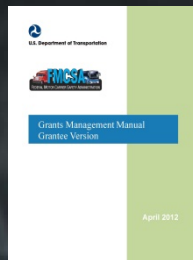




# Grants Management Grantee Manual Training



**Post-Award:  
Grant  
Reporting &  
Oversight II –  
Module 7**

Chapter 6



# Objectives

- By the end of this module, you should be able to:
  - Explain the key elements of the following tasks in the post-award process
    - Annual Single Audits
    - Regular Communication
    - Sub-grantee Oversight and Reporting
    - FMCSA On-sight Monitoring
    - FMCSA Enforcement
    - Amendments



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# Annual Single Audits





# Grantee Annual Single Audit Requirements

**Who:** Grantees that expend \$500,000 or more in federal awards annually

**What:** Verify that your agency obtains and submits an annual single audit

- Provide a copy to FMCSA, if requested
- Develop a corrective action plan (CAP) as needed
- Follow and complete CAP

**When:** Due nine months following the Grantee FY. Management Decisions and final CAPS due six months later.





# Audit Resolution – Corrective Action Plans (CAPs)

- At the request of FMCSA:
  - Should include milestones (dates), details, actions to address all deficiencies
    - May include the need for a follow-up review, training, a time-phased implementation plan, or more frequent reporting
  - May impact the NGA (Grant Agreement) with the need for special conditions,
  - If not adhered to, may trigger Enforcement actions





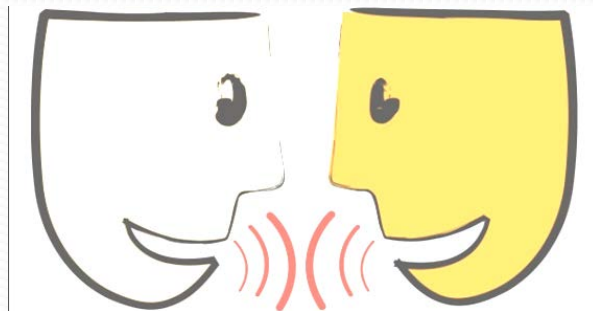
# Regular Communication





# Regular Communication

- FMCSA depends on regular communication with grantees
- Regular communication includes:
  - Periodic meetings/conference calls/calls/site visits
- Grantees are expected to notify FMCSA with any issues related to the grant or performance
- FMCSA Division Office is the first point of contact





# Grantee Oversight and Reporting Responsibilities of Sub-Grantees





# Grantee Monitoring Obligations

- **Grantee is responsible for monitoring the sub-grantee**
  - Include terms and conditions with sub-grantee awards
  - Assess the quality of sub-grantee performance
  - Determine the level of sub-grantee administrative and financial compliance
  - Address sub-grantee management deficiencies and develop corrective actions
  - Document monitoring activity and results
  - Report any sub-grantee problems to FMCSA



# Sub-grantee Management & Oversight

## Pre-Award

- If you (grantee) use a competitive process for sub-awards it should be full and open and use peer review panels
- Verify that your sub-grantees are not on the Excluded Parties List (debarred or suspended) or have outstanding federal debt
- Educate your sub-grantees on the Federal cost principles



# Sub-grantee Management & Oversight, Cont.

- Require sub-grantees to maintain the same type of invoice documentation that is required of you from FMCSA
  - "Impose on ... sub-grantees all applicable foregoing "Payment by FMCSA" requirements of this Agreement."
- Sub-grantees must adhere to the same record retention requirements as grantee







# FMCSA On-Site Monitoring



# On-Site Monitoring Overview

- FMCSA develops an annual on-site monitoring plan based on:
  - Review of quarterly reports, vouchers, regular communication
  - Prior grant performance issues/problems/audit findings
  - Observed need in general, and/or
  - Program requirements (CDL and MCSAP Reviews)
- Ensures grant activity aligns with NGA
- Each grantee will be reviewed at least every three years based on monitoring plan





# On-Site Monitoring Objectives

- Evaluate grant administration
- Evaluate program performance
- Verify statutory, regulatory, administrative and financial compliance
- Determine compliance with program requirements and grant agreement
- Ascertain compliance with information technology and data quality standards
- Identify technical assistance needs
- Promote federal/state cooperation and facilitate ideas



# Types of FMCSA Reviews



## Program Reviews

Broad examination of a grantee's management of the grant program and funds - MCSAP and BEG.

