

Transcript: Social Innovation Fund Training Call on the Interim Disallowance Guide

Date of Call: September 1, 2015.

Speakers:

Gabriella, Operator [O]

Brian Cognato, Grants Management Specialist, Office of Grants Management, Corporation for National and Community Service (CNCS) [BC]

(0:00)

[O]: Welcome and thank you for standing by. At this time, all lines are in listen only mode for the duration of today's conference. This conference will feature a question-and-answer session. If you would like to ask a question, please press star-1. Today's conference is being recorded. If you have any objections, you may disconnect at this time. I will now turn the call over to Brian Cognato.

[BC]: Thank you very much, Gabrielle. Hello everyone. This is Brian Cognato as our operator mentioned. For those of you who don't know me, I'm a Grants Management Specialist here at the Corporation for National and Community Service (CNCS) and today we will be talking about some new enforcement guidance that CNCS has put out to aid all of you in your oversight activities as SIF intermediaries. I just want to mention a couple things. First of all, we're lucky to have a few SIF Program Officers joining us as well. Marci Lu, Keisha Kersey and Jenny Stoff are all on the line, and there may be others on the line that just haven't announced themselves yet, so we do have some support from the SIF team. Pamela Dubitsky and Lois Nembhard have also been instrumental in helping us set up this session, so I do want to acknowledge all of them.

A couple of logistical notes: hopefully you have been able to connect to Skype as well. If you have, you should be seeing a slide that says "Joining Via Skype," where you can choose, "Don't join audio" and it gives you this call-in information. [Editor's Note: The presentation that supported this call is available on the CNCS CHC Knowledge Network page at <http://www.nationalservice.gov/resources/criminal-history-check>. It is titled, "Social Innovation Fund Disallowance Guide Training PowerPoint" This is Slide 2.] So if you haven't been able to navigate that, please do. We think the slides will be helpful for you here today. In addition, we'll be referring pretty regularly to a document that was disseminated in advance of this session called the National Service Criminal History Check Interim Disallowance Guide. I believe it was shared with your organizations via email and there is also a copy available on the website right now.

[Editor's Note: This document is also available here:

<http://www.nationalservice.gov/resources/criminal-history-check>. It is titled "Interim Disallowance Guide for Staff and Grantees," under the "Enforcement" heading.] I strongly suggest pulling it up so that you can refer to it when appropriate.

Really want to encourage you to ask lots of questions. As we will discuss, what we're talking about today is very new, a little bit unusual from a federal grants management perspective. And we'll be the first to admit that we're probably going to learn a lot as we implement this and we're going to learn a lot from your questions. So we really want to encourage you to think critically, to start to think about how some of this would be applied to your actual work, and to ask us those questions. That said, for the sake of managing time, we will hold those questions for a few specific moments, just to make sure that we keep

things moving along. To that end, I also want to encourage you to review that document I just mentioned, the Interim Disallowance Guide, very closely. I realize that you probably haven't had a whole lot of time to get deep into it prior to this session, but following this session, please do read the whole thing. The nature of our time is just that we can't discuss every single line in that document, and they are all important, of course, so please do take the time on your own to read it. Similarly, we'll be doing some exercises as we go through the content today. We do hope to make those and some other exercises available for your use outside of the session as well. But those are still forthcoming. [Editor's Note: Those are now available at <http://www.nationalservice.gov/resources/criminal-history-check>, under the "Compliance" heading.]

One final note, although I am the primary speaker today, I cannot claim to be a SIF expert, I'll talk a little bit more about my background in just a second, but we do have some SIF Program Officers who may be jumping in and helping out at times, and to be honest, because this is so new, you might have questions that we don't have ready answers for, but we will get you those answers. So, to the extent that you might have questions that we can't answer reliably just now, we'll ask for your permission to say, "That's a great question. We'll get back to you shortly." And we may do that as we go.

A little bit about me, before we start. As I mentioned, I'm a Grants Management Specialist here, focusing on Criminal History Checks. I've only been at CNCS for just about six months. Before that, I worked at the U.S. Agency for International Development, which some of you may be familiar with. Before that, I worked for a small nonprofit organization, among other things managing federal awards. I do want to mention on a personal note that SIF is a programming I've been following since before I came to the Corporation and it's one of the things that drew me to the Corporation to begin with, so I'm familiar with your work and the important work that you're doing to bring innovation to the federal landscape and scale it up across the country. I even read the Social Innovation Research Center's recent report on SIF, and, when criminal history checks, what I specialize in, was mentioned as a particular barrier, I printed it up and pinned it to my cubicle, just to remind me of what our goals are, which is to help you execute your program. But in order to do that, we do need compliance, and we need to focus on a pathway to get to compliance, and that's largely what we'll be talking about today - your roles as monitors of compliance - and we'll talk about what that means.

5:34

Before we jump into the meat of the content, I want to go over our objectives just briefly. You should see six bullet points up on your screen on Skype right now. [Editor's Note: Slide 3.] We have six objectives today. We want to everyone on this call to be able to:

- Understand our approach to risk-based disallowance. "Risk-based disallowance" is the key word for the day and it will be the topic of the entire call, and it's what's described in the Interim Disallowance Guide.
- Take all required steps when they encounter a case of noncompliance
- Calculate disallowance, using our risk-based disallowance matrix. If any of you on the call have had a chance to look at this document, you will see that it does involve a new way of calculating disallowance, one that we hope is a good balance of our competing goals and also pretty simple to implement and pretty easy to implement consistently.
- Determine a final disallowance amount, taking into account a disallowance cap, self-reporting, and the appropriate use of professional judgement.
- Finally, we want to make sure everyone on this call is able to explain the system to subgrantees. We are aware of your roles as intermediaries, as bearers of a dual-perspective when it comes to CNCS as both a recipient of our funds and distributors of our funds to other organizations in many cases. We

want to equip you with the knowledge you need to be able to pass this information to your subgrantees as applicable.

Again, that just leads me to reemphasize how important your questions will be, because we can't give you that information unless you tell us what you need. So please do ask those questions. Please do think ahead to the kinds of questions that your subgrantees are likely to ask if you have them in your portfolio, so that way we can get you that information on the front end. Of course, this won't be your only opportunity to ask questions. If questions do occur to you, we'll have systems to get that information back out to you, but we're really eager to have that feedback early on as we start to talk about this very new process.

Our agenda for today includes six topics:

- Why CNCS has moved to risk-based disallowance
- Ineligibility and Noncompliance. We'll spend some time differentiating between those two things.
- Expansions of Scope
- Mitigation Ratings
- Calculating Disallowance
- Implementation Details

I do want to highlight a couple things that are not on there. One item that we won't have a chance to talk about today is the CHC requirements as a whole. In other words, we won't be talking about the nitty-gritty in terms of how to initiate an FBI check. Of course, I understand that's important information, but for the sake of time, if those questions come up I may just have to defer to them to a later day. Please just be aware of that. We're really going to try to keep the focus on the document that was just shared and monitoring and enforcing the CHCs, not the mechanics of doing them.

