



# ***Advancing Accountability*** ***For Recipients and Subrecipients***

---

## **Best Practices For Contract and Grant Management**

# Department of Financial Services



- **Glenn Elmer**  
*Professional Accountant  
Supervisor*
- **Rick Spikes**  
*Professional Accountant  
Specialist*

# Introduction

## Statutory Authority

- **Section 17.03, Florida Statutes** – “The Chief Financial Officer of this state, using generally accepted auditing procedures for testing or sampling, shall examine, audit, and settle all accounts, claims, and demands, whatsoever, against the state, arising under any law or resolution of the Legislature, and issue a warrant directing the payment out of the State Treasury of such amount as he or she allows thereon.”
- “The Chief Financial Officer may adopt and disseminate to the agencies procedural and documentation standards for payment requests and may provide training and technical assistance to the agencies for these standards.”

# Bureau of Auditing

## Mission



**The mission of the Bureau of Auditing is to assist the Chief Financial Officer in performing her constitutional and statutory duties by providing assurance to the Florida taxpayers that: funds are disbursed from the State Treasury in accordance with applicable laws, rules, and administrative policies; and goods/services have been received as specified in the contract/grant agreement.**

# Carrying out our mission

- **Pre-Audit:** Performed prior to posting the payment and creating a warrant, this basic audit is performed to ensure that payment is being processed within the terms and conditions of the agreement, and that the applicable state and federal guidelines have been followed.

# **Carrying out our mission**

- **Expanded Pre-Audit:**

**A more detailed Pre-Audit that focuses on problems frequently and consistently identified in post audit findings. These areas of emphasis include but are not limited to: specific and clearly defined scope of work; specific deliverables; minimum performance standards and sanctions if they are not met timely; method of procurement; nature and substance of reports; and the payment terms.**

**In addition reviewing the agreement, amendments and copies of any sub-agreements, we will also request and review source documentation that:**

- 1) supports the appropriate use of state funds**
- 2) evidences the delivery of services.**

# **Carrying out our mission**

---

- **Post Audit:** A detailed review of an agency's contract administration process or a detailed review of a specific grant program.

**In general, the objectives are to determine whether the agency has adequate controls in place to ensure that the required services are received and that funds are spent appropriately.**

**The results of the review are documented in a letter to the agency head and a corrective action plan is required from the agency.**

# **Carrying out our mission**

---

- **Comptroller's Memo #8 (2001-2002):**

**Provides for the hold up of funds, offset of funds, etc. in cases where it is determined that an agency lacks proper accountability over the use of funds and/or the delivery of services.**

# Key Terms

➤ **Fiscal Responsibility**

➤ **Accountability**

➤ **Documentation**

# **Acronyms and Abbreviations**

**CFO – Chief Financial Officer**

**DFS – Department of Financial Services**

**OAG – Office of Attorney General**

**AG – Auditor General**

**F.S. – Florida Statute**

**F.A.C. – Florida Administrative Code**

# **Acronyms and Abbreviations**

**FSAA – Florida Single Audit Act**

**CSFA – Catalog of State Financial Assistance**

**CFDA – Catalog of Federal Domestic Assistance**

**CFR – Code of Federal Regulations**

**OMB – Office of Management and Budget**

# Reference Guide For State Expenditures



- Provides guidance to the Bureau of Auditing and state agencies as it relates to various categories of expenditures.
- Does not cover all situations. Some situations will be addressed on case by case basis.

• Found at

<http://www.fldfs.com/aadir/>

# Special Note

- **Information provided applies to all agreements with recipients- Purchase orders, Memorandums of Understanding (MOU), Contracts, and Grants.**
- **It also applies to all disbursements from the State Treasury\*, regardless of the funding source (state or federal).**

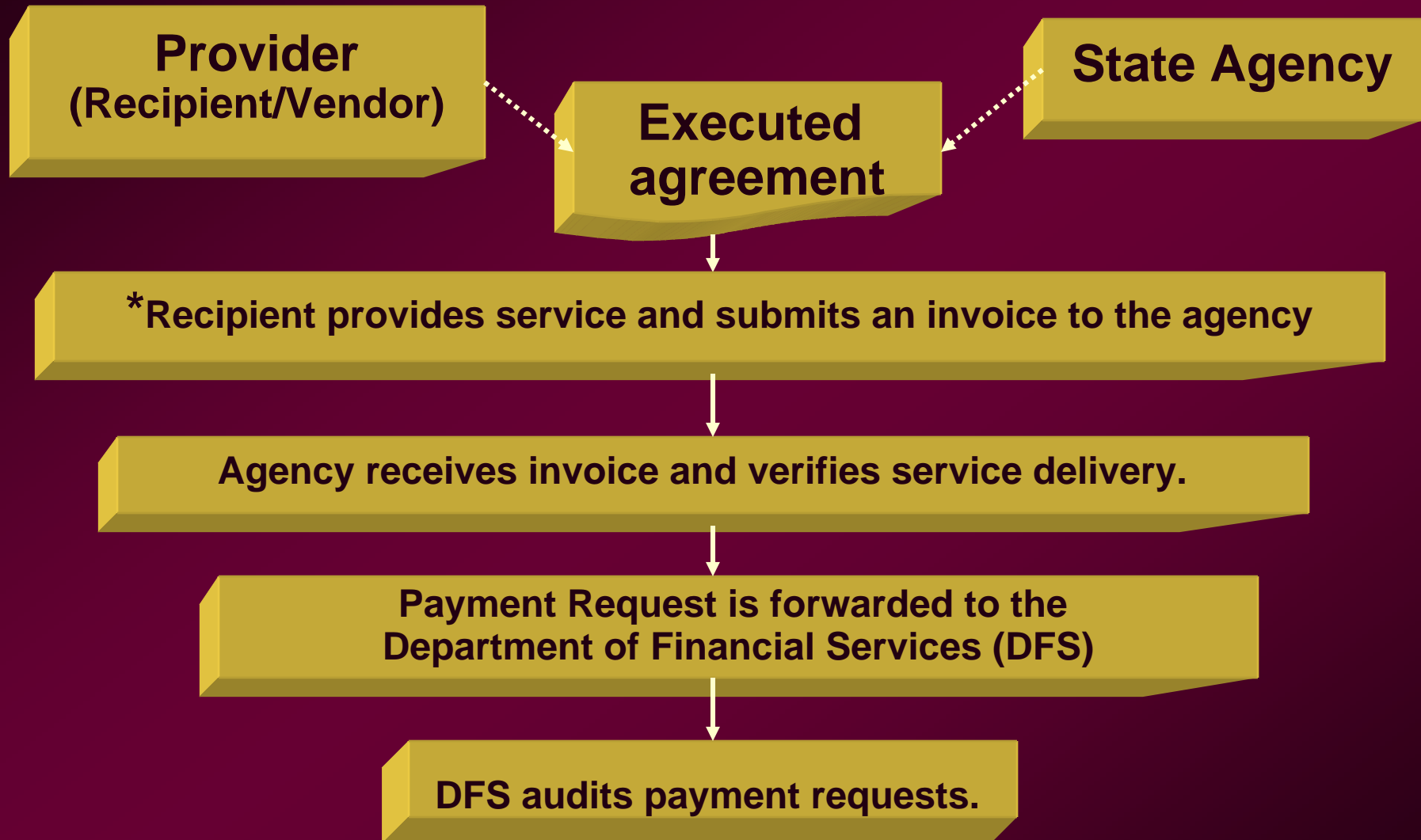
\* Section 215.31, FS

# Ethics

- **The State of Florida has established standards for ethical conduct for public officials and performing state business. More detailed information may be found at:**

