

SPECIAL ACKNOWLEDGEMENTS

The Review Team extends our thanks and appreciation to Keith Flynn, Commissioner of the Vermont Department of Public Safety (VDPS) and the Governor's Representative for Highway Safety, for taking time to discuss the progress of the management review and for his interest in the Final Report.

Also, we thank other key management officials within the State who took part in discussions during the review, specifically Ted Minall, Chief of the Governor's Highway Safety Program (GHSP) and Joanne Chadwick, Director of Administrative Services, VDPS.

Finally, we thank Ms. Sue Aikman, Highway Safety Program Coordinator, and all the dedicated staff in the GHSP as listed in Section ~~who~~ provided the necessary documents, information and facilities that enabled the team to complete the management review on time.

REPORT CONTENT

<u>SECTION</u>	<u>Page</u>
<u>Executive Summary</u>	1
<u>Summary of Commendations, Management Considerations and Findings</u>	2
<u>Conclusions</u>	2
<u>I. Purpose</u>	3
<u>II. Authority</u>	3
<u>III. Scope</u>	4
<u>IV. Review Participants</u>	7
<u>V. Status of Open Required Actions from Previous Review</u>	8
<u>VI. Commendations, Management Considerations, Recommended Actions, Findings and Required Actions</u>	8
<u>A. Organization and Staffing</u>	10
<u>B. Program Management</u>	10
<u>C. Financial Management</u>	12
<u>Appendix A. Projects Selected for Detailed Examination</u>	30
<u>Appendix B. Expenditures and Carry Forward</u>	33
<u>Appendix C. State Response</u>	34

National Highway Traffic Safety Administration
Region 1
Management Review
of the
State of Vermont
Department of Public Safety
Governor's Highway Safety Program

SUMMARY OF COMMENDATIONS, MANAGEMENT CONSIDERATIONS AND FINDINGS

The following summarizes the commendations, management considerations and findings identified during the MR. Section VI of this report gives details of each item and any associated action.

Organization and Staffing

Program Management

- B-1 Use of Logic Models - *Commendation*
- B-2 Expanding Partnerships – *Commendation*
- B-3 Project (Grant) Agreements – *Finding*
- B-4 Missing Subgrant Certifications – *Finding*
- B-5 Lack of Policies and Procedures – *Management consideration*

Financial Management

- C-1 State Match – *Finding*
- C-2 Employee Personnel Activity Reports (PC /c5212(g)-7()-1(hi)-2(ps)-1(Tw 10.4671ne)4(i4

National Highway Traffic Safety Administration
Region 1
Management Review
of the
State of Vermont
Department of Public Safety
Governor's Highway Safety Program

Fiscal Years 20092010, 2011 and 2012

I. PURPOSE

This MR was conducted to improve and strengthen the State of Vermont highway safety program. The goal is to ensure efficient administration and effective planning, programming, implementation and evaluation of programs that have potential for saving lives. Also, the review il (i)-2

Section 1200.25 of Title 23, CFR provides that:

“If a review of the Annual Report required under § 1200.33 of this part or if other relevant information indicates little or no progress toward meeting the State goal, the approving Official and State officials will jointly develop an improvement plan. This plan will detail strategies, program activities, and funding targets to meet the defined goals.”

The NHTSA Associate Administrator of Injury Control Operations and Resources (now referred to as Regional Operations and Program Delivery

The MR was initiated on May 21, 2012 with a briefing by the NHTSA review team for Mr. Ted Minall, Chief of GHSP, and the GHSP staff. This briefing addressed the purpose of and authority for the MR, the review process, and the timetable for completing the review report.

On May 22, at the request of the GHSP Chief, the Team provided a similar briefing for Joanne Chadwick, Director of Administrative Services, Vermont Department of Public Services (VDPS) and staff of the Grants Management Section. This briefing led to a discussion of several issues including documentation of State match and project agreements that are addressed in Section VI

As part of the review, the team documented the use of grant funds awarded to the State under SAFETEA-LU. Also, the team made a determination about the eligibility of the funded activities and projects reviewed, based upon the implementing regulations for each grant program. The team attempted to review documents from fiscal years 2009 through 2012. However there were few documents available for review for FY 2009, FY 2010, and a portion of FY 2011 due to floor-related damages to the GHSP building and records destroyed by Hurricane Irene August 2011. The State was successful in salvaging and/or reconstructing some of the grant documents and transferring them to electronic files (PDF documents).