(8:31)

[I. Why Risk-Based Disallowance?]

Let's go ahead and jump right in and talk about "Why Risk-Based Disallowance." We're going to start by setting the context. In other words, we're going to start by looking backwards. As many of those on the call now, we had what's called an Assessment Period late in 2014 and that's where our story starts, with that Assessment Period, when CNCS asked all of its grantees to review all of their criminal history check files, and, if anything was out of compliance, to bring it into compliance, to document that, and to report it to CNCS. If a grantee did all of those things, there would be no cost disallowance for those mistakes, for the mistakes that they found in this Assessment Period. That happened in 2014, and then what that was followed by was an Enforcement Policy adopted here at CNCS in Spring of 2015 that said, "Ok, now that you have had this opportunity, now that all of our grantees have had this opportunity to review their criminal history check files, and bring them into compliance, it is time for strict, consistent enforcement." That's both because there was this opportunity earlier and also because there were some broader changes in the world of federal grants management generally, where there is a greater emphasis on accountability. We really wanted to set a standard of consistent accountability. We formally committed to that in this policy that stipulated that cost disallowance would be the standard penalty for CHC noncompliance. Many of you on this call will not regard that as new.

Many of you on this call will have known that cost disallowance was the enforcement mechanism used for CHC noncompliance in the past. In adopting this as policy, we have raised it to a new standard of

accountability and consistently. But it left some details out. What it left out were the details of how that disallowance would work. You need to know what to disallow, you need to figure out what time period things will be disallowed for. There is a lot of how-to that goes into that, and we here at CNCS incorporated that kind of guidance into an Interim Disallowance Guide and what that Interim Disallowance Guide said basically is that disallowance would be a function of two things: compensation, or probably more appropriately termed the amount charged to a grant; and time.

Specifically, what it said is if there is CHC noncompliance, the way you find out what to disallow is to take an individual's start date - the date they started on the grant - and the date that they came into compliance, and then you disallow all associated costs for that period of time. Let's say an individual started January 1st, 2013, and they didn't come into compliance until January 1st 2014 - you are going to disallow all associated costs for that one-year period.

Now that led to some things in implementation pretty quickly. First of all, we realized that those calculations can be quite burdensome. It's simple enough when you're dealing with an exact year, but what if you're not dealing with a year? What if you're dealing with pro-rated pay periods? It's simple enough when you're dealing with staff who are receiving a regular salary, but what about when you're dealing with members that may be stipended, that may have different hours in different weeks? All of these complications can lead to some very, very difficult calculations. In addition, it can lead to some large amounts very quickly, and I know those on this call will not be surprised by that, but if there is a staff person that is out of compliance, those amounts can escalate very quickly. A staff person may be charging \$40,000 to a grant in a year, and if they're out of compliance for a year then you get \$40,000 - \$80,000 for two years - disallowed very quickly. Because it was based on time, because it was based on what was charged to the grant, it was not based on actual access to vulnerable populations, which as we know, is the whole motivation of the criminal history check process in general. So it seemed to be having some outcomes that were really counter to what we're going for here at CNCS.

(13:40)

That led to some things here at CNCS. It led us to rethink our approach. We wanted a system that was risk-based, and not cost-based. It doesn't make sense to enforce CHC noncompliance in terms of costs charged to a grant, when what we're really concerned about is managing risk and mitigating risk to vulnerable populations. We also wanted a system that recognized that not all noncompliance is the same. Noncompliance is not binary. It does not make sense to have the same enforcement system for an organization that has not attempted to do anything as it does for an organization that actually has taken several important steps to protect the vulnerable populations that they work with, and has maybe just missed a detail along the way. Our old system did not allow for that kind of granularity. It was very black and white.

We wanted to decrease the burden of calculation because we know not only are all our staff here at CNCS doing this, but you in your organization are doing this. We, as not only a grantor, but as a grantor to grantors, need systems that hopefully you all can implement and share with others, so we wanted to scale back the complexity of the actual calculation.

Finally, we realized that it just wasn't furthering our goals. What you see if you have the Skype presentation open right now is a graph to the right of the slide on "Prospect Theory." [Editor's Note: This is on Slide 6 of the presentation available at <http://www.nationalservice.gov/resources/criminal-history-check>.] What this graph is trying to capture is that psychologically, research shows that relatively

penalties can have big psychological effects. In other words, a relatively small disallowance could do quite a bit to motivate compliance. That's what you see in that steep drop to in the S-curve right next to the axis. However, as those penalties get larger, you're actually getting diminishing returns in terms of psychological impact, and that's what you see where the S-curve flattens out as you go back towards the loss side of that graph. The idea there is that a \$5,000 disallowance, for example, have pretty significant psychological impact in terms of motivating compliance, but as you increase that amount from \$5,000 to \$50,000 or \$500,000, you're not getting a ten-fold or a hundred-fold increase in compliance. You're getting diminishing returns, and, in addition to that, you're starving our grantees of resources that they need to actually get into compliance to begin with, and that's not what we want. We want them to get into compliance and we want them to continue the vital work that they're providing to their communities. So we're looking for a system that balanced those things.

(17:13)

The result of that is what you see in this Disallowance Guide. The slide that you see on the screen right now is just a more PowerPoint-friendly version of what you will see on pg. 4 of your Disallowance Guide. [Editor's Note: This is Slide 7 of the presentation.] Again, if you haven't already gotten it available, I highly recommend having the Disallowance Guide handy. It was in the email that invited you to this meeting. You can also find it on our Knowledge Network page.

This chart is the key to this system. What it says is that CNCS will now use two variables and only two variables to determine what to disallow in the case of CHC noncompliance. Those variables are the steps an organization took to protect vulnerable populations, and that's what you see in those three rows to the left: "Substantial Mitigation," "Moderate Mitigation," and "Low Mitigation." As you see, if you have your Disallowance Guide handy, those three levels have very specific definitions and we'll talk about those definitions. I don't want to get into them right now. Right now, just tuck it away in your mind as different levels of safety. "Low Safety," "Moderate Safety," "High Safety." And the more that you do to protect vulnerable populations, the less your disallowance amount will be. The other variable is the extent to which noncompliance appears in your entire portfolio, and that's what you see in those two columns. There is a less than or equal to 50% column and a greater than 50% column. The idea that this is trying to get at is, "Is this a systemic issue, or an isolated issue?" and that the disallowance amount is greater if this is a systemic issue, which we have defined as appearing in over half of the portfolio.

So disallowance is not based on time now. It's not based on the amount you charged to your grant. It's just based on these two variables, the steps that you have taken to protect vulnerable populations, and the extent to which your portfolio is out of compliance generally. We're going to use an example to help us think through that.

