

U.S. Department of Energy American Recovery and Reinvestment Act



Office of Energy Efficiency and Renewable Energy
Weatherization and Intergovernmental Program

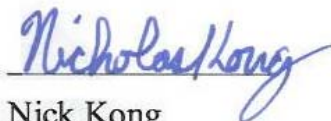
Appendix of Compliance Checklists

Monitoring Plan for
Weatherization Assistance Program
State Energy Program
Energy Efficiency and Conservation Block Grants

Revised: June 30, 2010



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Appendix of Compliance Checklists Change Record

Date	Section	Page	Revision Type	Description
June 30, 2010	9, 10	Page 26-28	Updates	Revised EECBG Desktop and Onsite Checklists
May 7, 2010	All	All	Additions and Updates	Added Monthly checklists for WAP, SEP and EECBG. Revised WAP Quarterly, SEP Quarterly, WAP Onsite, SEP Onsite and EECBG Onsite Checklists
March 3, 2010	All	All	N/A	Initial Publication

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1. Overview

This appendix supports the objectives and oversight structure put in place by the U.S. Department of Energy (DOE) Office of Energy Efficiency and Renewable Energy (EERE) in its 2009 American Recovery and Reinvestment Act (ARRA) Monitoring Plan and in its 2010 American Recovery and Reinvestment Act (ARRA) Monitoring Manual for the Weatherization Assistance Program (WAP), State Energy Program (SEP), and the Energy Efficiency and Conservation Block Grants programs (EECBG), all managed by the EERE Office of Weatherization and Intergovernmental Program (WIP). The general roles and responsibilities of the Project Officer, WIP Liaisons, and other staff are outlined in the 2010 ARRA Monitoring Manual.

As part of the original 2009 ARRA Monitoring Plan's structure, an initial set of checklists developed and used by Project Officers to gauge the compliance of Grantees in adhering to the statutes and regulations pertinent to the WAP, SEP and EECBG programs. These compliance checklists were restructured as part of this appendix on March 3, 2010. This restructuring allows for a separate approval process to be instituted for the checklists to address the higher expected frequency of updates to these compliance tools as the monitoring program matures and incorporates knowledge and experience from the field. The purpose of this appendix is to outline the change control process needed to amend the compliance checklists that are submitted to DOE Headquarters from Project Officers in the field.

This appendix also contains the most current compliance checklists in the DOE electronic grants management tool. The Compliance checklists include the WAP Monthly Desktop checklist, WAP Quarterly Desktop checklist, WAP Onsite checklist, SEP Monthly Desktop checklist, SEP Quarterly Desktop Checklist, SEP Onsite checklist, EECBG Monthly Desktop checklist, EECBG Quarterly Desktop checklist and the EECBG Onsite Checklist. Using these checklists, Projects Officers will:

- 1) Conduct Desktop and Onsite monitoring of WAP, SEP, or EECBG programs,
- 2) Submit the appropriate checklist (within the timeline specified by WIP) in the Grants Monitoring Module of the Performance and Accountability for Grants in Energy (PAGE) system. WIP,
- 3) Work with WIP and other resources to resolve issues identified from grants monitoring.

The authority of the change control process is established under the 2009 Monitoring Plan, as revised on March 3, 2010. Future changes to the 2009 Monitoring Plan will follow existing signatory concurrence process while changes to this document will require the signature of the Director of Field Performance Management and the Program Manager of WIP.

