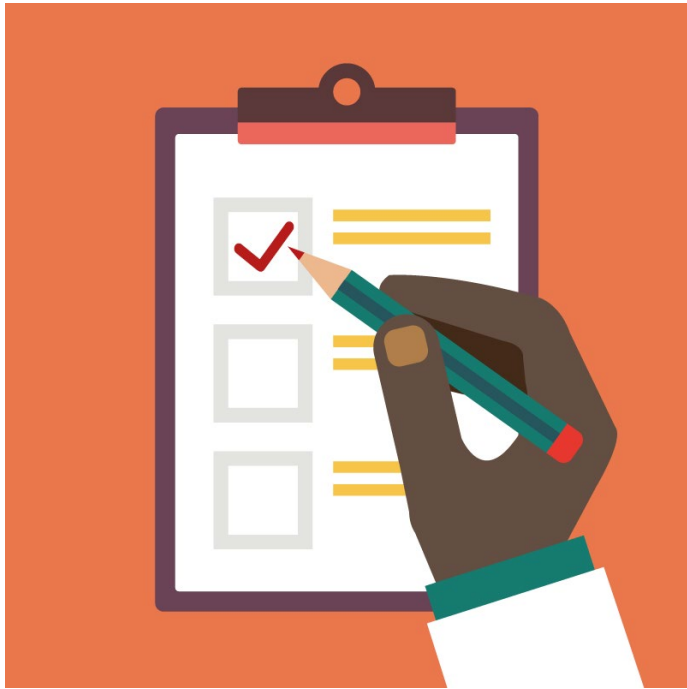# SITE VISITS & FINANCIAL DESK REVIEWS

An overview of the new and improved CDVSA monitoring processes:

What you can expect with a programmatic onsite visit and with a financial desk review - from scheduling all the way through to completion - and some of the most frequent findings.

PROGRAMMATIC MONITORS: Meggie Stogner & Marjie Hamburger

FINANCIAL MONITORS: Ella Nierra & Kelly Gohl

AGENDA

1. The Purpose of Monitoring

2. The Programmatic Monitoring Process

3. Frequent Findings from Onsite Visits

4. The Financial Desk Review Process

5. Potential Findings from Financial Reviews

6. Question & Answer Time

THE PURPOSE OF MONITORING

Why Review?

CDVSA is the pass-through agency for federal grants funds and is required to monitor subgrantees.

We review for compliance:

- Fiscal
- Administrative
- Programmatic

CDVSA monitoring assists subgrantees in meeting grant requirements and other applicable statutory regulations.

The Process Begins . . .

Programmatic and Financial Monitors conduct risk assessments for each subgrantee the first month of each fiscal year based upon factors such as:

1. Amount of grant award(s)

2. Time since last review

3. Details related to de-obligation of funds

4. Punctuality and accuracy of reports

5. Budget adjustments

6. Findings from previous audits and CDVSA programmatic and financial reviews

7. Length of time prominent staff have been with the agency (such as ED and financial officer)

8. Level of communication with CDVSA

THE PROGRAMMATIC MONITORING PROCESS

Planning Onsite Reviews for the Fiscal Year

Results of Risk Assessment ➡ **Knowledge of Subgrantee Needs** ➡ **Scheduling Specifics for Subgrantee & CDVSA Staff** = **Timing & Date of Onsite Visit**

Program Coordinators visit each subgrantee site every other year, unless the Risk Assessment and other factors dictate the need for more or less time between visits.

Before the Onsite Visit – Emails

6 WEEKS BEFORE VISIT (approx.)

Program Coordinator emails Executive Director (ED) to confirm date of visit, request documents to review prior to arrival, and to inform ED of what to expect during the onsite. The following documents are emailed to the ED:

- List of all documents to send to CDVSA regarding how agency functions
- List of grant-funded personnel & volunteers
- List of partnering agencies (MOUs)
- List of items to be reviewed while onsite
- Tour of program checklist

4 WEEKS BEFORE VISIT (approx.)

Executive Director emails Program Coordinator the requested documents.

IMPORTANT NOTE!

It is inadvisable to rush to create missing, incomplete, or out-of-date policies or procedures. The onsite visit is an opportunity for discussion and planning, and items needed for compliance can be cited in the post-onsite letter, with an agreed-upon timeline for completion.

