow indirect costs as this is a change of budget category in the subaward. Indirect costs would be allowable for the time-period of the approved indirect cost rate agreement.

Cognizant Agency Unless different arrangements are agreed to by the agencies concerned, the **Federal** agency with the largest dollar value of awards with an organization will be designated as the cognizant agency for the negotiation and approval of the indirect cost rates and, where necessary, other rates such as fringe benefit and computer charge-out rates. If an organization does not receive grant funds directly from a federal agency, then the cognizant agency would be the pass-through awarding agency that awarded them the most federal funds. Once an agency is assigned cognizance for an organization, the assignment will not be changed unless there is a major long-term shift in the dollar volume of the Federal awards to the organization. If DPS is determined to be the cognizant agency, then the rate proposal will be reviewed by the DPS internal Auditors and approved by the Director of the Administration Division.

Allocation of Indirect Costs and Determination of Indirect Cost Rate. The subrecipient and DPS will jointly determine what type of allocation plan will be appropriate. The simplified method is the most common. A simplified method³ is allowable if the organization has one major function or all functions benefit from indirect costs to the same degree.

DPS will need to collect the below information from the applicant:

- a. *The fiscal year of this proposal starts _____ and ends _____*
- b. *Total costs for the base period \$ _____*
- c. *Unallowable costs are: _____*
- d. *Unallowable cost amount: \$ _____*
- e. *Capital expenditures amount: \$ _____*
- f. *Distorting items during the period are: _____*
- g. *Distorting item amount is: \$ _____*
- h. *Indirect Costs are: _____*
- i. *Indirect cost total (excluding unallowable costs) is: \$ _____*

³ Other methods are defined by federal regulations which include: (1) multiple allocation base method, (2) direct allocation method and (3) special indirect cost rate.

- j. Identify the distribution base: _____
- k. Distribution Base Amount: \$_____

Documentation of Proposals. The following shall be included with each indirect cost proposal:

- a. The rates proposed, including subsidiary worksheets and other relevant data, cross-referenced and reconciled to the financial data. Allocated central service costs will be supported by a summary table included in the approved central service cost allocation plan. This summary table is not required to be submitted with the indirect cost proposal if the central service cost allocation plan for the same fiscal year has been approved by the cognizant agency and is available to the funding agency.
- b. A copy of the financial data (financial statements, comprehensive annual financial report, executive budgets, accounting reports, etc.) upon which the rate is based. Adjustments resulting from the use of unaudited data will be recognized, where appropriate, by the cognizant agency in a subsequent proposal.
- c. The approximate amount of direct base costs incurred under awards. These costs should be broken out between salaries and wages and other direct costs.
- d. A chart showing the organizational structure of the agency during the period for which the proposal applies, along with a functional statement(s) noting the duties and/or responsibilities of all units that comprise the agency. (Once this is submitted, only revisions need be submitted with subsequent proposals.)
- e. Required certification. Each indirect cost rate proposal shall be accompanied by a certification in the format determined by federal regulations within 2 CFR 200.
- f. Other documents as required by the awarding agency and federal regulations.

Chapter Three: Subaward Files

All subawards will have a master grant file in the Financial Office. However, the monitoring and audit files will be separate. Each program workcenter shall be responsible for performing and documenting programmatic monitoring to subrecipients. They shall maintain programmatic monitoring files as listed in their division's granting plan. The audit unit of the Administration division will perform and document financial monitoring of subrecipients. The audit unit maintains separate files for the financial monitoring that they perform.

The Financial Office shall organize all subaward file folders in classification type folders, with two partitions/six positions to make it easier to find information and documents. In some cases, not all six tabs will be utilized. The contents shall follow below format. Any changes to this content would need the approval of the Financial Office Supervisors:

Position 1	Closeout information
Position 2	Financial Report Forms, receipts, invoices, timesheets, salary
Position 3	Emails, notes, telephone call notes and other correspondence
Position 4	Subrecipient Agreement & Amendments
Position 5	Subrecipient Application and Insurance Certificate; Reviewers' Score sheet with required documents, Working Group minutes if applicable.
Position 6	Solicitation, request for proposal's (RFP) if applicable

Attachment 3: Risk Assessment

Please follow the below link to complete the Risk Assessment:

<https://www.surveymonkey.com/r/VTDPsrisksurvey>



STATE OF VERMONT

DEPARTMENT OF PUBLIC SAFETY

GRANTING PLAN PART 3

FINANCIAL MONITORING

Effective Date July 1, 2018

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Introduction

This plan serves as the general guidance for the Audit Unit of the Department of Public Safety (DPS) for financial monitoring recipients of grant funds. DPS issues subawards through: 1) state funds and 2) passing through other funds to subrecipients. In this guide the term subrecipient is used for a state fund grantee and a pass-through subrecipient. The monitoring process is the same regardless of funding source and additional checks are administered to ensure compliance with the terms of each grant agreement and funding source.

Source of Governing Requirements

The subrecipient monitoring regulations governing Public Safety financial monitoring include; Agency of Administration (AoA) Bulletin 5 “Policy For Grant Issuance and Monitoring”, 31 USC 7502(f)(2)(B) “Single Audit Act” of 1996 (Pub. L. No. 104-156), 2 CFR 200 “Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards” (referred to as Uniform Guide throughout this document), program legislation, federal awarding agency regulations, and the terms and conditions of awards.

Subrecipient monitoring activities will vary in scope. The auditor is expected to make conclusions based on reasonable (not absolute) assurance that program compliance has occurred. In consideration of the department resources and to produce reasonable assurance of program compliance; a sample will be the basis of questioned compliance. This financial monitoring program incorporates varying procedures relative to: the size of the grant award, type of organization, complexity of compliance requirements, subrecipient’s prior experience with DPS grants and prior monitoring results.

The auditor will report issues of non-compliance to management in a timely manner. Financial monitoring documentation must clearly demonstrate the monitoring work done, the questioned compliance, corrective actions recommended, and the response from the subrecipient(s).

Subrecipient financial monitoring is an internal function of the Department of Public Safety and the financial monitoring reports are issued for the use of DPS management. The DPS auditor will utilize processes outlined in this guide.

Public Safety subrecipients include other state departments/agencies, political subdivisions, city, town, village, county, and other regional government units, non-profit organizations, and others who receive grants and cooperative agreements through the Department of Public Safety.

Auditor’s Technical Knowledge

The Public Safety staff assigned to perform financial monitoring must possess adequate professional competence for the tasks required. Competence is derived from a combination of education and experience. Maintaining competence through a commitment to learning and development is an important element for auditors. Competence enables an auditor to make sound professional judgments.

Auditors performing financial monitoring should be knowledgeable in U.S. Generally Accepted Accounting Principles (GAAP), or the applicable financial reporting framework being used. They

should be knowledgeable in the American Institute of Certified Public Accountants' (AICPA) generally accepted auditing standards and the corresponding Statements on Auditing Standards (SAS). They should be knowledgeable of the Governmental Auditing Standards *i.e. Governmental Accountability Office (GAO) Yellow Book*. They should apply the standards set in this guide. They should be competent in applying these standards.

State of Vermont VISION Grant Tracking Module

In order to monitor subrecipient's Single Audit compliance; Public Safety utilizes the State of Vermont (SOV) VISION Grant tracking module. This is a state-wide required tool to ensure all SOV subrecipients submit a Single Audit to all agencies and departments in the state that issued an award to that organization. VISION Grant tracking module ensures the subrecipient's Single Audit Report is monitored and a management decision letter (MDL) is issued in accordance with Uniform Guidance Subpart F.

Grant Tracking Module Process

Financial Administrators issue subrecipient agreements through a process of solicitation, application, review, and award issuance. For more details on subaward issuance, refer to the Granting Plan Part 2 & 4. After grant agreements are fully executed, financial administrators enter the information in the VISION Subrecipient Grant Tracking Module.

Subrecipients will be instructed in their subrecipient agreement to submit the State of Vermont Subrecipient Annual Report (SAR) within 45 days after their year-end. The Department of Finance and Management (F&M) mails reminders of this requirement to the subrecipient.

The SAR must be mailed to:

Department of Finance & Management
Financial Operations Division
109 State Street – 4th Floor
Montpelier, VT 05609-5901

The Department of F&M enters information from the SAR report into VISION subrecipient module. If the SAR report is not received, the VISION system shows the subrecipient as delinquent.

F&M determines the state agency that is the primary pass-through for each subrecipient. When Public Safety is designated as the state's primary pass-through for a subrecipient, the audit unit is responsible for ensuring the SAR reports are sent in to F&M. If the SAR is delinquent in VISION, the DPS audit unit adds the subrecipient to the Public Safety's Restricted Parties List (reference DPS policy A-AU-002 and procedure C-AU-003).

In addition to ensuring the SAR is submitted in a timely manner, the audit unit is responsible for reviewing Single Audit Reports. Single Audit Reports are reviewed utilizing a Single Audit review

checklist. The audit unit will follow the process outlined in AoA Bulletin No. 5 and Procedure #2; requiring coordination with other state agencies for the resolution of audit findings and issuing the state's Management Decision Letter (MDL) within 6 months after receiving a Single Audit Report. When DPS is the state's primary passthrough agency, the Single Audit review process is documented by the DPS auditor in VISON Subrecipient Grant Tracking Module (reference DPS procedure C-AU-006).

Financial Monitoring

The purpose of *financial monitoring* is to examine subrecipient internal controls and financial management systems to ensure subrecipients are in compliance with federal and state regulations. The terms review or monitoring are used interchangeably in this document to refer to DPS financial monitoring. *Program monitoring* is the responsibility of the department program workcenters as it relates to the functional aspects of the program. The goal of financial monitoring is to ensure DPS awards were consistent with grant requirements, the financial reporting is prepared in accordance with applicable regulation(s), and adequate internal controls are in place.

Financial Office Desk Review: The Financial Office provides one of DPS's methods of monitoring. For every request for reimbursement: the Financial Office monitors performance and spending on the grant and ensures all expenditures charged to the grant are allowable. DPS will return for correction any request for reimbursement found to have unallowable or undocumented expenditures included in the request (see DPS Granting Plan Part 2 and C-GR-012).

Financial monitoring will be conducted independently from program monitoring. However, whenever possible, it is suggested that a joint review is conducted for a more cost effective method of monitoring. This would limit the amount of inconvenience to the subrecipient and save on transportation expense for the department. Each program and financial monitoring review would be conducted independently at the monitoring site.

Financial Monitoring Mission:

The Financial Monitoring objectives are to:

- *Determine the accuracy and allowability of financial transactions and cost allocation plans*
- *Evaluate financial and operational procedures for adequacy of internal controls and provide advice and guidance on control aspects of new policies, systems, processes, and procedures*
- *Determine the level of compliance with department, state, and federal laws and regulations*
- *Document and report fraud, waste, and abuse*

Financial Monitoring Procedures:

The Public Safety financial monitoring procedure steps are stated below:

- I. Schedule and Selection - Determining the Type and Extent of the Review*
- II. Planning*
- III. Conducting the Review*
- IV. Preparing Workpapers*
- V. Financial Monitor Report*
- VI. Resolution*

I. SCHEDULE AND SELECTION:

Financial Monitoring Schedule:

The financial monitoring schedule is a course of action to accomplish the financial monitoring objectives. In its final form, the schedule establishes the frequency and total number of reviews to be conducted over a twelve-month period. The Auditor(s) and their supervisor shall prepare the schedule on an annual basis. The schedule should be an active on-going process to be reviewed frequently. Considerations for change are staffing, budgeting time, travel and training, and any other factors that will cause the schedule not to succeed. All changes and modifications are to be documented as to the cause. This will serve solely as an aide for future schedule development and monitoring.

The sample selection process is based on priorities defined by the Vermont Agency of Administration (AoA) through Bulletin 5, related AoA guidance, policies and procedures, federal regulations and grant guidelines.

The Public Safety audit unit will develop a **financial monitoring schedule** every year. DPS will select subrecipients from all programs (19 programs in SFY 2018) to review each year, a program with only 1 subrecipient will only be sampled every 3 years.

Every month the Financial Office will update the "Subawards Issued" spreadsheet. This spreadsheet lists the DPS awards issued in the previous month and reports the Risk Assessment results on each award. In accordance with the annual financial monitoring schedule, the auditor will use the "Subawards Issued" list to select the subrecipients. The priority is based on the below criteria in this order:

- *A subrecipient that has received a financial monitoring visit by DPS in the past state fiscal year or in the current state fiscal year will not receive a repeated financial monitoring from DPS unless the Director of Administration requires one.*
- **Past performance history** indicates higher risk (and the subrecipient has not received a monitoring visit in the past and current state fiscal year).
- The Financial Office **Risk Assessment** indicates Higher Risk for a subrecipient in comparison to all others on the schedule.
- According to DPS's record (the auditor may use VISION Grant Tracking module to look up the history of DPS awards issued per the Vendor Number on the current award), the Subrecipient is receiving an award for the first time.
- **Region:** The financial monitoring schedule will sample small awards based on a region in order to efficiently travel and be cost effective in scheduled visits.
- **Risk Comments added in the financial monitoring schedule will be reviewed for consideration of subrecipients for monitoring selection.**

Method of Financial Monitoring:

The method for each engagement is determined by the below guidelines.

