



Overview of OILP Monitoring: The Compliance and Outcome Monitoring Protocol

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Why Does ACL Monitor? – Federal Stewardship and Responsibilities

- ACL is responsible for ensuring that taxpayer dollars are being spent on activities authorized under the Rehab Act and funds are spent based on OMB rules.
- ACL is required to monitor under the Rehab Act
 - 2019 Office of Inspector General (OIG) report said ACL failed to meet the 15% required onsite compliance reviews of the IL programs under the Rehab Act.
- ACL is required under the Rehab Act to issue an annual report
- Government Performance and Results Modernization Act (GPRAMA) holds federal agencies accountable for establishing management processes and setting performance goals and objectives that deliver results for the American taxpayer.

Why Does ACL Monitor? – Federal Stewardship and Beyond



ACL is committed to the success of the independent living (IL) programs. The work CILs and IL grantees perform is critical to the lives of people with disabilities.

We know that the more our grantees are supported, the more people with disabilities can benefit from IL programs and live independently.



Authorizing Act for IL Programs

The IL formula grant programs (Part B and Part C) are authorized under Title VII of the Rehab Act. The Rehab Act establishes the expectations and requirements for key aspects of program and fiscal management, including:

- Participating organizations – required qualifications, responsibilities, and functions
- Basis and method for allocating funds
- Allowable costs
- List of standards and assurances – including the competencies and controls that must be in place to manage Federal funds
- SPIL (State Plan for Independent Living) – process for creation, oversight, and implementation



Objectives of ACL Monitoring

- Assess compliance with statutory and regulatory requirements
- Identify areas of suggested or necessary improvements in programmatic and fiscal operation and provide TA resources available on the local, state, regional and national level; and
- To meet statutory requirements for annually issuing a public report that:
 - Includes program, fiscal, and operational findings
 - Makes recommendations for technical assistance/provides this assistance
 - Identifies areas of exemplary work, projects and coordination



Purpose and Components of AoD Monitoring System

- Monitoring for:
 - Program compliance
 - Fiscal compliance
 - Overall performance

- Monitoring system has three main components:
 1. Federal review of program compliance and outcomes
 2. Federal review of fiscal operations
 3. Provision of technical assistance



How Does Our Monitoring Help the IL Network

Monitoring helps with:

1. Making sure programs understand requirements and are in compliance
2. Connecting programs to technical assistance where its needed
3. Ensuring technical assistance meets program needs
4. Improving program performance
5. Making sure the network is strong
6. Increasing the availability of IL services in communities
7. Better positioning CILs to secure additional funding
8. Identifying best practices, projects, and coordination efforts that positively impact the disability community



Overview of Fiscal Requirements and Monitoring



2 CFR 200 Updates for ACL Awards

Overview

- HHS has used 45 CFR 75 as the uniform guidance for awards.
 - ACL is located within HHS and until FY 2025, ACL awards had to comply with 45 CFR 75.
- HHS adopted 2 CFR 200 September, 2024
 - This discontinues use of 45 CFR 75.



Proposed Schedule for 2 CFR 200 Adoption

- HHS has implemented the new 2 CFR 200 flexibilities effective October 1, 2024 (Start of FY 2025).
 - This impacts the ***ILS Part B awards***.
 - Implementation of 2 CFR 200 for the ***CIL Part C awards*** will start September 30, 2025 with their FY 25 Part C award.
- HHS will maintain some agency specific requirements in 2 CFR 300, but these requirements will be primarily focused on research grants.



