



North Carolina Department of Health and Human Services
Division of Public Health
Women's & Children's Health Section
Early Intervention Branch

Early Intervention Subrecipient Monitoring Plan

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Program Overview

The Early Intervention Program serves children birth to three with or at risk for developmental delays or developmental disabilities, and their families. Examples of Early Intervention services are multidisciplinary evaluations, service coordination, speech therapy, physical therapy, occupational therapy, audiology, assistive technology, nutrition, and health services.

The Early Intervention Branch (EIB) has direct responsibility for the Infant-Toddler Program (ITP), which is funded by both State (appropriated) and Federal (Infant and Toddler grant and receipt) funds. The EIB develops contracts with subrecipients to assist and support the ITP to maximize the developmental potential of children and the capacity of their families to support children's developmental needs. There are four Children's Developmental Services Agency (CDSA) subrecipients. One subrecipient, Wake Forest University, is a private university, while the remaining 3 subrecipients, Albemarle Regional Health Services, East Carolina University, and Mecklenburg Co. Area Mental Health, are government agencies. As of the date of this document, all 4 subrecipients are deemed low risk, per the Division of Public Health Subrecipient Monitoring Plan.

EIB contractors provide services which include a broad range of specific child and family services. These services may include training and support to families, assisting with the training of staff and providers, as well as direct services and local program oversight. Examples of direct early intervention services are multidisciplinary evaluations, service coordination, physical therapy, occupational therapy, speech therapy, audiology, assistive technology, nutrition, and health services. The program bills Medicaid and private insurance for services, and uses a sliding fee scale to determine the portion of family pay.

The ITP is a program of the Early Intervention Branch of the Women's and Children's Health Section of the North Carolina Department of Health and Human Services, Division of Public Health. The Division's Subrecipient Monitoring Plan is the official source for policies and procedures for subrecipient monitoring and supersedes this document. For any question not covered in this document, please refer to the Division's document for clarity. Specific sections in the Division's plan are reiterated in this document to emphasize their significance in the contract monitoring process.

Monitoring Process Overview

The monitoring process is initially performed by the Contract Administrator. The Contract Administrator will be responsible for defining objectives (both financial and program), setting timelines, and monitoring the process until the completion of the contract. If non-compliance issue(s) arise, the Contract Administrator will convene a monitoring team to address identified issues and the development of appropriate corrective action plans and timelines.

Additional components of this monitoring process include participation in the EIB Quality Improvement and Monitoring process, which is overseen by the EIB Quality

Improvement Unit. This includes the existing Quality Improvement Process, as well as other elements that may be added as required by either State or Federal funding agencies. Federal grant compliance and performance requirements are well documented by the federal agency which administers the grant program, the Office of Special Education Programs (OSEP). Satisfaction of these compliance and performance indicators is a condition of continued participation in the federal grant program which funds North Carolina's statewide early intervention program. The North Carolina State Performance Plan (SPP) is submitted annually to OSEP as a condition of this participation. The SPP provides OSEP with information on the state's Quality Improvement Process, which includes the compliance and performance of the 4 grantees for this program. The SPP is submitted every 6 years with the annual performance report submitted yearly.

The Early Intervention Branch's Operations Unit also provides support to the Contract Administrator for monitoring of contract expenditures and reimbursements by the subrecipients.

Monitoring is an ongoing activity that begins with the contract application process and continues throughout the life of the contract. The monitoring process should include the elements documented in North Carolina Department of Health and Human Services, Division of Public Health's Subrecipient Monitoring Plan. The monitoring process includes a risk assessment (and appropriate interventions as needed) for each contractor. See attachment VII for an outline of this process.

Please refer to the Division of Public Health plan for specific policies on non-compliance and the possible sanctions for the subrecipient.

Monitoring Schedule

The monitoring schedule requires the Contract Administrator to:

- perform monthly budget expenditure reviews and approvals
- conduct one site visit per every three fiscal years for subrecipients currently designated as low risk
- conduct one site visit annually for subrecipients designated as medium or high risk
- create summary reports for federal and state agencies as needed
- provide additional documentation when deliverables are not met to satisfactory conditions (at present, the EIB Quality Improvement Unit completes this documentation as part of the subrecipient monitoring process).