(19:56)

We're going to use an example to do that. [Editor's Note: This is slide 8 of the presentation.] I made up a name - Innovation Nation - at least to the extent I'm aware, it's made up. I apologize if it is the name of an organization out there. Don't pay attention to the chart on the right of the screen right now. We're just going to go over the facts. We see that there are five individuals in covered positions, and that they're all staff. Here at CNCS, many of our programs have stipended volunteers, but that's not really relevant here. Here, they're all staff that are charging time to the grant. The first file that you review is that of a Program Director, who is charging \$50,000 to the grant. Their start date on the grant is September 1st, 2013. This individual has no access to vulnerable populations, and the NSOPW was on-

time, but they have a noncompliant vendor check, which we know is pretty common. Vendor checks are a frequent source of noncompliance with the NSCHCs. Upon further review, all five of those files have the same issue.

So we have that constellation of facts. Let's look at how we would address that in the old system, which is what we see in the column to the left of the table on this slide. The first thing that you would do is identify the start and end date. We're assuming that we identified this noncompliance yesterday, so the start date was September 1st, 2013, and this individual came into compliance on September 1st, 2015. We've got our start and end dates. Now we need to calculate all the costs associated with that individual during that time. We stipulated that this individual was charging \$50,000 to the grant. They're out of compliance for two years, so \$50,000 times 2 is \$100,000. So now you're disallowing \$100,000 just for this one file, and of course, we've got other files that are also out of compliance. We didn't add these extra details in, just to keep it simple, but you can imagine that it might be similar amounts, it might be similar amounts of time, and you're easily looking at a disallowance amount that could get up to the mid-six-figures.

Now let's look at how that's different for the new system. For the new system, you're first step is to identify the Mitigation Rating, to find that level based on the chart that you'll find on pg. 4 of the Disallowance Guide or that you'll see on the screen right now. You'll just have to take my word for it right now, but the situation I described would probably be a case of "Moderate Mitigation. We'll talk more about that a little bit later. So we've got our first variable. Next you review the entire portfolio and determine the extent of noncompliance. Well, here we've defined it as 100%, since this occurs in all five of our files. That means you're going to go back to your matrix, and you're going to use the larger of the two numbers associated with "Moderate Mitigation," in this case, \$1,000. Well, five files and \$1,000 - \$5,000 of disallowance. \$5,000 is still a significant amount of money. I would never suggest that your organizations or your subgrantees have that kind of money lying around to do without if necessary, which reflects the fact that this is still a meaningful enforcement mechanism and there's a relatively small number of covered positions here, there was some mitigation - these numbers could escalate. But it's not so much that large numbers of organizations would be driven into dire straits by this system, and that's what we're going for. We're going for an enforcement mechanism that is effective, without being crippling.

(24:25)

We're going to talk about the difference between ineligibility and noncompliance right now, but before we do that, we want to pause and take some questions. We've just gone over a lot of information in a very short time. Because this is a very new system and because this is very different than what CNCS has been doing to-date, we want to pause and try to get some big-picture questions. We will talk about the mechanics of how you're supposed to do this in a lot of depth, we'll talk about mitigation ratings, and we'll talk about how you get a sense of the overall portfolio. But right now, let's just focus on this overall shift to this new system. Gabrielle, can we go to the audience for questions?

[O]: If you would like to ask a question, please press star-1 and record your name at the prompt. We ask that you record your name so that your question can be introduced. To withdraw your question, you may press star-2. One moment for the first question. [Pause.] I'm showing we have no questions at this time.

[BC]: Great. Okay. I do realize that's a lot of information. I just want to re-emphasize that we are quite eager to get questions. You'll also notice that if you are participating via Skype, you can type questions into the comment box right there. Feel free to do that, and we'll try to pick them up as we go. As I mentioned, we'll try to carve out specific times for questions. So put them in there, and we will get to them, even if we don't answer them right away. And, as more questions come up, as you start to get better acquainted with the different aspects of this - like I said, we're about to go into a lot more detail - please do send us those questions. And we're not limiting questions of course to just this 90 minutes. We recognize that many of you will probably discuss this with your teams. Really try to wrestle with some of the details to get those good, hard questions for us. But we'll just encourage you one more time to do that. But, if there are no more questions at this time, we'll move on. Gabrielle, I just want to check one more time. Are there no questions?

[O]: Yup, I'm showing no questions.

[BC]: Okay, I'm seeing one question. This question is from Margaret over Skype. Are the new disallowance policies effective immediately? Yes, that is correct. This is now the guidance we are providing for use. We'll talk a little bit more about implementation later, but the most basic answer is yes, these are effective immediately, and, in fact, here at CNCS, for issues that have been identified previously that haven't been thoroughly completed, this is the system that will be used there as well. Thank you for that question, Margaret.

(27:59)

[II. Ineligibility and Noncompliance]

We'll move on to our next topic and what we want to do is distinguish between two key ideas in the world of monitoring criminal history checks. They are ineligibility and noncompliance.

This is on pg. 1 of the Disallowance Guide. This is likely just a reminder for many of those on the call. What we want to stress is that ineligibility has a very specific definition for the criminal history checks. Four categories of individuals and only four categories of individuals are ineligible when it comes to criminal history checks: those who are registered or required to be registered as sex offenders, those who have been convicted of murder, those who have refused to consent to the checks and those who have provided false statements in connection to the checks.

If you come across an ineligible individual while monitoring, the enforcement actions are very different than what's discussed in this document and what we'll be talking about for most of today. If you come across an ineligible individual, you must direct the grantee to immediately remove them from work or service, report it to CNCS immediately and the eventual enforcement action will be a full disallowance of costs. And that's because these four categories of individuals are prohibited by law from working or serving in a CNCS program. The Serve America Act has specifically said these four categories of individuals cannot receive a salary, stipend, living allowance or education award from CNCS. That's the whole basis of our entire criminal history check system, and, as a result, these costs would be literally unallowable. These are unallowable costs and the enforcement action that goes with them would be a full disallowance.

That's different from what we've included in our central box here, if you're following along via Skype, which is noncompliance. [Editor's Note: Slide 9 of the presentation.] That's really what we're going to be

talking about today, and that's failure to conduct the checks, failure to conduct them in a timely manner, failure to perform accompaniment when it is required, and failure to document that you have done any of this. It's also failure to do anything else that is included in our core CFR provisions, which are 45 CFR 2540.200-207. That's where the criminal history check requirements are set out, but what we see most often are missing checks, late checks, accompaniment that hasn't been documented and other kinds of insufficient documentation. That's where this guide comes into play. If you come across one of those examples, you're first going to take corrective action - first, direct the grantee to correct whatever the problem is - and then the appropriate enforcement action would be risk-based disallowance, the system that we're going to talk about today.

