

**HIGHWAY SAFETY PROGRAM**  
**MANAGEMENT REVIEW ELEMENTS**

*Use for Management Reviews conducted in FY 2018 ONLY*

State of: **Choose an item.**    On-site Review Dates:    **Choose an item.**    **Click here to enter text.**    **Click here to enter text.**  
Reviewer(s): **Click here to enter text.**    (Month)    (Dates )    ( Fiscal Year)

The Management Review (MR) addresses the elements included in this document. Any related Federal law, regulation, rule, policy, or guideline is noted next to or in the text of the element. Also noted at the end of each element is ***Finding***” or “***Management Consideration***” as determined by the review of the element. The MR elements are used in conjunction with the project file review checklist, voucher reviews, and the MR Guidelines. Access the current MRE in SharePoint. The location changes to the Grants Oversight Analysis System in the Grants Management Solution Suite sometime in the future.

The current fiscal year (FY) and the previous two FYs comprise the MR period.

**Definitions**

***Management Review*** - A review of a State Highway Safety Office’s (SHSO’s) systems and program performance and operational processes for the purpose of improving and strengthening highway safety practices to ensure efficient administration and effective planning, implementation, and evaluation of programs that have potential for saving lives.

***Finding*** - A determination that one or more areas of review is in non-compliance with Federal and/or State laws, regulations, rules, and/or written Federal policy and/or guidelines.

***Required Action*** - A specific corrective action based on Federal and/or State laws, regulations, rules, and/or written Federal policy and/or guidelines which the State must implement to resolve a non-compliance issue (finding).

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***Management Review Corrective Action Plan (MR CAP)*** - A document jointly developed by NHTSA and the SHSO that identifies actions to address findings discussed in the MR Final Report, tasks to complete the actions, target dates for completion of each task, and status of each required action.

***Management Consideration (MC)*** - A determination that an element needs improvement and, if improved, should have a positive impact on the management of the State highway safety program.

***Recommended Action*** - A recommended approach based on a management consideration which should have a positive impact on the management of the State highway safety program and is not a compliance item. It is a good business practice that the State may accept.

***Management Review Recommended Action Plan (MR RAP)*** - A document jointly developed by NHTSA and the SHSO that identifies actions to address management considerations in the MR Final Report, tasks to complete the actions, target dates for completion of each task, and status of each recommended action.

***Commendation*** - Recognition of exemplary performance and/or best practices that are innovative and demonstrate successful results.

*\* Refers to review items normally accomplished during the preparation phase.*

*Note: There are findings and management considerations that may be referenced as “FY 17” & 18” or “FY 16”. These references are necessary to distinguish between elements that are applicable to 23 CFR Part 1300 which went into effect in FY 17 and elements applicable to 23 CFR Part 1200 which was effective in FY 16.*

## I. ORGANIZATION AND STAFFING

- **Authority and Functions**

Obtain a copy of the legislation and/or Executive Order establishing the SHSO authority, organizational chart placement, and functions. Also refer to other State regulations and SHSO policies and procedures.

1. Policy - For a State to receive grant funds under this part, the Governor shall exercise responsibility for the highway safety program through a SHSO that has adequate powers and is suitably equipped and organized to carry out the State’s highway safety program. [\(23 USC, Chapter 4 § 402\(b\)\(1\)\(A\)\)](#) **Finding**

**TIP:** Compare personnel data collected prior to MR with information gathered on-site to ensure accuracy.

2. Authority - Is the SHSO authorized to accomplish the items located in [23 CFR § 1300.4\(b\)\(1-7\)](#)? **Finding.**

*Make notation of any missing items*

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3. Functions - Does the SHSO conduct the functions listed in [23 CFR § 1300.4\(c\)\(1-12\)](#)? **Finding.**  
***Make notation of any missing items***

**TIP:** Also review current staffing level to determine if it is adequate to carry out functions listed in [23 CFR § 1300.4\(c\)\(1-12\)](#) and to:

- Address each program area;
- Meet deadlines;
- Conduct data analyses for problem identification, target setting, and evaluation; and
- Conduct monitoring.

How are projects assigned to program coordinators? (i.e. Program area? Geographical area? Other?) Is there a more efficient way to assign projects? **MC**

- **Organization and Staffing**

Obtain a copy of the current SHSO organizational chart showing the placement of the SHSO relative to other State agencies, the organizational units of the SHSO (e.g., planning/evaluation unit, financial management, program operations), and names of individuals currently filling these positions.

1. \* Has the Governor appointed the Governor's Representative (GR)? **FY 17 & 18 - ([23 CFR § 1300.3](#)); FY 16 - ([23 CFR § 1200.3](#)) Finding**

***Click here to enter text.***

2. \* Identify the name and title of the SHSO director (if other than the GR) and determine if he/she has direct access to the GR.  
**MC**

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- **Policies and Procedures**

Does the SHSO have policies and procedures specific to the Federally-funded highway safety program to address: the planning process, including data collection and evaluation relating to performance measures and targets; project selection strategies; and project agreement management, including preparation, execution, administration, monitoring and evaluation, financial management, and closeout? *MC*

If so, is it current?

1. Are the policies and procedures specific and detailed, providing clear guidance for the various issues related to managing the State highway safety program?

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2. Are there improvements that the MR Team can offer? If yes, note improvements.

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3. Is SHSO staff aware of procedures?

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4. Is there evidence that the SHSO staff is using the procedures?

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5. What resources does the SHSO use?