At the conclusion of the MR on-site visit, on May 0 Tw y 0L.8w 6.492(n). 0 t the 0 TMN b-4(71(i)-2(t)-2

- x 40 Percent Local Benefit
- x Planning and Administration
- x Program Management Costs
- x Time and Attendance
- x

IV. REVIEW PARTICIPANTS

The Region thanks all those who took part in the review, in particular:

- x Keith W. Flynn, VDPS Commissioner and Governor's Highway Safety Representative
- x Ted Minall, Chief, GHSP
- x Sue Aikman, Highway Safety Program Coordinator, GHSP
- x Anne Liske, Highway Safety Program Coordinator, GHSP
- x Betsy Ross, Public Information Officer, GHSP
- x Corinne Stridesberg, Administrative Assistant, GHSP
- x Tom Fields, Law Enforcement Liaison, GHSP
- x Joanne Chadwick, Director of Administrative Services, VDPS
- x Tracy O'Connell, Director of Grants Management, VDPS
- x Flora Lamson, Grant Management Specialist, VDPS
- x Allison LaFlamme, Grant Management Specialist, VDPS
- x Marie Haywood, Account Audit Analyst, VDPS
- x Lt. John Flannigan, Commander, Traffic Safety Unit, Vermont State Police

Management Consideration

A determination that one or more areas ~~is~~ review may be in need of more progress or improvement and, if improved, have the potential to improve the State highway safety program's overall efficiency and effectiveness.

Recommended Action

A recommended approach based on a management consideration which has the potential to improve program efficiency and effectiveness. Since recommendations ~~do not~~ concern non-compliance issues, but rather fall into the good business practice realm, the State is not obligated to carry out proposed remedies.

Recommended Action Tracking Form (RATF)

A document developed by NHTSA with input from the SHSO that identifies:

- x actions to address management considerations set forth in the Management Review Final Report;
- x tasks (by the SHSO and the NHTSA) to complete the actions
- x target dates for finishing each task, and;
- x progress of each recommended action based on ~~an~~ ~~annual~~ ~~followup~~ with the SHSO by NHTSA.

The Regional Office *will* track all recommended actions listed in the MR Final Report.

Commendation

A recognition of strong effort(s), best practices or exemplary performance.

High Risk Grantee

A grantee or subgrantee determined by the awarding agency to:

- x have a history of unsatisfactory performance;
- x be financially unstable;
- x have a management system which does not meet the management standards set forth in 49CFR §18:12;
- x not conform to terms and conditions of previous awards, or;
- x be otherwise not responsible.

A. ORGANIZATION AND STAFFING

None

B. PROGRAM MANAGEMENT

Commendation B -1. Use of Logic Models

A logic model is a tool that represents how an activity is to produce results. Logic models can be used for all stages of an activity including planning, implementation and evaluation. The model

FY 2012 Department of Public Safety DRE Regional Training Project #1112-2010 \$36,956.31
of Section 410 funds has been expended to date;

In

documentation in the files to account for these discrepancies in reporting, or documented efforts by program staff to obtain missing reports. Because of these inconsistencies in reporting, it is difficult to determine if a subgrantee is demonstrating progress and/or meeting the requirements outlined in their grant agreement. Finally, no trip reports following project-related travel were completed and included with project documentation.

A well laid out policy and procedures manual has a number of potential benefits that can be used to:

- a. orient new staff members as well as set job standards and expectations for those staff members
- b. provide continuity and consistency in decision making processes;
- c. provide a method to assess projects/programs to ensure needs are met; and,
- d. avoid conflict and the potential for misunderstanding with subgrantees.

The Governors' Highway Safety Association (GHSA) has developed comprehensive model policies and procedures for use by State highway safety offices when developing or revising their procedural handbooks. Also, the Region is able to provide several examples of other states' procedural guides to the GHSP for emulation.

Recommended Action B-5a

The GHSP should immediately begin developing written policies and procedures for the federally funded highway safety program, using the GHSA model as a reference.

Recommended Action B-5b

When developing the policies and procedures, subgrantee monitoring should be adequately defined, striving for uniformity in the application of the procedures for State and local subgrantees. The procedures should define selection criteria (based on relative risk, financial and programmatic project factors) as well as frequency type (desk, phone, on-site, etc.) documentation, and follow-up (including corrective actions). The State may want to consider extensive use of the LEL by tasking him with also monitoring State Police and local enforcement agencies.

Recommended Action B-5c

When developing the policies and procedures, subgrantee reporting should be well defined to specify expectations for frequency, detailed content, and quality. These reporting templates should be included in each grant agreement and reviewed with subgrantees.

Recommended Action B-5d

Following the development of the procedures, the GHSP should train and familiarize GHSP staff (and any others tasked with monitoring activities such as LEL) with the procedures to ensure they are uniformly applied and adhered to by all staff. The new procedures should be used to brief subgrantees during the GHSP's annual subgrantee training.

C. FINANCIAL MANAGEMENT

Finding C-1. State Match

NHTSA Order 4626C 4:

“Matching Rates for State and Community Highway Safety Program, BASIC RATE. Section 120(b), as amended, states that the “Federal share payable shall not exceed 80 percent for obligations incurred on or after December 18, 1991, except for those States that elect to participate in the sliding scale rates discussed in Section 5, below. The Federal share payable shall be computed on the basis of total program costs reported on the Highway Safety Program Cost Summary (HS-217), with the exception of Planning and Administration (P&A) obligations which shall be matched 50 percent Federal/50 percent State or Local funds for costs attributable to the P&A functions.”