Routine site visits by the Contract Administrator are planned for Summer of 2010.

Ongoing site visits by the EIB Quality Improvement Unit are expected to occur throughout the contract year for the purposes of data verification, technical assistance as needed or requested by the subrecipient, follow up to any Corrective Action Plans (CAPs) as needed for federal performance or compliance indicators, etc.

Guidelines for Monitoring

- A. The Contract Administrator, in conjunction with staff from the EIB Quality Improvement Unit, will monitor the contractor's performance as it affects statewide ITP performance measures in the following areas (these are examples and may not include all possible topics.)
- number of children served
 - statewide compliance issues:
 1. required 45-day timeline from referral to Individual Family Service Plan (IFSP) development
 2. timely provision of services within 30 days of the service being listed on the IFSP
 3. timely transition planning for children transitioning from infant-toddler services to preschool services at age three
 - age of children at referral
 - location of service (natural environment)
 - compliance with federal and state early intervention regulations regarding complaints, due process and mediation
 - family outcomes survey data
- B. The Contract Administrator, in conjunction with staff from the EIB Quality Improvement Unit, will notify the contractor prior to any monitoring visits of the objectives of the visit and allow enough time to have objectives documented for the meeting. The list of objectives needs to be documented in the form of an agenda. An example of a letter of notification is in Attachment VI.
- C. The Contract Administrator will:
- Perform a risk assessment at the time of contract application and then yearly thereafter. (See Division's plan).
 - Perform site visits, monthly telephone contacts, and regularly scheduled group meetings (i.e. quarterly EIB Meetings).
 - Monitor the expenditures for capital improvements, renovations or repairs to building. (must receive prior approval by the Contract Administrator).
 - With assistance from the EIB Operations Unit, monitor efforts made to collect fees from all available resources (3rd party insurers, including Medicaid).
 - Monitor budget expenditures and approvals.
 - Monitor and ensure indirect costs are allowable at the lower of the following:
 1. ten percent of budgeted salaries; or
 - 2) the indirect cost approved by the Contractor's cognizant federal agency.
 - Monitor the efforts made by the contractor to adhere to the policies of the State Performance Plan (SPP) and North Carolina Infant Toddler Program Policy and Procedure.
 - With assistance from the EIB Quality Improvement Unit, initiate and follow through with necessary corrective action requirements and document in writing within 45 days of the non-compliance issue or visit review.
- D. Procedures

The contract administrator assumes the responsibility for providing the following resource materials for the monitoring team.

- Current Scope of Work and Revised Scope/s of Work
- Current Budget and all revisions
- Budget Expenditures for current and upcoming months
- Data code sheets and instructions, if applicable
- Recent performance reports and pending data
- Copy of previous year’s financial audit report
- Copy of past (within previous 3 years) site visit reports where non-compliance was found (if applicable)

During the site monitoring visit, which is to be conducted by the Contract Administrator, the following process will occur.

- Review Scope of Work objectives
- Review audit findings for possible prevalence
- Review local policy and procedure manuals and contracts to assess whether up-to-date
- Meet with fiscal management staff to complete the following on site:
 1. General Ledger of past 2-3 months to compare to expenditure reports for coinciding months
 2. Invoices from service providers to review for appropriate rate reimbursement
 3. Time analysis for staff paid through contractor to assess appropriate use of funds
- Completion of an 84.181 report and other federal and state required reports

The Contract Administrator will also conduct an exit conference in which the following will be discussed.

- Review monitoring findings
- Provide recommendations for quality improvement per monitoring findings
- Share and review conference materials which include:
 1. Performance Reports (most recent reports)
 2. Performance Indicators
 3. Staff contract information
- Give closing remarks

Monitoring Tools

- The following is a table of regular routine data information reported to QI from each subrecipient:

Monthly Data	Child Outcomes	Number of Referrals
Quarterly Data	Family Survey	
Annual Data	December 1 Head Count	Record Review: 45 Day timeline, timely services, transition services

- If suprecipient is under a CAP then additional data and documentation would be collected based on the provisions of the CAP.
- See Attachments I-VII for additional monitoring tools as referenced in the DPH monitoring plan.

Monitoring Documentation

All documentation, reports, and CAPs are maintained at each subrecipient's location as well as in the QI unit.

