

HIGHWAY SAFETY PROGRAM
MANAGEMENT REVIEW ELEMENTS

Use for Management Reviews conducted in FY 2022 ONLY

State of: [redacted] [redacted] [redacted] [redacted]

On-site/Virtual/Hybrid Review Dates:* (Month) (Dates) (Fiscal Year)

Reviewer(s): [redacted]

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

Starting in FY21 the years reviewed for an MR are as follows:

If an MR is conducted in the first or second quarter of the fiscal year, the previous three years are reviewed. If the MR is conducted in the third or fourth quarter of the fiscal year, the current year plus the two previous years are reviewed.

- For example, if the MR is conducted in December of 2020 (FY2021), the years reviewed for the MR are FY18, FY19, and FY20. If the previous MR included file reviews from FY18 (for example), different projects from FY18 would be reviewed—including any projects deemed higher risk.
- If the MR is conducted in June of 2021, the years reviewed for the MR are FY19, FY20, and FY21. There is no expectation of including four years in the team’s review, or of duplicating reviews that were completed as part of regular monitoring or a previous MR.

Note: All links take you to the updated version of the Uniform Guidance. Some items have the same number others have a different number.

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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 guidance.

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

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 the 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. A recommended action 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 the status of each recommended action.

Commendation - A commendation demonstrates what the State has accomplished of high value since the previous MR and reflects a measurement of the State against itself, not against what another State has accomplished.

Additional Definitions

For definitions related to the Federal statutes and regulations used in the subsequent MREs, see [2 CFR § 200.1](#) and [23 CFR § 1300.3](#).

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

I. ORGANIZATION AND STAFFING

A. *Authority and Functions

Obtain a copy of the legislation and/or Executive Order establishing the SHSO authority, organizational chart, 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 CFR § 1300.4](#)) ***Finding***

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

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

TIP: Make notation of any missing items

[Redacted]

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

TIP: Make notation of any missing items.

Review current staffing level to determine if it is adequate to carry out functions listed in [23 CFR § 1300.4\(c\)\(1-12\)](#) as well as to:

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

[Redacted]

B. Organization

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, financial management, program operations), and the names of individuals currently filling these positions.

1. *Has the Governor appointed the Governor's Representative (GR)? ([23 CFR § 1300.4\(a\)](#)) **Finding**

[Redacted]

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

[Redacted]

C. Policies and Procedures

Does the SHSO have written policies and procedures specific to the Federally-funded highway safety program to address: Highway Safety Plan (HSP) development; including data collection and evaluation relating to performance measures and targets, planned activities and project selection strategies, project agreement management including preparation, subrecipient risk assessment, execution, administration, monitoring and evaluation, financial management, and closeout? **MC**

If so, are they current?

TIP: “Current” means within at least the last three years, but more recently if there are new or revised Federal or State regulations, including the most current Federal authorization and any updated State policies.

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

[Redacted]

2. Are there improvements that can be offered? If yes, note improvements.

[Redacted]

3. Is SHSO staff aware of the policies and procedures?

[Redacted]

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

[Redacted]

5. If there is no such evidence, is the lack of use contributing to deficiencies in the projects or overall highway safety program?

[Redacted]

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6. What resources does the SHSO use?

TIP: *NHTSA Highway Safety Grants Management Resources, the Governors Highway Safety Association Policies and Procedures Manual, NHTSA State Traffic Safety Information (STSI) website, State Travel Guidelines/Procurement Procedures.*



7. Does the SHSO have written policies and procedures to determine if costs comply with requirements of the Cost Principles (Subpart E of 2 CFR Part 200) and terms and conditions of the Federal award? ([2 CFR § 200.302\(b\)\(7\)](#)) **Finding.**

TIP: *When reviewing SHSO policies and procedures during the MR, use the following criteria for each policy and procedure:*

- *Absence or presence;*
- *Adequacy and reasonableness; and*
- *Adherence by SHSO staff*



D. Delegations of Authority

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



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 delegations allow the SHSO to conduct business in the absence of top-level management?

E. 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**

[Redacted]

2. Has SHSO staff attended NHTSA courses, such as NHTSA Highway Safety Grants Management, Data Driven Highway Safety Planning, the GHSA Executive Seminar, or other NHTSA or GHSA-sponsored professional development seminars and webinars? Is there a plan or timeline for how often the staff is re-trained in areas that pertain to assigned functions? **MC**

TIP: *Review course completion certificates on file at SHSO, provided by the Transportation Safety Institute's (TSI) Learning Management System.*

[Redacted]

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

[Redacted]

- b. Does the SHSO have policies and procedures to authorize training, provide justification, and pay for training?

