

Grants Training

Module 5, Lesson 2



Council on Financial Assistance Reform (COFAR)

FEDERAL GRANTS MANAGEMENT 101

Uniform Guidance

Risk Management and Single Audit

Lesson 2



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Lesson 2: Post-Award Monitoring

At the completion of this lesson, you will demonstrate an understanding of the application and agency implementation of post-award monitoring.





Lesson 2 Post-Award Monitoring Topics

200.303 – Internal Controls

200.308 – Revision of Budget and
Program Plans

200.328 – Monitoring and Reporting
Program Performance

200.336(a) – Access to Records

200.338 – Remedies for Noncompliance

200.339 – Termination

200.341 – Opportunities to Object,
Hearings, and Appeals

200.342 – Effects of Suspension and
Termination

200.343 - Closeout

200.344 – Post Closeout Adjustments and
Continuing Responsibilities



Recipient Responsibilities

Performance Measurement

- Provide financial and performance information
- Relate financial data to performance information

Financial Management

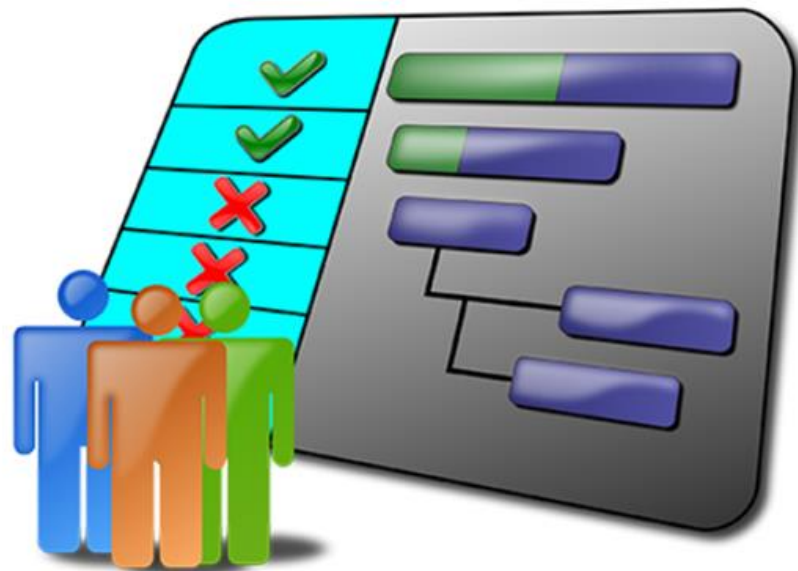
- States must expend and account for Federal funds the same way as State funds.
- Other NFEs must have a financial management system that can provide required information.





Pre-Award Review and Post-Award Monitoring

- Pre-award review
 - Budget
 - Performance goals
 - Indicators
 - Milestones
- Post-award monitoring
 - Performance on track
 - Expenditures in line with award accomplishments





Performance Measurement and Financial Management Scenario

In this scenario, a Federal awarding agency approved a total annual budget of \$100,000 for a 3-year research project. The NFE's notice of award shows a total Federal share of \$300,000 for 3 years.

At the completion of Year 1, the NFE submitted a financial report that shows \$300,000 Federal funds spent. The NFE's performance report indicated that hiring issues prevented the research project from starting on time. Work, including hiring staff, began in Year 2.



§ 200.336(a): Access to Records

- Who has access?
 - Federal awarding agency
 - Inspectors General
 - Comptroller General of the United States
 - Pass-through entity
 - Any authorized representatives
- What or who do they have access to?
 - Documents
 - Papers
 - Other records pertinent to the Federal award
 - NFE personnel





§200.303: Internal Controls

- Internal controls
 - Include plans, methods, policies, and procedures
 - Ensure resources are used effectively
- Stronger infrastructure of accountability
- Assurance that:
 - Goals and objectives met
 - Resources used safely and efficiently
 - Laws and regulations complied with
- Should be in compliance with:
 - [Standards for Internal Control In the Federal Government](#)
 - [Internal Control Integrated Framework \(COSO\)](#)





Purpose of Internal Controls

- Comply with Federal statutes, regulations, and terms and conditions of award
- Evaluate and monitor compliance with Federal statutes, regulations, and terms and conditions of award
- Take prompt action when noncompliance identified in audit findings
- Take reasonable measures to protect personally identifiable information and other sensitive content





§ 200.308: Revisions of Budget and Program Plans

- Approved budget
 - Summarizes financial aspects of project or program
 - As approved during the Federal award process
 - Must be related to performance when appropriate
- Recipients required to report deviations
 - Budget
 - Project scope or objective
- Recipients must request prior approval for budget or program plan revisions