Follow Up

- Annual Determinations by QI unit. Each of the subrecipients is provided with an annual determination regarding compliance as required by the federal granting agency. (Meets requirements, Needs Assistant, Needs Intervention, Needs substantial Intervention)
- The Contract Administrator will:
 1. Notify the contractor and appropriate EIB staff, in writing, of the monitoring findings and need to initiate planning for corrective action within 45 days of the monitoring site visit
 2. Give contractor 60 days to submit and implement the plan if a written corrective action is required
 3. Re-evaluate 6-12 months after the corrective action plan is implemented.
 4. Provide a copy of all monitoring correspondence to be placed in the contractor's Finance Director's Office

Attachment I



Internal Control Questionnaire for
DPH Non-Governmental Subrecipients of

Federal/State Financial Assistance Grants/Contract Funding

This internal control questionnaire is designed to assist the subrecipient in the identification of strengths and weaknesses in its internal control structure. It will also be used by DPH monitors and consultants during pre-decisional site visits and for evaluating non-governmental, high-risk subrecipient agencies.

Name of Organization _____
 Preparer's Name and title: _____
 Date Prepared: _____
 Contact Person: _____
 Contact Person's Telephone#: _____

Key Employees

Board of Director's Chairperson _____
 Clerk to the Board of Directors _____
 Executive Director _____
 Business Manager _____
 Chief Finance Officer _____
 Deputy Finance Officer _____
 Budget Officer _____
 Bookkeeper _____
 Others (Title) _____

Note: The basic foundation of an adequate system of internal control is the segregation of duties among employees in such a manner that no one employee handles a transaction from inception to completion. When this is not possible due to the small number of employees, other controls can be implemented to reduce risk.

RECEIPTS	Responsible Employee	Yes	No	N/A
1. Cash receipts are deposited (<i>i.e. does the organization prohibit amounts from either being withheld from the deposit or requesting the bank to deduct cash from the deposit</i>).	_____	_____	_____	_____
2. Cash receipts are deposited on a daily basis.	_____	_____	_____	_____
3. The individual(s) who open the mail make a log of cash receipts (<i>a simple list of individual receipts to establish control and document what was received</i>), including notation of any restrictions, before the cash or documentation is routed to others.	_____	_____	_____	_____
4. A restrictive endorsement (“For Deposit Only”) is placed/stamped on all checks when received.	_____	_____	_____	_____
5. Prenumbered receipt forms, which include acknowledgment of any restrictions, are issued for receipts and donated materials received and the numerical sequence is accounted for.	_____	_____	_____	_____
6. Prenumbered receipt forms and special event tickets are safeguarded and accounted for.	_____	_____	_____	_____
7. Voided receipt forms are adequately defaced and retained.	_____	_____	_____	_____
8. Lock-box (or cashiering) services are used to control access to mail receipts from major fundraising campaigns and membership drives.	_____	_____	_____	_____
9. Sealed containers or remittance envelopes are used to control direct solicitation collections until they are counted and recorded.	_____	_____	_____	_____
10. Remittance envelopes and other material and identification used for direct solicitation cost sharing, voluntary contributions are safeguarded and accounted for.	_____	_____	_____	_____
11. Collection containers are controlled and they are safeguarded and accounted for.	_____	_____	_____	_____
12. Distribution of collection containers is documented so that each container is traceable.	_____	_____	_____	_____
13. A schedule is used to ensure that collection containers are timely retrieved and that containers not retrieved are investigated.	_____	_____	_____	_____

	<u>Responsible Employee</u>	<u>Yes</u>	<u>No</u>	<u>N/A</u>
14. The contents of collection containers and/or remittance envelopes are counted and recorded in the presence of at least two persons.	_____	_____	_____	_____

RECEIVABLES

1. Receipts on accounts are posted to an accounts receivable subsidiary ledger.	_____	_____	_____	_____
2. Receipt of payments on receivables are documented, such as by receipt forms or notations on pledge forms.	_____	_____	_____	_____
3. An analysis of aged pledges receivable is reviewed at least monthly by a person independent of the functions of handling and recording of cash receipts. <i>Note: Not-for-profit organizations are allowed to record the value of pledges receivable, less the amount estimated as uncollectible in their financial statements).</i>	_____	_____	_____	_____
4. Records of pledges written off are documented and kept on file.	_____	_____	_____	_____
5. A policy statement defines the circumstances under which delinquent pledges are to be enforced or written off.	_____	_____	_____	_____

