**Department of Energy**

Washington, DC 20585

**SUBJECT:**  GUIDANCE FOR STATE ENERGY PROGRAM GRANTEES ON SUB-RECIPIENT MONITORING.

**1.0 PURPOSE**

To provide guidance to Department of Energy's (DOE's) State Energy Program (SEP) Grantees regarding sub-recipient monitoring.

**2.0 SCOPE**

The provisions of this guidance apply to States, Territories and the District of Columbia (hereinafter "States") that receive SEP funds, pursuant  to  annual formula  grants  and the American  Recovery  and  Reinvestment  Act  of  2009  (Recovery Act or ARRA).

**3.0 LEGAL AUTHORITY**

SEP is authorized under the Energy Policy and Conservation Act, as amended (42 U.S.C 6321 et seq.). All grant awards made under this program shall comply with all applicable authorities, including the Recovery Act and the SEP implementing regulations at 10 CFR part 420.

**4.0 DEFINITION**

Sub-recipient:  a non-Federal entity that expends Federal awards received from a pass-through entity to carry out a Federal program, but does not include an individual that is a beneficiary of such a program. A sub-recipient may also be a recipient of other Federal awards directly from a Federal awarding agency. Guidance on distinguishing between a sub-recipient and a vendor is provided in OMB CircularA-133, section ____.210.

**5.0 BACKGROUND**

Grants management requirements for States' monitoring of sub-recipients are general. According to OMB Circular A-133, Section__.400(d)(3) States are required to "monitor the activities of sub-recipients as necessary to ensure that Federal awards are used for authorized purposes in compliance with laws, regulations, and the provisions of contracts or grant agreements and that performance goals are achieved." Section ____.400 (d) contains 7 subparts that describe responsibilities of pass-through entities.
http://www.whitehouse.gov/sites/default/files/omb/assets/a133/a133_revised_2007.pdf

Also, Appendix 7 to OMB Circular A-133 Compliance Supplement 2010 contains a section entitled "Responsibilities for Informing Sub-recipients" on p. 8-7-3 that further describes information that is needed to allow the Grantee to properly monitor sub-recipient expenditures of ARRA funds.
http://www.whitehouse.gov/omb/circulars/a133_compliance_supplement_2010

SEP's Annual Program Guidance requires States to include in their SEP State Plans "a plan for State monitoring that describes how the State conducts the administrative and programmatic oversight for programs implemented by other agencies within the State, contractors employed by the State, or sub-recipient of financial assistance from the State." DOE Project Officers are working to ensure that such plans are in place. However, the dramatic increase in SEP funding levels brought about by the Recovery Act, accompanied by a Presidential mandate for a high level of transparency and accountability, has led to an increased emphasis on the importance of sub-recipient monitoring on the part of the States.

The unprecedented volume of funding awarded at the State level means that States will be faced with the responsibility to oversee the activities of much larger numbers of sub-recipients than ever before to ensure that projects are implemented as approved, on schedule and within budget.  DOE's intent in this Program Notice is to provide guidance and suggestions to the States on effective approaches and procedures for monitoring sub-recipients, and to ensure that sub-recipients maintain records that identify adequately the source and application of ARRA funds.

## 6.0 GUIDANCE
This guidance supplements the applicable sections of the DOE Financial Assistance Rules (10 CFR Part 600) and OMB Circular A-133 concerning sub-recipient monitoring by: (1) suggesting sub-recipient monitoring standards and criteria; and (2) describing some sub-recipients' monitoring best practices.  States need not replace already established systems and procedures concerning sub-recipient monitoring, but, should be aware of the basic standards and criteria described in this guidance.  This guidance suggests criteria specific enough to be actionable, yet general enough to allow for variation in how States execute their monitoring of sub-recipients. Each State should employ sub-recipient monitoring procedures that are most suitable for its unique program environment.

### 6.1 Overall requirements
The main purpose of monitoring sub-recipients is to ensure that Federal awards are used for authorized purposes in compliance with laws, regulations, and the provisions of financial agreements and to ensure that the performance goals of the award are achieved.

As managers of Federal grants passed through to sub-recipients, States have responsibilities that include:

1) Informing sub-recipients of all applicable Federal regulations and program guidance documents (e.g., 10 CFR part 600, 10 CFR part 420, OMB Circulars A-21, A-87, A-122,

A-133, the Recovery Act, National Policy Assurances, National Environmental Policy
Act, Davis-Bacon/Buy American Act and other flow-down provisions);
2) Ensuring that sub-recipients comply with <u>program requirements</u> and achieve
   performance goals;
3) Ensuring that sub-recipients comply with <u>fiscal requirements</u>, such as having
   appropriate fiscal controls in place, and use awards for authorized purposes; and
4) Ensuring that sub-recipients expending more than $500,000 in Federal awards
   during the sub-recipient's fiscal year have met the Single Audit requirements of OMB
   Circular A-133 for that fiscal year.

## 6.2 Monitoring Methods and Frequency

DOE suggests that States may utilize a variety of monitoring mechanisms, including progress
reports, site visits, financial reports, independent (third party) financial audits, and/or internal
(State-conducted) financial audits.

The frequency and scope of sub-recipient monitoring may be determined according to a "risk-
based" approach driven by the considerations stated below.  This risk-based approach focuses
monitoring on the sub-recipients that are at greatest potential risk for non-compliance.  The
following factors may be considered by the State in assessing level of risk:
- size of the sub-recipient award;
- award complexity, sensitivity of the work and/or extensiveness of the governing
  regulations;
- sophistication of the sub-recipient's systems and administrative operations;
- credit evaluation of sub-recipient where applicable;
- percentage passed through;
- sub-recipient's A-133 audit performance if applicable; and
- prior or current experience with the sub-recipient.

Since each State energy program is different, the level of risk associated with the above factors
will vary.  However, understanding and analyzing the impact of risk factors will help in
determining how a sub-recipient is ranked in terms of risk. The overall goal of sub-recipient risk
assessment is to predict future behavior. The specifics of the analysis will also help to foresee
issues that may become problems. Ways to reduce risk exposure with sub-recipients could
include an increase in the frequency and intensity of monitoring, modification to payment
plans, or other controls to help manage risks.

DOE is developing tools that will help with historical evaluation of sub-recipients. For example,
the Department has developed an A-133 Single Audit Recipient Risk database tool that matches
DUNS numbers (a DUNS Number is a nine-digit number that an organization is required to have
in order to apply for a grant or cooperative agreement from the Federal Government) to sub-
recipient data and assigns a risk score based on prior A-133 audit results. While this tool is not
intended to be the only source to be used for a definitive risk assessment, it provides an
additional data point for analysis.  To provide States with information from this tool, DOE would
need state sub-recipient data, including:  DUNS number, organization name, mail address,

telephone number and email address. When the information is received, DOE will match the information to the Audit database, apply risk scores and forward this information to the State for incorporation into the full risk analysis. When using this tool, the State will retain responsibility for final risk analysis of sub-recipients.  Contact your Project Officer for more information about the tool.

6.2.1 Desk monitoring:  Desk monitoring can be an essential part of the ongoing monitoring process when performed regularly for all projects.  States may wish to review sub-recipients' expense reports, and if they find errors, contact the sub-recipients for clarification.  Sub-recipient project award and/or procurement documents may state the allowable amount of flexibility. For example, some States use a limit, or "significant variance," of 20% for budget items as a trigger that requires attention and resolution.  Time triggers are also used, such as when projects fall two months behind schedule. States may "flag" projects with unresolved issues until they are corrected.