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**TIP:** *NHTSA's Highway Safety Grants Management Resources, Governor's Highway Safety Association (GHSA) Model Policies and Procedures, NHTSA's State Traffic Safety Information website.*

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6. Does the SHSO have written procedures to determine if costs follow requirements of the Cost Principles and terms and conditions of the Federal award? ([2 CFR § 200.302\(b\)\(7\)](#)) *Finding.*

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**a. Delegations of Authority**

Determine if SHSO has written delegations of authority and responsibility to carry out the assigned functions. **MC**

**Click here to enter text.**

- 1.\* Is there a provision for signatory authority to authenticate official documents including contracts, agreements, certifications, purchase orders, invoices, checks, personnel actions, and payroll?
- 2.\* Do delegation procedure(s) allow the SHSO to conduct business in the absence of top-level management?

**b. Personnel Development and Training**

**NOTE:** *Lack of training alone is not sufficient to warrant an MC. A training-related MC must be tied to an identified deficiency, which may be referenced or linked to a finding or MC elsewhere in the elements.*

1. Determine if the SHSO identifies and meets training needs for management and staff to perform assigned functions. **MC**

**Click here to enter text.**

- a. Has SHSO staff attended NHTSA courses such as Managing Highway Safety Programs, Managing NHTSA Grant Funds and Grant Tracking System, Data Driven Highway Planning, and the GHSA Executive Seminar or other GHSA-sponsored professional development seminars and webinars?

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- b. Does SHSO staff participate in regional and national highway safety conferences and forums, such as Lifesavers, GHSA annual meeting, and the Traffic Records Forum to obtain updated and new information?

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- c. Does the SHSO have guidelines and/or procedures to authorize training, provide justification, and pay for training?

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- d. Does the SHSO provide internal training on grant policy and procedures related to data analysis and evaluation, performance measure target setting, and evidence-based project selection?

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2. Assess the adequacy of the SHSO professional development training programs offered to subrecipient/project personnel. How often and what does the training cover? *MC*
3. Are there roadblocks to delivering necessary and effective highway safety training? (e.g., travel restrictions, hiring freezes/restrictions) *MC*

## **II. PROGRAM MANAGEMENT**

### **A. \*Planning**

1. Highway Safety Planning Process - Review the SHSO policies and procedures specific to the planning process and determine if the items in ([23 CFR § 1300.11\(a\)](#)) are addressed for *FY 17 & 18* and ([23 CFR § 1200.11\(a\)](#)) for *FY 16*. *MC*

***Click here to enter text.***

2. Does the SHSO follow its planning process policies and procedures? *MC*

***Click here to enter text.***

### **B. \*Program Performance**

1. Refer to NHTSA's most recent State Highway Safety Plan (HSP) Content Review Guide (CRG) and HSP approval letters, the Annual Report reviews and Annual Report response letters. Were any recommendations or required actions not implemented prior to the MR? If yes, list them and obtain reason(s) the recommendations and required actions were not implemented. ([23 CFR § 1300.14\(a\)](#)) *Finding or MC*

***Click here to enter text.***

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2. \*Review performance data for most recent 3-year period in which data is available. If a State has not made progress in meeting its core performance targets, what are the reasons and issues, and what actions are in place to improve performance? **MC**

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**TIP:** *When reviewing progress, consider multiple factors, such as number of years not making progress in reaching targets and aggressiveness of targets. Are the targets valid? How were the targets determined? Does the State's lack of progress involve one or multiple programs?*

*If poor performance determined in program area(s), develop plan to oversample projects during MR.*

**TIP:** *When determining reasons and issues for lack of progress, consider the questions below.*

1. *Did the State actually follow the process described in the HSP or did the process not result in identification of effective strategies?*
2. *Were strategies comprehensive?*
3. *Were the projects adequately funded?*
4. *Was enough manpower directed toward the project?*
5. *Was geographic focus appropriate?*
6. *Were projects and activities properly implemented?*
7. *Did outside factors, such as law changes, political issues, public support, economic issues, or catastrophic occurrences impact the outcome?*



### C. Project Selection

1. Did the SHSO follow project solicitation/application policies and procedures and were the items listed below considered by the SHSO? *MC*

**Click here to enter text.**

- a. Performance of prior projects;
- b. Administrative difficulties (e.g. incomplete, late, or lack of reporting errors); and
- c. SHSO's project application scoring and evaluation process

2. Does the SHSO follow the project selection strategies outlined in their HSP? Did the selection result in use of evidence-based countermeasures and projects? *FY 17 & 18 - (23 CFR § 1300.11(a)(1)); FY 16 - (23 CFR § 1200.11(a)(1)) Finding*

**Click here to enter text.**

### D. Planning Process

Is the SHSO's planning process adequate, effective and consistent with its policies and procedures, including presence of an established and adhered-to timeline for the planning process as listed below?: *MC*

1. Problem identification;

**Click here to enter text.**

2. Development of a performance plan;

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3. Setting of quantifiable statewide safety performance targets;

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4. Inclusion of NHTSA/GHSA performance measures, using FARS data;  
***Click here to enter text.***
5. Solicitation of project/project agreement applications;  
***Click here to enter text.***
6. Receipt of solicited and non-solicited project/project agreement applications;  
***Click here to enter text.***
7. Review of project/project agreement applications;  
***Click here to enter text.***
8. Evaluation and grading of project/project agreement applications;  
***Click here to enter text.***
9. Approval of project/project agreement applications;  
***Click here to enter text.***
10. Preparation of the HSP;  
***Click here to enter text.***
11. HSP submission to NHTSA;  
***Click here to enter text.***
12. Obligation of funds to Grants Tracking System;  
***Click here to enter text.***
13. Award of projects/project agreements to subrecipients;  
***Click here to enter text.***

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14. Project/project agreement monitoring;

***Click here to enter text.***

15. GTS closeout (financial reconciliation);

***Click here to enter text.***

16. Submission of Annual Report; and

***Click here to enter text.***

17. Calculation of Maintenance of Effort (MOE).

***Click here to enter text.***

**TIP:** *If MR is conducted after March 31 and the MOE calculations have not been reviewed, the calculations are to be reviewed during the MR.*