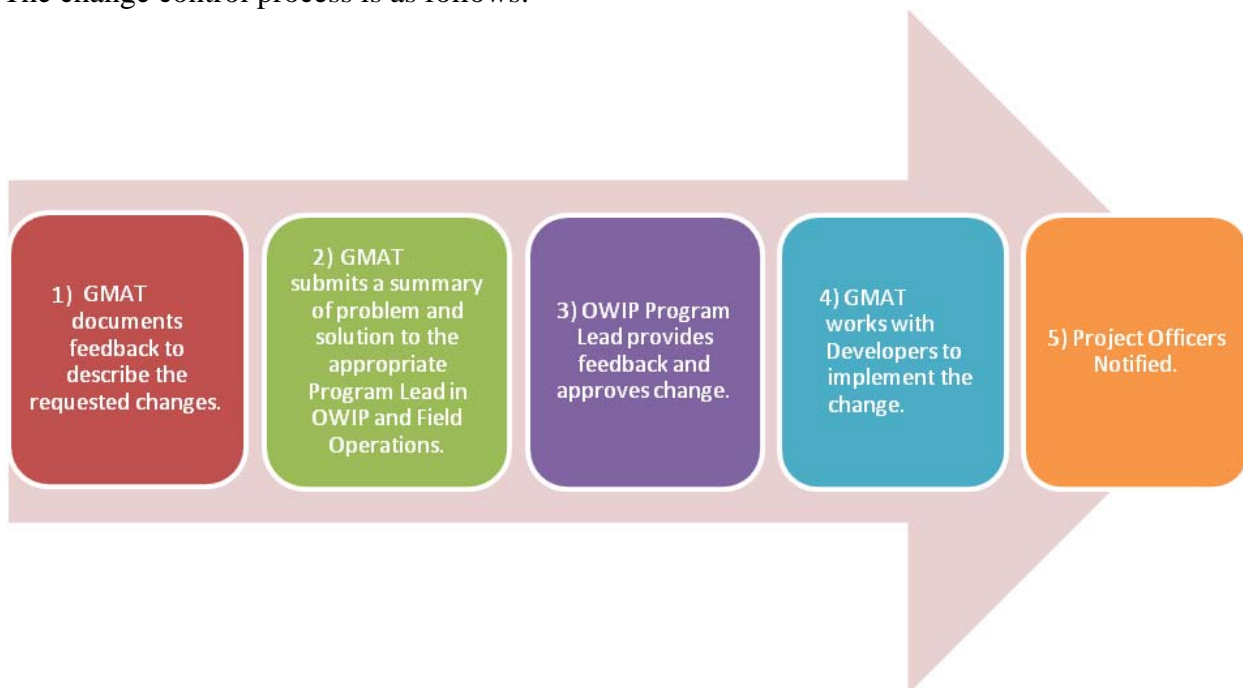
1.1. Change Control Process for Modifying Compliance Checklist

Periodically, Compliance checklists will require updates as Grantee monitoring matures. Changes will typically fall into two categories—non-substantive and substantive changes. Since these two types of changes have different impacts on the monitoring program, the time and attention given to each should be properly reflected in the change control process. The proper change control process must be followed in order to amend the compliance checklists. Currently, Project Officers access the checklists through the (PAGE) system. The team of individuals supporting the Grants Monitoring Module within PAGE, referred to as the Grants Monitoring and Analysis Team (GMAT), coordinates the change control process for the checklists.

1.1.1. “Non-Substantive” Change Control Process

Small, less impactful changes referred to as “non-substantive changes to the Compliance Checklists include modifications to the grammar, spelling, and the punctuation of the questions. Non-substantive changes also include modifying the wording of the question to clarify a question’s meaning or adding pre-approved guidance to questions in PAGE. The non-substantive configuration control process is meant to address what is considered to be minor changes in a documented but expedient way.

The change control process is as follows:



- 1) Incorporating feedback from the Field Offices and other DOE staff members, GMAT documents the small modifications necessary for the compliance checklists. The GMAT will also make recommendations on the resolution of the problems.
- 2) The GMAT will submit both the small changes and solutions to the WAP, SEP or EECBG Program lead (or appropriate designee) in WIP. The GMAT will also consult with Field Performance Management on these changes.

- 3) The appropriate Program Lead (or program designee) provides the necessary feedback and approval for these small changes. Field Performance Management is notified of the solution.
- 4) Working with the PAGE developers and through the internal HQ change management process, the GMAT will coordinate and implement the changes.
- 5) The GMAT will notify Project Officers of the change, as needed.