1. *Telephone review: Telephone interviews are the least costly and time consuming engagement. This is the most limited method of monitoring and would be used to inspect an issue that may not be clear in a document submitted by the subrecipient.*
 - a. *The auditor initiates the phone call indicating this is a financial monitor of a DPS award telephone review and that the interview will need to be with the responsible official or appointed designee. The auditor discusses the issue(s) of concern and documents the interview. In some instances the subrecipient may not have the data readily available and a follow-up phone call is necessary. In that case the date and time for follow-up should be established.*
 - b. *The auditor creates a financial monitoring report and forwards it to the subrecipient in a timely manner indicating that the review was conducted by telephone and is limited in scope. The report will address the issues discussed and corrective actions that need to occur (if any).*

2. *Desk or office review: This is less costly and time consuming than a site visit yet still satisfies financial monitoring requirements. This method is mainly a document review process and can be used for subrecipients that had little or no issues in past department financial monitoring.*
 - a. *The auditor initiates the contact after the pre-monitor planning. The contact should be by telephone indicating a desk financial monitor will be conducted and indicates the items in question. An appointment letter is forwarded to the subrecipient confirming the review and states the item(s) in question. The auditor will forward the DPS Financial Monitor Questionnaire to be completed by the responsible agent of the subrecipient. Any additional request for documentation should be specific, e.g. submit copies of the original invoices for expenditures over a specific amount, etc.*
 - b. *Upon completion of the review, the financial monitoring report is forwarded to the subrecipient in a timely manner indicating that the review was limited to a desk review. The report will address the issues discussed and corrective actions that need to occur (if any).*

3. *Onsite or Field review: The site review offers the most comprehensive method of subrecipient financial monitoring. Though this type of review is more costly, it is mandatory under the Uniform Guide. Most importantly, site visits are an effective tool for monitoring that allows the auditor greater flexibility to expand or change the scope of the review where needed.*
 - a. *The auditor initiates contact after the pre-monitoring planning. The contact should be by telephone, if the subrecipient has not been reached by phone, the auditor will contact them by email then a letter indicating an onsite financial monitor will be conducted and indicates the subawards to be reviewed. An appointment letter is sent to the subrecipient confirming the financial monitor and stating the awards to be reviewed. Request for documentation is standard and the subrecipient is accountable for the grant agreement requirement for making documentation available for review.*
 - b. *Upon completion of the review, the financial monitoring report is forwarded to the subrecipient in a timely manner indicating that the financial monitoring was a site visit. The report will address the areas reviewed and corrective actions that need to occur (if any).*

II. PLANNING AND PREPARING WORKPAPERS

Risk Assessment

Utilizing the Financial Office Risk Assessment for the subrecipient, the auditors will use a matrix to determine the sample size of the transactions reviewed..

Sample

From the risk assessment the auditor is able to determine the extent of transactions sampled during the review

Determine Grant Compliance Requirements

The auditor should research the grants in question by determining the applicable federal compliance requirements for each CFDA, as well as any requirements specific to each grant. This research will generate a list of items for verification or examination. The items in question should be set up in workpapers and will assist in the plan for the review.

1. **Grant Agreement** -*The auditor should review the subrecipient agreement and determine problem areas and incorporate them in the items for review.*
2. **Research** - *Upon completion of the grant agreement review, it may be necessary to research sources that will inform, educate or support the areas in question. Typical sources are the federal regulations, federal award manuals, state statute, the Uniform Guidance and communication with federal grant administrators. The auditor should be familiar with the Uniform Guide concerning terminology, definitions and procedures as it relates to the subrecipient.*

PRE-MONITORING ANALYSIS:

One of the most important steps in a quality examination is the *pre-monitoring analysis* of the subrecipient's award and a determination of which items should be questioned (reference DPS procedure C-AU-005). The Auditor should review the subrecipient agreement and make notations for each item such as OMB citations and why there is a concern. Use of a spreadsheet for determining questioned expenses is recommended. This will ensure uniformity in the development of the workpaper and will develop a standard format for audits of a similar nature.

The following are **examples** that demonstrate methodologies for development of the Pre-Financial monitoring analysis:

1. *From the review of financial statements check the following:*
 - a. Program income and expenses if applicable are reviewed in respect to the Uniform Guidance. As an analytical tool, it may be necessary to prepare a year-by-year comparison in a computer spreadsheet of expenditures to determine trends.
 - b. Note and be prepared to examine prepaid or accrued items. Generally, grant programs are written to avoid deferred items. Areas where deferrals can arise are bonding cost, payroll, fringe benefits and contingencies. A timing issue may occur when the expenditure may not be allowable in the current period, but is allowable in the next consecutive period.
2. *From the review of any request for reimbursement:*
 - a. *Look for unallowable costs under Uniform Guidance, the grant agreement (budget and items as specified in attachment D), and the grant guidelines.*

- b. *Look for potential reoccurring items, potentially unallowable items under the subrecipient's policies (i.e. per diems), weakness in documentation, internal control weaknesses, and duplication of costs.*

CONTACT: Schedule the Review:

At the conclusion of the pre-monitoring analysis, the next step is to contact the subrecipient and schedule an appointment. Contact is accomplished either by telephone or e-mail and followed up by an appointment letter. The auditor should document all contact in their workpapers.

Auditors should arrange to make appointments at a time that will meet the convenience of the subrecipient and the department (normally within 4 to 10 weeks). In arranging for a convenient time to start the review, it is advisable to contact the subrecipient's contact person. The contact person's name, telephone number and mailing address will be obtained from the subrecipient agreement. For municipalities, the treasurer/clerk contact information is available through the Vermont Secretary of State's webpage.

Telephone contact - The telephone contact is the most expedient method to start the review process. It is necessary for the auditor to contact the responsible person/official. The auditor will identify him or herself as being from the Department of Public Safety and state the purpose of the call. During the initial call the auditor should indicate:

- *Type of review.*
- Name of the grant and grant number to be reviewed.
- An appointment date and time.
- Projected time length of the review. (i.e. 4 hours, one day, or a specific number of days)
- Preliminary review...appropriate items from check list.
- A list of items in question that may be discussed and will be forwarded in the appointment/confirmation letter.
- The auditor will solicit any questions the subrecipient may have regarding the review process.
- Verify the address as many organizations have multiple addresses.
- For field reviews, indicate adequate workspace will be needed, and a desk with access to a phone and electrical outlet.
- Explain that an employee will be needed to complete a questionnaire and provide any source documentation.

Conclude the contact by stating that a confirmation letter will be sent confirming the time and date of the review and including the list of items in question. The subrecipient should be instructed that if any problems arise to contact the auditor.

Scheduling Issues: Scheduling the monitoring appointment tends to be a difficult task. The department auditor is to maintain control in setting the appointment but this is not meant to force undue hardship on the subrecipient. There should be some lead time for the subrecipient to get ready for a monitoring visit.

Below are some factors that will affect the timing of appointments:

Case workload - This is the number of subrecipients under review (work in process/open cases) and the listing of subrecipients with appointments that have been scheduled for review.

Case time - The question will always be asked, how long will it take to conduct the review and prepare the monitor report? There is no magic answer and the auditor should always be prudent in projecting the case time.

Obstacles or delays - Obstacles and delays are going to happen. Major problems are circumstances where the auditor is unable to control the appointment schedule. In that case, the auditor will then involve his/her manager to resolve the difficulty. It is expected that the auditor will control minor setbacks and delays. It may not be prudent, for example, to schedule appointments immediately after the subrecipient's fiscal year-end. The books are being closed and financial personnel are generally very busy with those procedures.

Acceptable delays include:

- Illness
- Staffing shortages
- Vacations
- Fiscal closing
- Audit
- Other Emergencies
- Natural Disasters
- Records destroyed

Appointment/Confirmation Letter: Preferably on the same day of the phone call, the confirmation letter should be sent to the subrecipient. Copies should be sent to DPS financial administrators. The purpose of the confirmation letter is to avoid any misunderstandings between parties. The letter should establish the date and time of the review. The contents of the letter are a reiteration of the telephone conversation and any necessary attachments. The letter should be on department letterhead.

III. CONDUCTING THE REVIEW

The Site-Visit:

Be mindful to leave early enough that you arrive on time. The auditor should call ahead if they anticipate arriving 15 minutes or later than the scheduled time.

Upon arrival the auditor should introduce themselves and hand the attendees their business card to properly identify themselves. Record those present for the site visit.

Explain the steps you will be taking as applicable:

1. *Going through a questionnaire to find out about the organization's history and structure. As well as getting familiar with the organizations financial system and policies and procedures.*
2. *Will be requesting a copy of relevant policies and procedures for compliance with the grant terms.*
3. *Will be requesting relevant financial statements (if not already received)*
4. *Will be requesting other relevant documents.*
5. *Will be reviewing their grant files.*
6. *Will be reviewing documents of financial transactions (timesheets, invoices, etc.).*
7. *Will discuss all questioned costs.*

8. *Will conduct an exit interview before the auditor leaves to inform subrecipients of issues found and, when and what to expect in the financial monitoring report. Inform the subrecipient they must respond to financial monitoring reports within the specified time or they will be added to the DPS Restricted Parties List and will be ineligible to receive payments or awards while on this list. They may contact the auditor if they have any questions to resolve the questioned compliances.*

INTERVIEW:

Experienced auditors consider the interview the most important element of the review, mainly because it sets the tone of the review. The auditor should maintain control of the interview by being courteous, a good listener, flexible, reasonable and knowledgeable. The interview should be informal, but professional.

The interview should open with an overview of the review process (as described earlier). The auditor will inform the subrecipient that this review is to gather information and documentation to ensure compliance with regulations. During the exit interview all questioned items will be discussed and this information will later be included in the financial monitoring report. The financial monitoring report will specify a date that management (subrecipient) is to respond to questioned costs, if management needs more time they should respond within the time period indicated in the financial monitoring report and request a specific date when questioned compliance should be concluded. The management response should be in writing and it should indicate the reasoning behind issues in question. If both parties agree on the existence of disallowed questioned compliances, repayment procedures will be discussed.

Finally, it is proper to take notes during the interview. These notes are part of the review workpapers. Remember, these notes are important and may be referenced from time to time.

General Fieldwork is the process of gathering information then analyzing and evaluating that information. The financial monitoring objectives and procedures should be performed so that the most important and significant review steps are completed first. The review process and opinions are summarized in the workpapers.

Fieldwork should be performed at the subrecipient's location to facilitate communication with the subrecipient. The auditor should maintain contact with the responsible official and keep him/her informed of the monitoring observations and other developments throughout the review. With this understanding, the subrecipient may be able to provide additional information or adopt procedures promptly to rectify any deficiencies uncovered.

Throughout the site-visit, professional judgment should be used to:

1. *Determine whether information gathered is sufficient, relevant, and useful to conclude the financial monitoring objectives (items of concern/question).*
2. *Reassess the monitoring objectives, scope and procedures to ensure efficient use of monitoring resources.*
3. *If the subrecipient is uncooperative or disruptive it may not be beneficial to continue the site-visit.*
4. *Decide if the objective or scope should be modified*
5. *Note best practices identified*
6. *Decide if additional hours should be allocated to achieve expanded monitoring objectives*
7. *Request (if not received) copies of financial statements and certificate of insurance*
8. *Request copies of relevant policies and procedures*
9. *Test and review costs included in cost allocation plans and other rates that are applied to grant costs*
10. *Review and discuss documents within the grant file including bids and contracts*
11. *Utilize the Financial Monitoring Questionnaire*

In general, all monitoring work performed should be documented. Each review procedure should be supported by workpapers (schedules, memos spreadsheets) on which testing has been performed and results are documented. There should also be an overall conclusion documented on the monitoring procedures for each of the monitoring steps completed.

Fieldwork includes:

1. *Gaining an understanding of the grant program, the prescribed policies and procedures, supplementing and continuing to build upon the information already obtained in the pre-monitoring analysis*
2. *Observing conditions or operations*
3. *Interviewing people*
4. *Examining the accounting records*
5. *Analyzing data and information*
6. *Reviewing systems of internal control and identifying internal control points*
7. *Evaluating and concluding on the adequacy (effectiveness and efficiency) of internal controls*
8. *Conducting compliance testing*
9. *Conducting substantive testing*
10. *Determining if appropriate action has been taken in regard to significant monitoring concerns and corrective actions reported in prior financial monitoring reports*

Financial Management Systems and Records:

The grantee (Public Safety) has the right to access all the subrecipient's books, documents, papers and other records pertinent to the grant award 2 CFR Subpart F §200.508(d) and State of Vermont Standard Attachment C. There are other federal and state laws that mandate such access. Most subrecipients are aware of their responsibility to furnish the books and records to the examiner. However, the examiner should use the financial monitoring questionnaire as a reference guide and be prepared to discuss these with the person in charge of accounting.

Before reviewing records, the auditor should go through the financial monitoring questionnaire with the person in charge on the accounting system, and determine how the books and records are maintained. If necessary, have the person interviewed walk you through various transactions. This will enable the auditor to understand how the daily routine operates and will assist in the examination process. The auditor should not hesitate to ask the designee to repeat areas that he/she does not understand. Experienced auditors will always ask the "whys" until they are satisfied.

Request a copy of the chart of accounts (if necessary) and compare the accounts to the financial statement. Determine how the general ledger balances flow to the financial statement. A worksheet may be used to modify the balances and is prepared either by the subrecipient or the independent auditor. In either case secure a copy of the worksheet, as it will be required to follow the transformation/reclassification of accounts. Monthly journal records and year-end closing entries prepared by the subrecipient or their independent auditor should be available.

Accounting records may be manual or automated. Generally, small grant programs will be either manual or computer spreadsheet, and larger programs will be automated. Automated records may simplify the financial monitoring review process. A discussion with the subrecipient regarding tailoring a general ledger report that would facilitate the search for specific data should be conducted. This report should include a listing of vendors by date and amounts by account code.

SCOPE OF REVIEW:

It is recognized that all examinations will vary in scope to some degree. An auditor is expected to pursue the examination to a point where, with reasonable certainty, he/she concludes that all items necessary for a proper determination of compliance have been considered. The auditor is expected to extend the review to include all unusual and uncertain items. In deciding the extent to pursue an issue, the auditor must consider the amount of time necessary to review the issue in relation to the potential end results. Also, the auditor must use sound judgment in deciding at what point the review should be concluded.

