

## Chapter V Grant Administration and Management

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## **V. Grant Administration and Management**

*This chapter contains information regarding the overall administration and management of the Alaska Highway Safety Office (AHSO) traffic safety grant program in accordance with the National Highway Traffic Safety Association's (NHTSA) regulations and guidance.*

### **A. Overview**

*This section provides an overview of the program and grant administrative processes and responsibilities associated with managing AHSO grants.*

This chapter contains sections on a wide range of procedures, most of which are administrative in nature, for specific methods involved in the administration and management of the State's traffic safety program.

Some of the sections contained in this chapter pertain to sub grantees, some only to the Grant Administrator and some to all involved in the traffic safety program.

## **B. Grant Management**

*This section describes the responsibilities within the AHSO associated with managing traffic safety grants.*

The AHSO employee responsible for the day-to-day oversight of a grant is called the Grant Administrator and is responsible for tasks associated within their program area(s) of responsibility (for example, impaired driving) including grant agreement preparation, execution, and administration. Failure to perform these tasks correctly can result in significant grant management and payment problems.

The Grant Administrator will monitor and evaluate the sub grantee's performance and will expedite reimbursement processing without unnecessary delays.

The Grant Administrator will *not*:

- Impose any task upon the sub grantee or permit any substitute activity not specifically provided for in the grant agreement
- Give direction to the sub grantee or to employees of the sub grantee, except as provided in this document
- Approve expenses for activities that do not meet project performance specifications contained in the grant agreement
- Authorize expenditure of funds except in accordance with the specific terms of the grant agreement
- Offer advice to the sub grantee that may adversely affect project performance, compromise AHSO's rights, or provide the basis of a claim against the AHSO that may affect any pending or future determination of fault or negligence
- Authorize or agree to any change in the grant agreement, standard provisions, certifications, project period, delivery schedule, maximum amount eligible for reimbursement, or other terms and conditions of the grant agreement, unless such change is specifically authorized in the grant agreement
- Assure that no supplanting situations occur (Replacing routine and/or existing State or local expenditures with the use of Federal grant funds and/or using Federal grant funds for costs of activities that constitute general expenses required to carry out the overall responsibilities of State, local, or Federally-recognized Indian tribal governments. See Section J. Supplanting.)
- Promise or infer that a future grant or extension of a grant for another year is approved prior to the AHSO approval.

## **C. Submission of Claims**

*This section explains the requirements and procedures associated with the submission of a sub grantee reimbursement.*

### **i. Conditions**

Reimbursement of costs under a traffic safety grant is contingent upon the following conditions:

- The availability of appropriated funds
- Actual costs having been incurred (services provided, hours worked, etc.) in accordance with the approved project budget
- Compliance with the cost principles established in the OMB circulars referenced in the grant agreement

Non-State agency sub grantees use an AHSO provided Grantee Reimbursement Claim (referred to as a "claim") to "bill" AHSO for costs incurred under the terms of grant agreements. State agency sub grantees submit a Reimbursable Service Agreement (RSA) Execute to submit costs in addition to the Grantee Reimbursement Claim.

### **ii. Payment Procedures**

The AHSO has established the following payment procedures for sub grantees.

- Sub grantees shall submit separate claims for expenditures under each Federal program funding area that they are seeking reimbursement.
- Claims for goods received or services performed between October 1 and September 30 of the grant year must be received by AHSO no later than November 15.
- Sub grantees must submit their final claim within 45 days of the end of the grant period if the grant time period is not based on the Federal fiscal year.
- Claims received after the above cutoff dates will not be reimbursed. Sub grantees are responsible for informing their accounting office of the above invoice submission deadlines.

### **iii. Documentation**

The AHSO requires the sub grantee to maintain complete financial and programmatic documentation of all claims in the form of source documents to support the amounts claimed. Source documents include time sheets, claims, and other records of costs incurred. Such records, and other records reasonably considered as pertinent to program regulations or the grant agreement, are required to be maintained by 49 CFR Part 18.42 and must be retained for a period of three years after submittal of the final claim to the AHSO.

### **iv. Reimbursement Policy**

- AHSO requires all agreements to include a "maximum amount eligible for reimbursement." This maximum amount is the grant reimbursable amount and is the AHSO's share of the estimated project cost. The budget can specify that each line item is not to be exceeded, or the budget can specify that each line item is an estimate and that the actual cost will be paid. (A line item in the budget is the authorization for funds to be expended on the item.) An attitude of "Budget Constraint" is expected of grantees. Grantees are not encouraged to spend the maximum amount, but rather, to spend conservatively.
- Grants do not allow payment of any profit to the sub grantee. If the sub grantee subcontracts with a commercial (for profit) firm, the fee becomes an actual cost incurred by the sub grantee and is eligible for reimbursement if all other payment criteria meet the terms of the agreement.

**v. Advances**

Capital advances are not allowed. Reimbursement will be made only for costs incurred during the grant period. The incurrence of cost depends on the accounting system used.

1. If an *accrual* accounting system is used, the cost is incurred when a recorded liability exists. (Examples include invoices, bills of lading, vouchers of individual travel performed, and cash receipts of expenses incurred. Advances for anticipated costs are prohibited.)
2. If a *cash* accounting system is used, the cost is incurred when a cash disbursement has been made.

AHSO will review all proposed and submitted costs to determine that they are necessary, reasonable, and in compliance with applicable cost principles. The Administrative Services division is available to assist AHSO in the analysis if requested to do so.

## D. Public Information and Education

*This section describes the AHSO policy regarding the purchase and use of public information and education (PI&E) materials and promotional items by sub grantees in a traffic safety grant agreement.*

### i. Materials

PI&E materials fall into two categories — educational and promotional. They are defined as follows:

**Educational** — material that educates and informs an audience. These materials include items such as activity books, coloring books, brochures, posters, flyers, envelope stuffers, bumper stickers, etc.

**Promotional** — material that promotes, supports, or enhances efforts. These materials include key chains, on-board signs, mugs, pencils, magnets, litter bags, etc. There are more restrictions on the acquisition and use of promotional items because the cost of promotional items and memorabilia, including models, gifts and souvenirs are considered unallowable “advertising”, see [2 CFR Part 225, Appendix B Selected Items of Cost, Item 1](#)

*Note:* Promotional items need to be listed under Contractual in the sub grantee’s grant agreement Budget Summary and should be listed separately from educational material.