1.1.2. “Substantive” Change Control Process

Impactful changes to the Compliance Checklists referred to as “Substantive” changes will require a more involved and formal concurrence process as well as acceptance from the Director of Field Performance Management and the Program Manager of WIP. Substantive changes are defined as significant changes to questions where the intent and spirit of the question is altered. These substantive changes include re-ordering of the questions in the compliance checklist, altering the yes/no/NA/yes with a follow-up structure to the answers, addition of new questions, deletion of existing questions, and the merging of multiple questions.

The change control process is as follows:



- 1) Incorporating feedback from the Field Offices, Program Leads, Field Liaison and other DOE staff members, the GMAT documents the large changes necessary for the compliance checklists.
- 2) When necessary, the GMAT will coordinate a concurrence meeting between representatives from Field Performance Management and the WAP, SEP or EECBG Program Lead (or appropriate designee) from WIP. The Chief Financial Officer’s office will be made aware of the pending changes to the compliance checklists. Representatives from the CFO’s office may also submit their feedback for review during the concurrence meeting.
- 3) The concurrence meeting is held where all the feedback is reviewed. The GMAT will facilitate the concurrence meeting, documenting meeting notes and compiling the final

changes to the compliance checklist. All the participants of the concurrence meeting must approve the final resolution for changes to the compliance checklist.

- 4) Written approval of the final concurrence resolution must be obtained from the Director of Field Performance Management and the Program Manager of WIP. The GMAT will document the written approvals. The DOE Chief Financial Officer's office, the EERE Chief Operating Officer and the EERE Deputy Assistant Secretary will be made aware of the final changes.
- 5) Working with the PAGE developers and through the internal HQ change management process, the GMAT will coordinate and implement the final changes. WIP will be kept apprised of the progress and expected implementation of the changes.
- 6) When the final changes are implemented, Project Officers will be notified of the changes. Written guidance of the changes will be provided to the Project Officers so that they are trained on how to answer the questions. The GMAT will follow-up with any necessary training to ensure that Project Officers are fully instructed.

1.2. Feedback Procedures and Timelines

As outlined in the procedures above, the GMAT coordinates all checklist changes. Change Requests often come through the WIP program liaisons, but may also be originated by POs in the field or others. The GMAT may be contacted directly through email: AskGRASS@ee.doe.gov. All requests will be logged and addressed.

A non-substantive change may be turned around within one week, depending on the change required. However, some non-substantive changes may be documented and held until additional changes are needed. Typically, a lead time of a month is required for substantive changes. This allows the GMAT to ensure appropriate documentation and concurrence of all changes, in addition to allowing time for software development and testing within PAGE itself.

2. WAP Monthly Desktop Checklist Questions

- *1. In the previous month, did the grantee properly report on the following:
 - *a. ARRA expenditures.
 - *b. ARRA production.
 - *c. ARRA production by subgrantee.
- *2. Is the Grantee on schedule to meet their projected monthly dollars spent as reflected in their most recent baseline submission? Please enter comments below.
- *3. Is the Grantee on schedule to meet their projected monthly number of units weatherized as reflected in their most recent baseline submission? Please enter comments below.
- 4. Please provide any additional comments.

** Denotes a critical question*

3. WAP Quarterly Desktop Checklist Questions

The following question pertains to the Grantee's ability to follow the basic administrative requirements of WAP, and to ascertain whether they have submitted their required reports on time. The DOE Project Officer should compare items and activities in the reports received with those planned activities delineated in the Grantee Production and Expenditures Schedule (Schedule) and assess whether the Grantee is on track to fulfill the requirements of the ARRA grant.

