

**Internal Policies and Procedures  
of the  
Utah State Board of Education**

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|------------------------|----------------------------------------|
| <b>Policy #:</b>       | 01-09                                  |
| <b>Subject:</b>        | Subrecipient Monitoring                |
| <b>Date:</b>           | April 21, 2022                         |
| <b>Policy Owner:</b>   | Assistant Superintendent of Operations |
| <b>Policy Officer:</b> | Deputy Superintendent of Operations    |

**References:**

- [FIACCT 14-00.00 Grant Accounting](#)
- [USBE Administrative Rules R277-113,114, and 115](#)
- [Utah Administrative Code, Title63J, Chapter 5, Federal Funds Procedures Act](#)
- [Utah Administrative Code Title 53E-3-401](#)
- [Utah Administrative Code Title 53E-3-501](#)
- [Utah Administrative Code Title 53E-3-603](#)
- [Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Award.](#)

**Definitions:**

The definitions below define standard wording referred to throughout the USBE Policies and Procedures and apply to all instances where a word/phrase is used.

- **Budget**: a categorical summary of estimated or intended expenditures for a grant period or specific grant award that aligns with the USBE chart of accounts.
- **Budget Manager**: Individual within USBE Financial Operations responsible for management of program budgets.
- **CBO**: Community Based Organization.

- **Department/Section**: A Department or Section at USBE.
- **Division of Finance**: The same as “State Finance” or “Utah Division of Finance” – a division under the State of Utah’s Department of Administrative Services.
- **Encumbrance**: An obligation in the form of purchase order, contracts, or salary commitments which a subrecipient charges to an award and for which an LEA reserves against a portion of its award.
- **Financial Operations**: The section at USBE that is responsible for financial and accounting functions.
- **Fiscal Monitor**: Individual responsible for performing fiscal monitoring activities for one or more programs under the general supervision of the Fiscal Monitor Manager.
- **Fiscal Monitor Manager**: Individual responsible for overseeing all fiscal monitoring activities.
- **Fiscal Year**: An accounting period of 12 months at the end of which the USBE ascertains LEA financial conditions. The LEA fiscal year runs from July 1 through June 30.
- **Grants Compliance Officer**: The Grants Compliance Officer is a position within USBE Financial Operations which monitors compliance with general and specific grant requirements and interprets regulations and policies for USBE Sections.
- **Grant Manager**: Assigned individual, within a Section, who is in charge of overseeing a specific grant received. Throughout this policy, the use of “Grant Manager” is referring to the individual in charge of a specific grant program and ensuring grant compliance.
- **Grant Management System**: The system used by the USBE to manage grants.
- **LEA**: Local Education Agency, including school districts, charter schools, Utah School for the Deaf and Blind, and regional education service agencies.
- **MSP**: Minimum School Program (“MSP”)
- **School Finance Specialist Manager**: Individual responsible for overseeing all school finance activities.
- **Section Accountant**: Position within USBE Financial Operations which is responsible for reviewing the proposed grant award to ensure budgets agree to the grant requirements and to review grants reimbursements as they are submitted.
- **Subaward**: A grant or award provided to a subrecipient by a pass-through entity.
- **Subrecipient**: An agency or entity that received a subaward from a pass-through entity (the USBE) to carry out part, or all, of a grant program.
- **Uniform Guidance**: The use of “Uniform Guidance” refers to [\*Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Award.\*](#)

- I. **PURPOSE:** The Utah State Board of Education (“USBE,” “Agency”) has adopted these Subrecipient Monitoring Policies and Procedures (“policies” and “procedures”) to ensure that:
  1. Guidance for the USBE to accept funds from Federal, State, or private entities is documented and followed; and,
  2. Subrecipient monitoring activities are performed consistently, based on a predefined process and methodology, and in compliance with applicable Federal regulations, State statutes, and USBE Administrative Rules.
- II. **SCOPE:** These policies apply to all USBE employees who are involved in the selection, approval, and monitoring of subrecipients, or accounting for subrecipient activity and performance.