Promotional items must include the “*Target Zero*” logo or wording to support the Alaska Strategic Traffic Safety Plan as well as the type or national/state slogan of a national or state driver behavior program: Impaired Driving, Occupant Protection, Traffic Records, Motorcycle Safety, etc. Examples of a national program: “*Click It Or Ticket*” and “*Drive Sober Or Get Pulled Over*”.

All *newly* developed PI&E materials using Federal funds must be submitted to the AHSO for written approval prior to final production.

Reproduction of National Highway Traffic Safety Administration (NHTSA) or other Federal government endorsed material already approved is permissible without AHSO approval. The items must, however, be included in the grant agreement budget.

Promotional items can be used for a project to enhance awareness of an issue and provide a reminder message for the intended recipient after the activity has been completed. When promotional items are included in a grant’s activities, a plan outlining the purpose of the items must be included in the grant agreement. The plan should include the following information:

- Activity
- Promotional item type
- Quantity
- Cost
- Targeted audience
- Explanation of how the activity will help meet the objective of the project
- How the results of the activity will be used and reported

Promotional items (pens, radios, highlighters, etc.) cannot be freely distributed to the public without any action on a recipient’s part. Persons receiving promotional items must interact with the sub grantee in some manner related to the goal of the project to receive them, such as attend a presentation, sign a pledge sheet, fill out a survey form, answer a traffic safety question, etc. The results of the interactive activity must be reported in the monthly or quarterly progress reports.

Promotional items can only be distributed at activities where traffic safety is emphasized. These items cannot be used in “goody bags” for attendees at fairs or at booths where there is no interaction with the recipient.

A record must be maintained in the AHSO file which outlines the distribution of PI&E material, particularly federally funded promotional material. The record will include the item description, quantity distributed, recipient, and the reason for using the item. The record does not need to include individual names, only the size of the group that received items (for example, “200 students at [*name of school*] received 200 key chains and posters for attending a [*name of presentation*]”).

To assist with tracking the distribution of material, sub grantees should complete the AHSO PI&E Material Distribution Form.

In some cases, such as statewide promotions, expensive items or special activities, the AHSO may require the sub grantee to submit a report on the use of the materials. This report should be included in the Quarterly Report, or if appropriate, the Single Project Reimbursement Claim. The report will include:

- The original quantity received
- Activity or activities conducted
- How the material was distributed
- Audience reached
- Any quantity remaining

If a quantity remains, the report must include a plan to use the items. The AHSO must approve the plan before the remaining items can be used. This subsequent activity must be similar in scope to the original purpose and targeted audience.

## **ii. Advertising**

The limited purchase of media time or space (television and radio time, print and billboard space) for traffic safety grant funded PI&E campaigns is permitted only in extraordinary circumstances and must be specifically approved by AHSO and be included in the AHSO Highway Safety Performance Plan (HSPP).

Federally-funded public service announcements or video materials intended for television or cable television must be closed captioned.

Sub grantees that obtain grant funds to support paid advertising are subject to the same requirements as the AHSO and must provide the required Federal reporting information in their progress reports to the AHSO.

See Chapter II. Planning, Section L. Advertising, for guidance on the specific Federal requirements pertaining to paid advertising.

## E. Food/Beverage Costs (Non-Essential Items)

*This section clarifies State and Federal restrictions on the purchase of food and beverages and other non-essential items.*

### i. AHSO Purchases – State Requirements

Because there are State restrictions on the purchase of non essential items, including food and beverages, AHSO staff shall work with the appropriate Department officials on the planning and acquisition of goods for all AHSO food/beverage related events.

The AHSO staff will ensure compliance with the Department policy 10.01.022. General Procurement, in all applicable cases, see [http://www.dot.alaska.gov/admsvc/pnp/assets/chapt\\_10/10\\_01\\_022.pdf](http://www.dot.alaska.gov/admsvc/pnp/assets/chapt_10/10_01_022.pdf) for the other categories of items defined as non-essential and therefore subject to Department restrictions (such as printing of a personal nature, office fixtures and equipment, and membership dues).

Foodstuffs and utensils, such as coffee, doughnuts, cakes, breads, coffee makers, cups, silverware, service trays, etc. are considered non-essential items. The restriction can be waived when such purchases:

- Are deemed necessary for functions such as training, conferences, board meetings, etc.
- Do not exceed a reasonable amount
- Are approved in advance by the Department's Chief Contracts Officer

The Director must concur in writing with the request for approval before it is forwarded to the Department's Chief Contracts Officer. Refer to the Procedures section in the Department policy cited above for the specific approval request requirements

### ii. AHSO and Sub Grantee Purchases – Federal Requirements

In addition to the Department restrictions, Federal traffic safety grant regulations only allow the reimbursement of meeting and conference costs including meals, transportation, rental of meeting facilities and other incidental costs *if* the primary purpose is the dissemination of technical information. This requirement applies to the AHSO and sub grantees. Records must be maintained to document that the primary purpose of the meeting was the dissemination of technical information.

AHSO meeting and conference documentation or a sub grantee's progress report shall include a statement describing the date, location, number of attendees, the food and beverage items to be purchased and a description of the meeting purpose. See the NHTSA Grant Funding Policy at: [http://www.nhtsa.dot.gov/nhtsa/whatsup/tea21/GrantMan/HTML/01\\_GrantFundPolicy.html](http://www.nhtsa.dot.gov/nhtsa/whatsup/tea21/GrantMan/HTML/01_GrantFundPolicy.html).

Costs of **alcoholic beverages** are unallowable. Costs of **entertainment**, including amusement, diversion, and social activities and any costs directly associated with such costs (such as tickets to shows or sports events, meals, lodging, rentals, transportation, and gratuities) are unallowable. For additional information, refer to [NHTSA Highway Safety Grant Funding Policy for Field-Administered Grants](#) Part III. Unallowable Costs for Selected Items, (D) and, [2 CFR Part 225 "Cost Principles for State, Local and Indian Tribal Governments" \(OMB Circular A-87\)](#), Item 3. Alcoholic Beverages, and, Item 14. Entertainment.

See also Chapter VI. Fiscal Procedures, Section E. Allowable Costs.

## F. Property Management

*This section outlines the AHSO and sub grantee's property management responsibilities for equipment purchased with a traffic safety grant administered by the AHSO.*

### i. Federal and State Requirements and Thresholds

Federal requirements regarding the use, management and disposition of grant-funded equipment are found in 23 CFR §1200.21(c), and specify that States and their sub grantees manage and dispose of equipment acquired under the Section 402 program in accordance with State laws and procedures.