Here's where we see that granularity coming in that I mentioned earlier. If you notice, the enforcement action that I just described for an ineligible individual is the same as the way we enforced noncompliance previously. Well, now we're trying to pull those two things apart that were the same previously and enforce noncompliance as noncompliance and ineligibility as ineligibility.

We should also distinguish that from another category of CHC issues, which we've called "poor practice." "Poor practice" isn't a formal term, it's not defined anywhere, what we're trying to capture is the kind of administrative errors that may result in cases of noncompliance, but is not noncompliance in and of itself. The classic example of this is poor policies and procedures. If you're on a monitoring visit and you come across a grantee that has policies and procedures that need updating, that need fixing, of course you're still going to take corrective action, but you would not disallow costs based on that. That's only a cause for corrective action. So there are these three categories and what we'll be talking about today is noncompliance, which is missing, late, or incorrectly completed checks. We'll do a couple examples to make sure we understand these.

31:26

Example #1 you will see if you are following along via Skype. [Editor's Note: Slide 10.] If you aren't, I will read it out. "An organization conducted no part of the CHC process on an individual. After initiating the required checks, it is discovered that one individual in a covered position had been convicted of murder many years ago. Is this ineligibility, noncompliance, or poor practice?"

Think about that for a second and if you're participating via Skype, go ahead and enter your answers. I'd love to see people's answers as to which category this falls in, based on what we just discussed. [Pause.] I see "Ineligibility" beginning to fill up the screen. That is correct. It also actually happens to be a case of noncompliance because the organization conducted no part of the checks. I see we had someone just say "all three." That is correct, you could really go deep in this. Of course the key concept that we're trying to highlight is ineligibility. And if that's the case, what would the appropriate enforcement action be? There are a couple of things you could say. We identified a couple of items that you need to do when you come across an ineligible individual. What are those? Again, if you're following along on Skype, go ahead and venture some answers in the chat box. [Pause.] Great. I'm seeing "Remove the member from work or service," "disallow costs." Please also report it to us at CNCS. An important detail is disallowing all costs. I also see someone reminding us that corrective action is always required. Yes, corrective action is always required. They are absolutely right. The first action you need to take is get that grantee into compliance, and we'll talk about that a little later.

We're going to talk about Example 2 on the screen as well. "A search of the NSOPW was completed prior to the start of an individual's service. However, a registry was not reporting at that time, and the

grantee did not fill the gap by re-running the search or going to the state registry. After instituting corrective action, it is confirmed that the individual is not registered as a sex offender. Is this ineligibility, noncompliance, or poor practice?" Let's go ahead and if we're on Skype, go ahead and venture our answers. I see noncompliance and poor practice filling up the screen. It's definitely noncompliance and it's also an example of poor practice. This file would be noncompliant, which means you would implement risk-based disallowance, which is what we're talking about today, and, of course, it's also poor practice. As we're seeing, noncompliance is often accompanied by poor practice. Poor practice is probably the #1 cause of noncompliance, but they are separate things. You can see poor practice without noncompliance, strictly speaking. We highlighted this intentionally because it is explicitly stated in the Disallowance Guide, that an NSOPW with state registries not reporting is noncompliance. This is the kind of question that has sometimes seemed to fall into a great area, as to whether it just required corrective action, or corrective action and cost disallowance. Now we've made it explicit - risk-based disallowance is required in those scenarios.

And, as a result of that, what enforcement actions would be required? There are two. Go ahead and type your answers into Skype if you know what types of enforcement actions would be required if you identified noncompliance like this. A range of answers are coming through. I walked back a slide [Editor's Note: Slide 9]. Because this is noncompliance, two items would be required - corrective action, which would be, as I saw someone said, updating the policies and procedures and it would also include as I saw someone say now, rerunning the check. The first thing you want to do is make sure this individual is not a registered sex offender. In the example I suppose that has already been done, but in general, when you find noncompliance, corrective action and risk-based disallowance. That's the important point we want to highlight, using risk-based disallowance after implementing corrective action. Thanks so much for your participation. I think we've got this concept down.

We're going to move on to a very important point about noncompliance, which is noncompliance in the Assessment Period. What the Disallowance Guide does - and it goes into depth about this on pg. 3 - is define noncompliance after the Assessment Period in a very simple way. "Did the organization correct all missing or incomplete checks?" That is the key to compliance and noncompliance after the Assessment Period. In other words, if you are on a monitoring visit and you are reviewing files that have been serving since before the Assessment Period, what you are looking for are correct checks that have been corrected prior to December 2014. Prior to that Assessment Period close date, those checks need to have been corrected by that time. If they have been, that is a compliant file. If they haven't been, that is a noncompliant file. It's very simple. It doesn't matter if an organization went through, counted everything, reported it to you and you reported it to us. All that matters is whether those checks were corrected. We tried to boil down the Assessment period to one very simple question.

(41:02)

[III. Expansion of Scope]

The next item we're going to talk about is expansion of scope. Expansion of scope is talked about in-depth on pg. 2 of the Disallowance Guide. If you want to look at pg. 2, there's a lot of information here. If we go back for just a second to our matrix, we'll see that the matrix requires some knowledge about the organization's overall compliance. We've got these two columns: less than or equal to 50% or greater than 50%. So to use this matrix, we need to know how well is the organization doing generally? And the expansion of scope really tries to answer that question. It does it by saying that if you find two or more noncompliant files, you then need more information. You need to review all the rest of the files

of that organization. We'll talk about some ways to complicate that in just a second, but the basic requirement is that after you find two or more noncompliant files, you must expand the scope of review. That's the term that we're using for review more files: expand the scope of review.

We've got several key points to note about how you actually do this. [Editor's Note: Slide 13.] First of all, what we're recommending as the standard, what your baseline is, all currently serving covered positions. So when you're expanding that scope of review, you find these two noncompliant files, you know you need to review more files - how many more? Your first thought is all currently serving covered positions.

However, in some cases, this Disallowance Guide lets you use your professional judgement to either expand or limit the scope of review in a way that's different than all currently serving covered positions. In other words, you can look at more than just all currently serving covered positions, or you can look at less. The key thing is that there needs to be a justification, which you must document for doing one of those two things. So let's think for a minute. Why might you expand the scope beyond all currently serving covered positions? When might that make sense? If our goal is to identify noncompliance in the portfolio as a whole, why would there ever be a reason for us to look beyond all currently serving covered positions? Does anyone on Skype have an answer that they would like to propose? [Pause.]

I see two suggestions and they're both worthy of discussion. I see more suggestions coming - great, we're going to talk about all of these. I'm going to start with Patrick Hart's suggestion, which has been echoed by Navjeet Singh. "Recently departed positions." Yeah, that's really what this is trying to capture. If the time you visit happens to be a particularly low time - maybe it's a seasonal program, maybe you bring on lots...this is about engaging disconnected youth and you employ large numbers of people in the summer, more so than in the school year - that might be a time where if you visit during the school year, you might not be getting an accurate picture of their noncompliance as a whole. Then it might make sense to look back at large numbers of recently departed covered positions to see what the noncompliance is. I think that would be a great reason to limit the expansion of scope.

