

LSTA Monitoring Guidelines

Georgia Public Library Service Guidelines for Monitoring Library Services and Technology Act Subawards June 2004

Why Monitor?

Georgia Public Library Service (GPLS), a unit of the Board of Regents of the University System of Georgia (BOR) must meet certain requirements to be eligible to receive federal funding under the Library Services and Technology Act (LSTA). GPLS must submit a basic five-year plan and any revisions of the plan to the Institute of Museum and Library Services (IMLS) each year. GPLS must also provide timely financial and progress reports on the grants when requested by the IMLS.

Once all parts of the LSTA plan are approved by IMLS and funding is appropriated by Congress, GPLS receives notification of the grant award. Georgia Public Library Service uses the grant monies to fund library grants, contracts, reimbursements and other methodologies as described in the five-year plan for furthering library and information services development in Georgia. For the purpose of this policy, these are referred to as subawards to subawardees.

With the grant award, the subawardees become part of a reporting network that adheres to the same federal regulations for grant administration as GPLS. The subawardees are required to maintain grant records, submit progress reports and request reimbursement in much in the same way as GPLS reports to IMLS.

GPLS is responsible for monitoring both program and financial aspects of subawards. Program monitoring is concerned with the project content and development and is the responsibility of the subawardee and the GPLS LSTA staff. Financial monitoring includes review by GPLS LSTA staff of monthly and or quarterly reports. Other governmental entities such as BOR, Office of Planning and Budget (OPB), or Department of Audits and Accounts may also review financial records

The Federal regulations that describe subawardee monitoring are general, but contain the following core elements of compliance:

- The routine receipt and review of performance reports;
- The routine reviews of expenses-to-budget;
- The periodic performance of on-site visits; and if necessary
- The option to perform "audits".

Specifically, the following federal regulation governs GPLS, the pass-through entity, and relationship with any subawardee. It reads:

According to OMB Circular No. A-133 Audits of States, Local Governments, and Non-Profit Organizations "Subpart D--Federal Agencies and Pass-Through Entities § . 400 Responsibilities

(d) Pass-through entity responsibilities. A pass-through entity shall perform the following for the Federal awards it makes:

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- (1) Identify Federal awards made by informing each subrecipient of CFDA title and number, award name and number, award year, if the award is R&D, and name of Federal agency. When some of this information is not available, the pass-through entity shall provide the best information available to describe the Federal award.
- (2) Advise subrecipients of requirements imposed on them by Federal laws, regulations, and the provisions of contracts or grant agreements as well as any supplemental requirements imposed by the pass-through entity.
- (3) Monitor the activities of subrecipients as necessary to ensure that Federal awards are used for authorized purposes in compliance with laws, regulations, and the provisions of contracts or grant agreements and that performance goals are achieved.
- (4) Ensure that subrecipients expending \$300,000 (*\$500,000 for fiscal years ending after December 31, 2003*) or more in Federal awards during the subrecipient's fiscal year have met the audit requirements of this part for that fiscal year.
- (5) Issue a management decision on audit findings within six months after receipt of the subrecipient's audit report and ensure that the subrecipient takes appropriate and timely corrective action.
- (6) Consider whether subrecipient audits necessitate adjustment of the pass-through entity's own records.
- (7) Require each subrecipient to permit the pass-through entity and auditors to have access to the records and financial statements as necessary for the pass-through entity to comply with this part. "

GPLS Monitoring of Subawards

The purpose of this document is to communicate the methods that GPLS will utilize to fulfill these obligations. GPLS will provide help, assistance and information regarding subawardee's responsibilities when receiving LSTA funds. However, each subawardee is responsible for compliance with the federal law(s) and regulation(s) required by their acceptance of these funds.

