



**District Attorney
COUNTY OF TULARE
AGENDA ITEM**

BOARD OF SUPERVISORS

KUYLER CROCKER
District One

PETE VANDER POEL
District Two

AMY SHUKLIAN
District Three

EDDIE VALERO
District Four

DENNIS TOWNSEND
District Five

AGENDA DATE: September 15, 2020

Public Hearing Required	Yes	<input type="checkbox"/>	N/A	<input checked="" type="checkbox"/>
Scheduled Public Hearing w/Clerk	Yes	<input type="checkbox"/>	N/A	<input checked="" type="checkbox"/>
Published Notice Required	Yes	<input type="checkbox"/>	N/A	<input checked="" type="checkbox"/>
Advertised Published Notice	Yes	<input type="checkbox"/>	N/A	<input checked="" type="checkbox"/>
Meet & Confer Required	Yes	<input type="checkbox"/>	N/A	<input checked="" type="checkbox"/>
Electronic file(s) has been sent	Yes	<input checked="" type="checkbox"/>	N/A	<input type="checkbox"/>
Budget Transfer (Aud 308) attached	Yes	<input type="checkbox"/>	N/A	<input checked="" type="checkbox"/>
Personnel Resolution attached	Yes	<input type="checkbox"/>	N/A	<input checked="" type="checkbox"/>
Agreements are attached and signature line for Chairman is marked with tab(s)/flag(s)	Yes	<input checked="" type="checkbox"/>	N/A	<input type="checkbox"/>
CONTACT PERSON: Dan Underwood PHONE: 636-5494				

SUBJECT: Approve an agreement with the California Office of Emergency Services

REQUEST(S):

That the Board of Supervisors:

1. Approve an agreement with the California Office of Emergency Services in the amount of \$95,064 to provide continuing funding for the Human Trafficking Advocacy Program, for the period January 1, 2021 through December 31, 2021;
2. Authorize the Chairman to sign the Grant Subaward Face Sheet and the Subrecipient Grants Management Assessment;
3. Authorize the Chairman and the County Administrative Officer to sign the Certification of Assurance of Compliance;
4. Authorize the Project Director, Financial Officer, and their signature designees to sign the Signature Authorization form;
5. Recognize the Chair of the Tulare County Board of Supervisors as having authority to submit the application for the Human Trafficking Advocacy Program to the California Office of Emergency Services, and as having authority to execute on behalf of the County of Tulare the attached Grant Subaward, including any extensions or amendments thereof;
6. Agree to abide by the rules and regulations of the California Governor's Office of Emergency Services; and
7. Agree that grant funds received hereunder shall not be used to supplant

SUBJECT: Approve an Agreement with the California Office of Emergency Services
DATE: September 15, 2020

expenditures controlled by this body.

SUMMARY:

The California Governor's Office of Emergency Services (Cal OES) is California's State Administering Agency for Victims of Crime Act (VOCA) funding, made possible through the U.S. Department of Justice. VOCA funds are allocated to numerous grant programs to serve victims, and the Human Trafficking Advocacy Program (HA Program) is one such program. The Office of the District Attorney has been a recipient of this grant funding since 2014 and is seeking continuing funding for calendar year 2021. It should be noted that Cal OES specifically requires the resolution to include Requests 5 through 7.

The purpose of the HA Program is to fund Victim/Witness Assistance Centers to provide services to victims of human trafficking, particularly those Centers that need additional staff and support to identify and provide comprehensive services to these victims, who often have more unique needs. Since the HA Program's inception through June 30, 2020, the Victim/Witness Center has provided services to 165 human trafficking victims.

Funding for calendar year 2021 will cover the salaries and benefits of one full-time Victim Witness Worker, as well as operational expenses. The Victim Witness Worker will perform substantial outreach throughout Tulare County, and will provide an array of services to victims of human trafficking through the District Attorney's Victim Witness Center, including crisis intervention, court support, case status and update, assistance in filing for benefits from the California Victim Compensation Board, and orientation to the criminal justice system.

The grant is based on a calendar year; therefore, approximately 50% of the grant will be spent in Fiscal Year 2020/21, and approximately 50% will be spent in Fiscal Year 2021/22.

The original agreement was approved as to form by County Counsel on October 29, 2019, and was approved by the Board of Supervisors on November 5, 2019. The substantive deviations from the standard County boilerplate identified in the original agenda item were: 1) The Agreement is contingent on the availability of funds to the state and federal governments. In the event of insufficient funding, Cal OES can immediately reduce or cancel the County's funding under the Agreement; 2) The County, not the State, is solely responsible for any liability that results from the Agreement; 3) The Agreement is subject to state and/or federal laws and regulations, even if they are enacted after the Agreement is executed; 4) The County must comply with federal and state record-keeping requirements, and the relevant federal and state officials and agencies have a right to access records under the Agreement; 5) The County must submit the following to Cal OES: (a) audit reports and (b) progress reports regarding activities under the Agreement. Cal OES may conduct site visits at the County to ensure compliance. If the County does not meet these requirements, it may lose current and/or future funding under the Agreement; 6) Cal OES, not the County, owns all the intellectual property rights that

SUBJECT: Approve an Agreement with the California Office of Emergency Services
DATE: September 15, 2020

stem from the Agreement; 7) The County is prohibited from assigning its rights under the Agreement, but this prohibition does not extend to the State; and 8) The County signs the Agreement first.

The proposed renewal agreement does not include any additional deviations from the standard County boilerplate. The only changes from the prior agreement are to time period of the agreement, from January 1, 2020 through December 31, 2020, to January 1, 2021 through December 31, 2021, and the dollar amount of the agreement, from \$115,371 to \$95,064.

It should be noted that the Board has reviewed and approved prior, similar agreements with Cal OES.

Relevant sections of the Cal OES Grant Program Manual and the Code of Federal Regulations are attached to this Board Agenda Item as they are incorporated into the agreement by reference.

This agreement is part of an application package. Once the application package is reviewed and approved by Cal OES, the agreement is countersigned by a Cal OES representative and becomes final. There will not be a follow up agreement.

FISCAL IMPACT/FINANCING:

The Human Trafficking Advocacy Program (Budget Unit 3162) grant award is for \$95,064 for the period of January 1, 2021 through December 31, 2021. There are no matching funds. The Program's funding and expenditures are based on a calendar fiscal year; therefore, the Program's distribution of funding and costs are as follows:

- \$47,532 in grant funds has been included for FY 2020/21 (January 1, 2021 through June 30, 2021).
- \$47,532 in grant funds will be included for FY 2021/22 (July 1, 2021 through December 31, 2021).

There is no net County cost to the General Fund.

LINKAGE TO THE COUNTY OF TULARE STRATEGIC BUSINESS PLAN:

The County's five-year Strategic Business Plan and Management System include Safety and Security initiatives to provide for the safety and security of the public. Continued grant funding from Cal OES helps to fulfill this initiative by funding the District Attorney's office to provide numerous critical services to victims of human trafficking, as well as to provide community outreach to Tulare County citizens regarding crime prevention and victims' rights.