## Process Reviews

A detailed examination of a limited area of the grant – Financial Management; Procurement; Compliance Reviews/CSA, etc.

## Title VI Reviews

Reviews conducted by OCR to verify compliance with Title VI.

## Ad Hoc Reviews

Based upon need or assessments made using mandatory monitoring or complaints, as deemed appropriate.





# MCSAP & BEG Program Reviews

<b>Review Component</b>	<b>MCSAP Review Objective</b>
Regulatory	Determine if State Laws, Regulations, Administrative Procedures, and Operational Practices are in compliance with: 1) STAA of 1982 as amended, 2) implementing regulations in 49 CFR 350, and 3) compatibility regulations in 49 CFR 355.
Financial	Determine State compliance with FMCSA Grant Agreements, Federal regulations, and applicable OMB circulars, as amended, as well FMCSA policy
Safety and Program Performance	Determine if the State program safety planning and operational activities are in compliance with: 49 CFR 350.



# CDL Program Review (CCR)

Review Component	CDL Review Objective
Regulatory	Determine if State Laws, Regulations, Administrative Procedures, and Operational Practices are in compliance with: 1) CMVSA of 1986 as amended, 2) 49 CFR 383, and 3) 49 CFR 384
Programmatic/ Operational	CDL Roles and Responsibilities Memo

FMCSA is in the process of refining the CDL Program Reviews





# On-Site Monitoring Report Format

- **Introduction** – reason and type of review, date, time on-site, persons contacted and review team members
- **Scope** – brief description of elements reviewed; programs and period of time covered by review
- **Discussion** – background, source of what was reviewed, observed, sampled, basics of what was found and its impact on operations or the program
- **Findings and Recommendations** – summary of findings and proposed actions to remedy and possible timelines



# Grantee Tips for Site Visits

- **Flexible Scheduling** - Work closely with FMCSA to schedule visit and accommodate their requirements
- **Staff Preparation and Expertise** – Have the most knowledgeable staff available. Brief all staff regarding the visit
- **Grant Files** - Organized and available for review
- **Advance Materials** – provided in advance of visit and timely
- **Compliance Refresher** – revisit the NGA, Provisions and Assurances, key program and grant administration regulations and the certifications provided at application



# Key Concepts

**Effective monitoring = Continuous process improvements**

- Monitoring plays a key role towards:
  - Accountability
  - Protects the federal investment
  - Assures compliance
  - Informs the need for technical assistance
  - Identifies need for grant amendments or other actions

**Grantor-Grantee Communication is Critical!**





# Administrative Enforcement



# Enforcement and Compliance Actions

- Action is incremental and will depend on the non-conformance
  - Minor
    - Phone conversation, informal email
    - Formal written notification
    - Establish a corrective action and timeline
    - May withhold grant payments
  - More Serious – if no action is taken
    - Formal written warning
    - Timeline, corrective action, measures FMCSA will take if problem continues
    - May suspend grant



**Official enforcement/compliance actions only occur after other measures are tried**



# Enforcement and Compliance Actions

- New federal and FMCSA emphasis on grant fraud, waste and abuse
- Section 15 of the FMCSA Terms and Conditions has new fraud reporting requirements
- FMCSA must follow statute relating to fraud and the use of false statements, and the associated penalties
- Obligation to report to the hotline:  
<http://www.oig.dot.gov/Hotline>







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# Amendments



# Amendments

- Amendment requests must be made in writing to the Grant Manager with the required information – the FMCSA Amendment Template is strongly recommended
- **MUST BE** approved **PRIOR** to the change in activity and the period of performance expiration date
  - Period of performance extension amendments should be submitted at least 3 months prior to expiration
- All Amendments on FY11 awards and beyond are issued through GrantSolutions



# Amendments Continued

- Amendments fall into five basic categories or combinations of categories:
  - Changes in funding or budget (to include incremental funding)
  - Changes in period of performance (limited)
  - Modification of activities (scope issues)
  - Changes to the NGA itself (changes in Lead Agency, Special Conditions, etc.)
  - Close-out (to include Deobligation)