NHTSA’s Grant Funding Policy, based upon the respective regulations, defines match requirements:

Section 408

- o Federal share is not to exceed 80 percent.

State match of Section 408 funds must be traffic records/information systems related expenditures.

Sections 405 & 410

- o Federal share is not to exceed 75 percent the first and second years.
- o Federal share is not to exceed 50 percent the third and fourth years.
- o Federal share is not to exceed 25 percent the fifth year and beyond (where applicable).

State match of Section 405 grant funds must be eligible occupant protection related expenditures.

State match of Section 410 funds must be eligible impaired driving related expenditures.

Section 2011

- o Federal share is not to exceed 75 percent the first, second, and third years.
- o Federal share is not to exceed 50 percent the fourth year.

State match of Section 2011 funds must be eligible child passenger safety related expenditures.

This finding is carried over from the FY 2009 MR. During the site visit VDPS Administrative Services personnel and GHSP staff confirmed that they did not have documentation at that time to demonstrate compliance with the match requirements for Sections

402, 405, 408, 410, and 2011 for FY 2009, FY 2010, and FY 2011. Although final vouchers were submitted by the State to NHTSA each fiscal year with a minimum match claimed. During our meeting with VDPS and GHSP officials, we suggested possible sources to demonstrate eligible and sufficient match. During the exit briefing, State officials presented the Team with lists that

signed by the employee or supervisory official having first-hand knowledge of the work performed by the employee.

employees who work and time is billed to multiple grant programs, the State must continue to use PARs or equivalent documentation.”

Required Action C -2a

The State must immediately comply with 2 CFR Part 225, Appendix B, 8.h by completing certifications, PARs or equivalent documentation for all federally-funded positions and ensure that all timekeeping documents are auditable and accurate.

Recommended Action C -2b

Since this regulation applies to subgrantee also, the GHSP must review all subgrantee files to determine their compliance with timekeeping and take corrective action as appropriate.

Finding C-3. Incorrect Charging and Coding of GHSP Staff Expenses

23 CFR §1252.2 (d) states:

“Planning and administration (P&A) costs are those direct and indirect costs that are attributable to the overall development and management of the Highway Safety Plan. Such costs could include salaries, related personnel benefits, travel expenses, and rental costs. (e) Program management costs are those costs attributable to a program area...”
NHTSA’s Grants Funding Policy also states, “As outlined in 23 CFR 1252, Costs include salaries and related personnel benefits for the Governors’ Representatives for Highway Safety and for other technical, administrative, and clerical staff for the States’ Highway Safety Offices. P&A costs also include other office costs, such as travel, equipment, supplies, rent and utility expenses necessary to carry out the functions of the States’ Highway Safety Offices.”

During our review of payroll files and time and attendance records of federally-funded VDPS and GHSP employees, we found that several employees are being charged to what appear to be inappropriate accounting codes. Examples are listed below:

t 2(na)6(ff)49 -1.14 Td4 Tw -36.44 0(d peG.(s)-1(F)-2(e)412)G/ -0.002 Tw 12.9)Tj %d5s(2(na))-2

- x The GHSP administrative assistant position is being charged to Section 402TR, though her duties are not Traffic Records related
- x The GHSP public information education office time is being charged to 402CP with no evidence of working or monitoring community traffic safety projects.
- x 100% of a GHSP Program Manager's time is being charged to 402TR, but most of this staff member's time is devoted to child passenger safety and public information.

Required Action C -3a

The State must make immediate corrections to the Time Report forms (PARs and certifications), and to all payroll documents to ensure that GHS staff and its subgrantees are appropriately

inventory. After research by VDPS staff, we were informed that "Our query did not pick up this

Non-profit subgrantees would normally be governed by 2 CFR 230 (OMB Circular 122), but for indirect cost rate plans, the US Department of Health and Human Services has determined that 2 CFR 225 will apply as noted below:

“While the regulations do not address your common problem directly, state agencies subgranting to a nonprofit, 2 CFR 225 does prescribe the solution we give nonprofits which subgrant to nonprofits. It says “Where a local government only receives funds as a sub-recipient, the primary recipient will be responsible for negotiating and/or monitoring the sub-recipient’s plan. Because the non-profit sub-grantee clearly does not qualify for obtaining a Federal indirect cost rate agreement, if the SHSO wishes to reimburse it or any other subgrantee, governmental or nonprofit, which otherwise cannot obtain a federal indirect cost rate agreement, it would have to negotiate and/or monitor the sub-recipient’s plan.” 2 CFR 225, Appendix E, Sections C and D ... provide guidance on allocation of indirect costs and determination of indirect cost rates, and submission and documentation of proposals.”