Proposed for October 2024 Implementation of ACL Awards (2 CFR 200 Flexibilities)

Below is a list of key 2 CFR 200 flexibilities proposed to be authorized by HHS for ACL awards (e.g. Part B awards) effective October 1, 2024 (this list is not exhaustive):

- Utilization of closeout requirements (2 CFR 200.344)
- Increase to 15% de minimis indirect cost rate (2 CFR 200.414)
- Increase to \$1,000,000 for expenditure threshold for single audits (2 CFR 200.501)
- Increase micro-purchase threshold to \$50,000 (2 CFR 200.320)
- Increase to \$10,000 for equipment retention/disposition and unused supplies threshold for closeout (2 CFR 313(e) and 2 CFR 200.314(a))



How 2 CFR 200 Flexibilities will Apply to ACL IL Part B and Part C Awards

Part B Awards (State)

- The next round of Part B awards become effective on October 1, 2024 (FY 2025).
- FY 2025 Part B awards with an effective date of October 1, 2024 are projected to include the new 2 CFR 200 flexibilities.
- ACL plans to add new language in the Notice of Award documents.

Part C Awards (CILs and 723 States)

- The next round of Part C awards become effective on September 30, 2024 (FY 2024).
- FY 2024 Part C awards with an effective date of September 30, 2024 **are not** projected to include the new 2 CFR 200 flexibilities.



Fiscal Reviews – What to Know



IL Annual and Supplemental Awards

The following Independent Living formula grant programs are active:

Part B:

- ILSG – Independent Living State Grants

Part C:

- ILCL – Independent Living CIL Grants
- ILST - Section 723 Awards - Independent Living State CIL Grants

Supplement Awards for Part C Recipients:

- ILPH – Public Health Workforce Grants (only FY 2022)



Notice of Award (NoA)

- Each grant has a unique Notice of Award (NoA).
- The NoA provides key award data.
- Grant Numbers have the following schema (Ex. 2201FLILCL - ##)

24	01	FL	ILCL
Federal Fiscal Year	Award #	State	Program Code

- Grant Numbers end with “- # #” (Ex. 00, 01, 02). The NoA with the highest number is the current version.
- The most common reasons for revising an NoA include address change, updating Key Personnel and a no cost extension.
- NoAs are emailed to the authorized representative and available in GrantSolutions.



Payment Management System (PMS)

- PMS is used to complete financial reporting (SF-425s) and drawdown award funds.
- PMS Accounts may be requested through the PMS HelpDesk - <https://pms.psc.gov>
 - The PMS helpdesk can provide support with system access, account issues, and locating reports:
 - Email: PMSSupport@psc.hhs.gov
 - Phone: 1-877-614-5533



Project Period

The project period is the time period in which you can obligate funds, incur allowable expenditures and implement activities.

- The standard project period for Part B (ILSG) and Part C (ILCL and ILST) awards is 2 years.
 - ILSG awards start on 10/1 and end on 9/30.
 - ILCL and ILST awards start on 9/30 and end on 9/29
- All activities must be completed by the end of the project period.
- Grantees are permitted an extra 120 days after the award ends to draw funds from PMS for allowable costs incurred within the project period.

ILPH awards have their own project periods, please refer to your NoA.



Common Project Period Question

If I obligate funds to a contract before the award end date, but the work will not be completed until after the award ends, are the costs allowable?

Answer – In most cases “No” – the obligation (contract for services) and the defined work must be completed within the award project period.

Examples –

- CIL signs a contract for building repairs on 9/26 using an award ending on 9/29. The building repairs are implemented in October. The building repair costs are unallowable.
- SILC signs a contract with a training provider in August for three webinars using an award ending in September. The third webinar is delayed due to a technical issue and is rescheduled for October. The cost of the third webinar is unallowable.



General FFR(SF-425) Submission Guidance

- SF-425s are submitted in PMS (Payment Management System).
- Part B (ILSG)
 - Two FFRs are required for each award. One annual and one final.
 - Annual – End of Year 1 – Due 90 days after 9/30 [Due 12/29 of the same year].
 - Final – End of Year 2 – Due 120 days after 9/30 [Due 1/28 of the following year].
- Part C (ILCL)
 - Two FFRs are required for each award (started with FY22 award). One annual and one final.
 - Annual – End of Year 1 – Due 90 days after 9/29 [Due 12/28 of the same year].
 - Final – End of Year 2 – Due 120 days after 9/29 [Due 1/27 of the following year].



