



SUB-RECIPIENT CONTRACT MONITORING

ASSISTANCE AND GUIDANCE REPORT #0131

JULY 2001



Copies of this Assistance & Guidance Report #0131 (project #0107) may be obtained by telephone (850 / 891-8397), by FAX (850 / 891-0912), by mail or in person (City Auditor, 300 S. Adams Street, Mail Box A-22, Tallahassee, FL 32301-1731), or by e-mail (dooleym@talgov.com).

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MEMORANDUM

To: Mayor and Members of the City Commission

From: Sam M. McCall, City Auditor

Date: July 10, 2001

Subject: Assistance and Guidance Report on Sub-recipient Contract Monitoring (#0131)

We have completed an Assistance and Guidance Report on Sub-recipient Contract Monitoring (#0131) in an effort to help City departments and sub-recipient organizations demonstrate accountability over City funds and "pass through" federal and state funds provided to sub-recipient agencies. We submit this report for your review and information. We will follow up on implementation of the report on a periodic basis.

We thank the Assistant City Managers, the Director of Management and Administration, and the employees of Neighborhood & Community Services for their support and assistance in this effort.

Please let me know if you need further information or wish a briefing on this report.

Respectfully submitted,

Sam M. McCall
City Auditor

SMM/mbd
attachment

cc: Members of the Audit Committee
Appointed Officials
Leadership Team
Paula G. Cook, Records Management Officer

An All-America City

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Introduction

This Assistance and Guidance Report (the Report) on Contract Monitoring is intended to help City Departments and sub-recipient organizations demonstrate accountability over City funds and “pass through” federal and state funds provided to sub-recipient agencies. Completion of checklists included in the Report will assist in documenting City monitoring efforts through systematic on-site or desk reviews of sub-recipient organizations. This Report can be distributed to sub-recipient organizations to make them aware of City expectations relating to accountability for grant funds received and expended.

The contract monitoring checklists should be viewed as comprehensive, and City departments should pick and choose those parts and pieces that are appropriate to their contracts. Contract monitoring checklists contained in the Report can be completed by City staff when conducting desk or on-site monitoring of sub-recipient organizations. Alternatively, the checklists can be completed by sub-recipient organizations as a self-assessment tool and to demonstrate compliance with City grant policies and procedures. The checklists are intended for use by knowledgeable staff, and they should apply experience and judgment in interpretation and application. Consideration should be given to the completed checklists on the entire sub-recipient internal control system and to whether that system, as a whole, complies with recommended guidance.

We want to express our appreciation to the State of Florida, Department of Children and Families, for providing us with their contract monitoring policies and procedures, which we have modified for applicability to City departments.

Control Systems

The establishment of an adequate internal control system is the responsibility of each sub-recipient organization that receives funding from the City of Tallahassee. However, there is often misunderstanding as to what is meant by an internal control system, because the term means different things to different people. Therefore, for purposes of this Assistance and Guidance Report, the term internal control is broadly defined as:

A process, effected by an entity’s board of directors, management and other personnel, designed to provide reasonable assurance regarding the achievement of objectives in the following categories:

- Reliability of financial reporting
- Compliance with applicable laws, regulations and contracts
- Safeguarding of assets
- Effectiveness and efficiency of operations

This Report and accompanying checklists do not suggest that either City program staff or sub-recipient staff have complete professional accounting and auditing expertise in internal control systems. In some instances, sub-recipient organizations may need to employ professional accountants to assist in the establishment of internal control systems and in the preparation of financial statements and reports. In addition, in certain instances, sub-recipient organizations may employ independent public accountants to perform audits required by federal or state law or City contract requirements. In many instances these independent public accountants make suggestions during the course of their audit to improve internal control systems. Overall, we believe that if sub-recipient organizations can positively assert compliance through completion of checklists along with obtaining required audits, they will have substantially demonstrated the establishment of an acceptable system of internal control.

As noted above, the significant sub-recipient internal control systems that will be reviewed by City staff relate to: the reliability of financial records and reports submitted to the City in support of grant funds received and expended; the sub-recipient's ability to demonstrate that grant funds were expended in accordance with applicable federal and state laws, rules, and regulations, and City policies and procedures and the contract between the City and the sub-recipient; the sub-recipient's awareness of the need to safeguard assets to prevent or timely detect unauthorized transactions and unauthorized access to assets; and the sub-recipient's efficiency and effectiveness in the delivery of contracted services. Internal controls have both financial and programmatic applicability.

In the completion and review of recommended checklists, appropriate consideration should be given to the size and complexity of the sub-recipient organization. In many instances, sub-recipient organizations may not have a sufficient number of staff to provide for adequate separation of duties. In those circumstances, consideration should be given to the presence of compensating controls in the assessment of the adequacy of the overall internal control system. As applicable, sub-recipient organizations should identify those compensating controls.

Chapter 1

CONTRACT MONITORING

1-1. **Purpose.** Contract monitoring procedures provide a guide for City departments conducting monitoring of department contracts. The monitoring encompasses administrative and performance standards expected to be met by the department's providers according to their contract.

1-2. **Contract Monitoring.** Contract monitoring is the acquisition, review, and reporting of information about the department's providers' compliance with the contract's terms and conditions, both administrative and programmatic. In order to maximize the department's limited resources and minimize disruption to the provider, contract monitoring should integrate administrative and programmatic self-monitoring checklists to the greatest extent possible.

1-3. **Contract Manager.** The contract manager is primarily responsible for enforcing the performance of contract terms and conditions. The contract manager is the primary point of contact through which all contracting information should flow between the City and the provider. All actions related to the contract should be initiated by or coordinated with the contract manager.

1-4. **Monitoring Levels.** Contracts should be assigned to a monitoring level according to the amount of risk the department is willing to assume with each provider. Monitoring levels – high, medium and low – should be assessed by the contract manager during the monitoring preparation phase (see Chapter 2). Providers who have at least one high-risk level contract with the department should be considered a high-risk level provider. Contract managers should visit client service delivery locations during each on-site monitoring; have face-to-face interaction with department clients (if appropriate); and require the provider to complete an annual self-survey.

1-5. **Suggested Monitoring Frequency.** Departments with more than ten contracts are not expected to monitor all contracts. Providers should be monitored based upon the risk the department assumes in its contract(s). All high-risk level providers should be monitored on-site at least twice each year. Providers in the medium and low risk levels should be selected randomly so that each could be monitored on-site at least once over a three-year period. Departments with ten or fewer providers should monitor all contracts.

1-6. **Joint Monitoring.** The department may seek assistance from other funding partners, either public or private, to monitor a provider's contract compliance. Joint monitoring is undertaken when economies of time and effort can be achieved through mutual cooperation. Joint monitoring reduces the administrative burden associated with individual monitoring sessions and promotes consistency in reviews and reports.

1-7. Departmental Ethics. Employees should follow the City's ethics policy. Employees are expected to conduct themselves in a manner that favorably reflects on the City, the department, and themselves.

1-8. Standards for Contract Staff. Contract monitoring staff should comply with department policies regarding work performance.

- a. Staff should perform or coordinate the timely performance of contract monitoring in accordance with program requirements and in accordance with established time frames.
- b. Staff should initiate appropriate action after learning that a provider's actions, or lack of action, have created a serious threat to the health, safety or welfare of any department client, city employee or member of the public.
- c. Staff should report, discuss or document the failure of a provider to comply with material contract requirements or advise the appropriate departmental supervisor of a material failure or breach by a provider.

Chapter 2

PREPARATION FOR MONITORING

2-1. **Purpose.** Adequate preparation for monitoring should improve the quality of the work product and expedite completion of the tasks. This chapter explains the value and function of risk assessment procedures; describes the development of an annual monitoring work schedule and plan; and outlines the preparations expected before monitoring implementation.

2-2. Risk Assessment.

- a. An element of risk is always present when a public entity contracts with an external entity to provide services for the City. The department should carefully evaluate the risk associated with awarding each of its contracts. Risk assessment is the systematic method for determining the intensity of contract monitoring appropriate for each department contract and provider. Risk assessment allows the department to apply pre-established criteria to the contracts and providers in order to:
 - (1) Standardize decision making regarding the extent of monitoring to be done;
 - (2) Estimate the amount of resources necessary to properly monitor each contract or provider; and
 - (3) Ensure that the ranking is accomplished fairly and objectively.
- b. Risk factors and weightings should be identified as early as possible.
- c. All contracts awarded, including multi-year contracts, should receive a risk assessment before the effective date of the contract, if possible. Where the term of the contract is less than one year, the risk assessment should be accomplished as early as possible after the award of that contract. Each department should establish deadlines for the completion of all risk assessments. The contract manager should be responsible for conducting the risk assessment. However, risk assessments should not be completed prior to the establishment of the factors and weights to be applied.
- d. During a single fiscal year, the same risk assessment criteria should be applied to each contract that is awarded during the year. Contracts that start and finish in two different fiscal years should be assessed initially according to the weights in the year of their starting date and again in the subsequent fiscal year using risk and weighting factors applicable to that year.

2-3. Annual Monitoring Schedule.

- a. The contract manager should develop an annual monitoring schedule or a calendar based upon the risk assessment scores assigned to each contract or provider.
 - (1) Monitoring schedules should be planned.
 - (2) High risk monitoring should be accomplished closer to the beginning of the contract year where possible. Providers can be scheduled at any time during the year. Where a provider has multiple contracts, the administrative and programmatic monitoring should be coordinated.
 - (3) If a provider has been awarded multiple contracts for the year, the provider should be scheduled according to the highest risk level assigned for any of its awarded contracts.
- b. The contract manager may conduct unscheduled site visits to the provider if there is reason to believe problems exist or such a visit is warranted.
- c. At any time during the contract year, the contract manager could change the risk level for a provider if information relevant to the level of risk the department is assuming changes. Such information should be in writing and retained in the monitoring file with other documentation.