SUBJECT: Approve an Agreement with the California Office of Emergency Services
DATE: September 15, 2020

ADMINISTRATIVE SIGN-OFF:

/s/ Dan Underwood

Dan Underwood
Chief Deputy District Attorney

cc: County Administrative Office

Attachment(s)	Attachment 1: Grant Subaward Face Sheet
	Attachment 2: Certification of Assurance of Compliance
	Attachment 3: Subrecipient Grants Management Assessment
	Attachment 4: Code of Federal Regulations – 200.333, 200.336 and 200.339
	Attachment 5: Relevant sections of the Cal OES 2020 Subrecipient Handbook

**BEFORE THE BOARD OF SUPERVISORS
COUNTY OF TULARE, STATE OF CALIFORNIA**

IN THE MATTER OF APPROVE AN) Resolution No. _____
AGREEMENT WITH THE CALIFORNIA) Agreement No. _____
OFFICE OF EMERGENCY SERVICES)
)

UPON MOTION OF SUPERVISOR _____, SECONDED BY
SUPERVISOR _____, THE FOLLOWING WAS ADOPTED
BY THE BOARD OF SUPERVISORS, AT AN OFFICIAL MEETING HELD _____
_____, BY THE FOLLOWING VOTE:

AYES:
NOES:
ABSTAIN:
ABSENT:

ATTEST: JASON T. BRITT
COUNTY ADMINISTRATIVE OFFICER/
CLERK, BOARD OF SUPERVISORS

BY: _____
Deputy Clerk

* * * * *

1. Approve an agreement with the California Office of Emergency Services in the amount of \$95,064 to provide continuing funding for the Human Trafficking Advocacy Program, for the period January 1, 2021 through December 31, 2021;
2. Authorized the Chairman to sign the Grant Subaward Face Sheet and the Subrecipient Grants Management Assessment;
3. Authorized the Chairman and the County Administrative Officer to sign the Certification of Assurance of Compliance;
4. Authorized the Project Director, Financial Officer, and their signature designees to sign the Signature Authorization form;
5. Recognized the Chair of the Tulare County Board of Supervisors as having authority to submit the application for the Human Trafficking Advocacy Program to the California Office of Emergency Services, and as having authority to execute on behalf of the County of Tulare the attached Grant Subaward, including any extensions or amendments thereof;
6. Agreed to abide by the rules and regulations of the California Governor's Office of Emergency Services; and
7. Agreed that grant funds received hereunder shall not be used to supplant expenditures controlled by this body.

2 CFR 200.333

This document is current through the October 31, 2016 issue of the Federal Register with the exception of 81 FR 74504, October 26, 2016

Code of Federal Regulations > *TITLE 2 -- GRANTS AND AGREEMENTS* > *SUBTITLE A -- OFFICE OF MANAGEMENT AND BUDGET GUIDANCE FOR GRANTS AND AGREEMENTS* > *CHAPTER II-- OFFICE OF MANAGEMENT AND BUDGET GUIDANCE* > *PART 200--UNIFORM ADMINISTRATIVE REQUIREMENTS, COST PRINCIPLES, AND AUDIT REQUIREMENTS FOR FEDERAL AWARDS* > *SUBPART D--POST FEDERAL AWARD REQUIREMENTS* > *RECORD RETENTION AND ACCESS*

§ 200.333 Retention requirements for records.

Financial records, supporting documents, statistical records, and all other non-Federal entity records pertinent to a Federal award must be retained for a period of three years from the date of submission of the final expenditure report or, for Federal awards that are renewed quarterly or annually, from the date of the submission of the quarterly or annual financial report, respectively, as reported to the Federal awarding agency or pass-through entity in the case of a subrecipient. Federal awarding agencies and pass-through entities must not impose any other record retention requirements upon non-Federal entities. The only exceptions are the following:

(a) If any litigation, claim, or audit is started before the expiration of the 3-year period, the records must be retained until all litigation, claims, or audit findings involving the records have been resolved and final action taken.

(b) When the non-Federal entity is notified in writing by the Federal awarding agency, cognizant agency for audit, oversight agency for audit, cognizant agency for indirect costs, or pass-through entity to extend the retention period.

(c) Records for real property and equipment acquired with Federal funds must be retained for 3 years after final disposition.

(d) When records are transferred to or maintained by the Federal awarding agency or pass-through entity, the 3-year retention requirement is not applicable to the non-Federal entity.

(e) Records for program income transactions after the period of performance. In some cases recipients must report program income after the period of performance. Where there is such a requirement, the retention period for the records pertaining to the earning of the program income starts from the end of the non-Federal entity's fiscal year in which the program income is earned.

(f) Indirect cost rate proposals and cost allocations plans. This paragraph applies to the following types of documents and their supporting records: indirect cost rate computations or proposals, cost allocation plans, and any similar accounting computations of the rate at which a particular group of costs is chargeable (such as computer usage chargeback rates or composite fringe benefit rates).

(1) If submitted for negotiation. If the proposal, plan, or other computation is required to be submitted to the Federal government (or to the pass-through entity) to form the basis for negotiation of the rate, then the 3-year retention period for its supporting records starts from the date of such submission.

(2) If not submitted for negotiation. If the proposal, plan, or other computation is not required to be submitted to the Federal government (or to the pass-through entity) for negotiation purposes, then the

3-year retention period for the proposal, plan, or computation and its supporting records starts from the end of the fiscal year (or other accounting period) covered by the proposal, plan, or other computation.

Statutory Authority

AUTHORITY NOTE APPLICABLE TO ENTIRE PART:

[*31 U.S.C. 503*](#)

History

[*\[78 FR 78590, 78608\]*](#), Dec. 26, 2013]

Annotations

Notes

[EFFECTIVE DATE NOTE:

[*78 FR 78590, 78608\]*](#), Dec. 26, 2013, added Part 200, effective Dec. 26, 2013.]

LEXISNEXIS' CODE OF FEDERAL REGULATIONS

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[2 CFR 200.336](#)

This document is current through the October 31, 2016 issue of the Federal Register with the exception of 81 FR 74504, October 26, 2016

[Code of Federal Regulations](#) > [TITLE 2 -- GRANTS AND AGREEMENTS](#) > [SUBTITLE A -- OFFICE OF MANAGEMENT AND BUDGET GUIDANCE FOR GRANTS AND AGREEMENTS](#) > [CHAPTER II-- OFFICE OF MANAGEMENT AND BUDGET GUIDANCE](#) > [PART 200--UNIFORM ADMINISTRATIVE REQUIREMENTS, COST PRINCIPLES, AND AUDIT REQUIREMENTS FOR FEDERAL AWARDS](#) > [SUBPART D--POST FEDERAL AWARD REQUIREMENTS](#) > [RECORD RETENTION AND ACCESS](#)

§ 200.336 Access to records.

(a)Records of non-Federal entities. The Federal awarding agency, Inspectors General, the Comptroller General of the United States, and the pass-through entity, or any of their authorized representatives, must have the right of access to any documents, papers, or other records of the non-Federal entity which are pertinent to the Federal award, in order to make audits, examinations, excerpts, and transcripts. The right also includes timely and reasonable access to the non-Federal entity's personnel for the purpose of interview and discussion related to such documents.

(b)Only under extraordinary and rare circumstances would such access include review of the true name of victims of a crime. Routine monitoring cannot be considered extraordinary and rare circumstances that would necessitate access to this information. When access to the true name of victims of a crime is necessary, appropriate steps to protect this sensitive information must be taken by both the non-Federal entity and the Federal awarding agency. Any such access, other than under a court order or subpoena pursuant to a bona fide confidential investigation, must be approved by the head of the Federal awarding agency or delegate.

(c)Expiration of right of access. The rights of access in this section are not limited to the required retention period but last as long as the records are retained. Federal awarding agencies and pass-through entities must not impose any other access requirements upon non-Federal entities.

Statutory Authority

AUTHORITY NOTE APPLICABLE TO ENTIRE PART:

[31 U.S.C. 503](#)

History

[\[78 FR 78590, 78608, Dec. 26, 2013\]](#)

Annotations

Notes

[EFFECTIVE DATE NOTE:

[78 FR 78590, 78608](#), Dec. 26, 2013, added Part 200, effective Dec. 26, 2013.]

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End of Document

2 CFR 200.339

This document is current through the October 31, 2016 issue of the Federal Register with the exception of 81 FR 74504, October 26, 2016

Code of Federal Regulations > *TITLE 2 -- GRANTS AND AGREEMENTS* > *SUBTITLE A -- OFFICE OF MANAGEMENT AND BUDGET GUIDANCE FOR GRANTS AND AGREEMENTS* > *CHAPTER II-- OFFICE OF MANAGEMENT AND BUDGET GUIDANCE* > *PART 200--UNIFORM ADMINISTRATIVE REQUIREMENTS, COST PRINCIPLES, AND AUDIT REQUIREMENTS FOR FEDERAL AWARDS* > *SUBPART D--POST FEDERAL AWARD REQUIREMENTS* > *REMEDIES FOR NONCOMPLIANCE*

§ 200.339 Termination.