**[www.ethics.state.fl.us](http://www.ethics.state.fl.us)**

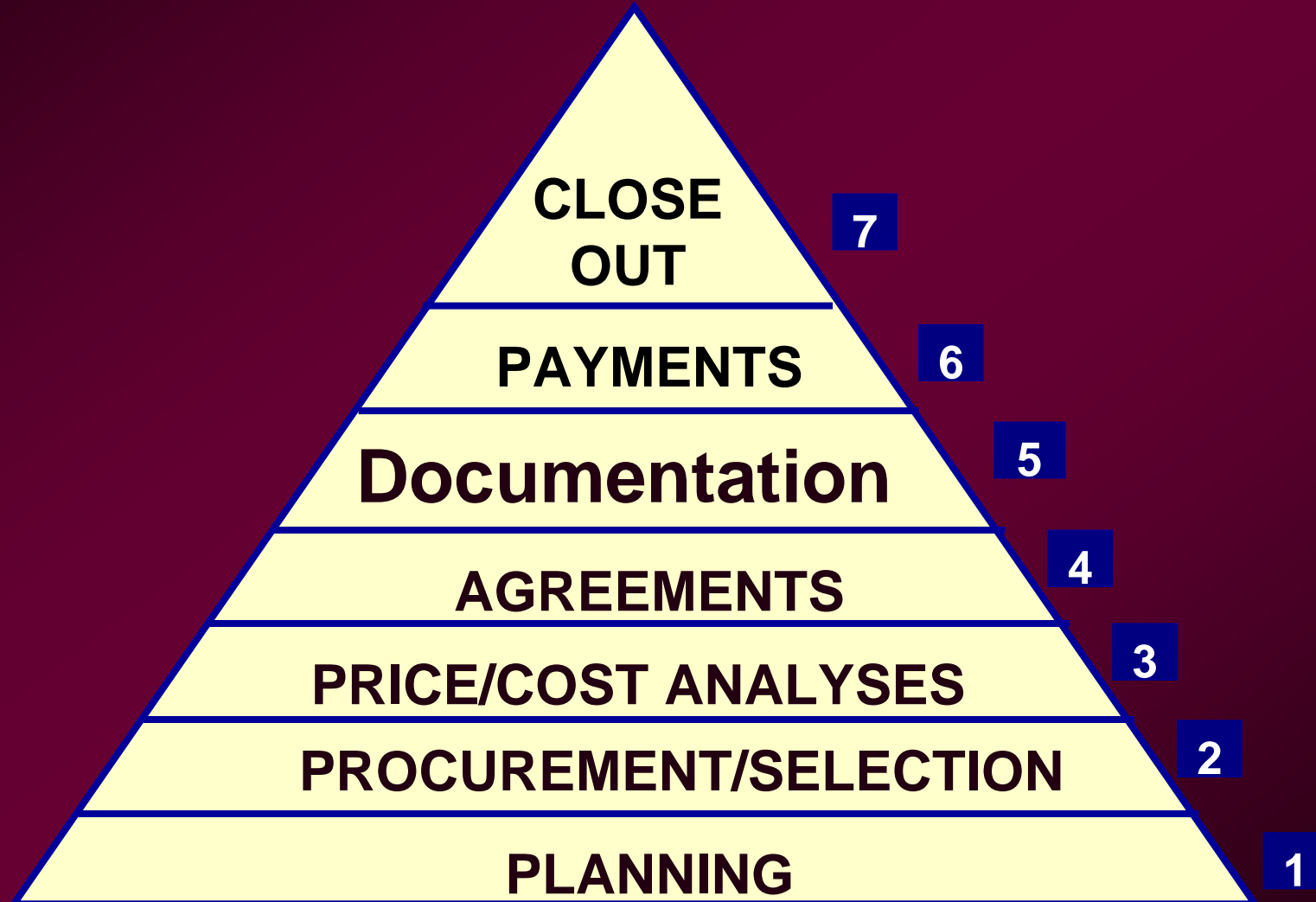
# The Process



**\*If services are delivered prior to execution of the agreement, a settlement agreement may become necessary.**

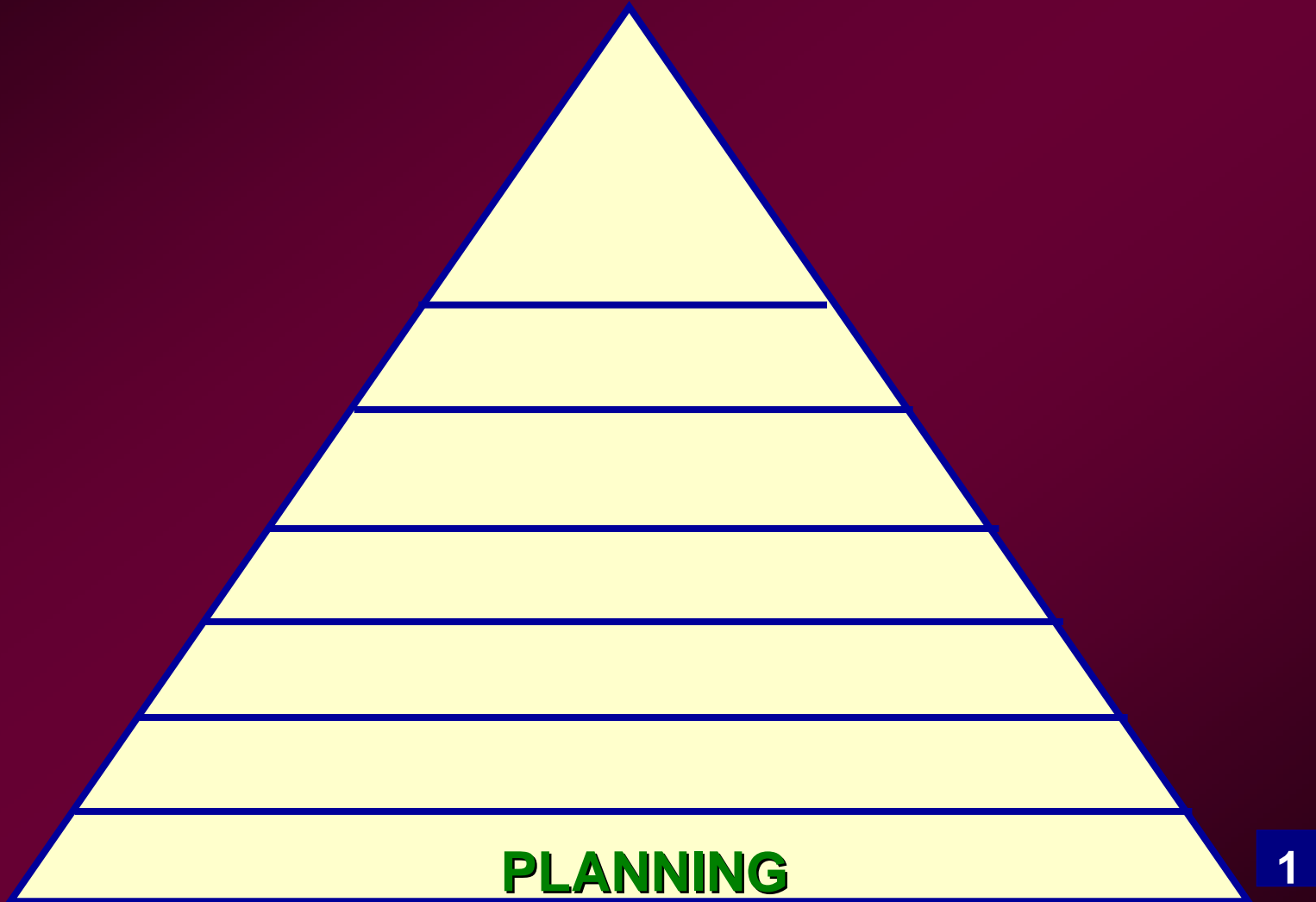
# Seven Crucial Elements

---



# Seven Crucial Elements

---



# Three Planning Steps

---

#1

DETERMINE  
GOALS AND  
OBJECTIVES

#2

REVIEW  
PROGRAMMATIC  
AND FISCAL  
INFORMATION  
FROM PRIOR  
AGREEMENTS

#3

SELECT AN  
AGREEMENT  
TYPE



# Agreement Types

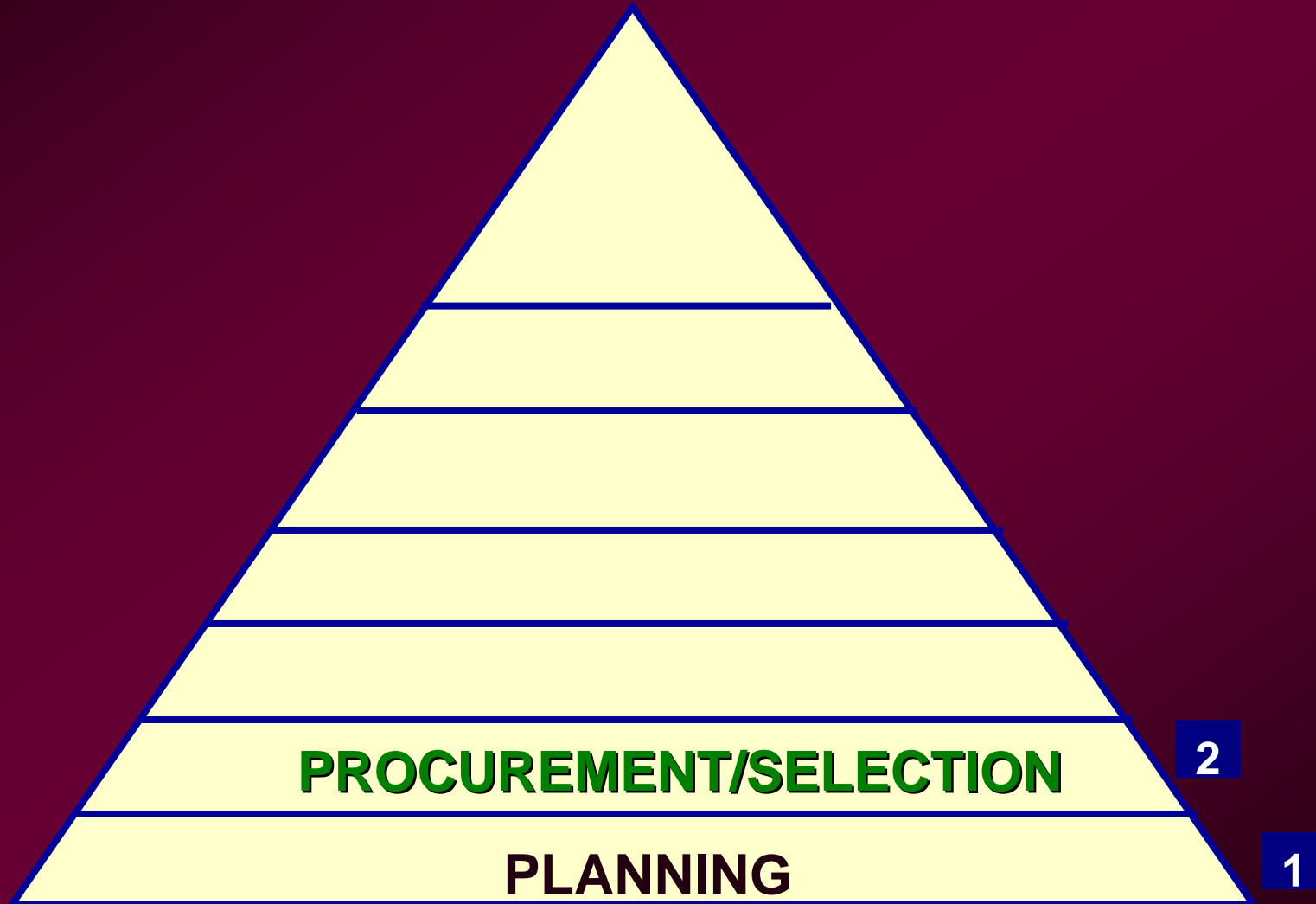
---

- **Fixed Price - 1/12<sup>th</sup>, quarterly**
- **Fixed Rate – per hour, per client**
- **Cost Reimbursement**
- **Combination**

**NOTE:** Any of these agreement types may include a provision for advances. However, advances must be in compliance with Section 215.422(14) or Section 216.181(16), F.S.