*Throughout this document, words like “must” and “should” are used. When the term “must” is used, no group or individual has the authority to deviate from the specific policy or procedure. The term “should” is used to convey that individuals are expected to follow the policy and procedures as written and are required to justify any deviations. Deviations should only occur when the specifics of the situation justify a reasonable departure from the recommended policy and procedures.*

III. **POLICIES:**

1. **General Subrecipient Monitoring Policies**

- a. USBE receives federal grant awards and State appropriations that are approved through the Legislative process, which are then passed through to subrecipients. As a result, USBE is subject to subrecipient monitoring and compliance requirements.
- b. All USBE personnel who are involved in subrecipient monitoring or related activities on behalf of the USBE should understand and adhere to these policies and procedures.
- c. Subrecipient monitoring consists of pre-award through post-award activities. The responsibility for subrecipient administration and monitoring is shared between the Grant Managers, Fiscal Monitors, and Financial Operations, as described in these policies and procedures.
- d. Grant Managers are assigned to Sections within USBE to oversee specific grant awards and programs. Grant Managers will collaborate with Fiscal Monitors in conducting fiscal monitoring activities of subrecipients.

## **2. Establishing Subrecipients Policies**

- a. The USBE is required to distinguish between a subrecipient and a contractor. Financial Operations and Grant Managers are responsible for making the initial determination concerning this classification in accordance with 2 CFR 200.331. This assessment, and the related determination, must be adequately documented.

## **3. Subrecipient Grant Opportunity/Availability Policies**

- a. Grant Setup Requirements: The Grant Manager is responsible for identifying and adhering to the requirements for each grant application. In order to apply for a new funding opportunity, or to submit minimum required information for new funding, subrecipient users must be established in the Grant Management System. Financial Operations is responsible for working with new Grant Management System users to gather required information for setup as a new “vendor” in FINET. At this time, Financial Operations must also complete a suspension and debarment check for each applicant on [SAM.gov](https://www.sam.gov).
- b. Competitive Opportunities are grant opportunities that are available for community-based organizations (CBOs) and Local Education Agencies (LEAs) on a competitive basis. Grant Managers are responsible for determining grant application, eligibility, and award basis for these grants.
- c. Minimum School Program (MSP) funds are appropriated by the State of Utah Legislature annually. Financial Operations calculates allocation amounts, which are determined by formula, and distributes them to LEAs.

## **4. Subrecipient Grant Application Policies**

- a. Competitive Applications: Applications must be completed through the Grant Management System, and all required supporting documentation must be submitted to be considered for an award. The Grant Manager is responsible for ensuring all applications are completed and sufficient supporting documentation is received with each application.
- b. Federal Grants and other state-funded awards: All Federal Grants and other selected formula-based awards require an application and pertinent supporting documentation as determined by the Grant Manager of each program.

## **5. Accounting for Subrecipient Awards Policies**

- a. After a subaward is finalized, the Grant Management System sends a transaction

to FINET to encumber the award amount for each Subrecipient against the corresponding award. This process occurs for all subawards, including MSP funds.

- b. Most federal programs and select state-funded programs require the subrecipient to submit a reimbursement request in the Grant Management System after related expenditures are incurred. After the reimbursement request has been approved and transmitted to FINET, the encumbrance in FINET is released, in the amount of the reimbursement request.

#### **6. Subrecipient Payment Policies**

- a. Disbursement of Funds: Subaward payments are initiated and tracked in the Grant Management System.
  - i. Most MSP funds do not require a reimbursement request in the Grant Management System in order to receive payment. LEAs receive most of the funds on a 1/12<sup>th</sup> basis where the annual allocation is disbursement in twelve equal payments each year.
  - ii. Most federal programs and select state-funded programs require a reimbursement request in the Grant Management System in order to receive payment for program expenses.
  - iii. The Grant Manager for each program is responsible for the review and the approval of all reimbursement requests. Fiscal monitors and program specialists may be part of the reimbursement request review process. This process includes reviewing all supporting documentation provided to verify that costs are allowable and in compliance with the grant award.
  - iv. After the Grant Manager approval, Financial Operations will review the reimbursement request for period of performance, available funds, and accounting coding.
  - v. Financial Operations provides final review and approval of the request in the Grant Management System, which then initiates the expenditure transaction in FINET for the payment to be processed.