2-4. Preparation Activities. The contract manager is responsible for planning monitoring activities with each provider before examining records or visiting provider sites.

- a. Examples of items the contract manager could do prior to any visit:
 - (1) Prepare written notification to the provider in advance of the scheduled on-site monitoring visit.
 - (2) Prepare a monitoring checklist for the provider and contract prior to the scheduled date of monitoring.
 - (3) Obtain the self-monitoring checklist.
 - (4) Obtain reports from federal, state, regional and local entities which have assessed the provider's business or service delivery practices.
 - (5) Meet with other entities that have business and program relationships with the provider, such as other community funding agencies, to discuss provider issues, concerns or problems and the potential for joint monitoring of the provider.

2-5. Monitoring Checklist and Preliminary Reviews.

- a. The contract manager should develop the monitoring checklist for each provider. The monitoring checklist should contain a list of tests and reviews that are to be carried out for each contract monitoring. The monitoring checklist is dynamic; it may be enhanced or limited as additional information becomes available so that it reflects a scope of review commensurate with the provider's risk assessment level.

- b. The monitoring or self-monitoring checklist should have both administrative and programmatic components. Administrative monitoring, should, at a minimum, include a review of basic financial and managerial documents. Programmatic monitoring includes data collection system verification and provider compliance with contractual programmatic terms. Periodic on-site visits, contingent on the level of risk (see Chapter 3), are required for all high-risk providers. A sample self-monitoring checklist is shown in Appendix C. A sample administrative contract monitoring checklist is shown in Appendix F. A sample programmatic monitoring checklist is shown in Appendix G. Other items which could be included are:
- A review of the provider's current audit or attestation statement, including associated management letters.
 - The contract manager should make note of any previous findings or recommendations; the provider should have made progress in or corrected prior deficiencies. The contract manager may find it prudent to review audits and attestations from earlier years to obtain information about continuing problems or unresolved findings.
 - Audits required under OMB Circular A-133 or departmental requirements include a report on the provider's internal control system. The contract manager may rely on the audit report as verification that the books and records of the provider were maintained in accordance with generally accepted accounting principles and that the provider's system of internal controls is adequate to support reliance on the existing business records.

Chapter 3

RISK ASSESSMENT AND SAMPLING PROCEDURES

3-1. **Purpose.** The purpose of this chapter is to describe the procedures that can be used to assess the risk associated with contracts for services. Consistent and uniform risk assessment allows departments to apply monitoring resources systematically to the areas of greatest need. By efficiently and effectively allocating its monitoring resources, the department helps ensure that funds are spent in accordance with applicable rules and regulations and the department's goals and objectives are achieved. It also helps protect providers from bias and favoritism in the selection of providers monitored. Similarly, effective and defensible sampling procedures ensure that monitors should gain accurate information about a provider's performance. Effective sampling enables both the provider and the department to determine where substantive problems may exist without the time-consuming task of individually reviewing each transaction performed by a provider.

3-2. Development of the Risk Assessment Instrument.

- a. The contract manager should use a risk assessment instrument to rank each of its providers according to the level of risk. The risk assessment instrument should have pre-established selection criteria, called factors, that can be used in ranking these contracts. Departments can select those factors for the risk assessment instrument that are appropriate for the department. The weights applied to each factor may be adjusted as appropriate for each program and its contracts. However, the weighted factors should apply equally to all contracts or providers.
- b. Where a provider has multiple contracts with the department, that provider should be monitored according to the highest level of risk that any one of the contracts scores. For example, if a provider has five contracts, one of which is high level risk, two are medium level risk and two are low level risk, the provider should be considered a high level risk, and all contracts with the provider should be monitored.
- c. The sample risk assessment instrument lists risk factors that could be considered:
 - (1) Dollar Value of the Contract. The higher the contract dollar figure, the higher the risk the department assumes in contracting with a provider.
 - (2) The Type of Program Oversight. Weights are assigned based on the type of oversight given the provider, such as whether a board of directors provides oversight to the provider.
 - (3) Number of Clients Served. The more clients served, the higher the risk.
 - (4) Prior Provider Performance and Corrective Actions. Providers who have previously had serious financial, administrative or program deficits or have had difficulty being responsive to department

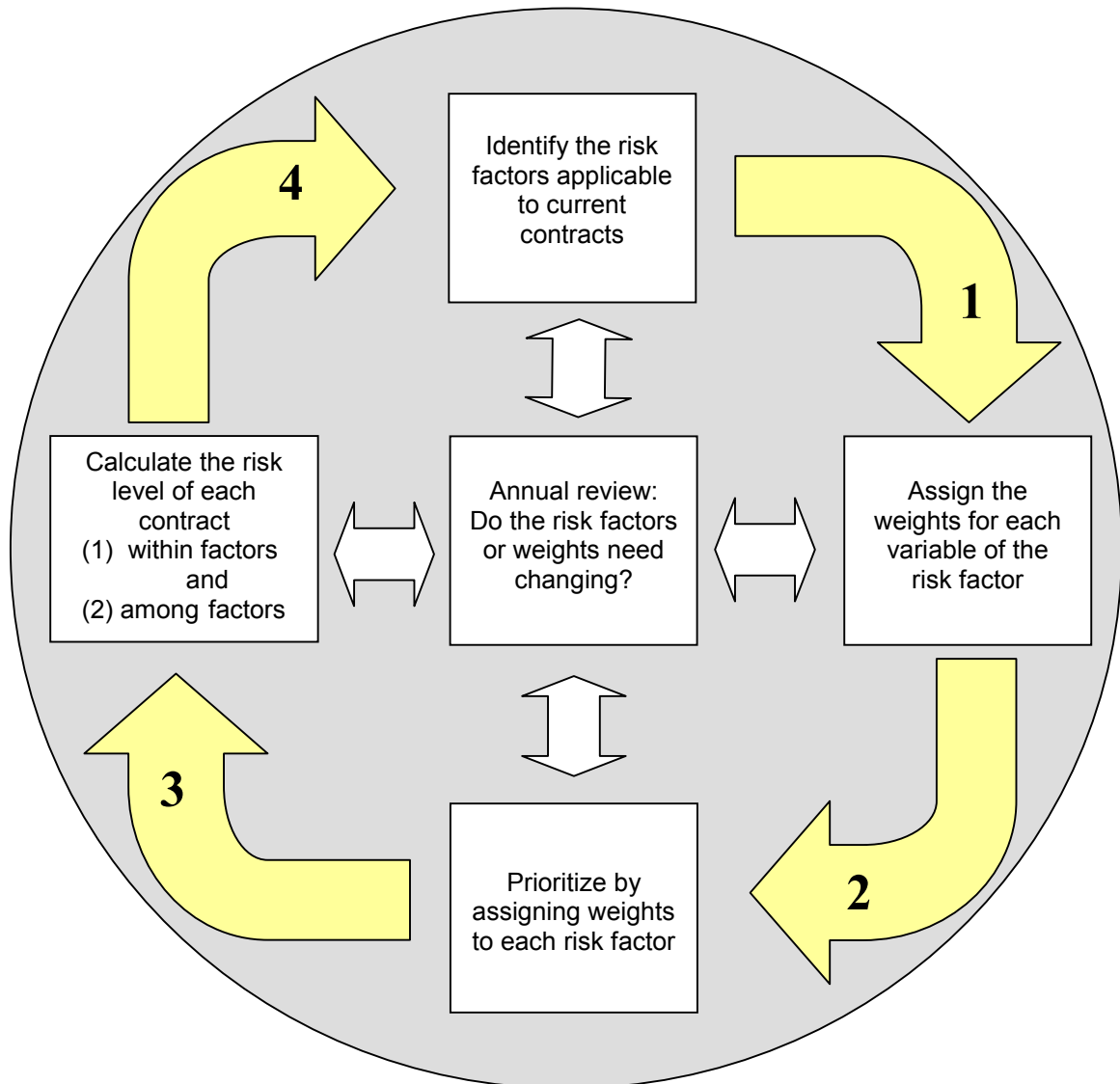
requirements should be considered to present a higher risk than those who have not.

- (5) Department's Goals. How essential the provider's program is to the department meeting its goals. The more essential, the higher the risk.
 - (6) The Type of Contract. The basis of payment to the provider: Percentage of completion, reimbursement, advance payment or fixed price.
 - (7) New Provider or Change in Key Executives. A higher risk occurs where the department has no contracting history with a provider or where a provider has made changes in its key executives (e.g., executive director, financial manager or clinical manager) within the past year.
 - (8) Last Monitoring Visit. The intensity and period of time since the last monitoring visit should be a heavily weighted factor in the risk assessment. Providers with no monitoring history may be expected to rank high followed by those who have not received a monitoring visit in a year or more.
- d. The contract manager may change the specific risk factor descriptions as long as these factors are applied to all contracts. For example, the contracted dollar amounts may be split out differently, such as *under \$10,000; \$10,001 to \$19,999; \$20,000 to \$44,999; \$45,000 to \$99,999 and \$100,000 and above*.
- e. Weight Within Factors. A scale of weights has been suggested for each of the variables within the factors. The riskiest variable receives the greatest weight. The contract manager can use his/her own numbering system for the weights and can change those numbers annually. However, the weights should be the same for all contracts being considered in the same time period.
- f. Weight Among Factors. In developing the risk levels, the contract manager should rank the factors with respect to each other. This ranking or weighting of the risk factors assumes that certain factors are more important than others in establishing the level of monitoring for each contract or provider. Sample weights are shown in the Risk Assessment Table. Each contract manager should revise the weights according to their experience or their current priorities in monitoring. The weights should be applied consistently across all contracts or providers.
- g. Prior to applying the risk assessment each year, the contract manager should review and update the factors and weights as they apply to the current year.
- h. The provider or contract should be assigned to a low, medium or high risk monitoring level, according to its scores on the risk assessment instrument.

