

Guide for Review of Round II EZ Subrecipient Management			
Name of Program Participant:			
Staff Consulted:			
Name(s) of Reviewer(s)		Date	

NOTE: All questions that address requirements contain the citation for the source of the requirement (statute, regulation, NOFA, or grant agreement). If the requirement is not met, HUD must make a finding of noncompliance. All other questions (questions that do not contain the citation for the requirement) do not address requirements, but are included to assist the reviewer in understanding the participant's program more fully and/or to identify issues that, if not properly addressed, could result in deficient performance. Negative conclusions to these questions may result in a "concern" being raised, but not a "**finding.**"

Instructions: This Exhibit is designed to determine if the EZ is adequately fulfilling EZ requirements with respect to subrecipient oversight. The Exhibit is divided into eight sections: Subrecipient Management and Training Systems; Subrecipient Agreements; Internal Controls; Program Income Monitoring; Reporting; On-Site Monitoring by the Program Participant; Summary; and On-Site Review of Subrecipients by HUD. The HUD review should normally take place at the EZ program participant level, however, if time and resources permit, a selected sample of subrecipients should be site-monitored (see Section G).

Questions:

A. SUBRECIPIENT MANAGEMENT AND TRAINING SYSTEMS

1.

Does the EZ have a management system for the oversight of its subrecipients? (If yes, and the program participant has described its policies or systems in writing, attach a copy, or relevant portions thereof.)	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Describe Basis for Conclusion: <div style="border: 1px solid black; height: 100px; width: 100%;"></div>		

2.

a. How many subrecipients did the program participant commit to provide EZ funds to during the program year?
Describe Basis for Conclusion:

b. What is the total amount of EZ funds that the program participant obligated to all of its subrecipients during the most recent program year?
Describe Basis for Conclusion:

c. Of the amounts obligated in “b” above, what amounts remain unexpended?
Describe Basis for Conclusion:

d. For all program years, what amount of EZ funds obligated to subrecipients remain unexpended?
Describe Basis for Conclusion:

3.

Does the program participant have a process or method to determine that subrecipients understand and have the capacity to comply with EZ program requirements for the activities that they are carrying out?	<input type="checkbox"/> Yes <input type="checkbox"/> No
Describe Basis for Conclusion:	

4.

Is there evidence that the EZ provides appropriate program resource materials (e.g., regulations, CPD Notices, OMB Circulars) to its subrecipients?	<input type="checkbox"/> Yes <input type="checkbox"/> No
Describe Basis for Conclusion:	

5.

Describe the technical assistance/training the program participant has provided to its subrecipients during the most program year under review. (Add more rows if needed.)			
Subrecipient Name	Person(s) Trained	Topics	Date(s)

B. SUBRECIPIENT AGREEMENTS

6.

For the period reviewed, does the EZ have written agreements with all subrecipients provided EZ funding that conform with CPD’s guidance on third party contracts (per “Post Designation Policies and Procedures for Round II EZs”)? [EZ Grant Agreement, Section I.D, 24 CFR 85.36]	<input type="checkbox"/> <input type="checkbox"/> Yes No
Describe Basis for Conclusion:	

7.

What is the program participant’s system or method for amending agreements?
Describe Basis for Conclusion:

8.

Do the statements of work, for the contracts reviewed, contain descriptions of the types and amounts of services or products that will result from the use of EZ funds in sufficient detail to allow for effective monitoring by the program participant?	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Yes No N/A
Describe Basis for Conclusion:	

C. INTERNAL CONTROLS

9.

Does the EZ have a system or some other method to assure that the subrecipients' financial management systems are kept in accordance with 24 CFR 85.20(b) or 24 CFR 84.21(b)(3), as applicable?	<input type="checkbox"/> Yes <input type="checkbox"/> No
Describe Basis for Conclusion:	

10.

a. Has the EZ established qualifications for the persons who conduct financial reviews of subrecipients?	<input type="checkbox"/> Yes <input type="checkbox"/> No
Describe Basis for Conclusion:	

b. If the answer to "a" above is "yes," describe the qualifications.
Describe Basis for Conclusion:

11.

Does the EZ require and receive adequate documentation from its subrecipients to ensure that payments are eligible and reasonable in relation to actual performance and that funds are not being requested in excess of immediate needs?	<input type="checkbox"/> Yes <input type="checkbox"/> No
Describe Basis for Conclusion:	

12.

a. For the subrecipients reviewed, was there any evidence that subrecipient employees worked on both EZ-eligible and non-EZ eligible activities?	<input type="checkbox"/> <input type="checkbox"/> Yes No
Describe Basis for Conclusion: 	

b. If the response to item “a” above is “yes”, does the program participant have a system to assure that subrecipients keep appropriate time distribution records and make appropriate charges to the EZ program?	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Yes No N/A
Describe Basis for Conclusion: 	

13.