- *1. Has Grantee submitted all required reports to DOE on time?
 - * a. ARRA Performance Progress Report (OMB 1512) (quarterly)
 - * b. Weatherization Assistance Program Report (DOE 540.3) (quarterly)
 - * c. Annual T&TA, monitoring, and leveraging report (DOE 540.4) (annually)
 - * d. Federal Financial Report (SF-425) (quarterly)

The following questions pertain to the Weatherization Assistance Program Report (DOE 540.3). The Project Officer should compare items and activities in the Program Report with those in the Grantee's Schedule to ascertain whether Grantee is meeting its goals, how well the Grantee is following its plan, and whether Grantee is on track to fulfill the requirements of the grant.

- *2. Did the Grantee meet the following projected quarterly performance targets for the reporting period?
 - *a. production
 - *b. monitoring
 - *c. training
 - *d. expenditures
- 3. If the projected quarterly performance targets were not met, did the grantee explain why they were not met and how the goals and objectives will be met in the future?
- *4. Do "Outlays by Function" appear to be in line with budgeted costs by "Function?" (Please see DOE F 540.3.)
 - a. If not, did the Grantee provide an explanation for variance?
 - b. Is the explanation reasonable?
- 5. If there are any changes in approach, did the Grantee provide reasons for the changes listed? (Note: Any significant changes to the objectives and scope require prior approval by the Contracting Officer.)
- *6. Is the Grantee estimating and reporting jobs created for each project and activity consistent with the requirements of OMB Guidance?
- 7. If there have been key personnel staff changes, please note those below.

The following question pertains to the Subgrantees.

- 8. Do all Subgrantees appear to be on-track with production? If the answer is no, please list those Subgrantees that are not on track and the actions taken by the Grantee to rectify that.

** Denotes a critical question*

4. WAP Onsite Checklist Questions

I. PRELIMINARY MATTERS

1. Have all issues identified during desktop monitoring or questions forwarded by NETL Financial or Procurement staff been resolved?
 - a. Have all previously identified issues determined during prior onsite monitoring visits been resolved?

II. PROGRAMMATIC AND ADMINISTRATIVE MONITORING

ORGANIZATIONAL STRUCTURES

Grantees:

- *2. Does the Grantee believe it has sufficient staffing to meet requirements and goals?
 - a. If not, has this been discussed with the management in charge of overseeing hiring decisions? Describe below how it is being resolved.
3. Are all Grantee personnel to be paid with grant funds listed on the Grantee's organizational chart?
4. Has the organizational structure changed since the structure in the state plan was submitted?
 - a. If so, has Grantee prepared and distributed an updated organizational chart?
5. Are key personnel performing the duties originally proposed (e.g. key personnel identified in the grant application)?

Subgrantees:

6. Is each Subgrantee a Community Action Agency, local government, or non-profit agency?

GENERAL ADMINISTRATION AND PROGRAM MANAGEMENT

Wage Determinations and Payroll

- *7. Have contracts been awarded to include the most recent wage determinations?
 - a. Have Subgrantees submitted DOL Form 1413 to the State Office?
 - b. Have contracts been amended due to changes in wage determinations?
- *8. Have Subgrantees submitted their weekly payroll records to the Grantee? Project Officer should review these payroll records during their onsite visit.
- *9. Does the Grantee have a system in place to review Certified Payrolls? Describe the system (i.e. in-house reviewers, contracted reviewers, software systems, etc.) used.
10. Has the Grantee submitted a Semi-Annual Davis-Bacon Enforcement report by the required deadline?

Private Resources

- *11. Has other State, Federal or private resources been leveraged to enhance the use of WAP funding?
 - a. If so, are leveraged funds being properly accounted for and reported?

Equipment

- 12. Are the vehicles/equipment/tools currently being used appropriate and adequate for the job to ensure cost-effective delivery of services?

Selection of Subgrantees

- 13. Is there a clear process for determining the selection of Subgrantees?

Record Keeping

- 14. Does the Grantee and its Subgrantees maintain sufficient records to accurately identify homes that are eligible for reweatherization?

