

## PROCEDURE

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**Series:** **Contracts and Grants** **COA: RPM 10**  
**CFOP:**

**Procedure Name:** Contract Monitoring  
**Procedure Number:** CG-301  
**Reviewed Date:** 4/20/16, 10/24/19  
**Revision #/Date:** (5) 4/20/16, (6) 9/1/17, (7) 6/27/21  
**Effective Date:** 12/31/2008

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**Applicable to:** All BFP Staff and Contract Providers

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**PURPOSE:** This procedure describes the monitoring requirements and monitoring process for contracts with Brevard Family Partnership. The purpose of contract monitoring is to ensure that contract service providers meet all administrative and programmatic contract standards and requirements.

**PROCEDURE:**

**References**

BFP Policies and Procedures: GOV202, GOV203, RQ505

2 CFR 200 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards

**Scope**

Contract monitoring is the review and reporting of contracted service provider's compliance with the terms and conditions of their contract, licensing requirements, performance standards, applicable State statutes and administrative codes, Federal regulations, and BFP policies. The goals of contract monitoring are to manage risk, support the efficient and effective implementation of quality services, document compliance with appropriate regulations, and ensure that program performance and financial requirements are met. BFP also monitors the organizations progress towards meeting the accreditation standards.

**Informal Site Visits:** Informal site visits to the service provider provide an opportunity for BFP staff to become familiar with the agency's staff and programs and to inspect facilities. Informal site visits may be announced or unannounced and may be conducted by anyone on the BFP staff. Informal site visits should be documented with a memo to be placed in the contract file.

**Risk Assessment:** BFP conducts a Risk Assessment within the 1<sup>st</sup> Quarter of the contract year to evaluate variables associated with contracts and assign a rating for the estimated risk of noncompliance associated with each contract. The risk assessment considers the dollar value of the contract, contract history and prior performance, tenure of senior management staff, consumer satisfaction and complaints. Each provider will be identified as low, moderate, or high risk using the Service Provider Risk Assessment Form (attached). Reference procedure RQ-505, Risk Assessment Process. The purpose of the risk assessment is to guide scheduling decisions to

identify those providers and/or contracts rated as Medium to High to ensure they are scheduled early in the monitoring process to allow for additional follow-up monitoring, if warranted.

Customization: Each monitoring shall have a unique planning process that is based on the contract(s) being monitored and the scope specified using the “Monitoring Scope Determination Tool” (attached). This tool identifies whether agencies are accredited, reviews results from 3<sup>rd</sup> party monitoring reports, prior year’s Corrective Action items, other identified concerns (i.e., customer complaints, negative audits, etc.), and provides justification of the current year monitoring scope to prevent duplication and allow customized monitoring of issues that may change from year to year. Regardless of risk, all sub-recipient client service providers will minimally receive an on-site annual monitoring. The scope of each monitoring will be determined utilizing the results from the Risk Assessment and Monitoring Scope Determination Tool. Contract-specific monitoring tools are in the Monitoring Tool Depository on the BFP Shared Drive for review of programmatic contract requirements. Based on each Provider’s customized scope of monitoring, some, all, or none of the items on the programmatic monitoring tools may be utilized.

<p><b>Low Risk:</b> Excellent history, no findings, experienced, small contract, proven performance.</p>	<p>May choose to rely on Provider’s audit, 3<sup>rd</sup> party monitoring reports, desk reviews, short on-site.</p>
<p><b>Medium Risk:</b> Less than excellent, some past findings, new grantee, large grant, some unknowns.</p>	<p>May choose to use all the above and add extended on-site with larger samples.</p>
<p><b>High Risk:</b> Poor performer, financial instability, failure to implement previous corrective actions, major staff changes, problems identified by other monitors.</p>	<p>May choose all the above, larger samples, require technical assistance or training, or involve several visits.</p>

Financial Analysis: Regardless of risk, each sub-recipient shall have a thorough financial analysis completed as part of the monitoring review and the results of this review will be documented in the written Monitoring Report and may result in Corrective Action if concerns or deficiencies are identified. Pursuant to 2 CFR 200.332(c), BFP will consider imposing specific sub-award conditions upon a sub-recipient, if appropriate, as described in 2 CFR 200.208 Specific Conditions. Pursuant to 2 CFR 200.332(d)(3), BFP will issue a management decision pertaining to the Federal award provided to the sub-recipient from the pass-through entity as required by 2 CFR 200.521 Management Decision. Each sub-recipient is required to provide a copy of their Independent and/or Single Audit; written certification if they do not meet the Single Audit thresholds; written certification that audits have been submitted as required to state and/or federal entities; and quarterly expenditure and revenue reports. Pursuant to 2 C.F.R 200.521(d), BFP will issue a management decision within six months of acceptance of the audit report by the Federal Audit Clearinghouse. BFP shall perform the following as a part of its financial review:

- Review of the Independent and/or Single Audit
- Review of Expenditure & Revenue Reports

Review of expenditure reports is designed to: identify expenses as reasonable, necessary, and allowable, and monitor subcontract requirements. Additionally, it is to verify that expenditures are made in accordance with applicable State and Federal Rules and Laws and be directly related to the subcontract.