FFR (SF-425) Data Entry (lines 10a – 10h)

10a – Cash Receipts	Funds drawn from PMS. Amount is automatically entered by PMS. Field cannot be edited in the Final FFR.
10b – Cash Disbursements	Award expenses. PMS automatically enters 10a amount in 10b. Field cannot be edited in the Final FFR.
10c – Cash on Hand	Line 10a minus 10b. Auto-filled by PMS [Not editable]. Field must be zero in the Final FFR.
10d – Total Federal Funds Authorized	Auto-filled by PMS [Not editable]. Will match most recent NoA.



FFR (SF-425) Data Entry (lines 10a – 10h) (Continued)

10e – Federal Share of Expenditures	Award expenses. Should match line 10b.
10f – Federal Share of Unliquidated Obligations	Award funds obligated to the award but not yet charged. Field must be zero in the Final FFR.
10g Total Federal Share	Sum of lines 10e and 10f. Auto-filled by PMS [Not editable]. Field must match line 10e in the Final FFR.
10h Unobligated balance of Federal Funds	Line 10d minus 10g. Any amount greater than \$0 in the Final FFR will be deobligated and returned to Treasury.

FFR (SF-425) Additional Guidance



- Part B grantees will use boxes 10l -10k to report on required match.
- Remarks (Box 12) - If any FFR responses require additional context, grantees should provide a narrative response in the *Remarks* section.
- **Grantees must maintain supporting documentation for all reported amounts.**
 - This includes supporting documentation for all expenditures.
 - Grantees should have controls to ensure that an expense is properly allocated (no duplicative charges).
- FFR Preparer and Certifier
 - All FFRs must be prepared and certified before ACL can review.
 - Make sure that the assignment of preparer and certifier roles aligns with organizational policies.



Grant Closeout

- NoA Terms and Conditions and 45 CFR 75 outline the following closeout requirements:
 - Final FFR (SF-425)
 - PPR (Program Performance Report) – Submitted and approved for last calendar year of the award.
 - Property Report (SF-428) – **Specific guidance is being developed.**
- Awards will be closed out by the assigned ACL GMO (Grants Management Officer).
- Please be timely with submitting reports. Report delinquencies can lead to drawdown restrictions.
- **If award funds are reported in line 10h of the Final FFR, they will be deobligated.**



Single Audit Requirement

- Single Audit Requirements are outlined in 45 CFR 75 Subpart F
- 45 CFR 75.501(a)
 - *“A non-Federal entity that expends \$750,000 or more during the non-Federal entity's fiscal year in Federal awards must have a single or program-specific audit conducted for that year in accordance with the provisions of this part.”*
- **HHS is adopting the increased threshold of \$1,000,000 outlined in 2 CFR 200.501 starting in FY 2025.**



Cost Allowability

“Can I Charge the Grant Award?”

Four Part Test for Expenditures:

1. Program Eligible
2. Allowability - Additional Tests
3. Reasonable
4. Allocable (associated with a specific award)



Assessing Program Eligibility

The key factors for program eligibility is ...

- Permitted by the Rehab Act.

Internally, CILs should implement awards in line with their award budget and maintain reconciliations with the budgeted categories throughout the course of the project period.

All charges need to be allocable to a specific award and backed up with supporting documentation.



Allowability – Additional Tests

Cost allowability is broadly covered in 45 CFR 75 Subpart E – Cost Principles.

The specific standards for cost allowability are covered in 45 CFR 75.403 (a component of 45 CFR 75 Subpart E). Subpart E also includes guidance on the use of funds for specific cost items.

*** Your use of grant funds should align with the Cost Principles unless the authorizing Act or Statute permits an eligible use of funds that permits uses beyond the parameters outlined in 45 CFR 75 Subpart E.**



Costs Allowability Criteria

45 CFR 75.403 establishes the criteria for assessing cost allowability, paraphrased below:

- Necessary and reasonable for implementing the grant.
- Conforms with award limitations or exclusions.
- **Consistent with your own policies and procedures.**
- Accorded consistent treatment.
- In accordance with generally accepted accounting principles (GAAP).
- Not included as a cost or used to meet cost sharing requirements of any other grant, open or closed.
- Properly documented.
- Consistent with state laws and requirements.