#### **7. Subrecipient Grant Monitoring Policies**

- a. Grant Fiscal Compliance and Monitoring: Subrecipient monitoring is required under the Uniform Guidance. The USBE has developed a fiscal monitoring process to select subrecipients for fiscal monitoring site visits based on risk. Each

fiscal monitor will be responsible for monitoring his or her assigned programs, under the direction of the Fiscal Monitoring Manager.

- b. Risk Assessment and Site Visits: For each program, the assigned fiscal monitor is responsible for monitoring the use of the funds by subrecipients. All subrecipients may be monitored on a cyclical basis or risk basis. The fiscal monitoring staff will develop procedures for cyclical and risk-based monitoring schedules.
- c. Subrecipient External Audits: Annually, the School Finance Specialist Manager is responsible for monitoring financial data submitted by subrecipients in the Utah Public Education Finance System (UPEFS) and compliance with the Single Audit Act.

#### **8. Records Management Policies**

- a. Subrecipient fiscal monitoring records will be maintained by the Fiscal Monitoring Team Manager in accordance with record retention schedules. All fiscal monitoring reports will be provided to the appropriate Grant Manager after the report is finished. The fiscal monitoring records will be accessible to all grant management personnel of the USBE.
- b. All subrecipient audited financial statements and related documents are maintained by the School Finance Specialist Manager on a shared drive that is accessible by all USBE personnel with grant management responsibilities.

#### **9. Reporting Policies**

- a. Monthly, Financial Operations is responsible for preparation and submission of the Federal Funding Accountability and Transparency Act (FFATA) reporting.
- b. The USBE is responsible for completion of other monthly and annual reporting, which will be prepared, reviewed, and approved by Financial Operations.

### **IV. PROCEDURES:**

#### **1. General Subrecipient Monitoring Procedures**

- a. The USBE receives federal grant awards and State appropriations approved through the legislative process, which are passed through to Local Education Agencies (LEAs) and Community Based Organizations (CBOs)s. The LEAs and CBOs become subrecipients of the awards and, as a result, the USBE is subject to subrecipient monitoring compliance requirements.

- b. The USBE uses either a risk-based or a cyclical-schedule monitoring process to ensure that LEAs, CBOs, or other subrecipients meet the applicable compliance requirements of the grant awards they receive. These policies and procedures outline the activities to be executed in monitoring subrecipient activity associated with sponsored programs administered with funds received by the USBE. All USBE personnel who are involved in subrecipient monitoring should understand and adhere to these policies and procedures. Employees with questions related to these policies and procedures should contact the Grants Compliance Officer for guidance.
- c. Monitoring is the regular and systematic examination of all aspects associated with the administration and implementation of a USBE-provided program. In an effort to ensure that subawards are used for authorized purposes and in compliance with all applicable regulations, and that the terms and conditions of the subawards are achieved, subrecipients will be subject to regular fiscal monitoring activities by USBE. These monitoring visits may address both programmatic and fiscal components simultaneously.
- d. Subrecipient monitoring consists of pre-award activities (i.e., application and notification) and post-award activities (grant closeout, accounting, and monitoring of subrecipients). The responsibilities of grant administration and monitoring is shared by the Grant Managers, Fiscal Monitors, and Financial Operations. Grant Managers and Fiscal Monitors assigned within the USBE Sections to oversee specific grant awards and programs are responsible for ensuring that all subrecipient monitoring requirements are adhered to. Grant Managers should understand these policies and procedures, as well as the specific requirements included in each grant award/agreement, and be familiar with [Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards](#) (*Uniform Guidance*), specifically Section 200.330 through 200.332.

