



N.C. Department of Agriculture & Consumer Services
 N.C. ADFP Trust Fund
Grantee Risk Assessment Guide



| <i>Frequency of Adverse Actions</i> | <i>Severity of Consequences</i> | | |
|-------------------------------------|---------------------------------|------------------------|----------------------|
| | Low Severity | Medium Severity | High Severity |
| High Frequency | Medium Risk | High Risk | High Risk |
| Medium Frequency | Low Risk | Medium Risk | High Risk |
| Low Frequency | Low Risk | Low Risk | Medium Risk |

Definitions

- High Frequency: Five or more times per reporting period
- Medium Frequency: Three or four times per reporting period
- Low Frequency: One or two times per reporting period
- Low Severity: These adverse actions cause disruptions and delays to the division.
- Medium Severity: These adverse actions put grantees out of compliance with the terms of grant contracts and reporting requirements.
- High Severity: These adverse actions cause significant financial, programmatic, or legal issues that jeopardize the grantee’s status as an eligible grant recipient.

Adverse Actions

- Low Frequency, Low Severity: **Low Risk**
 - Failure to return one or two completed grant contract packets within 10 working days without staff approval. The reporting period is a grant award cycle.
- Medium Frequency, Low Severity: **Low Risk**
 - Failure to return three or four completed grant contract packets within 10 working days without staff approval. The reporting period is a grant award cycle.
- High Frequency, Low Severity: **Medium Risk**
 - Failure to return five or more completed grant contract packets within 10 working days without staff approval. The reporting period is a grant award cycle.
- Low Frequency, Medium Severity: **Low Risk**
 - One or two late budget and progress reports or monitoring reports in the previous reporting period. The reporting period is either semi-annually or quarterly for open contracts, and annually for monitoring reports.
- Medium Frequency, Medium Severity: **Medium Risk**
 - Three or four late budget and progress reports or monitoring reports in the previous reporting period. The reporting period is either semi-annually or quarterly for open contracts, and annually for monitoring reports.
- High Frequency, Medium Severity: **High Risk**



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- Five or more late budget and progress reports or monitoring reports in the previous reporting period. The reporting period is either semi-annually or quarterly for open contracts, and annually for monitoring reports.
- One or more late budget and progress reports or monitoring reports in the two previous reporting periods. The reporting period is either semi-annually or quarterly for open contracts, and annually for monitoring reports.

- Low Frequency, High Severity: **Medium Risk**
 - Failure to submit the final report and all invoices within 20 working days (28 calendar days) following the closing and recording date of one or two conservation easement projects. The reporting period is annual.
 - Failure to submit the final report and all invoices by the 10th of the month following the contract's ending date or within 20 working days (28 calendar days) following the completion of the project for one or two agricultural development projects or agricultural plans. The reporting period is annual.

- Medium Frequency, High Severity: **High Risk**
 - Failure to submit the final report and all invoices within 20 working days (28 calendar days) following the closing and recording date of three or four conservation easement projects. The reporting period is annual.
 - Failure to submit the final report and all invoices by the 10th of the month following the contract's ending date or within 20 working days (28 calendar days) following the completion of the project for three or four agricultural development projects or agricultural plans. The reporting period is annual.
 - Material weakness found in audit. Remain at high risk until it is corrected.

- High Frequency, High Severity: **High Risk**
 - One or more late budget and progress reports or monitoring reports in the three previous reporting periods. The reporting period is either semi-annually or quarterly for open contracts, and annually for monitoring reports.
 - Named on the North Carolina Office of State Budget and Management (OSBM) Suspension of Funding List (SOFL). The reporting period is weekly.
 - Failure to submit the final report and all invoices within 20 working days (28 calendar days) following the closing and recording date of five or more conservation easement projects. The reporting period is annual.
 - Failure to submit the final report and all invoices by the 10th of the month following the contract's ending date or within 20 working days (28 calendar days) following the completion of the project for five or more agricultural development projects or agricultural plans. The reporting period is annual.