6.2.2 On-site monitoring:  States should consider prioritizing sub-recipient projects by important characteristics:  dollar amount, significance of project to State goals, type of sub-recipient, or other criteria.  DOE suggests that States conduct on-site monitoring (at least annually) for 5-10% of their high priority projects.  The timing of on-site monitoring is important—site visits should be conducted early enough so that the project can benefit from any changes implemented and late enough that there is activity to measure.  Monitors should be mindful that evidence of serious problems, e.g., misuse of funds or noncompliance with Federal laws and regulations must be reported to appropriate authorities.

*Suggested Content/Structure of Monitoring Visit*
Prior to the onsite visit, DOE suggests that States review the latest programmatic progress and financial reports on the project and prepare a list of questions and/or areas of emphasis to be covered during the visit, in addition to whatever standard monitoring checklists the State employs.

Attachment 1 to this guidance provides a sample sub-recipient monitoring checklist that covers both programmatic and financial monitoring. The monitor may discuss project accomplishments as measured against milestones, personnel responsibilities and any previously identified problem areas.  This may also be a good time to assess the sub-recipient's need for technical assistance.

The State monitor may inspect work products and equipment purchased with project funds to ensure that both are consistent with provisions of the agreement/award documents.

In accordance with the standards established by OMB Circular A-133, its compliance supplements, and Generally Accepted Government Accounting Standards, State monitors may interview sub-recipients about their accounting processes, audits, property management procedures, procurement practices and records.  The monitor may attempt to determine if there is proper segregation between procurement, purchasing and receiving; also advisable is a

review of time sheets for accuracy and for correspondence between reported hours and the reasonable requirements of the tasks at hand.

Once the review is completed, the State monitor may discuss any areas of concern as well as any needs for technical assistance, training, or changes in project scope.  The monitor may then summarize the follow-up activities and any necessary corrective actions.

*Follow-up Activities* Within 30 days after each visit, it is suggested that States prepare a written report on the results of the monitoring trip, including findings, recommendations for future monitoring, special considerations, and any corrective actions needed. States may also remind sub-recipients of any follow-up work, deadlines or corrective actions needed.

DOE suggests that States track major findings from sub-recipient monitoring visits and financial audits to the point of final resolution. DOE suggests that the tracking record developed by the State include, but not be limited to:  findings, including success stories, recommended corrective actions, deliverables, due dates, responsible parties, actions taken, and final resolutions.

## 7. 0 SUB-RECIPIENT MONITORING BEST PRACTICES

Monitoring procedures from two States are provided as best practices in Attachments 2 and 3 to this guidance.

## 8.0 CONCLUSION

It is not DOE's intent in this guidance to establish an additional set of requirements for States to follow.  Rather, this guidance provides guidelines and suggestions to assist States in effectively monitoring sub-recipient activities.  The importance of monitoring activities at all levels— Federal, State and sub-recipient—cannot be over-emphasized.  Working together, DOE, its grantees, and sub-recipients can ensure that funds are spent effectively to the benefit of the nation's families, homeowners, schools and businesses, and advancing the goals of the States, SEP and the Recovery Act.


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Attachment 1: Sub-recipient Appendix 2 Checklist
Attachment 2:  Sub-recipient Appendix 2 Monitoring Manual

**APPENDIX 1: Sub-recipient Monitoring Checklist Example**

The State is responsible for monitoring the activities of sub-recipients to ensure that Federal awards are used for authorized purposes in compliance with laws, regulations, the provisions of contracts or grant agreements, including flow-down provisions, and that performance goals are achieved in a timely manner. A monitoring checklist may include, but is not limited to, the following questions as they apply to the sub-recipient entity (e.g., Institution of Higher Education, Hospitals, and other Non-Profit Organizations, State and Local Governments, or For-Profit Organizations).

Project Administration
1. Is the sub-recipient following all the terms and conditions of the award including the applicable Federal regulations and program guidance?  (E.g., 10 CFR 600, 10 CFR 420, OMB Circulars A-21, A-87, A-122, A-133, Recovery Act, National Environmental Policy Act, National Policy Assurances)?
    a. Has the sub-recipient "flowed down" the Recovery Act special terms and conditions in all contracts, sub-awards or sub-contracts?
2. Is the sub-recipient completing the project described in the statement of work (scope)?
    a. Are there any discrepancies between the two?
3. Is the sub-recipient on-schedule to meet the project's milestones within the period of availability of funds?
4. Has the sub-recipient developed a process that generates timely and accurate cost, schedule and work completion information?
5. Has the sub-recipient developed a process that identifies waste, fraud, and abuse?

Project Performance
6. Is the sub-recipient collecting the correct metrics from the project?
7. What provisions has the sub-recipient put in place for evaluation, including performance measurement and verification?

Davis Bacon Requirements
8. Is the sub-recipient complying with labor and wage requirements?
9. Are copies of weekly certified payroll records for all laborers available?
    a. Are copies of the weekly certified payroll maintained in a secured location?
10. Are the DBA poster and the wage determination(s) posted at the work site?
11. Has the sub-recipient performed contractor employee interviews?  How many?
12. Has the sub-recipient received any complaints from contractor/subcontractor employees regarding payment of the proper wages as set forth on the wage determination?  How many?
13. What actions have the sub-recipient taken to correct any complaints of improper wage payments?
14. Were back wages paid?  Amount?  Number of employees due wage restitution?

Buy American Act Requirements

15. Based on the information reviewed, is the sub-recipient ensuring that its procurement procedures are compliant with the Buy American requirements of the Recovery Act (section 1605(B), 2 CFR 176.60 et seq.)?
    a. Has the sub-recipient maintained documentation at a level appropriate to show compliance with the Recovery Act Buy American provisions?

National Environmental Policy Act (NEPA)

16. In regard to NEPA:
    a. Has NEPA review been completed (categorical exclusion (including via EECBG Templates) or environmental assessment/finding of no significant impact or environmental impact statement/record of decision) for all sub-recipient activities (complete, ongoing, proposed)?
    b. Is the project being implemented in accordance with the NEPA determination?
    c. Is the sub-recipient following all conditions/mitigation measures from their NEPA determination, as applicable?
    d. Since the award was made, has the sub-recipient identified any new information related to environmental impacts of the proposal or has the sub-recipient proposed to significantly revise the scope of work? If so, has this information been provided to DOE to determine whether additional NEPA review is required?

Historic Preservation

17. Prior to expenditure of project funds, is the sub-recipient following the Section 106 Process of the National Historic Preservation Act if the activity alters any historic structure or site?

Does the sub-recipient have sufficient documentation to demonstrate that they have received required approval(s) from the SHPO or THPO for the Project, or that the activity will not adversely affect a historic property?

Personnel

18. Are all sub-recipient personnel to be paid with grant funds accounted for on the sub-recipient's organizational chart?
19. Does the sub-recipient have procedures in place for documenting and monitoring of personnel issues such as timesheets, time allocations, and leave?
20. Based on the information reviewed, is staff time being properly charged against the grant that staff is working on?

Job Creation Estimates

21. Is the sub-recipient reporting only jobs that are within its organization, (not those of its subcontractors or vendors) that attributable to Recovery Act funds?

