



Office of Justice Programs

Office of Audit, Assessment, and Management

Washington, D.C. 20531

March 29, 2023

(b)(6)

National Court Appointed Special Advocates Association
100 W. Harrison Street, North Tower, Suite 500
Seattle, Washington 98119

VIA: Electronic Mail at: (b)(6)

Re: Unique Entity Identifier (UEI) Number: (b)(4)

Dear (b)(6)

The purpose of this letter is to notify you that the U.S. Department of Justice (DOJ) has placed a immediate freeze on the National Court Appointed Special Advocates Association (NCASA) funding for its active awards and designated (NCASA) as a DOJ high-risk grantee, pursuant to the requirements of 2 C.F.R. § 200.207. DOJ has taken these actions for the following reasons:

- A joint financial and programmatic monitoring site visit of NCASA, which was conducted on October 24 – 27, 2022, by the Office of Justice Programs (OJP's) Office of the Chief Financial Officer (OCFO) and the Office of Juvenile Justice and Delinquency Prevention (OJJDP), raised numerous administrative, programmatic, and financial concerns pertaining to NCASA's management of Award Numbers 2018-CH-BX-K001, 2019-MU-FX-0004, 2020-JU-FX-0028, and 15PJDP-21-GK-02762-CASA.

Specifically, the OJJDP identified issues for resolution, which were communicated to NCASA, in writing, on December 9, 2022. The OCFO's recommendations, which included more than \$2.7 million in questioned costs, were communicated to NCASA, in writing, on December 13, 2022, and included the following:

- Inadequate policies/procedures for several key functions (accounting, payroll, subrecipient monitoring, and progress reporting)
- Matching funds not accurately reported on Federal Financial Reports (FFR)
- Excess cash-on-hand
- Inadequate subrecipient files/documentation
- Non-Compliance with Award Special Conditions
- \$2,780,510 in questioned costs were charged to DOJ awards
- Lack of a Chief Financial Officer, and frequent turnover at that critical position

Temporary Freeze of Funds

For these reasons, and in accordance with OJP Instruction OJP 14501.1A, *Temporarily Freezing Payments and Suspension or Termination of Grant or Cooperative Agreement Awards*, OJP has imposed an immediate freeze on NCASA's funding for its active awards (see Attachment). This is intended to be a short-term freezing of funds, which will remain in effect until NCASA has made sufficient enhancements to its accounting and cost allocation processes.

While we recognize the important work that NCASA continues to perform, we are nevertheless concerned that the monitoring findings suggest significant issues with NCASA's financial management practices, including its cost allocation methodologies. These practices, which contributed to the OCFO questioning over \$2.7 million in costs charged to NCASA's awards, pose a continuing and substantial risk to the Federal grant funds awarded to NCASA, which must be mitigated.

To request removal of the temporary freeze of funds, NCASA must first address the two conditions (1 and 2) outlined below. Further, to have the DOJ high-risk designation removed, NCASA must address the remaining conditions, also outlined below.

The temporary freeze on DOJ Federal funds awarded to NCASA will remain in effect, until NCASA has complied with the following conditions, numbered 1 and 2:

1. Provided a copy of its revised accounting, payroll, and cost allocation procedures, as cited in Recommendation Numbers 1 and 2 of the OCFO's letter to NCASA, dated December 13, 2022. It is anticipated that the revised procedures will ensure that Federal funds are properly tracked, and that charges to Federal awards are properly allocated, in accordance with 2 C.F.R. § 200.400 (Cost Principles). Once received, OJP will review these procedures for adequacy.
2. Received budget approval from OJJDP and OCFO for Grant Number 15PJDP-21-GK-02762-CASA, including: the full amount of its fiscal year (FY) 2022 supplemental award; and any required adjustments to its FY 2021 award.

Upon DOJ's determination that NCASA has satisfied conditions 1 and 2, as referenced above, DOJ will revisit whether to lift the freeze currently in effect for NCASA's DOJ grants. If so, NCASA will be permitted to request partial releases of its DOJ grant funds on a reimbursement basis, as detailed below (under condition 6).

DOJ High-Risk Designation

Designation as a high-risk grantee does not prohibit organizations from applying for, and/or receiving, new grants or cooperative agreements from the DOJ or other Federal agencies. However, until the high-risk designation is removed, new awards from the DOJ to the NCASA will contain special conditions that provide additional oversight, as necessary. Some of these high-risk special conditions may restrict the NCASA from obligating, expending, or drawing down

funds under any new DOJ awards. If special conditions require the withholding of funds and the NCASA can document substantial progress toward addressing the corrective actions, then the DOJ, at its discretion, may allow the NCASA to obligate, expend, or draw down these funds, even if the NCASA has not fully implemented the corrective actions. The DOJ reserves the right to take additional administrative action if the NCASA does not make timely progress in addressing the outstanding audit recommendations, such as: increased grant monitoring and reporting; implementing additional special conditions; withholding of Federal grant funds; non-certification of future grant applications; collection of questioned costs through the U.S. Department of Treasury; or referral to the U.S. Government-Wide Suspension and Debarment List.

