

ACTIVE GRANT PROGRAM PERIOD

This phase starts with the acceptance of the federal award and issuance of Grant Recipient awards. It includes the accomplishment of program activities, reimbursement of funds for those costs, and submission of grant reports throughout the approved grant performance period, to include any extensions to that period.

Acceptance of the Federal Award-Special Conditions

1. DHS will issue an initial Grant Award to IDHS (as the SAA). The Grants Staff will review the Award, and confirm the funding total and the award/fiscal performance period.
 - a. Staff will also identify any 'Special Conditions' that must be addressed before the respective funds are expended. Grants staff will determine what actions and staff/agencies are needed to address and resolve any Special Condition.
2. The Grants Management Section Chief will brief the Research and Policy Development Branch Chief, Planning Division Director and Executive Director on the Award, to include the applicable steps needed to address/resolve any Special Conditions. The Executive Director will concur on actions needed to resolve the respective Special Conditions, and then sign and initial the Award as directed.
3. The Grants Management Section Chief will then:
 - a. Return the signed copy of the Award to DHS;
 - b. Provide signed copies to IDHS Fiscal office.
 - i. Fiscal will use the Award to make appropriate commitments in the state budget system and establish accounting lines for grant program.
4. The Grants Management Section Chief will coordinate with respective staff/agencies on Special Conditions and the actions needed to address/resolve those Conditions.
 - a. The defined staff/agencies will complete tasks needed to resolve the Conditions and provide the Grants Management Section Chief the data necessary to document that the Conditions are addressed.
 - b. The Grants Management Section Chief will forward this supporting documentation to DHS for subsequent removal of the Special Conditions.
 - c. DHS will issue a Grant Adjustment Notice (GAN) showing the Special Condition was removed. The Grants Management Section Chief will provide copies of the GAN with the same groups as noted in item 3 above.
5. The Grants Management Section Chief will forward the award acceptance and special conditions to IDHS Legal to finish the process of drafting the sub-grant agreement template and acquiring Attorney General form approval.

Issuance of Grant Recipient Notice of Awards

1. The state has forty-five (45) days to obligate and make available the funding from the federal award available to the respective Grant Recipients.
 - a. For awards based on formula allocations, this obligation will be satisfied by issuance of a Notice of Award (NOA) to each respective Grant Recipient.
 - b. For awards based on competitive application, this obligation will be satisfied by establishing how much is to be awarded via the competitive process, and initiate the competitive application process before or within the forty-five day window. Funds will then be awarded promptly following the review of grant applications as discussed previously.

2. Grants will provide Legal Services a list of each grant recipient to be funded under the given grant program.
3. Grants will create and issue via the Executive Director, a Notice of Award packet to each grant recipient. The packet will include all pertinent information regarding the grant including, but not limited to administrative requirements, fiscal requirements, deadlines, and reports.
 - a. Cover letter acknowledging the issuance of the grant award;
 - b. Notice of Award and Grant Agreement which serves as the commitment for the issuance, receipt, and use of federal grant funds between IDHS and the grant recipient. The Notice of Award will include at a minimum the following information:
 - i. Appropriate award total and grant performance period;
 - ii. Summary of clauses or restrictions specified in the state or federal grant program guidance;
 - iii. Any Special Condition specified in the federal award that is applicable to a Grant Recipient;
 - iv. Appropriate references to applicable federal grant regulations or rules (i.e. CFR, OMB, etc);
 - v. Appropriate grant reporting requirements; and
 - vi. Appropriate contact information for grant programmatic and fiscal support.
4. If IDHS determines to issue an award to a “high risk” Grant Recipient, special conditions and/or restrictions shall be included in the award and monitored by Grants staff. The special conditions/restrictions may include:
 - a. Completion and submission of corrective administrative actions needed resolve any fiscal or programmatic issues;
 - b. Submission of bid and procurement documentation before purchase orders are made or contracts issued;
 - c. Conduct of more frequent project monitoring throughout the program period;
 - d. Requiring additional, more detailed financial/programmatic reports
5. Grant Recipient will acknowledge their consent and willingness to participate in the grant and comply with the requirements of the program by signing and returning those materials identified in the Notice of Award and Grant Agreement packet. The materials are to be returned with original signatures via general mail (or special delivery, and not via fax or email) to the attention of the Grants Section.
 - a. Grants staff will validate the completeness of the submitted materials, and notify the grant recipient, via phone or email, that either a complete package was received or advise them of any materials missing that must still be submitted.
 - b. Grants staff will provide the sub-grant agreement to Legal Services for processing through the state signature process (Appendix G).
 - c. Once complete, Grants staff will provide the fully executed sub-grant agreement to the Grant Recipient via the iGMS.
 - d. Grant Recipients will not incur any programmatic costs until the agreement is fully executed.