State laws and procedures pertaining to property management are found in the Alaska Policy Control Handbook (APCH), which establishes requirements that all Departments and agencies must follow regarding the management of State property. Section 1-4 of the APCH specifies that all non-expendable personal property and equipment valued at more than **\$1,000**, regardless of the funding source or means of acquisition, is considered to be "controlled property" subject to State property management requirements. The APCH further establishes that items identified on the "Mandatory Control List" are also considered to be "controlled property", regardless of value. Such property includes moving radars, mobile radios and/or receivers, video camcorders, laptop computers and digital cameras.

The AHSO staff will ensure compliance with Federal and Department policies. See Department Policy 10.03.010. Controlled Property, Inventory and Fixed Assets, in all applicable cases: [http://www.dot.alaska.gov/admsvc/pnp/assets/chapt\\_10/10\\_03\\_010DPDR.pdf](http://www.dot.alaska.gov/admsvc/pnp/assets/chapt_10/10_03_010DPDR.pdf)

For equipment with a useful life of more than one year and an acquisition cost of \$5,000 or more, see also Department Policy 12.02.05 and Chapter IV. Grant Selection and Execution, Section E. NHTSA equipment purchase approval of \$5,000 or more.

### ii. Sub Grantee Property Management Systems

Sub grantees must establish and administer a system to procure, control, protect, preserve, use, maintain, and dispose of property furnished to them by the AHSO or purchased through a grant, sub grant, or other agreement in accordance with their own property management procedures, provided that the procedures are not in conflict with the standards contained in this section or Federal property management standards procedures specified in 49 CFR 18.36 (the Common Rule), as appropriate.

- Any property purchased, regardless of the unit cost, must be specifically authorized in the grant agreement.
- Equipment and other property acquired under a grant agreement for use in highway safety projects shall be used and kept in operation for highway safety purposes.
- State Agencies: Property management standards described in the "State Property Accounting Manual" will be used in accounting for equipment purchased under this Agreement.
- Local Agencies and Other Non-State Sub grantees: Standards for property management described in 49 CFR 18.32(c) through (e) will be used in accounting for equipment purchased under a grant agreement. The Applicant Agency shall seek disposition instructions from the AHSO prior to disposing of any item of equipment purchased. The sub grantee may follow their own existing property management standards if they exceed the requirements set out in 49 CFR 18.32(c) through (e).

### **iii. Sub Grantee Property Records Requirements**

The sub grantee property management requirements include, but are not limited to, the maintenance of accurate property records. Such records will include:

- A description of the property
- Manufacturer's serial number, model number, Federal stock number, national stock number, or other identification number
- Inventory number
- Source of the property (including grant or agreement number)
- Indication of with whom title is vested (generally vests with the sub grantee)
- Acquisition date
- Percentage (at the end of the budget year) of Federal participation in the cost of the project
- Location, use, and condition of the property and the date the information was reported
- Unit acquisition cost
- Ultimate disposition date (including date of disposal and sales price or the method used to determine current fair market value).

### **iv. Sub Grantee Inventory**

Sub grantees will maintain an inventory control system to ensure adequate safeguards to prevent loss, damage, or theft of the property. Sub grantees will provide a copy of their inventory policies and procedures to the Grant Administrator. Sub grantees will institute adequate maintenance procedures to keep the property in good condition. 49 CFR Part 18, Section 18.32 (d) (2) provides that, "A physical inventory of the property must be taken and the results reconciled with the property records at least once every two years."

### **v. AHSO Inventory**

The AHSO will use a centralized inventory control system to identify and track all grant-funded equipment or other property classified as "controlled property" items listing all essential information required by the State property management guidelines. The AHSO, as part of its oversight responsibility, must systematically monitor all sub grantees with grant-funded equipment and/or property meeting the State-defined criteria of "controlled property" to ensure that sub grantees are in compliance with State and Federal property management requirements. Sub-grantees will submit a Project Equipment Record form (see form in Appendices section).

The Office Assistant is responsible for maintenance of the AHSO equipment tracking system. An AHSO Mandatory Project Equipment Record form will be sent to the applicable sub grantees twice a year: when NTP's are sent out and with the second quarterly report reminder (See Appendices). When the completed equipment update forms are returned, the AHSO reviews them to verify that:

- The necessary information has been entered
- The forms are signed
- The property is in operating condition
- The property is being used for traffic safety activities.

The applicable Grant Administrator verifies the existence and traffic-safety use of each item. A Master Project Equipment Record will be maintained by the Office Assistant (See Appendices).

The Grant Administrators will conduct annual inventories and issue a report to the AHSO Administrator.

#### **vi. Tagging**

Equipment and controlled assets, purchased in whole or in part with traffic safety funds, must be tagged to indicate the item was acquired with traffic safety funds. Traffic safety sub grantees are responsible for developing tagging procedures. In addition, for cross-reference audit purposes, the ID tag number is to be noted on the invoice for each piece of equipment and controlled asset item.

#### **vii. Disposition**

Equipment shall be used by the grantee or sub grantee in the program or project for which it was acquired as long as needed, whether or not the project or program continues to be supported by Federal funds. When no longer needed for the original program or project, the equipment may be used in other activities currently or previously supported by a Federal agency.

Upon completion or termination of a traffic safety grant or sub grant, or if it is determined by the AHSO that equipment is no longer needed for the purpose for which it was acquired, the equipment may, at the option of the AHSO, become the property of the AHSO. Permission for any other disposition must be obtained from AHSO before any action can be taken regarding the equipment. Some of the possible disposition actions include, but are not limited to:

- Transfer from Federal inventory to State inventory
- Declaration of inoperability and relegation to salvage or sale at auction
- Return to the AHSO from the sub grantee
- Declaration that equipment is damaged beyond repair or salvage
- Sale at auction and return of proceeds to AHSO for reconciliation with Federal funding

A Depreciation Guide for the estimated useful life of typical traffic safety equipment has been developed by the AHSO.

See also Department Policies 12.02.05 Prior Federal Approval of Equipment Purchases of \$5,000 or more in value and 12.02.06 Equipment Identification, Inventory and Tracking – State and Federal Regulations.

