



FINANCIAL AND PROGRAMMATIC GRANT MONITORING RESPONSIBILITIES

The Federal Emergency Management Agency's (FEMA) Grant Programs Directorate (GPD) staff and the ten FEMA regions monitor grantees to ensure that project goals, objectives, performance requirements, timelines, milestone completion, budgets, and other related grant requirements are met. Monitoring involves:

1. Collecting financial and program status reports and other grantee information as well as performance and administrative information relative to each program;
2. Analyzing the information; and
3. Taking appropriate actions to resolve issues or concerns when noted.

At the same time, monitoring also provides opportunity for training and supporting the grantee community in achieving the goals and objectives of FEMA's programs, and is often referred to as strategic monitoring. Monitoring uses many of the same tools as auditing, and is meant to ensure GPD grants programs are achieving the desired outcomes.

Programmatic Monitoring

In an effort to assist grantees in complying with these measures, GPD provides guidance to grantees on policies and procedures, grant program requirements, general federal regulations and basic programmatic reporting requirements connected with receiving funding associated with GPD's preparedness grant programs. The programmatic monitoring processes GPD has in place supports effective grant management and ensure that programs and projects initiated by grantees are carried out in a manner consistent with the grantee's stated plans and strategies, and according to applicable guidance and regulations. Additionally, programmatic monitoring can identify problems that may impede effective implementation of the funded programs or projects and serve to confirm implementation and progression. Programmatic monitoring strategies vary by program, but usually encompass a combination of desk-based reviews and on-site visits conducted by program analysts from GPD headquarters or the FEMA regions, depending on program.

Programmatic monitoring data is collected in a centralized Access database application that allows for cohesion among and data analysis across preparedness grant programs and is managed by GPD. The centralized nature of the database also allows for facilitated data sharing and analysis of data over time. Monitoring data collected includes, for example, issues pertaining to compliance with applicable regulations and grant guidance, assurance of proper grant administration procedures, progress of investment activities, and progress measured against goals outlined in State and Urban Area Homeland Security Strategies.

Programmatic monitoring involves a comprehensive set of questions designed to measure the grantee's compliance with guidance requirements, grant performance and grant progress. FEMA program analysts typically conduct an in-person site visit to go over grant documents, view progress where applicable, and address any issues that may threaten grant success. In addition, the grantees of some programs, while monitored every two years per statute, also are monitored according to a risk-based process, with certain agencies monitored on a more frequent schedule in accordance with their increased risk. Regardless of frequency or type of monitoring (i.e., site visit or desk review), all programmatic monitoring evaluates program implementation and grantee compliance.

Financial Monitoring

A primary goal of FEMA financial monitoring is to ensure grantee compliance with applicable Federal grant regulations, as well as agency and programmatic objectives, and to seek opportunities for organizational and operational improvements and innovations. The following FEMA policy and program guidance represent the primary rules and regulations surrounding FEMA's monitoring activities:

- Implementing Recommendations of the 9/11 Commission Act of 2007, P.L. 110-53 (hereafter referred to as the "9/11 Act");
- American Recovery and Reinvestment Act of 2009, P.L. 111-5 (ARRA);
- Improper Payments Information Act of 2002 (IPIA) (P.L. 107-300);
- Federal Funding Accountability and Transparency Act of 2006, P.L. 109-282;
- Code of Federal Regulations (CFR) for Emergency Management Assistance (44 CFR); and
- CFR for Grants and Agreements (2 CFR).

FEMA's financial monitoring efforts also aim to proactively educate grantees on how to make more informed decisions, link outcomes to funding, and identify potential waste, fraud, abuse, or mismanagement of funds. Financial monitoring can either be conducted as a comprehensive desk review or on-site review. These reviews are supported by detailed, monitoring activities such as supporting grant data analysis, assessments including audit evaluation and corrective actions, programmatic and financial progress reports, inventory analysis, financial capability assessment, budget analysis, projections for grant extensions and the timely closure of grants, cash-on-hand analysis and drawdown analysis, sampling, trending and other tools, and methods to gauge performance and mitigate grant risks. It also includes a review of expenditure patterns, change of project leadership, and, as necessary, compliance associated with the Cash Management Improvement Act of 1990 (CMIA) (P. L. 101-453).

Annual monitoring requirements are fulfilled, both regionally and at GPD Headquarters, under a risk-based Annual Monitoring Plan, containing the following goals and objectives:

- Evaluate grantee compliance with the laws, rules, guidance, and regulations in grant investments and activities;
- Identify or justify exceptions and potential issues related to a grantee's administration of FEMA grants that require immediate investigation or resolution and that may require further scrutiny through on-site financial monitoring or the inclusion of FEMA's OIG. Examples of potential issues include: financial reporting anomalies, inaccurate expenditure reporting, or a misunderstanding of or non-compliance with Federal cash management requirements, as well as incidences of suspected fraud, waste, or abuse;
- Collect data and information needed for assessing program performance or fulfilling other objectives under the law, such as IPIA;
- Manage and mitigate audit and other analyses, reviews and corrective actions; and
- Address organizational risk indicators.

###

"FEMA's mission is to support our citizens and first responders to ensure that as a nation we work together to build, sustain, and improve our capability to prepare for, protect against, respond to, recover from, and mitigate all hazards."

May 2011