Does the EZ participant have a system or other method for determining compliance by subrecipients with procurement and/or subcontracting requirements of 24 CFR 85.36 (governmental entities) or 24 CFR 84.40 – 48 (for nonprofit organizations), as applicable? [EZ Grant Agreement, Section I.D]	<input type="checkbox"/> <input type="checkbox"/> Yes No
Describe Basis for Conclusion: 	

14.

Does the program participant review subrecipients for evidence of conflicts of interest either between the program participant and its subrecipients <u>or</u> between the subrecipients and their contractors (e.g., seek information on the background of staff or the Board of Directors, seek specific assurances from subrecipients) per the requirements of 24 CFR 85.36 or 24 CFR 84.42?	<input type="checkbox"/> Yes <input type="checkbox"/> No
Describe Basis for Conclusion:	

15.

Does the EZ ensure that subrecipients have procedures to:	
a. adequately identify EZ property and assets? For example, does it ensure that subrecipients have the property records required by 24 CFR 85.32(d)(1) or 24 CFR 84.34(f)? [EZ Grant Agreement, Section I.D]	<input type="checkbox"/> Yes <input type="checkbox"/> No
Describe Basis for Conclusion:	

a. ensure adequate safeguards for preventing loss, damage or theft of subrecipient-held property per 24 CFR 85.32(d)(3) or 24 CFR 84.34(f)(4)? [EZ Grant Agreement, Section I.D]	<input type="checkbox"/> Yes <input type="checkbox"/> No
Describe Basis for Conclusion:	

16.

Does the program participant have a process or method to determine that subrecipients maintain adequate records to comply with program requirements per 24 CFR 85.50- 85.53 or 24 CFR 84.40 – 84.42? [EZ Grant Agreement, Section I.D]	<input type="checkbox"/> <input type="checkbox"/> Yes No
Describe Basis for Conclusion:	

17.

a. If OMB Circular A-133 audits, as described in 24 CFR 85.26 or 24 CFR 84.26, are required for any of the EZ’s subrecipients, does the program participant have a system or method to ensure that such audits are conducted? [Grant Agreement, Section I.D]	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Yes No N/A
Describe Basis for Conclusion:	

b. If the answer to “a” above is “yes,” does the program participant review such audits to determine compliance with the OMB Circular A-133 requirements? [EZ Grant Agreement, Section I.D]	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Yes No N/A
Describe Basis for Conclusion:	

D. PROGRAM INCOME MONITORING

18.

How does the program participant keep track of subrecipient-generated program income and ensure accurate reporting as required by 24 CFR 85.25 or 24 CFR 84.24? [EZ Grant Agreement, Section I.D]
Describe Basis for Conclusion:

19.

Does the program participant check to determine if the subrecipient has established revenue accounts to record program income as required by 24 CFR 85.25 or 24 CFR 84.24? [EZ Grant Agreement, Section I.D]	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Describe Basis for Conclusion:		

20.

If program income is retained by the subrecipient, does the EZ check to determine:	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> N/A
a. that program income is used before grant funds are requested per 24 CFR 85.21(f)(2) – unless HUD has approved a waiver exempting the EZ from this requirement; and b. that such income is being used in accordance with the requirements of 24 CFR 85.25 or 24 CFR 84.24? [Grant Agreement, Section I.D]			
Describe Basis for Conclusion:			

E. REPORTING

21.

Does the EZ routinely require its subrecipients to submit reports, such as progress or financial reports, as required by 24 CFR 85.40 or 24 CFR 85.42? [EZ Grant Agreement, Section I.D]	<input type="checkbox"/> Yes <input type="checkbox"/> No
Describe Basis for Conclusion:	

b. If the answer to “a” above is “yes,” how frequently are these reports required to be submitted?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A
Describe Basis for Conclusion:	

c. What other mechanism, if any, does the EZ use to obtain the information required for inclusion in PERMS?
Describe Basis for Conclusion:

22.

a. Has the program participant clearly specified the content of written reports and is the information required sufficient to assess subrecipient performance against the specifications in the statement of work or contract as required by 24 CFR 85.42 or 24 CFR 84.53? [EZ Grant Agreement, Section I.D]	<input type="checkbox"/> Yes <input type="checkbox"/> No
Describe Basis for Conclusion:	

b. If the answer to “a” above is “yes,” are the report data verified by the program participant?
Describe Basis for Conclusion:

23.

How does the program participant verify actual beneficiaries of a project?
Describe Basis for Conclusion:

24.

In comparing a selected sample of the EZ's subrecipient records related to budget, actual outputs, and milestones completed with information it entered into PERMS, is the information comparable?	<input type="checkbox"/> Yes <input type="checkbox"/> No
Describe Basis for Conclusion:	

F. ON-SITE MONITORING BY THE PROGRAM PARTICIPANT [24 CFR 85.40]

25.