John Wilcox suggested that the grantee told you they never understood the policy. While that's certainly troubling and probably something that we've all come across - I know it's something that I've come across - that in and of itself is actually not one of the reasons we're looking for the expansion of scope to be limited. In fact, to some extent, that could be an argument for a greater expansion of scope. I'm sorry - we're talking about a greater expansion of scope. I'm sorry, I reversed my talking points. Yes, if you have reason to believe that there is reason to believe that there is greater noncompliance than what you're looking at, you could do that because it could give you some more information. So I will say that that could be a viable reason to do this. What we're really trying to look at though, the point we're trying to emphasize is that the purpose of this expansion of scope is to get an accurate picture of the portfolio, so you might go beyond all currently serving covered positions when all currently serving covered positions does not give you an accurate picture of the portfolio. That's the key item.

By the same token, you could limit the expansion of scope when you have a good justification for doing so, and the kind of classic example of this is if you're reviewing a file and maybe this grantee has different types of positions. Maybe they have some fulltime staff, but they've also got some stipended on-site coordinators, and, when you're reviewing the stipended on-site coordinator files, they all look great. They're all in full compliance, but the full-time staff is not in compliance. Maybe they just asked their HR department to do that. As you look through them, you see that there is a consistent error that you don't see in this other population. Well, that's a pretty good reason to limit your expansion of scope

to just that group, that group where you have a reasonable basis to conclude the problem is limited to. So we've talked about some ways you might expand beyond all currently serving covered positions, which, again, is the baseline, and we've talked about instances when you might limit the expansion of scope to less than all currently serving covered positions.

This last point is pretty important. If you'll notice, I did not say that the fact that there's a lot of covered positions is a good reason to limit the expansion of scope. The number of covered positions is not in and of itself a justification for limiting the expansion of scope. But what it is a good justification for is directing the subgrantee to do that work for you. As a monitoring official, you may not be able to do all of that yourself, and that is okay. What this Disallowance Guide encourages you to do is when it's appropriate, direct the subgrantee to do that work for you and then of course verify through some kind of reasonable sampling methodology. So you do have that lever. You're going to want to use it carefully, because if there's a subgrantee that doesn't understand the requirements at all, it's probably unlikely to expect that review to be very helpful, at least without a lot of training and technical assistance. You might consider asking them to review a number of files, you check their work, coach them on what their missing, and then ask them to do more that. So there are ways to use that lever with some finesse and sensitivity to the context, but it is something that this disallowance guide provides to monitoring officials, because it recognizes that maybe that's just too much for any one monitoring official to do.

We're going to do a couple of examples here. [Editor's Note: Slide 14.] I think we are going to skip down to example #2. I'll just do #1 for us. Example #1: "You are on a monitoring visit to a program with seven individuals in covered positions. The first two files you review are both noncompliant. What do you do next?" "First, inform the grantee and have them implement corrective action to get into compliance. You must also expand the scope. You may either do the review yourself or direct the grantee to conduct the review. In this case, due to the small number of files, you would likely want to do the review yourself. The burden of work would not be significantly different than having the grantee do it, considering you would have to verify their compliance after the fact anyway, and your confidence in the results would be much higher. Finally, proceed to use the disallowance matrix."

Let's look at #2. It's a little more complicated. "You are on a monitoring visit to a program with 100 individuals in covered positions, serving in groups of 20 at five different sites. You pull a sample of files from each site and review them site-by-site. You find that the first two files you review in Site 1 are out of compliance. What do you do next?"

Well, again, your first step is corrective action, so you direct the grantee to correct those checks. You already have enough information to know that you'll need to do an expansion of scope in Site 1. You already know that you've got two or more noncompliant files in Site 1. What you don't know is Site 2, Site 3, Site 4, and Site 5. So you're probably going to move on to Site 2, and if you see that Site 2 is fine, you're probably going to move on to Site 3, and if you see Site 3 is fine, you're probably going to move on to Site 4, go all the way through. At that point, you probably know that you can limit the expansion of scope, if all of these other sites are compliant, to that first site. But you want to go through all of those sites first. If, however, you find that the issue is systematic, and is coming up in all of these sites, then you probably don't have a very good reason to limit the expansion of scope. You might be looking at a full expansion of scope to all currently serving covered positions. There's no information here that indicates we would go beyond all currently serving covered positions in this particular case.

(51:35)

[IV. Mitigation Ratings]

Mitigation Ratings - we've already about this very briefly and it is discussed in depth on pg. 4 of the Disallowance Guide. We talked about these levels before, these three levels of mitigation: Low Mitigation, Moderate Mitigation and Substantial Mitigation. What we see in the bottom of pg. 4 is the definition of each one of these mitigation levels. Each one has a specific definition for individuals who have no access or episodic access to vulnerable populations and each one has a specific definition for individuals who have recurring access to vulnerable populations. In other words, they've got different standards. That makes sense, because we're trying to have a standard based on risk.

What these boxes say is what "counts" as mitigation. And it's important to note that mitigation is different from compliance. As you'll see when you read this document fully, there are some things that count for mitigation that actually don't count for compliance. A great example of this is that some vendor checks are actually listed here as mitigation, but they may still be noncompliant. As we all know, a compliant vendor check would have to use the correct repositories in all of the states where these checks are run, all the timing requirements would have to be the same, and data would not be limited. If you don't see that, that file is still noncompliant. However, that noncompliant vendor check may still count as mitigation, may still feed into this file receiving a higher mitigation rating, if it meets a couple of criteria. One is if it includes a nationwide search of state criminal history information and two is if it includes a nationwide sex offender check. There's more information about all of these, so please do read pgs. 5 and 6 of the Disallowance Guide, because that's where it spells out all of these things that can count as mitigation. You'll also notice that an NSOPW where state registries are down, which we just said is noncompliance, does count as mitigation. In other words, it does still count as something that makes the vulnerable populations that we are trying to protect safer. This system tries to recognize that.

However, the definitions that we here are very specific. In order to meet one of these ratings, a file needs to have a specific set of things. These are basically checklists. We're going to do an example to try to apply this to see how these ratings work. [Editor's Note: Slide 18.] "This file contains a completed, cleared FBI fingerprint-based check, which was completed prior to the start of work on the grant. However, it contains nothing else. This individual has recurring access to vulnerable populations. As the check was completed before the individual began work, however, he or she did not actually encounter any vulnerable populations until after the FBI check had cleared. What is the mitigation rating?" Ok, we're going to think through this together and we're going to apply the mitigation ratings together.