# Amendment Package – Budget or Change in Activities Summary

- Statement of original grant purpose – budget and activities
- Summary of work performed to date and costs incurred – including completion dates and milestones
- Summary spreadsheet – original budget, changes, new budget (if applicable)
- Revised action plan with new milestones and dates



# Amendment Package – Budget Change

1. Budget Tracking							
<i>Grantees should include the major cost categories in this table as well as the line items from their current, approved budget</i>							
2.1 SF-424A Object Class Category	2.2 Original Amount Awarded	2.3 Current Amount Awarded	2.4 Amount of Funds Expended	2.5 Unexpended Balance	2.6 Proposed Amount Removed	2.7 Proposed Amount Added	2.8 Revised Budget Requested
a. Personnel	\$65,000	\$65,000	\$10,000	\$55,000	(\$6,523)	0	\$58,477
b. Fringe Benefits	\$18,200	\$18,200	\$2,800	\$15,400	(\$1,826)	0	\$16,374
c. Travel	\$500	\$500	0	\$500	0	\$1,446	\$1,946
d. Equipment	0	0	0	0	0	0	0
e. Supplies	\$1,200	\$1,200	\$500	\$700	0	\$1,700	\$2,900
f. Contractual	\$1,000	\$1,000	0	\$1,000	0	\$5,900	\$6,900
g. Construction	0	0	0	0	0	0	0
h. Other	0	0	0	0	0	0	0
i. Total Direct Charges (sum of a-h)	\$85,900	\$85,900	\$13,300	\$72,600	(\$8,349)	\$9,046	\$86,597
j. Indirect Charges	\$6,872	\$6,872	\$1,056	\$5,816	(\$697)	0	\$6,175
k. TOTALS (sum of i and j)	\$92,772	\$92,772	\$14,356	\$78,416	(\$9,046)	\$9,046	\$92,772

2. Percent Change in Budget – Grantees should complete this section if they are moving funds across cost categories		
Equation	Amount	
Proposed Change (÷) (sum from column 2.7)	\$9,046	
Current Amount Awarded (sum from column 2.3)	\$92,772	
Percent Change	10%	



# Amendment Package – No Cost Extension Summary

- Statement of original grant purpose – budget & activities
- Summary of work performed to date and costs incurred – including completion dates and milestones
- Explanation of delays
- Explanation of the obstacles and plan to address
- Summary spreadsheet – original budget vs. expenditure in object category
- Revised action plan with new milestones and dates



# Amendment Template



- **Section I: General Information**

- Includes: grantee contact information; grant award details; grant financial details; current project description, purpose and objectives; and, project progress

- **Section II: Amendment Type**

- Includes: type of amendment; high level description of modification; and, impact on original purpose of the grant



# Amendment Template Continued

- **Section III: Justification of Amendment**
  - Subsection A: Extension Request
  - Subsection B: Modification of Activities Request
  - Subsection C: Budget Revision Request
  - All Subsections Include:
    - Period of Performance Information/Description of Activities Modified or Budget Revision (budget worksheet)
    - Justification for Extension Request or Justification for Activities Modified or Budget Revision
    - Description of Potential Obstacles/Mitigation Strategies





# Amendment Template Continued

- **Section IV: Amendment Submission Approval**
- **Supporting Documentation includes:**
  - Up to date project plan, milestones and final completion dates
  - Budget tracking spreadsheet (if applicable)



# Amendments



- Provide all information in amendment template
- Process amendments prior to expiration date (allowing sufficient time for the process)
- Process amendment according to FMCSA requirements