[Redacted]

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

[Redacted]

3. Are there roadblocks to delivering necessary and effective highway safety training (e.g., travel restrictions, hiring freezes/restrictions)? **MC**

[Redacted]

II. PROGRAM MANAGEMENT

A. *Planning Process

1. Highway Safety Planning - Review the SHSO policies and procedures specific to highway safety planning and determine if the items in ([23 CFR § 1300.11\(a\)](#)) are addressed. **MC**



- a. Data analysis - sources and processes used

TIP: *Does the data analysis process include fatality, injury, enforcement, judicial, and other relevant data?*

- b. Partners and stakeholders

TIP: *Have traditional and non-traditional partners been considered? Are partners representative of the demographics of the state? Is a variety of agencies (both government and non-government) included in the planning process?*

- c. Performance measures

- d. Countermeasure selection

TIP: *Does the Policy and Procedure manual require that any countermeasure selected be related to a specific identified problem (impaired driving fatalities in rural areas vs. impaired driving in general)?*

- e. Project selection

2. Are the policies and procedures regarding highway safety planning comprehensive and reasonable? Would following them lead to the development of a comprehensive and data-driven HSP? **MC**



3. Does the SHSO follow their highway safety planning policies and procedures? **MC**



B. Highway Safety Program Calendar/Timeline

1. Do the SHSO policies and procedures include a calendar or timeline? **MC**

Review and assess the calendar/timeline.

TIP: *Timeline should include problem identification; performance plan development; setting performance targets; solicitation/review and approval of project proposals; preparation and submission of the HSP; obligation of funds to projects in GTS; award and execution of project agreements; project monitoring; financial reconciliation; and submission of final report.*

[Redacted]

2. Is the calendar/timeline followed?

[Redacted]

C. *Program Performance

1. *Refer to the most recent NHTSA 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**

[Redacted]

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**

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?*

TIP: *Other than the required core performance measures, do the State's Policies and Procedures provide for the creation of performance measures to specifically track other data points (conviction rates, drug impaired driving fatalities, young driver distracted driving fatalities, etc.) which can help determine progress?*

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TIP: *Does the data analysis process include reviewing past program and project performance and making changes to that process if progress is not being made? Is the quality of the project agreement considered when selecting a project for funding (well written problem statement that is specific to the jurisdiction, clear goals and objectives, etc.)?*

If it is determined performance in any program area is poor, develop a plan to oversample projects during MR.

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

- *Were budget allocations consistent with problems identified across all program areas? (e.g. 14% of fatalities in Pedestrian Safety, but less than 2 percent of 402 funds dedicated to pedestrian safety programming, may be inconsistent with the State's problem identification.)*
- *Did the State opt to take any of the CARES Act waivers and how was it documented? Did it impact the State's progress?*
- *Did the State actually follow the process described in the HSP or did the process not result in identification of effective strategies?*
- *Were strategies comprehensive?*
- *Were the projects adequately funded?*
- *Was enough staffing directed toward the project?*
- *Was geographic focus appropriate?*
- *Were projects and activities properly implemented?*
- *Is there evidence that the State has implemented recommendations from the most recent Program Assessments? What recommendations? If not, why not?*
- *Did outside factors, such as law changes, political issues, public support, economic issues, or catastrophic occurrences impact the outcome?*

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- *Is there a program deficiency that can be related back to topics covered under Organization and Staffing, e.g., the Policy and Procedure manual or a lack of staff training opportunities?*

[Redacted]

D. Project Selection

1. Review and assess the SHSO's project solicitation/application policies and procedures.

[Redacted]

2. Did the SHSO follow their project solicitation/application policies and procedures? Did the SHSO consider the items listed below? *MC*
 - a. Performance of prior projects
 - b. Administrative difficulties (e.g. incomplete, late, lack of reporting, errors)
 - c. SHSO's project application scoring and evaluation process

[Redacted]

3. Does the SHSO follow the project selection strategies outlined in their HSP? Did the selection result in use of evidence-based countermeasures and projects? ([23 CFR § 1300.11\(a\)\(1\)](#)) *Finding*

[Redacted]