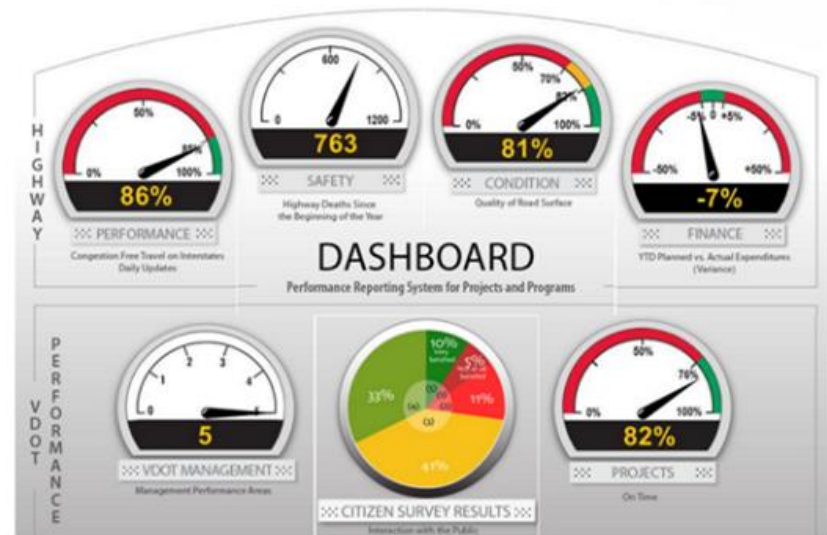




§ 200.328: Monitoring and Reporting Program Performance

NFE responsible for oversight of operations

- Assure compliance with applicable requirements
- Achieve performance expectations
- Use OMB-approved data elements
- Submit performance reports at required intervals





Progress Reports

- Use OMB-approved, standard information collections
 - Comparison of actual accomplishments to objectives
 - Reasons why established goals not met
 - Significant developments (either problematic or favorable)
- Disclosure of problems, delays, or adverse conditions requires:
 - Statement of action taken
 - Statement of action contemplated
 - Any assistance needed





§ 200.338: Remedies for Noncompliance

Impose additional conditions

- Reimbursements rather than advance payments
- Withholding authority to proceed pending acceptable performance
- More detailed financial reports
- Additional project monitoring
- Technical or management assistance
- Additional prior approvals





§ 200.338: Remedies for Noncompliance, cont'd

- Temporarily withhold cash payments
- Disallow or deny funds/credit
- Suspend or terminate award in whole or in part
- Initiate suspension or debarment
- Withhold future federal awards
- Take other remedies as legally available





§ 200.339: Termination

A Federal award may be terminated, in whole or in part, prior to the planned end of period of performance

- For failure to comply with terms and conditions of award
- By the Federal awarding agency or pass-through entity for cause
- By the Federal awarding agency or pass-through entity with the agreement of the NFE
- By request of the NFE upon written notification
 - Reasons for termination
 - Effective date
 - Portion to be terminated if a partial termination
 - Federal awarding agency or pass-through entity may terminate the entire award



Reporting a Termination

- Report an award terminated prior to end of period of performance due to the NFE's material failure to comply with the terms and conditions
- Report to the OMB-designated integrity and performance system (currently the Federal Awards Performance and Integrity Information System, or FAPIIS)
- Do not report this information until the NFE:
 - Has exhausted its opportunities to challenge the decision
 - Has not informed the Federal awarding agency of an intent to appeal within 30 calendar days of notification



§ 200.341: Opportunities to Object, Hearings, and Appeals

- In accordance with Federal awarding agency written processes and procedures, a NFE must be given an opportunity to:
 - Object to a suspension or termination decision
 - Provide information and documentation challenging the action
- Federal awarding agency or pass-through entity must comply with requirements for hearings, appeals, or other administrative proceedings.





§ 200.342: Effects of Suspension and Termination

- Costs resulting from obligations incurred during a suspension or after termination are not allowable.
 - Exception: Federal awarding agency or pass-through entity expressly authorizes costs in notice of suspension or termination
 - Exception: costs are subsequently authorized
- Costs during a suspension or termination are allowable if:
 - Result from obligations properly incurred before the effective date
 - Are not incurred in anticipation of the suspension or termination
 - Would be allowable if award was not terminated or expired normally
- Information about suspension and debarment now found at [2 CFR 200.213](#)



Applicant/ Recipient Responsibilities

- NFEs or applicants for a Federal award must disclose:
 - All violations involving fraud, bribery, or gratuity potentially affecting the award
 - To the Federal awarding agency or pass-through entity
 - In writing
 - In a timely manner
- Failure to report can result in any remedy for noncompliance.
- Information is available at [2 CFR 200 Appendix XII](#)
- Each Federal awarding agency has an Office of the Inspector General confidential hotline that accepts tips and complaints from all sources about potential fraud, waste, abuse, and mismanagement of Federal funds.