Plan Development:

- 15. Is there a process in place to ensure Quality Assurance is implemented and measured correctly?
- 16. Is the rationale used for planning future program production and expenditure levels based on future allocation?
- 17. Is there a standard method for determining Per Unit Average?
 - a. Is the split between program operations and administrative costs identified?

Eligibility

- 18. Who determines income eligibility of applicants? Please explain the process provided to Subgrantees on the procedures they must follow.
- 19. What are the priority criteria for serving eligible applicants? (High energy users, high energy burden, elderly, physically challenged, etc.)
 - a. Is this different than what is included in the State Plan?
 - b. Do the reports generally reflect the stated priorities?

Policy Advisory Council (PAC):

- 20. Please explain the composition of the PAC:
 - a. Is there an established length of service?
 - b. Is there a standard procedure for council membership renewal?
 - c. Does it meet the minimum requirements laid out in 10CFR440?
- 21. Does the PAC have a procedure for reviewing the State Plan?
 - a. Do they provide any input?

- b. Does the PAC provide any other recommendations to the program during the course of the year?
- 22. Has the PAC been involved in major policy decisions in the past year?
- 23. Does the PAC have regularly scheduled meetings?
- 24. Are minutes from the last meeting available?

Implementation:

- 25. Does the Grantee hold regular meetings with the Subgrantee?
- 26. Do the local agencies receive funds from more than one funding source for Weatherization activities?
- 27. Are other funds expended separately or in conjunction (such as in the same house) with the DOE Program?
- 28. Does the Subgrantee account for different funding sources by unit?
 - a. By measure?

Feedback and Reporting:

- 29. Are information and database systems in place that have the capacity to handle Recovery Act reporting requirements?
- 30. Is the Grantee ensuring accurate Sub-recipient reporting into Federalreporting.gov either by delegating reporting authority or by using an agreed upon reporting process for input by the Grantee?
- *31. Has the Grantee/Subgrantee missed one or more reporting deadlines? If so, please describe the steps Grantee has taken to correct the problem?

Job Creation

- 32. Is the way the Grantee/Subgrantee is reporting job creation consistent with the requirements of OMB Guidance for the Recovery Act?
 - a. Is the Grantee/Subgrantee using the revised OMB jobs calculation formula?

Rental Property:

- 33. Are rental units being weatherized under the DOE Weatherization Grant?
 - a. If so, is cost participation requested and/or required?
- 34. Does the Grantee have controls in place to ensure that undue enhancement of rental properties is not taking place?
- 35. Is there a standard rental agreement in place at the Grantee level for use state-wide?
 - a. If not, are there individual local Subgrantee agreements in place?

TECHNICAL MANAGEMENT AND IMPLEMENTATION***Energy Audits:***

- 36. Is there a DOE- approved energy audit or priority list in place for the following types of units?

- a. Single Family Units?
 - b. Mobile Homes?
 - c. Multi-Family Units?
37. Is the appropriate energy audit or priority list being followed?
- *38. Are procedures in place to ensure that energy auditors are qualified (e.g. certification or number of required training hours) before hiring or within a certain period after employment?

Field Work:

39. Does the Grantee have controls in place to ensure that all units are inspected prior to the Subgrantee submitting them as completed units?
40. Are there requirements in place that document the completion of the inspections and who performed them?
41. Are there processes and procedures in place if an inspector finds work that needs to be re-done or corrected?

Health and Safety:

- *42. Is the Grantee monitoring implementation by the Subgrantees of the Health and Safety requirements, including lead safe weatherization, outlined in the State Plan??
43. Have all required Grantee and Subgrantee staff received the required health and safety training, including lead safe weatherization (LSW)?
- *44. Does the Grantee require that Subgrantees have Pollution Occurrence Insurance (POI)?