3-3. Sampling. Monitors will not always need or be able to review 100% of the provider's administrative and programmatic records for the contract period. In such cases, the monitor can draw a sample, a limited number, of records in order to arrive at a conclusion regarding the provider's compliance with the terms of the contract. The monitor may draw a discovery sample, a procedure that can provide information upon which to base the determination of need for more intensive monitoring.

- a. The contract manager may wish to distinguish between major and minor errors. For example, if a few errors are found in recording information from one document to another, and none of the errors resulted in service degradation or can be interpreted as fraudulent financial transactions, then, these errors can be interpreted as minor and without need for a formal corrective action plan or penalties.
- b. On the other hand, if major errors are found, such as payments made by the department for services not delivered or clients not receiving services from provider staff, the contract manager should require the development of a corrective action plan. Such errors could cause financial penalties or, possibly, a finding of breach of the contract by the provider. The contract manager should initiate corrective action against the provider.

3-4. Risk Assessment Instrument Process.



3-5. Sample Risk Assessment Weight Table.

Name of Organization _____ Fiscal Year _____ Completed by: _____	Score or Weight Within Factors	Rank or Weight Among Factors	Total Points
Contracted Dollars		8 Points	
\$100,000 - Above	10 Points		
\$45,000 - \$99,999	8 Points		
\$20,000 - \$44,999	6 Points		
\$10,000 – \$19,999	4 Points		
Under \$10,000	2 Points		
Program Oversight		8 Points	
No Active Board of Directors	10 Points		
No Audit Although Required	10 Points		
Financial Audit and/or Compliance Audit Available	4 Points		
Active Board of Directors	2 Points		
Type of Contract		6 Points	
% Completion	10 Points		
Reimbursement	8 Points		
Advancement of Payments	8 Points		
Fixed Price	2 Points		
Number of clients served		6 Points	
100+	10 Points		
50 - 99	6 Points		
Less than 50	4 Points		
Key Organizational Change		3 Points	
Executive Director & Financial Manager	10 Points		
Executive Director or Financial Manager	7 Points		
Program Director/Manager	4 Points		
None	0 Points		
Goals		6 Points	
Essential to accomplish Division goals	10 Points		
Not essential for accomplishment of Division goals	2 Points		
Contract Experience/History		5 Points	
New Provider	10 Points		
2 – 4 Years	5 Points		
Over 4 Years	2 Points		
Last Monitoring Visit		6 Points	
New Provider	10 Points		
2 Years or more	7 Points		
Less than 2 Years	4 Points		
Corrective Actions (Monitoring/Audits)		4 Points	
Major Findings: Findings that would affect services, clients, or potential for payment error	10 Points		
Minor Findings: Findings that require provider’s action without qualifying as a major finding	5 Points		
No Findings	0 Points		

Total Points

- a. Determining the Risk Categories. Before the risk assessment is calculated, the cut-off points for high, medium, and low risk levels should be determined. The Sample Monitoring Table below shows how this is done. The lowest possible score is 108, arrived at by multiplying the lowest score and rank for each factor in the Sample Risk Assessment Weight Table and adding these together. The highest possible score is 520. This creates a range of 412 points (108-520). The sample monitoring table designates the low-risk category for 25% of the scores, medium-risk for 50% of the scores, and high-risk category for 25% of the scores.

Sample Monitoring Table

Activity/Level of risk	Provider self-monitoring checklist and two on-site annual comprehensive administrative and programmatic reviews.	Provider self-monitoring checklist. Administrative/ programmatic review limited to review of payment/ reimbursement requests.	Review of payment/ reimbursement requests.
High (418-520)			
Medium (212-417)			
Low (108-211)			

See Paragraph 4-7 for a full description of monitoring activities for each level.

Chapter 4

IMPLEMENTATION OF ADMINISTRATIVE AND PROGRAMMATIC MONITORING

4-1. **Purpose.** Administrative and programmatic monitoring can provide the department with the information necessary to assess the fiscal and programmatic accountability of its providers.

4-2. **Methods Used To Monitor Contracts.** The quality and adequacy of services delivered by each provider can be reviewed using three methods: records review, interview, and observation.

- a. Records Review. In some cases, programmatic monitoring and administrative monitoring call for review of the same records. The monitor should avoid duplicative reviews wherever possible.
 - (1) Client Satisfaction Surveys, Activity Records, and Interview Records. For administrative purposes, the monitor uses these records to verify that clients have been served according to the payments that the department has made for services. For programmatic purposes, the monitor seeks verification that the services have actually been delivered; are appropriate to the client's needs; and meet the programmatic terms of the contract.
 - (2) Personnel Records, Payroll Records, and Organization Charts. In administrative monitoring, the monitor reviews the provider's policies and procedures for compliance with contract terms. For programmatic monitoring, the monitor reviews these to be assured that the provider has an adequate number of appropriately trained staff to provide contracted services.
 - (3) Invoices and Supporting Documentation. For administrative monitoring, the monitor reviews these to verify that expenditures have been made in compliance with the approved budget. For programmatic monitoring, the monitor verifies that the contractual terms for services have been met.
- b. Interview. In some cases, interviews with program directors, managers, members of the board of directors, financial managers, etc., may provide valuable information on the viability of the program and the organization.
- c. Observation. In some cases, observations of activities of the provider and clients may provide a valuable resource of how the provider delivers client services and meets the schedule of services in the contract.

4-3. **Entrance Conference At The Provider Site.** The monitor should conduct an entrance conference with the provider's staff, including the director, financial officer and, if possible, board members. The provider should be informed of the purpose and schedule of the site monitoring visit.

- a. The monitor should review activities, developments and concerns that have arisen since any previous monitoring.
- b. The monitor should discuss any special provisions of the current contract, changes in staff, clientele, federal, state or city laws and rules.
- c. Where applicable, the monitor should tour the facility.
- d. The monitor should request needed records for review. The monitor should have full access to provider records regarding the contract.
- e. Based on the sampling procedure, the monitor should request those records or interviews needed.
- f. Interviews can be set up in advance if the individuals are not readily available at the site.

4-4. Self-Monitoring Checklist. A self-monitoring checklist (See Appendix C.) can be used to identify those areas that need further investigation on-site. The self-monitoring checklist can also be used to assist the provider in knowing what is expected of them. The self-monitoring checklist can be used at various times in the contract cycle. It can be used on the front end to inform providers of the requirements and expectations of the City before entering into a contract and also to provide information that can be used to identify high, medium, and low risk providers. It can also be used as an evaluation instrument during the year for those providers that were not scheduled for an on-site visit.

4-5. Administrative Monitoring Requirements. Administrative monitoring is intended to help ensure that the contract terms and conditions are being met; the provider is complying with the contract terms; and the provider's administrative systems are adequate to manage the contracted funds. The monitor should verify that the provider is complying with the contract terms and conditions by maintaining the following records:

- a. Basic accounting records, i.e., general ledger; subsidiary ledgers; and cash journals, which include checkbooks, bank statements, reconciliations and voided checks. Accounting books, records and documents (including electronic storage media) should be maintained in accordance with generally accepted accounting principles and practices which sufficiently and properly reflect all revenues and expenditures of funds provided by the department. Accounting procedures and policies are reviewed to determine the provider's strengths and any possible weaknesses. The provider's records should be reviewed for:
 - (1) Compliance with previous year's findings and recommendations as noted in the independent CPA report or a follow-up letter from the provider stating a corrective action plan.
 - (2) Correction or clearance of all identified deficiencies noted in the previous year's administrative monitoring report.

- (3) The chart of accounts.
 - (4) A current operating budget and expenditure reports.
 - (5) Records of all sources of income (i.e., each fund that contributes to the provision of services and in-kind contribution/match documentation).
 - (6) Records and minutes of board and finance committee meetings.
 - (7) The methodology for cost allocations by programs and cost centers.
 - (8) Roster of all employees, including position titles.
 - (9) Current organizational chart.
- b. Fixed Price Contracts. In a fixed price contract, payment is based on a price per unit. Rates should be verified by comparing actual or budgeted expenditures with the following specific items:
- (1) The rate per unit of service charged on the provider's invoices is the same as the rate specified in the contract.
 - (2) The documentation supporting units of service delivered is the same as the units listed for payment.
 - (3) The fees collected versus the fees charged are the same, using the contract as a reference.
 - (4) The revenue and expenditure reports confirm any variances between actual and projected expenses.
- c. Cost Reimbursement Contracts. In a cost reimbursement contract, the provider is reimbursed for actual cost incurred during the contract period. Monitors review invoices and/or checks for any irregularities. The monitor should be assured that:
- (1) Revisions have been properly made to the operating budget.
 - (2) Expenditures were:
 - (a). Made in accordance with the approved line item budget.
 - (b). Incurred or encumbered during the contract period.
 - (3) Adequate documentation shows that:
 - (a). Professional service fees are based on time spent and allowable expenditures agreed upon.
 - (b). Receipts are available for any purchases made from outside vendors or where expenses are incurred (e.g., office supplies, printing, long distance calls).
 - (c). Usage logs are available for in-house postage meters.
 - (d). Records are available for names of recipients where service was provided.
- d. Contracts Receiving Federal Funds. Contracts receiving federal funds should be monitored for compliance with federal requirements. Monitors should review the provider's files for any indication of violation citations, lawsuits filed against the provider, grievances, or any human resource actions involving clients, employees or subcontractors.
- e. Non-Expendable Property. Monitors should review provider compliance with general procedures for reimbursement of actual expenditures for

expendable property, which should be included in the approved budget. For fixed price contracts, the documentation requirements are optional.