Grant Recipient Activities

1. Upon receipt of the fully executed sub-grant agreement from IDHS, the Grant Recipient will immediately begin programmatic activities as defined in their approved grant application and reflected in their approved budget. Grant recipients must

complete all grant activities and make final requests for cash in their defined grant program period. Grants/Program Staff will assist Grant Recipients in the accomplishment of their grant projects and ensure compliance with grant requirements.

2. Budget/Project Changes. Grant Recipients are permitted to make budget and/or project changes to their approved grant projects.
 - a. Changes to the program include:
 - i. Any revision of project scope or objectives (regardless of whether there is an associated budget revision requiring prior approval);
 - ii. Any addition or deletion of budget item costs; or
 - iii. Any increase or decrease in total item cost by more than 10%.
 - b. Grant program changes shall require the prior written approval of the appropriate IDHS Grants/Program staff. Grant recipients requesting a change will provide notification via the iGMS using a Grant Adjustment Notice (GAN). Approval of the GAN will serve as official approval from IDHS of the request and signal to the sub-grantee that any programmatic or budget changes may be undertaken.
 - c. IDHS recognizes that events may occur that have significant impact upon the Grant Recipient's supported activities-costs. In such cases, it is the Grant Recipient's responsibility to inform IDHS as soon as the following types of conditions become known and will result in changes to the Grant Recipient projects or budgets. Issues include, but are not limited to:
 - i. Problems, delays, or adverse conditions which will materially impair the ability to meet the objective of the award or the grant period. This disclosure must include a statement of the action taken or contemplated, and any assistance needed to resolve the situation.
 - ii. Favorable developments which enable meeting time schedules and objectives sooner or at less cost than anticipated or producing more beneficial results than originally planned.
 - d. The appropriate staff will promptly review and act upon such requests. Grants staff will provide the submitted GAN to the Project Manager for review and based on the Project Manager's recommendation will approve a budget or project revision, in part or in whole, which is consistent with the following:
 - i. Terms and conditions of the grant program and award notice;
 - ii. Local jurisdiction's or entity's homeland security strategy;
 - iii. State-directed grant program priorities to include meeting one or more goals and objectives of the State Homeland Security Strategy; and
 - iv. Federally-directed grant program priorities.
 - e. If in doubt whether or not a revision properly adheres to the grant guidelines, staff will ask for further clarification from the Grant Recipient and/or consult the Grants Management Section Chief in order to clarify and then approve or disapprove the revision. If the revision requested by the Grant Recipient would result in a change to the sub-grantee's approved project which requires Federal prior approval, IDHS will obtain the Federal agency's approval before approving the Grant Recipient's request. The Executive Director also reserves the right to approve or disapprove any revision if not consistent with the grant program. Approval may include restrictions or special conditions that must be met in order to satisfy the amendment. Grants staff in coordination with Program staff will ultimately issue either:
 - i. A GAN approval via the iGMS;

- ii. An amendment approving and authorizing, in whole or in part, the requested budget change; and as needed;
 - iii. A letter to accompany an approval amendment that identifies and explains those portions of the requested change that is not approved; or
 - iv. A letter denying and explaining why the entire requested budget change was not approved.
 - f. The amendment or letter will be coordinated for issue through the Executive Director's office. The amendment or letter will be issued to the Grant Recipient. The Grant Recipient will sign and return an amendment to the Grants Section which will then process the amendment through the signature process. Grants Staff will return a copy of the signed amendment to the Grant Recipient when fully executed.
 - g. Grant Recipients will not initiate, obligate, or incur any revised program cost until the signed amendment or denial letter is received. If it is discovered the Grant Recipient made changes to projects or budgets without prior approval, IDHS reserves the right to deny reimbursement of those costs even if they are eligible under the grant program. If funds were already paid to the recipient for the costs, IDHS reserves the right to request the issued funds be immediately repaid to the state.
3. Procurement - Grant Recipients will use their own procurement procedures to incur costs under the grant program. These procedures must be consistent with applicable State (description of state procurement requirements contained in Appendix A) and Federal procurement rules and regulations. All procurements will be conducted in a manner providing full and open competition. Methods of procurement to be followed include:
- a. Procurement by small purchase procedures;
 - b. Procurement by sealed bids (formal advertising);
 - c. Procurement by competitive proposals;
 - d. Procurement by noncompetitive (sole source) proposals and may be used only when:
 - i. The award of a contract is infeasible under small purchase procedures, sealed bids or competitive proposals and one of the following circumstances applies:
 - a. The item is available only from a single source;
 - b. After solicitation of a number of sources, competition is determined inadequate;
 - c. Failure to procure the item from the specified vendor will result in harm to the Agency.
 - ii. Grant recipient submits a Sole Source Justification Worksheet (contained in Appendix B) for procurements in excess of \$75,000 to Grants Staff justifying the proposed procurement prior to initiating the purchase.
 - a. Grants Staff will evaluate the justification with appropriate Program, Fiscal and Legal to validate the need to proceed with or deny the noncompetitive purchase. Grants staff may direct the Grant Recipient to submit additional information should the originally submitted justification be inadequate to make a decision on whether or not to approve the purchase.