Certain areas are not visible during the pre-financial monitoring process and unfold as the auditor is progressing in the examination. As a guide, the auditor should be cognizant of:

- Significant items
- Reasonable cost
- Unallowable cost
- Independent Contractors
- Organization polices
- Debarred parties
- unique entity identifier as defined at 2 CFR 25.315 Requirement
- Inadequate records
- Inadequate controls
- Informant or media data
- Supplanting
- Related Party Transactions
- Conflict of Interest
- Improper Documentation
- Fraud (reserve)
- Equal Employee Opportunity Plan (EEO)

Significant items-The definition of significant item by the AICPA Statement of Auditing Standards is whether the item will affect the decision of interested parties. The decision makers in regards to municipalities are the taxpayers who are affected by the activity of the government. The auditor should keep in mind the significance of costs to that particular organization as well as to the Department of Public Safety and to the specific grant program.

Reasonable cost – 2 CFR Subpart E §200.404 defines reasonable cost. If in its nature and amount, it does not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision was made to incur the cost. Consideration shall be given to:

- *Whether the cost is of a type generally recognized as ordinary and necessary for the operation of the subrecipient.*
- *The restraints or requirements imposed by such factors as: sound business practices; arm's length bargaining; federal, state and other laws and regulations; and, terms and conditions of the federal award.*
- *Market prices for comparable goods or services.*
- *Whether the individual(s) concerned acted with prudence in the circumstances considering their responsibilities to the government unit, its employees, the public at large and the federal government.*
- *A significant deviation from the established practices of the governmental unit, which may unjustifiably increase the federal award's cost.*

Debarred parties – 2 CFR 200 Subpart C §200.205 and the SOV Bulletin 5, restrict Federal awards, subawards and contracts with certain parties that are debarred, suspended or otherwise excluded from or ineligible for participation in Federal programs or activities. It is the grantee and the subrecipient's

responsibility to implement the prohibition. The list of parties that are suspended or debarred is on-line at: www.sam.gov. The auditor should inquire if any vendors paid from grant funds are debarred or suspended. The auditor should advise the subrecipient to establish a procedure to check for suspended or debarred parties to satisfy compliance.

Inadequate records – Subrecipients are required to retain and make available all grant related supporting documents for a period of three years following the end of the grant and for whatever time is required to satisfactorily resolve issues arising from audits and financial reviews. If records are determined to be inadequate, it is a violation of the Uniform Guidance and is a questioned compliance to be reported. Oversight areas are to be reported in an informative manner in order to educate the subrecipient and that a follow-up is necessary for compliance.

Inadequate records can be described as records that contain no documentation of the transaction prior, during or after and lead to no definitive conclusion.

Supplanting - The concept of supplanting (replacing) originates in the grant program legislation. The Department of Public Safety has several sources of Federal funds and the citations of supplanting would be from their respective legislative programs and Federal financial guidelines. The rationale of supplanting is that federal funds are to be used to supplement budgets, *not to replace or supplant* award or subrecipient appropriations. In practice, the concept of supplanting is difficult to determine and document. It is the responsibility of the subrecipient to document that supplanting has not taken place. Careful consideration must be given to budgeted items which are reimbursed with federal funds and for personnel costs for positions which existed prior to, and will exist after the grant period.

An illustration of supplanting: the subrecipient hires an employee to be funded by an award. The position funded by the grant was previously funded by local funds. In addition the subrecipient had submitted a town budget that allocated local funds for this position. This is supplanting. Prior to filling a position, a subrecipient must document they do not have allocated local funds for the position. If they budget for the position, they should note it is with federal funds. If they make adjustments to the budget to reallocate the local funds from the position to another cost; this needs to be documented and needs to occur prior to filling the position and funding it with federal funds.

Fraud - The auditor must be prepared to potentially find fraudulent transactions. When examining a questionable transaction, the auditor should use professional judgment in determining if the transaction was a result of negligence, gross negligence, or fraud. Fraud occurs when there is a willful intent to deceive. Federal regulations also state other transactions such as a conflict of interest as fraudulent. Be aware that inadequate records and supplanting may be signals for deception. If these actions are present, consult with your supervisor.

When the evidence supports that the subrecipient appears to have willfully intended to deceive, it is tantamount to fraud and is to be referred to the Commissioner of Public Safety for review and further action. The subrecipient will provide documentation to the Commissioner of Public Safety and next steps will be determined.

Exit conference - Often referred to as a closing conference, the auditor will arrange a meeting with the subrecipient. The conference may be formal or informal. Generally, formal meetings will include all the participants of the review process and depending on the seriousness of the financial monitoring questions may necessitate a formal meeting. It is acceptable to have an informal meeting involving the

auditor and responsible official. The meeting should be formatted to review what has happened during the review process and to ensure that both parties have an understanding.

The auditor will inform the subrecipient of the need for a corrective action plan for significant questions, e.g., internal controls, documented weakness, etc. The auditor will also inform the subrecipient that a financial monitoring report will be prepared and submitted to the subrecipient. Included in the conference, the auditor will discuss the payment procedures for the agreed questioned compliance and the appeal process for disputes.

IV. PREPARING WORKPAPERS

Workpapers document the review. All workpapers should be maintained in the auditor's file. Workpapers serve both as tools to aid the auditor in performing his/her work, and as written evidence of the work done to support the auditor's report. Information included in workpapers should be sufficient, competent, relevant and useful to provide a sound basis for the financial monitoring questioned compliances and recommendations.

Financial monitoring workpapers should document the following aspects of the auditing process: (1) planning; (2) the examination and evaluation of the adequacy and effectiveness of the system of internal controls; (3) the information obtained and the conclusions reached; (4) reporting; and (5) follow-up.

Standard 420 of the Standards for Professional Practice of Internal Auditing defines **sufficient, competent, relevant and useful** as follows:

- Sufficient information is factual, adequate, and convincing so that a prudent, informed person would reach the same conclusions as the auditor.
- Competent information is reliable and the best attainable through the use of appropriate audit techniques.
- Relevant information supports audit findings and recommendations and is consistent with the objective for the audit.
- Useful information helps the organization meet its goals.

Quality of Workpapers - Qualities of good workpapers can be summarized as follows:

- Complete – workpapers should be able to “stand alone.” This means that all questions are answered and a logical, well-thought out conclusion can be reached for each review segment.
- Concise – workpapers should be condensed to documentation that serves a useful purpose.
- Neat – information should be organized in a logical and orderly manner. When a review workpaper is completed, it should be integrated with others related to the same subject.

Workpaper economics - During the review process the auditor will be reviewing original documents and will have to make a decision whether to make a copy of the data or not. Documents must be relevant; the auditor will write down in the workpaper the observation of data when a copy is not made. When data is voluminous it is acceptable to copy only the relevant parts of the information to support the observation. The objective of workpapers is to document the conclusions of the review. Avoid duplication; do not maintain multiple copies of the same information.

Financial Monitoring Workpapers may include:

- *Planning documents and review procedures*
- *Questionnaires, checklists and narratives*
- *Result of internal controls evaluation*
- *Notes resulting from interviews*
- *Organizational data and job descriptions*
- *Copies of important documents*
- *Information about operating and financial policies*
- *Analysis and test of transactions, processes and account balances*
- *Results of analytical review procedures*
- *Letters of representation and confirmation (appointment letter)*
- *Financial Monitoring Report stating; (1) work performed by the auditor (2) questioned compliances (3) recommendations*
- *Management Response from the subrecipient*
- *Copy of returned funds (if any)*
- *Other correspondence*

Workpaper techniques - Standardized workpapers may be developed for specific grants to enable consistent financial monitoring of multiple subrecipients. The following are typical financial monitoring workpaper preparation techniques:

- *Each financial monitoring workpaper should contain a heading consisting of the name of the organization or function being examined, a title or description of the contents or purpose of the workpaper, the grant agreement number, and the date or period covered by the review.*
- *All monitoring evidence (documents) should clearly identify the source.*
- *Abbreviations and symbols – the use of symbols and abbreviations will have meanings in conjunction with the meanings set forth in the U.S. Government Printing Office Style Manual.*
- *Cross-referencing – the auditor should document the trail of information that leads to a questioned compliance.*
- *Indexing – the system of indexing financial monitoring worksheets should be simple and leave room for flexibility. All indexed papers should have a cover page to show how to find specific documents.*
- *Electronic Documentation – Public Safety Auditors may often receive information through an electronic medium. This should be noted in the financial monitoring file and saved in the auditor’s subrecipient electronic file. Common electronic documentation are e-mails, webpage information, Microsoft Word or Adobe files for financial statements and subrecipient policies and procedures, and other documents such as digital pictures taken by the auditor.*
- *Workpaper assembly - financial monitoring file checklist should be the first page of an financial monitoring file. The financial monitoring file checklist will standardize the assembly process.*

V. FINANCIAL MONITORING REPORT

After a phone review, desk review, or site visit the auditor needs to compile all workpapers and review documentation. The auditor should determine if they have sufficient evidence to confirm objectives of the review have been met. The next step is to complete the financial monitoring report.

Below are common questioned compliance areas:

- *The auditor may in the course of filling out the financial monitoring questionnaire; determine the subrecipient does not have sufficient controls for their financial management system as required under the 2 CFR 200 Subpart D.*
- *The auditor may in the course of examining the VISION subrecipient module & financial documents; determine the subrecipient has not had a Single Audit preformed in accordance with 2 FR 200 Subpart F.*
- *The auditor may in the course of filling out the financial monitoring questionnaire; determine the subrecipient has not complied with EEOP.*
- *The auditor may in the course of examining subrecipient grant file; determine the subrecipient has not complied with 2 CFR 200 Subpart E §200.420-§200.475, selected items of cost.*
- *The auditor may find that subrecipients that are not a State, did not follow 2 C.F.R. §200.318-§200.326 and their own procurement procedures.*
- *The auditor may in the course of examining expenditure documentation; determine the expense is not allowable under 2 CFR 200 Subpart E or grant guidelines.*
- *The auditor after discussing the process followed for a particular grant; may find an instance of conflict of interest. In the case of verbal evidence, the auditor should record the discussion and the person in which they were speaking.*

If there are financial monitoring questions that demonstrate an error on the part of Public Safety in executing the award; the auditor will either arrange to meet with the Public Safety staff involved or meet with the director of the program to discuss the issue. Then the auditor will provide documentation to the Director of Administration and next steps will be determined.

The auditor should compose the financial monitoring report in a clear manner that allows the responsible official to review and respond to the questioned areas. After the report is drafted, the auditor should send it to their supervisor for review. It may be necessary to meet and discuss issues that arose from the review prior to sending the subrecipient the report.

VI. RESOLUTION

If a response is necessary, the financial monitoring report states the date in which a reply is expected (normally 45 days after the date of the report). During the discussions with the subrecipient it should be understood that questions have a final review before being sent out and that they need to respond within the time period specified by the financial monitoring report. If they need more time to complete the issues identified, they should specify the date in which they expect to complete the response. The subrecipient must send a response by the date specified by the financial monitoring report (even if the response is to simply request more time). If the subrecipient does not respond by the time indicated in the financial monitoring report, they will be placed on the DPS Restricted Parties List.

It should be understood that the burden of proof is the responsibility of the subrecipient and that it is in their best interest to provide the proper documentation. The auditor may encounter a circumstance where an item of concern cannot be fully documented. Auditors should exercise sound judgment, which will permit reasonable determinations under Federal and state regulations.

Corrective action plan – 2 CFR 200 Subpart F §200.511, indicates at the end of the financial monitoring, the subrecipient shall prepare a corrective action plan to address each of the questioned compliances. The plan should include the name of the person responsible for the plan, the measures they will take to

correct questioned compliances and the anticipated completion date. Follow-up procedures are discussed to ensure implementation of the corrective action plan. All errors or discrepancies should be addressed.

Disputed questioned compliances - Disputed questioned compliances generally result from the interpretation of regulations. If the subrecipient disputes a questioned compliance within their management response letter it should properly document facts, interpretation and citation of federal and state regulations. This statement may satisfactorily resolve the questions. Unresolved questions should not be negotiated for the sake of resolution; the objective is to determine if grant compliance has occurred. If the auditor disagrees with the subrecipient's position he/she will present all documentation to the Director of Administration.

POST FINANCIAL MONITORING QUALITY ASSURANCE MEASURES:

The auditor is responsible for performing financial monitoring work in accordance with this guide. For quality control purposes, when a financial monitoring file is reviewed, the reviewer shall initial and date the financial monitoring file checklist.

Review of the financial monitoring file:

- *Check if adequate documentation exists to substantiate questioned compliances contained in the financial monitoring report.*
- *Check documentation to verify there has not been any issues overlooked.*
- *Record any deficiencies, comments, etc. on the financial monitoring file Checklist and an additional memo if necessary then request a response or correction from the auditor who prepared the review.*



STATE OF VERMONT

DEPARTMENT OF PUBLIC SAFETY

GRANTING PLAN PART 4

Program Workcenters

Effective Date July 1, 2018

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Chapter One:

Introduction

This plan serves as the general guidance for the Program Workcenters of the Department of Public Safety for programmatic monitoring of recipients who receive grant funds. The Department of Public Safety issues grants through: 1) state funds and 2) passing through federal funds to subrecipients. In this guide the term subrecipient is used for both a state fund grantee and a federal fund grantees. The monitoring process is different depending on the program and/or funding source.

Programmatic Monitoring

Program Managers should ensure they have a process to carefully review programmatic performance of subrecipients.