- f. Subcontracts. The contractor should specify whether, and under what conditions, the provider is permitted to use subcontractors. The contract manager is responsible for monitoring that:
 - (1) Subcontracting has been approved by the department prior to the subcontract's effective date.
 - (2) The audit and record keeping requirements cited in the standard contract are being maintained on activities performed by the subcontractor.
- g. Records Retention. The provider should be required to retain for five (5) years all client records, financial records, supporting documents, statistical records and any other documents, including electronic storage media that pertain to each contract. Where an audit has been initiated or where the contract is involved in ongoing litigation, the records should be retained until these are resolved. The monitor verifies that the provider has retention requirements in its policies and procedures and staff are aware of retention requirements of the contract.
- h. Best Practices. Best practices, or those activities in which a provider excels, should be noted to encourage transference to other entities.
- i. Lessons Learned. Lessons learned or suggestions which do not require corrective action should be listed in order to help the provider improve service to the client and to assist future monitors.

4-6. Programmatic Monitoring Requirements. The contract manager is usually responsible for (a) verifying that the provider is delivering services according to the contract's terms and conditions and/or (b) validating the provider's data collection, recording and reporting process to help ensure data integrity.

- a. Performance Measures and Standards. The provider is responsible for collecting and reporting accurate data in order to demonstrate compliance with performance standards established by the department and performance targets agreed to in the contract. Additional measures, standards and targets may be negotiated between the department and the provider and should be included in the contract.
 - (1) The contract manager is usually responsible for collecting and reporting the data from the provider.
 - (2) The contract monitor should validate the data collection and reporting methods used by the provider.
- b. Verifying Service Delivery. The contract manager should use the department's programmatic contract monitoring tool as the basis for

- developing a unique tool tailored to each contract. Items that the programmatic monitoring tool should include are:
- (1) The contract terms and conditions.
 - (2) A scale for each contract item, assessing whether the provider's performance is unacceptable, conditionally acceptable, fully meets requirements, exceeds requirements or does not apply to the item.
 - (3) Indications of how the ratings were derived (interview, observation or documentation).
 - (4) Attachments of explanations and supporting documentation, especially where the provider has been rated either unacceptable or conditionally acceptable.
- c. Elements in Programmatic Monitoring. The monitor should use the programmatic monitoring tool to verify that the provider is complying with the following terms where applicable:
- (1) The provider is delivering the authorized services.
 - (2) The provider is complying with the pertinent statutes and regulations.
 - (3) The provider is serving the defined target population.
 - (4) The clients being served are eligible.
 - (5) The specific services as defined in the contract are being provided and limitations are being observed.
 - (6) Staffing standards and levels are being met, including notification to the department in case of changes that materially affect compliance or provider operations.
 - (7) Staff services are being provided according to the date, time and location specified.
 - (8) Provider staff are qualified to provide the service.
 - (9) The provider is monitoring its subcontractor(s), including submission of monitoring reports to the department.
 - (10) The provider is delivering the service units on a schedule that indicates it will be able to fulfill the terms of the contract on time.
 - (11) Required reports are accurate, complete and submitted on time.
 - (12) Facility requirements are being followed.
 - (13) Any changes in service delivery location have been noticed to the department and changes follow agreed-upon procedures.
 - (14) Equipment acquired under the contract is inventoried on a regular basis, and the inventory is made available to the department.
 - (15) Client records are up-to-date and complete given the monitoring date. Specific provisions and restrictions on client data are being followed.
 - (16) Data on performance measures (outcomes and outputs) are up-to-date and being kept according to departmental requirements.
 - (17) Invoices and supporting documentation are accurate, complete, and timely submitted. Programmatic monitoring that applies to method of payment provisions should be coordinated with administrative monitoring requirements.
 - (18) The provider is complying with provider-unique activities, including coordination with other entities.
 - (19) Where applicable, special provisions are being followed.

- (20) Best practices, or those activities in which a provider excels, should be noted to encourage transference to other entities.
 - (21) Lessons learned or suggestions which do not require corrective action should be listed in order to help the provider improve service to the client and to assist future monitors.
- d. Data Validation. In validating the integrity of performance data, the monitor could verify the following:
- (1) Does the provider have a data system in place to collect the information necessary to calculate progress in achieving performance success?
 - (2) Are accurate sources being used for data collection? The monitor should examine the records, reports or documents from which the data is collected.
 - (3) Is data collection accomplished as a routine part of the provider's work performance? The data should originate from client records, personnel reports, expense or payment records, assessment and other records or documentation that relates to the client or services provided to that client.

4-7. Monitoring Activities For High, Medium, and Low Risk Level Providers.

The contract manager should be familiar with the operations and facilities of each contract provider.

- a. For high-risk level providers, the contract monitor should require the provider to complete the self-monitoring instrument and make at least two visits annually to the provider's administrative site. The monitor should:
 - (1) Examine the provider's financial and managerial records.
 - (2) Verify that the provider is complying with the contractual programmatic requirements.
 - (3) Verify the integrity of the process by which the data are collected, recorded and reported for the contract.
 - (4) Familiarize him/herself with provider facilities.
 - (5) Conduct formal interviews with staff, board members, and clients.
- b. For medium-risk providers, the contract monitor should require the provider to complete the self-monitoring instrument and review a sample of requests for payment. All medium-risk providers should be monitored on-site at least once over a three-year period. Medium-risk providers selected to be visited should be visited at least once during the year. The monitor should conduct all the same activities as those conducted for high-risk providers.
- c. For those low-risk providers selected to be monitored on-site, the monitor should conduct an on-site visit at least once during the year. All low-risk providers should be monitored on-site at least once over a three-year period. The contract monitor can use the self-monitoring instrument to collect administrative information. The monitoring should include:

- (1) Verifying compliance with contract programmatic terms.
 - (2) Verifying the integrity of the process by which the data are collected, recorded and reported for the contract.
 - (3) Visiting the provider site to examine at least one element of the administrative review; discuss program progress with the provider; and conduct informal interviews with clients about their satisfaction with the program.
- d. The contract manager should review selected documents submitted by the provider for accuracy and completeness. Any questions arising from this review should be directed to the provider. A finding of major errors can result in a higher risk level monitoring by the monitor or a recommendation for corrective action.
 - e. The monitor or monitoring team may conduct telephone interviews, if necessary, to clarify specific items.
 - f. If the monitor finds irregularities in any stage of the administrative or programmatic monitoring that require immediate attention or action, degraded service to the department's clients or indications of questionable financial and managerial practices, he or she should report these to the contract manager who decides what remedying action should be taken. The contract manager should describe actions taken or the reasons for failing to act on a recommendation.

4-8. Exit Interview.

- a. The contract manager should conduct an exit interview with the provider's primary point of contact in order to report on the general results of the monitoring. The contract manager can use this meeting to ask questions or request explanations of preliminary findings. The contract manager should discuss the provider's strengths and weaknesses and develop preliminary results or conclusions based on available information.
- b. The exit interview allows the provider an opportunity to explain or provide documentation to clear up minor or easily correctable errors.

4-9. General Conduct of Administrative and Programmatic Monitoring.

- a. Location. Administrative and programmatic monitoring may occur at different places. For example, administrative monitoring may occur at the organization's headquarters. Programmatic monitoring should most likely occur at the organization's service facility.
- b. Handling Confidential Information. All materials that belong to the monitors should be safeguarded at all times.
 - (1) The monitors should keep their confidential papers either locked in a case or carry the papers with them.

- (2) Provider records should not be taken off site.
 - (3) Monitors should make copies of all provider records needed to verify provider compliance with the terms and conditions of the contract.
 - (4) All monitor work papers should be kept in a secure location.
- c. Provider Alteration of Records. If the monitors have reason to believe that client records or data have been altered or falsified, they should:
- (1) Document the circumstances and inconsistencies as fully as practicable without alerting the provider to the monitor's suspicions.
 - (2) Include copies of the suspect documents whenever possible.
 - (3) Copy any document reflecting provider non-compliance or inconsistency with a previously submitted report or invoice as soon after its discovery as possible to preclude unavailability or later tampering of the document by the provider.
 - (4) Report situations where the monitors have reason to believe client records or data have been altered or falsified immediately to the department director for further reporting to the appropriate Assistant City Manager, City Auditor, and City Attorney.

Chapter 5

REPORTING AND CORRECTIVE ACTIONS

5-1. **Purpose.** The contract monitor should transmit the results of the monitoring findings and recommendations, and any other relevant information by preparing and submitting a written report to the organization. The report documents the provider's ability to deliver quality services to the department's clients and the extent to which the provider has been fiscally responsible in accounting for public funds.

5-2. Reporting.

- a. The monitor should compile documents generated during the monitoring process:
 - (1) Work papers.
 - (2) Completed monitoring tools.
 - (3) Copies of financial statements and any relevant reports.
- b. The monitor should prepare a memo to the agency that includes administrative and programmatic findings regarding the provider's performance of contract provisions and a closing summary with recommendations for corrective action. The report may also contain suggestions that do not require formal corrective actions.
- c. The contract manager should distribute copies of the memo to appropriate agency officials.

5-3. Corrective Actions.

- a. If substantial problems are identified during the review, the monitor should report the problems to his or her supervisor and determine a recommendation for either more extensive monitoring or a corrective action plan. The monitor is responsible for notifying the provider to develop a corrective action plan.
- b. The corrective action plan, stating how and when the deficiencies will be corrected, should be prepared by the provider and approved by the contract manager. The provider should address each deficiency identified, including steps and time frames anticipated for each corrective action.
- c. The contract manager should notify the provider of approval or disapproval of the corrective action plan. Reasons for departmental disapproval should be listed.