Assessing Cost Reasonableness

45 CFR 75.404 establishes the criteria for assessing cost reasonableness, paraphrased below:

- **Ordinary and Necessary** – Is the cost (expense) consistent with your normal business practices and operating procedures? Does the cost match how you would normally manage and implement grants?
 - What are the state laws and standards that apply?
- **Sound Business Practices** – Is the cost consistent with “sound business practices”? Meaning would the cost be considered appropriate and justified in a normal business setting.
- **Market Prices** – Is the cost (expense) is consistent with the price for comparable goods or services within the geographic area?



Cost Allocability

45 CFR 75.405 establishes the criteria for assessing cost reasonableness, paraphrased below:

A cost is allocable to a particular Federal award or other cost objective if the goods or services involved are chargeable or assignable to that Federal award or cost objective in accordance with relative benefits received.

How funds can be allocated:

- Is incurred specifically for the Federal award;
- Benefits both the Federal award and other work of the non-Federal entity and can be distributed in proportions that may be approximated using reasonable methods; and
- Is necessary to the overall operation of the non-Federal entity and is assignable in part to the Federal award.



How to Use Indirect Costs

Ensure policies and processes align with [45 CFR 75.414](#) to address the following:

- Indirect Cost Method - Approved indirect cost rate through the Program Support Center (PSC) or the de minimis rate,
- Classification of Expenses – Define what expenses are direct and what are indirect costs,
- Consistent Application – The classification of expenses is applied consistently across funding sources,
- Accounting System – Your accounting system needs to be setup to delineate direct versus indirect costs and ensure proper allocation, and
- Indirect Cost Calculation – The indirect cost rate is applied against the modified total direct cost amount (MTDC), so the process for calculating the MTDC needs to be written out and it needs to account for any applicable exclusions (see MTDC definition in [45 CFR 75.2](#)).



Overarching Best Practices

- We recommend that collaborating offices and teams within a CIL meet regularly to discuss award implementation, oversight, and reporting.
- Grantees should have grant program policies and procedures to direct staff on how to manage and implement award activities and adhere to grant requirements.
- Grantees are expected to have policies and procedures for implementing and managing subawards and subcontracts, including monitoring.
- Fiscal review tool: https://acl.gov/sites/default/files/programs/2019-12/Fiscal%20review%20tool_0.xlsx



What to Expect From a Monitoring Visit



Types of OILP Monitoring

- Baseline
- Targeted
- Comprehensive



Baseline Monitoring

1. Baseline monitoring activities are those that federal staff carry out as standard business practice with regard to all grantees on at least an annual basis. It includes:
 - review of annual PPRs
 - review of fiscal documents and drawdowns,
 - regular communications with grantee and program stakeholders
2. Baseline monitoring is used to enhance federal stewardship, to identify program concerns, and to identify specific program and network technical assistance needs.



Targeted Review

1. This type of review is individualized and is focused in specific areas of concern or promise with the grantee.
2. Any information that OILP receives that raises serious concerns or positive interest in a grantee, could result in a targeted review.
 - Example: allegations of grant fraud or mismanagement reported in news articles, social media, or by members of the public
3. Results from baseline activities may also be used to identify focus area(s) in Targeted review.
4. Findings from a Targeted review may require a corrective action plan from the grantee.
5. The findings may also identify broader concerns and the need for a comprehensive review.
6. Will often include a Non-Federal Reviewer on the team.



Comprehensive Review

1. On an annual basis, OILP will identify a subset of IL grantees to receive a standardized, multi-day comprehensive review.
 - The selection of grantees will be based on a combination of random selection, Director's discretion, staff recommendation, geographic area, and grantee request.
 - Targeted reviews may become comprehensive reviews if the CAP is not adequate or completed.
2. It is a multi-person team approach led by OILP and conducted remotely or on site.
3. Activities include: CIL assessment/ review tools, document collection, board and staff interviews, client interviews, conference calls, webinars and the development by the grantee of state and CIL profiles.



