**‘INSIDE’** Grants

**Monitoring of Grants**

Over the past few months there has been a great deal of discussion about the difference between Financial Monitoring and Programmatic Monitoring.

State Agencies distribute grants on behalf of their individual agency or department. Each of those grants are required to be monitored. Fortunately, the Grants Unit at AOT does a large majority of this monitoring. The monitoring that the Grants Unit does is the fiscal or financial portion of the program. There is a set of guidelines, policies and procedures they use to check that the applicant is following in accordance with the regulations for each grant.

The Grants Unit has a list of all applicants that receive grants from the agency. Each applicant has a risk-based assessment completed and is issued an internal rating of high, medium or low risk.

All grants that have been issued by all departments in AOT are categorized under the name of the applicant.

**Financial Monitoring:**

When the Grants Unit goes out to monitor an applicant, they are financially monitoring the awarded grants (all of the grants - by applicant). Grantee compliance is evaluated in accordance with the laws, rules, guidance, and regulations in grant investments. A primary goal of financial monitoring is to ensure grantee compliance with applicable Federal and State grant regulations, as well as to seek opportunities for organizational and operational improvements and innovations. The monitoring team identifies potential issues related to a grantee’s administration of the grants. Examples of potential issues include: financial reporting anomalies, inaccurate expenditure reporting, or a misunderstanding of or non-compliance with Federal cash management requirements; and, also to address organizational risk indicators as well as incidences of suspected fraud, waste, or abuse.

**Programmatic Monitoring:**

Programmatic monitoring is very different. It is completed by staff who is working on the project or working with the program. They work on a regular basis with the applicant and are able to document if performance goals are being met. They are able to see if the scope of work is being completed accurately, able to document when a review of the project has been done, what was found at the site, and review e-mail communication regarding the project. All of these things are considered programmatic monitoring. Sometimes this is done through a program performance report, and other times it is done on a regular basis of communication with the applicant. When a problem is encountered, it should be noted and addressed with the program manager. In addition, onsite programmatic monitoring should be documented each time it is conducted, and recorded as ongoing reviews. Each project should have a file for this type of monitoring and a record of the programmatic events that have taken place.

*July 2016*