

STATE OF NEVADA

STATE EMERGENCY RESPONSE COMMISSION

ORIGINATED BY: Mary Lynne Evans	ORIGINATED DATE: 02/22/00	APPROVED BY: SERC
REVISED BY: Stephanie Parker	REVISED DATE: 01/14/16	
DATE ISSUED: 03/01/00	DATE EFFECTIVE: 03/01/00	SUBJECT: Sub-recipient Program Monitoring & Financial Audits
PROCESSED BY:	SPECIAL INSTRUCTIONS:	POLICY NO: SERC 8.8

Reference: NAC 459.99151 to 459.99155 inclusive; and 459.99172 to 459.99176 inclusive

PRINCIPLE:

The State Emergency Response Commission awards grants with funds from the Federal Government, fees collected from facilities and other sources of revenue within the State of Nevada. It is the responsibility of the SERC staff to verify funds are being utilized correctly by monitoring and auditing expenditures.

POLICY:

With the dissemination of funds obtained from fees and federal funding to the Local Emergency Planning Committees or State agencies, the SERC will invoke all federal and state rules and regulations which are pertinent to grants management. The grantee/subgrantee is monitored both fiscally and programmatically.

The SERC provides grants based on the state fiscal year. Quarters are as follows:

- 1st quarter July – September
- 2nd quarter October – December
- 3rd quarter January – March
- 4th quarter April – June

PROCEDURES:

- A. Financial Reports are required from all grantees/subgrantees to be submitted not later than 30 days after the last day of the quarter. The report consists of an accounting of grant expenditures, invoices and proof of payment. If no expenditures have been made, a financial report indicating this is due the end of the month following the end of the quarter. Reference SERC Policy 8.5.
- B. Staff will perform a desk audit on the documentation submitted to substantiate the expenditures of the project.
 - 1. The expenditures will be compared to the amounts approved in the grant award documents.

2. The mathematics of the claim are verified and noted by initialing and dating the report form.
 3. Expenditures are tracked on the LEPC Grant Awards spreadsheet on the computer at K:\groups\SERC\Shared\Grants\FY** County Grant Awards.
 4. The Financial Report is filed in the appropriate grant file.
- C. Any discrepancies in the claim will be handled using the following procedures:
1. Staff will contact the grantee/subgrantee to obtain clarification and resolve the issue. If the issue is not resolved:
 - a. The Executive Administrator will contact the grantee/subgrantee and/or the County Manager, head of the State agency or a designee to resolve the issue.
 - b. If the discrepancy remains unresolved, the Executive Administrator will notify the Funding Committee Chair and SERC Co-Chairs and the proper course of action will be determined.
- D. Delinquent financial reports will be handled as follows:
1. 30 days past due – the grantee/subgrantee will be notified in writing.
 2. 45 days past due – the County Manager, head of the State agency or a designee will be contacted.
 3. 60 days past due – if the financial report remains delinquent the Executive Administrator will notify the Funding Committee Chair and SERC Co-Chairs and the proper course of action will be determined.
- E. Staff will audit and monitor all grantee/subgrantees each year; this shall include a combination of remote and /or site visits consisting of program and fiscal components. This shall include:
1. Program Monitoring:
 - a. An on-site review of the program will be performed. The goals and objectives of the grantee/subgrantee shall be reviewed to determine if the grantee/subgrantee is working within the scope of the project.
 - b. Staff will attend a grantee/subgrantee meeting to observe and provide technical assistance if needed.

- c. A written report of the monitoring trip will be completed, reviewed and approved by the Executive Administrator, and disseminated as follows:
 - i. One copy in the project file
 - ii. One copy to the grantee/subgrantee
 - ii. Verbal summary provided to the Funding Committee
 - 2. Financial Audit:
 - a. An on-site audit of the financial record and accounting practices will be performed by the SERC staff. This will include:
 - i. A visit to the financial office responsible for the public funds which are in that county or state agency.
 - ii. Review of the separation of funds.
 - iii. Review how the grantee/subgrantee determines costs applicable to the SERC grant.
 - b. A written report of the audit trip will be completed, reviewed and approved by the Executive Administrator, and disseminated as follows:
 - i. One copy in the project file
 - ii. One copy to the grantee/subgrantee
 - iii. Verbal summary provided to the Funding Committee
- F. If necessary, a follow-up documented discussion will be held within 60 days or as otherwise scheduled to ensure compliance and/or implementation of pertinent laws, regulations, rules and recommendations. If compliance and/or implementation have not occurred, the issues will be agendized at the next SERC meeting for further corrective action.
- G. Subgrantees receiving federal funds from the SERC are required to submit a copy of the independent Single Audit report to the granting agency. To save duplication, to ensure proper amounts reflected and to determine the effect, if any, findings may have on the administration of grants through this office. Findings, recommendations or concerns will be addressed appropriately with the grantee/sub-grantee. A memo will be placed in the grantee/sub-grantees file reflecting the review of the audit report and any subsequent action.
- H. The SERC recommends that each SERC member should attend a minimum of one LEPC meeting per year. When attending the meeting(s), the Commission member may participate in discussions relative to the SERC and its operation and help facilitate assistance for the LEPCs. Any potential needs for additional technical assistance will be submitted to staff to determine resources available and a plan/notation will be placed in the appropriate LEPC file. Staff will follow up on the recommendations of the Commission member and notify the SERC as appropriate.