***Depreciation Guide***

The estimated useful life and depreciation guide used by OTS is as follows:

**EST. LIFE    ASSET**

**Alcohol**

	Chromserver
4 years	Computer
5 years	Gas Chromatograph
7-10 years	Generators (includes Hydrogen, Nitrogen, and Zero Air)
	Headspace Analyzer (Tekmar)
	Headspace Autosampler (Combi-PAL)
	Hemoximeter
4 years	Intoxilyzer --- 10 years
4 years	Preliminary Breath Testers (ALERT, Alco-Sensor, S-D2)
8 years	Simulator System
	Workstation

**Police Services**

4 years	Radar
5 years	Scanner
10 years	Speed Monitoring Devices

**Other**

3 years	Camera (digital)
6 years	Computer
10 years	Data Collection Central Station
5 years	Seat Belt Convincer

## G. Sub Grantee Travel

*This section provides the requirements for reimbursement of approved sub grantee travel expenses.*

Reimbursement for out-of-state travel expenses by sub grantees requires prior approval of the AHSO. To request approval for out-of-state travel, a sub grantee must:

1. Ensure that the grant contains the necessary provisions and that there are sufficient funds to cover the cost of the trip.
2. The grant must include:
  - Purpose of the trip
  - Trip dates
  - Location
  - Registration fee (if applicable)
  - Persons involved and the relationship of the individuals to the particular trip
  - Estimated cost (travel, Per Diem, registration fee, etc.)
  - Benefit to the grant project.

To qualify for approval and reimbursement, the travel must be:

- *Necessary* to assist in the completion of project and program goals and objectives
- *Specific* to the purpose of the project (for example, an anti-DWI conference for a community alcohol project)
- *Appropriate* to the position and responsibility of the individual or individuals traveling (for example, community project director to community project seminar)
- *Of direct benefit* to the State, with such benefit unavailable through other means (for example, travel for a national, one-of-a-kind event).

For travel to be considered for approval, the grant must include the following:

**Table 12. Requirements for Approval of Travel Under a Grant**

<b>Requirement</b>	<b>Explanation</b>
Sufficient Travel Funds	The grant budget should contain funds for travel. A line item for out-of-state travel or specific trips is not required. However, an indication of specific trips is recommended when known at the time of grant negotiation and approval.
Sufficient funds in "other direct cost" category of budget to cover registration fee, if required	If the conference or out-of-state event requires a registration fee, sufficient funds will need to be budgeted and included in the approved project budget.
Provisions for out-of-state travel	The grant must contain a provision that allows for out-of-state travel upon AHSO approval and requires this approval prior to travel and reimbursement.

Travel to attend in-state meetings or training not included in the approved grant agreement requires the sub grantee to submit a project revision to AHSO for approval. Sub grantees are eligible for per diem reimbursement of in-state travel costs at the rate of \$60 per day. Out of state per diem rates shall be in accordance with the U.S. General Services Administration rate schedule available on line at:

[GSA Domestic Per Diem Rates](#)

Upon receiving the project revision, the AHSO will send a written response (e-mail or correspondence) approving or denying the trip, with explanation, to the sub grantee.

To request travel reimbursement, the sub grantee must:

- Include the cost of the trip in a monthly reimbursement claim
- Include a receipt for registration fee paid (if registration fee includes certain meals, then these meals should not be claimed again for reimbursement), airfare, lodging, rental car or any other costs
- Include a justification of any unusual costs
- Submit a brief trip report (the length and content will be determined by the type of trip involved)

Please note that per Diem is paid based on the per Diem of the state traveler's final destination. For example, if a traveler goes anywhere in Alaska, they get the Alaska rate of per Diem. If they travel to Chicago, they get the Chicago, IL per Diem rate.

## H. Indirect Costs

*This section describes the requirements for allowing the expenditure of Federal grant funds to support indirect costs.*

Indirect costs are those that have been incurred for common or joint purposes. These costs benefit more than one cost objective and cannot be readily identified with a particular final cost objective without effort disproportionate to the results achieved. After direct costs have been determined and assigned directly to Federal awards and other activities as appropriate, indirect costs are those remaining to be allocated to benefited cost objectives. A cost may not be allocated to a Federal award as an indirect cost if any other cost incurred for the same purpose, in like circumstances, has been assigned to a Federal award as a direct cost.

Indirect costs are normally charged to Federal awards by the use of an indirect cost rate. A separate indirect cost rate(s) is necessary for each department or agency of the governmental unit claiming indirect costs under Federal awards. Guidelines and illustrations of indirect cost proposals are provided in a brochure published by the Department of Health and Human Services entitled "A Guide for State and Local Government Agencies: Cost Principles and Procedures for Establishing Cost Allocation Plans and Indirect Cost Rates for Grants and Contracts with the Federal Government." A copy of this brochure may be obtained from the Superintendent of Documents, U.S. Government Printing Office, Washington, DC 20401.

For additional information regarding indirect costs, refer to [2 CFR Part 225, Appendix E](#), [2 CFR Part 230 \(OMB Circular A-122\) "Cost Principles for Non-profit Organizations" Appendix A](#) and Attachment E of ASMB C-10 which contains sample indirect cost rate proposals.

The AHSO may eliminate or reduce sub grantee paid indirect costs by instead budgeting only for specific direct costs. Note: the general costs of government are unallowable. The same costs may not be reported as both indirect and direct. Sub grantees should be as specific as possible to tie a portion of a bill or service to the grant activity.

If AHSO is using Federal funds for its own indirect costs or reimbursing State, local or non-profit agency sub grantees for indirect costs, then AHSO must comply with certain requirements.

A State agency may be paid the State's negotiated rate not to exceed 10 percent as obtained from a cognizant Federal agency as evidenced by a letter in a grantee's file and which is renewed annually. If a State sub grantee has an indirect cost rate, that rate must be used in lieu of the flat 10 percent rate if it is lesser. Non-profit agencies must also provide an annual approval letter containing a certification signed by the Board of Directors, a CPA or an Executive Director and specifying the year applied and the rate. Local agencies, universities and contractors that have a negotiated rate by a cognizant Federal agency may be paid that approved rate not to exceed 10 percent. AHSO and sub grantee may mutually agree to a rate lower than that established by the cognizant Federal agency or AHSO.

NOTE: The responsibility does not end after a signed agreement or certificate is placed in the project file. AHSO must periodically review **AND** monitor sub recipient indirect cost plans to provide reasonable assurance that the requirements are being followed.

## I. Program Income

*This section defines program income, the applicable restrictions and the accounting method required of sub grantees.*

Traffic safety grants are intended to provide financial start-up for projects so that they can become self-sustaining. In order to do this, some projects conduct activities that bring in money to cover present and future costs. When projects earn money for their services or products, they may be earning what is defined in the Federal regulations as program income. Income earned by the sub grantee with respect to the conduct of the project (e.g. sale of publications, registration fees, service charges, etc.) must be accounted for and income applied to project purposes or used to reduce project costs.

