



# KOAP Monitoring & Compliance

## KADF County Program Compliance Policies

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### Introduction

**General Statement:** In general our administrative entities and program administrators do an excellent job at being stewards of public money through the county programs. They are an important link to our producers in the agricultural development process.

We understand that mistakes do happen. However, consistent errors and willful disregard of policies put the entire program in jeopardy by calling into question the integrity of the programs as a whole.

**Purpose:** To provide a measure of accountability in ensuring the integrity of the county programs and sustainability into the future, these policies have been developed to impose consequences for not adhering to state approved guidelines.

The Kentucky Agricultural Development Board has taken great care and consideration in developing the statewide guidelines to ensure accessibility and efficiency in administering its programs.

While we recognize that each county is unique in the makeup of its citizens and rural economy, there is a need for program consistency across the Commonwealth. The KADB allows a measure of personalization for each county without substantial impact to the overall standard guidelines and intent of the program.

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### Appeals Process

If the Administrative Entity disputes the reason(s) for being placed on the Watch List, Probation or Suspension, as outlined in this document, then the following procedure is followed:

1. The Administrative Entity submits an appeal to the Executive Director/Deputy Executive Director in writing within 60-days of the warning letter;
2. Schedules a meeting at KOAP with the Executive Director/Deputy Executive Director, Programs Compliance Manager; and others at the discretion of the Executive Director/Deputy Executive Director; and,
3. If necessary, the appeal is taken before the Kentucky Agricultural Development Board's Compliance Committee for final review and determination.

## Watch List (Warning)

An administrative entity may be placed on the Watch List for not following the KADB approved guidelines. In general the administrative entity runs its programs well, but diverges from established policies and procedures.

### Triggers

An administrative entity may be placed on the Watch List for one or more of the following issues, including, but not limited to

- a. Not having two signatures on checks
- b. Incorrect scoring process, including not using minimum score
- c. Scoring committee composed of ineligible members
- d. Not following the procedures outlined in the program guidelines or legal agreement
- e. Not submitting all required reporting and documentation within 60-days of the program's end as outlined in the guidelines
- f. Not following any other state KADB established program guidelines

### Terms of Watch List

1. The program administrator and at least one other person from the administrative entity must participate in an administrative training session, such as a regional workshop or one-on-one consultation, prior to disbursement of additional funds.
2. Program administrator and authorized representative sign an acknowledgement letter stating there is an understanding of the conditions that need to be met before being released from Watch List.
3. Reporting, documentation and any other requirements of a program must be received on or before the deadline established in the guidelines and/or legal agreement.<sup>1</sup>

### Procedure

1. A warning letter will be issued by the Programs Compliance Manager to
  - a. Administrative entity; and
  - b. Copied to chairman of the County Agricultural Development Council and County Cooperative Extension Agent for Agriculture & Natural Resources
2. Content of letter
  - a. Notification of status
  - b. Reason(s) for determination of status

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<sup>1</sup> If there is a problem with the timing of deadlines, then the program administrator must call to request an extension and make KOAP aware of the issue. Any delays on the part of KOAP staff will not impact the status of an administrative entity.

- c. Statement of Acknowledgement to be signed by authorized representative of the administrative entity and the program administrator (or other organizational representative, if one person has both roles)
  3. If 6-month report and other documentation is received by 6-month deadline and all other issues have been resolved, then the Administrative Entity may be released from the Watch List and will receive communication stating such.
  4. If after 6-months there are still issues, then the Administrative Entity will stay on the Watch List another six months.
  5. After a 12-month period, if all issues have not been satisfactorily resolved, then the Administrative Entity will be placed on probation.
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## **Probation**

Probation is a more serious status for Administrative Entities that consistently exceed the bounds acceptable in administering KADF county programs and disregard guidelines, agreement terms and other specific regulations. Probation is for 12-months from the date a Memorandum of Understanding is signed.

### **Triggers**

An administrative entity may be placed on Probation for one or more of the following issues, including, but not limited to

- a. Failing to resolve issues while on Watch List for 12-months
- b. Delinquent shared-use reporting for one year or more
- c. Willfully disregarding state established guidelines
- d. Any of the reasons noted for Watch List deemed to be severe enough to warrant immediate probation
- e. Any federal or state charges filed against administrative entity, administrator or employee of the administrative entity related to running programs

### **Terms of Probation**

#### ***For cost-share programs:***

1. Submit the following to KOAP for review and approval prior to advertising the program:
  - a. application deadlines prior to accepting applications
  - b. deadlines for farmers to return receipts for reimbursement
2. Hold a producer meeting to inform about CAIP and invite a member of KOAP staff to attend
3. KOAP staff must be in attendance at scoring session

***For all county programs:***

1. Notify KOAP of advertising dates and methods
2. Must submit reports on a quarterly basis (every three months from execution date of legal agreement). Reports must be complete, accurate and on time
3. Staff may approve the administrative entity to operate more than one cost-share type program while on probation (e.g. CAIP, youth cost-share project)
4. Applications for additional county programs (Shared-Use, DAR, etc.) while on Probation shall not be considered
5. Must meet with Programs Compliance Manager or designee after first quarterly report to review progress
6. KOAP may request periodic visits with the administrator (announced and unannounced) to review records and processes
7. Will have a final review of all aspects of the administration of the program, including but not limited review of all applications, all score sheets, all receipts submitted for reimbursement, all producer reports and checking account records.

