

DHHS POLICIES AND PROCEDURES

Section IV:	General Administration
Title:	Subrecipient Monitoring Manual
Chapter:	Eligibility
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Eligibility

The term eligibility relates to a set of criteria that qualifies an individual, family or agency to participate in state or federal programs. Eligibility criteria are usually unique to a program; some programs may not have an eligibility criteria. State and federal laws, regulations, and the provisions of the contract/grant agreements pertaining to the program dictate eligibility criteria. Typically, eligibility criteria for individuals relate to income, household composition (e.g. children or older adults), specified risk factors, or diagnosed mental or physical impairments. Eligibility criteria for agencies typically relate to type of agency and primary mission. The objective of monitoring eligibility is to provide reasonable assurance that only eligible individuals and organizations receive program assistance, that subgrants are made only to eligible subrecipients, and that amounts provided to or on behalf of eligible individuals, families or agencies were calculated in accordance with program requirements.

For programs listed in the annual state compliance supplement, the compliance supplement specifies the criteria for determining the individuals, groups of individuals, or subrecipients that can participate in the program and the amounts for which they qualify.

Suggested Monitoring Procedures:

For subrecipients assessed as low risk:

1. Review compliance supplements, OMB Circulars, grant award documents and state statutes to identify the eligibility criteria that apply to the program and the subrecipient.
2. Review the internal control information to determine if the information indicates that procedures are in place to ensure accurate eligibility determination.
3. Ask the agency which eligibility criteria apply to its program(s) to determine if the agency is following the appropriate guidelines.

For subrecipients assessed as medium risk:

In addition to the procedures outlined above for low risk subrecipients:

1. Request copies of the tool/instrument that the agency uses to determine eligibility of individuals, groups and agencies to determine if the appropriate areas are being covered to accurately determine eligibility
2. Request copies of a sample of the documents obtained to provide independent third party verification of the information given on the application to determine if the appropriate types of verification are being obtained.
3. Request copies of the benefit/payment calculations for a sample of eligible individuals, groups and agencies to determine through reperformance if the appropriate benefit/payment has been calculated.

For subrecipients assessed as high risk:

In addition to the procedures outlined above for low and medium risk subrecipients:

1. If the subrecipient performs eligibility determinations for individuals or families, select a random sample of individuals/families both receiving and denied benefits and review records and through reperformance obtain assurance that:
 - A. The required eligibility was determined or denied accurately;.
 - B. The required documentation/verifications was obtained and the documentation adequately supports or refutes the information provided by the applicant.
 - C. If the program requires both initial and continuing eligibility, review to verify that procedures are in place to “flag” the individual’s file/case record to indicate the time period at which eligibility must be redetermined.
 - D. Eligibility was redetermined accurately as required.
 - E. Benefits paid to or on behalf of the individual were calculated correctly and in compliance with the requirements of the program.
 - F. Benefits were discontinued when the period of eligibility expired.
2. In some programs, the subrecipient is required to use a quality control process to obtain assurances about eligibility. Review the quality control procedures established by the subrecipient and inspect a quality control sample used by the subrecipient to ascertain if the process is operating to effectively meet the objectives of the quality control procedure and is in compliance with applicable program requirements.
3. If the subrecipient is responsible for determining eligibility for a group of individuals or an area of service delivery, select a random sample of groups or areas determined to be eligible (and those determined to be ineligible, if information is available) to obtain assurance that:
 - A. The population or area served was eligible.
 - B. The benefits paid to or on behalf of the individuals or area of service delivery were calculated correctly.
4. If the subrecipient has subrecipients of its own for which it is responsible for determining eligibility, select a random sample of the agency’s subrecipient files and

review to determine if eligibility and amounts awarded were appropriate.

- A. If the determination of eligibility is based upon an approved application or plan, review the application or plan, along with any supporting documentation, to ascertain and identify the applicable eligibility requirements.
- B. Select a sample of the awards to subrecipients and perform procedures to verify that the subrecipients were eligible and amounts awarded were within funding limits.

Documentation

Monitoring Tool/Instrument
Working Papers
Summaries
Monitoring Results Report

For questions or clarification on any of the information contained in this policy, please contact [Office of the Controller](#). For general questions about department-wide policies and procedures, contact the [DHHS Policy Coordinator](#).