## E. Implementation

1. Is there a separation of duties between the individual who develops the projects and the individual who approves the projects?  
*MC*  
**Click here to enter text.**
2. Are all SHSO-funded projects listed in the HSP? *FY 17 & 18 - ([23 CFR § 1300.33\(e\)\(3\)](#)); FY 16 - [23 CFR § 1200.33\(e\)\(3\)](#))*  
*Finding*
3. \* Determine whether the SHSO has written guidance for SHSO staff and subrecipients to address the preparation, implementation, administration, and evaluation of projects. *MC*  
**Click here to enter text.**
4. Pass-through entity requirements. Does the SHSO ensure that every subaward is clearly identified to the subrecipient as a subaward and includes the following information at the time of the subaward (and if any of these data elements change, include the changes in subsequent subaward modification)? When some of this information is not available, the SHSO must provide the best information available to describe the Federal award and subaward. ([2 CFR § 200.331\(a\)](#)) **Finding**
  - a. Federal Award Identification ([2 CFR § 200.331\(a\)\(1\)](#));
  - b. Subrecipient name (which must match the name associated with its unique entity identifier) ([2 CFR § 200.331\(a\)\(1\)\(i\)](#));
  - c. Subrecipient's unique entity identifier ([2 CFR § 200.331\(a\)\(1\)\(ii\)](#));  
Note: Unique entity identifier means the identifier required for System for Award Management (SAM) registration to uniquely identify business entities. Formerly known as the DUNS number.
  - d. Federal Award Identification Number (FAIN) ([2 CFR § 200.331\(a\)\(1\)\(iii\)](#));
  - e. Federal award date ([2 CFR § 200.331\(a\)\(1\)\(iv\)](#));
  - f. Subaward period of performance start and end date ([2 CFR § 200.331\(a\)\(1\)\(v\)](#));
  - g. Amount of Federal funds obligated by this action ([2 CFR § 200.331\(a\)\(1\)\(vi\)](#));
  - h. Total amount of Federal funds obligated to the subrecipient ([2 CFR § 200.331\(a\)\(1\)\(vii\)](#));
  - i. Total amount of the Federal award ([2 CFR § 200.331\(a\)\(1\)\(viii\)](#));

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- j. Federal award project description, as required by the Federal Funding Accountability and Transparency Act (FFATA) ([2 CFR § 200.331\(a\)\(1\)\(ix\)](#));
  - k. Name of Federal awarding agency, pass-through entity, and contact information for awarding official ([2 CFR § 200.331\(a\)\(1\)\(x\)](#));
  - l. CFDA number and name; the pass-through entity must identify the dollar amount made available under each Federal award and the CFDA number at time of disbursement ([2 CFR § 200.331\(a\)\(1\)\(xi\)](#));
  - m. Identification of whether the award is Research and Development ([2 CFR § 200.331\(a\)\(1\)\(xii\)](#));
  - n. Indirect cost rate (if any) for the Federal award (including if the de minimis rate is charged per [2 CFR § 200.414 - Indirect \(Facilities and Administration\) costs](#)) ([2 CFR § 200.331\(a\)\(1\)\(xiii\)](#));
  - o. All requirements imposed by the pass-through entity on the subrecipient so that the Federal award is used in accordance with Federal statutes, regulations, and the terms and conditions of the Federal award ([2 CFR § 200.331\(a\)\(2\)](#));
  - p. Any additional requirements that the pass-through entity imposes on the subrecipient in order for the pass-through entity to meet its own responsibility to the Federal awarding agency including identification of any required financial and performance reports ([2 CFR § 200.331\(a\)\(3\)](#));
  - q. An approved Federally-recognized indirect cost rate (if any) negotiated between the subrecipient and the Federal government or, if no such rate exists, either a rate negotiated between the pass-through entity (SHSO) and the subrecipient, or a 10 percent de minimis indirect cost rate as defined in [2 CFR § 200.414 - Indirect \(F&A\) costs, paragraph \(b\)](#) ([2 CFR § 200.331\(a\)\(4\)](#));
  - r. A requirement that the subrecipient permit the pass-through entity and auditors to have access to the subrecipient's records and financial statements as necessary for the pass-through entity to meet the requirements of [2 CFR § 200.300 - Statutory and national policy requirements through 2 CFR § 200.309 - Period of performance and 2 CFR § 200, Subpart F - Audit Requirements of this part](#) ([2 CFR § 200.331\(a\)\(5\)](#)); and
  - s. Appropriate terms and conditions concerning closeout of the subaward. ([2 CFR § 200.331\(a\)\(6\)](#))
5. Does the SHSO have a project agreement for each project that has costs claimed through a GTS voucher? **FY 17 & 18 -** ([23 CFR § 1300.33\(c\)](#)); **FY 16 -** ([23 CFR § 1200.33\(c\)](#)) **Finding**

**Click here to enter text.**

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6. Does the project agreement contain the following (in addition to required items listed in II. E. 4. of the MR Elements)?

*Click here to enter text.*

- a. Project number (a unique identifier assigned by the State) *FY 17 & 18* - ([23 CFR § 1300.33\(c\)](#)); *FY 16* - ([23 CFR § 1200.33\(c\)](#)) *Finding*
- b. Problem statement; *MC*  
*Click here to enter text.*
- c. Evidence-based project targets/goals, objectives, countermeasures; *MC*  
*Click here to enter text.*
- d. Budget; *MC*  
*Click here to enter text.*
- e. Evidence-based performance measures; *MC*  
*Click here to enter text.*
- f. Project revision parameters; *MC*  
*Click here to enter text.*
- g. Appropriate training, such as the Special Traffic Enforcement Programs. Are officers required to receive training on special skills such as Standardized Field Sobriety Testing and Traffic Occupant Protection Strategies?; and *MC*  
*Click here to enter text.*
- h. Costs that are reasonable, allocable, and necessary. ([2 CFR §§ 200.403 – 200.405](#)) *Finding*