2 CFR Part 225, Appendix E, Section E 1 states,

“Indirect cost rates will be reviewed, negotiated, and approved by the cognizant Federal agency on a timely basis. Once a rate has been agreed upon, it will be accepted and used by all Federal agencies unless prohibited or limited by statute. Where a Federal funding agency has reason to believe that special operating factors affecting its awards necessitate special indirect cost rates, the funding agency will, prior to the time the rates are negotiated, notify the cognizant Federal agency.”

The Team located two projects in which GHSP is reimbursing the subgrantee for indirect costs:

- x Non-profit Local Motion (Project 1112-068, Safe Streets Collaborative) this project budgeted \$11,147 for indirect costs out of a \$45,000 grant which represents 2 percent indirect cost rate. A cost allocation plan was not reviewed/monitored by the GHSP.
- x Vermont Department of Labor (Project 1112-1063): \$7,857 budgeted for indirect costs out of a \$47,500 grant, representing 19 percent. Although there are documents in the file related to indirect costs we were unable to locate the indirect cost rate approval letter.

The Team requested the documentation from V, DRS VDPS Grant Management personnel is attempting to locate/collect documentation.

Recommended Action C -5b

The State should develop procedures and a checklist to ensure that all appropriate documentation validating indirect cost rates is contained in the project file or quickly accessible by VDPS prior to reimbursing a subgrantee for indirect costs.

Finding C-6 . Questioned Expenditures - Child Passenger Safety Program

According to 49 CFR 18.20 (a), (2), (1)(2)(5),

(a) A State must expand and account for grant funds in accordance with State laws and procedures for expending and accounting for its own funds. Fiscal control and accounting procedures of the State, as well as its subgrantees and cost-type contractors, must be sufficient to—

(2) Permit the tracing of funds to a level of expenditures adequate to establish that such funds have not been used in violation of the restrictions and prohibitions of applicable statutes.

(b) The financial management systems of other grantees and subgrantees must meet the following standards:

(1) Financial reporting. Accurate, current, and complete disclosure of the financial results of financially assisted activities must be made in accordance with the financial reporting requirements of the grant or subgrant.

(2) Accounting records. Grantees and subgrantees must maintain records which adequately identify the source and application of funds provided for financially-assisted activities. These records must contain information pertaining to grant or subgrant awards and authorizations, obligations, unobligated balances, assets, liabilities, outlays or expenditures, and income.

(5) Allowable cost. Applicable OMB cost principles, agency program regulations, and the terms of grant and subgrant agreements will be followed in determining the reasonableness, allowability, and allocability of costs.

In the review of the FY 2011 and FY 2012 project files for the CPS program with FAH, C(ant)-2(gs)1()
YB(os)-lowne(o

- x Professional services/salaries paid with insufficient description of activities to justify hours claimed: \$16,524.02
 - o Jan 2011: \$4,529.44
 - o Feb 2011: \$3,067.74
 - o April 2011: \$4,571.80
 - o May 2011: \$4,355.04
- x Unexplained Travel: \$6,815.48
 - o Jan 2011: \$500.00
 - o March 2011: \$4,112.15
 - o May 2011: \$1,858.53
 - o August 2011: \$344.80

Note: Nearly \$7,000 in travel costs sent people to four out-of-state conferences. There were no descriptions in the project file that outlined the purpose of the conferences or demonstration that the travel was related to CPS. Moreover, there was an event that took place at a hotel located in Burlington, Vermont on April 26, 2011 that included \$506 for lodging FAHC employees FAHC is also located in Burlington. Although the FAHC staff are not State of Vermont employees, the State of Vermont Agency of Administration, Bulletin No. 3.4, Reimbursement for Travel Related Expenses, does state, "If an employee is required to be away from his/her official duty station and is also required to work at least five (5) hours, including travel, beyond his/her normal work day, lodging expense will be allowed provided the work place is at least forty (40) miles from the employee's home". The file did not contain an agenda or information as to purpose event nor justification to provide lodging to staff whose duty station is in same city

- x Unexplained Food: \$5,478.43
 - o March 2011: \$205.71
 - o April 2011: \$155.95
 - o May 2011: \$5,116.77
- x Gifts for CPS Technicians: \$3,489.31 (Feb 2011)
- x Items that were not approved in the grant agreement:
 - o School bus: \$101.91 (April 2011)
 - o Awards: \$939.53 (April 2011)
 - o Individual contractors: \$8,492.47

Note: According to the Grant Agreement, 15. *Subagreements* the subgrantee "shall not assign, subcontract, or subgrant the performance of his Agreement or any portion thereof to any other Party without the prior written approval of the State. Party also agrees to include all subcontract or subgrant agreements and a tax certification in accordance with paragraph 11 *Close*" pre-approvals of contracted services and executed contracts were not included in the project files. Moreover, the following subgranted services were unaccompanied by requisite receipts, products, or activity descriptions.