# Seven Crucial Elements

---



# Procurement And Selection

---

Full and fair open competition is necessary to assure that the state pays a fair and reasonable price for the services to be provided.



# Procurement Methods

---

## Invitation to Bid

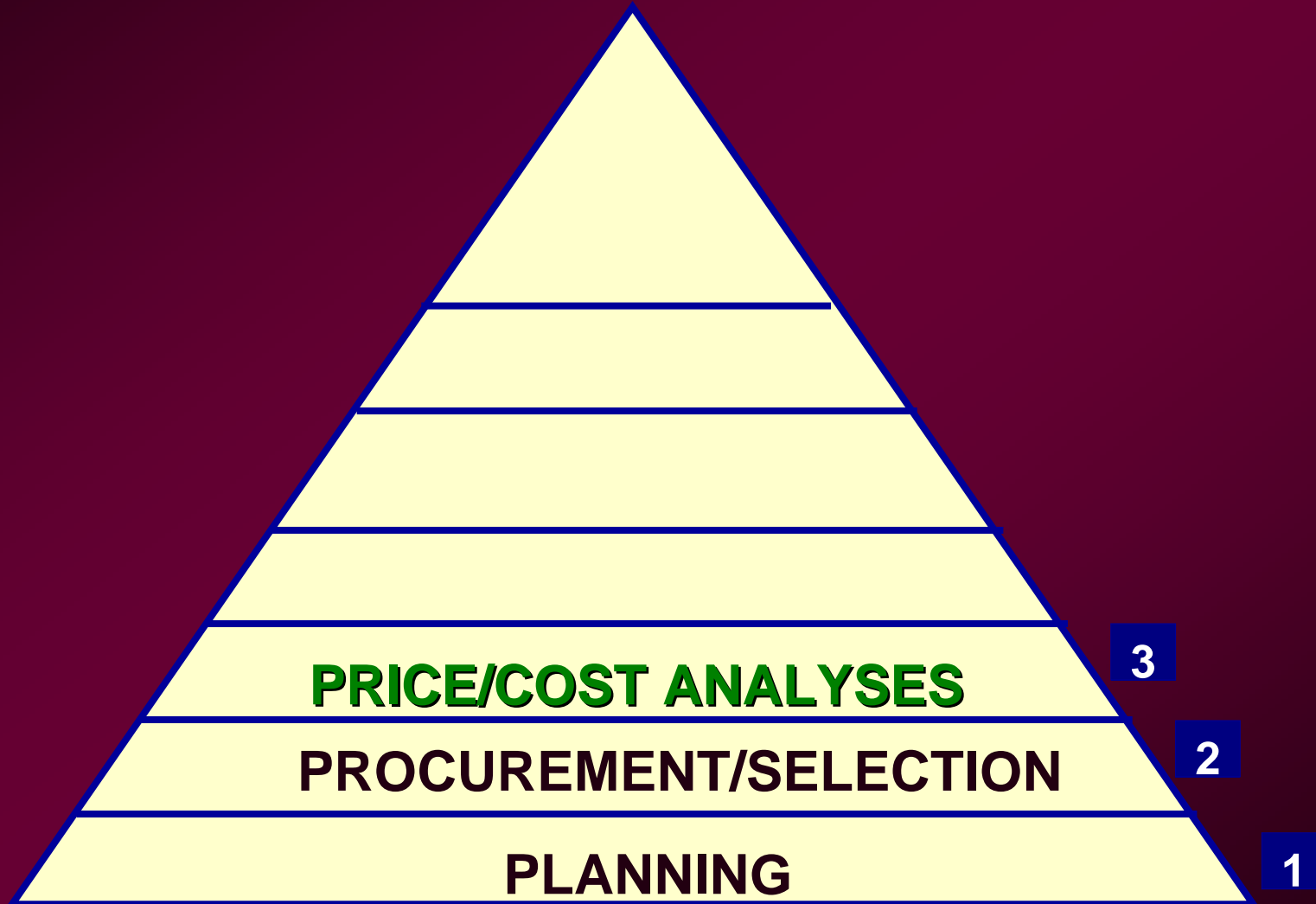
- Used when it is known exactly what is required.
- Price is the determining factor in the award.

## Request for Proposal (RFP)

- Used when there is a general idea of what is required.
- Services and price are evaluated

# Seven Crucial Elements

---



# Section 216.3475

---

**A person or entity that is awarded funding on a non-competitive basis may not be paid more than the competitive market rate.**



# Chief Financial Officer's Memorandum No. 04 (2005-06)

- Minimum Accountability Requirements
- Sub-Recipient of Federal Funds
- Vendor – Federal Funds
- Recipient of State Financial Assistance
- State Universities & Community Colleges
- Procurement

# Price Vs. Cost



## Price Analyses

- The process of examining and evaluating proposed price without evaluating its separate cost elements.
- Objective is to verify that the overall price is fair and reasonable (Market Price).
- Actions:
  - Compare proposed prices (ITB, RFP, Quotes, etc.)
  - Compare proposed price to previous prices or to prices of similar programs.

## Cost Analyses

- The process of reviewing and evaluating each of the cost elements.
- Objective is to determine that proposed costs are allowable, reasonable, and necessary.
- Actions:
  - Determine that proposed costs are allowable
  - Evaluate necessity for and reasonableness of proposed costs
  - Compare to actual costs previously incurred for the same services.

# **Expenditure Guidelines**

## **State**

- Reference Guide for State Expenditures
- State Compliance Supplement
- Appropriation
- State Law
- Florida Administrative Code

# **Expenditure Guidelines**

## **Federal Funds - Additional Regulations**

1. Project CFDA
2. Referenced CFRs
3. OMB Circulars:
  - A-110 - General Admin. Requirements
  - A-133 - Fed Single Audit
  - A-122 - Cost Principles for not-for profits
  - A-87 - Cost Principles for State & local Govt.
  - A-21- Cost Principles for Universities

# **Expenditure Guidelines**

- Attorney General Opinion 078-101 states an agency must have expressed or implied statutory authority to expend state funds.
- An agency cannot delegate to a provider authority the agency does not possess. If an expenditure is unallowable for an agency it is generally unallowable for the provider.

# Expenditure Guidelines

---

- Undocumented expenditures are always unallowable. (Incidental expenditures may be excepted.)
- Any expenditure that would be disallowed as a direct expense may not be charged as an indirect expense.
- The DFS Reference Guide for State Expenditures is very helpful.

# Cost Analysis Exercise

- We are the Lead Agency
- Program Objective: Administer after school study programs
- Subcontract with subs to deliver services in 10 locations state-wide.



# Cost Analysis Exercise

## Lead Agency Budget

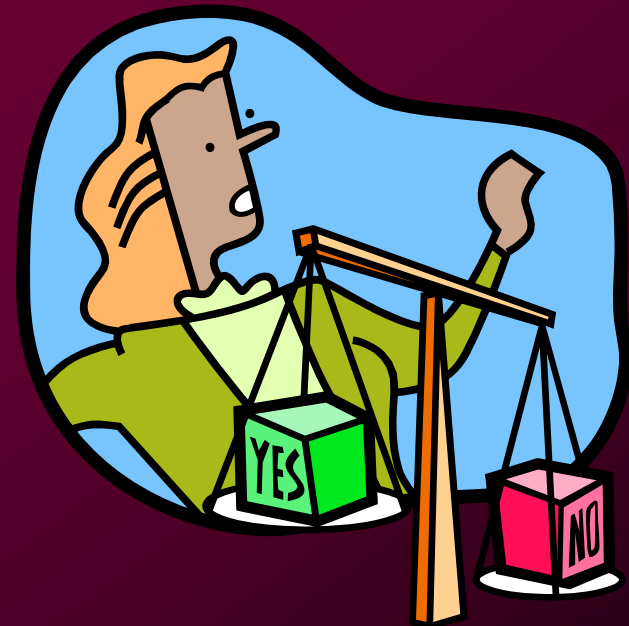
Salaries	\$210,000
Administrative	\$50,000
Travel/Training	\$20,000
<i>Contracted Services</i>	<u>\$720,000</u>
Total	\$1,000,000

# Cost Analysis Exercise

Objective: Ensure Proposed Costs Are:

(See Handout)

- Allowable
- Reasonable
- Necessary



# Price and Cost Analyses

---

## Additional Considerations:

- Competition (2 or more responses) usually establishes price reasonableness.
- Agreements with sub-recipients generally require a cost analyses regardless of the procurement or payment methods used.
- Cost reimbursement and combination agreements always require cost analysis.

# **Questionable Expenditure Examples:**

---

- **Candy**
- **Alcohol**
- **Banquets**
- **Decorations**
- **Greeting Cards**
- **Gift Cards**
- **Lobbying**
- **Personal Cellular  
Telephones**
- **Fund Raising**
- **Promotional Items**
- **Entertainment**
- **Meals not in  
accordance with  
Section 112.061FS**

Note: some of these items  
may be allowable with  
statutory authority.