The Financial Office and Program Managers should determine high risk subrecipients prior to awarding funds. For those subrecipients that are deemed high risk, DPS will determine if sanctions will be applied such as: schedule a programmatic monitoring site visit, restricting cash advance, require additional reporting and/or require detailed documentation.

During programmatic monitoring the Program Manager should: (1) review financial and progress reports for accuracy, completeness, and alignment with project goals; (2) Examine the condition of equipment and inventory; (3) Follow-up on the subrecipient's understanding of grant award terms; (4) Evaluate progress and plan on project completion; (5) Include consideration for fraud, waste & abuse.

Program Workcenter personnel are responsible for monitoring performance of subrecipient based on the performance measures as established in the solicitation and subgrant agreement. Subrecipients will submit periodic progress reports, that include activity performed, interim performance measures where appropriate, identification of problems and how they were overcome, and an assessment of the potential to reach the stated goal or objectives.

Program Workcenter personnel will monitor each subrecipient's progress toward meeting measurable goals by performing reviews of the periodic reports submitted by subrecipients. Each Division must establish a monitoring schedule that incorporates both new and experienced subrecipients. Program Workcenter personnel should monitor those subrecipients that have a high risk of not meeting goals soon after the identification of potential issues. During the site visit, they should review activity/progress reports for accuracy, completeness and alignment with project goals. Site visits are an opportunity to follow-up on the subrecipient's understanding of grant award content and terms. During the site visit, Program Workcenter personnel can discuss progress, adjust goals, develop corrective actions, plan on project completion, and gain a general impression of the subrecipient environment. DPS staff will use a checklist when they conduct subrecipient monitoring. Areas of review during on-site programmatic visits include, but are not limited to: project files, purchasing procedures, documentation procedures, and inventory of any equipment purchased through the current or previous subaward(s).

Fiscal Monitoring see DPS Granting Plan Part 2 & 3.

Fraud, Waste, & Abuse

Program managers should inform their supervisor, a division director, or DPS auditor if they have evidence a subrecipient has submitted a false claim under the False Claims Act or has committed a criminal or civil violation of laws pertaining to fraud, conflict of interest, bribery, gratuity, or similar misconduct involving those funds.

State employees should report suspected fraud, waste, or abuse to their supervisor/manager (or in accordance with their department's policy) or to the State Auditor's Office confidential tip line at 1-877-290-1400.

Non-state employees (including vendors, customers, contractors, etc.) should report suspected fraud, waste, or abuse in Vermont State Government to the State Auditor's Office confidential tip line at the above number.

What is meant by the terms "fraud", "waste" and "abuse"?

Note: The following descriptions do not represent legal advice and are provided solely to give some context to these commonly used terms; please consult with your legal counsel for further guidance:

Fraud: Generally defined in the law as an intentional act to deceive or cheat, ordinarily for the purpose or result of causing a detriment to another and/or bringing about some benefit to oneself or others. Under common law, three elements are required to prove fraud: (1) a material false statement made with intent to deceive, (2) a victim's reliance on the statement and (3) damages.

Waste: Significant loss or misuse of state resources that results from deficient or negligent practices, controls, or decisions. Waste involves behavior that is deficient or improper when compared with behavior that a prudent person would consider reasonable and necessary given the facts and circumstances. Waste does not necessarily involve fraud or other violations of law.

Abuse: Grossly intentional, wrongful, or improper use of resources or misuse of rank, position, or authority. Abuse involves behavior that is deficient or improper when compared with behavior that a prudent person would consider reasonable and necessary given the facts and circumstances. Abuse does not necessarily involve fraud or other violations of law¹.

¹http://finance.vermont.gov/faq/ic_faq

Chapter 2: Issuance Procedures

A. State Police Grantee Selection Process: *Below is the short description on how it is determined who will receive a subaward.*

General Vermont State Police Issuance Process:

A letter and an application form is sent to the Local Law Enforcement Agencies in the area in which a position is open for a local officer to join the Drug Task Force.

1. Once all the applications are received, by the close date stated in the letter, an interview is conducted.
2. The Lieutenants, the Captain and non VSP individual (Prosecutor, State's attorney Etc.) interview the candidates.
3. They choose the candidate best suited for the task force and have a scoring process in place. (Attached).
4. Local officers are not replaced yearly as officers are trained in Task Force Procedures and the cost to hire new officers yearly would be excessive and unaffordable.

Marine Program

Grantee Selection: Law Enforcement Agencies performing recreational boating enforcement and investigations may apply for the United States Coast Guard Office of Boating Safety Grant as a sub recipient through the Department of Public Safety. The grant traditionally has been funding agencies already engaged in a recreational boating safety program that interacts with the boating public in their assigned area of responsibility.

The **score sheet** that is used in State Police.

GMU-208 Form "Application Score Sheet"

B. HSU Grantee Selection Process: *Below is the short description on how subawards are selected and granted.*

General Homeland Security Unit (HSU) Issuance Procedures

Prior to a grant award to the State, the Homeland Security Unit updates the Threats, Hazards, Identification and Risk Assessment (THIRA) and the Stakeholder Preparedness Report (SPR) with assistance from the Governor's Emergency Preparedness Advisory Committee (GEPAC), Working Group members, State Agencies and other partners identified in the planning phase of the THIRA/SPR process for each year.

Results from the THIRA and SPR are analyzed to determine funding priorities. Priorities are identified with consideration given to those areas with the lowest capability scores on the Stakeholder Preparedness Report.

Once priorities have been set, the following steps are followed to issue subawards and Letters of Understanding (LOUs):

- *Request for Proposals (RFPs)² are drafted by Program staff and reviewed by Finance staff.*
- *RFPs are vetted through applicable Working Groups. Examples of these Working Groups are:*

² Within this document RFPs are only referring to subrecipient agreements and not contracts.

- *Communications Working Group,*
- *Special Operations Working Group,*
- *Law Enforcement Working Group,*
- *Training & Exercise Working Group,*
- *Municipal Working Group.*
- *RFPs are updated as needed, based on information provided by the Working Group.*
- *RFPs are approved by the Homeland Security Advisor prior to being released.*
- *RFPs are release via email groups (listserv) and posting on website(s).*
- *Applicants are given 3 to 6 weeks to respond,*
 - *All RFP applications have the same deadline*
- *Applications are received by the Financial Office*
- *Finance staff saves the grant application and associated documents into the correct FFY year file on the accounting shared drive by each Working Groups subfolder.*
- *Program staff will print a copy of the grant application and associated documents and organizes all documentation based on RFP.*
- *Finance staff will check for status of Risk Assessments, registration in SAM.gov and any other financial requirements that may not have been provided in the application.*
- *Program and Finance staff meet to complete the application checklist to determine what items are missing from each application.*
- *Program and Finance staff complete data entry into an excel spreadsheet of all the information contained in each application and other associated requirements.*
 - *Program staff sends an email to each applicant informing them of what is missing. Applicants are given 2-5 days to respond with outstanding documentation.*
 - *Spreadsheet is updated as missing information is sent in.*
- *Program staff sends completed spreadsheet to Working Groups for review. Program staff makes their best effort to make the spreadsheet available to the Working Group at least one (1) week prior to the Application meeting.*
- *DPS utilizes a score sheet like the one in the in the DPS Granting Plan Part 4 Attachment 6 for each Working Group based on the specific requirements outlined in the RFP. Each application is scored for each applicant that will be used at the application review meeting.*
 - *Each application is scored by at least three reviewers. The reviewers can come together to discuss scores, rationale and strong/weak points of each application. Reviewers may create a consensus score, use total scores or average scores to determine the selected subgrantee(s) or funding level(s). Reviewers must provide the reasons for the decision/ recommendation.*
- *Program staff records application outcomes in a word document (notes) at the application review meeting, while Finance staff records application outcomes in the score sheet or excel document at the application review meeting. This information helps to ensure that there are two records of the outcomes.*
- *Program staff sends out meeting minutes (application outcomes) to the Working Group following the meeting*
- *Funding outcomes of each application review meeting are approved by the Commissioner.*
- *Investment Justifications are developed jointly by Program and Finance in the Grants Reporting Tool.*
- *The DPS Homeland Security Grant Program (HSGP) Application is submitted by Finance staff through ND Grants.*

- *Finance staff notifies applicants of their approvals or denial:*
 - *Approval emails will include the amount of funds and items approved and anticipated timeline for award. Additionally, the emails provide instruction that the grantee is not to purchase items until an executed agreement has been received by the applicant.*
 - *Denial emails will include the reason for the denial, as detailed in the application review notes.*
- *Template subrecipient agreements and LOUs are drafted and reviewed by both Finance and Program staff.*
- *Grant agreement and LOU templates are merged with the data from the application excel spreadsheet to create individualized agreements.*
- *HSGP Award information is sent to DPS and accepted.*
- *Finance staff sends all subrecipient agreements and LOUs to recipients for review and signature.*
- *All subrecipient agreements and LOUs are executed (through DPS signature) and emailed back to the applicant with the progress report and reimbursement form no later than 45 days from the date of the HSGP award. This step is completed by Finance Staff.*

C. *VEM Grantee Selection Process:* *Below is the short description on how it is determined who will receive a subaward.*

General Vermont Emergency Management (VEM) Issuance Procedures

Emergency Management Performance Grant Prior to a grant award coming from a source, HSU and VEM updates the Threats, Hazards, Identification and Risk Assessment (THIRA) and the State Preparedness Report (SPR) with assistance from the Governor’s Emergency Preparedness Advisory Committee (GEPAC), Working Group members, State Agencies and other partners identified in the planning phase of the THIRA/SPR process for each year.

Results from the THIRA and SPR are analyzed to determine funding priorities. For the Emergency Management Performance Grant (EMPG), consideration is given to those areas identified as having the lowest scores on the State Preparedness Report as well as priorities which are required to ensure continued State-wide capacity within the five mission areas of Emergency Management (Prevention, Protection, Response, Recovery, Mitigation).

Requests for Proposals (RFPs) are developed by the EMPG Program Manager to address the identified need. RFPs are vetted and updated through a Grants Review Committee to ensure appropriate priorities and scopes of work are developed. RFPs are then reviewed by Finance Staff prior to release to potential subgrantees.

Applicants are given approximately 3 to 6 weeks to respond to an RFP. Applications are sent to the EMPG Program Manager. The Program Manager:

- *Saves each application in the shared drive applicable to the correct FFY award.*
- *Initiates discussions with the Grants Review Committee and Finance Staff to review applications and proposed scopes of work.*
- *With Finance Staff, ensures application checklists and other award requirements are completed and met.*
 - *Follows up with applicants should there be missing items in an application.*
- *Convenes the Grants Review Committee to score each application (DPS Granting Plan Part 4, Attachment 6).*
- *Reviews application score matrix with Finance Staff to determine finalized funding for subawards.*
- *Reviews final approval of EMPG subgrant funding with VEM Director for approval.*
- *With Finance Staff notifies applicants of approval or denial and final subgrant award amount.*
- *With Finance Staff, develops template subrecipient agreements.*

- *Finance staff sends all subrecipient agreements to applicants for review and signature.*
- *With Finance Staff, executes subrecipient agreements (through DPS signature) and emailed back to the applicant with the progress report and reimbursement form.*

Public Assistance For Federal Disaster FEMA conducts a Preliminary Damage Assessment (PDA) to determine damage totals. The VEM **Recovery and Mitigation Section Chief** coordinates Governor’s request for a Federal disaster based on the findings of the PDA, including National Weather Service documentation, PDA results, and **Federal Form 010-0-013**. FEMA Region 1 staff may offer guidance, review and comment on a draft declaration request before submitting to Governor’s office.

A Federal Public Assistance disaster event is declared by the President. A paper copy of the Standard Form (SF) 424 Federal Grant application is completed by the Financial Office in consultation with the PAO and routed to the **Commissioner of the Department of Public Safety** for signature. The Financial Office then submits the SF 424 electronically to FEMA Region 1 through EMMIE.

The Public Assistance Officer (PAO) conducts Applicant Briefings in declared areas for towns and other potential Applicants to attend. Applicants must submit **Request for Public Assistance (RPA)** forms *within 30 days of the declaration date to be eligible, so timing of the Applicant Briefings immediately following a declared event is crucial*. RPA’S are entered in EMMIE for towns by the VEM Recovery and Mitigation Section. Vermont **Emergency Relief and Assistance Fund (ERAF)** percentages are determined by the Secretary of Administration or designee, based on conformance with ERAF rule requirements, and provided to the Financial Office based on updated information as of 30 days after a federal declaration and/or as documented on the Vermont Agency of Natural Resources Flood Ready website (www.floodready.vermont.gov). The Financial Office verifies that Applicants are registered with SAM.GOV, have a federal tax id number, and meet other federal and state requirements.

Process:

1. An Emergency Operations Center Activation and/or potential Federal Declaration event occurs.
 - a. **The Public Assistance Officer (PAO)** requests a tracking code (e.g. task profile ID) from Department of Public Safety **Financial Office**.
 - b. **The Financial Office** sets up a tracking code(s) for proper timesheet tracking.
 - c. Continuous time allocable to a specific disaster grant worked by **DPS personnel**, will, to the extent practicable, be tracked to disaster-specific accounting codes.
2. **Director of the Vermont Division of Emergency Management (VEM)** requests a **Preliminary Damage Assessment (PDA)** by **Federal Emergency Management Agency (FEMA)**.
3. FEMA conducts PDA’s in coordination with the VEM Recovery and Mitigation Section and **Vermont Agency of Transportation (VTTrans)** personnel (pursuant to DPS/VTTrans MOU) to determine damage totals.
4. The VEM **Recovery and Mitigation Section Chief** coordinates Governor’s request for a Federal disaster based on the findings of the PDA, including National Weather Service documentation, PDA results, and **Federal Form 010-0-013**. FEMA Region 1 staff may offer guidance, review and comment on a draft declaration request before submitting to Governor’s office.
5. A Federal Public Assistance disaster event is declared by the President. A paper copy of the Standard Form (SF) 424 Federal Grant application is completed by the Financial Office in consultation with the PAO and

routed to the **Commissioner of the Department of Public Safety** for signature. The Financial Office then submits the SF 424 electronically to FEMA Region 1 through EMMIE.