- d. When the contract manager and provider cannot resolve differences about the corrective actions to be taken an appeal may be made to the department director.

5-4. Breach of Contract.

- a. Breach of contract is a legal term of art that describes a condition that results from a failure of a party to a contract to abide by the material terms or conditions of a contract such that one party loses the value of its bargain with the other party. A breach may be indicated by one or more findings contained in the monitoring report and any other material reports that a provider is not complying with the terms and conditions of the contract. The contract signer, appropriate Assistant City Manager, legal staff, department director, administrative services and program staff should be consulted in any instances in which the contract manager has reason to believe that a breach of contract has occurred.
- b. Because the City has the authority, in some instances, to waive a breach of contract, the contract manager, legal staff, department director, and appropriate Assistant City Manager should agree on the action to be taken prior to informing the provider of a breach or suspected breach of the contract.
- c. Legal counsel is responsible for notifying the provider of a breach. The contract manager is responsible for ensuring the department that the problems are corrected if the breach is to be waived or remedied by corrective action.
- d. Where a decision is made to waive the breach by either the department director and/or the appropriate Assistant City Manager, in consultation with legal counsel, the contract manager should provide an explanation and justification of the waiver of breach to the contract file.

Chapter 6

WORK PAPERS

6-1. **Purpose.** This chapter explains the nature and procedure for developing work papers that should be retained to document the contract monitoring.

- a. Work papers enable the department to:
 - (1) Maintain documentation relevant to contract monitoring.
 - (2) Establish a record for any reviewer.
 - (3) Guide monitors throughout the conduct of administrative and programmatic monitoring.
 - (4) Support the findings and recommendations from monitoring.
 - (5) Document the provider's compliance with the contract.
 - (6) Aid in planning and conducting future monitoring.
- b. Work papers are the major reference materials that not only document the contract monitor's work but also enable others who have no previous connection with the monitoring to see the evidence that supports the monitor's conclusions.

6-2. **Monitoring Files.** The contract manager should maintain monitoring files for each provider. These files may be apart from and in addition to other department records.

- a. Information should be tied together through a system of cross-referencing. In this way, another monitor may trace items from a checklist back to the supporting documents obtained from the provider.
- b. The complete file should contain the previous years' monitoring work papers for each provider or contract. The monitoring file should be maintained for five (5) years following contract closeout or from the resolution of a pending audit, whichever is later. The file serves three purposes:
 - (1) To refresh the monitor's memory about items applicable over a period of many years, i.e., continuing concerns;
 - (2) To provide a new contract manager a quick summary of the policies and organization of the provider; and,
 - (3) To preserve information about items that show relatively few or no changes, thus suggesting elimination of the necessity for their repeated preparation year after year.

Glossary of Terms

Administrative standards. Departments should establish criteria for evaluating a provider's compliance with contract provisions.

Allowable expenditures. Expenses that are included in the contractual agreement and, therefore, are deemed appropriate for payment.

Breach of contract. A condition that results from the failure of a party to a contract to abide by all material terms or conditions of the contract. A breach may be indicated by one or more findings contained in the final monitoring report and any other material reports that a provider is not complying with the terms and conditions of the contract. Breach is a sufficient condition for contract termination but not an automatic reason.

Budget. A plan that outlines expected revenues and expenditures.

Compliance. The fulfillment of the terms and conditions of the contract.

Confidentiality. After the final report has been submitted, records that are confidential by law should be separately labeled and not available for public inspection; other working papers are public record.

Contract manager. The department's employee responsible for enforcing the performance of contract terms and conditions. The contract manager is the department's primary point of contact through which all contracting information flows between the department and the provider.

Contract monitor. The department's employee, usually the contract manager, responsible for acquiring and reporting information necessary to evaluate whether the provider is in compliance with the terms and conditions of the contract.

Corrective action plan. In response to the recommendations in the monitoring report, the official plan prepared and submitted by the provider, stating how and when deficiencies will be corrected. When deficiencies are cited in the monitoring report, the provider should develop a corrective action plan and submit it to the contract manager, for approval.

Corrective actions. Remedial revisions that the provider should make that result from findings of a reviewing entity.

Discovery sample. A process of selecting a small number of items to test for compliance with the terms of the contract, rule, or law.

Factors. The pre-established selection criteria used in a risk assessment instrument to rank providers' contracts according to the level of risk assumed by the department.

Report. The monitoring memo and transmittal letter submitted to the provider detailing the results of the monitoring review and specifying any required corrective actions.

Findings. Material results and observations derived from the monitoring that relate to the provider's service delivery, operations and financial stability.

Funding partners. Entities (either public or private) that have contractual arrangements with the same provider.

Joint monitoring. Administrative and programmatic oversight and review shared among funding partners.

Major errors. Contractual performance discrepancies that indicate the interruption of service delivery and/or the receipt of public funds for program services not delivered. These discrepancies require a corrective action plan or penalties.

Minor errors. Unintentional and non-systematic mistakes that do not result in reduced or substandard program service nor are fraudulent transactions. Minor errors can be readily adjusted without the need of a corrective action plan or penalties.

Monitoring levels. The intensity of compliance review (low, medium or high) assigned to each provider according to the amount of risk assumed by the department with each contract.

Monitoring plan. The activities to be conducted and instruments to be used for each monitoring.

Performance standards. Quantitative statements that specify the level of accomplishment of an outcome or output measure contained in the contract.

Personnel. The evaluation and validation of the contract's staff position(s) funded in whole or in part by the department (i.e., position descriptions, salaries, benefits, and daily time and attendance records to ensure accuracy of time charges if positions are cost allocated).

Policies and procedures. The evaluation and validation of the provider's internal and external processes used to assure program compliance.

Primary point of contact. For the department, the primary point of contact is the contract manager who is responsible for enforcing the performance of the contract terms and conditions and serving as liaison with the contractor. The provider's primary point of contact is the employee delegated to serve as the provider's representative and liaison to the department.

Programmatic. Referring to the services and activities carried out by the providers to improve the program.

Programmatic monitoring. The review, evaluation and validation of the provider's actual program performance against the specific program goals and expected outcomes required by the contract.

Records retention. The requirement to keep all client records, financial records, supporting documents, statistical records, and any other documents (including electronic storage media) pertinent to the contract for a period of five (5) years after termination of the contract; or if an audit has been initiated and audit findings have not been resolved at the end of five (5) years, the records should be retained until resolution of the audit findings or any litigation which may be based on the terms of the contract.

Risk assessment. The systematic method used for determining the intensity of monitoring by assigning pre-established criteria to each contract or provider.

Sampling. Selection and evaluation of a limited number of records to validate the provider's compliance with the terms and conditions of the contract.

Self-monitoring checklist. A monitoring instrument that can be completed by the provider and returned to the department. (See Appendix C.)

Subcontract. A written contract between the provider and another entity to deliver program services. The subcontract should contain all required terms and conditions of the original contract and require prior approval from the department for the use of subcontractors in performing services under the contract.

Terms and conditions of contract. Administrative and programmatic requirements that are mandated for the signers of a mutual agreement.

Unallowable expenditures. Expenses that are not included in the contractual agreement and, therefore, are deemed inappropriate for payment.

Unscheduled visits. On-site monitoring visits conducted by the department that are not pre-arranged with the provider.

Variable. A factor that can be assigned a weight value.

Weight. The value applied to each factor used in the risk assessment instrument.

Work papers. The major reference materials used to document the contract monitor's review and also used to enable other appropriate parties to see the evidence that supports the contract monitor's conclusions and determinations.

Work plan. See Monitoring plan.

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APPENDICES

Appendix A - INTRODUCTION LETTER TO PROVIDER

Date

Dear:

The Department of _____ would like to welcome and congratulate you on your contract award. I would like to take this opportunity to introduce [contract manager's Name], Contract Manager, who will be responsible for monitoring your contract(s) for the department. Our records indicate that [number of contracts with provider] contract(s) have been signed with the department to provide the following services:

Contract Number(s) – Long title (type of service)

In an effort to familiarize ourselves with your organization, reduce the time spent in your facility and minimize any disruption of services during our monitoring visit, we request that the following documents be completed and mailed to [Contract Manager name and address] by [date that is 30 days from expected receipt of letter].

1. Request for documents for administrative desk review
2. The Provider Self-Evaluation Survey

The self-monitoring instrument is to be completed by the senior management of your agency and signed by you and the Chairperson of your Board of Directors. This information will be utilized to research the various administrative and fiscal areas that we customarily examine during our on-site monitoring. If you have questions regarding the list of documents required, please call [Contract Manager] at [phone number].

Thank you for your cooperation.

Department Director

Attachments.

Appendix B - LIST OF DOCUMENTS TO BE PROVIDED FOR ADMINISTRATIVE DESK REVIEW

1. Most recent independent audit to include audits of Federal funds under U.S. OMB Circular A-133 and audit of State funds under the Florida Single Audit Act, as applicable.
2. Management letter accompanying last independent audit.
3. Most recent financial report to board of directors including the latest budget and expenditure report.
4. Minutes of the most recent board and finance committee meetings.
5. Copy of the most recent bank statements and reconciliation for each account.
6. Current chart of accounts.
7. In-kind contribution/contractual match documentation, if applicable.
8. A current roster listing employees that will perform services relating to this contract, including their position titles and departments.
9. A current organizational chart.
10. A copy of the check register (accounts payable journal) for the most recent month.
11. A copy of the policies and procedures manuals.
12. Most recent Quarterly (Monthly) Status Report(s) pursuant to the requirements of the contracts to be monitored.
13. List of expendable equipment purchased from contract funds (if applicable).
14. Number of clients served over the last quarter (if applicable).

