

U.S. Department of Labor  
Veterans' Employment and Training Service

**Competitive Grants  
Corrective Action Plan  
&  
High Risk Designation Guide**



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**Table of Contents**

<b>I.</b>	<b>Purpose.....</b>	<b>4</b>
<b>II.</b>	<b>Background.....</b>	<b>4</b>
<b>III.</b>	<b>Reference.....</b>	<b>4</b>
<b>IV.</b>	<b>GOTR’s Role.....</b>	<b>4</b>
<b>V.</b>	<b>Institutionalizing a CAP.....</b>	<b>5</b>
<b>VI.</b>	<b>Components of a CAP.....</b>	<b>5</b>
<b>VII.</b>	<b>CAP Approval.....</b>	<b>6</b>
<b>VIII.</b>	<b>CAP Monitoring.....</b>	<b>6</b>
<b>IX.</b>	<b>CAP Close-out.....</b>	<b>6</b>
<b>X.</b>	<b>CAP Reporting to the National Office.....</b>	<b>7</b>
<b>XI.</b>	<b>Identification of High Risk.....</b>	<b>7</b>
<b>XII.</b>	<b>Steps to Designate High Risk.....</b>	<b>7</b>
<b>XIII.</b>	<b>Grant Officer’s High Risk Designation.....</b>	<b>8</b>
<b>XIV.</b>	<b>Monitoring a High Risk Grant.....</b>	<b>10</b>
<b>XV.</b>	<b>Removal of High Risk Designation.....</b>	<b>10</b>
<b>XVI.</b>	<b>Resources.....</b>	<b>10</b>
<b>XVII.</b>	<b>Agency Contacts.....</b>	<b>10</b>

## I. PURPOSE

This Competitive Grants Corrective Action Plan & High Risk Designation Guide is intended to be used by Veterans' Employment and Training Service (VETS) staff responsible for grants management. This guide will establish protocols and a process for VETS staff to initiate, develop, monitor, and close-out a Corrective Action Plan (CAP) and High Risk (HR) designation. This guide should be used as a companion to all active Competitive Grants Reporting guidance, found here, <https://www.dol.gov/vets/VPLS/VPLDirectory.html>.

## II. BACKGROUND

As discussed in Veterans' Program Letter (VPL) [02-17](#) and Director's Memorandum (DM) 04-18, the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) at 2 CFR 200 describes methods for addressing risk of unsuccessful performance at three points in the Federal award lifecycle:

1. Pre-Award Phase – conducting a review of risk posed by applicants [2CFR 200.205];
2. Award Phase – addressing potential risk by including award conditions in the recipient's federal award [2CFR 200.207]; and
3. Post-Award Phase – taking action to remedy non-compliance during the performance period, if the recipient fails to comply with federal statutes, regulations, or the terms and conditions of a federal award [2 CFR 200.338].

This guide addresses the protocols at the post-award phase.

## III. REFERENCE

- [2CFR 200](#); Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)
- [VPL 02-17](#); Quarterly Reporting Guidance for Competitive Grant Recipients and Non-Competitive Stand Down Grant Recipients
- DM 04-18; Competitive Grants Quarterly Reporting Guidance
- Competitive Grants Technical Performance Report Technical Assistance Guide (TAG)

## IV. GOTR's ROLE

The Grant Officer's Technical Representative (GOTR) serves on behalf of the Grant Officer to ensure the integrity of the approved grant agreement by monitoring and providing technical assistance to the grantee. Assessing the risk of a grantee not being able to meet the goals and conditions associated with the federal award starts with the assigned GOTR. The GOTR for each grant award will conduct quarterly grant reviews

and an on-site assessment to evaluate the performance of the recipient to identify the potential risk of non-performance throughout the performance period. The GOTR will review quarterly financial and performance information submitted by the grantee, in addition to other available and/or required documentation as a condition of the federal award. The GOTR will document the findings of the quarterly review and the on-site assessment as well as relevant conversations and mail or email exchanges with the grantee in the grant file.

The GOTR should provide Technical Assistance (TA) or contact the VETS National Veterans Technical Assistance Center, and/or recommend a CAP or request a HR designation to address concerns of underperformance and/or non-compliance.

#### V. **INSTITUTING A CAP**

During the quarterly reporting process, the GOTR will ensure the grantee submits a CAP when required through the quarterly reporting process, as outlined currently in [VPL 02-17, Attachment 1](#).

In instances when the grantee does not submit a CAP with their quarterly report, i.e. documented within the TPN, or the GOTR identifies the need for a CAP outside the quarterly reporting period, the GOTR will notify the grantee. This notification will be sent to the grantee and should include and is not limited to the following:

1. A clear, descriptive statement of each area of non-compliance or underperforming critical performance indicator;
2. Reference to appropriate VETS guidance, federal regulations, or the grant award document where the grant was found to out of compliance; and
3. A 30 day timeframe to respond with a completed CAP.