6. When FEMA awards the grant to DPS as Grantee, the **Financial Office** then prepares the **Vermont Department of Finance and Management AA-1 form** and submits the form with any supporting documentation to the Legislature's **Joint Fiscal Office (JFO)** for approval to accept the award (V.S.A. 32, § 5).
 - a. If there are any new positions requested to meet the requirements of the grant, they will be included in the AA-1 document for approval. The Recovery and Mitigation Section Chief will prepare a Joint Fiscal Committee Review Limited Service-Grant Funded Position Request Form if required (available on the Department of Human Resources web page: <http://humanresources.vermont.gov/forms>). The Joint Fiscal Office approval time line is unpredictable and can be lengthy so timely submission is critical.
 - b. Upon JFO approval, the Financial Office notifies the VEM Recovery and Mitigation Section Chief.
7. The **FEMA-State Agreement** is executed via the **State Coordinating Officer** after the Commissioner has signed off on the grant agreement (as designated in Exhibit A of the FEMA- State Agreement).
8. The Public Assistance Administrative Plan Amendment for the declared disaster is developed by PAO and submitted to FEMA by PAO along with the entire Public Assistance Administrative Plan.
9. The PAO conducts Applicant Briefings in declared areas for towns and other potential Applicants to attend. Applicants must submit **Request for Public Assistance (RPA)** forms within 30 days of the declaration date to be eligible, so timing of the Applicant Briefings immediately following a declared event is crucial. Applicant briefing guidance from the Financial Office should include notice that local share cannot come from a federal source.
10. RPA'S are entered in EMMIE for towns by the VEM Recovery and Mitigation Section. Vermont **Emergency Relief and Assistance Fund (ERAF)** percentages are determined by the Secretary of Administration or designee, based on conformance with ERAF rule requirements, and provided to the Financial Office based on updated information as of 30 days after a federal declaration and/or as documented on the Vermont Agency of Natural Resources Flood Ready website (www.floodready.vermont.gov). The Financial Office verifies that Applicants are registered with SAM.GOV, have a federal tax id number, and meet other federal and state requirements.
11. Upon approval of RPA's:
 - a. The PAO notifies the Financial Office to issue Subgrant agreements to applicants for signature.
 - b. FEMA schedules and conducts kick off meetings for Applicants that have approved RPAs. A member of the Recovery and Mitigation Team and/or a District Tech will, to the extent practicable, attend the Kick-off meeting in support of each Applicant.
 - c. Project Specialists from FEMA gather documentation from Applicants to write up project worksheets that they submit into EMMIE to go through various FEMA review queues. Applicants have 60 days from the Kick-off meeting to identify all damaged sites and provide documentation to FEMA.
12. The PAO or his/her designee notifies the Financial Office of each new EMMIE obligation.

13. The Financial Office follows Agency of Administration Bulletin 5.0 to issue subgrant agreements by performing a risk assessment and requesting appointing authority approval for any recipient that is high risk. The Financial Office then issues to the subrecipients a copy of their executed subgrant along with the financial report form (**Financial Report Workbook; GMU 502F**) and a large project quarterly report form (for programmatic progress reporting) if the Applicant/Subrecipient has one or more large projects. Time is of the essence in issuing executed subgrants so that disaster recovery funds can be released to the Applicants as soon as possible after obligation.
14. The PAO reviews lock-in amount in letter from FEMA regarding section 324 management costs, and responds accordingly.
 - a. The PAO, in consultation with the Recovery and Mitigation Section Chief and the Financial Office, discuss the lock-in amount and how to spend available section 324 funds.
 - b. A letter with this information, and a copy of the DPS Grant Management Process Manual is sent to FEMA within 120 days of disaster declaration by the PAO or designee.
15. Subrecipients submit programmatic progress quarterly report to PAO (by January 15, April 15, July 15, October 15 and for final closeout) for all large projects. The **Quarterly Large Project Progress Report form** is posted on the VEM website. The PAO or designee will submit Large Project Quarterly Reports using the FEMA form. Deadline for programmatic progress quarterly reports are due to FEMA January 30, April 30, July 30, and October 30 and for final closeout.
16. When the PAO receives a Large Project Quarterly Report that shows an Applicant has 75% or more of their project completed, the PAO or designee, will email to the Applicant the **Large Project Closeout Request form**, **Closeout FEMA Template**, and the **FEMA Project Documentation Closeout Checklist**. When a project is ready for Closeout, the Applicant must submit the **Large Project Closeout Request form** to the PAO. This form states all work was completed in accordance to the scope of work written in the Project Worksheet, and completed within the approved Period of Performance.
17. Large projects must go through a formal closeout process as detailed in DAP 9570.14. The Closeout documentation must be organized according to the program guidance available at vem.vermont.gov/publicassistance.
18. Once a Large Project Closeout Request form is received, A VEM Public Assistance Coordinator will be assigned to work with the Applicant to complete Closeout of the project, which will include a final **Project Completion and Certification Report (PCCR)** large project closeout form for each large project.
19. **Obligation of Projects:**
 - a. FEMA obligates **large projects**. Subrecipients can request payments from Financial Office for up to 75% of federal share on large projects by sending in their financial report workbook, GMU 502F, as they complete work. Note: for large projects, they need to document expenses and request payment.
 - i. In special cases -- when the Subrecipients can document actual costs higher than estimated project costs prior to close out -- the PAO can make an exception and request in writing that the Financial Office release additional funds up to 90% of the federal share.
 - b. FEMA obligates **small projects**. Subrecipients need to send their financial report workbook, GMU 502F, to receive 100% of their federal share for awarded small projects upon obligation.

- i. To receive the State ERAF share on small projects, ALL of a Subrecipient's small and large projects, must be obligated and have a **Project Completion and Certification Report (PCCR)** form completed.
20. **Project Completion and Certification Report (PCCR):** When all of a subrecipient's **small** projects are completed, a **Project Completion and Certification Report** form will be sent from VEM to the Agency of Transportation District Technician.
- a. A **Public Assistance Coordinator (PAC)** designated by the PAO will email the town's completed PCCR form to the Agency of Transportation District Technician.
 - b. The PCCR is completed with a final inspection on each project by the District Technician to determine that the work was completed in accordance with the written scope of work and all applicable agreements and/or permits.
 - c. The District Technician and Applicant must sign and submit it back to the PAO.
21. The PAO will review and sign off on the PCCR form, and send to the Financial Office.
- a. A PAC designated by the PAO will track status of PCCRs that have been sent and returned.
22. The Financial Office uses the PCCR small project and/or PCCR large project closeout form along with the GMU 502F to reimburse the ERAF State Share of the Subgrantee's obligated projects. FINAL State Share is dispersed only after ALL small and large projects are obligated and Closed out in EMMIE.
- a. In special cases, the State share can be released before all final projects are completed provided that adequate documentation from the Subrecipient and District Tech is provided (e.g. Town of Holland in DR1995, when the town had one large outstanding project not yet completed and all other projects completed).
23. The VEM Recovery Team utilizes the financial tracking code on all disaster related costs (i.e. contracts, Purchase Orders (PO's), invoices, employee expense reports etc.). The Financial Office will run a monthly VISION expense report to determine amount and will draw down funds accordingly from the Payment Management System on a monthly basis.
24. The Financial Office will submit federal financial quarterly report (SF 425) by January 30, April 30, July 30, and October 30 and for final closeout. Financial Office will report costs and associated drawdowns for Sec. 324 on a quarterly basis per 44 CFR Section 207.8(c.)
25. The Financial Office will complete and submit the FINAL SF 425.
26. The Financial Office will retain all original subgrant agreement documents in a master file.

Hazard Mitigation Grant Program (HMGP) funding is available, when Presidential major disaster declaration, in the areas of the State requested by the Governor. The amount of HMGP funding available to the Applicant is based on the estimated total Federal assistance, subject to the sliding scale formula outlined in Title 44 CFR.

The process for applicants to apply depends on if VEM already has a list of project that could be completed from prior disaster due to no more funding. They will try to address prior incomplete projects and if there is still funding then send out RFP that is posted on the VEM website. There are several eligible activities that are listed on the Hazard Mitigation Assistance Guidance February 27, 2015 page 33 Table 3: Eligible Activities by Program.

Applicants are received and reviewed by the Hazard Mitigation Committee. Once applications are approved they are processed through NEMIS (federal portal). At this time VEM waits for FEMA approval. Once award has been received it is forward to Financial Office to generate a subaward.

Subrecipient agreements are issued by the Financial Office to approved applicants based on the approved scope of work. Applicants must sign and return the subrecipient agreement to the Financial Office. Financial Office then generates a routing sheet which is signed by the Financial Office Supervisor and Division Director. Once complete, Financial Office routes the subrecipient agreement to Commissioner or designee for final execution signature and returned to the Financial Office. Financial Office emails the executed subrecipient agreement, financial report form, progress report and asset list template, when applicable, back to the applicant. Applicant is then able to move forward with the approved scope of work.

An applicant can request an amendment in writing based on a delay or change in scope of project. No verbal requests for an amendment will be entertained. The Financial Office and Program Manager will review the request for an amendment and discuss any potential issues. Additional information may be asked to clarify the request, if necessary. The Financial Office and Program Manager must agree on the decision as to whether or not to issue an amendment. If no amendment is approved, an email will be sent from the Financial Office to document the reason behind not issuing an amendment. If an amendment is approved, the Financial Office will draft the amendment and Program Manager will review for approval before the amendment is sent to the Applicant. Once sent to the Applicant, they must sign and return the amendment to the Financial Office. Financial Office then generates a routing sheet which is signed by the Financial Office Supervisor and Division Director. Financial Office routes the subrecipient agreement to Commissioner or designee for final execution signature and returned to the Financial Office. Financial Office emails the executed amendment, updated financial report form, progress report and asset list template, when applicable, back to the applicant. Applicant is then able to move forward with the amended approved scope of work.

The score sheet that is used in VEM. The general score sheet can be found in Attachment 6. Eligibility criteria outlined in the score sheet are adjusted dependent upon the programmatic requirements. Scoring is based on a scale of one (1) to five (5) for each evaluation criteria. One (1) is not at all, three (3) is not opinion and five (5) is excellent. An average score for the application is taken. A score of 50 or below will result in an award not being issued. The Working Group may choose to ask for additional documentation to review as they see appropriate, to assist in their review and award process. Working Group approved scopes and funding are updated in the spreadsheet. Completed score sheets are kept in the Grant File.

Once final approval on the granted scopes has occurred by the Director of the Division, Financial Office and the Program Manager work together to determine programmatic and financial reporting requirements and funding source special conditions to be placed into the subrecipient agreement.

HMGF score sheet is found in Attachment 8

Chapter 3 Amendment Procedures:

What events typically trigger an amendment

- A. *State Police Amendment Selection Process:*** *Below is the short description on how it is determined who will receive an amendment.*

Amendment: If a sub recipient requests to change the scope of work, or requests to make modifications to the amount received or makes changes to line items on an approved budget (more than 10% of the total allocation) they must submit the request in writing for approval. The grants management unit in conjunction with the Marine Division Commander will determine if the request complies with all guidelines and directives.

- B. *HSU Amendment Selection Process:*** *Below is the short description on how it is determined who will receive an amendment.*

Occasionally, additional time, funds, or adjustments to scope are needed to complete an approved project. All recipients must inform the DPS Financial Office in writing of any delays, proposed equipment substitutions, or desired changes to the physical/geographic deployment, concept of operations, equipment substitutions, and/or technical specifications. The DPS Financial Office and Program Manager will determine if an amendment is warranted prior to any changes or purchases being made. Once approved, DPS Finance then issues an amended agreement to the subrecipient.

- C. *VEM Amendment Selection Process:*** *Below is the short description on how it is determined who will receive an amendment.*

Occasionally, additional time or funds are needed to complete an approved project. VEM staff will then request a cost overrun from FEMA or an extension on the designated performance period. Once approved, DPS Finance then issues an amended agreement to the subrecipient. A sample cost overrun request to FEMA is attached for reference purposes. (Attachment 9)

Chapter 4 Programmatic Monitoring Procedures

Monitoring Criteria: please mention 1) how often 2) the number of awards reviewed and 3) who will perform programmatic monitoring. **What type of review:** Desk review, site visit or other means?

A. State Police Monitoring Procedures: *Below is the short description on how programmatic monitoring is completed.*

General VSP

1. Each local officer is evaluated annually in the same manner as the VSP officers are. Evaluation form is attached.
2. The period of evaluation is July 1st to June 30th.
3. The individual administering Grants collects stats quarterly for the whole task force in an excel spreadsheet and the Lieutenants collect stats monthly for each Task Force Unit they supervise.

Marine

Review performance based patrol activity sheets on a monthly basis as submitted by the sub recipient. Submission must follow a federally compliant MOU time line for the submission of required documents. The time line must match USCG federal guidelines which require a submission of activity sheets for each pay period at least once a month. (COMDTPUB P16755.3 RBS Chapter 4-Financial Administration 4.18 Personnel Compensation) Historically, there have been four awards issued by DPS for RBS funding. (Colchester Police, Grand Isle Sheriff's Department, Vermont Fish and Wildlife and Vermont Department of Motor Vehicles). The activity sheets are reviewed on a monthly basis by the State Police Marine Division to ensure the sub recipient is within the scope of work.