Appendix C - PROVIDER SELF-MONITORING CHECKLIST

CITY FISCAL YEAR _____

This certification is to assure the Department of _____, City of Tallahassee, that the contracted agency has adequate administrative procedures in place to ensure that funds disbursed by the department will be safeguarded. The department reserves the right to conduct on-site monitoring of contracted service providers as it deems necessary. Please answer all questions by checking off the applicable box. If you need to provide additional information or cannot respond to a question, please attach an explanation on a separate page or contact [insert name] at [insert phone number].

Please provide a brief explanation for any negative response.

I. SEGREGATION OF DUTIES

1. Someone other than the timekeeper and persons who deliver paychecks to employees prepares the payroll. Yes No N/A
2. The duties of record keeper are separated from any cash related functions. Yes No N/A
3. Check signing is limited to those authorized to make disbursements and whose duties exclude posting and recording of cash received. Yes No N/A
4. Personnel performing the disbursement function are excluded from purchasing, receiving, inventory, and general ledger functions. Yes No N/A
5. Mail receipts are opened and listed by someone not involved in posting, deposit preparation and deposit making. Yes No N/A
6. The person making the deposit is different from the person who prepares the deposit. Yes No N/A
7. An official who is not responsible for its preparation and is outside the payroll department approves the payroll. Yes No N/A

II. POLICIES AND PROCEDURES

1. Written policies and procedures address:
 - a. Record retention Yes No N/A
 - b. Travel and entertainment Yes No N/A
 - c. Purchasing Yes No N/A
 - d. Asset acquisition, inventory, and disposal Yes No N/A
 - e. Cash management (payables, receivables, deposits, petty cash, reconciliations, etc.) Yes No N/A
 - f. Credit cards Yes No N/A
 - g. Subcontractors Yes No N/A
 - h. Bad debt write-offs Yes No N/A

- i. Disaster recovery Yes No N/A
 - j. Personnel Yes No N/A
 - k. Employee loans Yes No N/A
 - l. Client trust funds Yes No N/A
 - m. Computer back-up Yes No N/A
2. Policies and procedures are reviewed periodically and adjusted to reflect current operations. Yes No N/A

III. INSURANCE

- 1. The agency has comprehensive liability insurance. Yes No N/A
- 2. Coverages are in effect. Yes No N/A

IV. CASH

Cash Handling Procedures

- 1. All revenue is deposited into one operating account on a daily basis. Yes No N/A
- 2. The agency maintains a cash receipts journal. Yes No N/A
- 3. Revenue received that is not deposited on the same day is stored in a locked and secure location. Yes No N/A
- 4. The person reconciling the monthly bank statement is different than the person responsible for the check register. Yes No N/A
- 5. Payments received in the mail are opened and logged by someone not involved with posting or cash functions. Yes No N/A
- 6. Checks received in the mail are restrictively endorsed immediately upon opening the mail. Yes No N/A
- 7. Cash received from fund raising events is properly controlled, accounted, and reported. Yes No N/A
- 8. Bank reconciliations are performed monthly, reviewed, and signed by the next higher level of management. Yes No N/A

Petty Cash

- 1. A specific employee is designated, in writing, as custodian. Yes No N/A
- 2. Petty cash is not commingled with other funds and is used for small, emergency expenses. Yes No N/A
- 3. Cash fund is kept in a locked, secure location. Yes No N/A
- 4. Payments are made through vouchers that are completely and accurately filled out. Yes No N/A
- 5. Payments are supported by invoices or receipts. Yes No N/A

- 6. Payments are under \$50 (for small incidental purchases). Yes No N/A
- 7. Travel payments are not made from petty cash. Yes No N/A
- 8. Documents are effectively canceled (marked paid) when expense is paid. Yes No N/A
- 9. The size of the petty cash fund is adequate to meet emergency expenses. Yes No N/A

V. ACCOUNTS RECEIVABLE

- 1. A detailed accounts receivable aging schedule is maintained. Yes No N/A
- 2. The accounts receivable aging schedule is reconciled to the general ledger monthly. Yes No N/A
- 3. The agency has established accounts receivable write-off procedures that:
 - Yes No N/A
 - are properly documented in writing Yes No N/A
 - are approved by the Executive Director and the Board of Directors Yes No N/A

VI. ASSETS AND PROPERTY

- 1. An annual asset inventory is taken and recorded in writing. Yes No N/A
- 2. Property records are reconciled to the general ledger at least annually. Yes No N/A

VII. ACCOUNTS PAYABLE

Disbursements

- 1. The agency maintains an accounts payable ledger (checkbook) for its operating account. Yes No N/A
- 2. During the payment process, the following are verified by management:
 - a. Checks are issued in sequence Yes No N/A
 - b. Voids are clearly documented and accounted for Yes No N/A
 - c. Multiple payments made to one payee during the month are researched Yes No N/A
 - d. Payments are based on original invoices Yes No N/A
 - e. Payments are approved by appropriate levels of management Yes No N/A
 - f. The check amount and invoice amount agree Yes No N/A
 - g. Bills are timely paid Yes No N/A
 - h. Payments to the Executive Director are countersigned by a Board member Yes No N/A

- i. For tax exempt providers, sales tax is not being paid on purchases of goods or services Yes No N/A

Employee Expense Transactions

- 1. Expense reports/vouchers are utilized. Yes No N/A
- 2. All expenses are supported with original receipts. Yes No N/A
- 3. The business purpose of the expenses is clearly stated. Yes No N/A

Credit Card Transactions

- 1. The agency maintains a listing of who has credit cards and the corresponding credit card numbers. Yes No N/A
- 2. The agency performs monthly reconciliations of credit card statements. Yes No N/A
- 3. The agency has review procedures that are used to track and pay balances. Yes No N/A
- 4. The cardholder or designee is not making purchases for personal use. Yes No N/A
- 5. Corporate credit cards that are loaned to employees are controlled through a log indicating the date, person's name, purchase amount, and description. Yes No N/A

Tax Payments

- 1. 941's and UCTs are completed and submitted timely. Yes No N/A

Are Advance Payments made under the contract?
If NO, go to Section VIII. Yes No N/A

- 1. If the agency received an advance under the contract (typically made in October / November), the following holds true:
 - a. Advanced funds were deposited into an interest bearing account Yes No N/A
 - b. Interest on unused portions of the advance were identified and returned to the department Yes No N/A
- 2. If the agency charged unallowable expenses to the contract or was otherwise overpaid, arrangements have been made to reimburse the department. Yes No N/A

VIII. PERSONNEL MANAGEMENT / PAYROLL

- 1. All employees document their work hours through a time sheet or punch clock; the employee and a supervisor sign time records. Yes No N/A

- 2. Non-exempt employees receive time and a half for all hours in excess of 40 hours per week. Yes No N/A
- 3. Are any employees paid as independent contractors? If YES, please explain in separate attachment. Yes No N/A

IX. SUBCONTRACTS / PROFESSIONAL AGREEMENTS

- 1. All subcontracted services are supported through written agreements and: Yes No N/A
 - a. The agreement is signed by both parties. Yes No N/A
 - b. The subcontract agreement indicates the scope of work to be performed. Yes No N/A
 - c. If any part of the department's contract with the agency is subcontracted, written documentation exists that indicates that the department's legal or program office reviewed and approved of the subcontract. Yes No N/A

X. FINANCIAL REPORTING

- 1. Monthly financial statements are prepared and include at least: Yes No N/A
 - a. An income statement by cost center Yes No N/A
 - b. Balance sheet Yes No N/A
 - c. Budget variance report Yes No N/A
- 2. Support documentation for all journal entries made is retained. Yes No N/A
- 3. The agency performs a monthly closing and prepares/prints a complete set of accounting books (general ledger, accounts payable journal, accounts receivable journal, etc.). Yes No N/A
- 4. The agency maintains a current chart of accounts which:
 - a. Allows for cost center accounting Yes No N/A
 - b. Tracks administration as a cost center Yes No N/A
 - c. Has a methodology to allocate indirect cost including administration Yes No N/A
- 5. An independent audit has been performed and the report submitted to the department within 30 days of receipt of the audit report. Yes No N/A
- 6. The agency has an adequate record keeping system where records are kept in a central location and are neat and organized. Yes No N/A
- 7. Agency management submits monthly financial statements to the Board of Directors. Yes No N/A
- 8. The agency has an operating budget that was approved by the Board of Directors. Yes No N/A

XI. ARE LOANS MADE TO EMPLOYEES?

Yes No N/A

If NO, skip to Section XII.

- 1. For loans made to employees, formal, signed agreements are secured and contain Yes No N/A
 - a. Date loan made, amount, and maturity Yes No N/A
 - b. Terms and conditions regarding repayment Yes No N/A
 - c. Approval by the Executive Director Yes No N/A
 - d. Disclosure to the Board of Directors through an aging schedule or other report Yes No N/A
- 2. Are loans being granted to officers and/or directors of the agency? If YES, please explain on separate attachment. Yes No N/A

XII. METHOD OF PAYMENT (INVOICING)

Documentation supporting the number of units and dollars claimed on corresponding invoices are kept by the agency and are available for review and inspection. Yes No N/A

XIII. CLIENT FUND ADMINISTRATION

- 1. Client funds are held in an interest bearing, imprest bank account. Yes No N/A
- 2. Is one bank account used to maintain all client money? Yes No N/A
- 3. If YES, procedures are in place to track and reconcile individual balances. Yes No N/A
- 4. Client accounts are reconciled monthly. Yes No N/A
- 5. Client deposits are made timely (within one to two days). Yes No N/A
- 6. Receipts for expenditures are maintained and approved by an appropriate level of management with documentation of such purchases. Yes No N/A
- 7. All transactions of \$15 or more are supported with receipts that are kept in the client's file. Yes No N/A

DECLARATIONS - TO BE COMPLETED BY ALL PROVIDERS

1. Please list any and all family relationships that exist between your board of directors, your agency's principal officers, and your agency's employees.

