

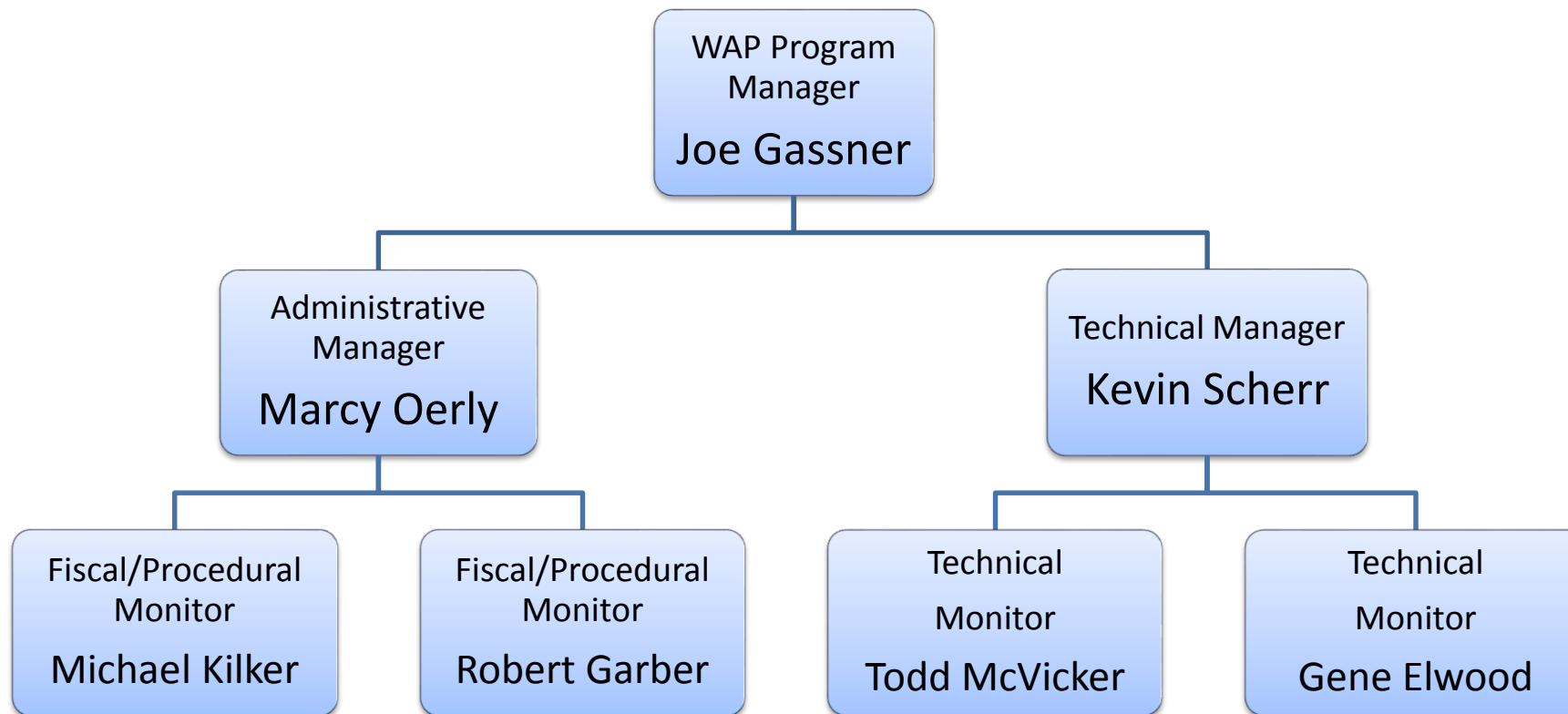
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# Subgrantee Monitoring by the State WAP office

## **FISCAL ASPECTS**

Robert Garber  
Missouri Department of Economic Development /  
Division of Energy

# Missouri's WAP Structure





- Develop a Risk Assessment Instrument
  - Must be objective
  - Must be fair and consistently appliedUse this to determine the level of review to be applied

Make sure that your risk assessment is telling ***you*** which agencies are high risk, not vice versa!