**Procedure**

1. A letter will be issued by KOAP General Counsel to
  - a. Authorized representative of the administrative entity and program administrator
  - b. Chairman of the County Agricultural Development Council and County Cooperative Extension Agent for Agriculture & Natural Resources
2. Content of letter
  - a. Notification of status
  - b. Reason(s) for determination of status
  - c. Copy of Memorandum of Understanding (MOU)
3. Recipient Orientation (RO): The program administrator and the authorized representative (or other individual if the program administrator is also the AR) from the administrative entity must meet with KOAP staff, which may include Executive Director/Deputy Executive Director, General Counsel, Programs Compliance Manager and KADF Programs Manager, to review terms of probation, sign MOU and program legal agreement, review standard program guidelines and reporting requirements.
4. Either at the RO or another agreed upon time prior to accepting applications, the program administrator and authorized representative must meet with the KADF Programs Manager, or other designated staff, to review all aspects of the entity's application process.
5. Within 60-days of completion of the program, the Executive Director/Deputy Executive Director, General Counsel, Programs Compliance Manager, and KADF Programs Manager will meet to discuss release from probation.

6. If release from probation is granted, then the administrative entity will be notified in writing and may resume its normal administrative duties.
7. If release from probation is not granted, then the administrative entity and County Agricultural Development Council will be notified in writing that the administrative entity and/or its principals will not be allowed to administer KADF county programs indefinitely.

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## **Suspension**

An Administrative Entity on suspension will lose its ability to administer any of the KADF county programs.

### **Triggers**

- a. Not successfully rectifying issues during Probation
- b. Any of the reasons noted for Watch List and Probation, deemed to be severe enough to warrant immediate suspension

### **Terms of Suspension**

1. For a minimum of 12-months from date of Official Notification
2. Administrative Entity may not manage any KADF county programs (see #4 for entities managing long-term agreements (i.e. shared-use equipment))

### **Procedure**

1. An Official Notification letter will be issued by the Executive Director to
    - a. Administrative entity; and
    - b. Copied to chairman of the County Agricultural Development Council
  2. Content of letter
    - a. Notification of status
    - b. Reason(s) for determination
  3. The Director of Compliance will notify any staff processing applications of any entities that may not be approved for KADF county programs.
  4. If a suspended entity manages any long-term agreements, such as shared-use equipment, then the Termination clause of the legal agreement may be invoked.
  5. After a 12-month period, the organization may petition KOAP staff and show that all issues have been satisfactorily resolved, including changes in key personnel who may have led to the suspension.
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## Definitions

**Administrative Entity:** Defined as the entity that enters into a legal agreement with the KADB to administer a county program, including but not limited to the County Agricultural Investment Program (CAIP), Deceased Farm Animal Removal Program (DAR), Next Generation Farmer (NextGen), Shared-Use Equipment Program, Youth Agricultural Incentives Program (Youth/YAIP) and county cost-share projects.

**Application Period:** The period of time that the administrative entity accepts Producer Applications, as defined by the CAIP standard guidelines.

**Authorized Representative:** The individual in the administrative entity who has the authority to sign legal documents and act on behalf of the entity as a whole.

**Effective Date:** The date the program legal agreement is signed (executed) by the KOAP Executive Director.

**Memorandum of Understanding (MOU):** Legal document signed by the Authorized Representative and Program Administrator of an administrative entity placed on probation.

**Program Administrator:** The individual responsible for record keeping, reporting and other daily duties of implementing a county program.

**Recipient Orientation (RO):** Meeting between the Authorized Representative and program administrator of the Administrative Entity and staff of KOAP to review agreement requirements, standard guideline changes and reporting requirements.

**Scoring Committee:** Group of individuals, as defined by the CAIP standard guidelines, from the administrative entity who score and rank producer application for CAIP.

**Statement of Acknowledgement:** Document that accompanies a Warning Letter, signed by the Authorized Representative and Program Administrator, showing that those involved understand the reasons for receiving the warning letter and the terms of Watch List status.

**Status:** The state of an administrative entity based on a set of circumstances at a given time: Satisfactory, Watch List, Probation, and Suspension. Any determination may be chosen without prior penalty status. (e.g. an administrative entity may immediately be suspended without having been on the Watch List or Probation).