## **2. Establishing Subrecipient Procedures**

- a. Subrecipient and Vendor Determinations: The USBE is required to distinguish whether a proposed collaboration/arrangement should be classified as a subrecipient or a vendor relationship. Typically, payments made for goods or services provided by a vendor are not considered subawards or and the related entity/individual does not qualify as a subrecipient. Financial Operations and the Grant Managers are responsible for making the initial determination concerning subrecipients versus vendor classification.

- i. The guidelines provided in the table below should be taken into consideration when determining whether payments constitute a subaward or a vendor payment for goods and services.

| Subrecipient Factors                                                                                                | Vendor Factors                                                                       |
|---------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------|
| Exercises considerable discretionary judgment and determines who is eligible to receive what assistance.            | Provides the goods or services within its normal business operations.                |
| Performance is measured against the objectives of the federal award.                                                | Provides similar goods or services to many different purchasers.                     |
| Has responsibility for programmatic decision-making.                                                                | Normally operates in a competitive environment.                                      |
| Has responsibility to comply with applicable program requirements specified in the award.                           | Provides goods or services that are ancillary to the operation of the grant program. |
| Uses the awarded funds to carry out its own program, as compared to providing goods or services for a USBE program. | Not subject to the compliance requirements of the grant program.                     |
| Provides matching funds or cost sharing.                                                                            | Provides services of a repetitive nature or goods of a commonly available kind.      |
| Distributes award dollars further down the pipeline.                                                                | Assumes the risk if performance is more costly or time consuming than expected.      |

- b. Establishment as Subrecipient: Once a determination is made that a specific collaboration/arrangement qualifies as a subrecipient relationship, the procedures below must be followed.

### 3. **Subrecipient Grant Opportunity/Availability Procedures**

- a. Grants awarded to the USBE are setup in the Grant Management System, as detailed in the USBE Internal Policies [03-01 Grant Management Policies and Procedures](#). Once it is determined that funds will be passed through to subrecipients, the procedures below must be followed.
- b. The Grant Manager assigned to a grant, will determine, at grant setup, and in accordance with applicable regulations, the amount of the funds that will flow through to subrecipients. Additionally, the Grant Manager will determine the manner in which funds are awarded. This determination process is performed



during the initial grant budget setup process, as outlined in the Grant Management Policies and Procedures.

c. Setup in the Grant Management System:

- i. Grant Setup Requirements: The Grant Manager is responsible for determining the required forms, documentation, and other eligibility requirements for each grant. The Grant Manager must then send all documentation and requirements to the Section Accountant and Financial Operations for setup in the Grant Management System.
- ii. New Applicant Setup: If an applicant has never registered for or applied for a grant opportunity with the USBE, they will need to request registration for their entity through the Grant Management System. To register, the entity will need to complete minimal information, such as entity/organization name and contact information. Once this initial registration has been completed, the entity may apply for a grant.
- iii. Post Application Setup: Once the entity has registered and applied for a grant in the Grant Management System, Financial Operations will follow-up with the entity to gather further details, as necessary, to complete grant applicant setup. Financial Operations will also complete and document a suspension and debarment check on [SAM.gov](https://www.sam.gov) for each applicant at the time of initial setup as a new vendor in FINET. Refer to the Accounts Payable Policies and Procedures for more information on the new vendor setup process.

4. Competitive Opportunities: Active users in the Grant Management System will be notified of new funding opportunities via email once they have been setup in the system.
- a. Grantees who are not currently active in the Grant Management System can be notified of grant application opportunities through other avenues, including but not limited to the following:
    - i. The Grant Manager for each grant will post the opportunity on platforms/websites external to the Grant Management System, such as [www.Grants.gov](https://www.Grants.gov). This will direct interested organizations to the Grant Management System where they will need to register as a user in order to complete the application and provide all necessary documentation.
    - ii. If the Grant Manager is aware of a CBO or LEA that may be eligible to apply, but is not a Grant Management System user, the Grant Manager may notify

them that there is a new grant opportunity available. The Grant Manager will direct them to the Grant Management System where they will need to register as a user, complete the application, and provide all necessary documentation to be considered for the grant.

