VRTAC-QM

RSA provides the Monitoring and Technical Assistance Guide (MTAG) as a tool to assist VR agencies with analyzing their organization and operations in anticipation of monitoring activities. The following areas are key to the fiscal component of the MTAG, beginning with **B. Period of Performance – VR Program** on page 28. The bullet point tips below each MTAG referenced topic in **BOLD** help clarify what is required of the VR agency in each of the areas provided.

A. Overall items to prepare

- Know your overall structure for handling fiscal processes. Is the DSA staff involved or are fiscal processes managed primarily at the DSU level? What is the flow of the fiscal processes?
- Be ready to discuss the fiscal procedures, including the internal controls you sent to RSA for their review. Having a copy handy during that portion of the monitoring can help you quickly answer questions.
- Have a copy of 2 CFR 200 (Uniform Grant Guidance) available for reference during the discussion. If citations are referenced, you can read that section along with RSA.
- Have copies of your Single Audit and be prepared to discuss any findings and corrective actions taken to mitigate findings.
- Have copies of supporting documentation for contracts and reports submitted to RSA as part of the document request. Documentation may include RFPs, contract invoices, vendor supporting documentation, SF-425/RSA-17 source documentation, State accounting system reports, etc.
- Have relevant policies and procedures available to discuss or answer questions during that portion of the review.
- Have copies of your RSA fiscal data tables used in the monitoring process and be ready to discuss anomalies, differences, or errors in the data.

B. Period of Performance – VR Program

1. **Identify the State's requirements for determining when funds are considered obligated.**
   - Know your State requirements regarding how obligations are defined and when they are liquidated. Have a copy of those requirements that you can refer to.
   - Know your DSA/DSU policies/procedures and internal controls regarding how obligations are defined and when obligations are made and liquidated. Have a copy of those documents available for reference.
   - Know and understand the Federal regulations regarding obligations and liquidation of expenditures. Have a copy of Education Department General Administrative Regulations (EDGAR) you can reference.
   - To be prepared for discussions with RSA, compare the State, Federal and DSA/DSU requirements and note any discrepancies.

2. **Identify the VR agency's internal control processes for assigning, tracking, and reporting non-Federal and Federal obligations and expenditures to the correct FFY award. This includes a review of the fiscal data elements used by the VR agency to ensure tracking and alignment of obligations and expenditures to the correct FFY award. Specific areas for review include, but are not limited to—**
   - **Authorizations for purchased consumer services;**
   - **Administrative costs (e.g., rent, utilities, personnel salaries, travel); and**
   - **Contracts (short-term and long-term).**
   - Be prepared to demonstrate your fiscal systems to RSA staff and describe how they are used to manage period of performance. This includes the case management system and the agency and/or statewide accounting system if used for assignment of obligations or expenditures to the correct grant award.
   - Include a copy of your chart of accounts and the accounting structure in the document request sent to RSA and have it available during the review.
   - Have a copy of your delegation of authority availability and be prepared to discuss the internal controls surrounding these authorities.
   - Be ready to demonstrate the purchasing process and associated internal controls. Include staff responsible for various aspects of the process.
   - Be prepared to discuss any parameters or internal controls you have around purchasing (supervisory oversight, authorization spending levels, etc.). These could include built-in system controls or checkpoints you instituted to ensure obligations and expenditures are assigned, tracked, and reported accurately.
   - Do you have any quality assurance systems in place around purchasing? If yes, highlight those processes.
   - Be ready to discuss how period of performance is managed (especially the Federal fiscal years' crossover time). Who checks to make sure bills are being paid correctly and attributed to the correct grant year?
   - Does the agency have policies that permit staff to backdate authorizations? If so, how do you track them to ensure the obligations are assigned to the correct period of performance?
   - Does the agency have policies that permit staff to issue authorizations that cross over Federal fiscal years? If so, how do they ensure proper assignment of costs to the correct period of performance? Be prepared to walk through an example.

3. **Identify how the agency ensures obligations are liquidated within the period of or subsequent 120-day liquidation period.**
   - Reference your procedures and processes.
   - Be prepared to discuss and demonstrate how the agency ensures obligations assigned to an award are liquidated within the liquidation timeframe.
   - What is the agency's process for managing invoices received after the liquidation period of the Federal award has ended?