Before the Onsite Visit – Review

After documents are received from the Executive Director, the Program Coordinator:

- Reviews materials and makes note of highlights and missing pieces

- Sends out the Community Partner Survey to 10 of the MOU partners

- Makes note of highlights and possible areas for improvement expressed in the surveys

- Coordinates with the Director on a schedule for the visit to ensure sufficient time for all onsite elements

The Onsite Visit - Meetings

The Program Coordinator interviews people and reviews materials:

Executive Director

- Personnel Files for all grant-funded staff reviewed to ensure each contains necessary documents
- MOUs reviewed to verify they have all necessary elements

Financial Agent

- Financial processes reviewed to ensure internal controls are followed and that there is a segregation of duties

Shelter Manager (if applicable)

CDVSA Grant-Funded Staff Member(s)

Board Chair

- Packets for past 3 meetings reviewed to ensure meetings are conducted properly, that the Board is apprised of how the agency is functioning, and that the Board is fulfilling their fiduciary duties

The Onsite Visit – Facility Tour
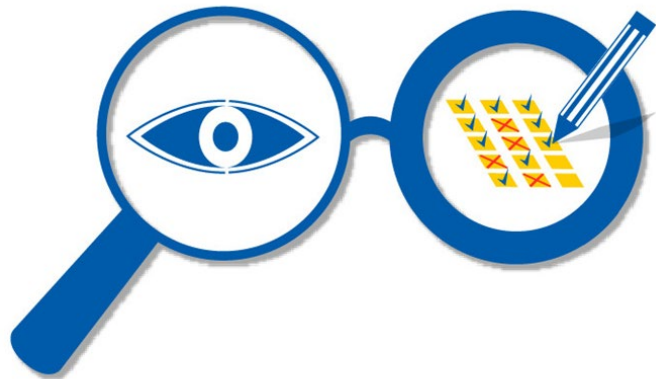
The Program Coordinator tours the facility to verify:

- Personnel files kept locked and only accessible to appropriate personnel

- Background checks and I-9s stored separately

- Children and adult files kept separately

- Adequate security, safety, and sanitation for adults and children

- Participants have independent access to individual locking medication storage

- Emergency protocols are posted, with all necessary elements

- Civil Rights / non-discrimination information posted and also included in agency outreach materials

- Supply of basic necessities available for participants

The Onsite Visit – Exit Interview

The Program Coordinator and Executive Director meet at the close of the onsite visit and discuss:

- Areas of success and achievement

- Findings or potential findings

- Areas for potential improvement as revealed by Community Partner Surveys

After the Visit

Post-Visit Letter Prepared

* Overview of the visit

* List of findings with required corrective action

* Agreed upon timeline for completion

Post-Visit Letter Sent

* To Director & Board Chair

* Within 4 weeks

* Deadline for correction generally 6 weeks from issuance of letter

Letter of Completion

* Completion of required corrective actions tracked

* When satisfied, letter of completion issued

* Programmatic site review officially closed

FREQUENT FINDINGS FROM ONSITE VISITS

CIVIL RIGHTS
- Staff Training
- EEOP Form
- Protected Classes

VOLUNTARY SERVICES
- Curfew
- Intoxication
- Participation

CONFIDENTIALITY
- Contacting Law Enforcement or Office of Children Services without a Release of Information

PARTICIPANT FILES
- Adult and Children files Separate
- Over - Documentation

PERSONNEL
- Delineated Timesheets
- Training Documentation Missing or Incomplete

Change to Equipment Threshold

- Threshold increased from $500 to $5000 to be in line with the Federal threshold.

- One unit cost less than $5000 = Supplies/Commodities

- One unit cost over $5000 = Equipment
  - ➢ Requires prior approval via Equipment Purchase Request Form
  - ➢ Once purchased, report via Equipment Retention/Disposal Certification Form
  - ➢ CDVSA will maintain an Equipment Inventory for each program (Programs encouraged to maintain internal Equipment Inventory)
  - ➢ Equipment will be reviewed during programmatic and financial monitoring

- Each program will submit **last** Equipment Inventory Form to CDVSA January 30, 2020.

THE FINANCIAL DESK REVIEW (FDR) PROCESS

Planning FDRs for the Fiscal Year

Results of Risk Assessment ➡️ **Knowledge of Subgrantee Needs** ➡️ **Scheduling Needs of Subgrantee & CDVSA Staff** = **Timing of Financial Desk Review**

Each year, a subgrantee will have a FDR unless the risk assessment and other factors dictate the need for more frequent review of a program's finances.