DISBURSEMENTS

1. The governing board authorizes all bank accounts and check signers.	_____	_____	_____	_____
2. Dual signatures required on all checks.	_____	_____	_____	_____
3. The bank is immediately notified of all changes of authorized check signers.	_____	_____	_____	_____
4. Cash disbursements are made by check (except for petty cash and electronic transfer).	_____	_____	_____	_____
5. Cash disbursements are supported by vendors' or other external documents.	_____	_____	_____	_____
6. Vendor invoices, or other documents, indicate the date that goods or services were received.	_____	_____	_____	_____
7. Unpaid vendor invoices are filed separately from paid invoices.	_____	_____	_____	_____

	<u>Responsible Employee</u>	<u>Yes</u>	<u>No</u>	<u>N/A</u>
8. All disbursements are approved for payment by a responsible official(s).	_____	_____	_____	_____
9. For disbursements that require special approval of the governing board, their approval is adequately documented.	_____	_____	_____	_____
10. Vendor invoices are recalculated prior to checks being prepared.	_____	_____	_____	_____
11. All supporting documents are canceled to prevent duplicate payment.	_____	_____	_____	_____
12. A log or other notation is made of purchases that include a contribution element.	_____	_____	_____	_____
13. Checks are signed only when supported by approved invoices (not signed in advance).	_____	_____	_____	_____
14. Check signers compare data on supporting documents to checks presented for their signatures.	_____	_____	_____	_____
15. Check signers examine appropriate approval on supporting documents before signing checks.	_____	_____	_____	_____
16. Checks are prenumbered and accounted for.	_____	_____	_____	_____
17. Voided checks are adequately defaced and are easily accessible for review.	_____	_____	_____	_____
18. The practice of cashing checks out of cash receipts is prohibited.	_____	_____	_____	_____
19. Bank transfers are approved, recorded and verified to ascertain that both sides of the transaction are recorded.	_____	_____	_____	_____
20. A policy exists which documents the rationale used to allocate expenses among functions, grants, or contracts.	_____	_____	_____	_____

PAYROLL AND PERSONNEL

1. A payroll journal is prepared and balanced.	_____	_____	_____	_____
2. Payroll disbursements are made by check and /or electronic transfer.	_____	_____	_____	_____
3. Employees' earnings records are maintained.	_____	_____	_____	_____
4. W-4 forms are maintained.	_____	_____	_____	_____

	<u>Responsible Employee</u>	<u>Yes</u>	<u>No</u>	N/A
5. Employee's earnings records are maintained.	_____	_____	_____	_____
6. Adequate records are maintained to allow allocation of payroll costs to functions (including lobbying activities), specific grants and contracts.	_____	_____	_____	_____
7. Written procedures exist for appropriate allocation of personnel expense.	_____	_____	_____	_____
8. Time sheets or cards are prepared by employees.	_____	_____	_____	_____
9. Payroll checks are prenumbered and accounted for.	_____	_____	_____	_____
10. Checks are recorded in the payroll journal as prepared.	_____	_____	_____	_____
11. Payroll journals are posted at least monthly to employee's earnings records.	_____	_____	_____	_____
12. Time sheets or cards are approved by a director or manager.	_____	_____	_____	_____
13. An imprest payroll bank account is used.	_____	_____	_____	_____
14. Unclaimed payroll checks are followed up on by the board of directors or their designee.	_____	_____	_____	_____

ACCOUNTING SYSTEM

1. Bank accounts are reconciled monthly.	_____	_____	_____	_____
2. A balancing cash receipts journal is maintained and includes notation of any donor-imposed restrictions.	_____	_____	_____	_____
3. A balancing cash disbursements journal is maintained for each bank account.	_____	_____	_____	_____
4. A purchases journal is maintained.	_____	_____	_____	_____
5. The accounting system identifies and captures payments which satisfy donor-imposed RESTRICTIONS	_____	_____	_____	_____
6. The accounting system captures information necessary either to identify the function for which each expense is incurred or to allocate each expense incurred among appropriate functions.	_____	_____	_____	_____