- b. Grants staff will provide a recommendation thru the Planning Division Director to the Executive Director, who will make the final determination, to proceed with the noncompetitive purchase or not.
 - c. Grants staff will provide the Grant Recipient, in writing, either the approval to proceed with the purchase or refusal to proceed with the specific reasons as to why such a purchase is not approved. If not approved, the Grant Recipient will be directed to make the purchase using appropriate competitive means or to modify the budget in order to make another purchase.
- 4. Cash Management. Funds will not be paid in a lump sum, but rather disbursed over time as project costs are incurred or anticipated. Recipients will time their drawdown requests to ensure that Federal cash on hand is the minimum needed for disbursements to be made immediately or within a few days. Grant Recipients will therefore implement procedures for minimizing the time elapsing between the transfer of funds from the U.S. Treasury and disbursement.
 - a. Reimbursement requests will be initiated by Grant Recipients only after they have incurred an eligible cost within the grant program guidelines and as per approved projects and budgets. Grant recipient will submit requests for funds via the iGMS with accompanying proof of cost (e.g. invoices sent via fax, e-mail or standard mail). Staff will:
 - i. Validate cash request in next 5 business days by ensuring:
 - a. Costs are in line with program narrative and budget worksheets,
 - b. Supported by appropriate proof of costs; and
 - c. Adequate funds are in the Recipient's budget with respect to funds being requested.
 - ii. Contact grant recipient for additional information or clarification for any costs that cannot be validated before submission for payment; and then
 - iii. Submit validated cash requests to Fiscal office for payment and update the iGMS to reflect the approved reimbursement which will indicate the request has been sent for payment.
 - b. Grants/Program staff, via the monitoring program, will randomly evaluate cash drawdowns by Grant Recipients to assure conformance to cash management standards.
 - c. Every effort is made to avoid instances where the Grant Recipient is given more funds than was requested or that can be supported by inspection, review, or audit. If it discovered that the Grant Recipient receives more funds than requested or required, Grants/Program staff will:
 - i. Contact the Grant Recipient and identify the amount of funds overpaid; and
 - ii. Direct the Grant Recipient to remit the funds back to IDHS within fifteen (15) days.
 - iii. If the Grant Recipient has submitted another cash request for other costs that has not yet been paid or will submit a cash request for other costs in the next five (business days), Fiscal will be directed to reduce the amount to be paid accordingly. Staff will annotate the correction on the respective cash requests.

- iv. If the Grant Recipient refuses to pay back the funds requested, this would be cause for suspension or termination of grant award. Grants staff will also recommend the case be referred to the Attorney General's Office for collection of the funds due. Grants Management Section Chief will coordinate this action thru the IDHS Legal Services representative.
5. Performance Reports.
 - a. Quarterly performance and fiscal reports will be submitted via the iGMS and document all pertinent programmatic and fiscal activity.
 - b. Grants/Program staff will coordinate with Grant Recipients to request and receive programmatic or administrative reports as/if requested by the DHS or the Executive Director.
6. Performance Period². A grantee may only incur costs during the Performance Period specified in the iGMS. If grant activities cannot be completed within the original program period, the Grant Recipient will either request a performance period extension or will de-obligate their awards.
 - a. Three months prior to the conclusion of a Grant Recipient's performance period, Grants/Program Staff will survey recipients to determine their ability to conclude activities within the performance period.
 - b. Grant Recipients that cannot complete activities within the performance period but desire additional time in which to complete activities will be directed to submit a GAN for a program extension to the Grants Branch via the iGMS. IDHS may require justification to include:
 - i. Specific actions-steps needed to ensure completion of program activities;
 - ii. Changes to appropriate Projects and Budgets necessary to complete program activities;
 - iii. Timeline in which necessary steps will be accomplished; and
 - iv. Reasons why program activities were not completed within the original program period.
 - c. Grants Branch will evaluate all extension requests and provide a recommendation to the Policy Development and Research Branch Chief as to which extensions should or should not be granted, to include specific reasons for each. The Branch Chief will:
 - i. Determine which extensions to approve or reject, and brief Executive Director accordingly.
 - ii. Direct Grants/Program Staff to initiate GAN approvals for approved requests or letters for rejected requests. Letters will detail reasons for denial of any such request.
 - iii. Approvals and letters will be issued at least one month prior to the end of the grant recipient's performance period.
 - d. Grant Recipients that cannot complete activities and do not request a grant extension will receive a de-obligation letter at the end of their performance period.
 - e. De-obligated funds will be awarded to other Grant Recipients or expended by IDHS.

