STATE OF NORTH CAROLINA
OFFICE OF STATE BUDGET AND MANAGEMENT

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TO: Department Heads and Chief Fiscal Officers
State Departments, Agencies, and Institutions

FROM: Kristin Walker
State Budget Director

SUBJECT: Grant Monitoring Plan Updates

Pursuant to 09 NCAC 03M .0401, all agencies must develop and maintain a monitoring plan for each state assistance (commonly referred to as grants) program the agency oversees and submit the plan to the Office of State Budget and Management (OSBM) for approval.

Monitoring plans should include the seven sections described in Appendix 1 of this memo and detailed in the Agency Monitoring Plan Guidance, available on OSBM's website. OSBM has assigned each section, or component within each section, a point value and will approve plans that incorporate at least 70% of the points. Additional details on how points are awarded by section are available in the Agency Monitoring Plan Guidance.

All agencies should review existing grant monitoring plans to ensure alignment with this guidance. OSBM previously collected monitoring plans in 2024. New monitoring plans for recently established state assistance programs must also comply with the monitoring plan guidance. Please submit all agency monitoring plans – existing and new – to OSBM at Grants-OSBM@osbm.nc.gov by **Wednesday, November 18th.**

Additionally, OSBM will host a webinar providing guidance for state agencies that are administering directed grants. This training will be held on **Wednesday, November 4th, at 10am**. *A training invitation with additional details will be distributed separately.*

We greatly appreciate your ongoing assistance in ensuring that state assistance funds are properly monitored. Please contact OSBM's Budget Development Assistant State Budget Officers Darryl Childers or Jonathan Meyer with any questions.

Appendix 1: Grant Monitoring Plan Recommended Structure

	Sections	Points	Recommended in Guidance
1	Program(s) Covered	5	Plan should state which program or programs the plan covers. Some agencies will have multiple programs covered by one plan.
2	Education/Technical Assistance	20	Plan should include education session(s) (10 pts) and technical assistance (10 pts).
3	Risk Assessment	15	Plan should define framework to conduct risk assessments, with risk categories (5 pts) criteria for designating each category (5 pts) and grading scale (5 pts).
4	Monitoring Procedure	25	Plan should identify financial and performance activities required for each risk level (10 pts), along with frequency (5 pts), documentation procedures (5 pts), and communication methods (5 pts). Checklists and monitoring tools may be included as well.
5	Sub-Recipient Monitoring	0	Plan should include procedures for monitoring sub-recipients **(if applicable)**.
6	Non-Compliance Procedures	20	Plan should identify what measures and/or actions the agency will take if an entity is not in compliance with requirements or if there is evidence of management deficiencies or criminal activity (10 pts). The plan should include the timing of action taken by the agency (10 pts). 09 NCAC 03M .0801 includes rules for non-compliance.
7	Closeout of Award Procedures	15	Plan should include procedures for submission of final performance (5pts), financial report (5 pts), and return of unspent public funds (5 pts).