	<u>Responsible Employee</u>	<u>Yes</u>	<u>No</u>	<u>N/A</u>
7. Recorded contributions and grants are compared to approved budgets and significant variances are investigated by a responsible official.	_____	_____	_____	_____
8. Contributions and grants that can reasonably be estimated are budgeted.	_____	_____	_____	_____
9. Documentation, including all correspondence, is maintained for each restricted contribution or grant.	_____	_____	_____	_____
10. An imprest petty cash fund is utilized and reconciled periodically.	_____	_____	_____	_____
11. Prenumbered purchase requisitions and/or purchase orders are prepared as authorization for purchases.	_____	_____	_____	_____
12. For reimbursement type grants and contracts, reimbursement requested and received are reconciled at least monthly, and a responsible official investigates differences.	_____	_____	_____	_____

GOVERNMENT PROGRAMS

1. Accounting policies and procedures are adequate to maintain separate records of the receipts and expenditures related to each grant or award.	_____	_____	_____	_____
2. Expenditures for each grant or award are recorded according to each of the organization's budget categories.	_____	_____	_____	_____
3. Government funds are deposited in separate bank accounts or controlled separately, as required.	_____	_____	_____	_____
4. Requests for advances and reimbursements from grantor agencies are approved by an appropriate official of the agency.	_____	_____	_____	_____
5. Procedures have been established to ensure that individuals are not discriminated against on the grounds of race, color, national origin, age, or handicap.	_____	_____	_____	_____
6. A time schedule for financial reports is maintained to ensure timely filing.	_____	_____	_____	_____
7. Financial reports, before they are filed, are reconciled to accounting records.	_____	_____	_____	_____

	<u>Responsible Employee</u>	<u>Yes</u>	<u>No</u>	<u>N/A</u>
8. Policies that are specific to government programs are communicated to the organization's personnel.	_____	_____	_____	_____
9. Policies and procedures have been established to obtain prior approval of certain costs from the granting agency, as required by OMB Circular No. A-122, "Cost Principles for Nonprofit Organizations".	_____	_____	_____	_____
10. Policies and procedures have been established to ensure that individuals or organizations receiving benefits are eligible under the specific requirements of the programs.	_____	_____	_____	_____
11. For programs with matching or earmarking requirements, policies and procedures have been established to ensure that the limits have been met in accordance with applicable laws and regulations.	_____	_____	_____	_____
12. Cash management procedures, such as cash flow projections, are employed to help ensure a minimum time lapse between receipt of funds and the disbursement.	_____	_____	_____	_____
13. Costs charged directly or indirectly to grants are reviewed by a responsible official for compliance with regulations or agreements (including consideration of whether federal funds are used for partisan political activity).	_____	_____	_____	_____
14. Policies and procedures have been established to prevent charging grants for unreimbursable items, such as bad debt expenses, fines and penalties, interest, fund-raising, and financial costs.	_____	_____	_____	_____

DONATED/IN-IN KIND SERVICES/MATERIALS (For Matching Purposes)

1. Records (time sheets or other documentation) are maintained indicating the number of hours, type, value, and valuation method of donated/in-kind services. Records are certified by a responsible official.	_____	_____	_____	_____
2. Records are maintained indicating the type, value, and valuation method of donated/in-kind materials.	_____	_____	_____	_____

	Responsible Employee	<u>Yes</u>	<u>No</u>	<u>N/A</u>
3. Records are maintained of donated/in-kind facilities received. <i>(This control is usually established when the not-for-profit organization is required to report the value of donated facilities in its financial statements to meet generally accepted accounting principles)</i>	_____	_____	_____	_____
4. A policy statement defines the methods used for determining the values assigned to donated/in-kind material (Ref omb cir. A-12).	_____	_____	_____	_____
5. Donated material is inspected when received and adequately safeguarded from unauthorized personnel.	_____	_____	_____	_____
6. Use of donated material is approved by appropriate personnel.	_____	_____	_____	_____

FIXED ASSETS

1. An annual physical inventory is taken and adequate count records (tags or sheets) are maintained.	_____	_____	_____	_____
2. Adequate records of fixed assets costs and depreciation records are maintained.	_____	_____	_____	_____
3. Written capitalization policies have been established by the board of directors.	_____	_____	_____	_____