4. **Describe the agency's internal control processes for calculating, and ensuring the accuracy of financial data, including the Federal and non-Federal share of obligations and expenditures, reported on the SF-425/RSA-17.**
   - Have a copy of the internal controls used to ensure accurate and timely submission of reports with you during this discussion.
   - Discuss how you develop the reports and who ensures the accuracy of the work.
   - Be prepared to discuss how you maintain the supporting documentation, including source documentation, for each report. Is it clear how the various sources of financial data resulted in the numbers reported on the SF-425/RSA-17? The document request asks the agency to submit supporting documentation to RSA for particular report periods to verify the reports accuracy.
   - What is the agency's process for addressing errors identified after a report has been submitted?

5. **Describe the agency's processes for ensuring that adjustments (e.g., journal entries, rebates, refunds, etc.) are applied to the correct FFY and revisions made to the corresponding Federal reports.**
   - Know how your grants are managed in the accounting system.
   - Know your State's calendar for processing accounting adjustments and ensure internal controls are sufficient, so adjustments are identified and processed timely.
   - Have staff available who can explain how refunds are posted to the correct grant award, how the required accounting adjustments are made, and how corresponding Federal reports are revised.
   - Know your processes for handling adjustments for closed grants, and whether your State accounting procedures permit adjustments for accounting records that are closed.

6. **How can these internal controls be improved?**
   - Know the difference between policies and procedures versus internal controls.
   - Think about whether the agency's policies and procedures may lack sufficient internal controls. What is the process for ensuring appropriate internal controls are developed? What staff are responsible? How are the internal controls monitored and updated?

C. **MATCH (non-Federal share) – VR and Supported Employment Programs**

7. **What are the sources and amounts of State appropriations reported as match by the VR agency, by FFY, for the period under review?**
   - Know your sources and amounts of State appropriation reported as match by FFY for each year. Be ready to discuss.
   - Understand the history of how the match sources were acquired and/or fluctuated and why.
   - Prepare to discuss how fiscal planning around non-Federal share affects agency decisions related to reallotment and carryover.

8. **What are the agency's internal control processes for ensuring that only allowable expenditures are reported as the match? How can these internal controls be improved?**
   - Be prepared to discuss your strategy for match. How do you double-check match expenditures to make sure they are allowable? How do you ensure the match is obligated and/or expended by the end of the FFY of appropriation?
   - Be prepared to describe how the agency's internal controls ensure that only allowable, allocable, reasonable, and necessary costs are reported as non-Federal share.

THIRD-PARTY COOPERATIVE ARRANGEMENTS (TPCAs)
   - Refer to Appendix D: Third-Party Cooperative Arrangement Review Instrument

ESTABLISHMENT PROJECTS

9. **Identify any contracts or agreements the agency has regarding the establishment, development, or improvement of a public or non-profit CRP. For these agreements, specify—**

    - **Where the comprehensive Statewide needs assessment (CSNA) incorporates the need to establish, develop, or improve a public or nonprofit CRP and the State plan language referencing the need;**
    - **The goals and priorities and strategies related to each establishment project and related State plan language;**
    - **How the agency determined the amount of funds to be contributed toward the project, including the source of the non-Federal funds (e.g., VR agency State appropriation, CRP non-Federal funds);**
    - **How the agency and CRP will ensure that only allowable applicants or recipients of VR services receive VR services from the establishment project in proportion to VR participation in the project's costs; and**
    - **Identify the process the agency used to ensure that all pertinent Federal requirements were addressed, such as the requirement that the Federal share of the cost of construction for the facilities for a FFY will not exceed an amount equal to 10 percent of the State's allotment under Section 110 for such year (Section 101(a)(17)(A) of the Rehabilitation Act) and that the Federal share for expenditures made for the construction of a facility for CRP purposes may not be more than 50 percent of the total cost of the entire project (34 C.F.R. § 361.60(a)(2)), regardless of whether project costs span multiple Federal fiscal years.**

RANDOLPH SHEPPARD SET ASIDE

10. **Identify how the agency tracks obligations and expenditures from set-aside funds.**

    - Reference your chart of accounts and coding for this.