- Develop a Monitoring Instrument
  - Use the same plan for all subgrantees.
  - Missouri uses the same outline for the monitoring instrument and the monitoring report.

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# Fiscal Monitoring Areas

- Financial Policies and Procedures
- Bank Accounts
- Receivables
- Expenditures
- Indirect Rate

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# Financial Policies & Procedures

- Are they comprehensive?
  - Create a list of areas that you want to see covered in their Financial Policies: purchasing, check writing, banking, procurement, account reconciliations, cost allocation methods, payroll, program income, cash receipts, in-kind donations, records retention, petty cash, receivables, travel reimbursements, (not an exhaustive list)
- Do their policies align with 10 CFR 600 and 2 CFR 200?
- Do their policies align with your state's policies?

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# Bank Accounts

- Bank authorization forms
  - Did the agency's board pass a corporate resolution to determine:
    - who is authorized to conduct banking transactions on behalf of the agency
    - who is authorized to view bank account information online
- How does the agency's bank protect deposits over \$250,000
- Are all accounts reconciled in accordance with the agency's financial policies and procedures

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# Receivables

- Verify that payments from the State and from external funding sources were:
  - posted to the correct accounts on the agency's general ledger
  - posted in a timely manner

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# Indirect Rate

- Does the agency have a current indirect rate agreement with their cognizant agency?
- If not, do they have a cost allocation plan for:
  - Indirect (unallocable) costs
  - Shared costs such as
    - Facilities (rent, utilities, maintenance of building & grounds)
    - Postage and Copiers



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# Expenditures

- Review a sampling of check vouchers from the check register. Use your risk assessment to decide how many.
  - Were all expenditures
    - supported by proper documentation and approvals?
    - paid in accordance with financial policies?
    - charged to the correct funds and accounts?
    - allowable, allocable, reasonable, and necessary?
- Was weatherization charged an appropriate portion of all shared expenses as prescribed in their cost allocation plan?

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# Contact Information

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# OKLAHOMA'S WAP MONITORING

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# Oklahoma WAP Overview

- Within the Oklahoma Department of Commerce (ODOC) Community Development Division
- Staffing:
  - WAP Program Manager
  - 4 Program Monitors/Liaisons (split 15 CAAs that cover Wx for the State)
  - Director of Programs
  - Division Director
  - Financial staff within the Division, as well as the Financial Services Division at ODOC
- Contract with the Oklahoma Assc. Of Community Action Agencies
  - IREC Accredited Weatherization Training Center and State QCI/Training Director