The first piece of information is that we have a file that contains a completed, cleared, FBI fingerprint-based check. Ok, great. That's good to know, and it looks like it was completed on time. It was completed prior to the start of work on the grant, so in that case it's actually completed before it needed to be, because the FBI check only needs to be initiated prior to the start of work. However, there's nothing else in the file. This individual has recurring access. That's very important information. And we also see that as the check was completed before the individual began work, he or she has not actually encountered any vulnerable populations until after the FBI check had cleared. The big upshot of that sentence is that accompaniment was not required. Accompaniment was required until the first of either your FBI check or your state checks clear. Well, here we're saying that an FBI check cleared before an individual even began working or serving, so accompaniment was not required.

Okay, now we're going to go to our matrix and our mitigation rating definitions on pg. 4 of the Disallowance Guide. The way I recommend doing this is always starting with the highest level. See if a file meets the highest level of mitigation, and, if it doesn't go down to the next one. So I'm looking at my

mitigation ratings, and I'm going to use the right-column, because this individual has recurring access to vulnerable populations, and I see this individual would have to meet the requirements of 1, 2, and 3 to fall into this substantial mitigation category. Well, 1 is performed accompaniment is required. We just discussed that accompaniment is not required, so we met the requirements of #1.

Let's go on to #2: Adjudicated a sex offender check before the individual began work or service. Well, what you will find if you review this whole document in depth, as I know you will, is that certain types of checks can actually be mitigation, even if they're not compliant. A great example of this is that an FBI fingerprint-based check is considered an adjudicated sex offender check for the purposes of mitigation. Now that's only for the purposes of mitigation, not for the purposes of compliance. In other words, if you're reviewing a file and you an NSOPW isn't there, that file is out of compliance. No ifs, ands or buts. An NSOPW, as we all know, must be complete before the start of work or service, for 100% of individuals in covered positions. So if you see an NSOPW is not there, they're out of compliance. But when it comes time to find the mitigation rating, there are some things that can count as mitigation that aren't compliance. One of them is an FBI fingerprint-based check for the purposes of an adjudicated sex offender check. You'll also see that certain types of vendor checks, even when they're noncompliant, can be mitigating factors. In particular, a nationwide search of sex offender registries and a nationwide search of state criminal history information can be mitigating factors, even if they're not compliant. There's compliance, which determines whether you're going to pull out this guide and do this exercise, and mitigation, which is what we're talking about now.

Well this file contains a completed, cleared FBI fingerprint-based check, which is an adjudicated sex offender check for the purposes of mitigation. Again, you could have found that information and lots more on pg. 5 of your Disallowance Guide. This is one of those details that we just don't have time to discuss in-depth. It really illustrates the importance of reviewing this document.

Ok, so we've satisfied #1, because accompaniment was not required, and we've satisfied #2, because there is a completed sex offender check before they started work or service. Now let's see if they meet #3. "Initiated one of the following on time: a vendor check that included a nationwide search of state criminal history information OR a state of service or state of residence check OR an FBI fingerprint-based check." Basically we've got three options here to satisfy this last requirement. One of them is our FBI check. So we have it there, and we have it in #2 as well. That's okay, we can have it in multiple places. So we've satisfied #1, because accompaniment was not required, we've satisfied #2 with our FBI fingerprint-based check, and we've satisfied #3, also with our FBI check. Therefore, this file has substantial mitigation. This means that you'll be working with that top row of disallowance amounts, above the mitigation ratings in your matrix, either \$250 or \$500 per file for this file. Then you'll be choosing between those two based on the noncompliance in the portfolio as a whole.

We've got one more example coming up, and we're just going to take a few minutes to think through this example. Have your Disallowance Guide ready. There's some information on the screen. I'll read it out for those who aren't on Skype. [Editor's Note: Slide 18.] "This file contains a vendor check. At first, it is not clear what the vendor check consists of. However, the grantee researches this question with the vendor and reports it contains both a search of nationwide criminal history information and a national sex offender registry check. It did not include checks of any designated state repositories. It was complete before the start of work. The file also contains a completed search of the NSOPW, completed on-time. This file contains nothing else. This individual has recurring access to vulnerable populations. What is the mitigation rating?" We're going to go on a mute here for a couple of minutes, and then we'll come back and talk about it. [Pause.]

(59:25)

[Editor's Note: At this time there was a technical error in the Skype presentation, and Brian asked for some audience assistance in identifying the source of that error. This portion of the call has not been transcribed, as it is not relevant to the content.]

As I was saying, for those of you who have looked at vendor checks before, you will know that they can be very untransparent. You will know that you cannot often know what is exactly inside them, and, as we just discussed, certain parts of these mitigation ratings are very much dependent on what is inside one of those vendor checks. As a result, what this Disallowance Guide does is formally says that monitoring officials should direct a grantee to research what is inside a vendor check with their vendor. In other words, it gives you the authority to go to your grantee and say, "Hey, you need to document what this vendor check consists of," and that is key to the whole process, because, as we know, vendor checks- not very compliant, but, as we know, we've identified certain kinds of vendor checks that count as mitigation. And not all vendor checks count as mitigation. For example, a vendor check that is a credit check only would not count as mitigation.

[Editor's Note: At this point Brian lost access to his own version of the PowerPoint and greatly shortened the conversation regarding this topic. The discussion of this example is drawn from another conversation, where he was able to explore all relevant facts. The beginning and end of this section is denoted with ***.]

So to take this example, what we're going to do, is we're going to start with our matrix and our mitigation ratings. We know that this file has recurring access, so it will be compared to the right column of our chart. We've got three requirements for Substantial Mitigation, because I recommend we always start at the top. "Was accompaniment performed if required?" Well, this example actually does not include any state checks and it does not include any FBI checks. Therefore, accompaniment would've been required for some period of time, but we are told it was not performed. So we already know this file is not going to meet the standard for Substantial Mitigation. As it turns out, there is an adjudicated sex offender check, which was included in the vendor check, and there was also an NSOPW. So you have two adjudicated sex offender checks. You'll notice that having two of a certain thing, as opposed to one of a certain thing doesn't help you. One adjudicated sex offender check is just as good as two adjudicated sex offender checks. And we also know that we have one of our third category, a nationwide search of state criminal history information. So we've got two of our three requirements. However, we don't have all three. So we move down the chart to Moderate Mitigation.

We see that Moderate Mitigation can be applied if we have an adjudicated sex offender check before an individual began work or started service. We do have that. We have an NSOPW that was completed on time. We have an extra check as well, in the vendor check, but that's not really relevant. And we also know that we need one of these three things: a vendor check that included a nationwide search of state criminal history information; a state of service or state of residence check; or a fingerprint-based FBI check. As it turns out we do have one of those. We do have a vendor check that includes a nationwide search of state criminal history information. So we've satisfied option #1 under Moderate Mitigation. Therefore, this file has Moderate Mitigation. That means for the disallowance amount, you'd go back up

to the top of pg. 4 and choose either \$500 or \$1,000 for this file, based on the overall compliance in the portfolio.