What factors does the program participant consider in selecting subrecipients and activities to review on-site (e.g., dollar amount, nature of activity, etc.)?
Describe Basis for Conclusion:

26.

How often does the program participant monitor its subrecipients? [24 CFR 85.40 or 24 CFR 84.51; EZ Grant Agreement, Section I.D]
Describe Basis for Conclusion:

27.

If the program participant does not monitor 100 percent of its subrecipients on an annual basis, does the EZ have a method to identify some subrecipients as “high risk” (e.g., subrecipients unfamiliar with EZ requirements, or that have a high staff turnover; or are carrying out high risk activities such as economic development)? (If yes, include the procedures in your response below.)	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Describe Basis for Conclusion: 		

28.

Provide the following information regarding the on-site monitoring efforts that have been conducted by the program participant during the period under review. (Use the “tab” key to add additional rows or attach additional sheets)

Subrecipient Monitored	Date(s) of Monitoring	Findings (Number and Type)	Date of Monitoring Letter	Date(s) Findings Resolved (if applicable)

29.

Of the subrecipients monitored above, what percentage does this represent of the total number of subrecipients funded by the EZ for the period reviewed?
Describe Basis for Conclusion:

30.

Are monitoring results describing the results communicated in writing to subrecipients within 60 days?	<input type="checkbox"/> <input type="checkbox"/> Yes No
Describe Basis for Conclusion: 	

31.

Do the monitoring results clearly document the areas monitored and the conclusions reached, include any expected corrective actions and dates for resolution?	<input type="checkbox"/> <input type="checkbox"/> Yes No
Describe Basis for Conclusion: 	

32.

Are subrecipients given an opportunity to respond and/or clarify?	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Yes No N/A
Describe Basis for Conclusion: 	

33.

What is the EZ's internal procedure for ensuring the quality of monitoring efforts, including documentation and intended actions, and follow through on promised actions?
Describe Basis for Conclusion:

F. SUMMARY

Instructions: If individual subrecipients are monitored by the HUD reviewer, the results of the individual reviews conducted in Section G below are to be combined with the remainder of the Exhibit questions before answering the questions in this section. If no subrecipient site reviews are completed, then the HUD reviewer is to answer the questions based upon the information obtained in Sections A-E of this Exhibit.

34.

Is it evident that the program participant is adequately managing and monitoring subrecipient activities?	<input type="checkbox"/>	<input type="checkbox"/>
	Yes	No
Describe Basis for Conclusion:		

35.

Would the EZ benefit from technical assistance in any particular area related to subrecipient management and oversight?	<input type="checkbox"/>	<input type="checkbox"/>
	Yes	No
Describe Basis for Conclusion:		

36.

Are there elements of the EZ's subrecipient management that are particularly successful and/or warrant identification as exemplary practices?	<input type="checkbox"/> Yes <input type="checkbox"/> No
Describe Basis for Conclusion:	

G. ON-SITE REVIEW OF SUBRECIPIENTS BY HUD

Instructions: This section is to be completed for a sample of subrecipients selected for on-site review by HUD to determine the effectiveness of the EZ's subrecipient oversight and management efforts. For an EZ that has not formally monitored its subrecipients, a larger sample may be warranted. Review any (or recent) program participant's monitoring reports for the selected subrecipients. Complete this section separately for each subrecipient you review. Attach additional completed forms as necessary to reflect the results of each subrecipient reviewed.

Name of Subrecipient:			
Contract Amount:	Activity(ies) Funded:		
Date Signed:			
Staff Consulted:			
Name(s) of Reviewer(s)		Date	

G-1.

a. Did the program participant monitor this subrecipient on-site? [24 CFR 85.40; EZ Grant Agreement, Section I.D]	<input type="checkbox"/> Yes <input type="checkbox"/> No
Describe Basis for Conclusion:	

b. If the answer to “a” above is “yes,” what was the date of the last monitoring?
Describe Basis for Conclusion:

G-2.

[OS] In reviewing the activities and costs charged by the subrecipient to the EZ program, are there any costs that appear clearly unreasonable or warrant further review?	<input type="checkbox"/>	<input type="checkbox"/>
	Yes	No
Describe Basis for Conclusion:		

G-3.

[OS] In interviewing the subrecipient staff, does there appear to be adequate knowledge and understanding of EZ rules and other applicable regulations so that it is likely that the subrecipient is in compliance with such rules?	<input type="checkbox"/>	<input type="checkbox"/>
	Yes	No
Describe Basis for Conclusion:		

G-4.

If this subrecipient has been monitored by the EZ, are there any EZ program requirements, elements of the subrecipient agreement or other findings that the program participant’s monitoring report should have identified?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Yes	No	N/A
Describe Basis for Conclusion:			

G-5.

Does your assessment indicate any significant differences between actual performance and the reported performance submitted to the EZ for the time frame reviewed?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Describe Basis for Conclusion:		