Scheduling: Upon completion of the Risk Assessment and “Monitoring Scope Determination Tool” for each Provider, the BFP Compliance Specialist or designee will develop an annual monitoring schedule. The schedule is a plan and is subject to change. The Compliance Specialist or designee will identify additional staff members to participate in the monitoring as a team. For example, if there are financial concerns, the Chief Financial Officer or their designee may be asked to review the financial records. The monitoring team will meet in advance to define each person’s roles and responsibilities and to identify a team leader as the spokesperson and coordinator for the monitoring visit.

At least 30 calendar days in advance, the Compliance Specialist or designee will notify the Provider’s lead staff person of the upcoming monitoring. A formal written notification will be sent and will confirm the BFP staff that will participate, the review date(s) and time(s), outline the monitoring process to be used based on the Monitoring Scope Determination Tool, list the written documentation needed for review during the visit, and identify the staff requested to be available for interview.

Monitoring Site Visit: The monitoring team will meet with agency staff for an entrance conference. Agency staff may include members of the senior management team and representation from the Board of Directors. The purpose, scope and monitoring schedule will be reviewed, and any concerns identified during the risk analysis or file review will be discussed.

The agency will be asked to provide the monitoring team with a private place to work where they can review the documentation requested. Visits to different offices or rooms within the agency may be required to view secure records, conduct interviews, or observe programs. Some members of the team may examine administrative records such as certifications; incorporation, licensing, and accreditation documents; insurance records; financial reports; and personnel files. Other team members will evaluate program records and performance standards identified in the Scope of Work.

Sampling: In developing the customized monitoring scope, the BFP Compliance Specialist or designee will determine whether to examine the universe of records maintained by the provider or to examine a sample, or limited number, of these records. It is appropriate in many situations for monitors to gather information by examining a limited number of records. It is not generally necessary to gather a sample that meets statistical significance. The monitoring team will exercise good judgment to make common sense decisions regarding sample size. It is reasonable to adjust the sample size during a monitoring. It may be reasonable to reduce sample size if results are extremely consistent for the first records reviewed. Sample sizes may be increased if the team identifies a problem in a high-risk area.

Review Period: Monitoring is typically limited to include records from the current contract(s) and not expired contract(s), while there may be exceptions. When review periods are identified, the review period should be associated with selection of samples. In general, it is more valuable for BFP to monitor recent activities, but it is also less intrusive for Providers to minimize the number of records requested for monitoring.

Team members will meet at the end of the visit to review notes and conclusions, in preparation for an Exit Conference. The team will present preliminary results to senior management. Agency staff will be given an opportunity to provide additional information to clarify or support their position and, if needed, begin discussing any corrective actions to address identified concerns.

**Monitoring Report:** Within thirty (30) calendar days of the monitoring visit, the Compliance Specialist will send a written summary of the monitoring results. The report should include recognition of strengths, accomplishments, and successes, and identifying any challenges observed. Findings and concerns should be clearly outlined with specific deadlines for a written response and required corrective actions. Copies of all monitoring reports will be kept in the contract file.

Findings are supported by local, state, or federal regulations, or by the terms and conditions of the contract and are mandated to be corrected by an identified deadline. There may be instances where payments may be withheld pending receipt of a response from the agency due to the severity of findings. Concerns are situations that do not require correction by regulation but come as a suggestion from the monitoring team that will help to improve agency performance.

**Corrective Action:** If a response is not received by the deadline, a telephone call and an informal written communication documenting the call will be made to the service provider within five (5) working days of the deadline to request a response.

If a response is not received because of the informal follow-up within three (3) business days, a certified letter will be mailed to the agency informing them of the consequences for continued lack of response. The Compliance Specialist will recommend sanctions to BFP senior management for approval that may include:

- Imposing probationary status
- Restriction of payment requests
- Disallowance of certain expenses
- Requiring repayment to BFP
- Suspending participation in future funding programs
- Cancellation of the contract
- Initiation of legal action
- Other appropriate action in response to the findings

The agency will be notified in writing by certified mail of any sanctions to be imposed. The letter will be signed by a member of the BFP senior management team.