(a) The Federal award may be terminated in whole or in part as follows:

- (1) By the Federal awarding agency or pass-through entity, if a non-Federal entity fails to comply with the terms and conditions of a Federal award;
- (2) By the Federal awarding agency or pass-through entity for cause;
- (3) By the Federal awarding agency or pass-through entity with the consent of the non-Federal entity, in which case the two parties must agree upon the termination conditions, including the effective date and, in the case of partial termination, the portion to be terminated; or
- (4) By the non-Federal entity upon sending to the Federal awarding agency or pass-through entity written notification setting forth the reasons for such termination, the effective date, and, in the case of partial termination, the portion to be terminated. However, if the Federal awarding agency or pass-through entity determines in the case of partial termination that the reduced or modified portion of the Federal award or subaward will not accomplish the purposes for which the Federal award was made, the Federal awarding agency or pass-through entity may terminate the Federal award in its entirety.

(b) When a Federal awarding agency terminates a Federal award prior to the end of the period of performance due to the non-Federal entity's material failure to comply with the Federal award terms and conditions, the Federal awarding agency must report the termination to the OMB-designated integrity and performance system accessible through SAM (currently FAPIIS).

- (1) The information required under paragraph (b) of this section is not to be reported to designated integrity and performance system until the non-Federal entity either--
 - (i) Has exhausted its opportunities to object or challenge the decision, see § 200.341 Opportunities to object, hearings and appeals; or
 - (ii) Has not, within 30 calendar days after being notified of the termination, informed the Federal awarding agency that it intends to appeal the Federal awarding agency's decision to terminate.
- (2) If a Federal awarding agency, after entering information into the designated integrity and performance system about a termination, subsequently:
 - (i) Learns that any of that information is erroneous, the Federal awarding agency must correct the information in the system within three business days;

(ii) Obtains an update to that information that could be helpful to other Federal awarding agencies, the Federal awarding agency is strongly encouraged to amend the information in the system to incorporate the update in a timely way.

(3) Federal awarding agencies, shall not post any information that will be made publicly available in the non-public segment of designated integrity and performance system that is covered by a disclosure exemption under the Freedom of Information Act. If the non-Federal entity asserts within seven calendar days to the Federal awarding agency who posted the information, that some of the information made publicly available is covered by a disclosure exemption under the Freedom of Information Act, the Federal awarding agency who posted the information must remove the posting within seven calendar days of receiving the assertion. Prior to reposting the releasable information, the Federal agency must resolve the issue in accordance with the agency's Freedom of Information Act procedures.

(c) When a Federal award is terminated or partially terminated, both the Federal awarding agency or pass-through entity and the non-Federal entity remain responsible for compliance with the requirements in §§ 200.343 Closeout and 200.344 Post-closeout adjustments and continuing responsibilities.

Statutory Authority

AUTHORITY NOTE APPLICABLE TO ENTIRE PART:

[31 U.S.C. 503](#)

History

[[78 FR 78590, 78608](#), Dec. 26, 2013; [80 FR 43301, 43309](#), July 22, 2015; [80 FR 45395](#), July 30, 2015]

Annotations

Notes

[EFFECTIVE DATE NOTE:

[78 FR 78590, 78608](#), Dec. 26, 2013, added Part 200, effective Dec. 26, 2013; [80 FR 43301, 43309](#), July 22, 2015, revised paragraph (b) and added paragraph (c), effective Jan. 1, 2016; [80 FR 45395](#), July 30, 2015, provides: "The effective date for the final guidance published July 22, 2015 ([80 FR 43301](#)), is changed from January 1, 2016, to July 30, 2015."

LEXISNEXIS' CODE OF FEDERAL REGULATIONS

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1000 GRANT SUBAWARD

A Grant Subaward is the signed final agreement between Cal OES and the local government agency or organization authorized to accept grant funding.

1100 DEFINITION

The grant application, when signed by the Director or designee of Cal OES, becomes the Grant Subaward which includes the terms and conditions.

1200 GRANT SUBAWARD COMPONENTS¹

The Grant Subaward components are:

- a. Grant Subaward Face Sheet (Cal OES Form 2-101);
- b. Project Contact Information (Cal OES Form 2-102);
- c. Signature Authorization (Cal OES Form 2-103);
- d. Certification of Assurance of Compliance (Cal OES Form 2-104, and 2-104 c-o);
- e. Grant Subaward Budget (Cal OES Form 2-106 a or b);
- f. Project Narrative (Cal OES Form 2-108);
- g. Project Service Area Information (Cal OES Form 2-154);
- h. Subrecipient Grants Management Assessment;
- i. Any special conditions imposed by Cal OES; and
- j. Any other document required by the Request for Application (RFA)/Request for Proposal (RFP).

1300 GRANT SUBAWARD CONDITIONS

1310 General

The Grant Subaward is an agreement between Cal OES and the Subrecipient. Projects must conform to the agreement as specified. Failure to do so may result in the withholding or disallowance of subaward payments

¹ Section 1200 - This section has been updated to identify all of the components of a Grant Subaward.

on current or future Cal OES Grant Subawards, the reduction or termination of the Grant Subaward, and/or the denial of future Grant Subawards. Additionally, the Subrecipient must comply with applicable laws, regulations, and guidelines set-forth for the type of funding received. For instance, Subrecipients receiving federal funding must comply with the Code of Federal Regulation, and may be required to comply with additional federal guidelines such as the DOJ Financial Guide or Code of Domestic Assistance (CFDA). For funding sources falling under multiple regulations and guidance, Subrecipients must follow those rules which are most stringent.

1311 Responsible Agency

The Subrecipient named on the Grant Subaward Face Sheet is the agency responsible for the implementation of the Grant Subaward and for providing all matching funds specified on the Grant Subaward Face Sheet. The Subrecipient may not transfer or assign the Grant Subaward to another agency or party. Any liability arising shall be the responsibility of the Grant Subrecipient. The State of California and Cal OES disclaim responsibility for any such liability.

1320 Terms of the Program

The applicable RFP or RFA must be accessible by the project on-site (an internet link to the Cal OES website is acceptable). These key documents contain the applicable guidelines that define the terms of the program. Failure to adhere to these requirements (i.e. enabling legislation, funding regulations, service standards, program guidelines, etc.) may result in the withholding or disallowance of subaward payments on current or future Cal OES Grant Subawards, a reduction in funding, a termination of the Grant Subaward, and/or the denial of future funding. In the event the terms of the program are inconsistent with the provisions of this Subrecipient Handbook, the terms of the program (i.e., RFA/RFP) supersede the provisions of this Subrecipient Handbook.

1320.1 Special Conditions

Special Conditions may be applied to an application before final Cal OES approval. Special Conditions are applied at Cal OES's discretion to modify the terms of the program or funding as defined in the RFP or RFA. Special Conditions may include, but are not limited to: a change to the latest expenditure date of a fund, notification that required programmatic documents (i.e., operational agreements) are missing; instructing the Subrecipient to not charge indirect costs until an approved rate from the federal cognizant agency has been received by Cal OES, etc. If a Special Condition is applied, it will be fully explained on a colored sheet of paper that is included in the Subrecipient's fully executed Grant Subaward. By

signing the Grant Subaward, the Subrecipient agrees to the terms of the Special Condition.

1330 Supplanting Prohibited

Supplanting means to deliberately reduce the amount of federal, state, or local funds currently being appropriated to an existing program or activity, because a Cal OES Grant Subaward has also been awarded for the same purpose. When the Subrecipient replaces funds in this manner, it reduces the total amount that would have been available for the stated subaward purpose, and the substitution results in supplanting.

Cal OES funds should be used to supplement existing funds for program activities and not replace funds that have been appropriated for the same purpose. Supplanting is strictly prohibited for all Cal OES grant funds. If both state and federal funds are allocated for the same line item, state funds shall be expended first.