11. **Identify the agency's internal control processes for ensuring that only allowable non-Federal expenditures, including set-aside expenditures, are reported as match. How can these internal controls be improved?**

    - Review this information closely. VR agencies serving as the State Licensing Agency are authorized by the Randolph-Sheppard Act to set aside funds for the purposes outlined in the statute. In certain categories, such expenditures are considered non-Federal expenditures in support of the Federal VR program. Therefore, these expenditures must also be reported as non-Federal expenditures on the VR agency's financial reports for purposes of determining match and maintenance of effort (MOE):

- o Acquisition of new and replacement equipment;
- o Maintenance and repair of equipment;
- o Management services and supervision;
- o Initial operating costs not to exceed 6 months; and
- o Initial stocks and supplies not to exceed 6 months.
- Do you need additional coding?
- Discuss the agency's internal controls for ensuring that all and only allowable BEP expenditures are charged to the VR program.

SUPPORTED EMPLOYMENT

12. **For the SE-B award, identify the sources and amounts of match reported by the VR agency, by FFY, for the period under review.**
    - Refer to #7 bullets above.

13. **Describe the agency's internal control processes for ensuring that only allowable expenditures are reported as the match. In particular, how does the agency ensure that only expenditures for the provision of supported employment services, including extended services, to youth with the most significant disabilities are counted as the match? How can these internal controls be improved?**
    - Prepare to discuss internal controls that distinguish the use of VR funds for services to youth with most significant disabilities before they are placed into a supported employment position, and the controls for the use of the Supported Employment funds, which may only be spent after the youth has been placed into a supported employment position.
    - Refer to #8 bullets above.

D. CONTRACTS

14. **Identify the agency's internal control processes related to contract development and implementation (e.g., ensuring contracts contain required language, determining rates of payment for services, ensuring that contract payments are reasonable, and that vendor supporting documentation is sufficient to accurately report data on Federal reports (e.g., SF-425, RSA-17, RSA-911), etc.).**

- Know your State procurement policy and any specific provisions that affect the VR agency.
- Have your purchasing/contract staff ready to discuss contracts, including the DSA staff who assist in handling.
- What criteria do you use to select vendors?
- Is 2 CFR 200 Appendix II part of the contracts?
  How do you determine rates for the contracts?
- Have your written rate-setting methodology procedure ready to discuss.
- Review how your contracts identify the contractor responsibilities to break services down by expenditures per individual per service, to ensure that sufficient detailed information is available to fulfill Federal reporting requirements.

15. **Identify the agency's internal control processes for ensuring there is sufficient supporting documentation to determine the payment requested was for allowable VR services and consistent with the provisions of the contract.**
    - Be prepared to discuss how the payment portion of the process occurs and what documents vendors are required to submit?
    - Know the process for handling the supporting documentation when it is received, and what happens if vendors do not submit the proper documentation?

16. **Identify the agency's contract monitoring processes and the outcomes of contract monitoring.**
    - Be prepared to discuss the contract monitoring process for program and fiscal.
    - Do you use CARF, do you do the monitoring yourself? How do you review the quality of the vendors? Do you do a risk assessment on vendors periodically? If yes, how do you evaluate this, and what do you do as a result of the assessment? Does the contract address actionable steps for failure to perform, including corrective actions, partial or withheld payments, the return of funds to the VR agency, etc.? Do you run reports that analyze the outcomes of vendors? Do you have regular vendor meetings and communications? Do you ever cancel contracts of underperforming vendors?

17. **How can these internal controls be improved?**

E. PRIOR APPROVAL

18. **What are the agency's internal control processes for ensuring that prior approval is obtained where required? How can these internal controls be improved?**
    - Have a copy of the procedure ready to discuss. How is staff trained on the procedure?
    - What is your process for obtaining prior approval?
    - How do you know the agency is submitting all requests?
    - Does the agency make use of the streamlined submission process, where applicable?
    - How does the agency monitor prior approval spending categories to ensure it does not exceed approved amounts?

19. **Has the agency paid any expenditure for which prior approval was specifically required for allowability? If so, did the grantee request and receive prior written approval from RSA before making the expenditure?**
    - Be prepared with an example if you have one.

F. TECHNICAL ASSISTANCE

20. **What technical assistance needs does the VR agency have on any issue or topic related to this focus area?**
21. **Has the VR agency received technical assistance from RSA staff on any issue or topic related to this focus area? If so, please describe the nature of the technical assistance provided.**
22. **Has the VR agency received technical assistance from one or more of the RSA-funded technical assistance centers on a topic or issue related to this focus area? If so, from which center? Was the technical assistance universal, targeted, or intensive? Please describe the technical assistance received. What were the objectives/results?**
23. **Did the technical assistance provided by RSA and RSA-funded centers aid the VR agency in correcting or improving its management of the VR program and delivery of services to individuals with disabilities?**