E. HSP Amendments

1. Review the status of HSP planned activities to ensure that the following changes have been approved by the Regional Administrator (RA), subsequent to approval and implementation of the HSP. ([23 CFR § 1300.11\(d\)\(2\)\(ii\)](#) and [23 CFR § 1300.32](#)) *Finding*
 - a. Change in the scope or the objective(s) of the planned activity
 - b. Change in intended subrecipients (i.e., class of subrecipient, since actual subrecipients may not be known)
 - c. Change in Federal funding source(s)
 - d. Change in eligible use of funds

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- e. Change in the estimated fund amount exceeding 10% or \$500,000, whichever is less

[REDACTED]

- 2. Prior to beginning of performance (implementation) of each project, did the SHSO amend the HSP to include the following information? ([23 CFR § 1300.32](#)) *Finding*

- a. Project agreement number;
- b. Subrecipient name;
- c. Amount of Federal funds; and
- d. Eligible use of funds (fund code/source).

[REDACTED]

- 3. Were amendments and changes to the HSP approved by RA before approval of vouchers for payment?

[REDACTED]

F. Implementation

- 1. Is there a separation of duties between the individual who develops the projects and the individual who approves the projects? *MC*

[REDACTED]

- 2. * Determine whether the SHSO has written policies and procedures that address the preparation, implementation, administration, and evaluation of projects. *MC*

[REDACTED]

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3. 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 § 200.332\(a\)](#)) **Finding**
- a. Federal Award Identification ([2 CFR § 200.332\(a\)\(1\)](#))
 - b. Subrecipient name (which must match the name associated with its unique entity identifier) ([2 CFR § 200.332\(a\)\(1\)\(i\)](#))
 - c. Subrecipient's unique entity identifier DUNS number ([2 CFR § 200.332\(a\)\(1\)\(ii\)](#))
NOTE: DUNS number is the identifier required for System for Award Management (SAM) registration to uniquely identify business entities.
 - d. Federal Award Identification Number (FAIN) ([2 CFR § 200.332\(a\)\(1\)\(iii\)](#))
 - e. Federal award date ([2 CFR § 200.332\(a\)\(1\)\(iv\)](#))
 - f. Subaward period of performance start and end date ([2 CFR § 200.332\(a\)\(1\)\(v\)](#))
 - g. Amount of Federal funds obligated by this action ([2 CFR § 200.332\(a\)\(1\)\(vii\)](#));
 - h. Total amount of Federal funds obligated to the subrecipient ([2 CFR § 200.332\(a\)\(1\)\(viii\)](#))
 - i. Total amount of the Federal award ([2 CFR § 200.332\(a\)\(1\)\(ix\)](#))
 - j. Federal award project description, as required by the Federal Funding Accountability and Transparency Act (FFATA) ([2 CFR § 200.332\(a\)\(1\)\(x\)](#))
 - k. Name of Federal awarding agency, pass-through entity, and contact information for awarding official ([2 CFR § 200.332\(a\)\(1\)\(xi\)](#))
 - l. Assistance listing number (formerly CFDA) and name; the pass-through entity must identify the dollar amount made available under each Federal award and the Assistance Listing number (formerly CFDA) at time of disbursement ([2 CFR § 200.332\(a\)\(1\)\(xii\)](#))
 - m. Identification of whether the award is Research and Development ([2 CFR § 200.332\(a\)\(1\)\(xiii\)](#))
 - n. Indirect cost rate (if any) for the Federal award (including if the de minimis rate is charged per ([2 CFR § 200.414](#)))
 - 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 § 200.332\(a\)\(2\)](#))

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- 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 § 200.332\(a\)\(3\)](#))
- q. An approved federally recognized indirect cost rate (if any) negotiated between the subrecipient and the Federal government or, if no such rate exists, the pass-through entity (SHSO) must determine the appropriate rate in collaboration with the subrecipient, which is either:
 - The negotiated indirect cost rate between the pass-through entity and the subrecipient; which can be based on a prior negotiated rate between a different pass-through entity and the same subrecipient. If basing the rate on a previously negotiated rate, the pass through entity is not required to collect information justifying this rate, but may elect to do so; or,
 - The de minimis indirect cost rate.