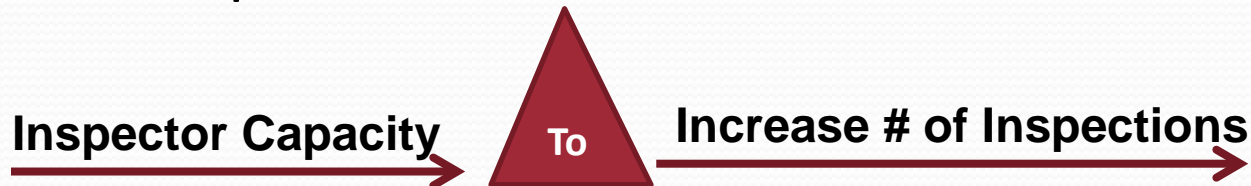
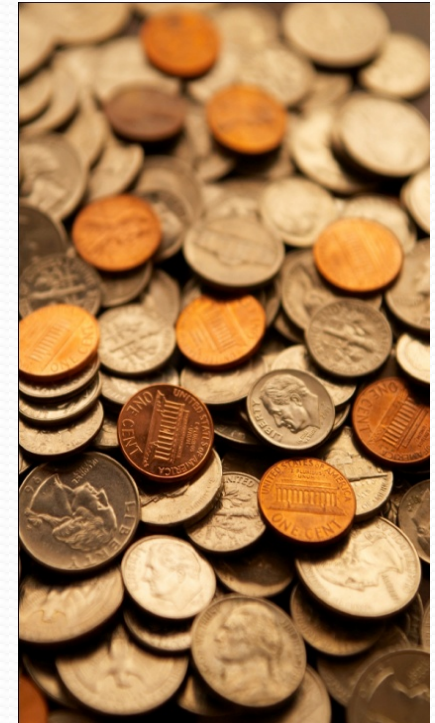
- Change scope after period of obligation
- Process an amendment following grant expiration date
- Approve budget change of more than 10% of the cumulative current approved budget, without an amendment



# Change of Scope Definition

- **What it is**

- A change to the purpose of the grant
- For example: Grant purpose is to provide training for inspectors. The requested change is to pay overtime for inspectors to increase the number of inspections.





# Change of Scope Definition, Cont.

- **What it isn't**

- A change to activities within the grant, but not the purpose of grant
- For example: Grant purpose is to provide training for inspectors to increase their capacity. The requested change is to provide on-line training and webinars versus in-person training and the cost changes that go with that.





# Change of Scope

- Scope may change when the grant is still within the period of obligation (for example, FY11 grants, may change the scope until September 30, 2011)
- **No changes in scope are allowed after the period of obligation = ADA violation**
- Can modify activities after the obligation period, but they must not alter the purpose of the original application and award
- Modification to activity or year of obligation scope change both must be approved by amendment



# Amendment Scenario 1

## Scenario #1

You are a MCSAP NE grantee who wants to make an additional \$20,000 budget change. The original grant budget was \$500,000. You have made prior budget adjustments across budget cost categories of \$10,000, \$25,000 and \$5,000 already. One of the elements of the original proposal was to provide on-line training. The budget change is to pay for in-person training.

## How would you respond?

1. Do you need an amendment?
2. Based on the limited information provided, would FMCSA approve the request in an amendment or otherwise?



# Amendment Scenario 2

## Scenario #2

You are a BEG grantee from WA submitting an amendment request. Your grant period of performance began on 10/1/2009 . On October 10, 2011 you submit an amendment request and justification to extend the grant for another 6 months since you are behind on your project plan and have not expended all of your funds.

## How would FMCSA respond?

1. Does this request meet the criteria for an amendment ?
2. Where would you find the answer in the Grantee Manual?



# Amendment Scenario 3

## Scenario #3

You're a MCSAP NE grantee from TX. The original grant budget was \$1,000,000. You have already made budget adjustments of \$25,000, \$20,000 and \$5,000. The original budget had \$250,000 in Enforcement labor hours. You plan to increase your Enforcement labor hours by an additional \$20,000. The funds to cover these will come from Supplies for Enforcement.

## How will FMCSA respond?

1. Does this request meet the criteria for an amendment ?
2. Where would you find the answer in the Grantee Manual?





# Wrap-Up and Knowledge Check





# Summary

- Now that you have completed this module, you should be able to :
  - Explain the key elements of the following tasks in the post-award process
    - Annual Single Audits
    - Regular Communication
    - Sub-grantee Oversight and Reporting
    - FMCSA On-sight Monitoring
    - FMCSA Enforcement
    - Amendments





# Check Your Knowledge

- Module 7 Knowledge Check
- Module 7 Knowledge Check Answers