# Questionable Expenditure

## Examples:

---

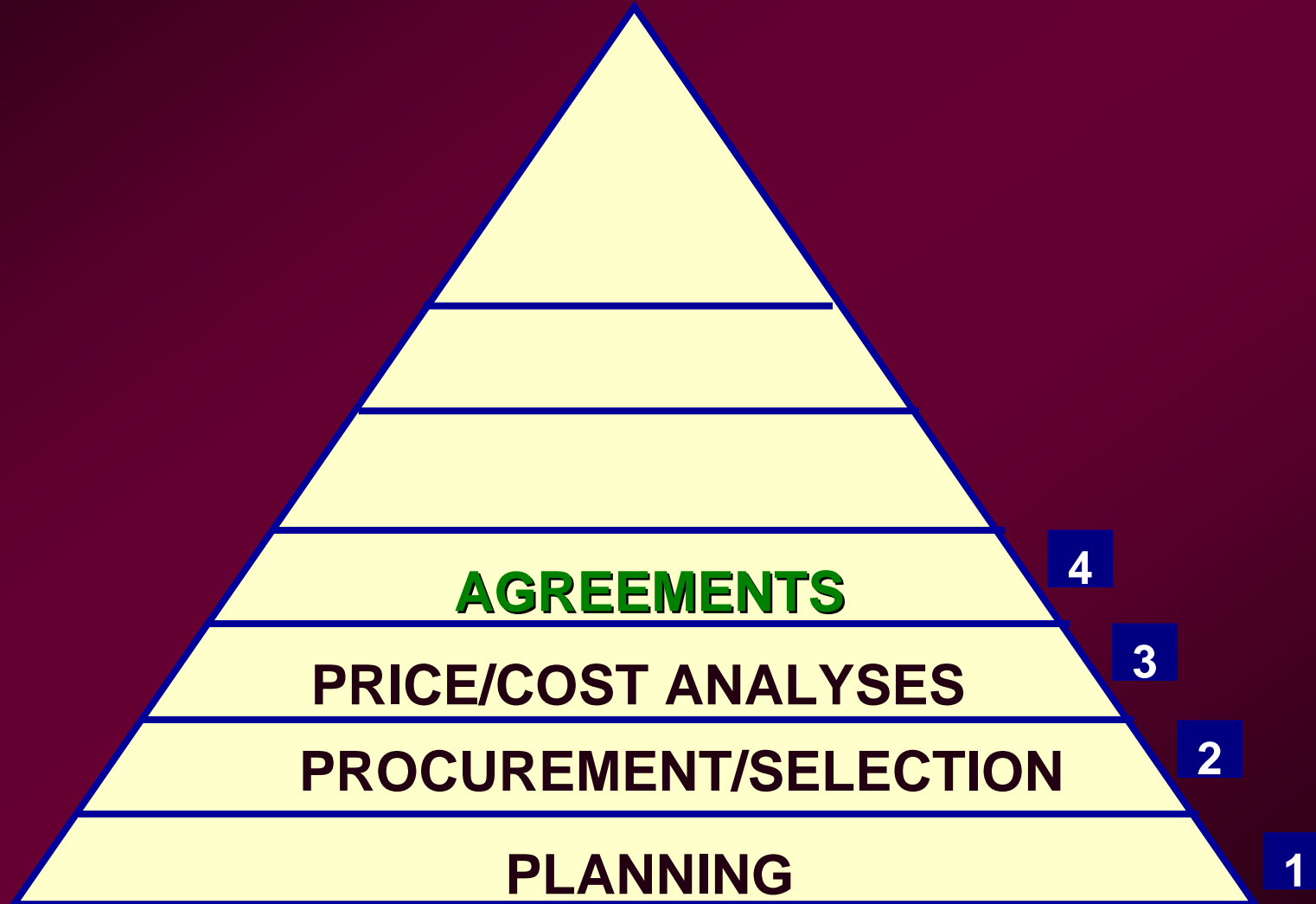
- **Microwave Ovens\***
- **Refrigerators\***
- **Coffee Pots\***
- **Portable Heaters\***
- **Fans\***
- **Flowers**
- **Congratulatory Telegrams**
- **Refreshments**
- **Office Parties**

\*For the personal convenience of staff.

Note: some of these items may be allowable with statutory authority.

# Seven Crucial Elements

---



# **Constructing the Agreement**

---



**All Terms and  
Conditions**

# Constructing the Agreement



**Specific  
Scope of Work**

# Constructing the Agreement



**Specific  
Deliverables  
Related to  
the  
Scope of Work**

# Constructing the Agreement



**Standard Audit  
Language**

# Constructing the Agreement



**Availability of all  
records for  
inspection.**

# Constructing the Agreement



**Specific Sanctions  
For  
Non-Compliance**

# Constructing the Agreement



**Pro-Rating Formula  
If Minimum Standards  
Are  
Not Met**

# Constructing the Agreement



**Sub-Contracting/  
Sub-Granting  
Terms**

# Constructing the Agreement



**Timing, Nature,  
Substance Of All  
Reports**

# Constructing the Agreement



**Provision for  
Disposition of  
Property**

# Constructing the Agreement



**Payment  
Terms**

# Constructing the Agreement



## Chief Financial Officer's Memorandum No. 04 (2005-06)

**Purpose –**

- 1. To provide clarification to existing laws, rules and regulations, and**
- 2. To specifically detail minimum accountability requirements for Federal Domestic Assistance and State Financial Assistance funding.**

# Constructing the Agreement

---

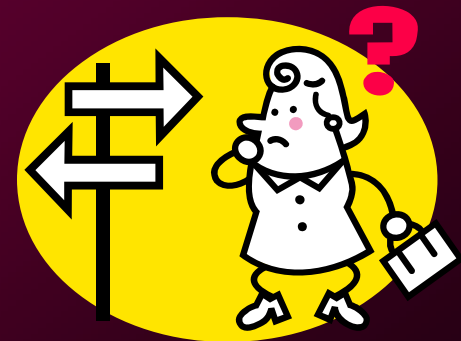
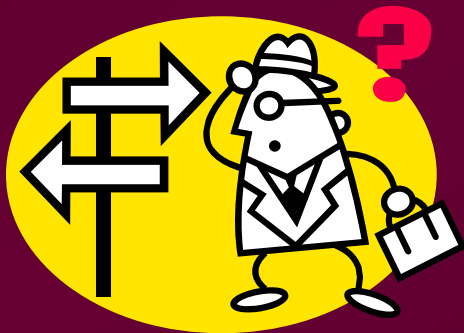


## Require the provider/subs to:

- Maintain both cost and programmatic records
- Have an adequate cost accounting system
- Submit a financial status report
- Return all unused funds
- Ensure that all costs are reasonable, allowable, allocable and documented
- Provide repayment for all disallowed costs
- Monitor the sub

# Scope of Work

The Scope of Work is the most important part of your agreement.



# **Scope of Work**

---



## **Clearly Established -**

Identify all tasks/services that are required to be performed



## **Specific –**

Specific detailed direction regarding the delivery/documentation of services



## **Directly related to the goals and objectives of the Program**

Benefit to the program/state should be clearly evident.

# **Scope of Work**

- **When developing the Scope of Work, give careful consideration to the fact that you will have to document the delivery of all tasks/services in a manner that can be readily verified by the State Agency.**
- **A poor scope of work makes documenting efforts very difficult.**





# What's Right/What's Wrong

---



## Vague

The provider/sub is to offer an educational program for up to 30 children. Program activities may include tutoring, counseling or other activities. The provider/sub is responsible for providing staff to sufficiently operate the program.

## More Specific

Provider/sub is to conduct an after school study program for 30 at risk children (as defined in Appendix A) on a full time basis (as defined in Appendix B) at the vendor's location Monday through Friday 3:00PM to 6:00PM for the period of 7/1/05 to 6/30/06 . . . . Staff will consist of 1 supervisor and 6 tutors that meet the minimum qualifications defined in Appendix C.

# Deliverables

Are the events  
that trigger  
payments.



# Deliverables

---

**Directly  
related to  
scope of  
work**

**Used to  
measure the  
provider's  
progress**

**Specific,  
quantifiable,  
measurable,  
verifiable**

**Be a  
necessary part  
of the  
provider's  
performance**



# Deliverables

---

**Be clearly identified in agreement along with a description of what constitutes successful performance**

**Include minimum performance standards**



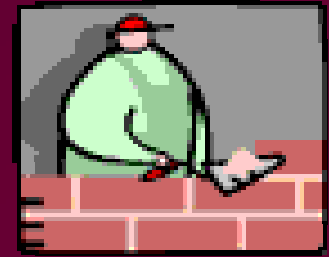
# Creating Deliverables

---

- **Clearly state what tasks/services are required to be completed to trigger each payment.\***
- **Clearly state a dollar amount for the completion of each task/service. Dollar amounts should be commensurate with the efforts and market value of the tasks/services performed.**

**\*Only the performance of tasks/services included in the Scope of Work should be used as deliverables. Also, the completion of all tasks/services included in the Scope of Work should be required to meet all deliverables.**

# **Creating Deliverables**



- **State in specific detail how the delivery of tasks/services are to be documented.**
- **Identify the minimum performance levels and sanctions for failure to meet those requirements.**
- **Identify timelines for completion and submission of the deliverables for approval.**

# Deliverables

## Tasks

## Deliverables



**\$100,000.00**

**\$100,000.00**

# Deliverables

## Tasks

## Deliverables

#1

#2

#3

#4 **X**

#5

#6

?