The pass-through entity must not require use of a de minimis indirect cost rate if the subrecipient has a Federally approved rate. Subrecipients can elect to use the cost allocation method to account for indirect costs in accordance with ([2 CFR § 200.405\(d\)](#)). ([2 CFR § 200.332\(a\)\(4\)](#)) *new citation number*, and ([2 CFR § 200.414](#));

- 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 § 200.332\(a\)\(5\)](#))
- s. Appropriate terms and conditions concerning closeout of the subaward ([2 CFR § 200.332\(a\)\(6\)](#))

4. Does the SHSO have a written project agreement for each project that has costs claimed through a GTS voucher? ([23 CFR § 1300.3](#)) and ([23 CFR § 1300.33\(c\)](#)) **Finding**

[Redacted]

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5. Does the project agreement contain the following (in addition to required items listed in II. F. 3. of the MR Elements)?
- a. Project agreement number (a unique State-generated identifier assigned to each project agreement) ([23 CFR § 1300.33\(c\)](#))

Finding

[REDACTED]

- b. Problem statement ***MC***

[REDACTED]

- c. Evidence-based project goals, objectives, countermeasures to help the State achieve its performance targets ***MC***

[REDACTED]

- d. Detailed budget ***MC***

[REDACTED]

- e. Project revision parameters ***MC***

[REDACTED]

- f. Appropriate training (Are traffic enforcement officers required to receive training on special skills, such as Standardized Field Sobriety Testing (SFST) and Traffic Occupant Protection Strategies?) ***MC***

[REDACTED]

- g. Costs that are allowable - necessary, reasonable, and allocable ([2 CFR §§ 200.403 – 200.405](#)) ***Finding***

TIP: *Cost items to review:*

- *Items addressed in the NHTSA' 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*
- *Unallowable items such as:*
 - Alcoholic beverages*
 - Construction or reconstruction of facilities;*

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Furniture and fixtures;

Land except using Section 405(f) funds for land for facilities;

Radars/speed measuring devices with Sections 405(d), 154, or 164 funds;

Training and salaries of Federal or military personnel;

In-vehicle cameras except in select circumstances; and

Motorcycle helmet use surveys.

[REDACTED]

h. Periodic and final reports and evaluation requirements **MC**

[REDACTED]

6. Are the following required subrecipient Certifications and Assurances part of each project agreement? ([23 CFR § 1300 Appendix A](#)) **Finding**

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

- [REDACTED]
- 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
 - g. Debarment and suspension - Does the SHSO have policies and procedures requiring a 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/SAM/>? **MC**

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Is there documentation that SHSO is complying with the debarment/suspension policies and procedures? **MC**

[REDACTED]

7. Determine if the SHSO has policies and procedures for project implementation, including: **MC**

a. Project implementation schedule

[REDACTED]

b. Commitment of obligated funds to approved project

[REDACTED]

c. Pre-award/orientation meetings with project personne.

[REDACTED]

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

[REDACTED]

9. Can the project award related processes be streamlined to reduce paperwork and/or increase efficiency? **MC**

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

[REDACTED]

10. Do project agreements that include law enforcement and prosecutors covered under the General Costs of Government list project work as activity hours as opposed to full-time or part-time positions? ([2 CFR § 200.444\(4\)\(5\)](#)) **Finding**

[REDACTED]

G. Monitoring/Subrecipient Risk Evaluation

1. Is there documentation that the SHSO annually evaluates each subrecipient's risk of noncompliance to determine appropriate subrecipient monitoring in accordance with ([2 CFR § 200.332\(b\)](#))? **Finding**

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

- *Quality of management systems and 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*
- *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. Are there policies and procedures that address how to conduct the risk evaluation and use results? **MC**



3. Is there documentation that results of risk evaluations are used to determine the level and type of subrecipient monitoring? ([2 CFR § 200.332\(b\)](#)) **Finding**

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*
- *Audit services as described in ([2 CFR § 200.425](#)).*



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4. 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 per required risk evaluation) **MC**

[Redacted]

H. Monitoring

1. Does the SHSO's monitoring cover each program, function, or activity? ([2 CFR § 200.329\(a\)](#)) **Finding**

[Redacted]

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 § 200.332\(d\)](#)) **Finding**

[Redacted]

SHSO monitoring of the subrecipient *must* include:

- a. Review of financial and program reports required by the SHSO. ([2 CFR § 200.332\(d\)\(1\)](#)) **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 § 200.332\(d\)\(2\)](#)) **Finding**
3. Does the SHSO have written monitoring policies and procedures? **MC**

[Redacted]

Do the policies and procedures include:

- a. Two items (a and b) listed above in II. H. 2. of the MR Elements

[Redacted]

- b. On-site monitoring

[Redacted]

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- c. Review of subrecipients' internal controls

[REDACTED]

- d. Monitoring of the subrecipients' policies and procedures for scheduling, approval, tracking, accounting, and supervision of overtime to ensure there are adequate checks, balances, and safeguards

[REDACTED]

- e. Monitoring of subrecipients' progress in achieving goals/targets, objectives, and performance measures

[REDACTED]

- f. Protocol to follow when possible fraud or misuse of funds is detected, including name of agency (e.g., agency auditor or State auditor or Department of Public Safety investigators or State Office of Inspector General) to which issue is referred to for investigation

[REDACTED]

- 4. Does the SHSO staff consistently adhere to the monitoring policies and procedures, including frequency of on-site monitoring? If not, what are the reasons? *MC*

[REDACTED]

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

[REDACTED]

- 6. How does the SHSO assign program management and monitoring responsibilities? (e.g. geographically, program area, fiscal and audit expertise, identified skills). Do the assignments take into account staff expertise and skills? Do the assignments provide a level of monitoring comparable to subrecipients' risk levels? *MC*

[REDACTED]

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7. Are there policies and procedures addressing preparation and filing of monitoring reports and follow-up on findings and recommendations? Are the policies and procedures adequate and followed? **MC**

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?

[Redacted]

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

[Redacted]

9. Does the SHSO have policies and procedures to address suspension or termination of work and recovery of funds for projects identified as problematic and/or noncompliant? During this MR period, has the SHSO suspended or terminated a project or recovered funds? **MC**

[Redacted]

If so, were SHSO policies and procedures followed?

[Redacted]

10. Does the SHSO review subrecipient time and attendance documentation procedures. Do they require documentation to ensure charges to Federal awards for salaries and wages accurately reflect the work performed? ([2 CFR § 200.430\(i\)](#)) **Finding**

[Redacted]

- a. Review a sample of employee time sheets. Do they follow their State policies and procedures?

[Redacted]

TIP: The SuperCircular requires States to rely on strong internal control standards, but allows some flexibility on how to meet those standards.

I. Internal Controls

The SHSO must have 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**

[Redacted]

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

[Redacted]

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**

[Redacted]

4. Take prompt action when instances of noncompliance are identified including noncompliance identified in audit findings.

([2 CFR § 200.303\(d\)](#)) **Finding**

[Redacted]

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**

[Redacted]

J. Legislation and Lobbying

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

[Redacted]

2. What legislative-related activities does the State prohibit SHSO personnel and subrecipients from performing? ([2 CFR § 200.450](#)) *Finding*

[Redacted]

K. Program Strengths

1. 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*

[Redacted]

III. FINANCIAL MANAGEMENT

A. Financial Management System

1. Determine if the State has fiscal control and accounting policies and procedures sufficient to permit preparation of reports required by this part and the statutes authorizing the award 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

TIP: Determine:

- What State forms are used to submit SHSO reimbursement vouchers to State Treasury for payment;
- Who submits payment to subrecipients? State Treasury? or 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.

[Redacted]

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

[REDACTED]

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

TIP: For example, accounts payable and accounts receivable should be administered by two different people. Program manager should not be only individual to review and approve the payment of vouchers.

[REDACTED]

B. Grant Payments - Vouchers

If the Regional Office has previously conducted the three required voucher reviews in each FY per the NHTSA Voucher Review Procedure, 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 vouchers to NHTSA on a quarterly basis, no later than 15 working days after the end of each quarter; or, when a State receives funds by electronic transfer at an annualized rate of one million dollars or more and vouchers are submitted on a monthly basis, no later than 15 working days after the end of each month? ([23 CFR § 1300.33\(d\)](#)) **Finding**

[REDACTED]

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**

[REDACTED]

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- 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 awards must be available for review.
[\(2 CFR § 200.403\(g\)\)](#) **Finding**

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?
[\(2 CFR § 200.309\)](#) and [\(23 CFR § 1300.40\(a\)\)](#) **Finding**

- d. Are the amounts vouchered allowable based upon applicable statutes, regulations and guidance? [\(23 CFR Part 1300](#) and [2 CFR § 200 Subpart E\)](#) **Finding**