**TIP:** *Items to review:*

- *Items addressed in NHTSA’s Memorandum, “Use of NHTSA Highway Safety Grant Funds for Certain Purchases,” May 18, 2016.*
- *Restrictive use of various funding sources such as Sections 405, 1906, 154 and 164*
- *Items addressed in the Highway Safety Grant Funding Guidance.*

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- i. Periodic and final reports and evaluation requirements. *MC*

**Click here to enter text.**

7. Are the following required subrecipient Certifications and Assurances part of the project agreement? *FY 17 & 18* - ([23 CFR § 1300 Appendix A](#)); *FY 16* - ([23 CFR § 1200 Appendix A](#)) *Finding*

**Click here to enter text.**

**TIP:** *The word “State” should be replaced by “subrecipient” in each subrecipient certification*

- a. Nondiscrimination;
- b. Buy America Act;
- c. Political activity/Hatch Act;
- d. Federal lobbying;
- e. State lobbying;
- f. Prohibition on using grant funds to check for helmet usage (*FY 17 & 18*); and
  1. Debarment and suspension - Does the SHSO have a written procedure requiring checklist or other documentation to ensure subrecipients are not suspended or disbarred, such as including debarment and suspension on a proposal/application checklist and checking the debarment and suspension list at <https://www.sam.gov/portal/SAM?>  
*MC*

**Click here to enter text.**

2. Is there written documentation that SHSO is complying with procedures? *MC*

**Click here to enter text.**

8. Determine if the SHSO has established procedures for project implementation, including: *MC*

**Click here to enter text.**

- a. Project implementation schedule;

**Click here to enter text.**

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b. Commitment of obligated funds to approved project; and

***Click here to enter text.***

c. Pre-award/orientation sessions with project personnel.

9. Are the grants/contracts awarded prior to the project start date? If there are significant delays in executing agreements and/or implementing projects, determine the causes. **MC**

***Click here to enter text.***

10. Can the grant processes be streamlined to reduce paperwork and/or increase efficiency? **MC**

***Click here to enter text.***

**TIP:** *Electronic submission of sub-grantee proposals, performance reports, and financial claims/documents; use of a master grant/agreement for one grantee rather than issuing several grants to the same grantee; and use of multi-year agreements.*



## F. Monitoring/Subrecipient Risk Evaluation

1. Is there evidence that the SHSO evaluates each subrecipient's risk of noncompliance to determine appropriate subrecipient monitoring in accordance with [2 CFR § 200.331\(b\)](#)? **Finding**

**Click here to enter text.**

**TIP:** SHSO may consider the following when conducting risk evaluations:

- The subrecipient's prior experience with the same or similar subawards;
- The results of previous audits;
- Whether the subrecipient has new personnel or new or substantially changed systems; and
- The extent and results of Federal awarding agency monitoring (e.g., if the subrecipient also receives Federal awards directly from a Federal awarding agency).

2. Is there a procedure that discusses how to conduct the risk evaluation and apply results? **MC**

**Click here to enter text.**

3. Is there evidence that results of risk evaluations are used to determine the level and type of subrecipient monitoring? ([2 CFR § 200.331\(b\)](#)) **Finding**

**Click here to enter text.**

**TIP:** Depending upon the pass-through entity's (SHSO's) evaluation of risk posed by the subrecipient, the SHSO should consider the following monitoring tools:

- Training and technical assistance on program-related matters;
- On-site reviews of the subrecipient's program operations; and
- Audit services as described in [2 CFR § 200.425](#).

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**G. Monitoring**

1. Does the SHSO's monitoring cover each program, function, or activity? ([2 CFR § 200.328\(a\)](#)) **Finding**

**Click here to enter text.**

2. Does the SHSO monitor the activities of the subrecipient as necessary to ensure that the subaward is used for authorized purposes, in compliance with Federal statutes, regulations, and the terms and conditions of the subaward; and that subaward performance goals are achieved? ([2 CFR § 200.331\(d\)](#)) **Finding**

**Click here to enter text.**

SHSO monitoring of the subrecipient *must* include:

- a. Review of financial and program reports required by the SHSO. ([2 CFR § 200.331\(d\)\(1\)](#)) **Finding**
- b. Follow-up to ensure that the subrecipient takes timely and appropriate action on all deficiencies detected through audits, on-site reviews, and any other oversight activity. ([2 CFR § 200.331\(d\)\(2\)](#)) **Finding**

3. Does the SHSO have monitoring policy and procedures? **MC**

- a. Does the policy include:

**Click here to enter text.**

- The two items (a and b) listed in II. F. 2. of the MR Elements;

**Click here to enter text.**

- On-site monitoring;

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- Review of subrecipients' internal controls;

**Click here to enter text.**

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- Monitoring of the subrecipients' processes and procedures for scheduling, approval, tracking, accounting, and supervision of overtime to ensure there are adequate checks, balances, and safeguards;  
**Click here to enter text.**
- Monitoring of subrecipients' progress in achieving goals/targets, objectives, and performance measures; and  
**Click here to enter text.**
- Protocol to follow when possible fraud or misuse of funds is detected and name of appropriate referral agency. (e.g., agency auditor or State auditor or Department of Public Safety investigators or State Office of Inspector General);

4. Does the SHSO staff consistently adhere to the monitoring policy, including frequency of on-site monitoring? If not, what are the reasons?

