

# MONITORING POLICY

**Responsible personnel or unit:** IEDA Project Managers

## *Statement of Purpose*

The purpose of monitoring, both during a site visit and from an office desktop, is to provide technical assistance, determine the status of grant funded activities, review the Recipient's grant management systems, evaluate compliance with state and federal rules and regulations and to verify the accuracy of the information provided by the applicant. While all project managers will actively conduct day-to-day management of DR grants including Compliance Monitoring as documented in Section 3. (C) of this document, Monitoring, both on-site and desk will be formally recorded in iowagrants.gov as a component of the contract.

## *Risk Based Assessment*

IEDA will conduct a risk based assessment annually per DR contract. While each of the DR activities will be monitored on-site at least once during the life of the grant, the risk based assessment will assist project managers in determining the timing and frequency of documented monitoring.

The Risk based assessment will be conducted through iowagrants.gov as a component titled "Risk Assessment." This form will be filled out once a year by the project manager, and based on the outcome score, the project manager will determine when the next monitoring is required. Per 200.331(b), IEDA will evaluate each Recipient's risk of noncompliance with Federal statutes, regulations, and the terms and conditions of the subaward for purposes of determining the appropriate level of monitoring, the risk based assessment will include:

- Financial Risk – how large is the grant
- Submitted Draws – are claims on schedule as outlined in contract
- Program Management/Capacity – is administrator familiar with CDBG and attended training
- Program Income – has the contract generated program income
- QPR Tracking – is the program reasonably on track

In addition, increased monitoring as outlined in the monitoring section includes:

- Up front training of grant administrators. First training will occur prior to first draw of funds.
- Desk monitoring (required uploads to IowaGrants.gov) review and confirm procurement standards have been adopted by the Recipient.
- Financial Management – project managers will desk audit 2-3 early draws including invoices, payment dates etc.

Also, see Section III, On-Site Monitoring of Recipients for order of monitoring

## *Expenditure Monitoring*

The IEDA Project Manager will track annual spending for each partner and compare this to the projected annual spending in the project contract. Deviation from the projected spending is anticipated, however, as the project nears completion the percent variation should decline.

Allowable discrepancy limits are established in the table below. If the spending differential is greater than the limit shown, the Project Manager will determine the reason for the spending discrepancy. The Project Manager will review current reporting narratives or metrics to determine if spending is reasonable in regards to the status of tasks and deliverables. The Project Manager may request additional information from the partner in order to complete this assessment.

### The Project Year Budget Discrepancy Limit

1 - 2	60%
2 - 3	50%
3 - 4	40%
4 - 5	30%
5 - 6	20%
6 - 12	10%

Manager will also determine if delays in spending or the completion of deliverables/tasks can potentially result in a negative impact to the project. If the discrepancy in spending or progress is deemed reasonable, the Project Manager will continue to monitor expenditures. The annotations function of [iowagrants.gov](http://iowagrants.gov) will be used to note the findings of the status review. If the Project Manager has concerns about the spending discrepancy or the status of project deliverables/tasks OR the recipient has reported a spending discrepancy for 2 consecutive years, the Project Manager will confer with IEDA management. One of the following action items will result:

- Annual Spending Projections will be amended.
- Project Manager will continue to monitor the project status;
- A meeting with partner management will be held. Partner will submit revised quarterly budget projection and/or a plan to overcome progress delay;
- Terminate the agreement. IEDA will repurpose funds with HUD approval. Correspondence related to quarterly budget discussions will be documented in the correspondence feature of [iowagrants.gov](http://iowagrants.gov). Notes regarding project status will be documented using the annotations function.

Also, when claims are submitted in IowaGrants each recipient must fill out a progress report. Claims are due every 6 months if not sooner. The report shows a percentage of project completion and requires a brief project update.

## *Monitoring Procedures*

Project Managers shall complete the relevant fields in the Site Visit component form in [www.iowagrants.gov](http://www.iowagrants.gov) for each monitoring. Monitoring can be documented either in-person on-site with the subrecipient, or from the Project Manager's desk top. Each monitoring will be recorded in [iowagrants.gov](http://iowagrants.gov) and dated to differentiate monitorings. Monitoring will be occurring at various points in time throughout the DR Funding process. Monitoring can assess one, multiple or all of the areas of review, however, each Monitoring must minimally complete the **National Objective / Project Progress** form, to document what is being included in the particular monitoring.