# Weatherization Partners

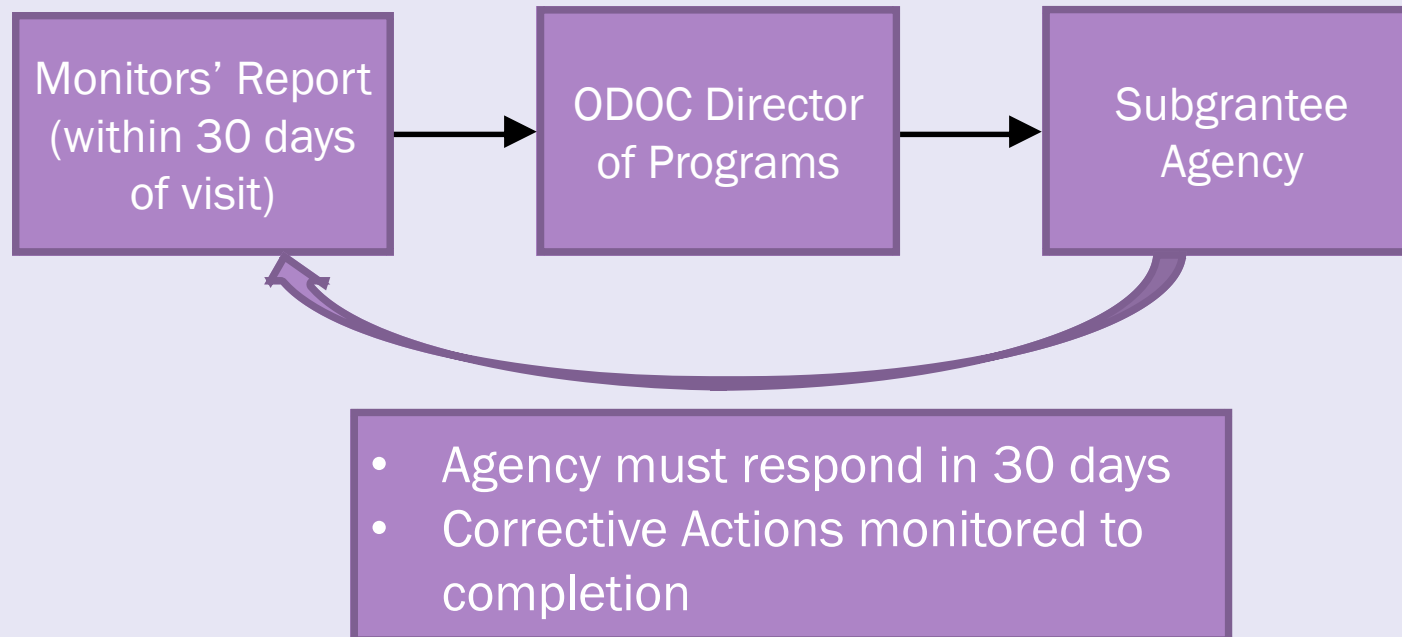


# Oklahoma's Monitoring Plan

- Pre-Award Risk Assessment for both LIHEAP weatherization and WAP
  - 3 levels of risk possible: low, medium, and high
- WAP Program Manager is the primary contact with DOE:
  - Draft and implement State Plan and weatherization policies
  - Track grant expenditures and production
- ODOC's Four Monitors are the primary contact for subgrantees:
  - Annual on-site monitoring; continuous desktop monitoring
  - T/TA as needed
- State QCI Inspections

# Oklahoma's Monitoring Tool

- Annual onsite monitoring encompasses programmatic, management, and financial review of the subgrantee's agency and community programs (includes programs outside of weatherization)
- Review WAP inventory, client files, financial statements, agency staff, and board structure



# Energy Audits: NEAT and MHEA

- Audits reviewed in QCI and State QCI inspections
- Compile yearly energy savings to determine if energy savings and the effectiveness of weatherization installations were consistent throughout the network
  - Guides onsite monitoring of underperforming agencies
  - Identify possible oversight in weatherization installation
- Annual Maintenance:
  - Must upload set up library with updated fuel, labor, and material costs each program year
  - This year, implemented mandatory NEAT Training to review set up library costs among the agencies and obtain consistency across the state