Procurement

22. Are the sub-recipient's procurement standards and processes established in writing, and distributed to employees involved with SEP procurement operations?

23. Does the procurement process clearly separate duties as they pertain to SEP ARRA procurement activities?
24. Does sub-recipient's procurement process encourage full and open competition?
25. Do procurement procedures provide controls to avoid unnecessary or duplicative purchases, and obtain the most economical and practical purchase?

Financial Management System

26. Does the sub-recipient's financial management system comply with the applicable requirements in 10CFR part 600 and OMB Circular A-133?
27. Do the sub-recipient's financial management procedures contain adequate information addressing:
    a. Segregation of duties
    b. Accounting standards and practices
    c. Payment procedures
    d. Approval authority
    e. Record keeping requirements
28. Is the sub-recipient's financial management system tracking and reporting Recovery Act funds separately from leveraged/other funds?
29. How does the sub-recipient reconcile payments to invoices?

Budget

30. Are all costs in the sub-recipient's budget reasonable, allowable, and allocable according to the correct cost principles?
31. Are actual expenditures to date reasonable when compared to budgeted amounts and percentage of work completed?

Matching or Cost Sharing

32. If cost sharing is required, is the sub-recipient complying with its cost sharing obligation?

Program Income

33. Is the sub-recipient earning any program income as a result of their award? If so, is the program income being added to the funds committed to the award and utilized to further eligible project objectives and/or otherwise being used in accordance with the Terms & Conditions of the award and 10 CFR part 600?

Equipment

34. Are there written procedures covering the inventory, maintenance, and disposition of vehicles/equipment?

Reporting

35. Is the sub-recipient up to date on its submission of required reports?
36. Does the sub-recipient have any systemic or chronic reporting problems?
37. What actions has the sub-recipient taken to correct any reporting problems (if applicable)?

Audits

38. How does the sub-recipient track its (or its subcontractors) audit findings, recommendations, and corrective actions (if applicable)?

Retention of Records

39. Is the sub-recipient meeting the requirements of 10 CFR 600.242 – Retention and access requirements for records?

**APPENDIX 2: Sub-recipient Monitoring Best Practices**

Examples of in-use sub-recipient monitoring manual and the sub-recipient monitoring checklist are provided in an effort to improve the effectiveness of state sub-recipient monitoring plans. These offer state agencies the opportunity to learn about, adapt, and apply tools and processes that have worked for other states. States are encouraged to contact other States and NASEO in the process of formulating their sub-recipient monitoring procedure. The approaches included in this manual comprise only a small fraction of what has been successful.

# Performance Monitoring Plan (PMP)
## Subgrantee

Version: _____

Date Updated: _____

## I.  INTRODUCTION

The          Department of                    (      ) created Energize          Communities to distribute funding received from U.S. Department of Energy (U.S. DOE) under the          Program.

The purposes of this Performance Monitoring Plan (PMP) are to identify potential risks involved with the undertaking of projects funded by Energize          Communities dollars, identify project-specific monitoring requirements and determine effective risk management processes that should lead to successful project execution. This document is meant to be supported by the Subgrant Agreement entered into between the          Department of                    and the *[Subgrantee]* (hereinafter referred to as the "Subgrantee")*,* as well as by the Special Terms and Conditions Related to Energize          and the American Recovery and Reinvestment Act (ARRA) of 2009.

This PMP is specific for the Subgrantee and provides a framework for identifying and managing key technical, schedule, compliance and cost risks associated with the project, via a continuous and iterative process. Furthermore, this PMP has been developed to assist in meeting the overall monitoring and reporting requirements as required by U.S. DOE and per the conditions of the ARRA.

## II.  SUBGRANTEE INFORMATION

**Subgrantee Name:**          _____

**DUNS Number:**          _____

**CCR Registry (Y/N):**          _____

**Award Amount:**          _____

**Program Area:**          _____

**Project Manager**          _____

**Project Manager
Contact Information**          _____

## III. PROJECT DESCRIPTION

### 1. Project Name
[TO BE FILLED IN UNIQUE TO EACH SUBGRANTEE/SUBRECIPIENT]

### 2. Project Scope of Work
[TO BE FILLED IN UNIQUE TO EACH SUBGRANTEE/SUBRECIPIENT]

### 3. Proposed Timeline

| Date | Milestone |
|---|---|
|  |  |
|  |  |
|  |  |
|  |  |
|  |  |
|  |  |
|  |  |
|  |  |
|  |  |
|  |  |

### 4. Proposed Budget

|  | Amount ($) | Percent |
|---|---|---|
| Energize Communities Funding Requested |  |  |
| Applicant Contribution |  |  |
| Leveraged Funds |  |  |
| Total Project Cost |  | 100% |

## IV.   RISK ASSESSMENT

The Subgrantee's project subject to monitoring under this PMP will undergo an initial qualitative risk assessment. The risk assessment will identify any specific risks that may be part of the Subgrantee's project, will provide an evaluation for the overall level of risk and will serve as a basis for determining the frequency and detail of monitoring required.

The risk assessment will be conducted using a Risk Assessment Matrix and evaluating the following areas of risk associated with the project:
- Technical risks
- External Risks
- Internal Risks
- Scope Risks
- Schedule Risks
- Budget Risks
- ARRA Compliance Risks

**Table 1. Risk Assessment Matrix – Risk Ratings**

| Likelihood | Consequence | | | | |
|---|---|---|---|---|---|
| | 1 – Insignificant | 2 – Minor | 3 – Moderate | 4 – Major | 5 – Catastrophic |
| **A – Almost Certain** | 2 | 3 | 3 | 4 | 4 |
| **B – Likely** | 2 | 2 | 3 | 3 | 4 |
| **C – Possible** | 1 | 2 | 3 | 3 | 3 |
| **D – Unlikely** | 1 | 1 | 2 | 2 | 3 |
| **E – Rare** | 1 | 1 | 2 | 2 | 3 |

An evaluator will fill out the table provided in the following page to determine the overall level of risk associated with the project. The frequency and level of detail of monitoring will be based on the overall risk of the project as follows:

| Overall Risk Rating | Range | Frequency of Monitoring for the life of the project | |
|---|---|---|---|
| | | Desk reviews | On-site Monitoring |
| Extreme Risk | 115 - 124 | Monthly | 4 |
| High Risk | 101-114 | Bimonthly | 3 |
| Moderate Risk | 55-100 | Quarterly | 2 |
| Low Risk | 31-54 | Quarterly | 2 |