#### **5. Subrecipient Grant Application Procedures**

- a. Competitive Applications: Grant applications will be found in the Grant Management System. All application and supporting documentation must be submitted through the system for the applying organization to be considered for award.
  - i. Grant applicants must complete an application and provide required supporting documentation, based on each program's/grant's individual requirements. At a minimum, the applying organization is required to:
    - A. Fully complete the application provided;
    - B. Provide a program abstract;
    - C. Provide a program categorical budget;
    - D. Provide program budget justification; and,
    - E. Submit other pertinent documentation, as necessary.
  - ii. The Grant Manager will be notified via email from the Grant Management System when an application is received and ready for review.
  - iii. The Grant Manager, with assistance from program staff or fiscal monitors, if appropriate, will review the application package for completeness. If any information is missing, the Grant Manager will work with the applying organization to make any revisions or obtain any additional documentation.
  - iv. Any updates or additions to the organization application package must be made through the Grant Management System in order to maintain complete documentation history for the grant.
- b. Formula-Based Applications: LEAs will be granted funding based on the formula for each year; they must still provide all pertinent information for the grant and provide supporting documentation through the Grant Management System. Formula-based applications have the following requirements outlined below.
  - i. For all federal program and select state-funded programs, formula-based funding applications, the Grant Manager and the Fiscal Monitors are

responsible for determining the application requirements. Each grant may have different requirements within the grant award, which must be incorporated by the Grant Manager into the application; however, at a minimum, the following is required on formula-based applications:

- A. Program abstract;
  - B. Program budget;
  - C. Program budget justification; and,
  - D. Other required documentation.
- ii. The Grant Manager is responsible for completing the section program set-up and the subrecipient award amounts tab as part of the grant setup form. This form includes the coding, name, type, and allocation amounts for each grantee. Once complete, this form is then routed to Financial Operations for input into the Grant Management System.
  - iii. Financial Operations will review the amounts each subrecipient will receive and input the amounts into the Grant Management System, ensuring segregation of duties are in place during the process.
  - iv. Each subrecipient that has received an allocation will receive a notification, generated from the Grant Management System, that a new funding opportunity is available.
  - v. The Grant Manager will be notified by the Grant Management System when a subrecipient has submitted the application in Utah Grants.
  - vi. The Grant Manager is responsible for reviewing the application and supporting documentation for each application. The Grant Manager will work directly with the subrecipient if revisions are needed, or any additional documentation is required.
  - vii. Once the Grant Manager has determined all required information has been submitted and reviewed, they will approve the application in the Grant Management System. This approval auto generates the award letter, as described below.

#### **6. Subrecipient Grant Award Procedures**

- a. Grant Managers are responsible for ensuring that all subrecipient awards are clearly identified as a subaward, and that all applicable elements of [Section 200.332 of the Uniform Guidance](#) are included, which includes:

- i. Federal Award Identification;
  - ii. Subrecipient name and unique identification number;
  - iii. Federal Award identification Number (FAIN);
  - iv. Federal Award Date;
  - v. Subaward Period of Performance Start and End Date;
  - vi. Amount of Federal Funds Obligated and Committed to the subrecipient by USBE;
  - vii. Federal award project description, as required, to be responsive to the Federal Funding Accountability and Transparency Act (FFATA);
  - viii. Name of the Federal award agency, a statement that USBE is the pass-through entity and the contact information at USBE;
  - ix. CFDA number and name;
  - x. Indirect cost rate, if applicable.
- b. Grant Manager can contact the Grants Compliance Officer if there are questions about an award.
  - c. The Grant Manager is responsible for approving all grant awards, according to the individual grant eligibility criteria, in the Grant Management System. The approval is then routed as outlined below for competitive and formula-based awards.
  - d. Competitive Awards: Eligibility is determined based on the individual requirements for each grant program. The Grant Manager is responsible for knowing the eligibility requirements of the funding source. At a minimum, the applying organization must meet the eligibility requirements and have completed an application, along with providing all supporting documentation in order to be considered for an award.
    - i. The Grant Manager must develop a mechanism/process for grading the applications, based on the grant award. A grading matrix must be created, documented, and maintained in the Grant Management System to support the application analysis and award process in order to equitably grade each organization given the grant requirements.
    - ii. The Grant Manager must verify that the applying organization(s) meet the eligibility requirements, have a complete application, and provide the

minimum supporting documentation. They must also grade the organization against the matrix provided and document the applying organizations grade in each requirement category.