MONITORING

Grantee Monitoring

45. Does the Grantee have a field guide or program standards document that describes how work is to be performed in the field? (Project Officers will review the guide as compared to all DOE requirements and describe any deficiencies if they exist.)
46. Is the Grantee monitoring the work performed against this guide to ensure compliance and quality of workmanship?
47. If work practices are deemed non-compliant or of poor quality, does the Grantee have a process for corrective action?
- *48. Is the Grantee monitoring at least 5% of weatherized units annually?
- a. Does the Grantee appear to be on schedule to meet their stated goal as represented in their state plan?
49. Is the Grantee regularly conducting comprehensive (fiscal/administrative) onsite monitoring of Subgrantees? Please provide a schedule of the most recent monitoring visits and reports.
- a. Is it consistent with the State Plan?
- *50. Does the monitoring guide cover all areas found in the Subgrantee's contract, the Grantee's plan and financial/operations manual, and all applicable Federal regulations and program guidance documents?

- a. Does the Grantee monitor Subgrantees in accordance with the monitoring guide?
- 51. Are the current contracts and any amendments between the Grantee and Subgrantees signed and properly executed by both parties, and present in the Subgrantee master file? Please obtain a copy of a Subgrantee contract.
- *52. Is the Grantee following up in an appropriate and timely manner on issues, identified in their monitoring of Subgrantees' reports?
- 53. Does the Grantee monitor client education activities of Subgrantees?
- *54. Are sanctions being imposed upon Subgrantees that fail to comply with program requirements? Please provide details.
- 55. Are there procedures in place for the Grantee to ensure that Subgrantees maintain adequate documentation and monitoring of personnel issues such as timesheets, time allocations, and leave, etc? Please describe.
- 56. Are there currently any Subgrantees that are considered at-risk or pose potential problems for the Grantee? If yes, summarize the issues and Grantee's actions to resolve.

TRAINING AND TECHNICAL ASSISTANCE (T&TA)

- 57. Do Subgrantees report all training completed, and any certifications received or renewed, by crew members and contractor staff to the Grantee? If yes, review grantee training records.
- 58. Does the Grantee have a method to determine the T&TA needs of Subgrantees?
 - a. Once those needs are determined, does the Grantee have a method for allocating T&TA funds?
- 59. Does the Grantee have controls in place to ensure that its Subgrantees receive adequate training in all of the following areas?
 - a. Technical Training?
 - b. Program Management Training?
 - c. Procurement Training?
 - d. Sub-contracting Training?
 - e. Inventory Control Training?
 - f. Health and Safety?
 - g. Davis-Bacon compliance?
- 60. Are the T&TA activities that were described in the State Plan occurring?
- 61. Are there issues or barriers that hamper Grantee's attendance at DOE training conferences and workshops? If yes, please list the barriers below.

WASTE, FRAUD, AND ABUSE

- 62. Has the Grantee put controls on the Subgrantee for the prevention of waste, fraud, and abuse?
- 63. Do any Subgrantees have for profit subsidiaries involved in fulfilling WAP services or materials?
- 64. Do any Subgrantees have incentive pay programs for Energy Auditors or inspectors?
 - a. Does the Grantee monitor these controls?

65. Do the Grantee and Subgrantees have internal compliance and ethics programs that encourage the recognition and reporting of fraud, waste, or abuse?