As defined in 23 CFR, Part 1200.24, for State Highway Safety Programs, program income means gross income earned by the sub grantee from grant-supported activities. Such earnings may include but are not limited to:

- Income from service fees
- Sale of commodities fabricated under the grant
- Usage or rental fees of property acquired with grant funds
- Conference or training registration fees when the sub grantee is the host agency

The AHSO must approve a sub grantee's request to earn program income. There must be an indication in the AHSO HSPP that the specific project will generate program income and must be reported by the AHSO in the Annual Evaluation Report (AER). The information for the HSPP is included in the narrative portion of the project description. There also must be a clause in the grant stating that the project will earn program income and will expend it to fulfill the objectives of the grant. Recommended language for grants generating program income is as follows:

- All program income earned during the grant period shall be retained by the sub grantee and, in accordance with the grant or other agreement, shall be added to Federal funds committed to the project and be used to further eligible program objectives.
- Program income that remains unexpended after the grant ends shall continue to be committed to the original grant objectives.

Sub grantees must record the receipt of program income as a part of grant project transactions in accordance with the grant agreement. Program income should be recorded on the quarterly reports and submitted with the sub grantee claim form.

Sub grantees must also record and report the expenditure and disbursement of program income revenues as a part of grant project transactions in accordance with the grant agreement.

Program income expenditures should be recorded on the quarterly report and submitted with the sub grantee claim form.

## **J. Supplanting**

*This section contains information regarding the Federal regulations prohibiting supplanting.*

The replacement of routine and/or existing State or local expenditures with the use of Federal grant funds for the cost of activities that constitute general expenses required to carry out the overall responsibility of a State or local agency is considered to be supplanting and is not allowable. Refer to [NHTSA Highway Safety Grant Funding Policy for Field-Administered Grants](#), Part III, D (1). Program Administration, Supplanting.

The sub grantee shall not use grant funds to supplant State or local funds, or other resources that would otherwise have been made available for the grant project. Further, if a position created by a grant is filled from within the sub grantee agency, the vacancy created by this action must be filled within 30 days. If the vacancy is not filled within 30 days, the sub grantee must cease charging the grant for the new position. Upon filling the vacancy, the sub grantee may resume charging the grant position. The Financial Officer or Authorizing Official for the sub grantee may not be funded under a grant.

## **K. Sub Grantee Training**

*This section describes the AHSO recommendations for sub grantee training on highway safety grant management regulations and practices.*

New AHSO staff are expected to become familiar with the online AHSO Policy & Procedures Guide and the Desk Instruction Manual: <http://www.dot.state.ak.us/stwdplng/hwysafety/manual.shtml>

New staff shall also attend the Highway Safety Program Project Management Training Course, by the Transportation Safety Institute (TSI), within their first year (<https://www.tsi.dot.gov/>) and a NHTSA LifeSavers Conference within their first two years (<http://www.lifesaversconference.org/cpsactivities.html>)

## L. Grant File Maintenance

*This section provides detailed procedures on the basic file content and responsibilities for maintaining files from project initiation through activation, closeout, audit, and final storage.*

Sound fiscal and program management of the AHSO traffic safety program can be verified through the development and maintenance of complete, accurate and accessible files. AHSO must establish a physical project file for every grant. The contents of the file of record will vary, depending on the type of agreement. The file of record will include any or all of the following:

- Signed Grant Request Form/Project Agreement
- Technical/cost analysis
- Pre-award cost evaluation
- Original signed agreements and any amendments
- Documents referenced in the agreement (official resolutions or proclamations of local governing bodies, letter indicating the delegation of signature authority for various project related reports, etc.)
- Correspondence
- Reimbursement Claims with all supporting documentation
- Progress Reports with all supporting documentation
- Monitoring reports
- Pre-approvals
- Equipment inventory forms
- Project accomplishment reports
- Data collection and trainings conducted
- Indirect cost approval letter
- Soft match documentation if required of sub grantees
- Other supporting documentation

Each project file will contain the original document or reference to the document that verifies those legal and administrative actions necessary for the award, implementation, monitoring, and evaluation of each project.

**Public Access:** All file information is a matter of public record. However, proper file management precludes public access to the files, which may include information of a sensitive nature such as personnel salaries, budget information, and internal correspondence. Access to the file of record will therefore generally be limited to those governmental officials with responsibility for the submission, operation, and close-out of the projects. These officials will include Grant Administrators, Administrators, and Auditors.

**File retention:** All contract and grant agreement records must be retained three years from the date of final payment, until completion of audits, or until pending litigation has been fully resolved, whichever occurs last. A clause to this effect will be included in each traffic safety grant agreement and contract. The term "records" includes: all books, documents, papers, accounting records, and other evidence pertaining to costs incurred and work performed.

The AHSO Grant Administrators are responsible for maintenance of the traffic safety grant filing system in compliance with this policy. Files should be reconciled annually after the fiscal year close out to assure that all required documents are in place.

## **M. Monitoring**

*This section describes the AHSO monitoring procedures including a corrective action plan and calendar.*

### **i. Purpose**

According to 49 CFR Section 18.40, the AHSO is responsible for managing the day-to-day operations of grant and sub grant supported activities. The AHSO must monitor grant and sub grantee supported activities to assure compliance with applicable Federal requirements and that performance goals are being achieved. Grantee monitoring must cover each program function or activity.

Monitoring is an ongoing process throughout the life of the project and includes review of the procedures and forms used as well as status of implementation of the project. It serves as a management tool for project assessment and control.

Project Monitoring is also an excellent opportunity to obtain and share information about both successful and unsuccessful projects/activities and provides sub grantee Agencies with another opportunity to seek assistance with problems encountered during the implementation of the project.