5. Identify the staff and title(s) in the SHSO responsible for project/program monitoring and review. **MC**

**Click here to enter text.**

6. How does the SHSO assign monitoring responsibilities? (e.g., geographically, program area, fiscal and audit expertise, identified skills). Does the assignment take into account staff expertise and skills? Is the process used to determine monitoring responsibilities cost effective and sufficient to meet monitoring needs? **MC**

**Click here to enter text.**

7. How does the SHSO determine which projects are monitored on-site? (Examples to consider - priority programs, dollar amounts, equipment purchases, complex projects, and risk level) **MC**

**Click here to enter text.**

8. Is there a system to prepare and file monitoring reports and follow-up on findings and recommendations? Is the system adequate and followed? **MC**

**Click here to enter text.**

**TIP:** Does SHSO supervisor or director review monitoring reports? Does the subrecipient receive a copy of the monitoring report? If findings are reported, what follow-up actions were taken?

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9. How does the SHSO use project monitoring to improve its program management process (e.g., identify weaknesses in project and program planning, implementation, vouchering, reporting, making adjustments to the HSP planning review and approval processes)? *MC*

***Click here to enter text.***

10. Does the SHSO have an effective method to suspend or terminate work and recover funds on projects and subawards identified as problematic and/or in noncompliance? Has the SHSO ever used the process? *MC*

***Click here to enter text.***

If funds were recovered, were SHSO procedures followed?

***Click here to enter text.***

## H. Internal Controls

The SHSO must conduct internal controls as listed below.

1. Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. ([2 CFR § 200.303\(a\)](#)) **Finding**

**Click here to enter text.**

2. Comply with Federal statutes, regulations, and the terms and conditions of the Federal awards. ([2 CFR § 200.303\(b\)](#)) **Finding**

**Click here to enter text.**

3. Evaluate and monitor the non-Federal entity's compliance with statutes, regulations and the terms and conditions of Federal awards. ([2 CFR § 200.303\(c\)](#)) **Finding**

**Click here to enter text.**

4. Take prompt action when instances of noncompliance are identified including noncompliance identified in audit findings. ([2 CFR § 200.303\(d\)](#)) **Finding**

**Click here to enter text.**

5. Take reasonable measures to safeguard protected personally identifiable information and other information the Federal awarding agency or pass-through entity designates as sensitive. ([2 CFR § 200.303\(e\)](#)) **Finding**

**Click here to enter text.**

**I. Legislation and Lobbying**

1. What legislative-related activities does the State allow the SHSO staff and GR to engage? **MC**

***Click here to enter text.***

2. What legislative-related activities does the State prohibit SHSO personnel and subrecipients from engaging? ([Highway Safety Grant Funding Guidance IV.E.1](#)) and ([2 CFR § 200.450](#)) **Finding**

***Click here to enter text.***

**J. Program Strengths**

Identify notable strengths of the management of the State’s highway safety program (e.g., best practices, safety conscious planning efforts, significant improvements, or achievements in meeting project/program objectives). **Commendation**

***Click here to enter text.***

### **III. FINANCIAL MANAGEMENT**

#### **A. Financial Management System**

1. Determine if the State expends and accounts for the Federal award in accordance with State laws and procedures for expending and accounting for the State's own funds. Track the funds from receipt of claim to payment of subrecipient ([2 CFR § 200.302\(a\)](#));

***Finding***

**Click here to enter text.**

**TIPS:** Obtain the following from the SHSO financial staff:

- SHSO's State accounting code;
- State agency's designated account code/number within the State accounting system State requirements for submitting vouchers for payment;
- Process the SHSO uses to reconcile with the State accounting system;
- Procedures/flowchart of processing a grantee voucher into the State accounting System. Ask the SHSO financial staff to walk you through the process; and
- Processing system used by the SHSO. The SHSO must follow State requirements. Review three or four grantee vouchers to test the SHSO's compliance with their system. Documentation should include date voucher received by SHSO, processing procedures, date submitted to State Treasurers Office for payment, and date State Treasurers Office issued payment to subrecipient.

2. Determine if the State has fiscal control and accounting procedures sufficient to permit preparation of reports required by this part and the statutes authorizing the grant and permit the tracing of funds to a level of expenditures adequate to establish that funds are not used in violation of the restrictions and prohibitions of applicable statutes. ([2 CFR § 200.302\(a\)](#)) ***Finding***

**Click here to enter text.**

**TIP:** Working with the SHSO financial staff, determine:

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- *What State forms are used to submit SHSO reimbursement vouchers to State treasurer for payment;*
- *Who submits payment to grantees, State Treasurer? SHSO?;*
- *If the State requires State agencies to submit supporting documentation with claims submitted for payment; and*
- *If the State requires State agencies to maintain supporting documentation for claims submitted for payment.*

3. Do SHSO program managers review subrecipient vouchers? **MC**

**Click here to enter text.**

4. Determine if there are adequate separation of duties to provide for reasonable internal control over financial management functions and activities. **MC**

**Click here to enter text.**

**TIP:** *For example, accounts payable and accounts receivable should be administered by two different people. Program managers should not be able to both review and process the payment of vouchers.*



## B. Grant Payments - Vouchers

*If the Regional Office has previously conducted the three required voucher reviews in each FY per the Regional Monitoring Procedures, no additional voucher reviews are required during the MR. However if the current FY's voucher reviews have not been completed or the Regional Office determines additional voucher review(s) are warranted, voucher reviews may be conducted during the MR following the Voucher Review Procedure. The results would be included in the MR report, indicating whether or not the voucher(s) reconciled with the source documentation.*

1. Does the SHSO submit GTS vouchers to NHTSA on a quarterly basis, no later than 15 working days after the end of each quarter or where a State receives funds by electronic transfer at an annualized rate of one million dollars or more, and are vouchers submitted on a monthly basis, no later than 15 working days after the end of each month? **FY 17 & 18 - ([23 CFR § 1300.33\(d\)](#)); FY 16 ([23 CFR § 1200.33\(d\)](#)) *Finding***

**Click here to enter text.**

**TIP:** *If conducting additional voucher reviews use the information listed below.*

- a. Can funds be traced to a level of expenditures adequate to establish that funds are not used in violation of the restrictions and prohibitions of applicable statutes? ([2 CFR § 200.302\(a\)](#)) **Finding**