#### VI. **COMPONENTS OF A CAP**

The GOTR can provide technical assistance to the grantee in developing a CAP. An acceptable CAP submitted by a grantee is comprised of the following five elements:

1. Status: What is/are the area(s) of non-compliance or concern?
2. Documentation: What are the supporting facts that describe the underlying causes or factors for noncompliance?
3. Next steps: What must be done to achieve targeted compliance or to complete the remaining steps in the process, and what are the resources required?
4. Schedule: What is the targeted time frame for attaining compliance or timeline for completing the process?
5. Monitoring and Reporting Requirements: The grantee will report to the GOTR at a minimum of once a month on the status of resolving findings cited in the CAP.

#### VII. **CAP APPROVAL**

The GOTR has two (2) weeks to will review the submitted CAP to ensure it sufficiently addresses the noncompliance issues. The two week timeframe includes any work with grantee to make the CAP acceptable. The GOTR will then submit the CAP with any supporting documents to the Regional Administrator for the Veterans' Employment and Training Service (RAVET). The RAVET has five (5) business days to review the documentation and determine if the proposed CAP will address the identified deficiencies. The proposed CAP is either returned to the GOTR for additional work or is approved and forwarded to the grantee.

If the RAVET approves the CAP, he or she will send (via email is acceptable) a letter to the grantee and copy the GOTR informing them that the proposed CAP has been approved.

#### **VIII. CAP MONITORING**

The GOTR is responsible for monitoring the progress of the grantee to ensure the grantee is following the CAP conditions and reporting requirements and to provide technical assistance. The GOTR will properly document and record monitoring and follow-up activities in the grant file. The GOTR will engage the National Veterans Technical Assistance Center, [www.NVTAC.org](http://www.NVTAC.org), for additional support in providing assistance to the grantee placed on a CAP, as appropriate.

#### **IX. CAP CLOSE-OUT**

When the GOTR determines the conditions have been met and the grantee is eligible to have the CAP removed by successfully addressing the areas of non-compliance, the GOTR will schedule a meeting with her or his regional leadership and provide the written documentation that supports the removal of a CAP. For CAPs related to underperformance on the critical measures, the grantee must have at least one successful performance quarter in which previously missed criteria, which warranted a CAP, have been successfully addressed and are no longer a missed measure. The RAVET will make the final determination if the CAP should be removed.

If the RAVET concurs, he or she will send (via email is acceptable) a letter to the grantee and copy the GOTR with the information that the CAP has been removed. The GOTR is responsible for maintaining all the proper documentation in the grant file. If the RAVET does not concur, he/she will provide the GOTR with additional guidance to continue monitoring the grantee's progress.

#### **X. CAP REPORTING TO THE NATIONAL OFFICE**

All CAP should be reported to the National Office via the quarterly reporting process using the SharePoint site,

<https://sharepoint.dol.gov/vets/onp/default.aspx?RootFolder=%2Fvets%2Fonp%2FShare>

<d%20Documents%2FCompetitive%20Grants%2FHVRP%2FCompetitive%20Grants%20Performance%2FPY17&FolderCTID=0x012000EB8DBF27E9727C4595CD96048CFB D213&View={4A9FDF38-DA0C-407C-A298-08FC6E30A54F}>

## XI. IDENTIFICATION OF HIGH RISK

The Grant Officer is the sole authority to identify a grantee with a High Risk designation. He/she will exercise significant judgment in making a determination as to whether or not a grantee should receive a HR designation. The Grant Officer will determine on a case-by-case request, based on the evaluation of the specific areas(s) of concern, and the unique circumstances surrounding the recipient being evaluated.

High Risk designations are unusual and rare. This designation is intended to address extreme circumstances where the grant is at risk of failure. The GOTR must document the TA, corrective actions, and other appropriate interventions that were taken by the GOTR to make the grant successful. Depending on the severity of the issues, and attempts by the GOTR to have the recipient address the area(s) of concern, the Grant Officer may opt to send a letter to the grantee to obtain additional information or documentation to demonstrate progress of the lack of progress in correcting the area(s) of concern before determining a HR designation.

## XII. STEPS TO DESIGNATE HIGH RISK

If a grantee fails to meet minimum performance expectations on over half of the critical performance indicators in quarters 2 or 3 of the grant award, then GOTR should consult with his or her RAVET to discuss the circumstances leading to the recommendation and what documented steps the GOTR has taken to address the issues before recommending a HR designation.

The GOTR will prepare the following documents and submit them to his or her RAVET:

1. A cover memorandum summarizing the request for a HR designation, including a recommendation of the HR condition(s) that can be applied to improve performance or resolve the area of non-compliance; and
2. All documentation relevant to underperformance or non-compliance, including actions taken by the grantee to correct the area(s) of concern.

Following this meeting, the RAVET will determine if he or she will move forward with a HR designation recommendation. The RAVET will notify the GOTR if it is determined a HR designation is not warranted.