Does the SHSO exercise sound cash management practices by minimizing the time between receipt of the subrecipient voucher and disbursement of funds to the subrecipient? [\(2 CFR § 200.305\(a\)\)](#) and [\(31 CFR § 205.33\(a\)\)](#) **Finding**

- e. Program Income - Determine if the SHSO and/or their subrecipients generate program income. If so, does program income comply with [\(2 CFR § 200.307\)](#) and [\(2 CFR § 1201.80\)](#) **Finding**

TIP: *Regarding the use of program income, NHTSA has already provided approval for addition of program income to the Federal award by continuing the practice authorized in 23 CFR Part 1200. Program income may be added to the funds committed to the HSP/project to further the objectives of the program under which it was generated.*

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2. * HSP Funding Considerations

- a. Are all SHSO projects for which costs are vouchered listed in the HSP as amended? ([23 CFR § 1300.32\(b\)](#)) and ([23 CFR § 1300.33\(e\)](#)) *Finding*

[REDACTED]

- b. Are obligated Federal funds committed to projects within a reasonable time? *MC*

[REDACTED]

3. Disposition of Unexpended Balances - Determine if the State has a history of large unexpended balances and/or if during the MR period, the State has been notified by NHTSA regarding disposition of unexpended balances (whether there was a resulting deobligation of funds) in accordance with [23 CFR § 1300.41](#). If so, assess why the State has experienced challenges in timely expending Federal funds and offer recommendations for improvement. *MC*

[REDACTED]

C. Audits

1. * 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 by the State within six months after receipt of the audit report. ([2 CFR § 200.521\(c\)\(d\)](#)) and ([2 CFR § 200.332\(d\)\(3\)](#)) *Finding*

[REDACTED]

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

[REDACTED]

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

[REDACTED]

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- 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**

TIP: *The pass-through entity is not responsible for resolving cross-cutting findings.*

- 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 § 200.332\(g\)](#)) **Finding**

- 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 § 200.332\(a\)](#)) **Finding**

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

- e. Verify that the SHSO uses the Federal Audit Clearinghouse website, <https://harvester.census.gov/facweb>, or a similar State website or resource 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.

([23 CFR § 1300.20\(f\)](#)) **Finding**

TIP: *Review financial and program documents to verify the match amounts are at least as much as the State included in its final GTS voucher for the FY. While an official letter may be helpful, it is not enough. The State must have financial records to reconcile with and document any correspondence.*

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- a. **402, 405, and 1906 Programs** - For aggregate match, States must have a minimum of 20 percent of the total of 402,405, and 1906 (or applicable sliding scale rate for 402, 405, and 1906). States also have the option of providing the 20 percent match by program area ([23 USC § 120\(b\)](#)). **Finding**

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

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

- b. **Sections 154 and 164** - No match requirements.

E. 40 Percent Local Share (also known as 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 share requirement. When at least 40 percent is confirmed, no additional review is required. (*Exception:* Bureau of Indian Affairs must expend 95 percent for Tribes. *Exempt:* District of Columbia; Puerto Rico; and Territories) ([23 CFR § 1300 Appendix C](#)) **Finding**

2. Review SHSO's documentation of local share to determine if local governmental entities have an active voice in the initiation, development and implementation of the highway safety program. ([23 CFR § 1300 Appendix C\(c\)\(3\)](#)) **Finding**

TIPS: *If the SHSO is providing a Section 402 or 154 or 164 subaward directly to a local governmental agency, the project agreement is the documentation.*

However, if the State is claiming as part of the required 40 percent local share a subaward directly to a State agency, the SHSO must have on file documentation as evidence of the local governmental entity's "active voice" participation. A State may not arbitrarily ascribe State agency expenditures as "benefitting local government."

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3. Local share 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. Section 402 ([23 CFR § 1300 Appendix D \(b\)](#))

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). ([23 CFR § 1300 Appendix D \(b\)](#))



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 Section s 402. ([23 CFR § 1300 Appendix D](#)) *Finding*



2. Verify that the Federal share for P&A activities does not exceed **15** percent of the total Section 402, total Section 154 alcohol funds, and total Section 164 alcohol funds the State **receives each fiscal year**. ([23 CFR § 1300 Appendix D](#)) and (FHWA Penalty Transfer Provisions Interim Guidance - Open Container and Repeat Offender Laws, 1/31/2013 ([23 U.S.C. §§ 154](#) and [164](#)) *Finding*



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? ([23 CFR § 1300.13\(a\)\(2\)](#)) *Finding*