SUCCESS STORIES

66. Does the Grantee have any best practices to share?
67. Does the Grantee report success stories to DOE?

III. FINANCIAL MONITORING

68. Are personnel policies on job classifications, time and attendance, leave and overtime established in writing and distributed to employees?
- *69. Is there an established process for determining whether costs incurred by staff are allowable? Please describe the process below.
- *70. Do the work hours estimated in the Grantee's State Plan match the actual hours spent working on the Program? If there is a discrepancy, please explain.
71. Does the Grantee have a written financial operations manual?
a. Has the manual or an appropriate link to it on a website been provided to NETL?
- *72. Does the Grantee's written financial operations manual contain adequate control information addressing:
*a. Segregation of duties?
*b. Accounting standards and practices?
*c. Procurement and payment procedures?
*d. Approval authority?
*e. Record keeping requirements?
- *73. Does the Grantee have a system for comparing expenditures to budgeted amounts? If so, please describe.
- *74. Is the Grantee's financial management system capable of tracking and reporting Recovery Act funds separately from leveraged/other funds?
- *75. Does the Grantee use periodic financial reports as a management control tool? Please identify the type of reports and frequency.
76. Are financial audits (e.g., A-133 and state audits) completed on a regular basis?
a. Is there a specific person tasked with conducting the audits?
77. Is an A-133 Single Audit required?
a. Does the Grantee know their organizational responsibilities for A-133 Single Audits concerning their Subgrantees?
78. Is the WAP Grant specifically reviewed in the audit?
- *79. Is there a system in place that tracks Grantee audit findings, recommendations, and corrective actions?
80. Have all outstanding financial audit findings that may apply to or impact WAP been resolved?

Payroll and Personnel:

81. Does the grantee have a system and/or written procedures in place for complying with the Recipient Functions for Davis Bacon?

Equipment:

82. Does the Grantee have a master inventory list of vehicles and equipment purchased with DOE WAP funds?
- *83. Are there written procedures covering the inventory, maintenance, and disposition of vehicles/equipment? Please obtain a copy of the procedures.
- *a. Has a physical inventory of equipment been taken and do the results reconcile with the property records?
- *84. Are there safeguards in place to ensure that vehicle/equipment costs are charged to the appropriate program (and category)?
85. Are all vehicles/equipment purchased with WAP grant funds used only for the WAP (i.e. fulltime use)? If not, please explain how vehicles will be used for non-program purposes (i.e. part time use). (It should be clearly documented and reviewed by Project Officer how costs are split among programs).

Vendors

86. Does the Grantee/Subgrantee have a system in place to identify vendors who are receiving more than \$25,000 of Recovery Act funds annually?
87. For any vendor receiving more than \$25,000 in Recovery Act funds, has the Grantee/ Subgrantee properly reported the vendor's identity by reporting a DUNS number or name and zip code for the vendor's headquarters?
- *88. Does the Grantee/Subgrantee maintain details and documentation of all payments to the vendor, and descriptions of what was obtained for services rendered by the vendor?

Materials and Supplies

- *89. Is the Grantee ensuring that their purchasing procedures and the Subgrantee's purchasing procedures are compliant with "Buy American"? (Please note that "Buy-American" only applies to the Recovery Act and to public buildings and public works.)
- a. Are records kept at the Grantee office?

Procurement:

90. Does the Grantee's procurement process clearly separate duties as they pertain to WAP procurement activities? (Bid process/Bid selection, purchase authorization, etc.)
- a. Does the grantee monitor the separation of duties of the Subgrantee's procurement process?
91. Is the Grantee/Subgrantee following the State's procurement standards?

92. Do the procurement standards address and/or include procedures for sole source procurements?
- *93. Does the Grantee understand the vehicle purchase procurement process?
 - a. Are they correctly following that process as outlined by DOE?
94. When subcontractors are used, does the Grantee review the procurement bid packages and specifications for work?
95. Does the Grantee review procurement of Subgrantee's contractors to ensure full and open competition?
96. Does the procurement process specifically address purchase procedures?
97. Are efforts made to ensure fairness in bidding and contracting procedures with small businesses, women-owned firms, and minority-owned firms, pursuant to Federal law?
- *98. Do procurement procedures provide cost controls to avoid unnecessary or duplicative purchases?
99. Do procurement procedures provide cost controls to obtain the most economical purchase?
- *100. Do procurement procedures analyze lease versus purchase alternatives?
101. Does the process provide transparency in reporting what was purchased?
 - a. Are Grantee award documents readily available to the public?

Record Retention:

102. Are there established procedures to ensure that records will be retained for at least three years after closeout of the grant?
103. Are records properly disposed of at the end of the retention period?

**** - Denotes Critical Question***