1340 Grant Subaward Changes

Changes made during the Grant Subaward year must be fully documented in accordance with the procedures described in this Subrecipient Handbook. Oral agreements are not binding.

1350 Proof of Authority

All Subrecipients, except for State agencies, are required to obtain written authorization (e.g. a Resolution, Board Minutes, or a letter from the Board Chair) from the city council/governing board that the official executing the agreement is, in fact, authorized to do so and includes any amendments, extensions, thereof. Subrecipients must maintain this written authorization on file and make it available upon demand. Whenever possible, it is best to use the official's title rather than the person's name to avoid having to seek further authorization from the governing agency if the person named is transferred or leaves an agency/organization.

1400 FUND AVAILABILITY

Allocation of funds is contingent on the passage of the State Budget Act for the applicable fiscal year. Cal OES does not have the authority to disburse any funds until the State Budget Act is passed and the Grant Subaward is fully executed. Any expenditure incurred prior to authorization is made at the Subrecipient's own risk and may be disallowed. Cal OES employees are not able to authorize an applicant to incur expenses or financial obligations prior to the execution of a Grant Subaward. However, once the Grant Subaward

is finalized the Grant Subrecipient may claim reimbursement for expenses incurred on, or subsequent to, the start of the Grant Subaward period.

If, during the term of the Grant Subaward, the state and/or federal funds appropriated for the purposes of the Grant Subaward are reduced or eliminated by the California Legislature or by the United States Government, or in the event revenues are not collected at the level appropriated, Cal OES may immediately terminate or reduce the Grant Subaward upon written notice to the project. No such termination or reduction shall apply to allowable costs already incurred by the project to the extent that state or federal funds are available for payment of such costs.

The Grant Subaward entered into with Cal OES is subject to any applicable restrictions, limitations, or conditions enacted by the California Legislature and/or the United States Government subsequent to execution of the Grant Subaward.

5200 CREDITS AND DISCLAIMERS

Publications produced in part or in whole with grant funds may require the following credit reference:

"This publication was financially assisted by the California Governor's Office of Emergency Services (Cal OES)."

Publications produced in part or in whole with federal funds will require the following credit reference:

"This project/publication was supported by funding awarded by (state/federal grant fund) (subaward number) through the California Governor's Office of Emergency Services (Cal OES)."

Cal OES may also require that the publication include the following disclaimer statement:

"The opinions, findings, and conclusions in this publication are those of the author and not necessarily those of Cal OES. Cal OES reserves a royalty-free, nonexclusive, and irrevocable license to reproduce, publish, and use these materials and to authorize others to do so."

Cal OES reserves the right to require additional information in the publication. These statements must be placed in a visible location at the beginning and/or end of the published materials. Projects producing publications should consult their assigned Cal OES Program Specialist to coordinate the appropriate credit reference.

5300 COPYRIGHTS AND RIGHTS IN DATA

All activities supported under the Grant Subaward are considered "work made for hire" as defined under Title 17 USC Section 101, and shall include, but is not limited to, publications, original computer programs, writings, sound recordings, pictorial reproductions, drawings or other geographical representations and works of any similar nature. With regard to any "work made for hire," Cal OES owns all rights comprised in the copyright, and therefore Cal OES reserves a royalty-free, nonexclusive and irrevocable license to reproduce, publish, and use such materials, in whole or in part, and to authorize others to do so.

5400 PATENTS

If any discovery or invention arises or is developed in the course of, or as a result of, work performed, in whole or in part, with Cal OES grant funds, the project must refer the discovery or invention to Cal OES. Determination of rights to inventions or discoveries shall be made by Cal OES, or its duly authorized representative, who shall have the sole and exclusive power to

8000 AUDITS

8100 AUDIT REQUIREMENTS

8101 Audit Reporting Compliance

To safeguard Cal OES assets and to ensure all grant funds are accounted for, Grant Subrecipients shall be audited in accordance with the following:

Subrecipients expending \$750,000 or more of federal funds annually must comply with the requirements for audit established by the Federal Office of Management and Budget (OMB) Uniform Guidance 2 CFR Part 200, Subpart F and arrange for an audit by an independent CPA firm annually. Audits conducted under this section will be performed using the guidelines established by the American Institute of Certified Public Accountants (AICPA) for such audits. Audit reports must be submitted within nine months after the Subrecipient's fiscal year.

Subrecipients expending less than \$750,000 of federal funds annually are not required to perform an agency-wide audit in accordance with OMB Uniform Guidance 2 CFR Part 200, Subpart F guidelines; however, if such an audit is performed for other purposes, the Subrecipient is required to forward a copy of the audit report to Cal OES within nine months after the fiscal year or the grant ending date. Subrecipients must maintain appropriate records to document grant compliance and are subject to audit by representatives of Cal OES, the State of California, and the United States Government.

Financial accountability and compliance require all funds to be expended in accordance with federal and state laws, rules and regulations, the terms of the program, and the Cal OES Subrecipient Handbook.

8102 Timely Submittal of Audit Reports

Projects may be suspended, terminated or withdrawn if the required audit is not performed, and/or the audit report is not submitted within nine months after the end of the Subrecipient's fiscal year end.

Any audit report extension requests must be in writing and submitted prior to the deadline.

8110 Scope of Audit

All audits performed under this section shall be made by an independent auditor (qualified state or local government auditors or an independent public accountant licensed by the State of California) as defined in Chapter 3, Paragraphs 3.03 through 3.32 of the Governmental Auditing Standards

(GAS Standards) promulgated by the Comptroller General of the United States (revision 2003).

8111 Audits in which Cal OES is identified as a “major program” must consider provisions contained in the terms of the program and the Cal OES Subrecipient Handbook, and must report on the revenues and expenditures of the grant (see Section 8215 for expenditures format reporting requirements).

8113 Unless limited by the nature of the audit, the auditor shall determine the following:

- a. The financial statements of the organization present fairly its financial position and the results of its financial operations in accordance with Generally Accepted Accounting Principles (GAAP).
- b. The organization has internal accounting and administrative control systems to provide reasonable assurance that it is managing the program in compliance with applicable laws and regulations pertaining to the expenditure of federal grant funds.
- c. The organization has complied with laws and regulations that may have a material effect on its financial statements and on the Cal OES funded project.

8120 Frequency of Audit

2 CFR Part 200 Uniform Guidance audits must be completed and submitted to the Cal OES Monitoring Division no later than nine months after the close of the Subrecipient’s fiscal year if the federal funding expended by the Subrecipient agency is \$750,000 or more (see Section 13600).

If grant-funded projects meeting the federal funding threshold of \$750,000 have been granted an augmentation and extension for 12 or 24 months, then an audit must be completed for each year. Projects are allowed to budget to the federal funds for a separate audit for each year of the extended grant (see Section 8157). However, these costs must be budgeted proportionately to the federal funds received and not all to the Cal OES subaward.

8130 Securing Audits

The Subrecipient must arrange for a financial audit (as defined by GAO Standards). The Single Audit Act Amendment of 1996, OMB Uniform Guidance 2 CFR Part 200, Subpart C & D and subsequent circulars should be considered in securing the audit. If there is a conflict in audit requirements,

Cal OES policy will supersede. If the Subrecipient does not comply with the audit requirements, special conditions may be placed on any current and future Grant Subaward (s) to require the project to comply. Subsequent Grant Subawards may be denied or current Grant Subawards may be withheld or terminated.

8140 Relation to Other Audit Requirements

Organizations which are required to procure annual single audits in accordance with the provisions of 2 CFR Part 200 Uniform Guidance must include Cal OES Grant Subaward expenditures in total or by cost category in the Schedule of Federal Assistance. Organizations which elect to conduct a grant-specific audit or a Financial Statement audit must ensure the audit is conducted in accordance to GAS requirements and must provide a copy of the audit to Cal OES.

8150 Audit Costs

8151 Federal Funds²⁴

Subrecipients expending less than \$750,000 in federal funds annually cannot use federal funds to reimburse for costs associated with audits.