- o Jan 2011: \$5,222.21
 - o Feb 2011: \$1,829.26
 - o April 2011: \$1,441.00
 - o Costs claimed with no receipts or description of activity: \$48.00 (April 2011)
- GRAND TOTAL for FY 2011: \$41,889.15

FY 2012

Project #: 02140-1112-6000 (grant amount: \$189,974)

Project #: 02140-1012-6219 (grant amount: \$110,026)

- x Professional services/salaries paid with insufficient description of activities to justify hours claimed: \$30,328.00 (402)

Note: This includes a lack of documentation to justify hours claimed by ~~virtual~~ and part-time/contracted employees, questionable activities performed by the subgrantee, and/or the appearance that GHSP reimbursed the subgrantee for ~~on the site~~ activities billed to the S.2011 grant

(cross reference all FY12 S.402 and S.2011 invoices and subgrantee reports)

- o Oct 2011: \$7,581.84
 - o Nov 2011: \$15,622.85
 - o Dec 2011: \$4,446.88
 - o Jan 2012: \$2,676.43
- x Mileage claimed when SUV was available: \$457.23 (402)
 - o Nov 2011: \$172.05
 - o Dec 2011: \$176.70
 - o Jan 2012: \$108.48
 - x In-state lodging expenses: \$86.90 (402-Nov. 2011)+\$457.90 (2011-Jan. 2012)
 - x Costs claimed with no receipts or description of activity: \$39.10 (2011-Dec. 2011)

GRAND TOTAL: \$31,369.13**

**These questioned costs appear on invoices submitted between October 2012- January 2012.

On July 12, 2012 following several conversations with the GHSP, a letter was sent to Commissioner Flynn Flynn requesting that the GHSP cease ~~grant~~ activities managed by FletcherAllen Health Care (FAHC) until NHTSA and the GHSP jointly determine the eligibility of personnel, travel, and other costs listed above that were reimbursed dur~~ing~~ ~~2011~~ FY and FY 2012.

On July 24, the following terms were issued to the GHSP, and reviewed with both the GHSP and VDPS Financial Services team on July 25, 2012:

Regarding FAHC requests for reimbursement for any expenditures from January 2012 through July 2012 (time period from the last invoice submitted at the time of the MR to the date of the 7/12/12 letter), the GHSP, with assistance from the DPS audit services division, will be responsible for reviewing the FAHC claimed costs to establish that funds have not been used in violation of the restrictions and prohibitions of federal or state statutes. Once the state review is completed, the FAHC invoices will be subject to monitoring by the Regional Office prior to payment. If costs are eligible and documented thoroughly to justify personnel, travel, and other costs claimed, Region 1 will proceed with voucher approvals.

Regarding continuity of grant activities from July 2012 through September 2012, the GHSP should impose the following terms on grant activity:

Personnel Services: The GHSP should only reimburse personnel costs for those individuals approved the grant agreement and deemed critical to completing the terms of the contract. All other subcontracted services should cease. Ample activity descriptions must justify in detail all hours/time claimed for grant-approved employees. Thorough reporting for all activities

performed/services provided must accompany requests for reimbursement monthly, consistent with the terms of the grant agreement. Examples of all products developed (training updates, presentations, database updates, PI&E products, etc.) should be submitted with the reports.

Travel: Only in-state travel will be considered. All in-state travel expenses must be itemized in writing (including air or vehicle mileage requests) and pre-approved by the GHSP prior to travel commencement. The GHSP-funded SUV should be utilized as much as possible to reduce personal vehicle mileage claims.

Other/Supplies (e.g. car seats): Purchases must be accompanied by receipts. No other equipment, office supplies, food, or miscellaneous purchases will be allowed without pre-approvals or direct relationships to the accomplishment of project objectives.

Due to the complexity of examining all FAHC costs incurred during the 2011 and FY2012 Federal Fiscal Years, Region 1 requested that the GHSP enlist state audit services (Account Audit Analyst) to ensure all funds reimbursed to FAHC under 02140-6219, 02140-1012-6219, 02140-1112-6000 were allowable and in compliance with Federal and State regulations. This is consistent with a state audit recommendation from Regional Administrator Weiser to Commissioner Flynn in an email on August 17, 2011:

“I again encourage you to have a financial and program audit of the GHSP completed preferably before NHTSA conducts the required triennial management review during FY 2012. Such an audit would benefit you and your staff by providing recommendations for strengthening the program and identifying any issues of noncompliance with Federal and state laws and regulations. This audit would also benefit the triennial management review by allowing the NHTSA team to focus on those recommendations and issues of noncompliance contained in the audit report. As previously stated, if the triennial management review is completed prior to an audit, it is likely that an audit would be requested to confirm the scope and exact amount of any potentially identified unallowable costs, and NHTSA would be required to follow up on any additional audit findings that may be reported. NHTSA Region 1 staff will continue to conduct the project reviews to determine and document issues of noncompliance, and will work with GHSP staff to resolve any identified issues prior to the triennial management review and the requested audit.”