As a management tool, monitoring can be useful:

- to identify outstanding projects and best practices to be shared in Alaska and elsewhere
- to detect and prevent problems
- to help to identify needed changes
- to identify training or other needed assistance
- to provide data necessary for daily operations, program planning, and evaluation

### **ii. Types of Monitoring**

The AHSO will utilize the following types of monitoring:

- Ongoing contact with the sub grantee through phone calls, meetings, email and correspondence
- On-site monitoring reviews of project operations, management, and financial systems
- Periodic review of progress reports
- Periodic review and approval of claims

### **iii. Major Elements of Monitoring Procedures**

Monitoring falls into two major categories, Informal and Formal. Some of the more common monitoring activities include:

- Day-to-day contact with the sub grantee Agency through phone calls, e-mails, correspondence and meetings
- Review of project Status Reports
- Review of Reimbursement Claims, Reimbursement Itemization Reports, and their supporting documentation
- Periodic or random desk review of other documents in the project file for timely submission and completion
- On-site reviews of project operations and management, and financial records and systems
- The following items, while not all-inclusive, are important when considering the prospect of Project Monitoring:
  - Frequency of prior monitoring and disposition of findings, if any
  - Previous monitoring reports

- Project checklist – items to be covered in the review
- Indication of present or potential problems
- Complexity of project
- Positions funded, full or part-time
- Quantity and value of equipment
- Supporting documentation provided by project agency
- Reports of phone calls or contacts
- Training and assistance provided
- Procedures followed

The following chart should be used, as a guide, in selecting the frequency and type of monitoring to perform (annually) on a particular project:

**Table 13. Monitoring Frequency and Types**

<b>Dollar Thresholds</b>	<b>Informal Monitoring</b>	<b>Periodic Review Meetings</b>	<b>Formal Site Visit</b>
Up to \$50,000	As necessary	As Needed	1 Formal Site Visit, if needed
Up to \$150,000	1-2 Informal	1 or as needed	1 Formal Site Visit
Over \$150,000	2-3 Informal	2 or more as needed	1 Formal Site Visit

**5. Informal Monitoring**

**Introduction**

Informal Monitoring occurs throughout the life of the project and includes regular management and supervisory activities or other actions taken by the AHSO Grant Administrators in performing their duties. This includes, but is not limited to, the review and approval of Status Reports, Reimbursement Claims, and Equipment lists and supporting documentation. Any communications between AHSO staff and project personnel about project activities, funding, reporting and performance, and that look at the quality of performance and internal controls constitute Informal Monitoring.

**Frequency**

Informal Monitoring can be done at any time, daily, weekly, or monthly, depending on the project and the level of confidence the Grant Administrator has regarding the project personnel’s abilities. Weekly phone calls may be appropriate if there are no or relatively minor problems. More frequent face-to-face meetings may be needed for complex projects or those exhibiting problems. Written correspondence, including e-mails, should address routine matters, unless problems are encountered.

Review and approval of Status Reports, Reimbursement Claims, Reimbursement Itemization Reports and supporting documentation are an essential part of the over-all project management process. The correlation of project activities with costs is one mechanism to determine if the

project is likely to achieve its stated objectives. It is also an important tool to determine and check how requested funds are being used.

Depending on the dollar amount of the project, the minimum number and types of monitoring are suggested in the chart above. As indicated in the chart, periodic review meetings between the Project Director and AHSO Grant Administrator are important to assess the project's status and accomplishments. Simple, straightforward projects may need only reviews of submitted reports and supporting documentation followed by a visit to review accomplishments and procedures, followed by a brief written report.

Finally, the Grant Administrator should check on the operation of the project with sufficient frequency to be sure that the work is progressing according to the project activities described in the Project Agreement and detailed enough to quickly identify any major problems. Careful monitoring of project activities is the best way of assuring compliance with the Project Agreement and preventing problems.

### **Materials Needed**

Any item related to the progress and management of the project might be covered in Informal Monitoring. Although usually limited to the progress of activities, Informal Monitoring also covers the review and approval of Project Reports, Reimbursement Claims and supporting documentation submitted by the Project Agency.

### **Procedures**

The Grant Administrator should regularly set aside time to communicate with sub grantee Agency personnel. The Grant Administrator should make a list of issues or questions to cover prior to the contact. The Grant Administrator should ensure that all issues are covered and that a deadline has been agreed upon to resolve any issues. **Documentation of these contacts, such as notes or e-mails, should be printed and kept in the official project files and made available for future monitoring.**

Informal Monitoring should involve project personnel who have administrative or oversight responsibility for the project. In addition to the Grant Administrator, this could include a Accounting Technician, and any other key project personnel with knowledge of the operation of the project.

The timely submission of complete and correct reports with required documentation, budget issues, over-runs or under-runs, problems encountered, procurement procedures, projected changes, the need for any amendments, best practices, etc, are all items which can be part of the Informal Monitoring.

Status Reports, Reimbursement Requests and supporting documentation are to be reviewed for accuracy and eligibility of costs. Items not approved in the Project Agreement are not eligible for reimbursement. In addition, even though a series of expenditures may have been generally listed in the Project Agreement, those expenditures are still subject to the federal guidelines as stated in the Project Conditions, which accompany the Agreement.

### **Documentation Required**

Originals of all Status Reports, Reimbursement Requests, Quarterly and Annual Reports and supporting documentation, and correspondence are to be kept in the official project file at the AHSO. A brief memo to the project file should be provided to document meetings and discussions resulting from the monitoring. Any situations requiring change and/or follow-up should be noted in the memo. Also if there are any follow-up items from a previous report, their disposition, if any, should be noted and explained. Each sub grantee Agency should maintain a project file containing copies of all the pertinent project paperwork. This documentation becomes extremely important during the course of the project in case of changes in the project activities, budget, or

project personnel. The documentation is also extremely important at the end of the project, since it is used to evaluate the project and Project Agency performance.

## **6. Periodic Review Meetings**

The AHSO Grant Administrator and/or Administrator will conduct review meetings, as needed, with sub grantee Agencies periodically throughout the life of the project to assess its status. These meetings will also serve as a forum to discuss potential implementation problems and possible solutions. Minutes of the meetings shall be taken and copies kept in the official project files along with any supporting documentation.

## **7. Formal Monitoring/Site Visit-beginning with FFY10 grantees:**

### **Introduction**

Calls, letters, and occasional meetings are generally not always sufficient to adequately monitor a project, especially complex projects, or those with large dollar amounts obligated. The AHSO Grant Administrator will visit the sub grantee Agency to review project status, documents, project management, and financial records and systems. This type of in-depth review is called Formal Monitoring because monitoring personnel will actually go to the location of the sub grantee Agency offices to conduct a Site Visit. The formal Site Visit should involve all project personnel with management or oversight responsibility for the project, including a financial representative.