Subrecipients expending \$750,000 or more in federal grant funds annually are required to secure an audit pursuant to 2 CFR Part 200 Uniform Guidance and are allowed to utilize federal grant funds to pay for audit costs.

8151.1 State Funds

Subrecipients can use state funds to pay for audit costs. Specifically, the allowable audit costs amounts are as follows:

- a. If the total project cost is less than or equal to \$150,000, the project may charge the subaward for the actual cost up to \$2,000 for the financial audit costs for one audit per year for each year of the Grant Subaward; or
- b. If the total project cost is greater than \$150,000, the project may charge the subaward the actual cost up to one and a half percent of the total Grant Subaward for audit costs.

Amounts may be rounded to the nearest dollar.

8152 In order for the project to claim audit costs, the costs must be designated as a separate line-item within the operating expenses budget category and be encumbered prior to the end of the performance period. Encumbering audit

²⁴ Section 8151 – This section has been re-written to clarify the use of state and federal funds for an audit cost.

costs means the project has the audit costs designated and approved in the original budget or added as an approved line-item during the performance period and have selected a CPA/auditor prior to the end of the Grant Subaward.

- 8153** Estimated audit costs related to a Cal OES Grant Subaward may be claimed for an audit that will not be completed prior to submission of the final Report of Expenditures and Request for Funds (Cal OES Form 2-201). The project must maintain documentation to support the estimated audit costs (i.e., copy of the CPA/auditor's audit fee schedule, executed audit contract or audit proposal). The accounting system must fully record the amount and disposition of all project funds. Accounting records must show receipt of funds and expenditures by source (e.g., federal, state, or local).
- 8154** Audit costs for interim audits (i.e., audits that do not cover the entire performance period) should be claimed on the final Report of Expenditures and Request for Funds (Cal OES Form 2-201). As noted above, estimated audit costs may be claimed for an audit to be completed after submitting the final Report of Expenditures and Request for Funds (Cal OES Form 2-201). Therefore, when the performance period is contained within two audit reports, the audit costs claimed on the final Report of Expenditures and Request for Funds, (Cal OES Form 2-201) will consist of actual and estimated costs.

Example

The performance period is July 1 through June 30. The project's audits are conducted on a calendar year basis (January 1 through December 31). The audit costs for the July through December 31 portion of the Grant Subaward can be determined when that calendar year audit is complete, and the costs for the January 1 through June 30 portion have to be estimated. The audit costs claimed on the Grant Subaward's final Report of Expenditures and Request for Funds (Cal OES Form 2-201) will consist of actual costs for the first six months of the Grant Subaward (July 1 through December 31) and estimated costs for the remaining six months of the performance period (January 1 through June 30).

- 8155** Carryover of grant funds from one performance period to the next is not allowable, including multi-year grants. Claimed expenses must be incurred during the performance period (see Section 6312.2). Expenditures claimed on the Report of Expenditures and Request for Funds (Cal OES Form 2-201) and submitted after the performance period must be recorded in the Subrecipient's books of account as of the performance period, with the exception of those Subrecipients reporting on a cash basis. However, those that are reporting on a cash basis must encumber (see Section 6200) the funds and reflect it in their accounting records for that performance period.

8156 If the amount of the actual audit cost is less than the amount of the estimated audit cost, the project must return the difference to Cal OES.

8157 Grant-funded projects are allowed to budget for additional audit costs related to an augmentation and/or an extension.

8200 AUDIT REPORTS

When required, audit reports must be prepared at the completion of the audit. The report must comply with the financial audit reporting standards contained in the Government Auditing Standards (GAS) published by the U.S. Government Accountability Office (revised 2003). Audit reports, which do not meet the standards, will not be accepted until the deficiencies are corrected.

If the Subrecipient elects to have a grant-specific audit conducted, they should provide Section 8000 of the Subrecipient Handbook to the CPA/auditor to ensure that the audit report meets Cal OES requirements.

8201 The audit report shall state that the audit was made in accordance with Government Auditing Standards, promulgated by the Comptroller General of the United States, or Generally Accepted Government Auditing Standards (GAGAS) for financial audits.

Public accountants performing government audits must also state that the audit was made in accordance with the Generally Accepted Auditing Standards (GAAS).

8210 Audit Report Content

The audit report must contain Sections 8211 through 8216 and meet the GAO Standards referred to in Section 8200.

8211 The auditor must include an opinion on financial statements or financial reports and related items.

The auditor is required to refer to the separate reports on compliance with laws and regulations and internal controls in the report on the financial statements.

8212 The auditor's report on their understanding of the entity's internal control structure and the assessment of control risk made as a part of the financial statement audit or a financial-related audit should include:

- a. The scope of the auditor's work in obtaining an understanding of the internal control structure and in assessing the control risks;
- b. Deficiencies in internal control considered to be significant deficiencies as defined in the AICPA standards;
- c. All instances of fraud and illegal acts unless clearly inconsequential; and
- d. Significant violations of provisions of contracts or Grant Subaward and abuse. In some circumstances, auditors should report fraud, illegal acts, and violations of provisions of contracts or Grant Subaward, and abuse directly to parties external to the audited entity.

8213 The auditor's report on compliance contains:

- a. Reporting deficiencies and/or violations of the provisions of contracts or Grant Subaward, and abuse; and
- b. An identification of any questioned or disallowed amounts for each Grant Subaward, as a result of noncompliance.

8214 In addition to the audit report, the Subrecipient shall provide comments on all findings and recommendations referred to in the report, including a plan for corrective action taken or planned and the implementation date.

8215 If a grant-specific audit is conducted, the audit report must include a categorical reporting schedule. The categorical reporting schedule must identify the following:

- a. Revenues and expenditures by cost category (personal services, operating expenses, and equipment) for each Grant Subaward;
- b. Each subaward number;
- c. Performance period;
- d. Audit period; and
- e. Revenues and expenditures by match cost category (personal services, operating expenses, equipment) for each Grant Subaward.

8216 If certain information is prohibited from general disclosure (privileged and confidential information), the report must state the nature of the information omitted and the requirement that makes the omission necessary.

8217 Subrecipients are required to submit a copy of any management letters issued by the auditor that are referenced in the audit report.

8220 Report Distribution

8221 The financial statements, schedules, summaries, auditor's report(s), Corrective Action Plan, and the management letter (if prepared) are collectively referred to as the reporting package. The reporting package may be submitted in hard copy or in electronic format (unsecured PDF, *preferred*, or on a compact disc).

The reporting package for all grant-specific audits and for 2 CFR Part 200 Uniform Guidance audits of nonprofit organizations must be submitted electronically to Grants Monitoring at GMD@caloes.ca.gov, or via hard copy to:

Grants Monitoring
California Governor's Office of Emergency Services
3650 Schriever Avenue
Mather, CA 95655

The reporting package for all local government 2 CFR Part 200 Uniform Guidance audits must be submitted to:

State Controller's Office
Division of Audits
Financial Audits Bureau/Single Audits Unit
P.O. Box 942850
Sacramento, CA 94250-5874

8222 Subrecipients reporting to Boards of Directors must provide copies of all grant-related financial audit reports and all grant-related program Monitoring reports to their board of directors.

8230 Failure to Submit an Audit Report

Failure to submit an audit report or submission of a late audit report will result in special conditions being placed on the Grant Subaward to comply with audit requirements, the withholding of grant funds, or denial of subsequent Grant Subawards.

8240 Access to Audit Documents

All audit reports, audit working papers, correspondence, or other documents related to the audit reports and Grant Subaward must be accessible to

Cal OES and its authorized representatives.

8250 Quality Control Review

Audit reports submitted by qualified state and local government auditors and independent CPA firms may be randomly selected for a quality control review of the CPA/auditor's working papers. The CPA/auditor will be notified when a review will be conducted.

8260 Right to Perform Audit or Review

Cal OES reserves the right to perform audits or reviews of any Grant Subaward at any time.