Many of these unchecked or unauthorized subgrantee expenditures stem from a weak grant agreement that lacks specificity in eligible expenditures, expectations, reporting requirements, and deliverables. There was no justification to support the budget or the associated cost categories in personnel/contractors, travel, supplies or “other” Salaries for staff positions ranged from \$26.60 per hour to \$75.13 per hour with no accompanying justification. The grant agreement did require a monthly report, but reports were submitted sporadically and with insufficient documentation of time and activity (subgrantee activity reports for claims of full time work were summarized with “oversee program” and “financial reporting”). There was no evidence in the files that GHSP followed up with the contractor regarding reporting requirements.

During the MR exit briefing the Team specifically cited the FAHC project as an example of unchecked use of Federal funds for salary and resort travel/conferences, the lack of State monitoring, and the lack of grant agreement controls to curb excessive spending. The Team

Leader emphasized that Federal, State, and local governments all need to be cognizant of personnel and travel costs and ensure the necessity and accountability of such costs.

Directives issued on July 12, 2012 and July 24, 2012 to the GHSP to cease excessive grant-funded activities managed by Fletcher Allen Health Care (FAHC) until NHTSA and the GHSP jointly determine the eligibility of personnel, travel, and other costs ~~re~~ during FY2011 and FY2012 remain. Regarding FY2013, the GHSP should consider various options to provide

manner. From 2009-2012,

APPENDIX A. PROJECTS SELECTED FOR DETAILED EXAMINATION

FY 2012 Projects

1112-1069	402	\$	14,592	Youth Safety Council of VT - Anti-Texting
1112-1150	405	\$	74,979	HMC2 - Advertising Thanksgiving Media
20864	408	\$	15,150	Norwich Studies and Analysis Institute - Seat Survey Redesign
1112-2125	402	\$	5,581	Orelans County Sheriff's Office - 2012 Highw Safety Anytime Enforcement
1112-9229	164 AL	\$	13,471	Rutland County Sheriff's Office - 2012 D
1112-9231	164 AL	\$	6,025	Shelburne Police Dept - 2012 DUI Anyti
1112-1045	402	\$	20,234	VT DMV - Driver Education Assessment
0912-3545	406	\$	1,770	Stowe Police Dept - Equipment Incentives
1112-2005	410	\$	18,478	VT State's Attorney - Traffic Safety Resource Prosecutor
1112-2023	410	\$	72,479	HMC2 Advertising - Alcohol Paid Media
1112-2010	410	\$	36,956	VT Dept of Public Safety - DRE Regional
20622	402 & 410	\$	57,548	GHSP - LEL Contract for Tom Fields
112-9260	164 AL	\$	20,513	VT State Police - Alcohol DUI Troopers
1012-1038	408	\$	33,449	VT DPS - State Traffic Safety Information Sys Improvement
1112-2014	402	\$	23,655	VT DMV - Crash Data analyst
1112-2129	402	\$	30,490	Shelburne Police Dept - Highway Safety A
1112-2130	402	\$	3,109	Shelburne Police Dept - DUI Anytime
1112-2136	402	\$	24,406	VT State Police - Highway Safety Anytime
TOTAL	26	\$	510,178	

FY 2011 Projects

Project Number	Funding Source	Amount Expended	Agency and Description
1111-1068	402 \$	38,115	Safe Streets Coalition - Safe Streets Collat
1011-4007	2010 \$	114,884	VT DMV - Motorcycle Safety
1111-9218	164 \$	750	Manchester Police Dept - 2011 DUI Anyti
1111-2113	402 \$	3,984	Fair Haven Police Dept - Highway Safety
1111-9216	164 \$	502	Lamoille County S4242.077 0 Td [(1)1(64

APPENDIX B. EXPENDITURES AND CARRY FORWARD

Grant Program	FY 2010			FY 2011			FY 2012			
	Carry Forward	Limitation	Total Available Expended	Carry Forward	Limitation	Total Available Expended	Carry Forward	Limitation	Total Available	Expended
402	\$ 988,251	\$ 1,761,525	\$ 2,749,776	\$ 1,528,800	\$ 1,220,976	\$ 1,761,525	\$ 2,982,501	\$ 1,437,609	\$ 1,544,892	\$ 1,321,144
405	\$ 100,460	\$ 150,827	\$ 251,287	\$ 188,799	\$ 62,487	\$ 149,675	\$ 212,162	\$ 48,151	\$ 164,012	\$ 110,453
408	\$ 1,517,698	\$ 500,000	\$ 2,017,698	\$ 437,781	\$ 1,579,918	\$ 500,000	\$ 2,079,918	\$ 344,349	\$ 1,735,569	\$ -
410	\$ 1,595,720	\$ 972,388	\$ 2,568,108	\$ 989,932	\$ 1,578,176	\$ 964,139	\$ 2,542,315	\$ 507,502	\$ 2,034,813	\$ -
2010	\$ 116,428	\$ 100,000	\$ 216,428	\$ 66,616	\$ 149,812	\$ 100,000	\$ 249,812	\$ 114,884	\$ 134,927	\$ -
2011	\$ 155,848	\$ 81,337	\$ 237,185	\$ 63,496	\$ 173,689	\$ 78,399	\$ 252,088	\$ 129,674	\$ 122,414	\$ -
406	\$ 939,267	\$ -	\$ 939,267	\$ 256,252	\$ 683,015	\$ -	\$ 683,015	\$ 397,656	\$ 285,359	\$ -
164 AL	\$ 441,008	\$ -	\$ 441,008	\$ 242,874	\$ 198,134	\$ 2,478,623	\$ 2,676,757	\$ 73,762	\$ 2,602,995	\$ -
164 HE	\$ 5,045,410	\$ 3,191,516	\$ 8,236,926	\$ 1,897,744	\$ 6,339,181	\$ 1,062,268	\$ 7,401,449	\$ 2,536,834	\$ 4,864,616	\$ -
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APPENDIX C. STATE RESPONSE