Knowledge Check

Which of the following remedies may be imposed for non-compliance with the terms and conditions of a Federal award?

Select all responses that apply.

- Disallow or deny funds
- Report the NFE to the IRS
- Update FAPIIS with a summary of performance
- Wholly or partly suspend or terminate award
- Withhold cash payments
- Withhold future Federal awards
- Direct the NFE to terminate the Program Director

Submit



Knowledge Check

Which of the following remedies may be imposed for non-compliance with the terms and conditions of a Federal award?

- Disallow or deny funds
 - Report the NFE to the IRS
 - Update FAPIIS with a summary of performance
- Wholly or partly suspend or terminate award
- Withhold cash payments
- Withhold future Federal awards
 - Direct the NFE to terminate the Program Director

Incorrect

The Federal awarding agency or pass-through entity may disallow or deny funds or credit, wholly or partly suspend or terminate the award, withhold cash payments, or withhold future Federal awards.

Select Next to Continue.



Knowledge Check

Only the Federal awarding agency or pass-through entity can initiate an action to suspend or terminate a Federal award either in whole or in part.

Select the correct response.

- A. True
- B. False

Submit



Knowledge Check

Only the Federal awarding agency or pass-through entity can initiate an action to suspend or terminate a Federal award either in whole or in part.

- A. True
- B. False

Correct!

An NFE can request that an award be suspended or terminated in whole or in part by written notification. The written notification must include the reasons for termination, the effective date of termination, and the portion to be terminated in the case of a partial termination.

Select Next to Continue.



Knowledge Check

A Federal awarding agency must report all termination actions to the OMB-designated integrity and performance system, currently FAPIIS.

Select the correct response.

- A. True
- B. False

Submit



Knowledge Check

A Federal awarding agency must report all termination actions to the OMB-designated integrity and performance system, currently FAPIIS.

- A. True
- B. False

Correct!

Only awards that are terminated for the NFE's material failure to comply with Federal statutes, regulations, or the terms and conditions of the award must be reported to the OMB-designated integrity and performance system, currently FAPIIS.

Select Next to Continue.



§ 200.343: Closeout

- Completed by Federal awarding agency or pass-through entity when:
 - All administrative actions and required work have been completed by the NFE
 - Federal award is terminated/partially terminated
- Begins at end of period of performance





Closeout Actions: NFE

- Completed not later than 90 calendar days after end of period of performance
 - Submit all financial, progress, and other required reports
 - Liquidate all obligations incurred under the award
 - Period can be extended with approval
- Promptly refund any balances of unobligated cash paid in advance or not authorized for use on other projects
- Account for any real and personal property acquired with Federal funds or received from the Federal government



Closeout Actions: Federal Awarding Agency/ Pass-Through Entity

- Make prompt payments for allowable reimbursable costs
- Settle upward or downward adjustments to Federal share of costs
- Complete actions no later than 1 year after receipt and acceptance of all required final reports





§ 200.344(a): Post-Closeout Adjustments

Closeout does not affect:

- Right to disallow costs and recover funds on the basis of a later audit or further review (must occur during record retention period)
- Obligation of the NFE to return funds
 - Later refunds
 - Corrections
 - Other transactions including final indirect cost rate adjustments
- Audit requirements
- Property management and disposition requirements
- Records retention



§ 200.344(b): Continuing Responsibilities

- Relationship created under the Federal award may be:
 - Modified
 - Ended in whole or in part with consent of the Federal awarding agency or pass-through entity and NFE
- Responsibilities of the NFE including property management must be considered
- Provisions made for continuing responsibilities of NFE as appropriate





Knowledge Check

The NFE is responsible for which of these closeout actions?

Select all responses that apply.

- Account for real and personal property acquired with matching funds
- Determine final indirect cost rate
- Liquidate obligations incurred
- Settle upward or downward adjustments to Federal share of costs
- Submit financial reports
- Submit performance reports
- Submit single audit results

Submit



Knowledge Check

The NFE is responsible for which of these closeout actions?

Account for real and personal property acquired with matching funds

Determine final indirect cost rate

Liquidate obligations incurred

Settle upward or downward adjustments to Federal share of costs

Submit financial reports

Submit performance reports

Submit single audit results

Incorrect

An NFE must liquidate all obligations incurred under the award and submit financial reports and performance reports within 90 calendar days after the end date of the period of performance.

Select Next to Continue.