Quarter #1  
\$25,000

Quarter #2  
\$25,000

Quarter #3  
\$25,000

Quarter #4  
\$25,000

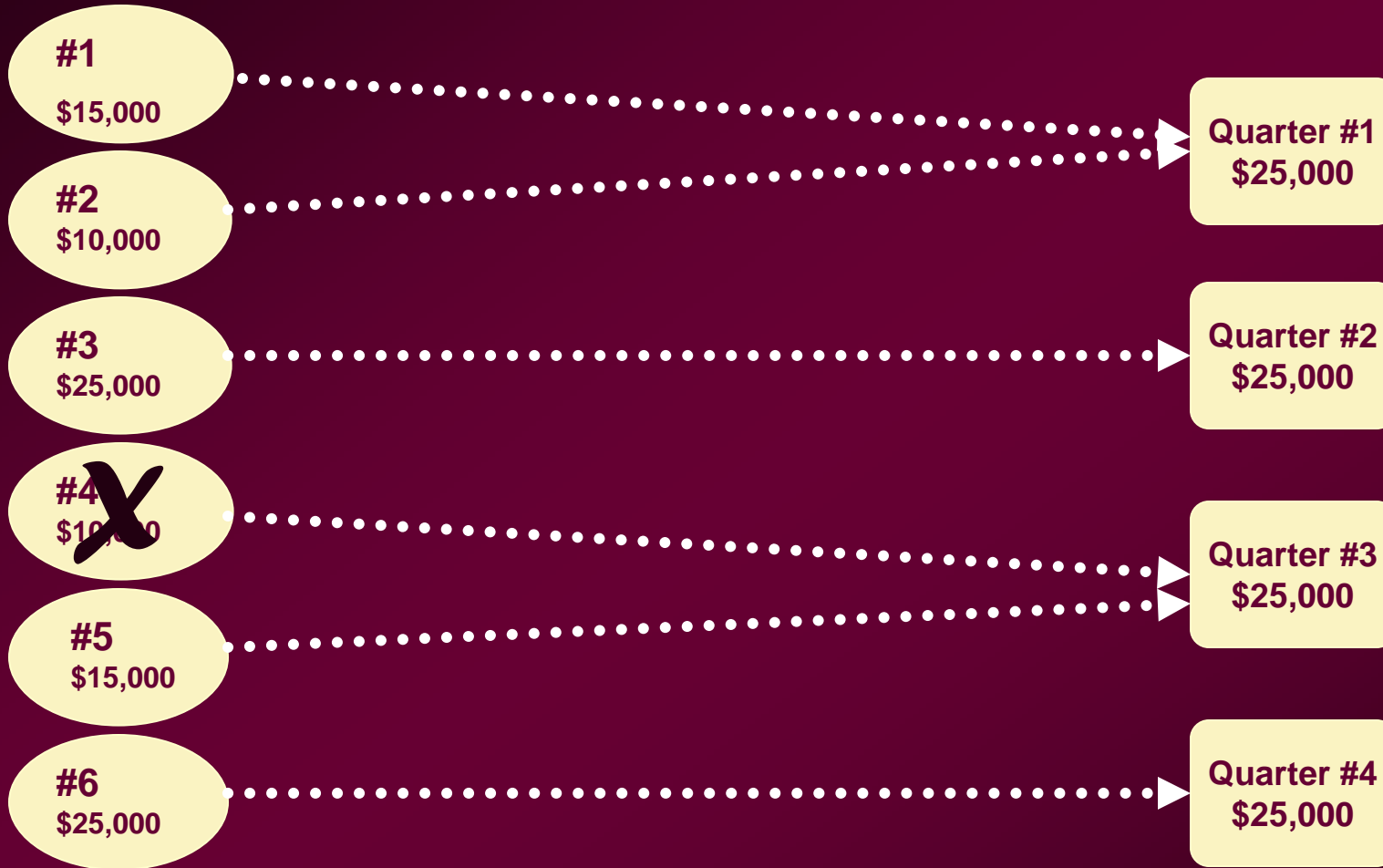
\$100,000.00



# Deliverables

## Tasks

## Deliverables



**\$100,000.00**

**\$100,000.00**

# Deliverables

## Tasks

## Deliverables



**\$90,000.00**

**\$90,000.00**



# Fixed Price Deliverables

---



## Scope of Work

Provider is to conduct an after school study program for 30 at risk children (as defined in Appendix A) on a full time basis (as defined in Appendix B) at the vendor's location Monday through Friday 3:00PM to 6:00PM for the period of 7/1/05 to 6/30/06 . . . . Staff will consist of 1 supervisor and 6 tutors that meet the minimum qualifications defined in Appendix C.

## Not Related To Scope of Work Deliverable

Provider will be paid \$6,000 each month upon submission of a progress report.

# Fixed Price Deliverables

---

## Scope of Work

Provider is to conduct an after school study program for 30 at risk children (as defined in Appendix A) on a full time basis (as defined in Appendix B) at the vendor's location Monday through Friday 3:00PM to 6:00PM for the period of 7/1/05 to 6/30/06 . . . . Staff will consist of 1 supervisor and 6 tutors that meet the minimum qualifications defined in Appendix C.

## Related To Scope of Work Deliverable

Provider will be paid \$6,000 each month for performing in accordance with the Scope of Work. The provider will submit a progress report by the 15<sup>th</sup> of the following month attesting to the number of clients served each day and the level of services that were provided. Payment will be reduced by \$x for each vacant/unqualified staff position and \$x for each enrollment vacancy.



# Fixed Rate Deliverables



## Scope of Work

Provider is to conduct an after school study program for 30 at risk children (as defined in Appendix A) on a full time basis (as defined in Appendix B) at the vendor's location Monday through Friday 3:00PM to 6:00PM for the period of 7/1/05 to 6/30/06 . . . . Staff will consist of 1 supervisor and 6 tutors that meet the minimum qualifications defined in Appendix C.

## Not Related To Scope of Work Deliverable

The provider will be paid \$300 for each day services are provided up to \$6,000 (20 days @ \$300) per month.

# Fixed Rate Deliverables

---

## Scope of Work

Provider is to conduct an after school study program for 30 at risk children (as defined in Appendix A) on a full time basis (as defined in Appendix B) at the vendor's location Monday through Friday 3:00PM to 6:00PM for the period of 7/1/05 to 6/30/06 . . . . Staff will consist of 1 supervisor and 6 tutors that meet the minimum qualifications defined in Appendix C.

## Related To Scope of Work Deliverable

The provider will be paid \$200 per month for each full time participant (as defined in Appendix B) for up to 30 clients for services provided in accordance with the scope of work. The provider will submit a progress report by the 15<sup>th</sup> of the following month attesting to the number of clients served each day and the level of services that were provided. Payment will be reduced by \$x for each vacant/unqualified staff position and \$x for each weekday that services are not provided.



# Cost Reimbursement Deliverables

---



## Scope of Work

Provider is to conduct an after school study program for 30 at risk children (as defined in Appendix A) on a full time basis (as defined in Appendix B) at the vendor's location Monday through Friday 3:00PM to 6:00PM for the period of 7/1/05 to 6/30/06 . . . . Staff will consist of 1 supervisor and 6 tutors that meet the minimum qualifications defined in Appendix C.

## Not Related To Scope of Work Deliverable

Provider will be reimbursed for expenditures incurred in accordance with the budget.

# Cost Reimbursement Deliverables

---

## Scope of Work

Provider is to conduct an after school study program for 30 at risk children (as defined in Appendix A) on a full time basis (as defined in Appendix B) at the vendor's location Monday through Friday 3:00PM to 6:00PM for the period of 7/1/05 to 6/30/06 . . . . Staff will consist of 1 supervisor and 6 tutors that meet the minimum qualifications defined in Appendix C.

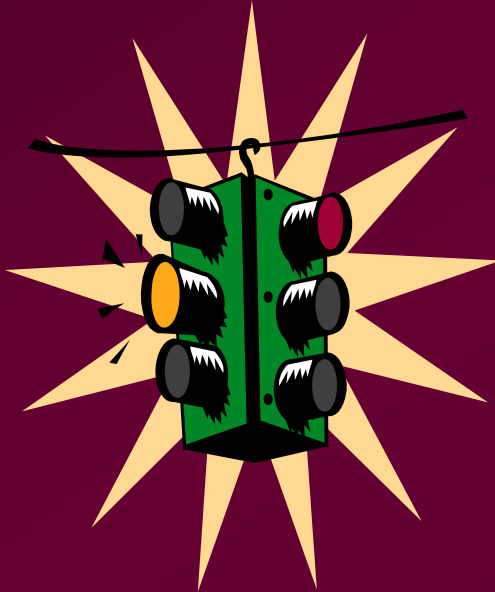
## Related To Scope of Work Deliverable

Provider will be reimbursed only for budgeted expenses incurred during the agreement time period that are directly related to the project. The provider will submit a progress report by the 15<sup>th</sup> of the following month attesting to the number of clients served each day and the level of services that were provided. Payment will be reduced \$x for each weekday that services are not provided.

# “Proceed with Caution”

---

- Offer...
- Coordinate...
- Collaborate...
- Consult...
- May...
- Should...
- Could...



- Up To...
- Use best efforts...
- Promote...
- Assist...
- Support
- Participate...

**These words/phrases should not be used alone. More detail is needed.**

# Payment Terms

---

- Identify the specific information to be included on each invoice\*.
- Consider providing copies of required documents
- Identify the documentation that is required to accompany each invoice and the format in which it is to be submitted.
- Identify timelines for invoice submission and approval.
- Identify sanctions to reduce compensation for failing to meet minimum requirements.
- Deadline for final payment.

\* Rule 69I-40.002, F.A.C.



# Reports

---



Agreements should clearly describe the timing, nature and substance of all reports the provider is required to prepare.

# Report Checklist

---



State the date each report is due



List the specific information each report is to contain



Prescribe the order that records are presented in reports



Require the provider to maintain documentation to support the information in the reports



Contain sanctions for failure to submit reports in a timely manner

# Agreement Modifications

---

- Additional compensation is only allowable for additional services (Section 215.425, F.S.)
- The increase of funds to a subcontract should be clearly supported by an increase in services commensurate to the increased funding.