Performance Monitoring Plan – [Insert Name of Subgrantee]

| | | | | Likelihood | Consequence | Risk Rating |
|---|---|---|---|---|---|---|
| 1 | Technical Risks | 1 | Engineering design incomplete or in error | | | |
| | | 2 | Inaccurate assumptions on technical issues | | | |
| | | 3 | New or unproven technology | | | |
| | | 4 | Technology may be non-compliant with Buy American | | | |
| 2 | External Risks | 1 | Permits or agency actions delayed or take longer than expected | | | |
| | | 2 | Additional/new information required for permits | | | |
| | | 3 | Historic site present, possible SHPO conflict | | | |
| | | 4 | Environmental impact statement (EIS) required | | | |
| | | 5 | Formal National Environmental Policy Act (NEPA) consultation required | | | |
| 3 | Internal Risks | 1 | Inexperienced staff assigned for administration of the project | | | |
| | | 2 | Inexperience in managing similar state and federal grants | | | |
| | | 3 | Project involves contractors/subcontractors | | | |
| 4 | Scope Risks | 1 | Project scope, schedule, objectives, cost, and deliverables are not clearly defined or understood | | | |
| | | 2 | Project involves several project sites/buildings | | | |
| | | 3 | Consultant or contractor delays | | | |
| | | 4 | Pressure to deliver project on an accelerated schedule | | | |
| | | 5 | Complexity of Project Scope | | | |
| | | 6 | Complexity of Waste Stream | | | |
| 5 | Schedule Risks | 1 | Late delivery of equipment or material | | | |
| | | 2 | Delays in implementation | | | |
| | | 3 | Project scheduled to finish during the summer of 2012 or close to end of grant date | | | |
| | | 4 | Project schedule over 1 year | | | |
| 6 | Budget Risks | 1 | Cost escalation | | | |
| | | 2 | Delays in receiving reimbursements | | | |
| | | 3 | Inability to secure other sources of funding | | | |
| | | 4 | Considerable difference between initial cost-estimations and actual costs | | | |
| | | 5 | Project receiving funds in excess of $500,000 | | | |
| | | 6 | Uncertainty in projections or calculations | | | |
| 7 | ARRA Compliance Risks | 1 | Lack of understanding of ARRA requirements | | | |
| | | 2 | Davis-Bacon prevailing wage | | | |
| | | 3 | Scope outside of NEPA Exclusions | | | |
| | | 4 | Buy American Provision | | | |
| | | 5 | Reporting in a timely and accurate manner | | | |
| | TOTAL | | | | | |

## V.    PERFORMANCE INDICATORS

The Subgrantee's project subject to monitoring under this PMP will be evaluated for progress based on the performance indicators listed on the table below. Further detail on each of these performance indicators is included in the *Subgrant Agreement* and *Terms and Conditions* documents.

| Performance Indicators | |
|---|---|
| **Budget** | <ul><li>Comparison of actual expenditures to budgeted amounts.</li><li>ARRA funds tracked separately from other sources of funding.</li><li>Comparison of actual expenditures against amount and percentage of work completed.</li><li>Limitation on spending a maximum of 5% of funding on administrative costs.</li><li>Actual use of proposed leveraged funds and Subgrantee contributions to the project.</li></ul> |
| **Schedule** | <ul><li>Comparison of project progress against the proposed timeline.</li><li>Verification that invoiced measures are actually installed and working.</li></ul> |
| **Scope** | <ul><li>Identification of any discrepancies from Scope of Work.</li><li>Installation of equipment identified in the Scope of Work.</li><li>Work performed on locations identified in the Scope of Work.</li></ul> |
| **Compliance** | <ul><li>Compliance with Davis-Bacon prevailing wage requirements.</li><li>Compliance with Buy American requirements.</li><li>Compliance with restrictions on the use of ARRA funds.</li><li>Compliance with state regulations as stipulated by the *Department of Terms and Conditions*.</li><li>Use of Recovery Act Logo on project site.</li><li>Compliance with publication and communication requirements.</li><li>Monthly and Quarterly Reports submitted on time and accurately.</li><li>Copy of certified payroll records retained on-site and submitted weekly to .</li><li>Retention of financial records, supporting documents, and other records.</li><li>Preparation of Waste Management Plan and adequate disposal of waste.</li><li>Attendance to a minimum of one (1) Building Energy Standards Workshop.</li></ul> |

# VI.    MONITORING

The Subgrantee's project included in this PMP will be subject to monitoring from authorized representatives of federal awarding agencies, the Comptroller General of the United States, and                    as established in the Subgrant Agreement.

Monitoring will take place in the form of on-site visits that will occur no less than once per year throughout the life of the subgrant, as well as additional desk-reviews that will occur with a frequency to be determined by               and the project auditor based on the level of risk identified after conducting a risk assessment.

Desk-reviews and onsite monitoring audits will result in a monitoring report that will be submitted to          and to the Subgrantee and that will contain a description of risks and issues identified with the project, and a list of recommendations for any corrective actions.

## 1.   Method

**On-site Monitoring Visits:** The Subgrantee will be notified one week in advance of any on-site monitoring visit to be performed by a project auditor. Visits will occur during regular working hours and the auditor shall be granted access to any pertinent project areas, documents, and records.

During the monitoring visit, the auditor will complete a *Checklist for On-Site Monitoring Visits*, which consists of approximately 30 questions covering all Performance Indicators. After the Checklist is completed, the auditor will make notes of any issues identified, recommendations, and required corrective actions. The Checklist will then be included as part of a Monitoring Report that the auditor will submit to both          and the Subgrantee.

**Desk-reviews**: The Subgrantee will be notified one week in advance of any desk-reviews to be performed by a project auditor. The auditor may request evidentiary documents including receipts, invoices, time sheets, photographs, monthly reports and other relevant materials for purposes of this review. In addition, the auditor may schedule conference-calls with the Subgrantee to be updated on the progress of the project.

During the desk-review, the auditor will complete a *Checklist for Desk-Review*, which consists of approximately forty (40) questions covering all Performance Indicators. After the Checklist is completed, the auditor will make notes of any issues identified, recommendations, and required corrective actions. The Checklist will then be included as part of a Monitoring Report that the auditor will submit to both          and the Subgrantee.

## 2.  Frequency

The frequency of desk-reviews and on-site monitoring for the Subgrantee's project included in this PMP, has been determined according to the level of risk identified for the project by means of a risk assessment. The frequency of desk-reviews or on-site monitoring visits is subject to change based upon project performance and subject to          s discretion.

| Activity | Frequency | Schedule |
|---|---|---|
| On-Site Visit |  |  |
| Desk-Review |  |  |

## VII.   PERFORMANCE EVALUATION

After performing a desk-review or conducting an on-site monitoring visit, the auditor will produce a Monitoring Report identifying the findings of the audit, listing any issues that are hindering the implementation or progress of the project, recommending any corrective actions if necessary, and recognizing the need for additional technical assistance if warranted.

The Monitoring Report and the completed questionnaire will be delivered to both the Subgrantee and        . The Subgrantee will be responsible for addressing all deficiencies identified in the auditing activities to the satisfaction of           .

Within 30 days of receiving the Monitoring Report, the Subgrantee will have to submit to the project auditor a *Corrective Actions Compliance Report* detailing implemented corrective actions and including evidence that these actions have been implemented.  If the Subgrantee fails to address identified project deficiencies, it will not be eligible to receive further funding and may be required to repay any and all disbursements of grant funds awarded by         .