- iii. Grants will be awarded to one or more organizations with the highest score against the grading matrix and a grant award decision will be made by the Grant Manager, along with the assistance of the Grants Compliance Officer, if deemed appropriate. The assessment and grading process must be documented at the section/program-level.
- iv. The Grant Manager will create the draft grant award letter in the Grant Management System.
  - A. The draft award letter is then routed to Financial Operations for review and approval.
  - B. The Section Accountant must review the proposed award to ensure the budgets provided agree to the grant requirements. Review and approval will be completed in the Grant Management System. The Section Accountant will route the grant award documentation to the Budget Manager.
  - C. The Budget Manager must review and approve the draft award letter in the Grant Management System, which will then finalize the award letter.
- e. Federal programs and select state-funded awards: Once the Grant Manager has determined an application is approved (minimal information required to be submitted for these types of opportunities), the application is routed to USBE Financial Operations for final approval. Upon approval by USBE Financial Operations, an award letter is auto generated and sent to the subrecipient.
  - i. The Section Accountant must review the proposed award to ensure the budgets provided agree to the grant requirements. Review and approval will be completed in the Grant Management System. The Section Accountant will route the grant award documentation to the Budget Manager.
  - ii. The Budget Manager must review and approve the draft award letter in the Grant Management System, which will then finalize the award letter.

#### **7. Accounting for Subrecipient Awards Procedures**

- a. After the award letter has been approved and posted in the Grant Management System, a budget transaction is created in FINET. The budget transaction

formally encumbers the grant award amount in FINET that will be passed through to the subrecipient.

- b. Formula-Based Funds Allocation: The budget transaction is the point when the allocation schedule is determined and entered in the Grant Management System. The allocation schedule may be different based on the award type.
  - i. All award allocations are based on the total grant award and applicable regulations. This is determined grant-by-grant, based on the stipulations provided by the program requirements or the grantor.
  - ii. A reallocation of funds may be necessary once final eligible student numbers are received. This process will be completed based on each program's timeline and may occur at different times during the year. USBE Financial Operations and Grant Managers are responsible for completing and documenting any changes made during the reallocation process, as necessary, and notifying subrecipients of the new allocation amount.
    - A. If a reallocation is done, the subrecipient is responsible for developing a new budget based on the updated allocation, which must be reviewed and approved by the Grant Manager.
  - iii. When allocation payments are processed each month/period, the encumbrance is released in FINET, and the expenditure is recognized.
- c. Federal Awards: For federal funds subawards, the subrecipient will be required to submit a reimbursement request in the Grant Management System after related expenditures are incurred. At the time of approval of the reimbursement request, the encumbrance is released in FINET, and the expenditure is recognized.

#### 8. Subrecipient Payment Procedures

- a. Disbursement of Funds: Dependent on the type of funds received, the payment or reimbursement process differs.
  - i. Cost Reimbursement: All subrecipients must submit a reimbursement request, for actual allowable costs incurred, through the Grant Management System. Subrecipients shall submit reimbursement requests at least quarterly, if not more often.
    - A. The Grant Manager is responsible for reviewing and approving all reimbursement requests and supporting documentation to verify that

the costs are allowable and in compliance with the grant award. At a minimum, reimbursement requests must be supported by adequate documentation showing that the related incurred expenses were allowable, reasonable, and allocable in compliance with the grant award. Examples of supporting documentation include vendor invoices, pay stubs/time reports, documentation of time studies performed, etc. Although the exact supporting documentation for expenses will vary, the documentation must be adequate to make a determination of whether the costs are allowable and are in compliance with the grant award.