# Client Files

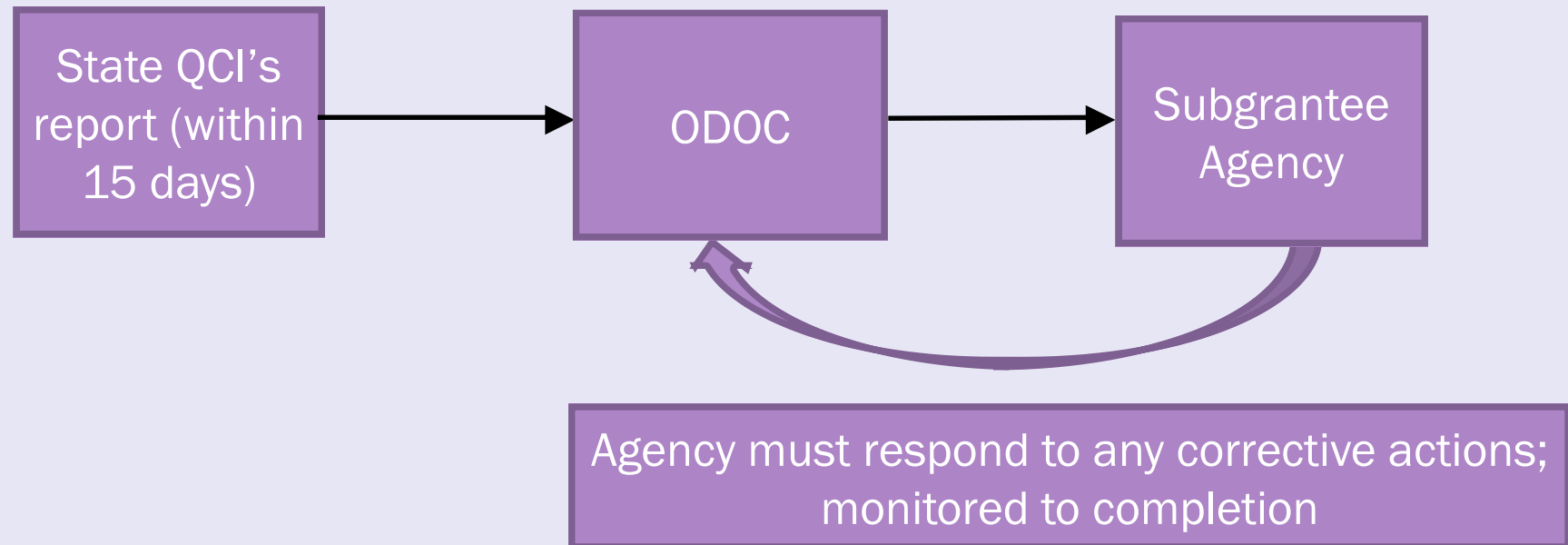
- Set of forms in State's Implementation Manual (updated annually); subgrantees cannot use their own forms
  - Client File Checklist Form
- Reviewed during annual monitoring and State QCI inspections
- Photo documentation of before/during/after weatherization work is required within the file; allow photos to be stored on CD, jump drive, or printed
- Required to maintain separate client files for each funding source used on a home
  - Oklahoma does not include leveraged funds in its DOE State Plan

# QCI

- Set Inspection Form
- Completed units reported each month to the State
- Allow issues to be fixed during the final inspection, if the Crew Leader or Retrofit Installer is present; final report must record the entire process
- Once the unit is reported as complete, DOE funds cannot be used for call-back or supplemental work
- If the QCI does not inspect units properly or misreport units:
  - The subgrantee is placed on probation; paid on a reimbursement basis; and required to have more QA inspections
  - T/TA could be required, if applicable

# Quality Assurance

- State QCI is updated monthly by the Program Manager on home completions
  - Program Manager sends an email to agencies to remind them to schedule visits ASAP
- 5-10% of DOE units at each agency; prefer at least 2 at each agency
  - Monitors try to coordinate with State QCI to be at some of the inspections
- If work is required to be corrected, unrestricted agency funds must be used



# Health & Safety

- H&S certifications verified through monitors during annual monitoring and the State QCI/Wx Training Center Director
- ODOC form requires documentation of the staff working on the house, as well as all measured installations
- ODOC Policy outlines procedures to follow for H&S measures; some measures require ODOC approval prior to implementation
- All photos are required to be in client file showing before and after work on H&S measures and lead safe work procedures
- H&S budgets are tracked through ODOC's OkGrants system
  - ODOC sets the subgrantees at a 13% of program operations H&S expenditure limit

# Feedback & Reporting

- OKGrants Reporting System by Agate Software:
  - System used by subgrantees to apply for grant awards, sign contract, and upload documents
  - Input monthly expenditure and production reports
  - Subgrantees and ODOC staff, including Financial Services, can access and approve reports
- Monthly meetings with Wx Program Manager through the Oklahoma Weatherization Housing Advisory Council (OWHAC)
- Semi-annual conferences through statewide association
  - Survey for help in writing T/TA Plan for DOE State Plan 2017
- Email updates sent on an as-needed basis

# Monitoring Productivity

- Subgrantees must create a production and management plan when applying for grant
- Tracked monthly and quarterly by Liaisons and Program Manager through OkGrants
  - Created an internal spreadsheet of planned versus actual production to view all agencies at once
- Productivity Policy, implemented in PY 2016:
  - **Any month a subgrantee agency does not meet their approved Production Schedule and Management Plan, corrective action is initiated by ODOC**
  - If in 30 days, the agency has not improved, a probationary period is enacted
  - After probation, if there are still problems, ODOC could decide to de-obligate funding