The next item that we wanted to share with you is actually a job aid that we here at CNCS have created for you to use. It is a Mitigation Rating worksheet, and what it is actually is a checklist that will allow you in a very step-by-step process go from this table of factors and definitions to a mitigation rating. We are still working on it here at CNCS. [Editor's Note: This and other resources are now available at <http://www.nationalservice.gov/resources/criminal-history-check>.] It is one resource among others, including some of the exercises that we've gone through here today with some answers, which we hope to give to you shortly. So we'll just ask that you bear with us while we do that.

My Skype is still not connecting here, and I apologize for that. But we'll go ahead and move on as best we can. I apologize that we're going to have to move away from - I won't be able to utilize our Skype connection here for a little while, until I know I am back in. So please just bear with me and listen to my voice and we'll get some visuals back up when we are able to.

(66:37)

[V. Calculating Disallowance]

But the next topic we want to discuss is calculating disallowance. We've actually come up with a five-step system for calculating disallowance. [Editor's Note: This content goes with Slide 20 of the presentation, though this was not used in the course of this presentation due to technical difficulties.]

Step 1: Calculate the percentage of noncompliance within your scope of review. Remember we have those two columns at the top of our chart. We need to know greater than or equal to 50%. So let's take a simple example. Let's say we've got five files in our Scope of Review. Two of them are out of compliance. We need that percentage - two out of ten [At this point, Brian mistakenly revised the number of individuals in covered positions in his example to ten, from five.] is 20%. So we go to our disallowance matrix and we see that we will be on the left column of the chart.

Step 2: Determine the appropriate per-individual disallowance for each category of mitigation. Well I didn't give us categories of mitigation, but let's say it's low mitigation. So we've got two noncompliant files with low mitigation, and we know, because we did Step 1, that it's in less than half the portfolio. Therefore, I look at my disallowance matrix on pg. 4, and I see low mitigation and less than 50% results in a per-file disallowance of \$750. With just those two pieces of information, I get a per-file disallowance of \$750. Note that you might find multiple types of mitigation in one review. So it could be two low mitigation files and two moderate mitigation files. If that's the case, you'll have two per-file disallowance amounts.

Step 3: Add it all together for what we're calling a "raw" disallowance. We'll use my simple example, our two noncompliant, low mitigation files. We take \$750 and multiply that by two, the number of noncompliant files falling into that mitigation category, and you wind up with \$1,500.

Now we need to add two important facts. Fact #1 is we need to know if this case was self-reported. You will see if you review this document as a whole that it establishes a pretty powerful incentive for self-reporting on the part of grantees and subgrantees. It says that if a grantee or subgrantee self-reports

noncompliance, then the disallowance amount can be reduced by 50%. That's on pg. 7 of the Disallowance Guide. Now there is a specific definition of what counts as "self-reported" there. It's not good enough for this incentive, for an organization to quote-unquote "self-report" the day you show up for a monitoring visit. This has to be reported independently of any monitoring action. And you'll also see that there is specific documentation requirements of what you, as a Monitoring Official, should do when someone self-reports noncompliance to you. The idea is not that this will allow a grantee to get out of doing the checks, and get you to do them for them. The idea, however, is that if an organization is working to get into compliance, and they're monitoring their own issues, and they're putting themselves in a position to get into compliance, that's something that we want to encourage. That's why there's an incentive for this.

So, Step 4 of our process is assess if the case was self-reported. If so, you're going to reduce the disallowance amount by 50%. In our case, we had a raw disallowance of \$1,500. In this case, for our example, let's say this wasn't self-reported. So we're going to stick with our \$1,500. If it was, we're going to reduce that back to \$750.

Finally, we compare the disallowance to a disallowance cap. On pg. 6 of the Disallowance Guide, you will see a heading that says "Disallowance Cap," and what this says is that as a general rule, CHC disallowance will be capped at 25% of the federal share. So Step 5, after we've done all these calculations, after we've assessed whether or not this was self-reported, we compare the total disallowance to 35% of the federal share, or, if you are a grantee, your share would be what you're using as a comparison point for your subgrantees, and you determine which is lower, and that's what you apply. So you apply the lower of either 25% of the federal share or what you calculated using this calculation mechanism and your self-reporting deduction.

There's another important piece to our disallowance cap, which is that the disallowance guide does have language that gives monitoring officials authority to go above the disallowance cap if it is warranted. Basically, if it does not support compliance. That's really trying to capture scenarios of gross noncompliance, where maybe a grantee is not being responsive, maybe a grantee is not doing the corrective action that you are requesting that they do, repeatedly. In those cases, monitoring officials do have recourse to go above the disallowance cap, but the expectation is that those will be very rare. In general, this is the five-step process.

I'm going to go over that one more time, the method we use to calculate disallowance. Again, this method will be shared in a PowerPoint with everyone after the call. I do apologize for our technical difficulties, but I have not been able to get back into Skype.

Step 1: Calculate percentage of noncompliance within scope of review.

Step 2: Determine the appropriate per-individual disallowance for each category of mitigation.

Step 3: Calculate the total amount of disallowance for each mitigation category and add them for a "raw disallowance."

Step 4: Assess if the case was self-reported.

Step 5: Compare to disallowance cap.

We do have some exercises to help you practice doing this. Because we are having technical difficulties and because I see we're running low on time, we won't stop to do them here, but we will share this PowerPoint out so you have an opportunity to do them.

(72:30)

The last thing we want to talk about and then we'll pick up the remaining questions is implementation. We've already discussed this a little bit thanks to one of the questions that came through over Skype. We here at CNCS are implementing this approach immediately. This is effective as of today. It was effective for CNCS about a week ago, and we will be applying it retroactively to monitoring findings that have been brought all the way through the monitoring cycle. Even back to the passage of the Enforcement Policy, actually all the way back to the Assessment Period. So this is effective immediately and in fact retroactively. Our expectation is that all prime grantees, including SIF intermediaries, will be doing the same, as with all other requirements, we expect these to flow through our grants to the grants that you manage and we'll welcome your partnership in its implementation.

If you have read this document, you will know that it is pretty vague in some places. That's because it was written for a broad audience. It was written for our staff here at CNCS, and our Program Officers at our grantee partners, which includes all of you, also State Service Commissions. There are lots of organizations that we fund that then pass those funds along to others. So there are certain areas where you will need to rely on your own policies and procedures - for example, the mechanics of how you issue a debt collection letter at the end of this whole process. You will need to rely on your own policies and procedures, of course, abiding within our guidelines, for those kinds of activities.

