

Financial Policies and Procedures

What Are Enhanced Programmatic Desk Reviews (EPDRs) and Site Visits?

Throughout the lifecycle of your Office for Victims of Crime (OVC) award, you will participate in periodic reviews of your grant management activities, including desk reviews, enhanced programmatic desk reviews (EPDRs), and onsite visits. The primary purpose of these reviews is to ensure that grantees use grant funds for authorized purposes and comply with the appropriate program guidelines, federal regulations, and terms and conditions of their award document.

Even if your entity has the strongest internal control system in place and thinks that a desk review or site visit may not be warranted, it is important to remember that this does not exclude your entity from being monitored. The federal awarding agency (OVC) conducts annual desk reviews of all grantees.

Therefore, routine desk reviews and site visits should be expected during the grant's lifecycle. At any point during the post-award phase of the grant cycle, recipients may also be subject to various monitoring activities. The most common financial monitoring activities are desk reviews and site visits.

Desk reviews, including **enhanced programmatic desk reviews (EPDRs)**, are focused examinations of the relevant documentation and financial systems surrounding a grant program and are intended to evaluate the recipient's capacity to manage their award. In addition, desk reviews can serve as a preliminary step before an actual site visit occurs and may or may not involve grantee participation.

- ◆ **Desk reviews** are typically conducted virtually by your Grant Manager and may or may not include grantee involvement. Every OVC award receives an annual desk review.
- ◆ **Enhanced programmatic desk reviews (EPDRs)** are also usually conducted virtually with the grantee's participation to follow up on any issues identified during the desk review, verify grantee activities, validate reported information, and assess the status of project implementation.

Site visits occur at the grantee's office or program location to review the grantee's capacity, performance, and compliance. Site visits give OVC the opportunity to visit with those implementing the award and access to their offices and facilities, documentation, financial records, physical assets, written policies and procedures, audit compliance records, and internal controls. Site visits are not only conducted with high-risk grantees—some site visits are conducted to check the recipient's progress on award implementation and compliance. OVC will work with the grantee to provide alternative options if there are scheduling or challenges with travel.

Grant Financial Management Requirement

Per [2 CFR 200.329 \(a\)](#), *"The non-Federal entity is responsible for oversight of the operations of the Federal award supported activities. The non-Federal entity must monitor its activities under Federal awards to*

assure compliance with applicable Federal requirements and performance expectations are being achieved. Monitoring by the non-Federal entity must cover each program, function or activity.”

Important Information to Know

OVC will typically focus on the following monitoring areas to ensure the recipient is compliant.

Financial Reports

Per [2 CFR 100.332 \(d\)](#), OVC is required to review all financial reports and costs incurred with drawdowns to ensure both sets of documentation align. In addition, the financial reports are reviewed for alignment with the proposed budget and, to the extent possible, compliance with federal cost principles.

Performance and Program Reports

Per [2 CFR 200.332 \(d\)\(1\)](#), OVC is required to review the submission of programmatic reports. The timelines for submission and frequency (usually quarterly or semi-annually) of the programmatic progress reports are defined in the terms and conditions of the award. OVC ensures that the programmatic reports are submitted on time and show how the recipient has carried out the grant. The program progress reports document that all program requirements are being satisfactorily fulfilled. In addition, the narrative program progress report is compared to the financial report to assess whether reported spending areas concur with the activities performed.

Administrative Requirements

OVC will examine the recipient’s compliance with all aspects of the [Uniform Guidance](#), program guidelines, and any additional administrative requirements placed on the award. It will also review the recipient’s administrative policies and procedures, including—

- ◆ **Internal controls.** Internal controls are the key controls, documented business processes, and policies and procedures governing business cycles involved in award execution. All staff administering the grant should know all internal controls within the entity. [See TFMC Internal Controls and Separation of Duties Guide Sheet.](#)
- ◆ **Accounting systems.** Sampling may be conducted, which involves testing transactions included in the financial reports. OVC may request expenditure source documentation like canceled checks, paid bills, and payroll. It is important that the grantee have a chart of accounts, an accounting manual, and a description of the accounting positions and related responsibilities available.
- ◆ **Allowability.** Written procedures for determining the allowability of costs will be examined. In addition, sample transactions in recent financial reports will be reviewed for documentation supporting each transaction’s compliance with internal policies and procedures and the requirements within [2 CFR 200.403](#) that costs are necessary, reasonable, and allocable to federal awards.