# DOE Monitoring: Project Officer

- Submitted requested paperwork and reports to PO prior to visit:
  - PDF document for Grantee & Subgrantee to complete that follows WPN 16-4 checklists
- Visited Grantee office, a Subgrantee onsite, & State's Training Center
- DOE Recommendations during the visit (official report has not been received):
  - State begins keeping an online database of all weatherization addresses (past and present); could also help to track deferral rates at the state level
  - Better use of leveraging funds
  - Ensure full compliance with 2 CFR 200 (contracts, inventory, etc.)
  - Succession planning; technical staff

# DOE Technical Monitoring: SMS

- Technical monitoring by SMS (DOE Contractor) in September 2016
- Sent all client files prior to visit
- Subgrantees chose two homes; show a sample of housing stock:
  - QCI inspection/diagnostics tests by subgrantee staff and State QCI
- Visited State's Training Center
- Full report will be given to DOE and included in our overall monitoring report





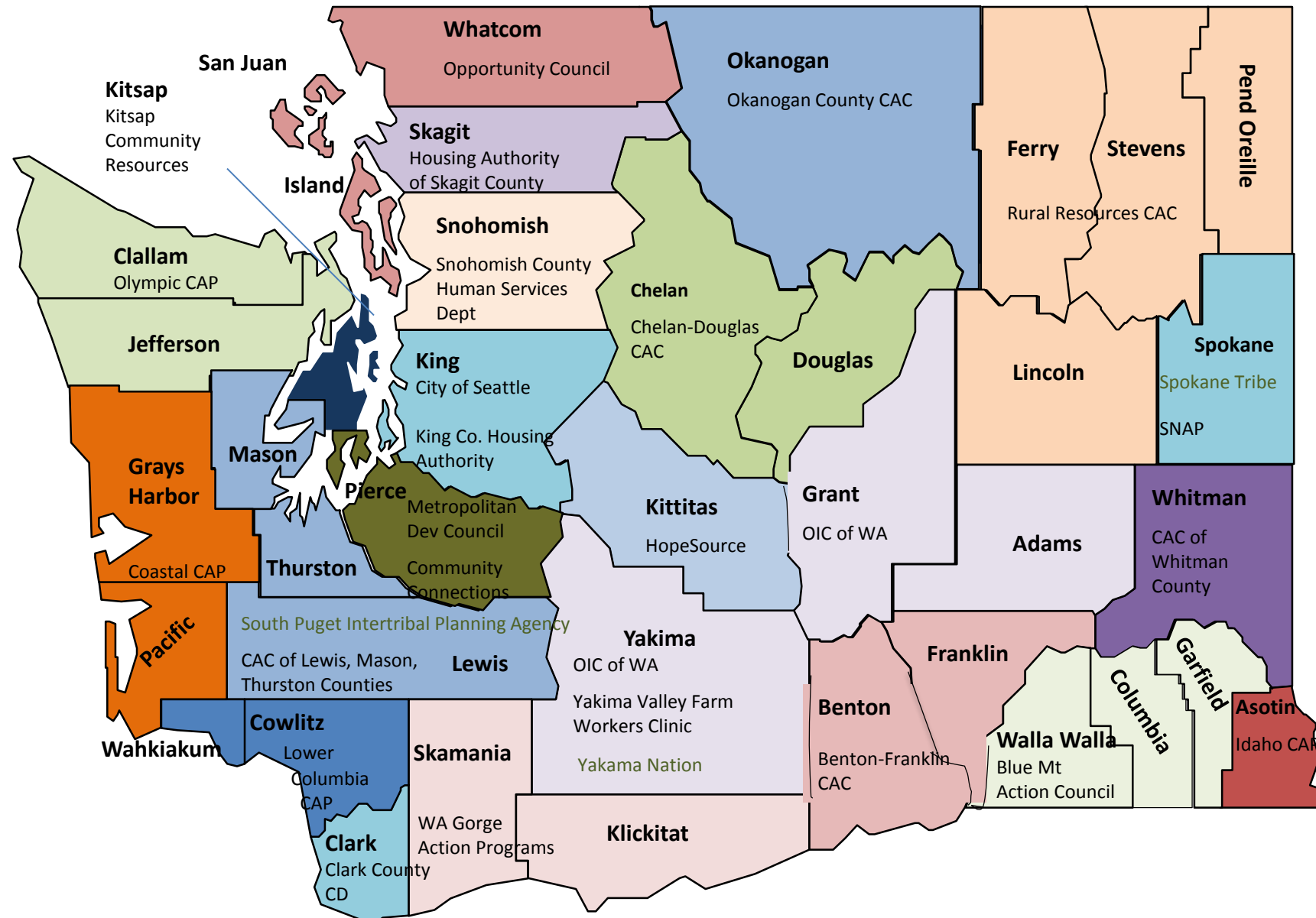
**Department of Commerce**

# ***Washington State WAP Monitoring***

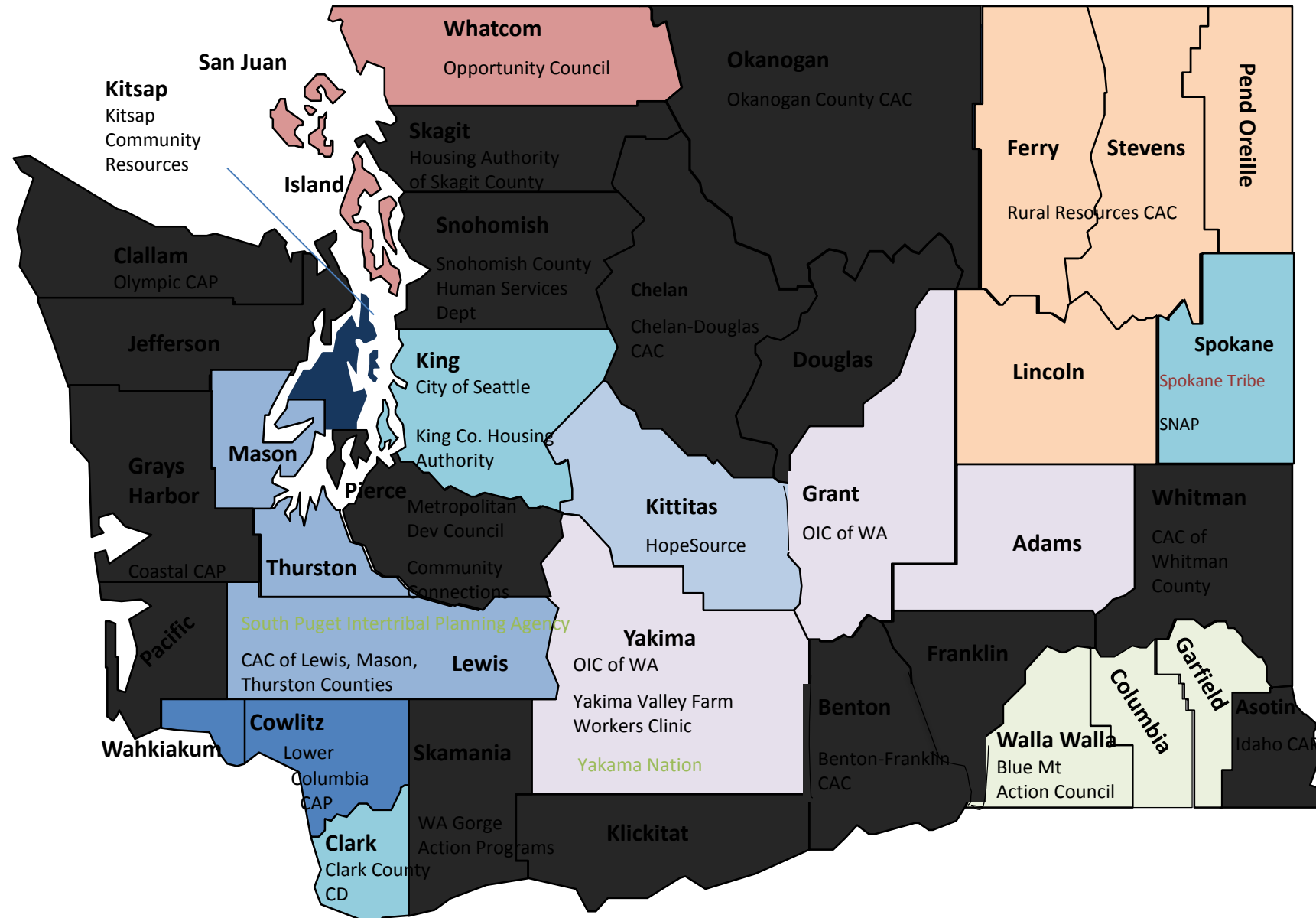
*Amanda Rains & Hans Berg*

September 2016

## Washington's Weatherization Service Providers



## Changes in Wx Program Manager 2015-17



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# Indicators of agency risk