What type of review-(desk Review) the use of an approved RBS activity sheet as an alternative method for time distribution as required under federal guideline must be used to show an equitable distribution of F/W on water time between recreational boating safety and prohibited game warden activities.

Federal Requirements are met- Under the federal standards, all submitted activity reports are reviewed on a monthly basis at State Police Marine Division/Williston. All deliverables are entered into a database to be provided to USCG as compiled grant deliverables at the end of the grant cycle.

The use of an approved RBS activity sheet as an alternative method for time distribution as required under federal guidelines. Each pay period, or at least once a month sub recipient must prepare a time sheet that covers all employees whose costs are chargeable to more than the RBS program and includes the following information:

1. Name and Social Security number of each employee.
2. Total Salary of each employee
3. Total hours each employee worked.
4. Percent of employee's time charged to the program
5. Hours for each employee that were charged to the program
6. Amount of employees/ salary charged to the program.

Z. Certification by the next higher supervisor.

B. HSU Monitoring Procedures: Below is the short description on how programmatic monitoring is completed.

The State of Vermont, Department of Public Safety (DPS), Homeland Security Unit (HSU), as the HSGP federal grantee, is responsible for monitoring grant subrecipients and ascertaining that all compliance and programmatic responsibilities are fulfilled.

State and local subawards are monitored in order to (1) track the progress and alignment of agencies towards the Stakeholder Preparedness Report (SPR) and Core Capabilities, (2) track the support HSU is providing to local and State agencies for implementation of the SPR and Core Capabilities, and (3) determine whether funds designated for planning, organization, equipment, training and exercises are being obligated and expended in accordance with HSU and FEMA Grants and Programs Directorate guidelines.

Monitoring provides a comprehensive picture of how Core Capabilities are progressing statewide. Additionally, monitoring assists HSU in identifying subrecipient support needs, provides feedback on ways to improve its services to subrecipients, and illuminates the strengths and areas for improvement in subrecipients programs.

Grant programs subject to HSU programmatic monitoring efforts include, but are not limited to, State Homeland Security Program (SHSP) and Operation Stone Garden Program (OSGP).

The metrics, requirements, and guidelines used to conduct programmatic monitoring are found in, though not limited to, the following core documents:

- 2CFR and 2CFR 200 (Grants and Agreements)
- The relevant FY Notices of Funding Opportunity Announcement/Program Guidance
- Certifications and Assurances
- Subrecipient Grant Award Agreement
- Vermont National Incident Management System (NIMS) Implementation Plan

On-Site Monitoring

Programmatic monitoring, executed through an on-site visit, focuses on two areas:

1. Statutory and regulatory compliance with procurement, planning, inventory control, training and exercise actions, and
2. Subrecipient progress towards stated operational targets, including equipment deployment.

The HSU On-Site Monitoring process is aligned with and designed to ensure compliance with 44CFR and 2CFR, among other guidance documents. The HSU Program Manager uses an interview template designed to comprehensively address the spectrum of content.

A minimum of six (6) subrecipients, with at least fifty percent (50%) of their subgrants being monitored, will be selected for an on-site monitoring visit each fiscal year. The determination for which entities are monitored is based upon several possible criteria:

- New subrecipient (to be monitored within the first performance year)
- Periodic routine review of subrecipient projects
- Review of specific items of interest
- Response to perceived problems or issues (i.e. not meeting goals or on the high-risk list)
- Response to financial audit or programmatic monitoring exceptions
- Response to requests for assistance from subrecipients

Visits are to be communicated to subrecipients via email and/ or phone in accordance with a long-term monitoring visit calendar developed by the HSU unit. A pre-visit email (Attachment A), to schedule a date and time for the monitoring visit, should be sent two to three weeks in advance. The initial contact should outline for the subrecipient the items that will be reviewed during the site visit and any preparation the subrecipient should make prior to the visit. Once a date and time is agreed upon, the Program Manager will follow up with the subrecipient to remind them of the pending visit and answer any outstanding questions. The Program Manager will provide the grantee with the following prior to the visit: an agenda for the visit, a copy of the Monitoring Report Form (Attachment B), and a sample CFR-compliant Property Records List Template (Attachment E).

Prior to a scheduled Programmatic Monitoring visit, the Program Manager conducts a number of pre-monitoring tasks. The Program Manager reviews all of the information relevant to the grant award being reviewed and inventories the following items:

- *The signed grant agreement(s), including Attachments A and B of the grant agreement,*
- *amendment requests,*
- *vendor invoices and correspondence,*
- *Financial Report Forms,*
- *reimbursement requests,*
- *Subgrant Progress Reports,*
- *audit findings,*
- *rate of expenditures,*
- *NIMS implementation data,*
- *Property records list(s).*
- *The HSU personnel should note any file irregularities or problems that are discovered.*

The process for the site visit is as follows:

- HSU Authorized Personnel arrives on time, presents identification
- Introductions with key agency members
- Conducts interview(s)
 - Establishes proper contact person, working space, subrecipient working hours, parking, security
 - HSU personnel detail the monitoring process
- Reviews the Monitoring Report Form with subrecipient
- HSU Personnel takes notes throughout the visit on the Monitoring Report Form
- HSU Personnel reviews equipment, takes pictures of valuable, serialized equipment and records on photo log (Attachment C).
- Conducts exit interview used to:
 - Address Findings
 - Detail follow-up requirements with deadline for compliance – Corrective Actions
 - Q&A Session with Subrecipient (Outreach). Items to may include:
 - Proper filing of Financial Report Forms

- Progress reporting
- NIMS
- New policies and procedures
- Vehicle policy
- Other funding sources
- Training
- Exercise
- FAQ's
- MOU templates
- Amendment requests
- Grant application

The Monitoring Form is the driving engine of a monitoring visit, and subrecipients ought to be familiar with all aspects of the document to properly prepare. Specifically, the visit matrix is categorized into 7 sections:

- A. Overall/General Assessment
- B. Recordkeeping and Procurement
- C. Program Expenditures: Equipment
- D. Plans and Training
- E. National Incident Management System (NIMS) Requirements
- F. Vehicle Purchases (if applicable)
- G. Operations Stonegarden (if applicable)

The visit involves discussions about project implementation, such as milestones, timelines, rate of fund expenditure, project operations, training needs, performance measures, and evaluation. The visit includes interviews with key agency members, a review of documentation and equipment, and an exit interview to discuss findings and address questions or concerns. The exit interview will clarify future corrective action items for the subrecipient and highlight what will be included in the post-visit letter to the subrecipient.

Upon completion of the visit, the HSU personnel will review the outcome of the visit. If there are outstanding questions or information not available at the time of the visit, the subrecipient will be allowed an opportunity to respond and supply documentation. The Program Manager will follow up all visits with a signed post-visit letter (Attachment D). The post-visit letter outlines findings, recommendations, and Corrective Action Plan requirements, if necessary. If any outstanding issues are identified, the subrecipient is required to submit a Corrective Action Plan within the allotted time identified in the post-visit letter, typically 30-45 days, identifying what steps the subrecipient is taking to resolve the issues. If results warrant, HSU may place the subrecipient on the DPS Restricted Parties List.

All notes and forms should be typed. The visit should be reviewed with the Deputy Homeland Security Advisor, advising of critical issues found, corrective actions, and best practices. The Homeland Security Advisor may be briefed on the outcomes of the visit, if warranted. Corrective action requirements will be followed up by the HSU personnel, at which time the report should be finalized and the file closed.

Proper Conduct for HSU Authorized Personnel

Monitoring personnel should be professional. They must always display the attributes of objectivity, courtesy, reason, focused engagement, and receptivity. If improper conduct by a subrecipient is noted by HSU personnel, they should document the issue and immediately address with supervisory personnel. Interviews can be conducted in an informal manner. HSU personnel should be courteous, good listeners, flexible, reasonable and knowledgeable.

C. VEM Monitoring Procedures: Below is the short description on how programmatic monitoring is completed.

The State of Vermont, Department of Public Safety (DPS), Division of Emergency Management (VEM), as the federal grantee, is responsible for monitoring grant sub-recipients and ascertaining that all compliance and programmatic responsibilities are fulfilled.

State and local subawards are monitored to (1) track the progress and alignment of agencies towards the State Preparedness Report (SPR) and Core Capabilities, (2) track the support VEM is providing to local and State agencies for implementation of the SPR and Core Capabilities, and (3) determine whether funds designated for planning, equipment, training and exercises are being obligated and expended in accordance with DPS/VEM and FEMA Grants and Programs Directorate guidelines.

Monitoring provides a comprehensive picture of how Core Capabilities are progressing statewide. Monitoring assists VEM in identifying areas of need for subrecipient support, provides feedback on ways to improve its services to subrecipients, and illuminates the strengths and areas for improvement in subrecipients programs. Both forms of monitoring require written documentation.

Programmatic monitoring, executed through an on-site visit, focus on two areas:

- 1) Statutory and regulatory compliance with procurement, planning, inventory control, training and exercise actions, and
- 2) Goal and Objectives achievement focused on subrecipient stated operational targets, including equipment deployment.

The programmatic monitoring program places a high value on consistent, fair, transparent, and reasonable reporting and accountability by subrecipients.

Grant programs subject to VEM programmatic monitoring efforts include, but are not limited to Emergency Management Performance Grant (EMPG), Public Assistance (PA), and Hazard Mitigation Grant Program (HMGP).

The metrics, requirements, and guidelines used to conduct programmatic monitoring are found in, though not limited to, the following core documents:

- 44CFR (Emergency Management and Assistance)
- 2CFR and 2CFR 200 (Grants and Agreements)
- OMB Circular A-102 (Administrative Requirements)
- OMB Circular A-133 (Audit Requirements)
- The relevant FY Funding Opportunity Announcement/Program Guidance
- Certifications and Assurances
- Subrecipient Grant Award Agreement
- VT NIMS Implementation Plan

On-Site Monitoring

The VEM On-Site Monitoring process is aligned with and designed to ensure compliance with 44CFR and 2CFR, among other guidance documents. The VEM Programmatic Monitoring Team uses an interview template designed to comprehensively address the spectrum of content.

The Monitoring Form is the driving engine of a monitoring visit, and subrecipients ought to be familiar with all aspects of the document to properly prepare. Specifically, the visit matrix is categorized into 7 sections:

- 1) Overall/General Assessment
- 2) Recordkeeping
- 3) Equipment, with accountability and inventory control as per 44CFR Sec 13, being focus areas
- 4) Training
- 5) Exercises
- 6) Planning
- 7) National Incident Management System Progress

At least 15 subrecipients will be selected for an on-site monitoring visit each year. The determination for which entities are monitored is based upon several possible criteria:

- New subrecipient (to be monitored within the first performance year)
- Periodic routine review of subrecipient projects
- Review of specific items of interest
- Response to perceived problems or issues (i.e. not meeting goals or on the high-risk list)
- Response to financial audit or programmatic monitoring exceptions
- Response to requests for assistance from subrecipients

Visits will be communicated to subrecipients via multi-media dissemination of a long-term monitoring visit calendar, which will be developed annually upon receipt of federal grant funds.

A pre-monitoring analysis of the subrecipient will be conducted. This is done by monitoring personnel to determine which items should be reviewed during the site visit. The signed grant agreement(s), including Attachment B of the grant agreement, vendor invoices and correspondence, Financial Report Forms, Subgrant Progress Reports, audit findings, amendment requests, rate of expenditures, NIMS implementation data, reimbursement requests, and any additional compliance requirements should all be reviewed during the pre-monitoring analysis. The VEM personnel should also request a copy of the subrecipients mandated asset inventory, based on grant awards and reimbursement requests. The VEM personnel should note any file irregularities or problems that are discovered.

A pre-visit phone call, to schedule a date and time for the monitoring visit, should be made two to three weeks in advance. The initial contact should outline for the subrecipient the items that will be reviewed during the site visit and any preparation the

subrecipient should make prior to the visit. The phone call should be followed up by a pre-visit confirmation letter (Attachment A), preferably the same day, detailing the agreed to date and time, and items to be reviewed. It should include an agenda for the visit, a copy of the Monitoring Report Form (interview matrix) (Attachment B), and a sample CFR-compliant Asset Inventory List (Attachment E).

The visit involves discussions about project implementation such as milestones, timelines, rate of fund expenditure, project operations, performance measures, and evaluation. The visit includes interviews with key agency members, a review of documentation and equipment, and an exit interview to discuss findings and address questions or concerns. The exit interview will clarify future corrective action items for the subrecipient and highlight what will be included in the post-visit letter to the subrecipient. If any outstanding issues are identified, the subrecipient is required to submit a Corrective Action Plan within the allotted time identified in the post-visit letter, typically 45 days, identifying what steps the subrecipient is taking to resolve the issues.

The process for the site visit is as follows:

- VEM Authorized Personnel arrives on time, presents identification
- Introductions with key agency members
- Conducts interview(s)
 - Establishes proper contact person, working space, subrecipient working hours, parking, security
 - Authorized personnel detail the monitoring process
- Reviews the Monitoring Report Form with sub-recipient
- Authorized Personnel takes notes throughout the visit on the Monitoring Report Form
- Authorized Personnel reviews equipment, takes pictures of valuable, serialized equipment and records on photo log (Attachment C).
- Conducts exit interview used to:
 - Address Findings
 - Detail follow-up requirements with deadline for compliance – Corrective Actions
 - Q&A Session with Subrecipient (Outreach). Items to cover include:
 - Proper filing of Financial Report Forms
 - Progress reporting
 - NIMS
 - VCOMM
 - New policies and procedures
 - Vehicle policy
 - Other funding sources
 - Training
 - Exercise
 - FAQ's
 - MOU templates
 - Amendment requests
 - Grant application

Upon completion of the visit, the VEM personnel should review the file and follow up with a post-visit results/corrective action letter (Attachment D). Findings and Corrective Action requirements will be included in this letter. If results warrant, VEM may place the subrecipient on the DPS Restricted Parties List. All notes and forms should be typed. The visit should be reviewed with the appropriate VEM Section Chief, advising of critical issues found, corrective actions, and best practices. Corrective action requirements will be followed up by the VEM staff, at which time the report should be finalized and the file closed.