- ◆ **Procurement system.** OVC will most likely review a sample of procurements to ensure that the procurement requirements of [2 CFR 200.317](#) through [2 CFR 200.327](#) have been met. An example is finding evidence of adequate federal procurement competition, compliance with federal procurement thresholds, contract cost, and price analysis. [See TFMC Procurement Guide Sheet.](#)
- ◆ **Inventory process.** OVC may review the recipient's property management and inventory controls ([2 CFR 200.301](#) through [2 CFR 200.316](#)). Examples include the review of property management procedures, property records, equipment disposition procedures, and maintenance of the property. [See TFMC Inventory Management Guide Sheet.](#)
- ◆ **Audit resolution process.** OVC confirms any required audits and reviews a copy of the most recent audit report. If there are audit findings, OVC may request a copy of any corrective action plans submitted, records detailing the implementation of the corrective action plan, and/or records demonstrating resolution of the underlying concern.
- ◆ **Record retention.** OVC will confirm if the recipient has or follows any policies and procedures governing the retention of records and that those policies and procedures meet the minimum federal requirements ([2 CFR 200.334](#)). In addition, access controls on records may be examined to ensure records are only available to authorized personnel. [See TFMC Records Retention Guide Sheet.](#)

How This Applies to Your Grant

If your entity is selected for a desk review, EPDR, or site visit, it is critical to have the following documentation organized and readily available, as OVC may request it for review—

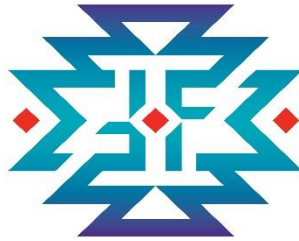
- ◆ Organizational charts
- ◆ Description of the accounting system and chart of accounts
- ◆ Copies of written policies and procedures
- ◆ Financial reports from the recipient's accounting system, supporting payment requests, and reported expenditures
- ◆ Employee handbook
- ◆ Current Negotiated Indirect Cost Rate Agreement (NICRA)
- ◆ Most recent single audit report (if applicable)
- ◆ Award conditions
- ◆ Records of payments and reported expenditures
- ◆ Evidence of budget or scope changes
- ◆ Records supporting actions required to address specific conditions
- ◆ Records of necessary prior approvals
- ◆ Results and status of audits or monitoring reviews that have been conducted on the award

For site visits, it is important that all staff working on the grant are available for the entrance and exit conferences or interviews, as OVC may have specific questions about the grant. For example, OVC may ask about the budget or expenditures. The grant program's Financial Manager needs to be present to answer those questions.

In the entrance conference, OVC and the grantee team will discuss the objectives of the site visit, business processes, and timeline and how grant-related documentation will be assembled for review. The exit conference allows the recipient to provide any additional input and begin correcting any findings. OVC will describe the corrective action and subsequent reporting process that will ensue if there are compliance issues or findings.

Resources

- ◆ [2 CFR 200—Cost Principles](#)
- ◆ [Department of Justice Grants Financial Guide](#)
- ◆ [TFMC Financial Policy and Procedures Guide Sheets](#)
 - ◆ [Inventory Management](#)
 - ◆ [Internal Controls and Separation of Duties](#)
 - ◆ [Procurement](#)
 - ◆ [Records Retention](#)
- ◆ Visit the [Tribal Financial Management Center](#) website at <https://www.ojp.gov/tfmc> to discover additional resources on various grants financial management topics.



The **Office for Victims of Crime Tribal Financial Management Center (OVC TFMC)** provides **training, technical assistance, and resources** to support American Indian and Alaska Native communities as they successfully manage the financial aspects of their federal awards. OVC TFMC also offers support via our Virtual Support Center (VSC) to Office for Victims of Crime (OVC) grantees and those seeking federal funding from OVC for the first time. **Email questions or requests for grant financial management technical assistance to TFMC@OVCTFMC.org** or call **703.462.6900**. Visit OVCTFMC.org for additional resources and information.

Feedback Requested

OVC TFMC will continually work to provide resources to support grantees as they successfully manage their OVC financial awards. Your feedback assists us in creating these resources to meet your needs. To help us provide the most useful resources, we would appreciate your feedback on this guide sheet. Please send any comments or suggestions to Evaluation@OVCTFMC.org.

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