2. Please list all persons and their titles currently authorized to sign contract(s) with the Department on behalf of your agency.

3. Please list the name of your Certified Public Accountant and his or her office address and telephone number.

4. Has there been any change in structure/operations of your programs? If yes, please describe in detail.

5. Has staff turnover occurred in key positions? If yes, what are the affected positions and reasons for the turnover?

CERTIFICATION:

I hereby certify that the answers provided in this self-monitoring document are true and accurate to the best of my knowledge. I understand that falsification or misrepresentation on any question may be considered a breach of contract that may lead to the termination of all contracts with the City of Tallahassee.

Signature - Executive Director

Date

Name - Executive Director

Signature - Chairperson of the Board

Date

Name - Chairperson of the Board

Signature - Comptroller/Fiscal Director

Date

Name - Comptroller/Fiscal Director

Appendix D - SCHEDULING LETTER TO PROVIDER

Date

Dear :

This is to notify you of a scheduled administrative and programmatic monitoring of your current contract(s) with the City of Tallahassee, Department of _____. The on-site visit will begin at your facility at [time] on [day, month, date, year]. We will be calling to schedule our entrance interview. The length of the on-site visit will vary depending on the total contracts and dollars involved, number of cost centers, and program complexity. To facilitate our monitoring, we would appreciate adequate accommodations to conduct our reviews and a designated contact person for coordinating our requests and providing clarifications as needed.

An exit interview will be scheduled by the team during the course of the visit. The following contract(s) are scheduled for review:

[Contract Numbers - Description of contracts or type of services]

It is our hope that this process will assist both you and the department in providing the highest level of service to those we serve. We look forward to meeting with you, and appreciate your cooperation and assistance with the monitoring process. If you have questions regarding the monitoring visit, you may contact [Contract Manager] at [(area code) phone number].

Sincerely,

Contract Manager

Appendix E - FINANCIAL AND COMPLIANCE AUDIT

This attachment is applicable if the provider is any state or local government entity, nonprofit organization, or for-profit organization. For state or local government entities, a single audit performed by the Auditor General or an independent public accountant should satisfy the requirements of this attachment. If the provider does not meet any of the requirements below, no audit is required by this attachment.

PART I: FEDERAL AUDIT REQUIREMENTS

This part is applicable if the provider is a state or local government entity, or nonprofit organization, and expends a total of \$300,000 or more in federal awards during its fiscal year. The determination of when a provider has “spent” federal awards is based on when the activity related to the award occurs. The provider should comply with the audit requirements contained in OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, except as modified herein. The determination of amounts of federal awards expended should be in accordance with the guidelines established by OMB Circular A-133, as revised. The provider is responsible for the procurement of an independent auditor to conduct the audit required by this part. The provider is required to follow the auditor procurement standards specified in section .305, OMB Circular A-133, as revised.

The provider should fulfill the requirements relative to auditee responsibilities, financial statements, audit findings follow-up, and report submission as provided in sections .300, .310, .315, and .320 of OMB Circular A-133, as revised. This includes, but is not limited to, preparation of financial statements, a schedule of expenditures of federal awards, a summary schedule of prior audit findings, and a corrective action plan. Such audits should cover the entire organization for the organization’s fiscal year. The reporting package should include a schedule that discloses the amount of expenditures by contract number for each contract in effect during the audit period. Compliance findings related to contracts with the department should be based on the contract requirements, including any rules, regulations, or statutes referenced in the contract. The financial statements should disclose whether or not the matching requirement was met for each applicable contract. All questioned costs and liabilities due to the department should be fully disclosed in the audit report with reference to the department contract involved.

PART II: DEPARTMENT AUDIT REQUIREMENTS

This part is applicable if the provider is a nonprofit organization that receives, funds from the department. If the provider has an annual financial audit performed by independent auditors, a copy of the audit and any management letter will be provided to the department. Such audits should cover the entire organization for the organization’s fiscal year. The scope of the audit performed should cover the financial statements and include a report on internal control and

compliance. The reporting package should include a schedule that discloses the amount of receipts by contract number for each contract with the department in effect during the audit period. Compliance findings related to contracts with the department should be based on the contract requirements, including any rules, regulations, or statutes referenced in the contract. The financial report should disclose whether or not the matching requirement was met for each applicable contract. All questioned costs and liabilities due to the department should be fully disclosed in the audit report with reference to the department contract involved. All providers are encouraged but not required to obtain an audit of their financial operations.

PART IV: SUBMISSION OF REPORTS

For any of the above, copies of the audit report and any management letter by the independent auditors, or attestation statement, should be submitted within 30 days of the recipient's receipt of the audit report, directly to the contract manager for this contract.

PART V: RECORDS RETENTION

The provider should ensure that audit working papers are made available to the department, or its designee, upon request for a period of five years from the date the audit report is issued, unless extended in writing by the department.

Appendix F - ADMINISTRATIVE CONTRACT MONITORING TOOL

Administrative Monitoring	Unacceptable	Conditionally Acceptable	Fully Meets Requirements	Exceeds Requirements	Not Applicable	Ratings Based Upon: I =Interview O =Observation D=Documentation
I. AUDITS AND RECORDS						
1. The provider maintains the basic books of accounting. a. General ledger b. Subsidiary ledger (accounts receivable, accounts payable) c. Cash receipt journal d. Cash disbursement journal	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	
2. If an audit was performed in the year previous to this review, the recommendations/findings noted in the compliance report, internal control report, management letter and any corrective action reports have been cleared. If not, explain discrepancies in notes.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
3. If monitoring was performed in the previous year, all deficiencies have been corrected or cleared. If not, explain discrepancies in notes.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
4. If interim financial statements were prepared for the provider's board, substantive deviations (ratios, measurements, decisions) from the annual audit were noted. If yes, explain modifications in notes.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
5. The provider maintains a chart of accounts.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
6. The provider maintains an agency operating budget detailed by cost center, by source of funds and by expenditure category. If not, or a different method is used, explain in notes.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

Administrative Monitoring	Unacceptable	Conditionally Acceptable	Fully Meets Requirements	Exceeds Requirements	Not Applicable	Ratings Based Upon: I =Interview O =Observation D=Documentation
7. The provider has an acceptable system for allocating fees and other third party revenue to funding sources when two or more parties are involved.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
8. The provider has a methodology for allocating costs by programs with proper documentation. If not, or if a different method is used, explain in notes.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
9. The provider has a payroll register and differentiates between administrative and program personnel.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
10. The provider has allowed reasonable access to records throughout this contract.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
11. All required reports have been submitted in a timely manner. a. Sources of income b. Board and finance committee minutes c. Others (list)	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	
12. Contractual audit and record keeping requirements have been included in any related subcontracts or assignments entered into under this contract.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
13. Arrangements have been made to meet the current year's contract audit requirements.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
II. METHOD OF PAYMENT/ FIXED PRICED CONTRACTS						
14. The rate per unit of service charged on provider invoices is the same as the rate specified in the contract.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
15. The provider maintains documentation supporting the number of units and dollars claimed on corresponding invoices.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

Administrative Monitoring	Unacceptable	Conditionally Acceptable	Fully Meets Requirements	Exceeds Requirements	Not Applicable	Ratings Based Upon: I =Interview O =Observation D=Documentation
16. The provider has not billed for more service units than allowed by the contract.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
III. METHOD OF PAYMENT FOR COST REIMBURSEMENT CONTRACTS						
17. If applicable, when reviewing a sample of contract invoices, verify whether or not the provider has met the supporting documentation requirements as identified in the contract for						
a. Services on a time/rate basis	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
b. Postage and reproduction expenses	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
c. Expenses in accordance with its budget	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
d. Expenses incurred during the contract period	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
e. Service delivery documentation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
18. If line item revisions were necessary within the budget, the provider followed the contract provisions. List discrepancies in the notes.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
19. Expenditures are in accordance with the most recent approved line item budget submitted by the provider.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
20. Travel reimbursements are submitted on Reimbursement of Travel Expenses form or a City of Tallahassee form.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
21. When requesting approval for conference travel, the provider submits a copy of the program or agenda of the conference, prior to the conference date.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
IV. METHOD OF PAYMENT FOR COST REIMBURSEMENT AND FIXED PRICED CONTRACTS						

Administrative Monitoring	Unacceptable	Conditionally Acceptable	Fully Meets Requirements	Exceeds Requirements	Not Applicable	Ratings Based Upon: I =Interview O =Observation D=Documentation
22. The invoice can be traced to the records of the individual actually performing the service (e.g., van driver, therapist, trainer, etc.).	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
23. The revenue and expenditure reports confirm variances between actual and projected expenses.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
24. If applicable, there is an audit trail to the client's file documenting receipt of services.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
25. If the contract specifies a match requirement, documentation is available to verify match participation for a. In-kind match b. Cash match in accordance with funding source	<input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/>	
26. Year-to-date summary identifies any discrepancy between actual and projected match.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
27. If unallowable expenditures were included in the required match, the provider has adjusted the amount credited to the match requirement.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
28. The provider appears to be meeting contract match requirements.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
V. SPECIAL PROVISIONS						
29. If the contract includes provisions for acquisitions of non-expendable property, property records are properly maintained.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
30. Where property was purchased wholly or in part by federal funds, the provider has complied with OMB Circular A-110 and OMB Circular A-102.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