The last point that we want to highlight about implementation is that this is still an interim document. You'll see that right in the title. We don't expect to make drastic changes to this document, but we do expect to learn as we implement it. Something this granular, something this involved, is, I will say a little bit unusual in federal grants management, and it's not something we at CNCS have done before in this way. So we're very eager to learn about how it would work for all of you. Of course we're going to be gathering lots of feedback from our own Program Officers and also our other grantees and programs, and we will refine this to the extent we are able. We are aiming for a revision in early 2016, so do please use it, struggle with it, and ask questions. All of that will help us to refine it and really make it more effective and easy to implement for all of you.

With that, that's the formal presentation. As I mentioned, we didn't go through all the slides of the presentation, but we will share those out, but now we'll just pause and take questions. Unfortunately, those of you who did put questions out via Skype, I can no longer see them. So please just go ahead and ask them here on the line. I do apologize for the duplication, but I can't see those questions. So just do go ahead and ask them here verbally to all of us if you feel comfortable doing that. Gabrielle, can we open up for questions?

(75:23)

[O]: Yes, of course. So again, if you have a question, please make sure your phone is unmuted and press star-1 and record your name when prompted to place your line into the question queue. Again, that is star-1 to ask a question and those questions do take a moment or two to queue up. Please stand by. [Pause.]

We have questions queuing up. One moment. We have a question from Rebecca. Your line is open.

[Rebecca]: Hi, my question is what if the disallowance cost is higher than the cost that the person has charged to the grant?

[BC]: Great. Thanks very much for that question. The way it is described here is that you would apply the risk-based disallowance. In other words, you would still apply this amount, or the appropriate amount per-file. Of course, there are considerations for self-reporting and for the 25% federal share, but it is not about the costs that an individual is charging to the grant. That's kind of the core of the system - we're moving away from that. We recognize that in some portion of cases, that might actually mean a higher disallowance amount, but we're confident that that's not going to be the case in the majority of the cases, and these disallowances are really scaled towards risks and not the amount an individual is charging to the grant. Does that answer your question, Rebecca?

[Rebecca]: Yes, thank you.

[O]: We have a question from Navjeet Singh. Your line is open.

[Navjeet]: Hi Brian. Brian, my question is fairly basic, so just to confirm - if an individual does not have access to vulnerable populations, then there is no disallowance, disallowed costs.

[BC]: That's a great question. A very important point. That is actually not correct. The CHC requirements apply equally to individuals with access to vulnerable populations and without access to vulnerable populations. All of the requirements do. So even our individuals with no access to vulnerable populations are still required to undergo an NSOPW and either a State or FBI check. And, if you find that those files are out of compliance, disallowance would be required. You'll see that they have their own system of mitigation ratings that is loosened.

[Navjeet]: I ask because in the matrix, the costs only appear in the column on the right-hand side, so I just wanted to make sure.

[Brian]: Ah, I see what you're saying. That's a great question. That's just an artifact of the layout, and maybe something we'll seek to clarify in subsequent revisions. That's a great, absolutely critical question. That's just an artifact of the layout. The intention is for the matrix to be applied equally to both individuals without access or episodic access and individuals with recurring access. Thanks very much for that questions.

[Navjeet]: Thanks.

[O]: I am showing that we have no further questions at this time.

[BC]: Ok, if we can just wait, everyone, and see if any other questions come through. Also, I'll just extend an invitation to the SIF Program Officers who have joined us. If they have anything to add at this time, it'd be a great opportunity to do so. Of course, if there's nothing to add, that's great as well.

[Program Officers, unnamed]: Thank you, Brian. Especially given the technical difficulties. I think we lost Internet access here in the SIF office. I lost my connection.

[BC]: That would explain it. Apologies everyone. That would explain it. We seem to be down here at CNCS HQ.

[O]: It is star-1 to ask a question. We do have a couple queued up. We'll take a question from Lynn. Your line is open.

[Lynn]: Hi, I just have a quick question. So if we have recently discovered that a grantee, a subgrantee, hadn't done a sex offender search on time, do we have to go back now and apply this review? I just want to make sure, since it's retroactive, do we have to go back and make certain that we're handling it this way?

[BC]: That's correct generally. I'll throw in one caveat. If you have already completed a full monitoring action and issued a debt collection letter, if you were disallowing costs, I don't want to speculate too much on the specifics of your scenario. If there is any question, that's a great thing to ask you Program Officer, so bring that to your Program Officer's attention. But, in general, yes, this is intended to be retroactive.

[Lynn]: Ok, thank you very much.

[O]: We do have a question from Gary. Your line is open.

[Gary]: Hi, Brian, this is Gary. My question is with the FBI checks, I thought they quit doing that back in April or March.

[BC]: So certainly our requirements have not changed. Our requirements have been and continue to be that if an individual does not have access, they still need either a state or an FBI check, and, in addition to that, if an individual does have access, they need all three of our checks - an FBI check, a state check, and an NSOPW. So those requirements have not changed. What happened in April is that there were some organizations that experienced a disruption of service in a certain way to get FBI checks. What we did is we approved a temporary exemption for those organizations. That exemption is on our website. It is temporary and it is very clearly limited by that particular disruption. So perhaps your organization falls into that category, so perhaps you were unaware of the continued requirement of these checks. I do want to emphasize that a) that exemption has specific documentation requirements, so please be sure you look at those if this applies to you and b) it is only relevant for a pretty small portion of our portfolio. So those of you on the line, if you don't know anything about this situation with FBI checks in April, please don't think that is the case. That requirement is still there, though we have approved a very narrow organization for some organizations that have experienced an unexpected issue. Does that answer your question?

[Gary]: It does. Thank you.

[BC]: Thank you, Gary.

[O]: And I'm showing no further questions at this time.

[BC]: Okay, we are coming down to the bottom of the hour. If there are further questions, please feel free to do it, and Gabrielle, feel free to let me know if anyone is chiming in. I think we will leave it there. Thank you everyone for attending and for bearing with us even through some technical difficulties. As I mentioned, we know this is new, we know you haven't had a lot of time to review this document in depth, and we look forward to your reviews and your further questions. I should thank the SIF team for coordinating this event on such short notice, also many individuals in my office who helped with that,

and of course all of you for your attention and participation, and your engagement with what is an ever-evolving topic. Thanks to everyone. Gabrielle, are there any remaining questions?

[O]: I'm showing no further questions.

[BC]: Thanks as well, of course, to Gabrielle for keeping everything moving. If any of you do have further questions, your first stop of course is your Program Officer. That actually reminds me I saw a note about my contact information. I'm happy to share it. My email is bcognato@cns.gov. I said that quickly however, because if you send me specific questions I will make my first step touching base with your Program Officer. So I really recommend starting there with all of your questions and they will grab me if necessary, but they are really a great resource and just very collaborative and helpful topic. So thanks everyone, we will live it there and wish everyone a great afternoon.

[Program Officers, unnamed]: Thanks Brian.

[BC]: SIF Program Officers, if you want to join the post-conference, you are welcome to.

[O]: That concludes today's conference. Thank you for participating. You may disconnect your lines at this time.