In addition to narrative reports and financial reports as established in the agreement with the subawardee, the LSTA Project Consultant and/or a consultant may visit subawardees as a representative of the Georgia Public Library Service. GPLS will:

- Notify subawardees when they are receiving LSTA funds;
- Provide applicants for subaward funds with basic information about federal requirements;
- Include required federal information in award letter;
- Provide subawardee with a list of applicable federal regulations at the time of award;
- Monitor project reports and conduct appropriate site visits;
- Monitor subawardee annual audits; and
- Provide appropriate resources for subawardees on the GPLS home page.

Determination of Report and Site Visit Frequency and Complexity

GPLS will utilize the following factors and the type of project to determine specific reporting requirements, payment method, deliverables, site visits, and time frames.

- Award size relative to the subawardee's budget staffing and other resources

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- Award complexity, sensitivity of the work and/or extensiveness of the governing regulations
- Prior experience with the subawardee
- Degree of external oversight by auditors or sponsor agencies
- Sophistication of the subawardee's systems and administrative operations

Reports

Reports from subawardees are used by GPLS to prepare written evaluations of subawardee project(s). These evaluations are then submitted to IMLS as part of GPLS's comprehensive report. The information is used to assist other libraries and library-related groups that may be considering a similar project and to measure the overall effectiveness of the LSTA program.

Reports are reviewed and evaluated on a timely basis by GPLS; unusual or unforeseen items will be investigated, and reports will be retained on file for ready access by regulators. In some cases, subawardee terms may require specified deliverables in addition to, or in lieu of, reports.

The narrative section should contain:

- Project progress toward meeting the goals and objectives;
- Explanation of any project deviation;
- Progress expected in the next quarter; and
- Plans to make up any project slippage.

Supporting statistical data should be included in the report, as well as samples of publicity. Two copies of publications, pamphlets, or items produced by the project should be included, not only to benefit other libraries who may be considering a similar project, but to fulfill IMLS's requirements.

Publicity and information releases about the project **must** credit the Library Services and Technology Act. For example, an appropriate statement is: "This project is supported by the Institute of Museums and Library Services under the provisions of the Library Services and Technology Act, administered by Georgia Public Library Service."

Review of Invoices and Expenses-to-Budget - For subagreements, subawardee's invoices showing both current period and cumulative expenses-to-budget are generally required. GPLS will compare subrecipient invoices to established subaward budgets. Evidence of the regular review of invoices should be in place and retained on file. "Evidence" can be in the form of initials or authorizing signature on invoices, e-mail communications, notes of meetings, etc.

Clarification of Invoiced Charges – GPLS will request explanations for any "unusual", "miscellaneous," "other" or apparently excessive charges invoiced by the subawardee. If the explanations received are not sufficient to render a prudent judgment on the allowability of the cost, GPLS may request detailed justifications from subawardees. GPLS may periodically request,

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particularly from high-risk subawardees, detailed support for selected invoiced charges to verify their appropriateness and reasonableness. Examples of detailed justifications that may be requested from subawardees are:

- Payroll records/data
- Copies of paid invoices showing the cost of items purchased and Vendor Justification Forms if required
- Descriptions of services rendered by consultants including hourly rates and time reports
- Detail of travel charges incurred stating the purpose, airfare, meals, ground transportation, unallowables, etc.
- Costs determined to be unallowable or unreasonable should be disallowed. In circumstances where questionable costs remain unresolved, it may become necessary to conduct a more definitive audit

Site Visits

Site visits are arranged throughout the grant year. If appropriate, topics of discussion for the site visit will include such things as:

- Project accomplishment in relationship to objectives;
- Explanation of changes in project direction, if any;
- Description of project's strengths and weaknesses; and
- Evaluative documentation of the project.

Site visits are a discretionary monitoring procedure. Site visits are conducted by GPLS to evaluate both compliance with the objectives of the project and the appropriateness of the subawardee's administrative systems, processes, and charges should be documented via correspondence, meeting notes, trip reports, etc. and retained on file.

Audits

Discretionary audits of subawardees are a routine monitoring procedure under Federal regulations and all subawardee agreements contain "right-to-audit" clauses. Formal subawardee project specific audits are performed on an as needed basis.