VT GHSP Response to 2012 Management Review

Findings B-3 Project (Grant Agreements)

Discussion with VDPS and GHSP staff confirmed that there are several projects that GHSP has with VDPS and State police that have no formal written contracts of interagency agreements. The following projects fund personnel and equipment costs:

- (1) FY2012 Department of Public Safety DRE Regional Training Project # 112-2010:
\$36,956.31 of Section 410 Funds has been expended to date.

Response:

The appropriate documents have been completed, are on file and are available for inspection upon request.

- (2) FY2012 Vermont State Police AL DUI Troopers Project # 1112-9260:
\$20,513.32 of Section 164AL funds have been expended to date.

Response:

The appropriate documents have been completed, are on file and are available for inspection upon request.

- (3) FY 2012 Vermont State Police, Department of Public Safety, Crash Data Analyst, Project # 1112-2014: \$23,655 of Section 40-2TR funds have been expended to Date.

Response:

The appropriate documents have been completed, are on file and are available for inspection upon request.

Also the Team identified over \$275,000. in equipment purchases with Federal highway safety funds for VDPS and State Police during FYs 2009 – 2012 without grant or inter agency agreements.

For those awards that do have project agreements (referred to as “grant agreement” by GHSP) many do not define project deliverables, performance measures, data-driven timelines for implementation, specific eligible costs, or requirements for vouchering, and/or standardized reporting requirements. Requiring these project management elements in each grant agreement would create a higher level of accountability for subgrantees and increase protections for the State.

Required Action B-3

The GHSP must develop and execute a written grant agreement with each entity that is expending federal highway safety funds provided by the GHSP, or the DHSP may be responsible for reimbursing the NHTSA. Grant agreements should include problem

identification/justification, measurable goals/objectives, scope of work, tasks, specific budget and eligible costs, reporting requirements and deliverable, and all required certifications and assurances.

Response:

Agreed. See above. This situation has been rectified for FFY2013. Also note, that since FFY2011, GHSP has issued grand agreements and/or MOUs for all equipment purchases, including the Vermont State Police.

Management Finding B-4 (Missing Subgrant Certifications)

Required Action B-4: By the beginning of FY2013, GHSP must include all current and required certifications in each grant agreement.

Response:

This has been completed for FY13 Subgrant agreements.

Management Consideration B- 5. Lack of Policies and Procedures.

Recommended Action B- 5a

The GHSP should immediately begin developing written policies and procedures for the federally-funded highway safety program, using the GHSA model as a reference

Response:

Agreed. The GHSP staff has prepared and submitted a "Request for Proposal" to contract with an entity for the preparation of a "Policies and Procedures" manual, based on the model created by the Governor's Highways Safety Association (GHSA). VT GHSP will use the GHSA model as a guide and integrate all pertinent Vermont Department of Public Safety rules, regulations, policies, procedures and requirements into the GHSP Policies and Procedure manual. The selected vendor will provide training to all staff members and other appropriate members of DPS to insure the development of a working knowledge of and compliance with all requirements.

The MR Team was provided with the Grants Management Unit (GMU) Manual during the course of their review. This manual outlines the consistent manner in which Federal awards and Subawards are to be managed within DPS. The new GHSP manual will incorporate policies and procedures already established in the GMU manual.

Recommended Action B- 5b

When developing the policies and procedures, subgrantee monitoring should be adequately defined, strictly by subgrantee mshrae 22TJ -0.0182Tc 0.018 . edures a

Response:

Agreed. Beginning immediat

Required Action C- 1b

The State must collect and maintain documentation to comply with match requirements for FY 2012 and future fiscal years.

Response:

Agreed. GHSP and DPS Admin-Finance have already put measures in place to collect and maintain Match documentation for FY12 and beyond for all Sections.

Required Action C- 1c

The VDPS and GHSP should develop a plan to ensure compliance in future years. This plan would include identifying all available match sources including those from subgrantee, to ensure the state is compliant with applicable regulations and that the match sources are auditable.