² The Performance Period of each sub-grant agreement is determined by the date of the full execution of the grant and recorded in the iGMS.

- i. Primary focus will be given to awarding funds to local and district projects previously submitted that met grant guidelines for which funding was not available at the time.
 - ii. Secondary focus will be given to state agency projects previously submitted that met grant guidelines but for which funding was not available at the time.
 - a. Grants staff will first ensure the required allocation of funds to state agencies does not violate the requirement to pass-thru a minimum percentage of funds to local units of government.
 - b. If funding must be awarded to local units of government, eligible entities will be directed to submit projects for funding consideration.
 - iii. Final focus will be given to funding projects or costs for IDHS.
 - c. The Executive Director may determine that there is not enough time to re-obligate the remaining funds or the funds remaining are not sufficient enough to re-obligate as defined above. In this case, the Director will direct the funds be obligated by IDHS or returned to DHS.
 - iv. Final focus will be to de-obligate the remaining funds back to DHS and conclude the grant program.
 - f. Six months prior to the conclusion of the state's federal program period, Grants/Program staff will evaluate the need to request a federal extension in order to allow Grant Recipients additional time to conclude grant activities or time for the state to re-obligate funds.
 - i. Grants Management Section Chief will coordinate with appropriate Program staff to provide the Research and Policy Development Branch Chief a recommendation on the need and reasons to request a federal extension. The recommendation will include a synopsis of which grant recipients required additional time to complete program activities, which did not require additional time and had funds to re-obligate, and how to re-obligate any remaining funds.
 - ii. Policy Development and Research Branch Chief, with concurrence of the Planning Division and Executive Director, will approve or modify the recommendation and direct Grants staff to forward for federal approval, or direct staff to conclude the respective program.
 - iii. Once requested and approved, Grants staff will forward copies of federal extensions to appropriate agency sections.
 - a. Staff will draft and issue GANs or issue new Agreements to Grant Recipients based on approved recommendation.
7. Enforcement. If the Grant Recipient materially fails to comply with any term of an award, whether stated in a federal statute or regulation, an assurance, in State guidance, a notice of award, or elsewhere, IDHS may suspend, in whole or part, or terminate the Recipient's award.
- a. If suspension of the award is recommended, the Grants Management Section Chief, in coordination with appropriate Grants/Program Staff, will:
 - i. Confirm what actions justify and warrant a suspension;
 - ii. Confirm what actions and timeframe are needed to resolve the situation;
 - iii. Brief recommended actions and timeframes with the Policy Development and Research Branch Chief who will in turn approve or modify actions and timeframes to be taken;