A Note on CAPs

- ✓ TA will be made available by the TA provider to assist with the corrective action plan (CAP) and/or issues identified in the final report to the CIL. The TA provider, the ACL staff or the NFR will work directly with the grantee to plan for the TA and follow up to ensure all TA activities are completed and CAP is completed.
- ✓ OILP may recommend a Targeted follow-up onsite visit if determined necessary to verify ongoing program compliance or completed corrective action plans.



Annual Reporting on All Reviews

- ✓ OILP will issue a Comprehensive report that includes program, fiscal, and operational findings. A formal corrective action plan will be required to correct findings, if any. These reports are published on our website under 'Compliance and Outcome Monitoring' located here: <https://acl.gov/programs/aging-and-disability-networks/centers-independent-living>
- ✓ The results of targeted review activities will also be included in annual reporting.



Triggers for Targeted or Comprehensive Reviews

The more triggers that occur simultaneously, the higher the risk.

- External Complaints/Concerns
- Lack of tax-exempt status (failure to file 990), the CIL operates or manages residential homes or full guardianship programs
- Unallowable costs incurred on award
- PMS drawdown rate two or three times larger than the grantee's average drawdown rate in the first month of the award performance period
- Failure to obligate funds within the performance period
- Non-compliance around 725 standards and assurances documented in the PPR for at least two straight years with no improvement
- Consistently delinquent or incorrect/incomplete submissions of FFR/PPRs
- Single audit findings with lack of grantee follow up or failure to file a single audit (if they are required to do so)



Resources

- [Program Officers by State: https://acl.gov/programs/community-living-programs/office-independent-living-programs-contact-list](https://acl.gov/programs/community-living-programs/office-independent-living-programs-contact-list)
- [OILP Compliance and Outcome Webpage](#)
- [Learn more about the COMP process](#)
- [Complete COMP Guide](#)
- [CIL Evaluation Tool](#)
- [Fiscal Review Tool](#)
- [COMP Appendices](#)



PPR Revision Discussion



Community Options & Capacity

PPR Revision feedback

Item 2 - Please place an X by those entities that the CIL collaborated with this year that successfully grew community options or built community capacity to address the needs of people with significant disabilities in the CIL's service area. Indicate if the collaboration was a formal partnership, led to referrals to the CIL, and provided funding for the CIL. Please also list what was accomplished for the reporting year under Other Notable Outcomes, if applicable.

Item 3 - Please describe barriers encountered with CIL collaborations, if applicable, and where assistance by ACL may be needed.

Example

Mark with an (X).	Partner Organization	Contract/MOU/Formal Partnership Agreement? (If yes, mark 'X')	Referral from the Partner Organization	Funding from the Partner Organization	Other Successes, if applicable
	Housing department/Housing providers				
	Transportation provider				
	Aging & Disability Resource Center				
	Area Agency on Aging				
	Other aging organizations				
	Protection & Advocacy Agency				
	Social Security Administration				



Table Directions

The table below presents a summary of activities involving the CIL's staff, volunteers, and board members during the reporting year that were focused on improving the quality of community options for independent living or increasing community capacity to meet the needs of individuals with significant disabilities. **Please only note those activities that led to outcomes or accomplishments.**

In the table, please select which activities the CIL was engaged in, the number of times the activity occurred throughout the reporting year and the number of participants involved (unduplicated). For example, if there were a series of meetings addressing transit planning and it led to the addition of a needed bus stop, please list the number of meetings the CIL engaged under 'Community Advocacy event' and the number of attendees that attended the series of meetings overall – not each time.

Summary of Activities

Mark with an X	Type of Activity	Total # Activities	Total # Attendees
	Community Advocacy Events		
	Community Information and Education		
	Outreach Efforts to unserved/underserved populations		
	Technical assistance to the community		
	Other Activities/Events : Please list.		



Additional thoughts?