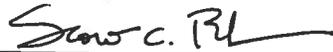




## City of Riverside Administrative Manual

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Effective Date: 2/2014  
Review Date: 2/2017  
Prepared by: Finance Department

Approved:   
 Department  
City Manager

**SUBJECT:**

**Sub Recipient Grant Monitoring**

**PURPOSE:**

The purpose of this policy is to establish standards and procedures for ensuring that City departments who award Federal funds to sub recipients are aware of and in compliance with grant monitoring requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement*. Monitoring is the review process used to track and measure progress toward stated results and outcomes; and confirm a grantee's (sub recipient's) compliance with program requirements as well as adherence to applicable laws, regulations and City policies/procedures.

**SCOPE:**

This policy applies to all departments and personnel involved in awarding and managing sub recipient grants.

**POLICY:**

City departments that receive Federal grant funds and pass these funds through to sub recipients are to ensure that sub recipients comply with *OMB Circular A-133* regulations as well as City policies and procedures. The primary recipient (the City department) must monitor the activities of all sub recipients to ensure that Federal awards are used for authorized purposes in compliance with laws, regulations and the provisions of contracts/grant agreements and that the performance goals are achieved. Grant agreements should include monitoring, evaluation and reporting requirements, and describe how the City will monitor and evaluate the sub recipient's administrative systems, processes and charges.

Monitoring Processes

Monitoring processes can include one or a combination of:

- Desk Reviews – reviews of financial and narrative reports, audit reports, correspondence and other documentation provided by the sub recipient;
- Telephone Contacts – direct communication with the sub recipient by telephone to ask or

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<sup>1</sup> *OMB Circular A-133* defines a sub recipient as "an organization that receives Federal financial assistance to carry out a program" from a primary recipient. In this policy, the City of Riverside is the primary recipient of Federal funds passed to sub recipients.

- answer questions and check on the progress of the project; and/or
- On-Site Monitoring – visit to the project site to review/observe one or more aspects of the sub recipient project; review files and supporting documentation.

Monitoring should be conducted by the department awarding the pass through grant or by a contracted third party. The frequency and scope of monitoring procedures should be determined by the department/division.

### Monitoring Reports

Each sub recipient award and related monitoring of the project/program must be documented by a written report (monitoring report) and retained by the department (Grant Administrator/Program Manager) awarding the sub recipient grant. The monitoring report(s) are official records of staff review of sub recipient's project/program at a certain point in the period of performance, constitute the basis for future assessment and make the monitor's findings available for internal/external inspection.

Monitoring reports should include:

- Background of the project/program;
- Current findings (positive or negative) and follow-up on previous findings;
- Recommendations (if any) for corrective action with a timeline for implementation;
- Observations; and
- Technical assistance provided to the sub recipient.

Monitoring reports should be issued as promptly as possible after the monitoring (no later than three months) to make the information available for timely consideration and action by the management of both the City and the sub recipient.

The appropriate department/division manager and program manager should review and approve the monitoring report(s) before distributing it to the sub recipient(s).

The original monitoring report should be sent to the grantee/sub recipient; a copy of the report should be filed in the grantee/sub recipient master file and be available for review by internal/external auditors and/or Federal agencies.

Active grant/sub recipient files are subject to review by the Office of the City Manager – Internal Audit, without prior notification to the appropriate department/division.

**PROCEDURE:**

<b>Responsibility</b>	<b>Action</b>
<u>Dept/Division</u>	<ul style="list-style-type: none"><li>□ Ensure sub recipient grant agreements include monitoring, evaluation and reporting requirements;</li><li>□ Maintain written policy and/or procedure that articulates the monitoring, record keeping and reporting for sub recipient grants;</li><li>□ Establish monitoring arrangements with the sub recipient;</li><li>□ Monitor progress regularly;</li><li>□ Document monitoring efforts and activities;</li><li>□ Review/approve monitoring report;</li><li>□ Distribute copy of monitoring report to sub recipient;</li><li>□ Follow-up on findings identified in the monitoring report;</li><li>□ Maintain master file for each sub recipient; and</li><li>□ At fiscal year-end, provide Finance/Accounting Controller with a list of sub recipients (name, awarded amount, CFDA, etc.).</li></ul>
<u>Internal Audit</u>	<ul style="list-style-type: none"><li>□ Periodically select sub recipient master files for <i>OMB Circular A-133</i> compliance review; and</li><li>□ Report findings to appropriate department/division.</li></ul>

Distribution: Regular