Response:

Agreed. GHSP and DPS Admin-Finance have already put measures in place to collect and maintain Match documentation for FY12 and beyond for all Sections.

Required Action C- 1d

In FY 2013 the VDPS should consider making GTS entries at the project level to enhance I

NHTSA/GHSA Discussion of time keeping requirement in support of salaries, wages and related costs, revised 8/5/2010. "In these cases, cost data assigned to the different priorities may be based on an informed, logical proportion derived from a representative sample of time spend on each or on the number of projects managed or proportion of total funds in each program area." This would include semi-annual certification and before-the-fact charge distribution based on proportional work, number of projects, and/or funds managed for each employee. However for those employees who work and time is billed to multiple grant programs, the State must continue to use PARs or equivalent documentation."

Required Action C- 2a

The State must immediately comply with 2 CFR Part 225, Appendix B, 8.h by completing certifications, PARs or equivalent documentation for all federally-funded positions, and ensure that all timekeeping documents are auditable and accurate.

Response:

Agreed. Certifications have been completed for all GHSP employees. Certifications will continue to be renewed during September and March of each ensuing FFY. Beginning October 1, 2012, Personnel Activity Reports are being prepared by the Project Coordinator assigned to the educational grants (402CP – 50% and 402TF – 50%) and the Administrative Assistant (402P – 66.6% and 402PS 33.3%). The GHSP Chief is funded from one source, 402A. The Project Coordinator assigned to law enforcement grants is funded from one source, 402PT and the Public Information Officer is also funded from one source, 402CP.

Recommended Action C-2b Since this regulation applies to sub grantees also, the GHSP must review all subgrantee files to determine their compliance with timekeeping and take corrective action as appropriate.

Response:

Agreed. Review of current grantees and all grantees for FFY 2013 will be in compliance.

Finding C-3. In correct Charging and Coding of GHSP Staff Expenses During our review

- Two Vermont State Police

For VT Dept. of Labor, we provided the MR Team with their federally approved Cost Allocation Plan letter for FY11. The MR Team found this to be unsatisfactory since it did not include an actual rate. With the Cost Allocation Plan methodology, the rate can vary from month to month based on total expenditures for their entire Department. Regardless, GHSP caps the maximum to be claimed at 25% for their award. The updated copy of their federally-approved Cost Allocation Plan for FY12 is on file and available for inspection upon request.

Findin g C-6. Question ed Expendi tu res – Child Pa ssenger Safety Progr am

Requi red a ction C-6a

At a minimum the VDPS must conduct a desk audit by the Account Audit Analyst of FY 2011 and FY 2012 projects subcontracted to Fletcher Allen Health Care to ensure all funds expended by and reimbursed to FAHC are allowable and in compliance with Federal and State regulations. State audit finding shall be reported to the NHTSA.

Respon se:

DPS, GHSP and Region 1 staff is working cooperatively with FAHC to insure compliance with Federal and State regulations. The state audit process, conducted by DPS is in progress and will continue until completion.

Requi red a ction C-6b

All FAHC costs incurred from January 2012 to September 30, 2012 shall follow the terms for state and federal review and approval outlined above (and in the July 24, 2012 correspondence) prior to reimbursement in GTS.

Respon se:

The GHSP staff has been working with the Administrative Services Division of DPS to effectively manage the current FFY2012 Fletcher Allen Health Care, Child Passenger Safety grant.

Recomme nded a ction C- 6c

The VDPS and GHSP should immediately increase their (desk, phone and onsite) monitoring of this grantee and grant-related activities. Monitoring should confirm that all expenditures are allowable and specifically related to Section 402 and S.2011 grant program requirements.

Respon se:

The Administrative Services Division of DPS is currently in the process of conducting an in depth audit of the FAHC CPS program.

Recomme nded a ction C-6d

We recommend that GHSP develop a travel policy and include pre and post-travel requirements in the subgrantee agreement. All travel requests and projected costs associated with conferences, conventions (both in and out-of-state) should be pre-

Recommended Action C-7

The GHSP, in partnership with VDPS fiscal personnel, should:

- 1) Perform a detailed analysis of the estimated CF and new year funds to plan a program robust enough to expend available funds;
- 2) commit funds to those projects having maximum impact on highway safety problems;
- 3) ensure the amounts awarded to each project are realistic for the tasks assigned to minimize unexpended balances;

6) Agreed. We believe that we have the systems in place to allow for best practices in financial management.

Management Consideration C- 8. Electronic Technology

Currently GHSP subgrantees submit paper performance reports and claim reimbursements to GHSP via the U.S. mail. VDPS Grants Management Section estimates that it receives an average of 105 project vouchers and source documents from subgrantees each month, which is staggering over the course of a fiscal year. The VDPS and GHSP do not utilize electronic grant management tools, forms or filing systems. Technology is available