# Agreement Files

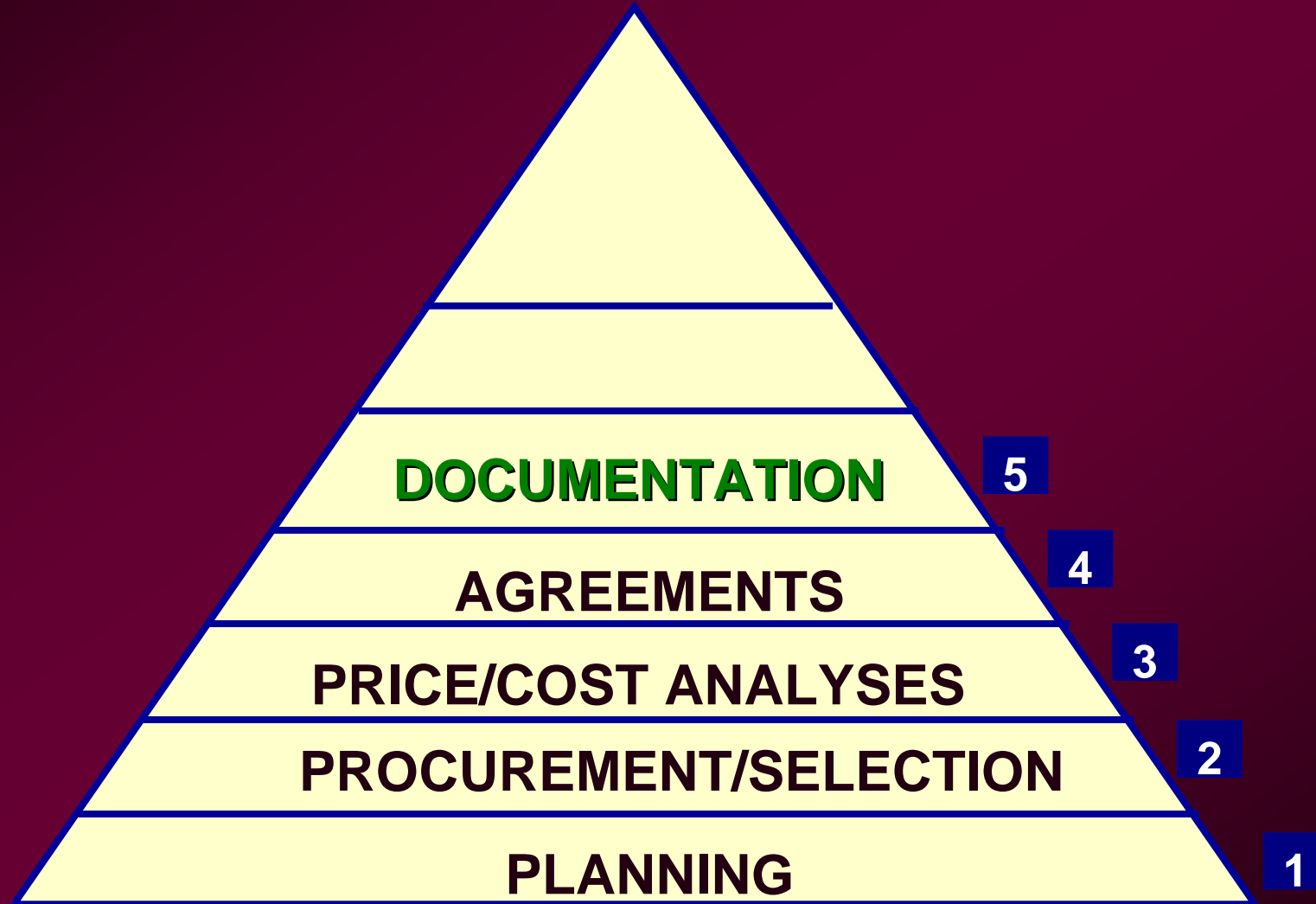
---



- ✓ Maintained for each agreement
- ✓ Neat, complete and organized
- ✓ Format established by agency
- ✓ Records are to be maintained for at least five years from last activity.

# Seven Crucial Elements

---



# Monitoring

---

*Mon-i-tor :*

*“to watch, keep track of, or check,  
usually for a special purpose”*

# Documentation

---

- **Sufficient**
- **Reliable**
- **Verifiable**



# Documentation

---

Should demonstrate:

- Compliance with all terms and conditions of the agreement and all applicable laws, rules and regulations.
- Scope of work has been completed.
- Deliverables have been met.
- Funds have been accounted for and used appropriately.

# Why is Documentation Essential?

---

- To support the work you have done.
- To evidence the accomplishments you made.
- To demonstrate your fiscal accountability.
- **To avoid payment delays.**

# Programmatic Documentation

---

Should achieve three minimum standards:

- Demonstrate compliance with all laws, rules program requirements, and the terms and conditions of the agreement.
- Support the delivery of all services (Scope of Work).
- Support the completion of all deliverables.

# Programmatic Documentation

---

Understand program requirements, laws and rules:

1. Carefully read the entire agreement.
2. Federal funds – Review cost principles in appropriate OMB Circular. Read corresponding CFDA and any CFRs and Federal Public Laws referenced, etc.
3. Understand the requirements for State Financial Assistance. Read corresponding CSFA, compliance supplement, etc.

# Programmatic Documentation

---

Documenting compliance with program requirements, laws and rules examples:

- Business Qualifications/Requirements,
- Staff Qualifications,
- Client Eligibility,
- Activities Allowable (per funding source),
- Licensure, etc.

Adequate documentation should be maintained to clearly demonstrate compliance with all requirements, rules and laws.

# **Programmatic Documentation**

Delivery of services examples (scope of work):

- Completion of all required services,
- Completion of all tasks, and
- Completion of all duties

Should be adequately documented to clearly demonstrate all required efforts have been performed.

# Programmatic Documentation

---

Completion of deliverables examples:

- Milestones,
- Achievements,
- Outcomes,
- Etc.

Have been successfully completed in accordance with the agreement and payment is due.

# Exercise

## Activity/Requirement

## Documentation

Staff Education

?

Client Age

?

Family Income

?

Number of Dependents

?

Client Residency

?

Program Attendance

?

Training Provided

?

Client Contacts

?

# Exercise

---

## Activity

## Documentation

Job Placement

?

Job Retention

?

Counseling

?

Educational Gains

?

Outreach Services

?

Case Management

?

Medical Services

?

# Fiscal Documentation

---

## Minimum Requirements

- Account for all funds received.
- Account for all expenditures.
- Account for any interest earned.
- Revenue and expenditures must be identified for each project and for each state funding source. Do not commingle funds.
- Requires a project cost allocation system or
- Use of separate bank accounts.
- Should account for expenditures made by all sub-recipients.



# **Fiscal Documentation**

Know the rules before you spend.

- Read the agreement thoroughly.
- Carefully read all laws and rules referenced in the agreement.
- Determine funding source (state or federal).
- Consult with the funding state agency when necessary for clarification.
- Request clarification in writing.

# Fiscal Documentation

---



- Federal Domestic Assistance – Review federal rules for further restrictions and requirements – OMB Circular, CFDA, CFRs, Public law, etc.
- State Financial Assistance – Review state rules for further restrictions and requirements – CSFA, Compliance Supplement, funding agency's Florida Administrative Code, etc.
- Generally the more restrictive of federal or state rules, laws, etc. will apply to federal funds disbursed from the State Treasury.

# Fiscal Documentation

---

## Minimum Standards include:

- **Validity** – Proof that an external transaction occurred. (Funds were not just moved from one account to another.)

# **Fiscal Documentation**

---

- Appropriateness – The transaction was reasonable, allowable and necessary. Requires details of the transaction.
- Completeness – All transactions are documented and all funds are accounted for.

# **Fiscal Documentation**

---

Documentation should demonstrate that:

- Expenditures were made in accordance with applicable laws, rules and regulations;
- Are authorized by the agreement (Budget); and
- Are directly related to the project.
- Additional justification may be required for purchases where the benefit to the project is not readily evident.

# Fiscal Documentation

---

## Examples:

- Paid detailed invoices – Statements are not adequate
- Cancelled checks
- Bank Statements
- Payroll registers
- Signed Employee project time sheets
- Travel vouchers in accordance with Section 112.061 Florida Statutes

# Exercise

---

## Expenditure

## Documentation

Employee salary

?

Rent

?

Consultant

?

Office Supplies

?

Utilities

?

Sub-Contractor

?

Sub-Recipient

?

Travel

?

# Exercise

---

## Expenditure

## Documentation

Travel to a Conference

?

Promotional Items

?

Stipends

?

Equipment Purchase

?

Equipment Lease

?

Personal Cell Phone

?

Liability Insurance

?

# Common Expenditure Issues

- Travel – Must be in accordance with Section 112.061 F.S., for meals, mileage, etc.
- Promotional items – Must have statutory authority.
- Banquets – Must have statutory authority.
- Dumping/Stockpiling – end of agreement expenditures that do not appear related to current agreement.



# Common Expenditure Issues

---

- Consultant agreements with vague scopes of service.
- Consultant agreements where payment rates are not supported or justified.
- Transactions such as leases, consultants, sub-contracts and sub-grants with related parties. Requires extensive justification and/or documentation.
- Expenditures prior to execution of agreement.
- Fundraising expenditures.

# Common Programmatic Documentation Issues

---



- Services performed prior to execution of agreement.
- Insufficient documentation.
- Performance/Deliverable Based Agreements – Not documenting the effort provided to achieve deliverables.
- Clients ineligible for program.

# Documentation for Subs

- A complete agreement is required for services provided by a sub or consultant.
- An appropriate procurement method, price analysis and/or cost analysis for the sub agreement should be documented to justify the rate paid.