Proper Conduct for VEM Authorized Personnel

Monitoring personnel should be professional always. They must always display the attributes of objectivity, courtesy, reason, focused engagement, and receptivity. If improper conduct by a subrecipient is noted by VEM personnel, they should document the issue and immediately address with supervisory personnel. Interviews can be conducted in an informal manner. VEM personnel should be courteous, good listeners, flexible, reasonable and knowledgeable.

Ensure mandatory Federal requirements are met and Review programmatic reports to provide reasonable assurance that the subrecipient administers Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements and that performance goals are achieved.

Sanctions: please list any sanctions your division may institute, you may wish to simply send requests to Administration to add a subrecipient to the department's Restricted Parties List.

Chapter 5 Official Grant Defined/Programmatic Monitoring File

Administration will maintain the official grant file for audit. However, the monitoring and audit files will be separate.

Examples of Programmatic Monitoring file content:

- Correspondence (including copies of email correspondence and/or notes documenting phone conversations about the grant award)
- Monitoring checklists
- Programmatic reports
- Photos (if applicable)
- Notes and/or checklists for desk reviews
- Notes and/or checklists for site visits
- Corrective action plans (if applicable)
- Any other information relevant to issuance and monitoring activities

A. State Police Monitoring File: Below is the short description of programmatic grant files.

All grant documents will be in the Financial Office. A separate grant file with monitoring activities is not kept, except for electronic database(s) which house confidential programmatic statistical information.

B. HSU Monitoring File: Below is the short description of programmatic grant files.

Electronic grant files are kept on the Administration Shared Drive. The Program Manager has access to these files. Hardcopy files are archived with relevant grant history paperwork

List of Attachments³:

Attachment A- Pre-Visit Confirmation Letter
Attachment B- Monitoring Interview Matrix
Attachment C- Photo Log
Attachment D- Post-Visit Results/Corrective Action Letter
Attachment E- Property Records List Template

C. VEM Monitoring File: Below is the short description of programmatic grant files.

Electronic grant files are kept on the Administration Shared Drive. Program Managers have access to these files. Hardcopy files should be archived with relevant grant history paperwork, while electronic data should be stored within the VEM Programmatic Monitoring server.

List of Attachments⁴:

Attachment A- Pre-Visit Confirmation Letter

³ This list HSU maintains a copy of the current attachments to their monitoring policy. These are not included in the Granting Plan as they can be updated throughout the year.

⁴ This list VEM maintains a copy of the current attachments to their monitoring policy. These are not included in the Granting Plan as they can be updated throughout the year.

Attachment B- Monitoring Interview Matrix
Attachment C- Photo Log
Attachment D- Post-Visit Results/Corrective Action Letter
Attachment E- Sample Inventory List

Attachment 4 VSP Drug Task Force Solicitation Letter

Vermont Drug Task Force
103 South Main Street
Waterbury, VT 05671-2101



July 17th, 20XX

Dear Chief ,

I am writing this letter to inform you that the Vermont Drug Task Force anticipates filling one opening for a local officer within this state-wide unit dedicated to combating illegal drug activity in Vermont. We are seeking a qualified officer in the Southern region, whose county or municipal agency is willing to sponsor them as a full-time investigator working in this multi-agency team. This position will be fully funded at no cost to your agency. If you feel you have an officer in your department that may be suitable for this specialized law enforcement work, we would very much appreciate hearing from you.

I have included a Vermont Drug Task Force application form with this letter. If you wish to make one of your officers a candidate for this position, please send me a letter describing this officer along with a completed application form. Please include a letter of interest and resume from the candidate. Please have applications submitted to me, no later than August 22, 2014.

Should you have any questions, please feel free to contact my office at Vermont State Police Headquarters. In my absence, you may also be assisted by calling Ms. XXX XXXX the NIU Business Manager, who can be reached at 802-241-XXXX.

Sincerely,

Lt. XXXX XXXXX

Narcotics Investigation Unit

Vermont State Police Headquarters

802-241-XXXX

Attachment 5 Vermont State Police Application

STATE OF VERMONT FY2015

Vermont Drug Task Force Applicant

INTRODUCTION:

This application is for use by state and local government agencies in applying for funds to place a full-time police officer within the Vermont Drug Task Force.

This application consists of several sections. Each section must be completely filled out using the applicable forms (attached). Technical assistance in completing the application is available from the Vermont Department of Public Safety. Lieutenant XXXX or XXXXX are your contacts and may be reached by calling 802-241-XXXX.

CONTENTS OF THIS APPLICATION FORM:	PAGE:
1. Cover Sheet	2
2. Instructions - Budget Detail	3
3. Budget Detail	5

Submit the original and one (1) copy of this application to:

Vermont Department of Public Safety

Vermont State Police/Drug Task Force

Attention: XXXXX

103 South Main Street

Waterbury, Vermont 05671-2101

1 TASK FORCE PROGRAM COVER SHEET

- 1. Name of Agency: _____
- 2. Contact Person (Name and Title): _____
- 3. Address: _____
Town or City: _____ Zip Code: _____
County: _____
Telephone: _____
- 4. Project Title: _____
- 5. Brief Project Description: _____

-
- 6. Count(ies) Affected by the Project: _____
 - 7. Population Affected by the Project: _____
 - 8. Project Dates: Start: _____ End: _____
 - 9. Requested Project Funding: _____
 - 10. Prior Year Budget for this Service: _____
 - 11. Current Year Budget for this Service: _____

=====
FOR REVIEWING AGENCY ONLY
=====

Date Received: _____ Reviewed by: _____

Application Status: [] Approved [] Disapproved

Project Number (for approved grants only): _____

2
**DRUG TASK FORCE PROGRAM
INSTRUCTIONS - BUDGET DETAIL
SALARY AND OPERATING COSTS**

PROJECT BUDGET: Please complete the detailed expenditure and source of funds information on the forms provided below. You may use additional categories if necessary.

SALARIES & BENEFITS: For any individual/position funded please complete the salary and benefit information in the following categories. All information should be provided on an **ANNUAL BASIS**.

NOTE: This information will allow us to determine the length of time this position might be funded; i.e., three, six, nine or twelve months, etc. due to available funds.

- **BASE SALARY:** This amount should represent the current annual base salary paid to an individual utilizing any existing pay plan, contract or bargaining agreement in effect. If an individual is entitled to shift differential and/or paid holidays, include that in this category, and explain what has been included: i.e., "base salary includes shift differential and twelve paid holidays." Calculate the benefits on the base salary and show them under the appropriate headings.
- **OVERTIME:** Calculate salary, FICA, Workers Comp and Retirement using 35 hours of overtime per month. Show those costs separately from the base salary information.
- **BENEFITS:** Calculate benefits using only the employer share of contributions.

Supporting documentation is required showing % of employer's costs.

• **VACATIONS:** Calculate vacation time allowable at 1 day a month from the start date of the grant with the Task Force. Sick time will be calculated in the same manner.

• **COMP TIME:** **Grant funding does not allow us to reimburse for Comp Time used. Nor does it allow officers to accumulate Comp Time in lieu of cash, for overtime worked, while working with the task force.**

NOTE: It will be necessary, if your project is funded, to keep time and attendance records. An employee may not receive compensation from two concurrent sources (double compensation). *Additionally, grant funds are allowed for hours worked in the VTDTF but cannot be used for leave time or other benefits accrued or accumulated by the employee before they became a member of the Task Force.*

OPERATING EXPENSES:

A. Meals: Meals incurred by the individual assigned to the Task Force will be reimbursed when that expense occurred away from the individual's official duty station. An approved expense account form must be completed and approved by the supervisor. Maximum amounts are those established by the state employee bargaining agreement – In-State: LUNCH NO LONGER ALLOWABLE and \$12.85 for dinner (allowable if overtime was authorized and worked). Out-Of-State: \$7.25 for lunch and \$18.50 for dinner. No receipts required.

B. Clothing: The State will reimburse the employee for clothing which might be purchased in order to perform required functions. Maximum amount \$500.00. Receipts are required along with proof of payment -- canceled check, credit card receipt, etc.

C. Gasoline: N/A

D. Office Supplies: N/A

E. Telephone: N/A

F. Other: N/A

REIMBURSEMENT REQUESTS

Supporting documentation is required with reimbursement request. All reimbursement requests must be requested on the Department of Public Safety Form. Payroll Register for time period that reimbursement is for must accompany your request. Proof of all benefits being charged is required to be kept in our files. Any changes in benefits should be forwarded to The Drug Task Force.

We are required to have a copy of your Certificate of insurance on file.

State of Vermont
 Sub Recipient Grant Program
 BUDGET DETAIL
 Salary and Operating Costs

Position Title	Individual
-----------------------	-------------------

SALARIES/BENEFITS

	Base	Overtime
Hourly Rate		
Salary		
FICA		
Retirement		
Medical		
Workers Compensation		
Dental		
Life		
Other *		
Total Salaries/Benefits		

*Please explain other expenses:

OPERATING EXPENSES

Meals	
Clothing	\$500.00
Total Operating	

MATCHING FUNDS –

Not Applicable.

Attachment 6 HSU Example Score Sheet

DPS Subgrantee Application Scoring Sheet	
Grant Program:	2018 Homeland Security Grant Program
Working Group:	<input type="checkbox"/> Communications Working Group – Lifeline Maintenance <input type="checkbox"/> Law Enforcement Working Group – Cybersecurity Task Force <input type="checkbox"/> Law Enforcement Working Group – Preventative Radiological/Nuclear Detection Equipment <input type="checkbox"/> Law Enforcement Working Group – Vermont Intelligence Center <input type="checkbox"/> Operation Stonegarden – Equipment <input type="checkbox"/> Operation Stonegarden – Operational Details <input type="checkbox"/> Special Operations Working Group – Equipment (Search and Rescue and PPE) <input type="checkbox"/> Special Operations Working Group – Small Unmanned Aerial Systems (SUAS) Equipment <input type="checkbox"/> Special Operations Working Group – USAR Training Coordinator <input type="checkbox"/> Training and Exercise Working Group – Local Training and Exercise Program
Applicant:	
Solicitation Date:	
Items Applied For:	
Amt. Applied For:	
Evaluation Date:	
Evaluator(s):	
<p><i>Using a scale of 1 - 5, where 1 is not at all, 3 is no opinion, and 5 is excellently, assign a score to each statement as it relates to the application under review.</i></p>	
<u>Evaluation Criteria</u>	<u>Score</u>
Completed Vermont Sub-grant Application (#1-11 completely filled in): <ol style="list-style-type: none"> i. All sections of the application, #1-11, must be complete. ii. The Application Cover Sheet must include (2) signatures (Project Director and Fiscal Contact). Please note that the Project Director and Fiscal Contact cannot be the same person. 	
If applying for Limited Cash Advance, a copy of agency’s Cash Advance Policy, meeting the Cash Advance requirement, must be included in the application.	
Three (3) equipment quotes for each item requested over \$100.00. <i>If (3) quotes are not provided, the applicant must explain the reason why (3) quotes were not submitted. The applicant must indicate in their application the AEL# of any requested equipment. (if applying for equipment)</i>	

Completed Homeland Security Grant Program (HSGP) Property Records List provided (<i>if applicable</i>)	
Agency Roster provided (<i>if applicable</i>)	
Vehicle Roster provided (<i>if applicable</i>)	
Procurement Standards provided	
Completed Maintenance and Sustainment Plan	
Certificate of Insurance (COI) with current coverage	
NIMS Compliant	
Current FCC License (<i>if applicable</i>)	
Financial risk assessment survey complete	
The applicant must not be listed on the suspended and debarred list	
The applicant must not be listed on the DPS Restricted Parties List	
Applicants must have a valid DUNS number	
Applicants must be currently registered with the System for Award Management (SAM) per the Federal Funding Accountability and Transparency Act (FFATA).	
Meet all requirements listed in the Additional Application Requirements listed in this RFP. If documentation is required, it must be contained within the application as a separate document titled "Additional Application Requirements"	
The application identifies and quantifies the need for the proposed equipment (Problem Statement).	
The application identifies the acquisition proposed to improve the need identified (Proposed Countermeasure).	
The application identifies the link between the proposed acquisition and the identified need (Linkage).	
The application contains complete and realistic milestones.	
The application identifies the data to be collected to evaluate the success of the acquisition (Measurement/evaluation).	
Reviewer is confident in the applicant's proposed acquisition will contribute to progress in the State's goals and objectives.	

The applicant has demonstrated a willingness to participate and cooperate in the State's effort to improve Capabilities.	
The use of this subgrant opportunity will increase the applicant's ability to better deliver services to constituents.	
Reviewer is confident in the applicant's ability to properly use, report, and document the funds to be subgranted.	
TOTAL	

COMMENTS:

DPS Subgrantee Application Scoring Sheet Guidance

Conflict of Interest: To maintain the public confidence in the subgranting process, every reviewer must avoid conflicts of interest, actual or perceived, in the reviewing, scoring and awarding process. Each reviewer must consider their relationships with potential subgrantees and determine if a conflict may exist or could be perceived to exist. In considering the existence of a conflict of interest, reviewers will consider the strength, frequency and recency of any relationship they, a family member or an individual close to them in any type of relationship may have or had with any agency competing for a subgrant or a portion of funds under review. If a reviewer determines a conflict or perception or a conflict may exist, they should recuse themselves from the process.

Items & Questions: The items and questions in the sample scoring sheet can be changed to meet the needs of individual programs; however, each competitive subgrant program should use a quantifiable scoring procedure to select the successful subgrantee(s).