- iv. Once approved, discontinue all reimbursements in the iGMS and advise the Fiscal department what to do with funds previously requested but not yet passed thru to the Recipient.
- v. Direct Grants/Program staff to issue a letter via the Executive Director's signature to the Grant Recipient that explains:
 - a. The findings/issues at hand;
 - b. Actions needed to be taken to resolve those issues;
 - c. The timeframe in which to complete those actions;
 - d. How Grants/Program staff will confirm the actions taken have/not resolved the situation;
 - e. How/if the temporary suspension will be lifted; and
 - f. How failure to comply may/will result in termination of the Grant Recipient's award.
- vi. Grants/Program staff will assist or monitor the actions taken by the Grant Recipient to resolve the situation, and will recommend either:
 - a. Lifting the temporary suspension once the situation is resolved. In this case, the Grants Management Section Chief will:
 - i. Confirm the situation is resolved;
 - ii. Direct staff to issue letter to the Grant Recipient that the suspension is lifted;
 - iii. Brief Fiscal office that the suspension is lifted and to resume funding as per the grant award.
 - b. Terminate the Grant Recipient's award if/when actions taken do/will not satisfactory resolve the situation. In this case, the Grants Management Section Chief will follow the steps below to terminate the award.
- b. If termination of the award is recommended by Grants/Program Staff or requested by the Grant Recipient, the Grants Management Section Chief will:
 - i. Confirm the desire to terminate the award;
 - ii. Brief recommended reasons for termination with the Policy Development and Research Branch Chief, Planning Division Director, Fiscal Branch Chief, and Legal Counsel (if needed), and subsequently the Executive Director. The Executive Director will:
 - a. Make final approval to terminate any such award; or
 - b. Direct Grants/Program staff to take necessary actions and timeframes to temporarily suspend the award and resolve the situation;
 - iii. Once termination is approved, advise the Fiscal office to stop any/all payments to the Grant Recipient. Any funds currently requested will be denied and rejected back to the federal awarding agency, unless this creates a greater burden/issue, and in that case those funds may be passed-thru and will be the final funds issued.
 - iv. Direct Grants/Program to issue a letter to the Grant Recipient (for Executive Director's signature) that states:
 - a. Their award is terminated at that time;
 - b. Reasons for the termination;
 - c. What funds or equipment must be returned, if needed,
 - d. How/if to appeal the decision; and
 - e. That the Grant Recipient is still liable for all funds previously received and expended.

- c. Grant Recipients may, under their own initiative, notify IDHS and request in writing at any time the termination of their award.
- 8. Appeals. Grant Recipients may appeal any decision by IDHS as it relates to any enforcement action taken in regards to the implementation of its grant program.
 - a. Grant Recipient will request, in writing, an appeal of any action to the Executive Director. Grant Recipient must provide sufficient information to allow the Executive Director to determine the facts and validity of the request. The appeal shall be in writing and submitted within thirty (30) days from the date of the action being appealed. The Executive Director will:
 - i. Issue a response, in writing, within 15 days from receipt of the appeal; and
 - ii. Either uphold the actions taken, modify the actions taken, or reverse the actions taken.

Grant Program Monitoring-Assistance

IDHS is responsible for managing the day-to-day operations of grant and sub-grant activities. IDHS will assure Grant Recipients comply with applicable Federal requirements to include achievement of performance goals. Sub-grantee monitoring must cover each program, function, or activity. This will include a comparison of actual accomplishments and costs to the proposed objectives budgets established in the grant awards. Monitoring will be accomplished through Fiscal and Monitoring Reviews.

- 1. Fiscal Reviews will be accomplished in accordance with federal Single Act Audit requirements, or by audits conducted by the State Board of Accounts (SBOA) office and/or the DHS Office of Inspector General (OIG). Note, IDHS Grants and/or Fiscal staff will NOT complete independent financial or fiscal 'audits' of Grant Recipients. Instead, they will 'monitor' Grant Recipient fiscal activities as discussed below in item (2).
 - a. Grant Recipients are responsible for obtaining audits in accordance with the Single Audit Act Amendments of 1996 (31 U.S.C. 7501-7507) and revised OMB Circular A133, "Audits of States, Local Governments, and Non-Profit Organizations." The Audit shall be made by an independent auditor in accordance with generally accepted government auditing standards covering financial audits. This requirement is defined in the sub-grant agreement and as well as the respective local and federal grant guidance. Grants staff will annually remind Grant Recipients of the requirement. The results of each Grant Recipient's Single Audit will be reviewed by respective Grants/Program/Fiscal staff to identify, address, and resolve any findings directly with the Grant Recipient.
 - i. If findings are issued and necessitate taking action with/against a Grant Recipient, appropriate Grants/Program staff will:
 - 1. Review internal records, with internal Fiscal staff as needed, to confirm or deny the findings;
 - 2. Contact the Grant Recipient in question and review the findings, and identify steps/actions needed to address and resolve those findings; and