8300 MONITORING PROCESS

8310 Methods of Monitoring

The methods used by the Cal OES Monitoring Division test a Subrecipient's compliance with laws and regulations using field reviews and desk reviews.

8311 Field Review

Monitor(s) travel(s) to the Subrecipient's place of business to conduct a Compliance Review. A field review consists of, but is not limited to, the following:

- a. Entrance Conference
- b. The monitor meets with the Subrecipient to discuss the scope of the monitoring
- c. Field Work
- d. While on site, the monitor will review the Subrecipient's policies, procedures, documentation supporting claimed expenditures, procurement documentation, contracts, payroll, equipment records, and interviewing staff and, as applicable, verifying equipment purchases and location. This is not an all-inclusive list of items the monitor will be reviewing
- e. Exit Conference

At the conclusion of the visit, the monitor meets with the Subrecipient to discuss the preliminary results of the monitoring.

8312 Desk Review

Monitor(s) request(s) Subrecipient to submit documents in the mail. These documents may include responding to Schedules (targeted compliance questionnaires), Corrective Action Plans (CAP), or other source documentation supporting claimed reimbursements. A desk review's scope may be limited or extended.

8315 Independent Audit Report Review

Independent financial audit reports of Grant Subawards are reviewed to ensure that audit requirements in Section 8000 are met.

If the audit report identifies Cal OES grant-related findings, questioned costs or costs that were recommended for disallowance, a Corrective Action Plan (CAP) request letter will be sent to the Subrecipient.

The process and timeframe for responding to a request for an audit report CAP is the same as that identified in Section 8320.

8320 Monitoring Report

A compliance review report is issued to the Subrecipient approximately 45 days after the completion of the review. If corrective action is required as a result of identified areas of non-compliance, the Subrecipient has 30 days to respond in writing and outline the steps and timeframe for corrective action in the form of a CAP.

Upon approval of the CAP, the project has six months to fully implement all corrections.

Failure to timely respond to Cal OES's request for Corrective Action may result in disallowed cost (see Section 8321 Disallowed Costs), withholding of grant funds or denial of subsequent Grant Subawards.

8321 Questioned/Disallowed Costs Identified in a Monitoring or Audit Report

When costs are questioned or recommended for disallowance and the Subrecipient cannot support the costs claimed through original source documents and general ledger entries, Cal OES will make every effort to help the project identify possible stand-in (substitute) grant eligible expenditures.

Cal OES will invoice any remaining disallowances and the Subrecipient will be required to return the funds. If the questioned costs or costs recommended for disallowance are a material amount in relation to the Grant Subaward, a hold may be placed on all current grant funds.

8400 SEPARATION OF DUTIES

A key element in a system of internal control is separation of duties. Adequate separation of duties helps reduce the risk of theft or mismanagement of grant funds.

Members of the same family (e.g., husband, wife, brother, sister, daughter or son) are considered one person for the purposes of separation of duties. Adequate internal control provides that no one person may perform more than one of the following types of duties:

1. Receiving and depositing cash receipts;
2. Authorizing cash disbursements;
3. Preparing checks;
4. Operating a check signing machine;*
5. Comparing machine-signed checks with authorizations and supporting documents (or signing checks manually after personally comparing them with authorizations and supporting documents);*
6. Reconciling bank statements (+) and post to the General Ledger;* and
7. Preparing or initiating invoices.

* Will not have access to or control of blank check stock.

(+) The canceled checks must be delivered unopened to the person responsible for the bank reconciliation function and must be safeguarded by that person until the reconciliation is complete.

An employee assigned duties 1, 2, 3, 4, 5, or 7 will not keep more than one of the books of original entry concerning receipts, disbursements, or invoices. However, an employee assigned duty 6 above may do so.

Employees receiving or depositing remittances may keep the cash receipts register, employees preparing checks may keep the cash disbursements register, and persons preparing invoices may keep the invoice register. If the size of the project does not allow for separation of duties, the project must establish other procedures to mitigate that weakness. Employees of units other than the accounting unit may be used, when necessary, to provide separation of duties. Additional division of responsibilities within each duty can be beneficial.

Projects can alleviate the problem by increasing supervision of staff or by enlisting board members to perform some functions in order to achieve adequate separation of duties.

The following is a separation of duties chart for cash receipts, disbursements, and other related duties that illustrate generally the minimum division of responsibilities to ensure adequate separation of duties.

Duty	Staff 1	Staff 2	Staff 3	Staff 4	Staff 5	Staff 6	Staff 7
Receiving and depositing cash receipts	✓						
Endorsing Checks	✓						
Maintaining cash receipts register	✓						
Preparing or initiating invoices		✓					
Approving invoices			✓				
Maintaining invoice register		✓					
Preparing checks				✓			
Operating a check signing machine					✓		
Comparing machine-signed checks with authorizing and supporting documents or manually signing checks after comparing them with authorizations and supporting documents						✓	
Maintaining cash disbursements register				✓			
Mailing or distributing checks	✓						
Reconciling bank accounts & posting to the general ledger							✓
Maintaining other book of original entry							

8500 DISPOSITION OF MONITORING PROCESS

Cal OES will notify the project in writing of the disposition of findings related to Corrective Action Plans. If the project does not agree with the finding disposition, the project has 30 days to respond in writing to the finding disposition notification.

If the project does not respond in writing within 30 calendar days, Cal OES will proceed with any resulting actions, including issuing an invoice for questioned and/or disallowed costs, if appropriate.

8510 Invoice for Repayment

The project will be invoiced for costs disallowed by Cal OES. The project must pay the invoiced amount within 30 calendar days from the invoice date. If full payment of disallowed costs causes an undue hardship to the project, the project may submit a written request to the Cal OES Accounting Branch to pay under a specified payment schedule. The term of the payment schedule shall not exceed a 12-month period, unless otherwise authorized by the Cal OES Accounting Branch.

8520 Sanctions for Nonpayment

If the project does not comply or is delinquent in complying with the payment requirements imposed by Cal OES, a hold may be placed on any funds due to the project and/or full amount of disallowed costs owed will be due and payable. Cal OES may take additional action, as appropriate, including, but not limited to, denying future Grant Subawards and reducing the amount of any payments requested by the project on a Report of Expenditures and Request for Funds (Cal OES Form 2-201).

8600 DEFINITION OF TERMS

Findings

Findings are deficiencies disclosed during a compliance review or reported by the CPA/auditor in an audit report. Examples of findings include, but are not limited to:

- a. Inadequate separation of duties among employees;
- b. Untimely preparation of Report of Expenditures and Request for Funds (Cal OES Form 2-201);
- c. Lack of written procedures;

- d. The general ledger does not agree with the Report of Expenditures and Request for Funds (Cal OES Form 2-201); and
- e. Inadequate or lack of time sheets.

Questioned Costs

Costs which require additional supporting documentation from the project or which require an interpretation from Cal OES as to whether or not the costs are allowable.

Disallowed Costs

Disallowed costs are costs that the Monitor or CPA/auditor has documentary evidence beyond a reasonable doubt that the project is in violation of legislative or regulatory requirements or specific grant conditions.

Full Period Grant Audit

The financial audit covers the full performance period.

Interim Grant Audit

The financial audit does not cover the full performance period. For example, a grant is subawarded from July 1 through September 30, of the subsequent year. The audit report covers the period July 1 through June 30 of the subsequent year. The project is required to secure a financial audit to cover the remaining time period of July 1 through September 30 of that year.

Schedules (Questionnaires)

Subrecipients are selected through a random sampling method to complete a self-certification questionnaire on various subject matters (internal controls, procurement policies, etc.). The responses to these questionnaires could result in an extended desk review and/or on-site compliance review.

10000 REPORTING PROJECT ACTIVITIES AND ACHIEVEMENTS

10100 PROGRESS REPORTS

10110 Purpose

Progress Reports serve as a historical record of the implementation of the project. The Progress Report documents the project's progress in achieving the objectives in accordance with the terms of the program and provides a mechanism by which the Subrecipient can identify problems encountered in the implementation of the project.