**Click here to enter text.**

- b. Are claimed costs adequately documented? All costs documentation such as invoices, cancelled checks, paid bills, payrolls, time and attendance records, and contract and subaward award must be available for review. ([2 CFR § 200.403\(g\)](#)) **Finding**

**Click here to enter text.**

**TIP:** *What are State regulations related to paying bills and vouchers from subrecipients/vendors?*

- c. Do the amounts vouchered comply with the period for incurring costs and expiration of right to incur costs? ([2 CFR § 200.309](#)); **FY 17 & 18 ([23 CFR § 1300.40\(a\)](#)); and FY 16 - [23 CFR § 1200.40\(a\)](#)) **Finding****

**Click here to enter text.**

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- d. Are the amounts vouchered allowable based upon applicable regulations and guidance? ( MAP-21, FAST Act, Highway Safety Grant Funding Guidance) ([2 CFR § 200 Subpart E](#)) **Finding**

**Click here to enter text.**

- e. Has the State minimized the time elapsing between the transfer of funds and disbursement by the grantee or subrecipient? **MC**
- f. Program Income - Determine if the SHSO and/or their subrecipients generate program income. If so, does program income comply with 2 CFR § 200.307(e)(2). **FY 17 & 18** - ([2 CFR § 200.307](#); ([2 CFR § 1201.80](#)); and for **FY 16** - ([23 CFR § 1200.34](#)). **Finding**

2. \* HSP Funding Considerations

- a. Are Federal funds obligated to the HSP within 30 days of the grant award? **FY 17 & 18** - ([23 CFR Part 1300, Preamble, III. D.](#) and [23 CFR § 1300.15](#); and **FY 16** - ([23 CFR § 1200.15\(d\)\(1\)](#)) **Finding**
- b. Are obligated Federal funds committed to projects within a reasonable time? **MC**

**Click here to enter text.**

### C. Audits

\* Determine if the SHSO was subject to a State or single audit for the MR period. If so, review audit reports for findings related to the SHSO. Verify that appropriate action was taken within six months after receipt of the audit report. ([2 CFR § 200.521\(c\)\(d\)](#)) and ([2 CFR § 200.331\(d\)\(3\)](#)) **Finding**

**Click here to enter text.**

1. Determine whether the SHSO, as a pass-through entity, has performed the activities below.

**Click here to enter text.**

a. Ensured that subrecipients expending \$750,000 or more in Federal awards during the subrecipient's fiscal year have met the single audit requirements of [2 CFR § 200.501\(a\)](#), for that fiscal year. **Finding**

**Click here to enter text.**

b. Issued a management decision on audit findings within six months after receipt of the subrecipient's audit report and ensured that the subrecipient took appropriate and timely corrective action. ([2 CFR § 200.521\(c\)](#)) **Finding**

c. Considered whether subrecipient audits, on-site reviews, or other monitoring indicate conditions that necessitate adjustment of the pass-through entity's records. ([2 CFR § 200.331\(g\)](#)) **Finding**

**Click here to enter text.**

d. Required each subrecipient to permit the pass-through entity and auditors to have access to the records and financial statements as necessary for the pass-through entity to comply with this part. ([2 CFR § 200.331\(a\)](#)) **Finding**

**Click here to enter text.**

**TIP:** *If there are audit or monitoring findings resulting in a payback, the SHSO must adjust its records to reflect the transaction.*

Verify that the SHSO uses the Federal Audit Clearinghouse website, <https://harvester.census.gov/facweb> or a similar State website on a regular basis to check for subrecipient audit reports. **MC**

#### D. Matching Funds

1. Determine if the SHSO has adequate documentation to demonstrate compliance with State matching rates. (Highway Safety Grant Funding Policy, Part II, B and Appendix A, [NHTSA Order 462-6C](#) and *FY 17 & 18 – (23 CFR § 1300.20(f))* and *FY 16 – (23 CFR § 1200.20(f))* for matching requirements). Below are FAST Act and MAP-21 State match rates. ***Finding***

***Click here to enter text.***

- a. **402 Program** - Minimum 20 percent (or applicable sliding scale rate) of total 402 program (Federal 402 funds plus State/local funds). ([23 USC § 120\(b\)](#)) and ([NHTSA Order 462-6C](#)) ***Finding***

No match required for Bureau of Indian Affairs (BIA). ([23 USC, Chapter 4 § 402\(d\)](#))

No match for the Virgin Islands, Guam, American Samoa, or the Commonwealth of the Northern Mariana Islands. ([23 CFR § 1300.20\(f\)\(2\)](#))

***Click here to enter text.***

- b. **Sections 405 and 1906 Grant Programs** - Minimum 20 percent of each Section 405 program (Federal funds plus State/local funds). *FY 17 & 18 - (23 CFR § 1300.20(f)(1)); FY 16 – (23 CFR § 1200.20(f))* ***Finding***

***Click here to enter text.***

***Click here to enter text.*** No match requirements for Sections **154, and 164.**

**E. 40 Percent Local Benefit Requirement**

1. Trace funds expended by or for the benefit of political subdivisions of the State to verify documentation of the 40 percent local benefit requirement. When at least 40 percent is confirmed, no additional review is required. (Note: BIA local benefit is 95 percent.) *FY 17 & 18 - ([23 CFR § 1300 Appendix C](#)); FY 16 - ([23 CFR § 1200 Appendix E](#)) Finding*

***Click here to enter text.***

2. Review SHSO's documentation of local benefit to determine if local governmental entities have an active voice in the development of the highway safety program. *FY 17 & 18 - ([23 CFR § 1300 Appendix C\(c\)\(3\)](#)); FY 16 - ([23 CFR § 1200 Appendix E\(c\)\(3\)](#)) Finding*