3. Document in the Grant Recipient's file those actions taken with/by the Grant Recipient to address and resolve the findings (to include an On-Site Monitoring Visit if warranted).
4. If funds must be returned, direct how to repay those via the Fiscal office.
 - ii. If findings are not issued, appropriate Fiscal staff will simply annotate in the Grant Recipient's file that the Single Audit was reviewed and found to contain no findings.
- b. Financial audits of grant recipients may be accomplished by the SBOA based on their internal agency requirements and timelines. Grants staff will review and address the SBOA audits as necessary and:
 - i. Identify the State accounting system a master list of grant recipients that received federal grant funding during the state fiscal year;
 - ii. Identify from that list those grant recipients receiving more than \$10,000;
 - iii. For those recipients, review the SBOA website and obtain released audit reports, and as necessary request any management letters issued by the SBOA for those audit reports;
 - iv. Identify any finding, recommendation, or corrective action related to homeland security grant funds in the audit reports and/or management letters; and
 - v. Compile and submit a summary report to IDHS Grants Management Section Chief with regards to each audit report and management letter, and will specifically identify those which require action by IDHS.
- c. The respective Grants/Program Staff will monitor the Grant Recipient to ensure they implement the directed steps/actions as intended. Failure to comply may result in the suspension or termination of the Grant Recipient's award. Staff will file all related reports and letters in the appropriate Grant Recipient file, copies of which will be given to the Internal Audit section for coordination (or action as needed).
- d. Financial audits of grant recipients may also be accomplished by the DHS OIG based on their internal agency requirements and timelines. Grants staff will review and address any finding or recommendation provided in the DHS OIG audit. Recommended actions to take to resolve any finding or recommendation will be briefed to the Executive Director for concurrence before enacting any such action.
 - i. With the Executive Director's concurrence, the appropriate Grants/Program Staff will work with the Grant Recipient (as discussed above) to address the respective DHS OIG finding and/or recommendation, and to implement the IDHS directed corrective actions.
 - ii. The respective Grants/Program Staff will monitor the Grant Recipient to ensure they implement the directed steps/actions as intended. Failure to comply may result in the suspension or termination of the Grant Recipient's award.
- e. Programmatic reviews are accomplished to validate a Grant Recipient's compliance and adherence to the particular grant program's requirements and restrictions.
 - i. Scheduling of programmatic reviews will be completed on a risk based formula.

1. The following risk based formula will be used to determine the priority of conducting a programmatic review.
 - a. Time since last programmatic review. (weighted times two)
 - i. Less than 1 year
 - a. 1 point
 - ii. Less than 2 years
 1. 2 points
 - iii. Less than 3 years
 1. 3 points
 - iv. Has not been monitored
 1. 4 points
 - b. Single Audit Result. (weighted times three)
 - i. No findings or management letter for sub-grantee or parent organization.
 1. 1 point
 - ii. No findings but management letter associated with Homeland Security Programs.
 1. 2 points
 - iii. Homeland Security Programs not reviewed in single audit.
 1. 3 points
 - iv. Finding for parent organization but not related to Homeland Security Programs.
 1. 4 points
 - v. Finding for sub-grantee but not associated with Homeland Security Programs.
 1. 5 points
 - vi. Finding for Homeland Security Programs.
 - vii. 6 points
 - c. Level of funding. (weighted times 1)
 - i. \$0 to \$50,000.00
 1. 1 point
 - ii. \$50,000.01 to \$100,000.00
 1. 2 points
 - iii. \$100,000.01 to \$250,000.00
 1. 3 points
 - iv. \$250,000.01 to \$1,000,000.00
 1. 4 points
 - v. \$1,000,000.01 and higher
 1. 5 points
 - d. Statues of recipient as “high risk³” (weighted times two)
 - i. Fewer than two criteria met
 1. 1 point
 - ii. Two criteria met
 1. 2 points
 - iii. Three criteria met
 1. 3 points
 - iv. Four criteria met

³ “High risk” criteria specified in *Grant Recipient Pre-Award Administration* 2.b.i-v.

1. 4 points
- v. Five criteria met
 1. 5 points
- ii. Reviews will evaluate programmatic activities to include grant administration and fiscal compliance. Reviews of Grant Recipients' files and processes are sufficient to:
 1. Permit the tracing of funds to specific expenditures and to establish that such funds have not been used in violation of the restrictions and prohibitions of applicable federal and state grant guidance;
 2. Accomplishing programmatic goals-objectives defined in the Grant Recipients' application in support of specific State Homeland Security Strategy (SHSS) and the National Preparedness Goals.
- a. A program monitoring review may evaluate all or only a random sampling of grant activities within a given grant program. A review may include activities within one or more open grants and/or recently closed grants.
- b. Program monitoring will be accomplished via Desk or On-site Monitoring Review as outlined below. Program reviews will be completed by the appropriate Grants and/or Program staff for those respective portions of the grant they administer on a daily basis. Grants/Program staff will also provide Grant Recipients routine technical assistance that enables them to comply with applicable federal and state grant guidance in the administration and implementation of the grant programs.
- i. Desk Reviews are completed in the IDHS office by the respective staff and will evaluate a specific cost or activity within a single open grant. In the desk review process, Staff will:
 1. Contact the Grant Recipient, via phone or email, and identify the specific cost or grant activity that is to be reviewed;
 2. Direct the Grant Recipient to submit specific documentation that clarifies or further supports the specific cost or grant activity;
 3. Provide the Grant Recipient written feedback within five (5) days of receipt of the requested materials that shows the documentation:
 - a. Successfully validated the specific cost or activity and no further actions are needed;
 - b. Identified a weakness in the management of the cost or activity, and requires staff to make recommendations to correct the weakness and request feedback to show how the recommendations are to be implemented; or
 - c. Identified a finding that requires an immediate corrective action and possible suspension or termination of an award, and requires staff to direct the recipient to immediately initiate corrections and provide