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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. [\(23 CFR § 1300 Appendix D\(b\)\)](#) *Finding*
[REDACTED]
5. Verify that salaries and other costs are charged correctly to P&A. (e.g., financial manager should be charged to P&A). [\(23 CFR § 1300 Appendix D\)](#) *Finding*
[REDACTED]
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. [\(23 CFR § 1300 Appendix D\)](#) *Finding*
[REDACTED]
7. Review the SHSO's time and attendance documentation procedures. Do they require documentation to ensure charges to Federal awards for salaries and wages accurately reflect the work performed? [\(2 CFR § 200.430\(i\)\)](#) *Finding*
[REDACTED]
 - a. Review a sample of employee time sheets. Do they follow their State policies and procedures?
[REDACTED]

TIP: The SuperCircular requires States to rely on strong internal control standards, but allows some flexibility on how to meet those standards.

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. [\(23 CFR § 1300.31\(c\)\)](#) *Finding*
[REDACTED]

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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*
[REDACTED]
3. Determine if the SHSO requested and NHTSA RA provided prior approvals for equipment (including software/information technology systems) purchases and dispositions with acquisition cost of \$5,000 and above. ([2 CFR § 200.1](#)) and ([23 CFR § 1300.31\(d\)](#)) *Finding*
[REDACTED]
4. Determine if there are any equipment dispositions for which the SHSO did not request prior written approval from the RA because the equipment exceeded its useful life. Confirm the equipment has exceeded its useful life as determined under State law and procedures. ([23 CFR § 1300.31\(d\)\(2\)](#)) *Finding*
[REDACTED]

H. Contracts and Professional Service Agreements

1. Determine whether SHSO has policies and procedures to ensure that SHSO is following Federal and State procurement laws and regulations for procuring contracts and/or professional services. ([2 CFR § 200.317](#)) *Finding*
[REDACTED]
2. Determine whether the SHSO has policies and procedures to ensure that subrecipients are following Federal, State, and local procurement laws and regulations. ([2 CFR § 200.318](#)) *Finding*
[REDACTED]
 - a. If so, verify that State and subrecipients are following the policies and procedures to ensure compliance with applicable Federal, State, and local procurement laws and regulations for contracts and/or personal service agreements. ([2 CFR §§ 200.318 - 200.327](#)) *Finding*
[REDACTED]

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3. Does each State purchase order or other contract include clauses required by Federal statutes? ([2 CFR §§ 200.317 and 200.327](#)) and ([2 CFR Part 200, Appendix II](#)) **Finding**



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 § 200.332\(a\)\(4\)](#)) **Finding**



TIPS

- **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 Part 200 Appendix VII D \(1\)\(b\)](#)) and (NHTSA's "Indirect Cost Rate Requirements of OMB's Super Circular (2 CFR Part 200)" July 2015)
- **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 Part 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 Part 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 Part 200 Appendix VII D \(1\)\(c\)](#))

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- **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 appropriate State agency is responsible for negotiating and/or monitoring the subrecipient's indirect costs. Verify that SHSO has documentation of negotiated rate. Review subaward/project documentation to determine if the SHSO has accepted the subrecipient's proposed indirect 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 § 200.332\(a\)\(4\)](#))
- **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 receive less than \$35 million in total Federal funds. ([2 CFR § 200.414\(D\)\(1\)\(b\)](#)) 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 (regardless of the period of performance of the subawards under the award). MTDC excludes equipment, capital expenditures, charges for patient care, tuition remission, scholarships and fellowships, participant support costs, rental costs, and the portion of each subaward in excess of \$25,000. ([2 CFR § 200.1](#)) new citation number. The "subaward" referenced here is a subaward of the non-Federal entity receiving the de minimis rate.

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? Document why the paybacks are happening and/or unresolved, and determine if a solution can be put in place for the future. If so, the MR may be used as a vehicle to advance collection. **MC**



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

Project files reviewed by NHTSA during the three FYs of review, and prior to or during the MR, are included in the MR report. This includes project files reviewed during voucher reviews and monitoring activities.

1. Select projects based on the project file review non-statistical sampling 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, including but not limited to budget allocation; allowable use of funds for activities occurring during the performance period; evidence of SHSO monitoring based on completed risk assessment; project equipment; travel; and project evaluation.
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.
5. Summarize major issues identified during the project file review(s) pertaining to the project file review checklist form.

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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.