***Click here to enter text.***

3. Local benefit applies to Sections 154 and 164 funds if used for alcohol-impaired driving (not Highway Safety Improvement Program). (Penalty Transfer Provisions Interim Guidance - Open Container and Repeat Offender Laws, 1/31/2013 ([23 U.S.C. §§ 154 and 164](#))) *Finding*

## F. Planning and Administration and Program Management

Planning and administration (P&A) costs are those direct and indirect costs that are attributable to the management of the SHSO. Such costs include salaries, related personnel benefits, travel expenses, and rental cost specific to the SHSO. P&A is applicable to Sections 402, 154 and 164. For Section 402 - *FY 17 & 18* - ([23 CFR § 1300 Appendix D\(b\)](#)); (Highway Safety Grant Funding Guidance, Part II. A.); and *FY 16* - ([23 CFR § 1200, Appendix F\(b\)](#))

For Sections 154 and 164 - (FHWA Penalty Transfer Provisions Interim Guidance - Open Container and Repeat Offender Laws, 1/31/2013 ([23 U.S.C. §§ 154 and 164](#)))

Program management costs are those costs attributable to a program area (e.g., as salary and travel expenses of an impaired driving program manager/coordinator of a SHSO). *FY 17 & 18* - ([23 CFR § 1300 Appendix D\(b\)](#)); *FY 16* - ([23 CFR § 1200 Appendix F\(b\)](#))

*Click here to enter text.*

1. Verify that all P&A and program management expenditures are consistent with regulations and sound management practices. Verify documentation used by SHSO to support P&A minimum 50 percent match (or applicable sliding scale rate for Section 402) requirement for Sections 402. *FY 17 & 18* - ([23 CFR § 1300 Appendix D](#)); (NHTSA Order 462-6c); ([Highway Safety Grants Funding Guidance, Part II, A 2](#)); and *FY 16* - ([23 CFR § 1200 Appendix F](#)) **Finding**

*Click here to enter text.*

2. Verify that the Federal share for P&A activities does not exceed 13 percent of the total Section 402, total Section 154 alcohol funds, and total Section 164 alcohol funds the State receives. *FY 17 & 18* - ([23 CFR § 1300 Appendix D](#)); Highway Safety Grants Funding Guidance, Part II, A 1); (FHWA Penalty Transfer Provisions Interim Guidance - Open Container and Repeat Offender Laws, 1/31/2013 ([23 U.S.C. §§ 154 and 164](#))) and; *FY 16* - ([23 CFR § 1200 Appendix F](#)); **Finding**

*Click here to enter text.*

3. Does documentation reconcile with the P&A tasks and related costs that are required to be described in the P&A module of the HSP? *FY 17 & 18* - ([23 CFR § 1300.13\(a\)\(2\)](#)); *FY 16* - ([23 CFR § 1200.13\(a\)\(2\)](#)) **Finding**

*Click here to enter text.*

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4. If the State is using any SHSO indirect costs as a P&A match, ensure indirect cost rate is applied only to P&A expenditures. *FY 17 & 18 - ([23 CFR § 1300 Appendix D\(b\)](#)); FY 16 - ([23 CFR § 1200 Appendix F\(b\)](#)) Finding*  
***Click here to enter text.***
5. Verify that salaries and other costs are charged correctly to P&A. (e.g., financial manager should be charged to P&A). *FY 17 & 18 - ([23 CFR § 1300 Appendix D](#)); FY 16 - ([23 CFR § 1200 Appendix F](#)) Finding*  
***Click here to enter text.***
6. Verify that salaries and other costs are charged correctly to program management (e.g., Impaired Driving program manager is charged to Impaired Driving program management) for specific program areas. *FY 17 & 18 - ([23 CFR § 1300 Appendix D](#)); FY 16 - ([23 CFR § 1200 Appendix F](#)) Finding*  
***Click here to enter text.***

### G. Project Equipment

1. Verify the SHSO has a system to track, manage, and dispose of equipment acquired under a highway safety grant in accordance with State laws and procedures. *FY 17 & 18-* ([23 CFR § 1300.31\(c\)](#)); *FY 16 -* ([23 CFR § 1200.31\(c\)](#)) *Finding*

***Click here to enter text.***

2. Verify that the SHSO follows the State's inventory requirements in tracking SHSO and subrecipient equipment purchased with Federal highway funds. Example: If the State has a \$500 equipment purchase minimum threshold for inventory, Federally-funded equipment is required to be tracked to same level. ([2 CFR § 200.313\(a\)\(3\)](#)) *Finding*

***Click here to enter text.***

3. Determine if NHTSA provided prior approvals for equipment (including software/information technology systems) purchases and dispositions with acquisition cost of \$5,000 and above. ([2 CFR §§ 200.33, 200.58](#)); *FY 17 & 18 -* ([23 CFR § 1300.31\(d\)](#)); and *FY 16 -* ([23 CFR § 1200.31\(d\)](#)) *Finding*

***Click here to enter text.***

4. Verify that the State and subrecipients comply with applicable written State procurement laws, regulations, rules, policy, or guidelines related to equipment acquisition and disposition. *FY 17 and 18 -* ([23 CFR § 1300.31\(c\)](#)); *FY 16 -* ([23 CFR § 1200.31\(c\)](#)) *Finding*

***Click here to enter text.***



## H. Contracts and Professional Service Agreements

1. Determine whether SHSO has an established process to ensure that State procurement laws, regulations, rules, policy, or guidelines are followed for procuring contracts and/or professional services. ([2 CFR § 200.317](#)) **Finding**  
**Click here to enter text.**
2. Determine whether the SHSO has established procedures to ensure that subrecipients use procurement procedures that reflect applicable Federal, State, local laws and regulations ([2 CFR § 200.318](#)) **Finding**  
**Click here to enter text.**
  - a. If so, verify that State and subrecipients are following the established process to ensure compliance with applicable Federal, State, and local procurement procedures for contracts and/or personal service agreements. ([2 CFR §§ 200.317 - 200.326](#))  
**Finding**  
**Click here to enter text.**
3. Does each State purchase order or other contract include clauses required by Federal statutes? ? ([2 CFR §§ 200.317 and 200.326](#)) and ([2 CFR Part 200, Appendix II](#)) **Finding**  
**Click here to enter text.**