### **Frequency**

Depending on the dollar amount and complexity of the project, the number and types of monitoring are suggested in the chart above, or if indicated by administrative problems or suspected inappropriate use of funds, additional monitoring may be indicated. Simple, straight forward projects may not need full, Formal Monitoring. Review of reports and supporting documentation in conjunction with a Site Visit to review accomplishments and procedures followed by a brief written report may suffice. All formal Site Visits must be completed before the end of the project year (September 30). Site Visits for new sub grantee Agencies should be completed within the first quarter of the project. **Projects showing evidence of any problems or inappropriate use of funds may need to be visited more than once during the fiscal year.**

### **Advance Preparation**

Prior to the Site Visit, the AHSO Grant Administrator should:

1. Notify sub grantee agency in writing and plan the Site Visit well in advance (three to four weeks)
2. Carefully review Project Agreement and Project File Review Checklist to become familiar with the activities and objectives to get a sense for where the project should be in terms of implementation
3. Review Project Conditions to become familiar with specific items which might need attention
4. Review correspondence, project Status Reports, Reimbursement Claims, supporting documentation, Project Budget Revisions, and project activities and objectives to become familiar with any problems prior to the visit
5. Set up appointments with key project staff and provide a Notification Letter.
6. Provide a list of the types of documents to be reviewed, including time sheets, purchase orders, invoices, forms, and equipment
7. Note any items requiring follow-up from a previous Site Visit

**Items for Review**

Site Visits include all issues related to the effective and efficient operation of the project. The following items, although not all-inclusive, are the most important items to review:

1. Progress toward accomplishing activities and meeting objectives
2. Timely submission of properly completed and accurate reports, including documentation to substantiate them
3. Review of any expenditures for appropriateness to the project and their relationship to the approved expenditures in the executed project agreement
4. Review of invoices to ascertain proper posting and tracking in the accounting system
5. Project personnel records and time sheets; proper apportioning of time for part-time personnel
6. Any necessary pre-approvals, such as travel
7. Any other supporting documentation
8. Any equipment purchased or leased as part of the project agreement (additionally, the project manager will conduct an annual inventory and inspection to ensure that the equipment is being used for the purpose(s) for which it was bought or leased pursuant to the project)

**Review of Source Documents**

During at least one on-site monitoring visit, the Grant Administrator will review source documents and evidence of task completion, depending upon the activities to be conducted and the types of costs involved in the project.

Some examples of source documents to be included in the financial review include but should not be limited to:

**Table 14. Source Documents Reviewed During On-Site Monitoring**

<b>Source Documents Reviewed During Site Visit</b>	
<b>Document Type</b>	<b>Notes</b>
Reimbursement Claims / Reimbursement Itemization Reports	Include any appropriate outlay detail forms (invoices, etc.) or other supporting documentation.
Time Sheets / Activity Logs	Time sheets, pay records, payroll registers, funded position activity logs, and possibly personnel (salary rate) records must be reviewed to determine that salary and wage costs are fully supported. If only a percent of time is to be reimbursed, then the prorated amount must be correct.
Fringe Benefits	If reimbursable, fringe benefits (such as health insurance, pension plan, etc.) must correspond to the amount or percent in the executed project budget.
Travel Costs	Only travel pre-approved by the AHSO and directly associated with the grant may be reimbursed. This might include, for example, travel to meetings called by the AHSO.
Invoices and Payments	Only those costs in the approved budget may be reimbursed. Any payments must be directly attributable to the project costs. Have procurement procedures been followed, where appropriate? Have any non-reimbursable items such as alcohol, office furniture, etc. been included for reimbursement?

A Monitoring checklist will be used during the formal visit. Below is an example of a monitoring checklist.



### Grant Monitor Contact Report

TSS 4 (11/03/04)

**Purpose:** To document grant monitor's contact with grantee.  
**Instructions:** Complete in ink or type all sections applicable and file.

Grantee: _____				
Project Title: _____				
Project Number: _____				
Reporting Period: <input type="checkbox"/> October—December <input type="checkbox"/> January—March <input type="checkbox"/> April—June <input type="checkbox"/> July—September				
Federal Funds Allocated: _____				
Funds Expended During This Reporting Period: _____				
If the project director has changed, complete the following information:				
Name	Telephone Number (    )    (    )	Fax Number (    )    (    )		
Address	E-mail Address			
Date the project director changed	Date the letter was sent to DMV headquarters			
Date of Contact	Contact or Interview Person	Type of contact made.		
		Telephone	Written	In-person
_____	_____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
_____	_____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
_____	_____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
_____	_____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
_____	_____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
_____	_____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Is the project on schedule? <input type="checkbox"/> Yes <input type="checkbox"/> No    If no, explain.				
<b>Grant Monitor's Observation</b> The project monitor should consider the following: <ul style="list-style-type: none"> <li>• the pros and cons of grant activity</li> <li>• are milestones being met.</li> <li>• has project had any of its line item budget changed, if so, has this changed the scope of the project?</li> <li>• are all conditions being met? *Attach additional sheet(s) if needed.</li> </ul>				
Grant Monitor's Name	Date	Date forwarded to TSS Grant Manager		

In reviewing these documents, a sampling method may be used, either randomly or selectively (such as, every fifth voucher or every other time sheet). The purpose of the financial document review is to ensure that costs claimed can be reconciled with the approved project budget and the documentation, and are in accordance with AHSO grant eligibility requirements in the AHSO grant process and USDOT's Grant Management Manual.

### **Review of Project Status**

The Grant Administrator will review the status of project activities. For example: evidence of progress toward completion of tasks can include:

1. Attendance rosters for training sessions or other events
2. Number of citations and warnings given during enforcement activities
3. Newspaper clippings of events and public information activities
4. Written analyses and reports from data or problem identification
5. Any survey results
6. Equipment (if any purchased) inventory control personnel training records

### **Review of Project Expenditures**

The Grant Administrator will review all appropriate program and financial documents to determine adherence to project budget, including, but not limited to, determining that:

1. Expenditures are consistent with activities accomplished
2. Expenditures are included in approved project budget, or as amended
3. Expenditures have necessary AHSO prior approval, such as travel, equipment over \$1,000 (NHTSA approval for equipment over \$5,000 must be received prior to purchase)
4. Expenditures resulted from appropriate procurement procedures, where necessary expenditures are supported by proper supporting documentation, and maintained in project file
5. Even though a series of expenditures may have been generally listed in the project agreement, those expenditures are consistent with the federal guidelines as stated in the Project Conditions, which accompany the Agreement

### **Documentation**

The reviewer will complete all sections of the Monitoring checklist and sign it according to the instructions provided, and attach copies of all appropriate records and other documents reviewed during the visit. Any follow-up items and disposition from previous monitoring should be explained. In addition, if the Site Visit generates any items for follow-up, they should be noted, indicating any immediate changes to be made by the sub grantee Agency. The sub grantee Agency shall receive a Recommendation letter to retain for their files. The original with attachments will be placed in the AHSO project file and will be used as part of the overall assessment of the project, for additional or continuing funding.