In order for DOJ to remove the high-risk grantee designation status, NCASA must satisfy the following requirements (in addition to those listed above):

3. The NCASA must submit documentation to DOJ demonstrating that the NCASA's Financial Point of Contact, and other key personnel directly responsible for the financial administration of grants awarded by the DOJ, have successfully completed the DOJ-sponsored Grants Financial Management Online Training, located on the Office of Justice Programs (OJP) website at <https://onlinegfmt.training.ojp.gov/>. Please note that this requirement will remain in place until the NCASA provides additional documentation demonstrating successful completion of the training, which is designed for personnel responsible for the financial administration of discretionary and/or formula grants awarded by the DOJ and contains 24 modules (including a session on grant fraud prevention and detection). Further, all new personnel responsible for the grants and financial administration and oversight of DOJ grants must successfully complete the DOJ-sponsored Grants Financial Management Online training within 30 days of appointment.
4. The NCASA must adequately address and remedy all findings, recommendations, and issues for resolution cited in OCFO's financial monitoring letter, dated December 13, 2022, and OJJDP's programmatic monitoring letter, dated December 9, 2022. The NCASA may not obligate, expend, or draw down funds under new DOJ awards, if prescribed in the award conditions, until both the financial and programmatic monitoring reports have been closed; or the NCASA documents substantial progress in addressing the audit recommendations, and the Director of OJP's Office of Audit, Assessment, and Management allows the NCASA to obligate, expend, or draw down these funds.
5. The NCASA must employ a qualified Chief Financial Officer (CFO), to oversee the organization's financial management operations.

In addition, the NCASA must comply with the following requirements during the time that it is designated as a DOJ high-risk grantee:

6. The NCASA will only be allowed to draw down funds on a reimbursement basis, for a period not exceeding 1 year from the date of this letter. The requirement entails the following obligation for every new and existing DOJ award:

- a) The NCASA must submit a quarterly request for reimbursement equal to or less than the actual expenditures NCASA disbursed under each DOJ grant, which will be expeditiously reviewed and approved, if appropriate. Upon approval, a Grant Adjustment Modification (GAM) will be executed to allow NCASA to draw down sufficient funds to meet its expenses.
 - b) The NCASA must submit a monthly detailed general ledger report from NCASA's accounting system to support the actual expenditures disbursed under each grant for the specified period. These individual expenditures are subject to review by OJJDP, OCFO, and the Office of Audit, Assessment, and Management for determinations of allowability. Such reviews may include a subsequent request for additional documentation (i.e., invoices, purchase orders, contracts, receipts, payroll reports, time, and attendance records) to be provided by NCASA to support the applicable grant-related charges.
7. The NCASA must agree to promptly provide, upon request, financial or programmatic-related documentation related to all DOJ awards, including documentation of expenditures and achievements.
 8. The NCASA understands that it may be subject to additional financial and programmatic onsite monitoring, which may be on short notice, and agrees that it will cooperate with any such monitoring.

If the NCASA wishes to seek reconsideration of the above conditions, which will be imposed on all new DOJ awards to the NCASA, you must submit your written request within 30 days of the date of this letter to my attention at the address below, or by e-mail at (b)(6)

Ralph E. Martin
Director
Office of Audit, Assessment, and Management
Office of Justice Programs
U.S. Department of Justice
810 Seventh Street, NW
Washington, DC 20531

Please be advised, however, that DOJ will reconsider the imposition of Special Conditions only upon a written demonstration that (a) a particular condition has already been materially satisfied within the past 6 months or (b) a particular condition does not correspond to your agency's high-risk designation.

If you have any questions regarding this High-Risk Designation Notice, please contact Jeff Haley, Deputy Director, Audit and Review Division, Office of Audit, Assessment, and Management on (b)(6) or by e-mail at (b)(6) Thank you for your cooperation.

Sincerely,

Ralph E. Martin

Ralph E. Martin
Director

Attachment

cc:

(b)(6)

National Court Appointed Special Advocates Association
(Provided Electronically at: (b)(6))

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Office of Justice Programs Bureaus/Program Offices
High-Risk Designation Approving Officials

Office on Violence Against Women
High-Risk Designation Approving Officials

Office of Community Oriented Policing Services
High-Risk Designation Approving Officials

Charlotte Grzebien
Deputy General Counsel

Rachel Johnson
Chief Financial Officer
Office of the Chief Financial Officer

cc: Elizabeth Ryan
Administrator
Office of Juvenile Justice and Delinquency Prevention

Jeff Haley
Deputy Director, Audit and Review Division
Office of Audit, Assessment, and Management

Jorge L. Sosa
Director, Office of Operations – Audit Division
Office of the Inspector General

Louise Duhamel
Assistant Director, Audit Liaison Group
Internal Review and Evaluation Office
Justice Management Division