## I. Indirect Costs

Determine if the SHSO claims funds for its own indirect costs and/or subrecipients (State or local government agency or non-profit organization (NPO) or Institutions of Higher Education (IHE)) or Indian Tribe). Include projects that are reimbursed for indirect costs in MR project file reviews. Ask to see required documentation (see tips below) and verify the correct rate is listed in the project agreement. ([2 CFR § 200.331\(a\)\(4\)](#)) **Finding**

**Click here to enter text.**

### TIPS

1. **State or local government agency with Federal approved rate** - *If a state or local agency receives more than \$35 million in total Federal funds in a FY, verify that the SHSO has on file a copy of the indirect cost rate approval letter by the Federal cognizant agency. If the subrecipient already has a negotiated indirect cost rate with the federal government, the negotiated rate must be used. The SHSO may not request or require the subrecipient to offer a lower or zero indirect cost rate when there is a Federally-negotiated rate. ([2 CFR § 200 Appendix VII D \(1\)\(b\)](#))*
- **NPO with Federal Approved Rate** - *If an NPO, verify that the SHSO has on file a copy of the indirect cost rate approval letter by the Federal cognizant agency. ([2 CFR § 200 Appendix IV](#))*
- **IHE with Federal Approved Rate** - *If an IHE, verify that the SHSO has on file a copy of indirect cost rate approval letter by the IHE from the U.S. Department of Health and Human Services or the U.S. Department of Defense. ([2 CFR § 200 Appendix III](#))*
- **Indian Tribe with Federal Approved Rate** - *If an Indian Tribe, verify that the SHSO has a copy on file of the indirect cost rate approval from the U.S. Department of Interior. ([2 CFR §200 Appendix VII D \(1\)\(c\)](#))*
- **State or local government agency or NPO receiving less than \$35 million in total Federal funds with a State negotiated rate** - *If a non-Federal entity only receives funds as a subrecipient of the SHSO, the SHSO or other responsible State agency is responsible for negotiating and/or monitoring the subrecipient's indirect costs. Verify that SHSO has documentation of negotiated rate. Review grant/project documentation to determine if the SHSO has accepted the subrecipient's proposed indirect*

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*cost rate. Does documentation clearly state the indirect cost rate? Document the SHSO's monitoring of subrecipient's indirect cost claims. ([2 CFR § 200 Appendix VII D \(1\)\(b\)](#)) ([2 CFR § 200, Appendix IV](#)) and ([2 CFR § 200.331\(a\)\(4\)](#))*

- ***Interagency Service*** - *If the subrecipient is a State agency and is receiving interagency services (indirect costs) in lieu of determining the actual indirect costs of the service, verify that the reimbursement is limited to State agencies and 10 percent standard indirect cost allowance of only direct salary and wage cost excluding overtime, shift premiums, and fringe benefits. ([2 CFR § 200.417](#))*
- ***De minimis rate*** - *If an agency is receiving reimbursement for a 10 percent de minimis rate, verify that the 10 percent rate is only applied to the Modified Total Direct Cost (MTDC). To be eligible for the de minimis rate, the agency must never have received a negotiated indirect cost rate and receives less than \$35 million in total Federal funds. ([2 CFR § 200.68](#)) and ([2 CFR § 200.414\(f\)](#))*

*MTDC means all direct salaries and wages, applicable fringe benefits, materials and supplies, services, travel, and up to the first \$25,000 of each subaward. MTDC excludes equipment, capital expenditures, rental costs, and the portion of each subaward in excess of \$25,000. ([2 CFR § 200.68](#))*

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**J. Paybacks**

Does the SHSO have any paybacks from audits or MR findings or monitoring findings (unallowable costs, overpayments, errors) that are due to NHTSA and are unresolved? If so, the MR may be used as a vehicle to advance collection.

#### **IV. PROJECT FILE REVIEW**

##### **A. Background: Non-statistical Sampling**

1. **Judgment Selection** – Judgment sample selection is based on the reviewer’s sound, seasoned judgment expertise. Three basic issues determine items selected.
  - a. **Value of items.** A sufficient number of extensively worked or older accounts should be included to provide adequate audit coverage.
  - b. **Relative risk.** Items prone to error due to their nature or age should be given special attention.
  - c. **Representativeness.** Besides value and risk considerations, the reviewer should be satisfied that the sample provides breadth and coverage over all types of items in the population.

##### **B. Project File Review Process**

Project files reviewed by NHTSA during the FY, prior to the MR on-site, should be included in MR process. This includes project files reviewed during voucher views and monitoring activities.

1. Select projects based on the project file review non-statistical procedures described under the background section above, and as noted in the MR Guidelines and on-site time constraints. For projects selected, examine all items included in the project file review checklist.
2. The projects reviewed include representation from each of the three FYs of the MR. Care should be taken in scheduling the MR on-site to allow current FY projects to have expended funds.
3. The projects reviewed include representation from each NHTSA program area and grant programs in which significant amounts of funds were expended during the MR period.
4. If recurring problems are identified, reviews are expanded as appropriate to determine overall scope and impact of problem.

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5. Summarize major issues identified during the project file review(s) pertaining to the project file review checklist form.
6. If there is a finding, additional files are examined to determine if the problem is isolated or widespread. If the problem is isolated (and not material), the MR should exclude the finding in the MR report. If the problem, even if isolated, involves unallowable use of Federal funds, the problem is noted in the MR Report.