10111 Source Documentation

Funded projects are required to participate in data collection and submit Progress Reports. Projects must keep accurate records as source documentation to support the information reported in the Progress Report.

These records must be retained by the project for at least three years from the end of the Grant Subaward period. During programmatic monitoring and Site Visits, Cal OES will review these records for accuracy and compare that data to the Progress Reports submitted by the project.

Projects are to retain source documentation for Progress Reports on a quarterly basis, regardless of submission requirements. The Progress Reports provide project staff and Cal OES with a formal process to document ongoing grant activities and project progress toward the achievement of stated program goals. All subaward Progress Reports are reviewed by Program Specialists and retained in the project's subaward file at Cal OES.

Review of Records

Acceptance of a Grant Subaward obligates the project to allow employees and/or authorized representatives of Cal OES unrestricted access to inspect, copy, and audit all pertinent books, documents, papers, and records, including redacted confidential records.

10120 Submission

Unless otherwise specified in the terms of the program, Cal OES typically requires a Status Report and Progress Reports for the performance period. The status report covers the first three months of the Grant Subaward's operation. A Progress Report is due at the end of each six-month period of the Grant Subaward. The first Progress Report will contain information about the first six months of operation, and sub-sequential reports will contain cumulative figures for each six months period, until the end of performance period.

All projects are required to submit an electronic, signed copy of the status/Progress Report to Cal OES. These are due 30 calendar days after the end of the reporting period. For example, if the reporting period ends October 31, the report must be submitted to Cal OES by November 30. Failure to submit a report on time may result in the withholding or disallowance of grant payments, the reduction or termination of grant funds, and/or the denial of future grant funding.

10120.1 Reports for Extended Grant Subawards

If the performance period is extended, additional Progress Reports may be required. Contact the Cal OES Program Specialist for the additional requirements.

10130 Final Payment

Final payment of the grant funds may be withheld until receipt of the following:

- a. Written response, when appropriate, to conditions placed on the Grant Subaward;
- b. All required Progress Reports, including those covering the period for which an approved Grant Subaward extension has been authorized;
- c. Any additional reports required by federal, state, or Cal OES guidelines; and
- d. A final Report of Expenditures and Request for Funds (Cal OES Form 2-201).

Funds may be withheld or terminated and future grant funding may be denied if the project has not complied with the terms and conditions of the Grant Subaward in a timely manner (see Section 12000).

10200 PROGRAMMATIC TECHNICAL ASSISTANCE

Programmatic technical assistance is available to all projects upon request. Requests for on-site technical assistance should be made in writing by submitting the Request for Programmatic Technical Assistance (Cal OES Form 2-235), via letter or email directed to the appropriate program branch. Technical assistance may be provided on-site or over the phone.

10300 PERFORMANCE ASSESSMENT SITE VISIT

10310 Purpose

The purpose of a Performance Assessment Site Visit report is to make an on-site assessment of current project conditions and to provide technical assistance. As part of the assessment, the Subrecipient Handbook and terms of the program will be reviewed with the Subrecipient.

These visits are for Cal OES staff to provide on-site technical assistance to the project, which may include the following:

- a. Provide information that will assist the project in meeting program goals;
- b. Review project objectives to determine if they are achievable;
- c. Review project activities to determine if they will reasonably result in achievement of the objectives;
- d. Review the project's source documentation and data collection process;
- e. Review the project's Report of Expenditures and Request for Funds (Cal OES Form 2-201), to determine whether any adjustments are needed;
- f. Review the monitoring process with project staff so they know what to expect during future visits; and
- g. Review the Progress Reports to determine if they are complete and accurate.

10320 Timeframe

Subrecipients will receive a Performance Assessment Site Visit at least once every two years.

10330 Follow-up

Projects determined to be progressing satisfactorily will receive a letter acknowledging their current status. Projects that require corrective action may be required to submit a corrective action plan or will receive a letter outlining appropriate corrective action.

10400 MONITORING

10400.1 Definition

A monitoring visit is an on-site assessment of the administrative and fiscal components of a Cal OES-funded project. The resulting Monitoring Report provides a detailed review of the project and identifies, in limited scope, areas in which the project is and is not in compliance with the applicable laws, regulations, policies, and program requirements. The Monitoring Report is a useful tool that helps guide the Subrecipient and the Program Specialist as they work together to develop a Corrective Action Plan (CAP). Corrective action is viewed by Cal OES as a constructive, strengthening process for Subrecipients. Generally, monitoring findings do not affect the Subrecipient's funding if corrective action is implemented. Refer to Section 8300 regarding the monitoring process.

10410 Monitoring Requirements and Access to Records

Projects are monitored for compliance with the applicable laws, regulations, policies, and program requirements.

Acceptance of the Grant Subaward obligates the project to allow Cal OES staff and/or its authorized representatives unrestricted access to all project books, documents, papers, and records, (including redacted confidential records) for inspection, copying, monitoring, and auditing.

Cal OES reserves the right to conduct unannounced monitoring visits.

10420 Standard Monitoring Procedures

Cal OES staff will contact the Project Director to set a mutually agreeable date for the monitoring visit. A letter to the Project Director and Financial Officer will follow to confirm the monitoring of the Grant Subaward(s) and performance period(s) to be monitored, and to document the agreed upon date of the monitoring visit. The individual(s) responsible for preparing the Report of Expenditures and Request for Funds (Cal OES Form 2-201), the Progress Report, and the oversight of grant-related activity should be available during the monitoring visit to answer questions.

A field document will normally be provided to the Subrecipient prior to the monitoring visit to assist the Subrecipient in preparing for the visit.

The Monitor will review findings with the Subrecipient during the course of the monitoring, as well as at the end of the visit during the Exit Interview.

Exceptions to these standard procedures may occur on a case-by-case basis.

10421 Scope of Monitoring

The Cal OES monitoring process complies with the intent of federal and state requirements. The process assesses programmatic, administrative, and fiscal components of the project. The review of fiscal compliance is not an audit and cannot be used to replace Cal OES audit requirements.

10422 Monitoring Field Document

The monitoring field document is designed and developed specifically for each program in accordance with the applicable laws, regulations, policies, and program requirements.

10430 Monitoring Report

The Monitoring Report provides a summary of the areas monitored and identifies whether or not the areas monitored are in compliance with applicable requirements. The report also includes details of any findings and instructions for the preparation and submission of a Corrective Action Plan. The approved Monitoring Report will be sent to the Subrecipient.

10431 No Findings Identified

If no findings are identified in the monitoring report, the monitoring process is complete.

10432 Findings Identified

If findings are identified in the Monitoring Report, the Subrecipient must submit a Corrective Action Plan (CAP) within 30 calendar days of the date of the Monitoring Report. Corrective Action Plan instructions and submission information are included with the Monitoring Report.

10433 Corrective Action Plan Process

The Subrecipient is responsible for developing a Corrective Action Plan (CAP) for findings identified in the Monitoring Report, and may obtain the help of the Program Specialist in its development. The plan must be implemented and the deficiencies resolved within six months of the date of the Monitoring Report.

Six months after the report, Cal OES may conduct a follow-up inquiry or field visit to verify implementation of the CAP.

10434 Disputed Findings

If the Subrecipient does not agree with any finding in the Monitoring Report, or believes corrective action is not required, then the Corrective Action Plan shall include an explanation and specific reasons. The Subrecipient must provide documentation to support its position that the finding(s) is/are in error. Cal OES staff will work with the Subrecipient to resolve the dispute.

10435 Sanctions

If the project does not complete the required corrective action, Cal OES may take action as appropriate including, but not limited to:

- a. Withhold or reduce the amount of any payments requested by the project on a Report of Expenditures and Request for Funds (Cal OES Form 2-201);
- b. Reduce the amount of the current Grant Subaward;
- c. Terminate the current Grant Subaward, after providing 14 calendar days written notice to the project (unless Cal OES determines that good cause exists to waive the 14 calendar day notice); and/or
- d. Restrict future funding.