Based upon the findings of the on-site monitoring visits and the desk review, the auditor may re-evaluate the risk of the project and perform revisions to the PMP if warranted.
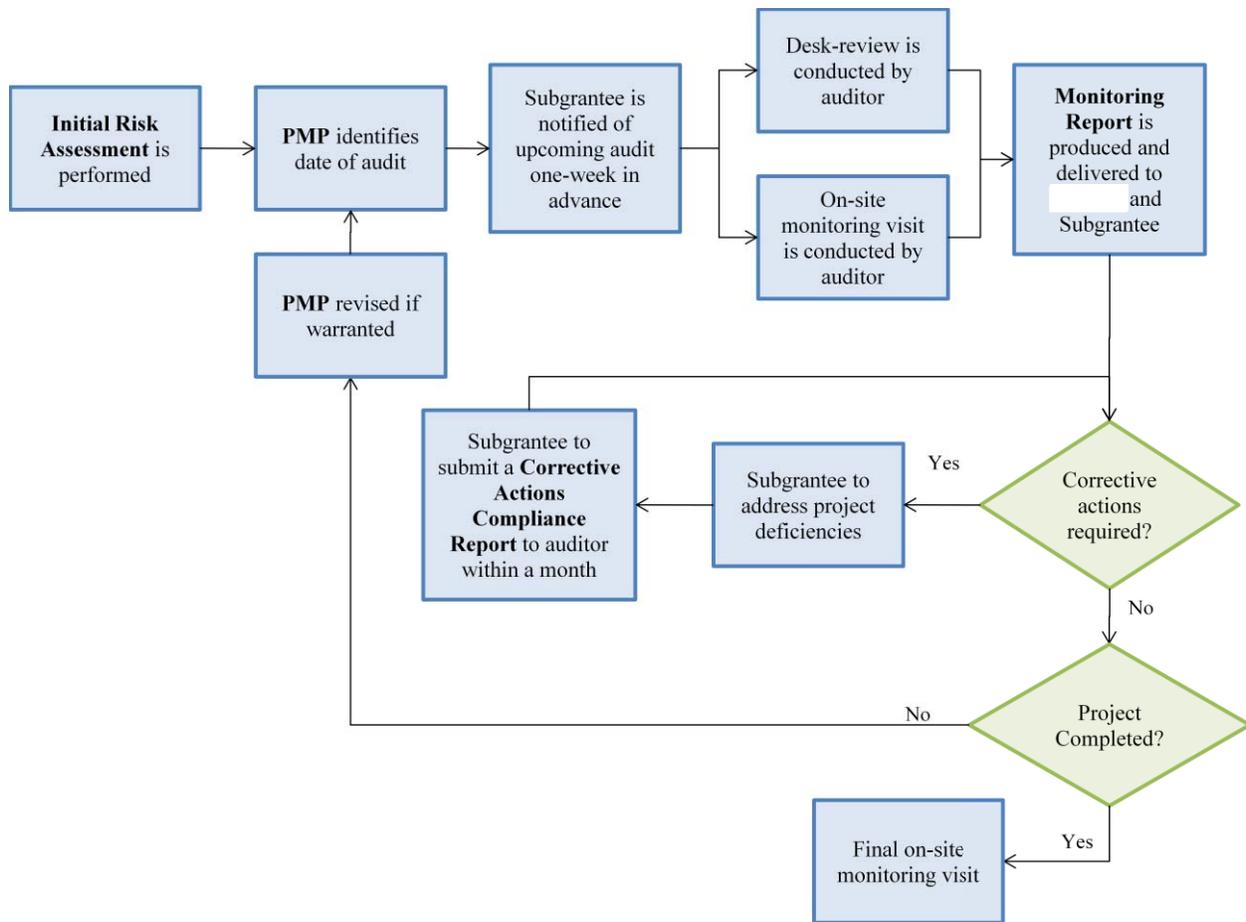


**Figure 1. Monitoring Process Flow Diagram**

## VIII.    ATTACHMENTS

A. Monitoring Report – On-Site Monitoring Visits
B. Monitoring Report – Desk-reviews
C. Corrective Actions Compliance Report
D. Checklist for On-Site Monitoring Visits
E. Checklist for Desk-reviews

## Monitoring Report - ON-SITE MONITORING VISITS

Date of Visit:

Name of Auditor                                        Phone No:

Project Contact Person:                                Phone No:

### Summary of Areas Audited

### Issues Identified

| | |
|---|---|
| Date | |
| Schedule | |
| Scope | |
| Compliance | |

## Monitoring Report - ON-SITE MONITORING VISITS

### Required Corrective Actions

A - 2

### Suggested Modifications to the PMP

Deadline to submit
*Corrective Actions Compliance Report*
to Auditor:

## Monitoring Report - DESK-REVIEWS

Date of Visit:

Name of Auditor                                    Phone No:

Project Contact Person:                            Phone No:

## List of Documents Reviewed

## Issues Identified

| | |
|---|---|
| Date | |
| Schedule | |
| Scope | |
| Compliance | |

## Monitoring Report - DESK-REVIEWS

### Required Corrective Actions

### Suggested Modifications to the PMP

Deadline to submit
*Corrective Actions Compliance Report*
to Auditor:

# CORRECTIVE ACTIONS COMPLIANCE REPORT (CACR)

Date of Original Audit:

Date CACR Submitted:

Prepared By:

Received by Auditor:

Signature

Signature

## List of Required Corrective Actions

## Description of Corrective Actions Undertaken

# CHECKLIST FOR ON-SITE MONITORING VISITS

This questionnaire is meant to serve as a tool for obtaining information about each of the Performance Metrics described in the Performance Monitoring Plan, and to identify any potential issues with a project funded under Energize        Communities. Questions pertain to the *Subgrant Agreement* and *Terms and Conditions* documents.

Note: By answering "yes," the Auditors are indicating that they have verified the existence of documents referenced below. If Auditors answer "no" to any of the questions below, they must include a narrative explanation.

## Background

1. Please describe any issues that have been identified in previous desk-reviews or on-site monitoring visits:

2. Have these issues been addressed by the Subgrantee?

## Budget

3. Does the Subgrantee have an adequate system for comparing expenditures to budgeted amounts?
   ❏ Yes  ❏ No  ❏ N/A

Comments:

4. Are expenditures to date reasonable when compared to the percentage of work completed?
   ❏ Yes  ❏ No  ❏ N/A

Comments:

5. Is the Subgrantee tracking and reporting Recovery Act funds separately from other leveraged funds?
   ❏ Yes  ❏ No  ❏ N/A

Comments:

6. Does the Subgrantee keep accounting records which adequately identify the source and application of funds provided for financially assisted activities? These records must contain information pertaining to subgrant awards and authorizations, obligations, unobligated balances, assets, liabilities, outlays or expenditures, and income.
   ❏ Yes  ❏ No  ❏ N/A

Comments:

# CHECKLIST FOR ON-SITE MONITORING VISITS

## Schedule

7. Based on work completed to date, is the Subgrantee on track to complete project by August 31, 2012?
   ❑ Yes  ❑ No  ❑ N/A

Comments:

## Scope

8. Is work being performed at the locations identified in the Project Description section of the PMP?
   ❑ Yes  ❑ No  ❑ N/A

Comments:

9. Is the Subgrantee installing equipment identified in the Project Description section of the PMP?
   ❑ Yes  ❑ No  ❑ N/A

Comments:

10. Are the measures included in the Subgrantee's invoices installed and working on the project site?
    ❑ Yes  ❑ No  ❑ N/A

Comments:

11. Is the Subgrantee conducting any activities not specified in the Project Description section of the PMP?
    ❑ Yes  ❑ No  ❑ N/A

Comments:

12. Does the Subgrantee maintain a physical inventory of the equipment that include a description of the equipment, a serial number or other identification number, the source of property, the acquisition date, cost of the property, percentage of federal or state participation in the cost of the property, and the location, use and condition of the property?
    ❑ Yes  ❑ No  ❑ N/A

Comments:

# CHECKLIST FOR ON-SITE MONITORING VISITS

## Compliance

13. Is the Subgrantee complying with Davis-Bacon labor and wage requirements?
    ❏ Yes   ❏ No   ❏ N/A

Comments:

14. Does the Subgrantee have a mechanism in place to ensure that laborers are paid prevailing wage?
    ❏ Yes   ❏ No   ❏ N/A

Comments:

15. Are copies of weekly payroll records for all laborers being paid prevailing wage kept on the Project Site?
    ❏ Yes   ❏ No   ❏ N/A

Comments:

16. Are purchasing records kept on site demonstrating compliance with Buy American requirements?
    ❏ Yes   ❏ No   ❏ N/A

Comments:

17. Is the Subgrantee following the State's procurement standards?
    ❏ Yes   ❏ No   ❏ N/A

Comments:

18. Are efforts made to ensure fairness in bidding and contracting procedures with small businesses, women's business enterprises, and minority-owned firms, pursuant to Federal law?
    ❏ Yes   ❏ No   ❏ N/A

Comments:

## CHECKLIST FOR ON-SITE MONITORING VISITS

### Compliance (continued)

19. If the Subgrantee is using any contractors/subcontractors, have all contracts been awarded through competitive procedures as fixed-price contracts?
    ❏ Yes  ❏ No  ❏ N/A

Comments:

20. Does the Subgrantee keep a Waste Management Plan on-site?
    ❏ Yes  ❏ No  ❏ N/A

Comments:

21. Is waste generated being disposed of according to federal and state regulations?
    ❏ Yes  ❏ No  ❏ N/A

Comments:

22. Has the Subgrantee taken any action using federal funds, that goes beyond the proposed Scope of Work and that might have an adverse effect on the environment and therefore trigger NEPA review?
    ❏ Yes  ❏ No  ❏ N/A

Comments:

23. Has the Subgrantee taken any action that results in an adverse effect to historic properties pending compliance with Section 106?
    ❏ Yes  ❏ No  ❏ N/A

Comments:

24. Has the Subgrantee used any funds for any casino or other gambling establishment, aquarium, zoo, golf course or swimming pool?
    ❏ Yes  ❏ No  ❏ N/A

Comments:

## CHECKLIST FOR ON-SITE MONITORING VISITS

### Compliance (continued)

25. Is the Recovery Act Logo displayed on the project site in a manner that informs the public that the project is a Recovery Act investment?
    ❏ Yes   ❏ No   ❏ N/A

Comments:

26. If the U.S. DOE logo is displayed on the project site, is it accompanied with a statement indicating that the Subgrantee recipient received financial assistance from DOE for the project?
    ❏ Yes   ❏ No   ❏ N/A

Comments:

## CHECKLIST FOR DESK-REVIEW

This questionnaire is meant to serve as a tool for obtaining information about each of the Performance Metrics described in the Performance Monitoring Plan, and to identify any potential issues with a project funded under Energize          Communities. Questions pertain to the *Subgrant Agreement* and *Terms and Conditions* documents.

Note: By answering "yes," the Auditors are indicating that they have verified the existence of documents referenced below. If Auditors answer "no" to any of the questions below, they must include a narrative explanation.

### Background

1. Please describe any issues that have been identified in previous desk-reviews or on-site monitoring visits:



2. Have these issues been addressed by the Subgrantee?



### Budget

3. Are all costs in the Subgrantee's budget reasonable, allowable, and allocable according to the correct cost principles (e.g. OMB A-87 for governments, A-122 for nonprofit organizations, and A-102 for educational institutions)?
❏ Yes  ❏ No  ❏ N/A

Comments:



4. Are expenditures to date reasonable when compared to the percentage of work completed?
❏ Yes  ❏ No  ❏ N/A

Comments:



5. Are actual expenditures to date reasonable when compared to budgeted amounts?
❏ Yes  ❏ No  ❏ N/A

Comments:



6. Is there any budgeted amount that does not have a corresponding expenditure?
❏ Yes  ❏ No  ❏ N/A

Comments:

## CHECKLIST FOR DESK-REVIEW

### Budget (continued)

7. Are administrative expenses using ARRA funds kept below the 5% limit?
   ❑ Yes  ❑ No  ❑ N/A

Comments:

8. Is the Subgrantee following procedures for submitting invoices to        and requesting reimbursement of funds? i.e. using        forms, submitting supporting documentation, submitting by the 2nd day of the month, submitting an itemized summary cover sheet, and providing the percentage cost share.
   ❑ Yes  ❑ No  ❑ N/A

Comments:

9. Is the Subgrantee earning any program income as a result of their award? If so, is the program income being added to the funds committed to the award and utilized to further eligible project objectives?
   ❑ Yes  ❑ No  ❑ N/A

Comments:

### Schedule

10. Are there any discrepancies between actual project work and the Schedule identified in the Project Description section of the PMP?
    ❑ Yes  ❑ No  ❑ N/A

Comments:

11. Is the Subgrantee meeting the project's milestones?
    ❑ Yes  ❑ No  ❑ N/A

Comments:

# CHECKLIST FOR DESK-REVIEW

## Scope

12. Are there any discrepancies between actual project work and the Scope of Work identified in the Project Description section of the PMP?
❑ Yes  ❑ No  ❑ N/A

Comments:

## Compliance

13. Has the Subgrantee submitted weekly payrolls using DOL Form WH-347?
❑ Yes  ❑ No  ❑ N/A

Comments:

14. Are any weekly payrolls missing?
❑ Yes  ❑ No  ❑ N/A

Comments:

15. Has the Subgrantee submitted to          a document containing the most current DOL Wage Determination(s) for the applicable worker classifications?
❑ Yes  ❑ No  ❑ N/A

Comments:

16. Is the Subgrantee ensuring that their purchasing procedures are compliant with "Buy American?"
❑ Yes  ❑ No  ❑ N/A

Comments:

17. Have any products received a waiver from Buy American? If so, can the Subgrantee provide evidence of this waiver?
❑ Yes  ❑ No  ❑ N/A

Comments:

## CHECKLIST FOR DESK-REVIEW

### Compliance (continued)

18. Are there any items used in the project that fall under the nationwide categorical waivers for the Buy American Provision? i.e. Fluorescent electronic lighting ballasts, LED traffic lights and crosswalk signals, Screw-base and pin-base compact fluorescent lamps (with the exception of plug-in CFLs longer than 10 inches).
❑ Yes ❑ No ❑ N/A

Comments:

19. Is the Subgrantee following the State's procurement standards?
❑ Yes ❑ No ❑ N/A

Comments:

20. Are efforts made to ensure fairness in bidding and contracting procedures with small businesses, women's business enterprises, and minority-owned firms, pursuant to Federal law?
❑ Yes ❑ No ❑ N/A

Comments:

21. Is there a documented process and timeframe for issuing solicitations and making awards?
❑ Yes ❑ No ❑ N/A

Comments:

22. If the Subgrantee is using any contractors/subcontractors, have all contracts been awarded through competitive procedures as fixed-price contracts?
❑ Yes ❑ No ❑ N/A

Comments:

23. Has the Subgrantee ensured that it has not knowingly employed or hired any contractors/subcontractors that employ unauthorized aliens?
❑ Yes ❑ No ❑ N/A

Comments:

## CHECKLIST FOR DESK-REVIEW

### Compliance (continued)

24. Is the Subgrantee doing business with a vendor/subcontractor who is receiving more than $25,000 of Recovery Act funds?
❏ Yes  ❏ No  ❏ N/A

Comments:

25. For any vendor receiving more than $25,000 in Recovery Act funds, has the Subgrantee properly reported the vendor's identity by reporting a DUNS number or name and zip code for the vendor's headquarters?
❏ Yes  ❏ No  ❏ N/A

Comments:

26. Does the Subgrantee maintain details and documentation of all payments to the vendor, and descriptions of what was obtained for services rendered by the vendor?
❏ Yes  ❏ No  ❏ N/A

Comments:

27. Has the Subgrantee established procedures to ensure that records will be retained for at least five years after delivery of the final report to        ?
❏ Yes  ❏ No  ❏ N/A

Comments:

28. Has the Subgrantee attended at least one (1) Building Energy Standards Workshop hosted by the Department through the Energize            Homes, Agriculture, and Industry programs?
❏ Yes  ❏ No  ❏ N/A

Comments:

29. Has the Subgrantee submitted to the Department a waste management plan that describes the Subgrantee's plan to dispose of any sanitary or hazardous waste generated as a result of the proposed project?
❏ Yes  ❏ No  ❏ N/A

Comments:

## CHECKLIST FOR DESK-REVIEW

### Compliance (continued)

30. Has the Subgrantee submitted quarterly reports to           no later than two (2) working days after the end of each calendar quarter?
❑ Yes  ❑ No  ❑ N/A

Comments:

31. Are quarterly reports complete and accurate?
❑ Yes  ❑ No  ❑ N/A

Comments:

32. Has the Subgrantee submitted monthly reports to           by the 2nd day of each month?
❑ Yes  ❑ No  ❑ N/A

Comments:

33. Are monthly reports complete and accurate?
❑ Yes  ❑ No  ❑ N/A

Comments:

34. Does the Subgrantee maintain active registration in the Central Contractor Registration (CCR) database?
❑ Yes  ❑ No  ❑ N/A

Comments:

35. Is the Subgrantee estimating and reporting jobs created and retained according to the guidance provided by           , consistent with OMB requirements?
❑ Yes  ❑ No  ❑ N/A

Comments:

# CHECKLIST FOR DESK-REVIEW

## Compliance (continued)

36. Is the Subgrantee estimating and reporting energy saved and GHG emissions reductions according to the guidance provided by          ?
❏ Yes  ❏ No  ❏ N/A

Comments:

37. If the Subgrantee has issued any publications intended for distribution on the project, is the appropriate verbiage included? Are the appropriate logos included in the publication?
❏ Yes  ❏ No  ❏ N/A

Comments:

38. Has the Subgrantee submitted to          two draft copies of each publication and other printed materials which are intended for distribution and are financed, wholly or in part, by subgrant funds?
❏ Yes  ❏ No  ❏ N/A

Comments:

39. Has          been notified five business days in advance of any public relations event related to ARRA-funded activities?
❏ Yes  ❏ No  ❏ N/A

Comments:

40. Does the Subgrantee have a master inventory list of equipment?
❏ Yes  ❏ No  ❏ N/A

Comments:

41. Are there written procedures covering the inventory, maintenance, and disposition of equipment?
❏ Yes  ❏ No  ❏ N/A

Comments:

**Department of
Operations Group
State Energy Office**

**State Energy Program (SEP)
American Reinvestment and
Recovery Act   (ARRA)**

**On Site Monitoring Review**

Contractor Name:

ARRA State Energy Program Representative

Monitoring Date

Contractor Representative(s) at Review

**Contract Information**

Contract Number:

Contact Person:

Contract Amount:

Contract Telephone Number:

Contract Start/End Date:

Contact E-Mail Address:

| BUDGET CATEGORIES | Account Number | Contract Budget | Expenses to Date |
|---|---|---|---|
| Salaries and Wages | 551300 | | |
| Fringe | 551301 | | |
| Contractual | 551302 | | |
| Travel | 551310 | | |
| Space Cost | 551311 | | |
| Consumable Supplies | 551312 | | |
| Lease/Purchase Equipment | 551313 | | |
| Other Direct | 551314 | | |
| Leverage (Matching funds) | 555900 | | |
| **Total Project Amount** | | | |

| RECORDS/REPORTS | Yes | No | N/A | Reason for Non Compliance | Guidance |
|---|---|---|---|---|---|
| Master File | | | | | Does file contain application, general correspondence, contract, financial, procurement, etc? |
| Reports | | | | | Have all reports (quarterly or semi-annual and final) been submitted to          ? |
| Closeout | | | | | Has closeout been submitted to          ? |

| FINANCIAL REQUIREMENTS | Yes | No | N/A | Reason for Non Compliance | Guidance |
|---|---|---|---|---|---|
| Written accounting procedures set out in accounting manual (or met in accordance with DOE requirements of program)? | | | | | Request copy of accounting manual: review procedures to determine clarity and proper control. |
| Records that provide for current, accurate and complete disclosure of financial results? | | | | | Review books of account, audit reports, etc. Determine that accounting transactions are recorded in a timely manner. |
| Records adequate to identify the source and use of funds? | | | | | Obtain auditor's opinion, if possible. Review reports provided by accounting system to determine usefulness. |
| An effective system of control and accountability for funds and property? | | | | | Obtain copy of most recent audit report & review auditor's statement of sufficiency to determine if auditor's judgment of the recipient's internal controls are adequate. |
| Does the contractor maintain a separate set of self-balancing accounts to track SSEP funds? | | | | | |
| Does contractor maintain a cash receipts and disbursement ledger? | | | | | |
| Does the Cash Disbursements Journal contain separate expenditure accounts for each approved budget line item? | | | | | |
| Comparisons are made between actual and budget accounts? | | | | | Review financial reports to determine if such comparisons are made: ascertain frequency of such reports |
| Procedures in place to minimize the time elapsing between receipt and expenditure of funds and for determining allow ability and allocability of costs? | | | | | Review documentation of accounting system to determine the procedures that are in place; review deposit slips and expenditure reports to determine time lapse; review audit report and determine cause for questioned costs. |
| Accounting records are supported by source documentation? | | | | | Examine most recent audit report for auditor's opinion as to sufficiency of supporting documentation; review accounting records. |
| Purchase orders, payments and other state requirements: | | | | | |
| Is a copy of the purchase order for each invoice available for review? | | | | | |
| Are the purchase orders the same amount as the respective invoices? | | | | | |
| Is a Non-Collusion Affidavit for payments of $25,000 signed and provided by the contractor? | | | | | |
| Were invoices defaced by marking paid, date, and check number on each invoice? | | | | | |