additional documentation to show how the corrective actions are to be implemented.

4. Complete a On-Site monitoring review to confirm any corrective actions were successfully implemented;
 5. Complete a minimum of one desk review per calendar year for each open grant for each Grant Recipient; and Document each review in the grant files to include date initiated, summary of the review, any recommendations or corrective actions needed, and the recommendations and corrective actions taken.
- ii. On-Site Monitoring Reviews are completed at the Grant Recipient's office by a one or more Grants/Program staff and, if needed, one or more Fiscal or programmatic staff. The review will evaluate specific costs and fiscal/grant activities, to include programmatic achievements, within any open or recently closed grant. The review may also include the inspection of Equipment purchased with grant funds. In the on-site review process, Staff will:
1. Contact the Grant Recipient, a minimum of thirty (30) days prior to the review, and identify the intent to complete an on-site review and to set a date for the review;
 2. Provide the Grant Recipient, in writing, the specific costs and grants to be reviewed;
 3. Direct the Grant Recipient to prepare, and as able submit prior to the review, specific documentation that clarifies or further supports the specific costs or grant activity;
 4. Conduct the review, and as needed take additional information back to the office to complete the review;
 5. Provide the Grant Recipient via the Grants Management Section Chief a formal report, in writing, within fifteen (15) days of the review that identifies:
 - a. Program activities that are being successfully completed and could be shared with other Grant Recipients as a 'best practice';
 - b. Weaknesses in the management of a cost or activity, and requires staff to make recommendations on how to correct the weakness and requests the Recipient to report back how the recommendations are to be implemented; and
 - c. Findings that require immediate corrective actions and possible suspension or termination of an award, and requires staff to direct the Recipient to immediately initiate corrections and provide additional documentation to show how the corrective actions are to be implemented.

6. Complete additional on-site reviews as necessary to confirm corrective actions were successfully implemented;
 7. Complete a minimum of one on-site review per grant performance period for each open grant in excess of \$100,000 for each Grant Recipient;
 8. Conduct on-site monitoring as warranted for high-risk recipients; and
 9. Document each review in the grant files to include date initiated, summary of the review, any recommendations or corrective actions needed, and the recommendations and corrective actions taken.
- iii. Technical Assistance will be provided to Grant Recipients via statewide conferences, regional workshops, and one-on-one recipient training.
1. Grants/program staff will provide instruction and guidance on grant programs during annual IDHS/EMA Conferences. Fall conference agendas will address upcoming grant opportunities to include any new federal or state initiatives.
 2. State and/or District workshops will be provided as needed to explain new federal or state initiatives in more detail than provided in statewide conferences or to address specific local-regional questions. Workshops will also be provided, schedule permitting, to groups of eligible Grant Recipients requesting specific training or education on grant program activities.
 3. One-on-one training will be limited to the availability of Grants/Program staff to provide assistance to a single Grant Recipient. Preference will be given to new Grant Recipient program managers or administrators.
- c. Grant Recipients will comply with any corrective action recommendations or directives made as a result of a monitoring review. Failure to comply is grounds for suspension or termination of the Grant Recipient's award.

Reporting Requirements

1. Quarterly Report. Grant Recipients will complete and submit required quarterly fiscal reports as per requirements in the sub-grant agreement. Grant staff will provide a reminder to Grant Recipients at the end of each quarter. The reports will be submitted via the iGMS with signed copies of each submitted report will provided to the Grant staff.
 - a. Quarterly reports are due no later than 15 days after the close of the reporting period. Delays in report submission will result in funding freeze.
2. Final quarterly reports must be submitted via the iGMS no later than 30 days after the close of the performance period of the grant.