10436 Final Action by Cal OES

After Cal OES verifies that all corrective actions have been implemented, a letter will be sent notifying the project that all required actions are completed. The Subrecipient should maintain the letter on file for three years.

11000 RECORDS

11100 GENERAL

Agencies are required to maintain accurate, complete, orderly, and separate records for each Cal OES-funded grant. All Grant Subaward records and documents must be adequately protected from fire, theft or other possible damage or loss. When stored away from the project's principal office, an index of the record's location must be maintained and ready access to the files must be ensured.

11110 Audits/Monitoring

All project books, documents, papers, and records relating to the project must be accessible to Cal OES or authorized representatives, and in the case of projects receiving federal funds, the Comptroller General of the United States (or authorized representatives), for inspection and audit.

11200 RETENTION AND REVIEW REQUIREMENT

11210 Retention of Records

All Grant Subaward records must be retained for seven years from the end of the Grant Subaward performance period. If the Subrecipient's source documentation records are retained in a database system, it must cover the entire performance period and be retrievable. If an audit, investigation, review, litigation, or any other action occurs during the Subrecipient's seven year retention period, the Subrecipient shall retain the records until the resolution of such process, or until the end of the seven year period, whichever is longer.

11300 DOCUMENTATION REQUIREMENTS

11310 Fiscal

The retention requirement extends to books of original entry, source documents, supporting accounting transactions, the general ledger, subsidiary ledgers, personnel and payroll records, canceled checks, and related documents and records.

11311 Bank Statements and Reconciliation

Each month the cash balance shown in the accounting records (e.g., general ledger and/or cash disbursements register) should be reconciled with the cash balance shown on the bank statement.

11312 General Ledger Account Entries

All general ledger account entries for revenues and expenditures must be supported by subsidiary records, the original source documentation, canceled checks, and bank statements. If the bank does not return canceled checks, a check stub, or an electronic copy of the front and back of the cancelled check must be retained. Source documentation includes invoices, bills, and vouchers. The format of subsidiary records is determined by the project. The project must be able to trace the general ledger entries to the Report of Expenditures and Request for Funds (Cal OES Form 2-201). The project can use worksheets to document how expenditures are taken from the general ledger and recorded on the Report of Expenditures and Request for Funds (Cal OES Form 2-201).

11313 Duplicate Deposit Receipts

The project must maintain copies of the deposit receipts. The receipts must show the source of the receipt (e.g., Cal OES, county, city, United Way, donations) and filed with the applicable bank statement.

11314 Canceled Checks

Canceled checks are checks written by the project that have been processed by the bank. Each month canceled checks must be reconciled with the bank statements. If the bank does not return canceled checks, an electronic copy, or the check stub must be used.

11315 Vouchers

Vouchers include the following:

- a. Purchase orders;
- b. Receiving reports which show the items which are received from the vendor; and
- c. Vendor invoices – When invoices are paid, they must be marked as PAID with the check number to prevent the likelihood of paying the same invoice twice.

11320 Programmatic

The records retention requirement extends to supporting documentation, statistical records, and all other records pertinent to Grant Subawards or contracts under grant-funded projects must retain source documents that substantiate information on required Cal OES reports that include:

- a. Progress Reports;
- b. Grant Subaward Modifications (Cal OES Form 2-223);
- c. Evaluation Data Reports; and
- d. Any other records the project is directed by Cal OES to maintain.

11330 Payroll Records

11331 Functional Time Sheets²⁵

All grant-funded personnel (including personnel being used to meet match requirements) who are directly charged to the Grant Subaward, either in whole or in part, must maintain functional timesheets that:

- a) Indicate the actual time and activity(ies) worked (on a daily basis) on Cal OES and non-Cal OES funded project(s) to which the employee is allocated;
- b) Account for all time worked by the employee (not just the time charged to the Cal OES grant); and
- c) Are signed by both the employee and their supervisor (electronic signature is acceptable).

11331.1 Volunteer Time Log

Subrecipients must maintain a volunteer time log that includes dates (or time frames), number of hours (in no less than 15 minute increments), and activities related to the Cal OES Grant Subaward. Time logs must be approved by agency staff.

11332 Personnel payroll files must include the following

- a. W-2, W-4;
- b. Personnel action forms (i.e., approved pay rates by the board of directors or appropriate personnel agency, promotions, terminations, etc.);
- c. Cumulative earnings records;
- d. Leave records;
- e. Employee authorized deduction forms (i.e., health insurance); and

²⁵ Sections 11331 – 11331.1 – These sections have been re-written to clarify functional time sheets and volunteer time logs.

- f. Paid invoices submitted by employees for reimbursement of benefit expenses.

11340 Personnel Files

Personnel files must include the following:

- a. Application forms;
- b. Resumes;
- c. Job descriptions;
- d. Performance evaluations; and
- e. Appointment documents which include approved salary rates, benefits, and other terms of employment. Salary rates, increases, and benefits must be approved by the governing board or applicable personnel agency.

11350 Equipment

Equipment must be:

- a. Located on the project's premises or identified in a locator file that specifically identifies the location of the equipment or the individual assigned to it;
- b. Recorded on an inventory list, identifying items purchased with Cal OES funds (see Section 2350);
- c. Used in accordance with the Grant Subaward; and
- d. Funded projects must retain contract records for the purchase of equipment.

11400 ORGANIZATION POLICIES AND PROCEDURES

The organization should have written policies and procedures covering conflict of interest/code of conduct and fraud, along with personnel policies that cover hiring, termination, benefits, salary rates, leave, and travel. There should also be written procedures regarding the accounting and reporting functions, including, but not limited to the following:

- a. Cash receipts and revenue;

- b. Deposits;
- c. Cash disbursements;
- d. Payroll;
- e. General Ledger; and
- f. Equipment.

In addition, any other policies and procedures (e.g., purchasing contracts) that relate to operating the project must be in writing.

11500 COMMUNICATIONS

Projects must maintain a current telephone number and internet access with an email address, as well as a current postal address and physical location within the State of California.

12000 WITHHOLDING, DISALLOWANCE, REDUCTION, TERMINATION, AND/OR DENIAL OF GRANT FUNDS

12100 WITHHOLDING OR DISALLOWANCE OF GRANT FUNDS

Cal OES may withhold grant funds and/or disallow expenditures anytime the project fails to comply with any term or condition of the Grant Subaward. This may include, but is not limited to, the following:

- a. Failure to submit the required Progress Reports in a timely manner;
- b. Failure to submit the final reports from previous projects in a timely manner;
- c. Failure to resolve interim or final audit exceptions on past or current Grant Subawards in a timely manner;
- d. Inadequate maintenance of accounting records;
- e. Failure to submit proof of bond coverage in a timely manner;
- f. Failure to cooperate with or admit Cal OES staff or representatives (e.g., Program Specialists; Unit, Section, or Branch Chiefs, Monitors, etc. to review program and/or fiscal records; and/or
- g. Failure to pay costs disallowed by Cal OES according to payment terms agreed to by the Subrecipient and in a timely manner.

12200 REDUCTION OR TERMINATION OF GRANT FUNDS

Cal OES may reduce or terminate grant funds for reasons that may include, but not limited to, the following:

- a. If the project fails to comply with any term or condition of the Grant Subaward; and/or,
- b. If during the term of the Grant Subaward, the state and/or federal funds appropriated for the purposes of the Grant Subaward are reduced or eliminated by the California Legislature or by the United States Government, or, in the event revenues are not collected at the level appropriated, Cal OES may immediately terminate or reduce the Grant Subaward.

Should Cal OES deem it necessary to reduce or terminate grant funds, the Subrecipient shall be notified by written notice. No such termination or reduction shall apply to allowable costs already incurred by the Subrecipient

to the extent that state or federal funds are available for payment of such costs.

12300 DENIAL OF FUTURE FUNDING

Cal OES reserves the right to deny future funding to any project and its officers based on its failure to comply with any term or condition of a current or previous Grant Subaward, poor past performance in a previous Grant Subaward, or failure to cooperate with state or federal auditors/monitors.