# **Documentation for Subs**

---

- The same type of programmatic and fiscal documentation should be maintained for the sub as the provider must maintain.
- Should also monitor the fiscal and programmatic activities of the sub.

# Monitoring Exercise

## Lead Agency With Subs.

### Budget

Salaries	\$210,000
Administrative	\$50,000
Travel	\$20,000
Contracted Services	<u>\$720,000</u>
Total	\$1,000,000

# Monitoring Exercise

---

## Objective

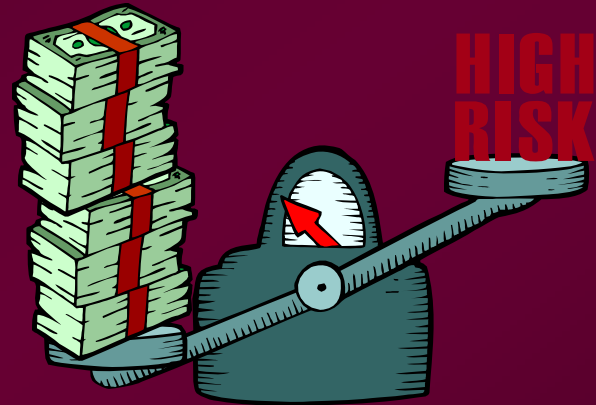
Provide Reasonable Assurance That:

- Program Requirements Were Met;
- Required Services Were Performed;
- Funds Were Used Appropriately.

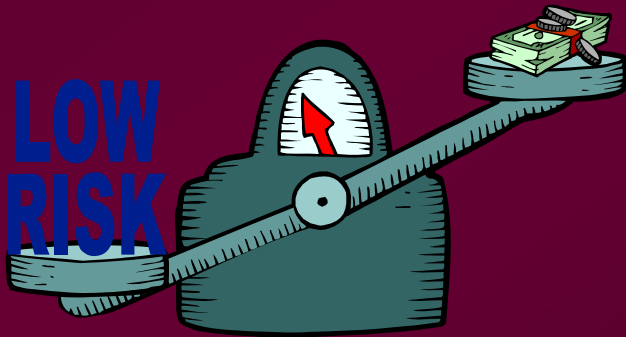
# Developing a Monitoring Plan

---

**Consider risks to determine the nature, timing and extent of monitoring**



**Identify the tools to measure and assess performance and compliance**



# Monitoring Activities

---



**Periodic Provider Reporting**



**Onsite Reviews and Observations**



**Client Surveys**



**Other Periodic Contact with Provider**



**Review of Audit Reports**



**Invoice Reviews**

# Corrective Action

---

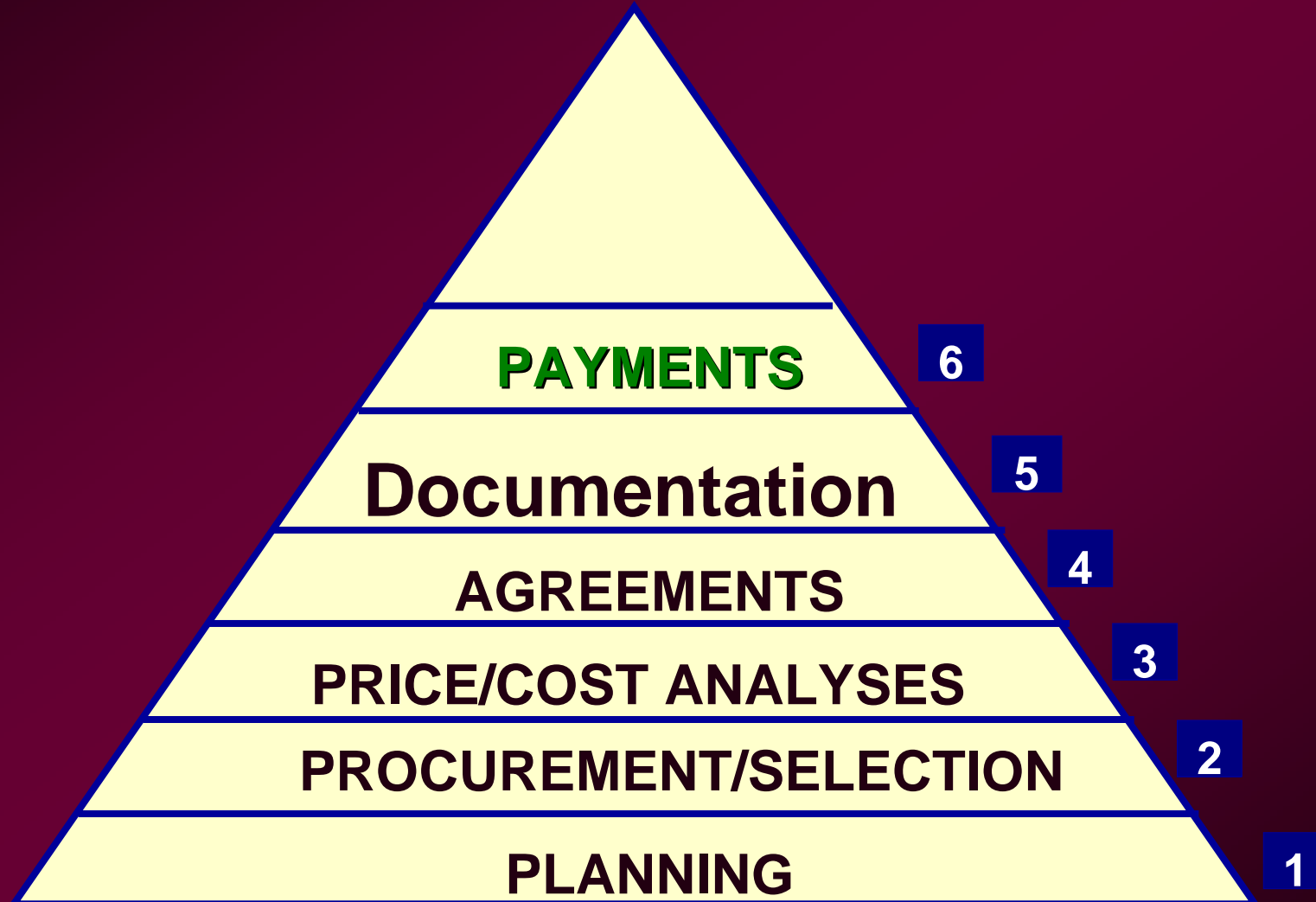
**Non-compliance issues discovered through monitoring process should be addressed immediately.**



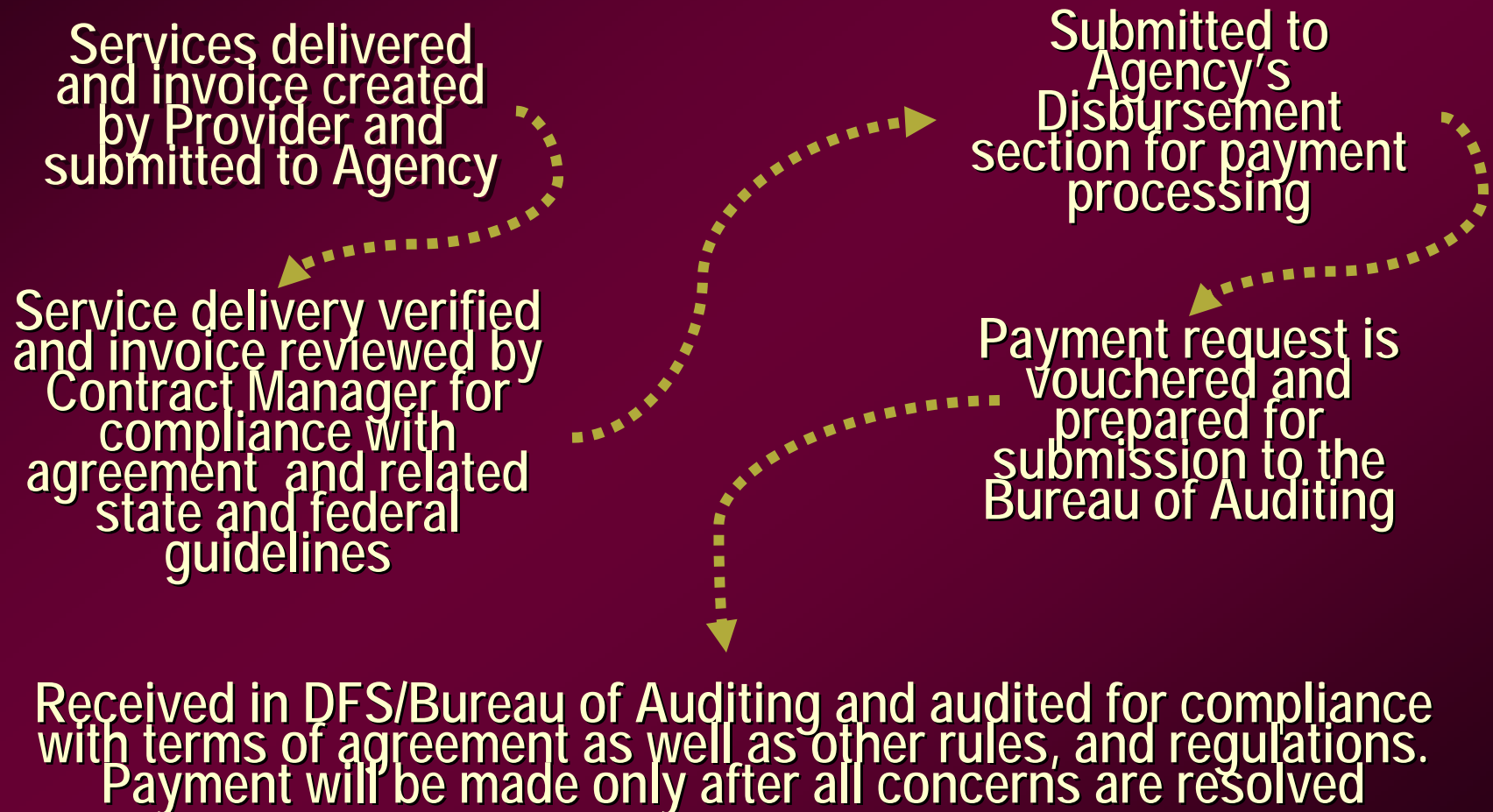
**Appropriate corrective action, (e.g., sanctions, additional time for compliance, termination of agreement) should be taken and documented.**