Key Financial Areas to Review

Personnel Time & Activities

Match (Cash & In-kind)

Unallowable & Allowable Costs

Financial Reports

FDR Process Timeline - Prepare

30 Days out:

1. Subgrantee receives FDR notification letter and source document request checklist

2. Subgrantee gathers and prepares requested documents

3. Subgrantee submits requested documents

Staff Documents for Fiscal Accountability & Match

SALARIES

- Signed timesheets with supervisory approval
- Quarterly payroll returns
- Payroll register
- Personnel file with salary/wage information
- Employment contract
- Cancelled checks/ Direct deposit schedule

VOLUNTEER TIME

- Event sign-in sheets tracking time and attendance OR signed timesheets with supervisor's signature
- Documentation of how monetary value of volunteer time is calculated
- Volunteer position descriptions
- Volunteer personnel files

BENEFITS

- Insurance policy
- Paid invoices and receipts
- Claims made against the insurance
- Cost allocation plan

Process Documents for Fiscal Accountability & Match

TRAVEL

- Authorization/reimbursement requests

- Paid invoices and receipts

- Per diem rates (applicable for area)

- Mileage calculation

- Reconciliation of advances to payments

- Connection to annual work plan

CONTRACTS & CONSULTANTS

- Press releases announcing available RFP/RFQ

- Copy of RFP/RFQ & set of responses

- Process for selection

- Contract and scope of work, including deliverables

- Signed agreements

Purchase Documents for Fiscal Accountability & Match

SUPPLIES

- Purchase orders

- Packing slips

- Paid receipts and invoices

- Donated Supplies, i.e., in-kind donations

- Connection to annual work plan

WORK COMPLETED

- Purchase orders

- Paid invoices and receipts

- Final reports or documentation of final products

FDR Process Timeline - Process

2 Weeks

4. Financial Desk Review process starts when documents are received

5. Exit Interview will be scheduled once all documents have been reviewed

FDR Process Timeline - Complete

6. Subgrantee receives Financial Monitoring Compliance Review report after exit interview

7. Subgrantee submits proof of compliance by the agreed upon deadline

8. CDVSA reviews proof of compliance

9. Subgrantee receives Financial Compliance Satisfaction letter

Ongoing:

10. Special Conditions applied if necessary

POTENTIAL FINDINGS FROM FINANCIAL REVIEWS
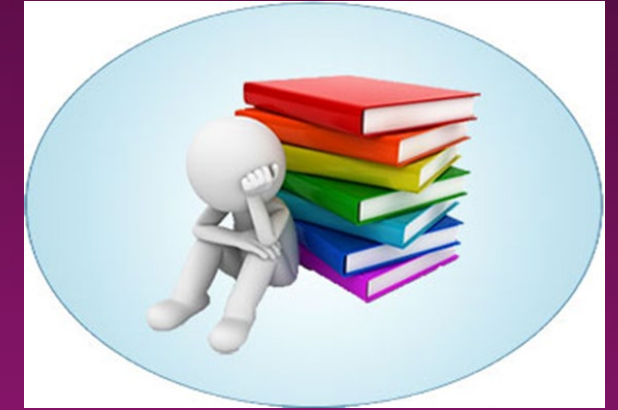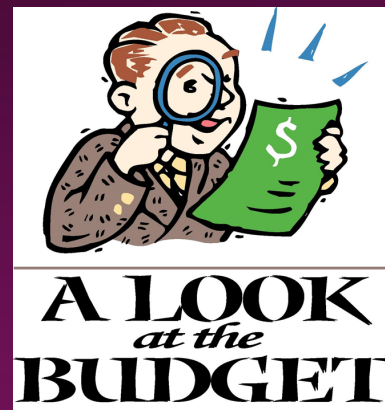
Potential Findings: Personnel Costs

- Timesheets / records not signed / certified by individual or supervisor

- Staff time not properly documented and allocated to various activities

- Charges and costs not based on actual after-the-fact records but on budgeted or pre-established amounts or percentages