A sample Recommendation letter:

SAMPLE MONITORING LETTER – WITH RECOMMENDATIONS

Date

Grantee Name  
Address

Re: AHSO Grant No.

Dear Project Director (insert name):

Thank you for taking time to assist me in my site monitoring on \_\_\_\_\_. I appreciate your receptiveness to address my recommendations in order to make your grant implementation a success. I have documented my recommendations that I discussed with you and your staff during my exit interview. I will follow up on the status of my requests when I complete my second site monitoring.

Listed below are recommendations for improvement:

- 1) Quarterly reports submitted in a timely manner
- 2) Job descriptions developed
- 3) Modification on salaries to encompass all officers eligible for overtime grant funding
- 4) Accountability statement posted
- 5) Written policy regarding overtime and a written policy regarding grant overtime requirements and eligibility should be developed
- 6) A separate cost center needs to be established for the grant award for tracking purposes and in accordance with AHSO policy.

I look forward to working with you throughout the remainder of the grant year and as always, if I can be of any assistance, please feel free to call me at \_\_\_\_\_

Sincerely,

Name  
Grant Administrator  
xc: Grant File

## **8. Problems and Issues with Non-compliance**

In the event there are serious problems or issues identified, the Grant Administrator will immediately notify the AHSO Administrator. Immediate action to correct the problem will be negotiated by the AHSO and sub grantee Agency, and implemented by the sub grantee Agency. The problem and resolution will be documented in writing and signed as appropriate by the parties involved. A date for follow-up review will be established and corrective action monitored for compliance.

If the problems or issues cannot or have not been resolved, the following actions may be imposed by the AHSO consistent with 49CFR – Part 18, Sect. 18.43:

1. Withhold project reimbursement – Requires the Grant Administrator to provide written notice thereof to the Project Director detailing the specific problem or issue; the action required to correct the situation; and applicable penalty for failure to make the correction(s).
2. Suspension of project or part of project – Requires AHSO Administrator to provide written notice to Project Director at least 10 days before effective date of the suspension and should include the part or activity in the project which is being suspended and the action to be taken by the sub grantee Agency to remove the suspension.
3. Cancellation of project – (A last-resort action to be used only when a sub grantee Agency or any recipient of federal funds under the project fails to fulfill the terms and conditions of the Project Agreement in a timely and proper manner, refuses to abide by specific terms or conditions, or violates the terms of a Project Agreement.) Requires the AHSO Administrator to provide written notice to Project Director at least 30 days before effective date of the cancellation and shall include:
  - a) Effective date of the project cancellation;
  - b) Specific terms and/or conditions violated;
  - c) Requirement to forward to the AHSO all project-related materials, whether or not completed;
  - d) The sub grantee Agency is entitled to receive reasonable and equitable reimbursement for work satisfactorily completed;
  - e) Equipment paid for with project funds shall revert to the AHSO for disposition in accordance with 49 CFR Part 18, Sect. 18.32.

Copies of any action involving suspension or cancellation will also be forwarded to the Regional Administrator of the NHTSA Northwest Region.

**iv. Monitoring Calendar**

**Table 15. AHSO Monitoring Calendar based on Federal Grant Year**

<b>Month</b>	<b>Activity</b>	<b>Responsible AHSO Staff</b>
<i>For new fiscal year:</i> October	<ul style="list-style-type: none"> <li>Select grants for on-site monitoring based on AHSO criteria and issue monitoring schedule</li> </ul>	Grant Administrator with approval of AHSO Administrator
October – September	<ul style="list-style-type: none"> <li>Complete ongoing monitoring at least once each month for each sub grantee</li> </ul>	Grant Administrator
November - July	<ul style="list-style-type: none"> <li>Conduct on-site monitoring in accordance with monitoring schedule</li> </ul>	Grant Administrator
November – July	<ul style="list-style-type: none"> <li>Periodically track completion of on-site monitoring by Grant Administrator</li> <li>Review completed on-site-monitoring reports</li> <li>Generate notification to sub grantees with positive findings</li> <li>Determine corrective action if any to resolve negative findings</li> <li>Initiate, track and assure completion of corrective action including notification letters</li> </ul>	AHSO Administrator
<i>For prior fiscal year:</i> October	<ul style="list-style-type: none"> <li>Review on-site monitoring schedule to ensure completion of monitoring of all selected grants</li> <li>Determine whether any follow up action is necessary, and flag any sub grantee with pending resolution of findings</li> <li>Issue a report for the fiscal year on the status of the completion of the AHSO on-site monitoring schedule and maintain in AHSO file</li> </ul>	AHSO Administrator and Grant Administrator

See also Department Policy 12.02.07 Monitoring Procedure.

## **N. Appeals**

*This section describes the process available to project proposal applicants and sub grantees to appeal certain decisions of the AHSO.*

A project proposal applicant or sub grantee may appeal the following decisions by the AHSO:

- Denial of a project proposal application
- Withholding payment of a reimbursement claim
- Requiring a refund of grant money
- Suspension or cancellation of a grant or part of a grant

The appellant shall submit, within 15 days after receipt of notification of the decision, a written request for appeal to meet with the AHSO Administrator and other appropriate staff to present any documentation in support of the appellant. Written notice of the decision of the AHSO Administrator will be sent to the sub grantee within five days of the decision.

If the appellant wishes to make a further appeal, the appellant shall submit, within 15 days after receipt of notification of the AHSO Administrator's decision, a written request to meet with the Program Development Division Director to present any documentation in support of the appellant. Written notice of the decision of the Program Development Division Director will be sent to the sub grantee within five days of the decision.

If the appellant wishes to make an appeal of the Program Development Division Director's decision, the appellant shall submit, within 15 days after receipt of notification of the decision, a written request for appeal to the Department Commissioner. The request must contain the reasons for the appeal and must cite the reason or the terms of the grant upon which the appeal is made.

The Commissioner will review the request for appeal and, within 15 days after receipt of the request, will advise the appellant of acceptance or rejection of the appeal. If the appeal is rejected as having no merit, the Commissioner will inform the applicant of the reason for the rejection. If the appeal is accepted, the Commissioner will: (1) find that the appeal has merit and remedy the problem by whatever means within the Commissioner's authority, or, (2) request the appointment of a hearing officer to hear the appeal as provided by the State's Administrative Procedures Act.