# Seven Crucial Elements

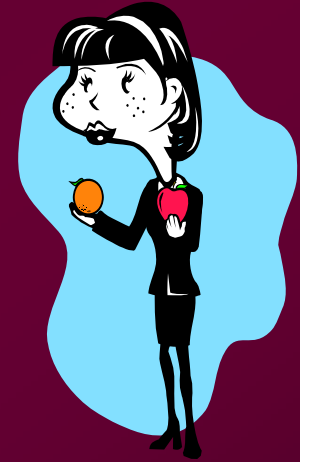
---



# Payment Process



# Payment Verification

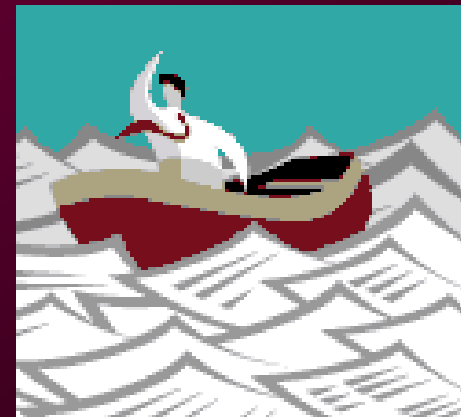


- Review invoice for accuracy and completeness;
- Verify that all required supporting documentation is accurate and complete before submitting.

# Payment Verification

- \*Invoices must clearly reflect a description of service type, number of units and the cost per unit.
- Supporting documentation should be submitted in an auditable form.

\* Rule 69I-40.002, F.A.C.



# Payment Process

---

Responsibilities include verifying:

- ✓ The payment request/invoice billing period coincides with documentation submitted
- ✓ Services were rendered within the terms of the agreement and were satisfactory

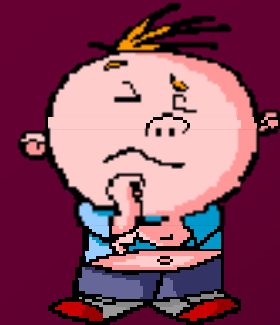


# Payment Process

---

## Cost Reimbursement

- Verify expenditures are:
  - ✓ Allowable in the agreement budget
  - ✓ Allowable pursuant to other rules and regulations
  - ✓ Directly related to the scope of work
  - ✓ Reasonable
  - ✓ Documented
- Verify minimum performance standards are met and apply sanctions as necessary



# Payment Process

---

## Cost Reimbursement

### Special Notes:

- ✓ A cost reimbursement does not exist until funds have been expended. Incurring a liability does not constitute a reimbursable situation.
- ✓ Travel costs (meal allowance, mileage, per diem, etc.) will be paid in accordance with Section 112.061 Florida Statute.



# Payment Process

---

## Fixed Unit Rate



- ✓ Verify invoice provides unit description and unit price.
- ✓ Compare units of service to supporting documentation for the billing period.
- ✓ Verify that the rate billed coincides with agreement rate.

# Payment Process

---

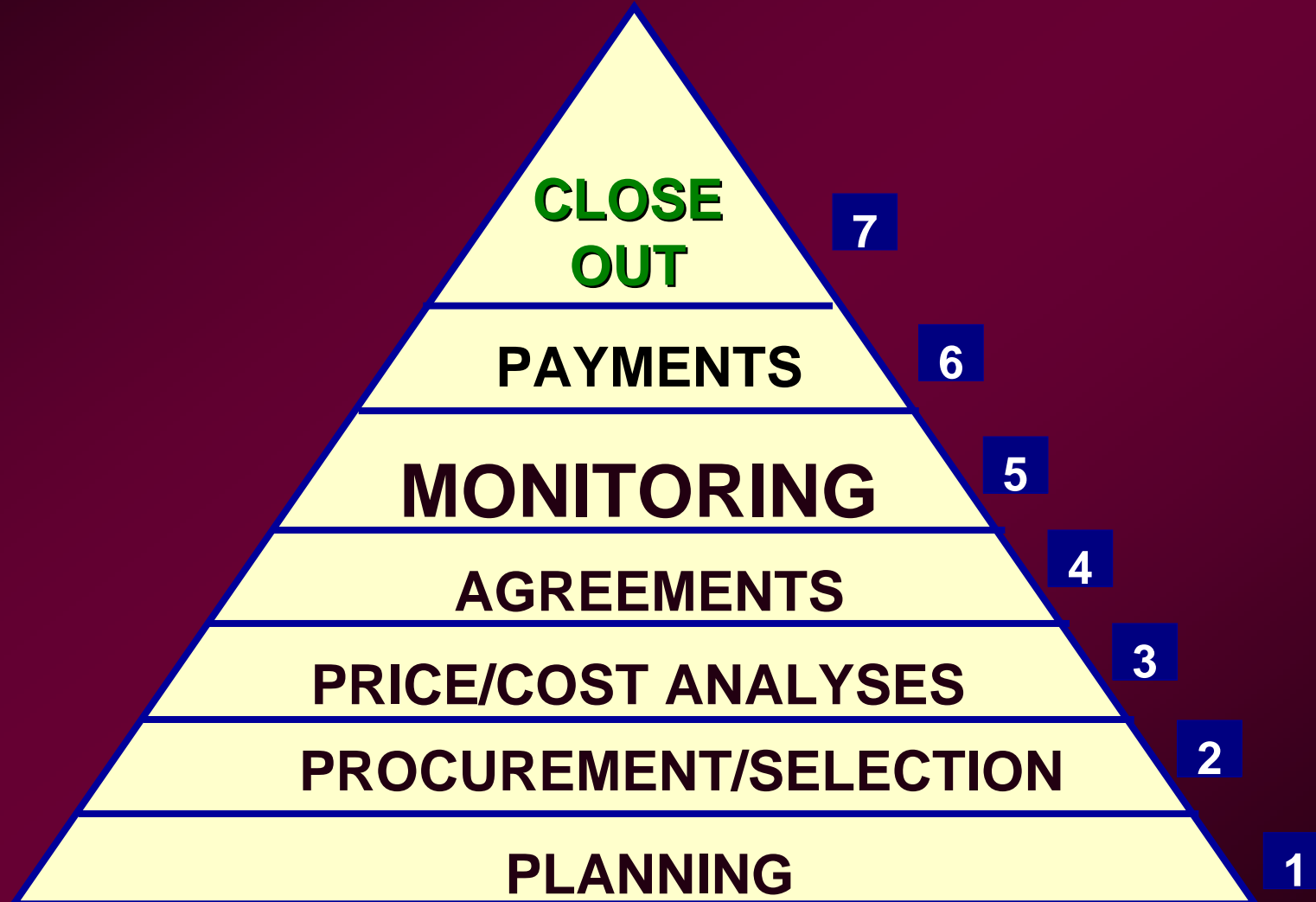
## Fixed Price

- ✓ Verify invoice amount agrees with the unit price stated in the agreement.
- ✓ Review supporting documentation and determine if minimum performance standards have been met.
- ✓ If minimum performance standards are not met, pro-rate invoice.



# Seven Crucial Elements

---



# Programmatic Closeout

---



Includes, but is not limited to, determining and documenting that:

All deliverables and services have been delivered and accepted in writing.

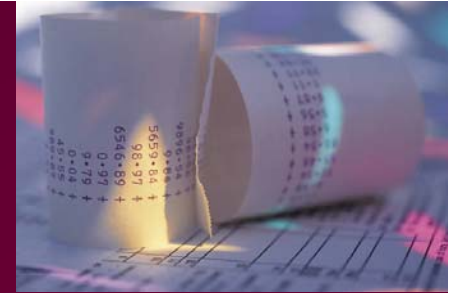
All reports (including Financial Status Report) have been received and accepted in writing.

Determine whether program objectives were met.

Liquidated damages/sanctions have been assessed for non-performance/non-compliance.

# Fiscal Closeout

---



Includes, but is not limited to, determining and documenting that:

Acquired non-expendable property has been returned to state

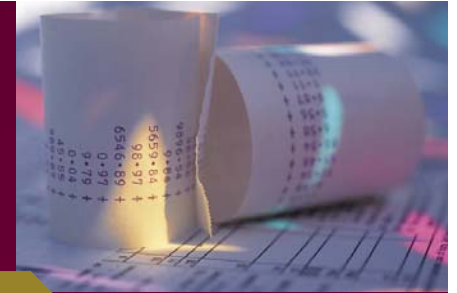
Advances and/or interest earned on advances have been recovered or applied against what is owed

Match requirements have been met

Amounts assessed as liquidated damages/sanctions for non-performance/non-compliance have been recovered

# Fiscal Closeout

---



Disallowed costs and/or unused grant funds have been recovered

Final payment to provider is made **only** after all programmatic and fiscal steps have been completed.

\*Financial Status Report has been reviewed and approved in writing.

\*Expenditure review has been performed.

**\*Required for all agreements except fixed price/fixed rate agreements with vendors which were competitively procured by evaluation of two or more responses.**

# Seven Crucial Elements

---