GENERAL CONTROLS

1. When hiring individuals who will be involved with handling of incoming mail or the handling or recording of cash receipts, a responsible official checks applicants' references and otherwise attempts to evaluate their integrity.	_____	_____	_____	_____
2. Solicitation material describes solicitor identification and notifies the donor to expect a prenumbered receipt.	_____	_____	_____	_____
3. The governing board receives frequent reports on the collection status of major pledges and pending grant applications.	_____	_____	_____	_____
4. The director or manager investigates customer complaints.	_____	_____	_____	_____

Responsible
Employee Yes No N/A

5. Vendors are reviewed by a responsible official to identify potential conflict of interest situations.

6. The governing board receives frequent reports of purchases from, and distributions to, related parties which may constitute a conflict of interest.

Attachment II

RISK ASSESSMENT FORM

AGENCY INFORMATION SUMMARY

Subrecipient Name
Federal ID#
Street Address
City, State, Zip
Telephone Number
Contact Person

List Each State Department That the Agency contracts with, Type Program(s), Contract Amount:

State Agency Program Grant/Contract Amount

Table with 3 columns: State Agency, Program, Grant/Contract Amount. Multiple empty rows for data entry.

RESULT OF RISK ASSESSMENT

Evaluation Score Key:

- Low Risk = < 25
Moderate Risk = 26 - 34
High Risk = 35 - 48

TOTAL OVERALL SCORE (From Page 2)

RISK ASSESSMENT High Medium Low

Type of Review to Be Conducted: Fiscal Program Both No Review

Risk Assessment Performed by:

Date

RISK ASSESSMENT FORM

Size of staff for period being monitored:

Small (1-6)	= 1
Moderate (7-12)	= 2
Large (13 or more)	= 3

TOTAL

Staff qualifications for funded programs:

Trained staff in key positions with one or more years experience	= 2
At least half of staff trained in key positions and some experience.	= 4
Staff in key positions have little or no training or experience.	= 6

TOTAL

Staff turnover:

No change in key positions	= 2
Either new or no staff in 1 or more key positions	= 4
Either new or no agency administrator or fiscal officer	= 6

TOTAL

Program:

Agency has met program objectives outlined in contract/funding agreement	= 2
First year of funding for program (no basis for evaluation)	= 4
Program compliance history of past 2yrs include weakness in fulfilling objectives.	= 6

TOTAL

Fiscal:

No significant audit findings for past 2 years	= 2
Minor audit findings with pending corrective actions	= 4
Significant audit findings w/in past 2yrs or audit findings not resolved.	= 6

TOTAL

Reporting:

Program and fiscal reports are almost always submitted timely and accurately.	= 2
Routine reports are frequently late and contain errors.	= 4
Routine reports are not submitted or contain significant discrepancies.	= 6

TOTAL

Complexity of Funding:

Funding is relatively simple in terms of allowable expenditures	= 2
Funding is moderately complex in terms of allowable expenditures	= 4
Funding is very complex in terms of allowable expenditures	= 6

TOTAL

Amount of Funding to Provider:

Less than \$25,000	= 2
\$25,000 - \$299,999	= 4
\$300,000 or more	= 6

TOTAL

Self Assessment:

Self assessment shows few or no internal control weaknesses	= 1
Self assessment shows several internal control weaknesses	= 2
Self assessment shows major internal control weaknesses	= 3

TOTAL

TOTAL OVERALL SCORE:

Attachment IV

MONITORING TOOL/INSTRUMENTS

Contract #: _____
Contract/Grant Period: **From:** _____ **To:** _____
Level of Risk Assessed: **Low** _____ **Medium** _____ **High** _____
Program(s) Monitored: _____
On-Site: _____ **Desk Review:** _____
Monitor: _____
Date: _____

Note: Those items that are **bold** must be reviewed for all levels of risk. In addition, if the subrecipient is a medium risk, the items that are *italicized* must be addressed. If the subrecipient is a high risk, the items that are regular font must be addressed as well.

	Yes	No	N/A	Comments
Monitoring Overview (prior to monitoring event)				
1. Review RFP, RFI, work plan, etc.				
2. Review federal regs. & State statutes				
3. Review monitoring website				
4. Review prior year audits, monitoring efforts, progress reports, etc.				
5. Review internal control information				
6. Compliance Supplement for the program to determine which compliance requirements are applicable.				
7. The contract and funding authorization documents.				