Specific areas of review include, as appropriate, the following forms:

- National Objective / Project Progress
- Citizen Participation
- Environmental
- Financial Management
- Procurement
- Administration
- Contract Management (Architectural/Engineering)
- Contract Management (Professional Services)
- Contract Management (Construction)
- Labor Standards
- Housing Review
- Civil Rights (Section 3, EEO, Fair Housing, MBE/WBE)
- Acquisition and Relocation

While both On-site and Desk monitoring will look the same in iowagrants.gov, project managers will ensure the following policies are applied to the different types of reviews.

### *Desk Monitoring*

Desk monitoring, or sometimes referred to as off-site monitoring, does not substitute the requirement to conduct at least one on-site monitoring per DR activity during the life of the grant. Desk monitoring should be conducted on an ongoing basis and may include general review of project activities and communications to determine if the project is on track and the rules and regulations are being followed. Project managers may request from the Recipient or Grant Administrator supporting documentation to be emailed or uploaded into iowagrants.gov to allow for the review of items such as: draw requests to evaluate project progress, bid packet documents to review procurement compliance, samples of wage rates and time sheets for Davis Bacon review, etc. All desk monitoring should be sufficiently documented through iowagrants.gov as a site visit.

### *On-Site Monitoring*

On-site monitored will be conducted at least once per activity prior to grant closeout. When conducting on-site monitoring visits, Project Managers shall make every attempt to monitor at the grant recipient's office, most often this is City Hall. The Chief Elected Official and the City Administrator/City Clerk shall be invited, along with the grant administrator. Project Managers shall reserve time following a comprehensive on-site review to go over any deficiencies discovered during the monitoring visit with the City/County staff and grant administrator. The Project Manager shall provide advice for corrective action. Following this wrap-up meeting, there should be no surprises when the grant recipient receives the follow-up letter. During the on-site review the project will also be visually inspected.

### *Monitoring Follow-Up*

A follow-up correspondence shall be sent following every on-site monitoring visit. Project Managers shall send this letter no later than two months following an on-site review. Included in the follow-up letter shall be a list of activities the recipient is doing well, areas for improvement, as well as corrective action needed. If the monitoring letter has significant Findings, the letters will also go to the Division Coordinator and/or Division Administrator of the Community Development Division for review prior to mail-out. If the Findings also include a requirement for penalties or repayments, the letters will be reviewed by top Management (Director or Deputy Director) prior to mail-out.

Any deficiencies included in the follow-up letter shall provide information on how to cure any such deficiencies. Typically, recipients shall have 30 calendar days to cure deficiencies or face non-compliance status.

### *Recipient Non-Compliance*

If repeated attempts by the Project Manager to cure areas of non-compliance are unsuccessful, the Project Manager shall work with the Division Coordinator to formally notify the grant recipient that corrective action is necessary, or face penalties, which could include, but not limited to, delay of payment of remaining funds, ability to secure future IEDA grants, or repayment of existing grant funds.

If there is still no action taken on behalf of the grant recipient to cure the outstanding deficiencies, the Division Coordinator and Division Administrator shall determine the consequences for such inaction. The consequences shall be based on the severity of the deficiency, the state and federal rules and regulations governing the area(s) of non-compliance, the impacts to the community, and consequences to IEDA. The grant recipient shall be notified of the decision by the Division Administrator by official letter.

The grant recipient shall have the ability to appeal the decision by the Division Administrator to the Director of the Iowa Economic Development Authority. The Director shall have the authority to reverse any previous decision and make the final decision on the penalty, if any, to be enforced.

## Monitoring Templates

The Site Visit templates used for monitoring in the [www.iowagrants.gov](http://www.iowagrants.gov) database are shown on the following pages.

The screenshot shows a web browser window with the URL <https://www.iowagrants.gov/siteVisitComponents.do?documentPk=1489607522698>. The page header includes the IowaGrants.gov logo and navigation links: Menu, Help, Log Out, Back, Print, Add, Delete, Edit, and Save. The main content area is titled "Site Visit" and displays the following information:

- Site Visit: 01
- Grant: 13-test-001-Test - NDR Grant
- Status: Editing
- Program Area: CDBG – National Disaster Resiliency
- Grantee Organization: Iowa Economic Development Authority
- Program Manager: Don Dursky
- Submitted Date:

Below this information is a table titled "Components" with columns for Name, Complete?, and Last Edited. The table lists various components and their completion status.

Components	Name	Complete?	Preview   Submit	Last Edited
General Information		✓		03/15/2017
National Objectives / Project Progress				
Citizen Participation				
Environmental				
Financial Management				
Procurement				
Administration				
Architectural/Engineering				03/15/2017
Other Professional Services				03/21/2017
Construction				03/16/2017
Labor Standards				
Housing Review				
Civil Rights				
Acquisition and Relocation				
Project Pictures				
Opportunity				

EXAMPLE: iowagrants.gov – Site Visit – list of Components