If the RAVET determines that a HR designation is appropriate, he or she will contact and discuss with the Director for Grants and Training in the Office of National Programs (the Director). At this meeting, the RAVET will present a well-documented recommendation

to designate the grantee as HR. If the agreed-to next steps involve recommending the grantee as HR, the RAVET will email the package to the Competitive Program Grants Lead.

The National Office Competitive Grants Program Lead will review the complete HR package for completeness and forward the documents to the Director of Grants and Training, notifying him or her that it is ready for signature and submission to the Grant Officer.

The Director will electronically sign the documents and notify the Competitive Grants Program Lead they are ready to be forwarded to the Grant Officer. The competitive grants program lead will notify the Grant Officer of the completed package for recommendation of grantee HR designation.

If however, the RAVET and Director don't agree, the issue will be raised to the Directors of National Programs and Field Operations to resolve. The resolution will inform the next steps.

### **XIII. GRANT OFFICER'S HIGH RISK DETERMINATION**

The Grant Officer may apply any of the following during his or her review.

- Review the submitted documentation to evaluate the risk associated with non-performance of the grantee and/or non-compliance with the federal award;
- Coordinate a meeting with appropriate federal staff involved to review the GOTR's documentation, as well as Office of Inspector General (OIG) issues and reports, and single Audit findings, as available and appropriate; and
- Review information that demonstrates that the grantee is no longer financially stable; has a management system which does not (or no longer meets) the management standards set forth in the Uniform Guidance; has not demonstrated an ability to effectively implement or comply with statutory, regulatory, or other requirements imposed on the recipient; cannot effectively safeguard federal assets; or has experienced a change in any of the other risk factors discuss in 2 CFR 200.205(c).

If the Grant Officer decides to designate the recipient as HR, an additional review will take place with other Department of Labor personnel to further examine whether the risk, or non-compliance, can be remedied by the Grant Officer imposing additional conditions and actions on the grantee.

Additional conditions may include one or more of the following:

- Requiring payments as reimbursements rather than advance payments (restricting cash drawdowns from the Health and Human Services Payment Management System);
- Withholding authority to incur additional expenditures, until receipt of evidence of acceptable performance within a given period of performance (issuing a stop work order to the grantee);
- Requiring additional or more detailed, financial, program, or performance reports;
- Requiring additional grant monitoring;
- Requiring the recipient to obtain technical or management assistance; or
- Establishing additional prior approvals for grant activities.

Upon final determination, the grant will be placed on HR, the Grant Officer will notify the grantee in writing by official letter with a copy to the RAVET and GOTR and filed in E-Grants of:

- The nature of the additional requirements;
- The justification for the additional requirements;
- The action(s) needed to remove the additional requirements, if applicable;
- The deadline for completing the action(s), if applicable; and
- The procedure for requesting reconsideration of the additional requirements imposed.

If the Grant Officer decides not to place the grantee on HR, a notification will be made to the Director and provide him or her with the reason(s) for the determination. The Director will inform the RAVET, who will then update the GOTR. The GOTR will continue to address the issues that caused the GOTR concern and should reevaluate the risk again in the next quarterly review to determine if any improvements have been made. At the end of the quarterly review, the GOTR may follow these steps to resubmit a request for HR if the situation warrants it.

#### **XIV. MONITORING A HIGH RISK GRANT**

The GOTR is responsible for monitoring to ensure the grantee is following the HR conditions and reporting requirements and to provide technical assistance. The GOTR will properly document and record monitoring and follow-up activities in the grant file. The GOTR may also engage the National Veterans Technical Assistance Center for support in providing technical assistance.

#### **XV. REMOVAL OF HIGH RISK DESIGNATION**

If additional conditions were added to the federal award, the grantee must address the additional conditions and submit supporting documentation, as appropriate, to demonstrate that the HR designation should be removed. Once the grantee submits its response to these additional conditions, the Grant Officer must review the response to

determine if the HR designation should be removed. If the Grant Officer deems the response acceptable, either whole, or in part, the Grant Officer will remove the additional condition(s) as appropriate. The Grant Officer will notify the grantee in writing of the removal of any conditions, which additional conditions remain and still need to be addressed. The Grant Officer will provide the Director with a copy of the correspondence with the grantee. The Director will provide a copy to the RAVET, who will share a copy with the GOTR.

If the Grant Officer determines that the non-compliance cannot be addressed, or has not been addressed, through additional conditions, the Grant Officer may consider further action as described in 2 CFR 200.238.

#### XVI. **RESOURCES**

- The National Veterans Technical Assistance Center provides support, training and technical assistance to VETS' competitive grantees. Contact information and other resources are available at [www.NVTAC.org](http://www.NVTAC.org)
- General grant information and resources are available at [www.doleta.gov/grants](http://www.doleta.gov/grants)

#### XVII. **AGENCY CONTACTS**

Any questions regarding this guide should be referred to the appropriate regional office. If the regional office has a question, please contact the Competitive Grants Lead, Ken Fenner at [fenner.kenneth@dol.gov](mailto:fenner.kenneth@dol.gov) or (202) 693-4728.