	Yes	No	N/A	Comments
A. Activities Allowed/Unallowed				
1. Review expenditure reports/requests for funds.				
2. Review progress reports				
3. Review agency contracts with others				

4. <i>Request copies of expenditure reports/request for funds and copies of agency contracts with other entities.</i>				
5. Observe program activities.				
B. Allowable Cost/Cost Principles				
1. Does agency know which cost principles it must follow, list _____				
2. Does agency charge indirect cost? Approved by cognizant federal agency or audited by CPA?				
3. Does agency provide more than one service, have more than one funding source? If so, review cost allocation plan.				

	Yes	No	N/A	Comments
4. Review charges for indirect cost.				
5. <i>Request a copy of cash disbursements journal/general ledger, a copy of the cost allocation plan, if applicable, and a copy of charges for indirect cost.</i>				
6. Pull a random sample of expenditures and review extensively.				
C. Cash Management				
Review all documentation if agency has requested more than 60-day advance.				
D. Davis-Bacon Act				
1. Is subrecipient aware of requirements?				
2. Is subrecipient receiving copies of certified				

payrolls?				
<i>3. Request a copy of a certified payroll and compare it to the prevailing wage rates for the locality.</i>				
E. Eligibility				
1. Is agency aware of eligibility requirements?				
2. Review eligibility determination tool/document/ application.				
3. Review verification documentation.				
4. Review benefit/payment calculation				

Subrecipient:

	Yes	No	N/A	Comments
<i>5. Request copies of eligibility determination tool, verification documentation, and benefit/payment calculation.</i>				
6. Pull a random sample of individuals /families both receiving and denied benefits and review extensively.				
F. Equipment/Real Property Management				
1. Review expenditure accounts to determine if expenditures for equipment are within budget allowances.				

<p>2. Review agency's internal policies for equipment acquisition, inventory and disposition.</p>				
<p>3. Review most recent physical equipment inventory results.</p>				
<p><i>4. Request copies of expenditure accounts, internal policies for equipment acquisition, inventory, and disposition, and equipment inventory results.</i></p>				
<p>5. Physically inspect equipment acquired with the State or federal funds to determine consistency with planned acquisitions.</p>				

	Yes	No	N/A	Comments
<p>G. Matching/Level of Effort/Earmarking</p>				
<p>1. Review budget to determine if sufficient match budgeted.</p>				
<p>2. Review progress reports to determine if activity-based level of effort/earmarking requirements met.</p>				
<p>3. Review expenditure reports for sufficient match.</p>				
<p><i>4. Review cash disbursements journal/ general</i></p>				

<i>ledger for match, MOE, fiscal earmarking.</i>				
<i>5. Review activity records for appropriate levels of services.</i>				
<i>6. Request copies of all of the above documents.</i>				
<i>7. Select a random sample of expenditures and trace back to the general ledger to determine if expenditures are appropriately matched.</i>				
• H. Period of Availability of Federal Funds				
Review budget & expenditure reports to determine likelihood of funding availability at end of period.				
2. Review agency's internal procedures for encumbering funds.				

	Yes	No	N/A	Comments
3. Test a random sample of expenditures and encumbrances to ensure they fall into the period of availability.				
I. Procurement/Suspension/ Debarment				
Does agency has certification statements from all non-profit subrecipients?				
Review internal control information to verify that the information indicates that all purchasing and procurement policies are in compliance with State and federal laws and regulations.				
Review copy of agency's internal purchasing procedures.				
Select a random sample of procurement documents to determine compliance with State and federal laws and procedures and other applicable policies.				
J. Program Income				

<p>1. Review activity reports to see if any activities appear to generate program income.</p>				
<p>2. Review request for funds to see if program income deducted or reflected.</p>				