| FINANCIAL REQUIREMENTS | Yes | No | N/A | Reason for Non Compliance | Guidance |
|---|---|---|---|---|---|
| Do accounting files contain cancelled checks or photocopies of checks used for payment of SSEP expenditures? | | | | | |
| Are all checks signed by the authorized financial officer? | | | | | |
| Are all the individuals signing the Expenditure reports and other financial documents listed on the Certificate of Authority Form? | | | | | |
| Are Bank statements reconciled monthly? | | | | | |
| Are there any potential weaknesses in the Internal controls of the recipient? | | | | | |
| Copies of annual audits on file? | | | | | Recent copies of audits to determine that they are prepared annually. |
| Audits conducted by CPA or Licensed Public Accountant? | | | | | Determine whether audits were conducted by independent, qualified CPA or Licensed Public Accountant. |
| Resolutions system for resolving audit exceptions? | | | | | Review resolution system; review actual experience of resolution of last year's audit exceptions (if any) |
| Cost sharing/matching contributions verifiable from recipient's records? | | | | | Check accounting records to determine that matching contributions are properly recorded. |
| Nonfederal cost sharing expenditures meet the percentage requirements specified in the grant agreement? | | | | | Check year-end financial statements to determine percentage of total expenditures represented by non-federal matching contributions. |
| Documentation is available to explain how values of in-kind contributions were determined? | | | | | Review recipients procedures and actual calculations for valuing in-kind contributions. |
| Nonfederal cost sharing expenditures are appropriate and allowable? | | | | | Check that contributions are not included as contributions for any other federally assisted project and that they are not paid by the federal government under any other award; review applicable OMB cost principles to determine allow ability. |
| Disposition of Program income is in accord with grant's terms and conditions and agency's regulations? | | | | | Review financial statements to determine how program income has been treated vis-à-vis grant and agency requirements. |
| Required prior approvals requested and obtained before making budgetary and programmatic revisions? | | | | | Ask recipient whether budget or program changes have been made, the nature of these changes, and whether approvals are requested. |

| PERSONNEL REQUIREMENTS | Yes | No | N/A | Reason for Non Compliance | Guidance |
|---|---|---|---|---|---|
| Written personnel policies and procedures? | | | | | Request copy of policies and procedures and check to see that they cover these topics; position classifications, qualifications requirements for all positions; recruitment and selection system; staff development; promotions. |
| Are administrative funds used to pay salaries? | | | | | |
| Do accounting files contain time sheet signed by employee, leave requests, rate of pay for employee (including fringe benefits)? | | | | | |
| A position classification system? | | | | | Interview a sample of employees to determine if they have position descriptions; determine if employees doing essentially the same work are at the same classification level. |
| Qualifications requirement for each position? | | | | | Check to see that there are written qualifications for each position and that they in fact relate to the duties of that position. |
| A recruitment and selection system that provides for the public advertisement of vacancies, establishes controls to ensure consistency with the budget plan, and enables a comparison of job candidate qualifications with program requirements? | | | | | Check a sample of selections at all levels to ensure that recipient's recruitment and selection procedures were followed. |
| Compensation determination based on analysis of job requirements, comparability with similar work in the local market, periodic review of pay scales, and fringe benefits comparable to other similar organizations? | | | | | Review a sample of pay rates to determine their relationship to position structure; review comparability documentation to ensure it is in reasonable alignment with available data. |
| Performance appraisals conducted for all employees? | | | | | Discuss performance appraisal system with a sample of supervisors and non-supervisory employees to see if appraisals are made consistently and serve as the basis for future pay adjustments. |
| A merit promotion plan? | | | | | Review sample of promotion actions to determine if they were made in accordance with merit promotion plan. |
| Staff development program that includes training and career counseling? | | | | | Through discussion and document review, identify how and when staff needs are determined; ask a sample of employees if training and career counseling are made available. |
| Up-to-date, accurate personnel file that protects confidentiality of personnel record on all employees? | | | | | Review a sample of personnel records in the file and then check with the employees involved to determine whether the official documents accurately reflect employees' current job classifications, pay levels, training received, etc: check procedures for access to personnel files. |

| PROCUREMENT REQUIREMENTS | Yes | No | N/A | Reason for Non Compliance | Guidance |
|---|---|---|---|---|---|
| Review PO's, RFP's for buy American requirements, and documentation that products meet made in America requirements | | | | | Request copies of purchasing documentation that both request and documents products are Made in America. |
| Written procurement policies and procedures that provide: | | | | | Request copy of policies and procedures |
| That request for bids contain clear specifications and do not contain feature that unduly restrict competition? | | | | | Review bid rates |
| Positive efforts to use small and minority owned businesses? | | | | | Check mechanism for soliciting against listed SBA and OMB recommended sources or locally developed sources. |
| Review a sample of procurement files for all purchases. | | | | | Check to ensure procurement requirements for selection were followed. |
| Review files for Davis Bacon wage determinations, certified payroll, time sheets, pay rates, etc | | | | | Review and copy sample of wage determinations and compare to job classification, pay rates, and payroll records |
| Confirm RFP's identify Project falls under Davis Bacon Wage determination and all labor rates and records must meet D-B requiremnts. | | | | | Review all RFP to ensure Davis Bacon Requirements are properly identified , copy a sample for file. |
| Maintenance of a code for standards of conduct requiring that employees or officers not solicit nor accept gratuities, favors, or anything of monetary value from contractors or potential contractors? | | | | | Check procurement policies and procedures for written specification. |
| Procurement conducted with maximum open and free competition? | | | | | Check sample of purchase records for bid advertising, # of bids on file and justification for sole source selection. |
| PROPERTY | Yes | No | N/A | Reason for Non Compliance | Guidance |
| Property records on file for all items with a useful life of more than one year and a purchase price of $200 or more? | | | | | Examine the file of property records; interview the employee with responsibility for property management and obtain description of the system for maintaining property records. |
| Property records contain for each item: | | | | | |
| A description | | | | | |
| Manufacturer's serial number or other identification number | | | | | |
| Acquisition date and cost | | | | | Review current inventory to determine if information required for all items maintained. |
| Source of the property | | | | | |
| Percentage of federal funds used in acquiring the property? | | | | | |
| Location, use and condition of the property? | | | | | |
| Ultimate disposition date? | | | | | |
| Physical inventory taken every two years and results reconciled with property records? | | | | | Review supporting documentation of most current physical inventory. |
| Control system in effect to ensure adequate safeguards to prevent loss, damage, or theft of property? | | | | | Review procedures for using and safeguarding property (insurance coverage, security of facilities, tagging equipment for identification) and loaning equipment; determine if written procedures and practice coincide. |

| PROGRAM | Yes | No | N/A | Reason for Non Compliance | Guidance |
|---|---|---|---|---|---|
| Actual project goals, objectives, activities and services reflect those in the proposal? | | | | | Ask Project Director and/or other staff to describe current goals, objectives, activities, and services and to explain any changes from the proposal. Observe and document project activities. Compare what proposal says. |
| For projects that serve clients (Client profile reflects that which is described in the proposal? | | | | | Check files to determine characteristics of clients served. Determine if services are being provided to ineligible persons. Observe and record number of clients served and their characteristics. |
| Key staff the same as described in the proposal? | | | | | Obtain list of key staff and compare with proposal. |
| Staff have adequate understanding of the project's purpose and their r role in the project? | | | | | Interview staff about their responsibilities and their daily work activities and compare with proposal. |
| Sufficient progress made in meeting objectives? | | | | | Interview staff and examine reports to determine specific progress made in achieving each objective listed in the proposal. If progress has been slow, ask staff to explain. |
| EVALUATION METRICS | | Evaluation | | | Guidance |
| Energy and demand savings | | | | | Efforts should document the resulting effects that are above and beyond he effects that would have been achieved without those funds. |
| Renewable energy capacity and generation | | | | | Efforts should document the resulting effects that are above and beyond he effects that would have been achieved without those funds. |
| Carbon emissions and reduc ions | | | | | Efforts should document the resulting effects that are above and beyond he effects that would have been achieved without those funds. |
| Job creation (including number, type, and duration of jobs). | | | | | OMB Guidance Section 1512, ARRA |
| Economic impacts | | | | | |
| Adop ion of new technologies | | | | | |
| | | | | | |