- High staff turnover and/or lack of required training
- Spend pace substantially ahead of production
- Number of monitoring findings including fiscal, administrative and/or technical
- Not maintaining required insurance
- Missing data reporting deadlines and grant closeout activities

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# Team Centered Approach

- Field Monitor
- Desk Monitor
- Program Manager



# Peer Agency Groupings

Agency	Peer Group	Urban-Rural	Organization Type	Delivery Model
Seattle City of Housing Office	Urban-Large Budget	Large Urban	Public	Contractor
Snohomish County	Urban-Large Budget	Large Urban	Public	Contractor
King County Housing Authority	Urban-Large Budget	Large Urban	Public	Contractor
Spokane Neighborhood Action Partnership	Urban-Large Budget	Large Urban	CAP Non-profit	Crew
Pierce County Community Services	Urban-Large Budget	Large Urban	Public	Contractor
Metropolitan Development Council	Urban-Moderate Budget	Large Urban	Public	Contractor
Opportunity Council	Urban-Moderate Budget	Small Urban	CAP Non-profit	Contractor
Clark County	Urban-Moderate Budget	Large Urban	CAP Non-profit	Contractor
CAC of Lewis Mason Thurston	Urban-Moderate Budget	Small Urban	Public	Crew
Opportunities Industrialization Center of Washington	Urban-Moderate Budget	Small Urban	CAP Non-profit	Contractor
Benton Franklin	Urban-Moderate Budget	Small Urban	CAP Non-profit	Crew