	Yes	No	N/A	Comments
<p>3. Review the receipts journal or general ledger to determine if receipts have been recorded that should be counted as program income and if they are coded correctly.</p>				
<p>K. Real Property Acquisition and Relocation Assistance</p>				
<p>Refer to the individual contract with the agency for guidelines.</p>				
<p>L. Reporting</p>				
<p>1. Are agency's reports filed timely and in proper format?</p>				
<p>2. Which basis of accounting does agency follow?</p>				
<p>3. What is the methodology for generating program/activity reports?</p>				
<p>4. Review financial and programmatic reports.</p>				
<p>Select a sample of reports received. Analyze procedures and ascertain the reason for any unexpected differences.</p>				
<p>M. Subrecipient Monitoring</p>				
<p>1. Review agency's subrecipient monitoring plan.</p>				
<p>2. Review documentation of subrecipient monitoring activities.</p>				

	Yes	No	N/A	Comments
3. Review a sample of contracts and subrecipient's files.				
N. Special Tests & Provisions				
Review the laws, regulations, and the provisions of the contract or grant agreements and determine if the subrecipient is adhering to any Special Tests and Provisions.				
O. Conflict of Interest				
1. Verify that the agency has a notarized copy of a Conflict of Interest statement.				
<i>2. Discuss with the agency director that they understand the intent of the policy.</i>				
3. Ask to see the Board Meeting minutes documenting that the policy was adopted.				

Attachment V

**Department of Health and Human Services
Division of Public Health
Monitoring Documentation Form**

Note: Items 9 through 11 only need to be completed when there are significant activities or findings. If no significant activities or findings, enter NA in Item 9.

Program _____

Subrecipient Agency _____

1. Subrecipient Address: _____

2. Contract Number: _____

3. Date of Monitoring Activity: _____

4. Type of Monitoring Activity:

a. Telephone: _____

b. Review of Correspondence: _____

c. Report Review: _____

d. Conference Monitoring: _____

e. Site Visit: _____

f. Audit Review: _____

5. Purpose of Monitoring Activity:

a. Compliance/Progress: _____

b. Technical Assistance: _____

c. Other: _____

6. Persons Contacted/Relationship to Program:

a. _____

b. _____

c. _____

d. _____

7. Contact Initiated By:

a. Monitoring Official: _____

b. Subrecipient: _____

c. Other: _____

July 2, 2008

8. Reports:

a. Last Expenditure Report on File: _____

b. Last Progress Report on File: _____

9. Synopsis:

a. Discussion Summary:

b. Recommendations:

c. Required Actions:

9. Is site visit needed? _____

10. Deadline for completion of action: _____

11. Monitor's Signature: _____ Date: _____

12. Distribution: _____

July 2, 2008

Attachment VI



North Carolina Department of Health and Human Services
Division of Public Health
Women's & Children's Health Section
Early Intervention Branch

Michael F. Easley, Governor

Dempsey Benton, Secretary

Date

CDSA Director
CDSA
123 Salisbury Avenue
Raleigh, NC 27699

Ms. Sally Jones:

This letter is to confirm the following details for your Early Intervention Branch contract monitoring visit.

Date: September 1, 2008

Time: 9:00am – 4:00pm

Monitoring Team: *Insert list of names if others are attending other than Contract Administrator*

Location: *Host location name, address, and website address for directions to location*

Evaluations for this visit will be based on documented progress reports of the objectives listed in the Scope of Work and Revised Scope(s) of Work.

In preparation for the monitoring site visit, please:

- **Review Scope of Work and Revised Scope(s) of Work.**
- **Have staff roster with staff functions and qualifications prepared.**
- **Check to be sure all reports are dated, and are accurate.**
- **Provide a work location in a quiet area for site review. Our staff appreciates your sharing of office space.**
- **Have pertinent clinical and program guidance available on-site for the review team.**
- **Have pertinent accounting of financial records available, or someone who is able to access these records if needed.**
- **Plan to meet with the Monitoring Team at 9:00 am to review the agenda and discuss any concerns related to the contract.**
- **Make appropriate staff available on-site throughout the day for potential questions and assistance.**
- **Plan to spend 45 – 60 minutes at the end of the visit to discuss findings.**

If you have any questions regarding the monitoring site visit, please call me at (919) 707-####. Your cooperation with the monitoring process supports the Early Intervention Branch in its on-going efforts to maintain quality in the services provided to children and families in our State.

Your truly,

(NAME OF TEAM LEADER)
TITLE
BRANCH NAME

CC: List of required individuals
ENCL: List of any relevant documentation
Possible sub recipient questionnaires

Attachment VII

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