- B. The Grant Manager approves the reimbursement request in the Grant Management System. Once approved, it is routed to the Section Accountant for review and approval.
- C. Once approved by the Section Accountant, the Budget Officer provides the final approval in the Grant Management System and initiates the expenditure transaction in FINET, which is recorded as a pass-through payment.
- D. Once the expenditure transaction has been created in FINET, the transaction is assigned a pass-through object code, which identifies the expense as a subrecipient reimbursement.
- E. The reimbursement payment is processed at this time. Refer to the Accounts Payable Policies and Procedures for further detail on payment processing.

#### **9. Subrecipient Grant Monitoring Procedures**

- a. Subrecipient monitoring is required under the Uniform Guidance and [Board Rule R277-114](#). The USBE has developed a fiscal monitoring structure to address this requirement by assigning this responsibility to Fiscal Monitors, under the direction of the Fiscal Monitor Manager.
  - i. Fiscal Monitor Manager: The Fiscal Monitor Manager is responsible for overseeing all fiscal grant compliance and monitoring activities performed by the Fiscal Monitors. This includes verifying that compliance monitoring is being performed appropriately and that monitoring meets the minimum requirements of the award and the Uniform Guidance, and that required reporting to others within the USBE is performed, as required.
  - ii. Fiscal Monitors: Fiscal Monitors are responsible for all work involved in

collecting, examining, maintaining, and reporting financial information to ensure compliance with all awards and the USBE's internal policies and procedures.

- A. The Fiscal Monitor is responsible for analyzing program funding information using risk assessments and financial examination(s) to ensure compliance with all applicable regulations, analyzing and compiling budgets, statistical tabulations, and summary reports of fiscal compliance.
  - B. The Fiscal Monitors are also responsible for performing desk reviews and scheduling site visits, as necessary.
  - C. The Fiscal Monitors will review the above documentation and calculations to identify potential compliance issues, prepare compliance reports, and prepare any necessary recommendations.
- b. Risk Assessment: For each subrecipient, there are two risk assessments performed, one performed by the School Finance Specialist Manager and the other by the Fiscal Monitors, respectively. Below is a description of each the risk assessments performed.
- i. Annual Financial Risk Assessments: Each year, the School Finance Specialist Manager is responsible for completing subrecipient's overall assessment of risk based on the subrecipients audited financial statements for the fiscal year.
    - A. During this risk assessment process, the School Finance Specialist Manager will create an Excel file for each subrecipient, listing pertinent financial information from the audited financial statements and all findings, with columns showing any follow-up performed, and tracking of findings to closure. Additionally, each LEA is assigned a risk assessment score (high, medium, low) applied based on a scoring matrix developed annually for all subrecipients.
  - ii. Program Specific Risk Assessments: Annually, each Fiscal Monitor is responsible for developing a detailed risk assessment process and supporting risk assessment matrix, for each program they oversee, which must include site visits, for monitoring subrecipients.
    - A. A matrix of all subrecipients related to a specific grant award should be developed to document the risk assessment criteria and determination



- B. Each program risk assessment matrix includes the following factors:
    - 1) Most recent program level fiscal monitoring visit;
    - 2) Turnover of LEA program director(s);
    - 3) Turnover of LEA business staff;
    - 4) Compliance with Maintenance of Effort (MOE), if applicable to the program;
    - 5) Annual financial audit findings;
    - 6) Size of annual program award;
    - 7) LEA fiscal records retention;
    - 8) Changes to LEA financial management system; and,
    - 9) LEA written fiscal policies and procedures
  - c. The Fiscal Monitor scores each risk question in the Grant Management System. Points are assigned based on the score given. The Fiscal Monitor has access to modify scoring based on other information known about the subrecipient, if needed; however, modifications to scores are rarely made and justification of changes made must be documented and retained with the scoring documentation. Each risk assessment will be given a score based on the risk categories above.
  - d. Based on this scoring, each subrecipient will be given a monitoring plan. This plan includes, at minimum, the following be provided and/or completed:
    - i. High and Medium-High Risk subrecipients will be required to provide 100% of all expense documentation and will have at minimum one fiscal monitoring site visit.
    - ii. Low and Medium Risk subrecipients will be required to attend USBE trainings and to conduct internal reviews.
    - iii. All subrecipients may be required to participate in a fiscal monitoring site visit, provide further expense documentation, or attend trainings at the request of the Fiscal Monitor.
10. Fiscal Monitors are required to establish a schedule for site visits to be performed on a rotating basis and based on the assessed risk of each subrecipient.