Administrative Monitoring	Unacceptable	Conditionally Acceptable	Fully Meets Requirements	Exceeds Requirements	Not Applicable	Ratings Based Upon: I =Interview O =Observation D=Documentation
31. Transfers, replacements and disposition of property have been documented.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
32. If applicable, the provider has obtained the required department permission prior to disposing of any property under this contract.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
33. The provider conducts a complete physical inventory of equipment at least annually.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
34. Physical observation indicates that property is being used as authorized in the contract.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
35. Physical observation indicates that the property is adequately protected from theft, deterioration and damage.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
VI. ASSIGNMENTS AND SUBCONTRACTS 36. If applicable, documentation supports prior departmental approval for the subcontracting of any work under this contract.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
VII. RETURN OF FUNDS 37. If unallowable expenditures were charged to the contract, or the provider has otherwise been overpaid, the provider has made arrangements to reimburse the department.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
38. If so, progress has been made to reconcile any obligation payable to the department.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
39. If applicable, any interest earned from advances is identified and returned to the department on a monthly basis.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

Administrative Monitoring	Unacceptable	Conditionally Acceptable	Fully Meets Requirements	Exceeds Requirements	Not Applicable	Ratings Based Upon: I =Interview O =Observation D=Documentation
VIII. REQUIREMENTS						
40. The provider has assured public access to materials subject to the provisions of chapter 119, F.S.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
41. Invoices are submitted as specified in the contract.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
42. From a sample of contract invoices, verify whether expenditures are supported by appropriate documentation, such as time sheets, invoices or vendor receipts.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
IX. RETENTION OF RECORDS						
43. If applicable, a policy is in place for record retention as stated in the contract.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
X. INSURANCE						
44. Documentation is available to determine the types and amounts of insurance specified in the contract.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
45. If applicable, the provider has furnished the department written verification of liability protection.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
46. All insurance policies are current.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
47. Provider is beneficiary of any policies bought with department funds.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
XI. OMB CIRCULAR A-133						
48. Provider spent more than \$300,000 in federal funds in a given year and is responsible for furnishing an OMB A-133 audit report.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

Administrative Monitoring	Unacceptable	Conditionally Acceptable	Fully Meets Requirements	Exceeds Requirements	Not Applicable	Ratings Based Upon: I =Interview O =Observation D=Documentation
49. The audit report includes financial statements, schedule of expenditures and summary schedule of audit findings and corrective action plan.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
50. If provider is a non-profit organization that received \$100,000 or more in non-federal funds in any fiscal year, annual financial audits include sufficient internal control testing and evidence to support the existence of business records.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

XII. BEST PRACTICES

List exemplary activities that are transferable to other similar organizations. In the notes, document why this is a best practice and how it can be transferred to other entities.

XIII. LESSONS LEARNED

List items and issues that will be useful to future contract monitors and to the provider in improving service to the client. These are NOT corrective action items, just suggestions.

Appendix G - PROGRAMMATIC CONTRACT MONITORING TOOL

Programmatic Requirements from the Contract	Unacceptable	Conditionally Acceptable	Fully Meets Requirements	Exceeds Requirements	Not Applicable	Ratings Based Upon: I =Interview O =Observation D=Documentation
I. Scope of Service a. Provider met limits of service delivery b. Provider met length of service expected	<input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/>	
II. Clients to be Served a. Services are provided to eligible clients as per the contract. b. Provider complied with eligibility criteria. c. Provider complied with established client units.	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	
III. Service Tasks Service tasks are delivered on time and as defined in the contract task list and limits.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
IV. Staffing Requirements a. Provider staffing levels are maintained as per contract. b. Staff services are provided according to date, time and location specified. c. Provider maintains qualified professionals as per contract. d. Provider handles staffing changes as per contract. e. Provider complied with the subcontractor provisions in the contract.	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	
V. Service Location and Equipment a. Services are provided at the locations specified. b. Service times meet contract requirements. c. Changes in location are appropriately handled. d. Provider equipment is available, safe, in good working order.	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	

<p>Programmatic Requirements from the Contract</p>	<p>Unacceptable</p>	<p>Conditionally Acceptable</p>	<p>Fully Meets Requirements</p>	<p>Exceeds Requirements</p>	<p>Not Applicable</p>	<p>Ratings Based Upon: I =Interview O =Observation D=Documentation</p>
<p>VI. Deliverables</p> <p>a. Service units are provided as defined by the contract.</p> <p>b. Required reports are accurate, complete and submitted on time as defined by the contract.</p> <p>c. Provider records and documentation are available, accurate and complete as defined by the contract.</p>	<p><input type="checkbox"/></p> <p><input type="checkbox"/></p> <p><input type="checkbox"/></p>	<p><input type="checkbox"/></p> <p><input type="checkbox"/></p> <p><input type="checkbox"/></p>	<p><input type="checkbox"/></p> <p><input type="checkbox"/></p> <p><input type="checkbox"/></p>	<p><input type="checkbox"/></p> <p><input type="checkbox"/></p> <p><input type="checkbox"/></p>	<p><input type="checkbox"/></p> <p><input type="checkbox"/></p> <p><input type="checkbox"/></p>	
<p>VII. Performance Specifications</p> <p>Provider maintains an adequate data collection system for collecting, recording and reporting performance information.</p> <p>a. The provider has a data collection system in place.</p> <p>b. Data are from accurate sources.</p> <p>c. Data collection is a routine part of provider work performance.</p> <p>d. Staff responsible for data collection, recording and reporting has received training in these processes.</p>	<p><input type="checkbox"/></p> <p><input type="checkbox"/></p> <p><input type="checkbox"/></p> <p><input type="checkbox"/></p>	<p><input type="checkbox"/></p> <p><input type="checkbox"/></p> <p><input type="checkbox"/></p> <p><input type="checkbox"/></p>	<p><input type="checkbox"/></p> <p><input type="checkbox"/></p> <p><input type="checkbox"/></p> <p><input type="checkbox"/></p>	<p><input type="checkbox"/></p> <p><input type="checkbox"/></p> <p><input type="checkbox"/></p> <p><input type="checkbox"/></p>	<p><input type="checkbox"/></p> <p><input type="checkbox"/></p> <p><input type="checkbox"/></p> <p><input type="checkbox"/></p>	
<p>VIII. Provider Responsibilities</p> <p>a. Provider is performing provider unique activities as defined by the contract.</p> <p>b. Provider coordinates services integration both internally and externally with other entities.</p>	<p><input type="checkbox"/></p> <p><input type="checkbox"/></p>	<p><input type="checkbox"/></p> <p><input type="checkbox"/></p>	<p><input type="checkbox"/></p> <p><input type="checkbox"/></p>	<p><input type="checkbox"/></p> <p><input type="checkbox"/></p>	<p><input type="checkbox"/></p> <p><input type="checkbox"/></p>	
<p>IX. Method of Payment</p> <p>a. Invoices are accurate, complete and submitted on time as defined by the contract.</p> <p>b. Service delivery supporting documentation has been maintained and/or submitted as defined by the contract.</p>	<p><input type="checkbox"/></p> <p><input type="checkbox"/></p>	<p><input type="checkbox"/></p> <p><input type="checkbox"/></p>	<p><input type="checkbox"/></p> <p><input type="checkbox"/></p>	<p><input type="checkbox"/></p> <p><input type="checkbox"/></p>	<p><input type="checkbox"/></p> <p><input type="checkbox"/></p>	

Programmatic Requirements from the Contract	Unacceptable	Conditionally Acceptable	Fully Meets Requirements	Exceeds Requirements	Not Applicable	Ratings Based Upon: I =Interview O =Observation D=Documentation
X. Special Provisions Provider has complied with special provisions as defined by the contract. (List and rate each special provision where requirements were not fully met.)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

BEST PRACTICES. List exemplary activities that are transferable to other similar organizations. In the notes, document why this is a best practice and how it can be transferred to other entities.

LESSONS LEARNED. List items and issues that will be useful to future contract monitors and to the provider in improving service to the client. These are NOT corrective action items, just suggestions.

Appendix H - SAMPLE INTERVIEWS

Staff interview questions

1. How long have you worked here?
2. Do you have a copy of your current job description?
3. Do the agency's services meet the needs of your clients?
4. When was the last time you had a written evaluation?
5. Do you feel you have adequate training to improve your job skills?
6. If you had a grievance, what procedure would you follow?
7. Are you a part of the agency's decision-making process?
8. [If employed less than a year] What kind of orientation did you receive?
9. What do you like most about your job?
10. If you could make any changes, what would they be?

Board member questions

1. How long have you served on the board?
2. How did you become interested in serving?
3. Have you received orientation and training for your board service?
4. Are you familiar with the City's contract for your agency?
5. Do you get the information from management that you need to make decisions?
6. Are you involved in the agency's program? In what way?
7. What is an example of the kind of decisions you make at board meetings?

Appendix I - SUGGESTED WORK PAPER INDEX

A. PLANNING

1. Engagement letter
2. Previous monitoring report(s)
3. Independent audit report and management letters, if available
4. Corrective action follow-up
5. Risk assessment results and ranking

B. CONTRACT AND RELATED DOCUMENTS

1. Contract and amendments
2. Correspondence related to contract

C. MANAGERIAL DOCUMENTS

1. Policies and procedures
2. Organizational chart

D. BASIC FINANCIAL DOCUMENTS

1. Financial statements
2. Bank statements with reconciliations
3. Monthly expenditure report
4. Chart of accounts
5. Current operating budget and expenditure report
6. Budget variance report
7. Requests for reimbursement

E. SUBCONTRACTS

1. Work paper for test

F. DATA VALIDATION

1. Copies of source data
2. Copies of database
3. Performance measure reports
4. Other

G. CLIENT FUNDS

1. Copies of bank statements
2. Copies of reconciliations
3. Sample copies of individual client statements / journals

H. CLIENT RECORDS

1. Client satisfaction surveys
2. Client interview records
3. Number of clients
4. Other

I. SAMPLING (IF NEEDED)

1. List of universe of records
2. Methodology used to select sample
3. Sample records selected (by type of record)
4. Other