Inventory Requirements

According to federal guidelines and regulations, sub-grantees are required to be prudent in the acquisition and management of property acquired with federal funds. A sub-grantee must submit a description of its property management system, either in its grant application or when otherwise requested by IDHS. If the sub-grantee does not employ an adequate property management system, project costs association with the acquisition of the property may be disallowed.

1. Definition. Equipment is tangible, non-expendable property having a useful life of more than one year and an acquisition cost of \$5,000 or more **per unit**.
 - a. Radios with a per unit value of \$4,500, quantity 20, with a cumulative acquisition price of \$90,000 need not be inventoried and reported.
2. Maintain Accurate Property and Equipment Records. Property records shall include:
 - a. Description of the property
 - b. Manufacturer's model number
 - c. Manufacturer's serial number or other identification number
 - d. Vendor
 - e. Acquisition date
 - f. Award number
 - g. Federal grant number
 - h. Percentage of Federal participation in the cost of the project for which the property was acquired
 - i. Unit acquisition cost
 - j. Physical location of the equipment
 - k. Condition of the equipment as of the date the information is reported
 - l. Disposition of the equipment: Date of disposal, how and to what entity equipment was disposed, sales price
3. Conduct a Physical Equipment Inventory. The sub-grantee is required to conduct a physical equipment inventory and submit its physical equipment inventory report (Appendix C) with the quarterly progress report due on April 15th of each year to IDHS.
4. Implement Safeguards to Prevent Loss, Damage or Theft of Equipment. A control system shall be in effect to ensure adequate safeguards to prevent loss, damage, or theft of the property. A sub-grantee must submit a description of its control system either in its grant application or when otherwise requested by IDHS. Sub-grantees are responsible for replacing or repairing the property which is willfully or negligently lost, stolen, damaged or destroyed. Any loss, damage or theft of the property must be investigated and fully documented, and made part of the official project records. The investigation report and documentation shall be submitted with the annual physical equipment inventory report submitted to IDHS.
5. Implement Equipment Maintenance Procedures. Adequate maintenance procedures shall be implemented to keep the property in good condition. A sub-grantee must submit a description of its equipment maintenance procedures either in its grant application or when otherwise requested by IDHS.
6. Disposition. Equipment with a fair market value of \$5000 or more must include reimbursement to the Federal government using the percentage of Federal participation in the original cost of the equipment. Equipment with a fair market value of less than \$5000 may be used by a sub-grantee for other activities, sold, transferred, parted out as salvage, or otherwise disposed without reimbursement to the Federal government of its percentage share, and retain the proceeds. In any case, documentation must include the method used to determine current fair market

value. All dispositions shall be coordinated with IDHS, and Federal reimbursements shall be processed through IDHS.

Example:

| | |
|---|----------|
| Acquisition cost of a boat purchased in 2004: | \$50,000 |
| Percentage of Federal funding at acquisition: | 100% |
| If fair market value of the boat in 2009: | \$15,000 |
| Then reimbursement to the Federal government in 2009: | \$15,000 |
| | |
| If fair market value of the boat in 2014: | \$4,500 |
| Then reimbursement to the Federal government in 2014: | \$0 |

File Management

1. Grants/Program staff will maintain a separate grant recipient file each award issued. Grant files will be segregated and contain the following information for each award issued. Where practicable, these files will be kept via the iGMS and readily available to Grant Recipients.
 - a. Notice of Award & Grant Agreement, to include Amendments.
 - b. Project Narratives – Grant Application information
 - c. Equipment Budgets – Cash Requests
 - d. Planning, Organization, Training, Exercise, Admin Budgets – Cash Requests
 - e. Monitoring Review Activity Log – Reports
 - f. Audit Review Activity Log – Reports
 - g. General Correspondence with Grant Recipient

2. Grant Section Chief will maintain a separate file/folder to track each federal award issued to the state, to include:
 - a. Federal Award
 - b. Grant Adjustment Notices
 - c. Federal Program Guidance, to include applicable Information Bulletins
 - d. State Grant Application materials, to include federal correspondence on same
 - e. Categorical Progress Reports
 - f. Financial Status Reports
 - g. Grant Recipient Guidance, to include applicable forms
 - h. General Correspondence with federal granting agency
 - i. Final 269 reports and closeout documents to include information on final draws from federal treasury.

3. Fiscal staff will maintain all financial reports/records necessary to document and show funds requested from federal agency and funds paid out to grant recipients through the State Auditor.