- Timesheets do not comply with applicable OMB/CFR cost principles

THE TIMESHEET BRAINSTORM
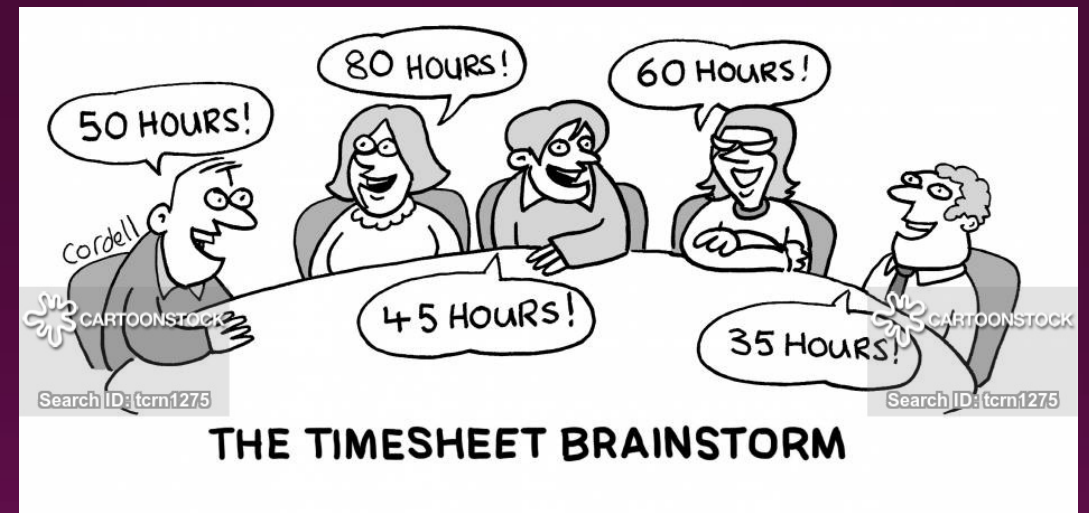
Potential Findings: Questioned or Unallowable Costs

- Non-compliance with applicable cost principles

- Costs not properly documented, recorded, tracked, or missing

- Not separated by direct / administrative, by grant, or by grant year

- Indirect costs charged at unapproved, outdated, or inappropriate rate

Potential Findings:
Travel, Contractor, and Consultant Costs

- Not justified or supported

- Consulting rate exceeds maximum allowed

- Reimbursement inappropriate

Potential Findings: Match (Cash and In-Kind)

- Missing or improper source documentation

- Allocation – systems did not track

- Valuation – reasonableness – relation to award

- Inadequate system of tracking match expenditures

Potential Findings: Budgets and Reports

- Difference between financial reports and accounting records (don't track back or reconcile)

- Costs not included or approved in budget

- Duplicative costs

- No periodic comparison of budgeted to actual expenditures

- Major variances between budgeted to actual expenditures
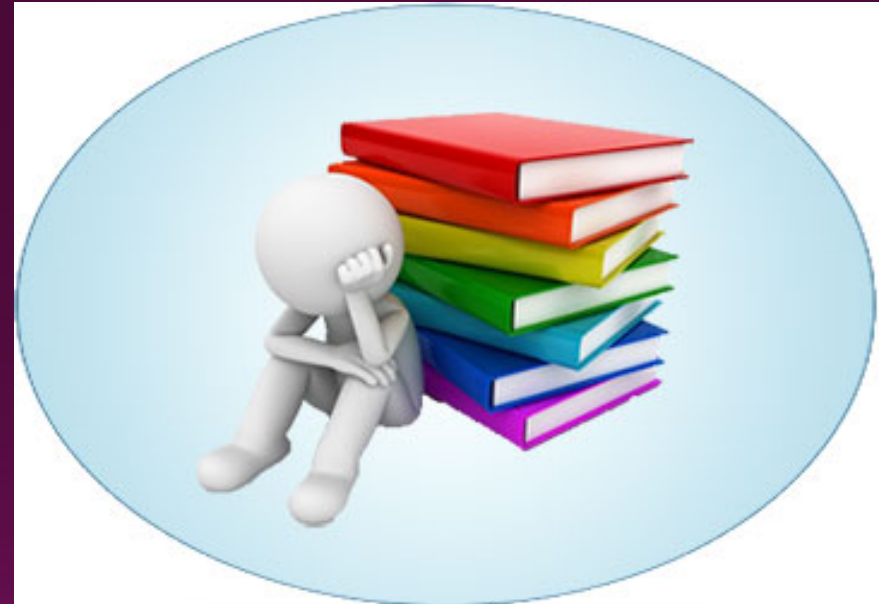

A LOOK
at the
BUDGET

Potential Findings : Financial Reports

- Delinquent – not submitted or late

- Inaccurate – math errors, mistakes from previous periods, needed revisions

- Don't reconcile with or track back to accounting records

- Report budgetary data rather than actual expenditures

- Report same amount each month as 1/12th of one year's budget

Potential Findings: Documentation

- Does not support charges or transaction

- Missing, not identified

- Inadequate

- Not properly documented, recorded, or tracked

- Records or files not retained

QUESTION & ANSWER TIME