11. All site visits and fiscal monitoring requests of LEAs must be done using the Grant Management System – Site Visit module.
  - a. Site Visits: Not all subrecipients are required to have a site visit; however, at the discretion of the Fiscal Monitor, all subrecipients may be selected for a site visit. For each site visit, the following information is requested and reviewed by the Fiscal Monitor:
    - i. The Fiscal Monitor will conduct an interview that includes questions regarding the subrecipient’s grant and accounting policies and procedures, their accounting practices for grants, and specifically the revenue and expense recognition for grants received from the USBE; and their requirements determination process from one year to the next. After the questionnaire is prepared, Fiscal Monitor will request and conduct the interview with the subrecipient’s Business Administrator to gather and document the information pertinent to the grant awarded.
    - ii. The Fiscal Monitor may request three (3) years of general ledgers and subsidiary ledgers. The Fiscal Monitor will review in detail the expenditures for allowable and unallowable costs against the grant. From these expenditures, the fiscal monitor will determine the sample population of expenses to verify against the reimbursement request(s) submitted. Additionally, the fiscal monitor may ask for full expenditure support, including invoices/receipts, receiving documentation, payroll support, etc.
    - iii. The Fiscal Monitor will document the outcome of interviews and expenditure reviews and will maintain the documentation, along with all other grant documentation for the subrecipient, for that grant award.
    - iv. The criteria and results of any site visits performed must be documented and maintained by the Fiscal Monitor in a shared location which program staff have access to, as necessary.
  - b. Annual Subrecipient Reviews: Annually, the School Finance Specialist Team monitors the financial data submitted by LEAs in the Utah Public Education Finance System (UPEFS).
    - i. A summarized Federal funds award report is reviewed and assessed for the \$750,000 in federal expenditure threshold. If a subrecipient does not meet the \$750,000 threshold, a single audit is not required and audited financial statements will be assessed.

- ii. Single audit reports and audited financial statements, if applicable, are assessed and any findings are tracked in an Excel spreadsheet. Findings are tracked and monitored regardless of the impact on the USBE pass-through grant funds.
- c. Subrecipient Reporting: This subrecipient financial information will be used in the creation of the federal and state required reports.

## 12. **Records Management Procedures**

- a. Subrecipient monitoring records are maintained by the Grant Manager for each program in a way that is accessible by all necessary grant management personnel of USBE (i.e., the Financial Operations shared drives). Assigned Grant Managers are responsible for ensuring that all required records are maintained, in compliance with applicable grant requirements and regulations.
- b. All subrecipient external auditing records are maintained by the School Finance Specialist Manager on a shared drive that is accessible by all USBE personnel with grant management responsibility.

## 13. **Reporting Procedures**

- a. Federal Funding Accountability and Transparency Act (FFATA): On a monthly basis, Financial Operations is responsible for completion and submission of the FFATA. The FFATA is compiled through a combination of subrecipient information gathered from the Grant Management System and FINET.
  - i. The Financial Analyst, or other designee, is responsible for compiling and completing all necessary documentation.
  - ii. The Joint Review Team Financial Analyst must complete the verification of the FFATA upload in USASpending.gov. The Financial Analyst is to resolve any issues.
- b. Other Grant Reporting: USBE is responsible for completion of other monthly and annual reporting, which must be prepared, reviewed, and approved per the USBE Internal Policies [03-01 Grant Management Policies and Procedures](#).