Score rationale: The score range is set up so that a "no opinion" is a neutral, center-of-the-road score while allowing varying degrees of positive or negative scores.

Scoring: Each application should be independently scored by at least three reviewers. The reviewers can come together to discuss scores, rationale and strong/weak points of each application. Reviewers may create a consensus score, use total scores or average scores to determine the selected subgrantee(s) or funding level(s). However, whomever makes the final decision, whether the reviewers or a single individual, they must provide the reasons for the decision.

DPS Subgrantee Application Scoring Sheet	
Grant Program:	Homeland Security Grant Program
Working Group:	

Applicant:	
Solicitation Date:	
Items Applied For:	
Amt. Applied For:	
Evaluation Date:	
Evaluator(s):	
<p><i>Using a scale of 1 - 5, where 1 is not at all, 3 is no opinion, and 5 is excellently, assign a score to each statement as it relates to the application under review.</i></p>	
<u>Evaluation Criteria</u>	<u>Score</u>
Completed Vermont Sub-grant Application (#1-11 completely filled in):	
<ul style="list-style-type: none"> i. All sections of the application, #1-11, must be complete. ii. The Application Cover Sheet must include (2) signatures (Project Director and Fiscal Contact). Please note that the Project Director and Fiscal Contact cannot be the same person. 	
If applying for Limited Cash Advance, a copy of agency's Cash Advance Policy, meeting the Cash Advance requirement, must be included in the application.	
Three (3) equipment quotes for each item requested over \$100.00. <i>If (3) quotes are not provided, the applicant must explain the reason why (3) quotes were not submitted. The applicant must indicate in their application the AEL# of any requested equipment. (if applying for equipment)</i>	
Completed Homeland Security Grant Program (HSGP) Property Records List provided <i>(if applicable)</i>	
Agency Roster provided <i>(if applicable)</i>	
Vehicle Roster provided <i>(if applicable)</i>	
Procurement Standards provided	
Completed Maintenance and Sustainment Plan	
Certificate of Insurance (COI) with current coverage	
NIMS Compliant	
Current FCC License <i>(if applicable)</i>	
Financial risk assessment survey complete	
The applicant must not be listed on the suspended and debarred list	

The applicant must not be listed on the DPS Restricted Parties List	
Applicants must have a valid DUNS number	
Applicants must be currently registered with the System for Award Management (SAM) per the Federal Funding Accountability and Transparency Act (FFATA).	
Meet all requirements listed in the Additional Application Requirements listed in this RFP. If documentation is required, it must be contained within the application as a separate document titled "Additional Application Requirements"	
The application identifies and quantifies the need for the proposed equipment (Problem Statement).	
The application identifies the acquisition proposed to improve the need identified (Proposed Countermeasure).	
The application identifies the link between the proposed acquisition and the identified need (Linkage).	
The application contains complete and realistic milestones.	
The application identifies the data to be collected to evaluate the success of the acquisition (Measurement/evaluation).	
Reviewer is confident in the applicant's proposed acquisition will contribute to progress in the State's goals and objectives.	
The applicant has demonstrated a willingness to participate and cooperate in the State's effort to improve Capabilities.	
The use of this subgrant opportunity will increase the applicant's ability to better deliver services to constituents.	
Reviewer is confident in the applicant's ability to properly use, report, and document the funds to be subgranted.	
TOTAL	
COMMENTS:	

DPS Subgrantee Application Scoring Sheet Guidance

Conflict of Interest: To maintain the public confidence in the subgranting process, every reviewer must avoid conflicts of interest, actual or perceived, in the reviewing, scoring and awarding process. Each reviewer must consider their relationships with potential subgrantees and determine if a conflict may exist or could be perceived to exist. In considering the existence of a conflict of interest, reviewers will consider the strength, frequency and recency of any relationship they, a family member or an individual close to them in any type of relationship may have or had with any agency competing for a subgrant or a portion of funds under review. If a reviewer determines a conflict or perception or a conflict may exist, they should recuse themselves from the process.

Items & Questions: The items and questions in the sample scoring sheet can be changed to meet the needs of individual programs; however, each competitive subgrant program should use a quantifiable scoring procedure to select the successful subgrantee(s).

Score rationale: The score range is set up so that a "no opinion" is a neutral, center-of-the-road score while allowing varying degrees of positive or negative scores.

Scoring: Each application should be independently scored by at least three reviewers. The reviewers can come together to discuss scores, rationale and strong/weak points of each application. Reviewers may create a consensus score, use total scores or average scores to determine the selected subgrantee(s) or funding level(s). However, whomever makes the final decision, whether the reviewers or a single individual, they must provide the reasons for the decision.



Attachment 7 Public Assistance Certification & Completion Report

Vermont Department of Public Safety
 Division of Emergency Management & Homeland Security
 Project Certification & Completion Report

Please send all completed requests to:
 XXXXX.XXXXXX@state.vt.us

Or
 Request for Public Assistance
 DEMHS – Recovery Section
 103 South Main St.
 Waterbury, VT 05671

<i>I certify that, to the best of my knowledge, all work and costs claimed are eligible and accurate in accordance with the State of Vermont subgrant, and all referenced project worksheets. I further certify that I am a representative of the listed applicant, and am authorized to sign this report on their behalf.</i>	<i>I certify that, to the best of my knowledge, the approved work has been completed in accordance with the State of Vermont subgrant agreement, and all referenced project worksheets.</i>
<u>Date & Signature of Applicant's Authorized Representative</u>	<u>Date & Signature of Grantee Inspector</u>

Generated Date:

Applicant FIPS ID: Applicant/Subdivision Name:												
PW#	Amendme nt #	Approv ed Proj. Amt.	CostSha re	Ca t	Bund le	WorkDone By	Project ed Compl. Date	% Compl. at Insp.	Elig Amou nt	Actual Date Completed	Amt. Claimed by Applicant	Comments
						_____		0		_____	\$ _____	_____
Facility Number:			Facility Name:									
Location:												
Total for PWs:	\$										\$ _____	
Subgrantee Admin:	\$0.00											
Grand Total:	\$											

Attachment 8 HMGP Score Sheet

State Mitigation Project Review Criteria (rev. 2-12)

Project Applications

PDM-C, FMA, & HMGP Programs

Name of Reviewer:

Sub-Applicant Name/ Community/ Agency:

Priority: *(zero low to 25 points high)*

Does the project address a critical facility or important community resource?
(Critical = 5; Important But Not Critical = 3; Minimal Importance = 0)

What is the severity of past losses?
(Critical = 5; Severe = 3; Serious = 2; Minimal = 0)

Has the community been proactive in mitigating hazards, e.g. adopting a Fluvial Erosion Hazard overlay district, adopting flood plain development regulatory restrictions that exceed FEMA's minimum standards, or actively supporting substantial flood mitigation, riparian corridor land conservation, shore land protection, landslide or earthquake mitigation measures or similar activities?
(Yes = 15; Some Steps Taken = 5; Not at all = 0)

Engineering Solution: *(zero low to 10 points high)*

Is the project proposal complete and clearly defined from a technical perspective including submittal of adequate engineering technical data and/or analysis?
(Yes = 7, Partially Defined = 3, Not Well Defined = 0)

Does the application contain a recommendation from a qualified professional?
(Yes = 3, No = 0)

Effectiveness of Mitigation Strategy: *(zero low to 45 points high)*

Is the project identified in an approved Local/Regional Hazard Mitigation Plan, State Mitigation Plan, ANR River Corridor Plan and/or the Municipal Plan?
(In Approved Plan = 5; In Draft Plan = 3; Not in Plan = 0)

Does the project primarily address issues unavoidably related to recent federal or state declared disasters, and not damages due to deferred maintenance or inappropriate land use investments in hazardous areas?
(Yes= 5; No = 0)

Will the proposed solution correct the problem without having a negative impact on surrounding communities or will it substantially reduce the risk of future damage, hardship or loss resulting from a natural or man-made disaster?

(Full Solution = 10; Partial Solution = 5; Not an Appropriate Solution = 0)

Is the project primarily proactive or is it reactive; i.e. is hazard avoidance a primary element and/or the outcome of the project?

(Primarily Proactive = 10; Partially Proactive = 5; Primarily Reactive = 0)

Would completion of the project lead to risk avoidance, e.g. address a repetitive loss or chronic flooding location,

or mitigate areas affected by flooding, landslides, fluvial (riverine) erosion, ice jams or other hazards?

(Yes = 15; Partial Mitigation = 5; Little or No Mitigation = 0)

Benefit: *(zero low to 20 points high)*

Does the hazard pose a threat to human life and property or, if not addressed, would it severely impact the local community?

(Definite Significant Hazard = 5; Partial Hazard = 3; No Hazard = 0)

Is the community impacted by repetitive loss events, e.g. subject to repeated flooding, riverine erosion, landslides or other risks to public health and safety?

(Yes = 5, No = 0)

Does the project meet multiple program objectives (e.g. mitigation and environmental conservation) or are there additional potential benefits associated with this project e.g. flood control, property protection, eliminating potential isolation, water quality or riverine stabilization?

(Multiple Objectives Addressed= 10; Some Objectives Addressed = 5; No Objectives Addressed = 0)

TOTAL PROJECT SCORE (out of possible 100 points):

Attachment 9 HMGP Overrun Request Letter

Division of Emergency Management and Homeland Security Toll free: 800-347-0488 Vermont
Department of Public Safety Phone: 802-244-8721 103 South Main Street Fax: 802-241-5556
Waterbury, VT 05671-2101 <http://vem.vermont.gov> <http://hsu.vermont.gov>

January X, 20XX

Stephen Juszczuk
DHS/FEMA Region 1- Mitigation Division
99 High Street, 6th Floor
Boston, MA 02110

Dear Mr Juszczuk,

The VT Division of Emergency Management & Homeland Security (DEMHS) and the town of XXXXX, VT respectfully request a cost overrun approval in connection with the approved acquisition of the home at XX Main Road, XXXX (re: DR XXXX- Project #XX-R). We had previously made this request on two previous occasions last year.

The current federal share for this project is \$XXXX. The requested overrun amount is tied directly to the "Building Demolition, House Removal and Disposal of Septic Tank/Well" budget line item in the application which was originally estimated to be \$XX,XXX. Demolition, removal of tanks, septic systems and well capping cost more than originally anticipated, in part due to lengthy delays in getting this project approved. You may recall that project approval was tied to Letter of Map Revision (LOMR) which took quite some time to get approved. The additional expense amount totaled \$XXXX; the 75% federal share of this overrun amount is \$XXXXX. In reviewing the invoices, DEMHS determined that this overrun amount is reasonable. The State of Vermont has sufficient remaining funds in our DR XXXX HMGP allocation to cover this increase of \$XXXX. We expect CDBG funds to cover the 25% match share for the cost overrun, or \$XXXX. Therefore, we are requesting FEMA approval of an additional amount of \$XXXXX in federal share to cover the cost overrun. Approval of the overrun amount would result in a new total project federal share of \$XXXXXX. If you have any additional questions or concerns about our cost overrun request, please let me know. Thank you once again for your consideration.

Sincerely,

XXXXX, State Hazard Mitigation Officer
Vermont Division of Emergency Management & Homeland Security (DEMHS)
103 South Main Street
Waterbury, VT 05671
Tel (802) 241-XXXX (office)
Email: XXX.XXXX@state.vt.us

Division of Emergency Management and Homeland Security Toll free: 800-347-0488 Vermont
Department of Public Safety Phone: 802-244-8721 103 South Main Street Fax: 802-241-5556
Waterbury, VT 05671-2101 <http://vem.vermont.gov> <http://hsu.vermont.gov>

The Vermont Department of Public Safety's (DPS)

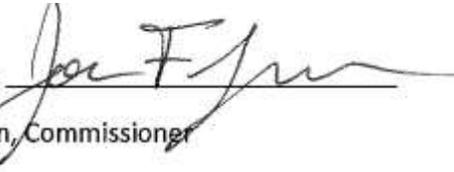
Operation Stonegarden (OPSG) process for federal funding to locals and Vermont State Police (VSP)

Addendum#I

This will be an addendum to the DPS Granting Plan when the plan is sent for review by the Vermont Department of Finance and Management at the beginning of the State Fiscal Year 2018.

1. Homeland Security Grant Programs (HSGP) Notice of Funding Opportunity (NOFO) is released.
2. Operation Stonegarden Working Group meets to draft Request for Proposals (RFP) for local agencies to apply.
3. DPS releases a RFP to the locals to apply for federal funding.
4. Applications are received by the Financial Office.
5. Operation Stonegarden Working Group meets to make tentative awards.
6. Application to the Department of Homeland Security (DHS), Federal Emergency Management Agency (FEMA) is submitted.
7. DPS receives notice of the award.
8. Operation Stonegarden Working Group meets to revise subgrants to the locals according to actual amount awarded to DPS.
9. An Operations Order (actual budget of the amount awarded) is submitted to DHS U.S. Customs and Border Protection/U.S. Border Patrol (CBP) and FEMA within 45 days of DPS accepting the federal award.
10. CBP reviews and submits the Operations Order to OPSG Headquarters through MAX.gov.
11. OPSG Headquarters approves and sends to DHS FEMA.
12. DHS FEMA approves and sends approval letter to the DPS.
13. DPS issues subgrants in accordance with DPS Granting Plan part II.
14. If subgrantees want to use funds in another category of the subgrant, a FRAG Order (budget modification) must be drafted by DPS and submitted to CBP and FEMA to go through steps 10- 13 above for approval before the grant agreement can be amended.

Effective Date: 07/01/2017

Signature: 
Joe
Keith Flynn, Commissioner
Deputy
Vermont Department of Public Safety