Kitsap Community Resources	Urban-Moderate Budget	Small Urban	CAP Non-profit	Contractor
Lower Columbia	Rural-Moderate Budget	Small Urban	CAP Non-profit	Contractor
Yakima Valley Farmworkers	Rural-Moderate Budget	Rural	CAP Non-profit	Contractor
Housing Authority of Skagit County	Rural-Moderate Budget	Small Urban	Public	Contractor
Rural Resources	Rural-Moderate Budget	Rural	CAP Non-profit	Contractor
Coastal CAP	Rural-Moderate Budget	Rural	CAP Non-profit	Contractor
Chelan Douglas CAC	Rural-Small Budget	Rural	CAP Non-profit	Contractor
HopeSource	Rural-Small Budget	Rural	CAP Non-profit	Contractor
Blue Mountain Action Council	Rural-Small Budget	Small Urban	CAP Non-profit	Contractor
Olympic CAP	Rural-Small Budget	Rural	CAP Non-profit	Contractor
Community Action Center (Whitman)	Rural-Small Budget	Rural	CAP Non-profit	Contractor
CAA Idaho	Rural-Small Budget	Rural	CAP Non-profit	Crew
Okanogan	Rural-Small Budget	Rural	CAP Non-profit	Contractor
WA Gorge Action Programs	Rural-Small Budget	Rural	CAP Non-profit	Crew

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# Interactions with agencies based on risk

## Low Risk Agencies

- Quarterly check-ins
- Network meetings
- Start-up and close-out of grants

## High Risk Agencies

- Same as low-risk, and
- Bi-weekly meetings
- [Performance management plan](#)
- Additional training from the Building Performance Center

# Program Dashboard