**Technical Assistance:** BFP may offer technical assistance through one-on-one consultations, orientations for new service providers, small work groups to address common issues, or trainings open to all members of the Provider Network. Technical assistance will always be made available to members of the Provider Network except when there is a Request for Proposals (RFP) or Invitation to Negotiate (ITN) in process.



BY DIRECTION OF THE CHIEF EXECUTIVE OFFICER:

A handwritten signature in blue ink that reads "Philip J. ScarPELLI".

PHIIP J. SCARPELLI  
Chief Executive Officer  
Brevard Family Partnership / Family of Agencies

APPROVAL DATE: 6/30/21

Name of organization:		Federal ID#:
Lead Staff Person in Brevard County:		Title:
Phone:	Fax:	Email:
Provider Network Contact Name:		Title:
Phone:	Fax:	Email:
Contract number: #	Contract amount: \$	Start and end dates: / / to / /

**Low Risk**

Has submitted timely, accurate and complete Reports and is meeting Performance Standards

Has submitted timely, accurate and complete Requests for Reimbursement

Has had no change in senior management

Has presented positive results from a consumer satisfaction survey

Has had no complaints filed with BFP

Has successfully completed one or more annual comprehensive reviews with minimal findings or concerns

Is monitored by another (local, state, or federal) funding agency and has provided BFP with a monitoring report which demonstrates that the program complies

Has submitted a financial audit conducted by an independent auditor in accordance with Florida Statutes which demonstrate that the program complies

**Moderate Risk - If one or more of the following situations exists:**

Is not consistently submitting Reports or Requests for Reimbursement as scheduled

Is not consistently meeting Performance Standards

Has made a change in senior management

Has presented fair results from a consumer satisfaction survey

Has had a minor complaint filed with BFP

Has had 3-5 Corrective Actions identified during previous monitoring

Has implemented a new program as part of the current contract

Other relevant concerns:

**High Risk - If one or more of the following situations exists:**

Unsatisfactory reporting or performance history

Financial instability, negative audits, or poor fiscal reports

High turnover in senior management

Has not submitted consumer satisfaction survey results or has poor survey results

Has had a serious complaint filed with BFP

Has had 5+ Corrective Action identified during previous monitoring

Has not implemented corrective actions identified during a previous monitoring

Is a new BFP service provider

Other relevant concerns:

<b>Check risk level⇒</b>	<b>LOW</b>	<b>MEDIUM</b>	<b>HIGH</b>
Signature:		Date:	
Printed name of person completing risk assessment:		Title:	
Signature:		Date:	
Printed name of person approving risk assessment:		Title:	



**Monitoring Scope Determination Tool**

**Provider Name:**

**Fiscal Year:**

**Contract Type:**

**Risk Level:**  Low  Medium  High

**Accreditation:**

**Date of Last Administrative Monitoring:**

**Need to request additional administrative docs this year?**  Yes  No

Note: Agencies accredited by COA, Joint Commission, or CARF only required every 3 years.

**If “Yes”, list requested items (based on complexity/size of contract).**

Ex: written financial policies, cost allocation plans, procurement policies, cash management procedures, personnel policies.

**3<sup>rd</sup> Party Monitoring & Findings:**

**Previous Year Monitoring - Corrective Actions:**

**Previous Year Monitoring – Areas with No Findings** (i.e.: Personnel, Client Files, Perf. Measures):

**Other Identified Concerns (i.e., customer complaints, negative audits, etc.):**

**Recommended Scope for Current Year Monitoring:** (provide justification for items not requiring monitoring)

**Review Completed by:**

\_\_\_\_\_  
**Christopher Goncalo, Director of Contracts & Compliance**

\_\_\_\_\_  
**Date**

### **Recommended Areas for Administrative Monitoring**

**Contracts with High Complexity, High Risk, High Dollar Value and Size (ex: CMA's, CPA's, Indep. Living, Adoptions):**

- **Written financial policies**
- **Cost Allocation Plans**
- **Procurement policies**
- **Cash Management policies**
- **Personnel policies**

**Out of Home Care Providers (ex. Group Homes):**

- **Child Handbook. Includes at minimum (or get separately): Child Orientation Process, How to Maintain Child Belongings, Child Allowance Practices, Child Rules & Responsibilities.**
- **Organization's Child Disciplinary Methods & Protocol**
- **Child Admission & Discharge Policy**
- **Organization's HR Policies. Includes at minimum (or get separately): Practices around Hiring, Disciplinary Action, and Dismissal of Employees, Background Screening Practices (i.e., Drug Testing, Driving Record, Background Screening – initial practice and frequency while employee is on staff).**