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Comprehensive Monitoring Guide

WIOA Title I

Version date: June 7, 2022

Notes to the reader

At this time, this Comprehensive Monitoring Guide (CMG) focuses narrowly on WIOA Title I program service design and delivery, grant operations, and financial management. This CMG does not yet include content relating to the *ETA Core Monitoring Guide Youth Supplement*. In addition, more general provisions appearing in the *ETA Core Monitoring Guide* relating to the Title III Wagner-Peyser Employment Service, Trade Adjustment Assistance Program, or discretionary grants that have been or may be awarded to NDOL or any local workforce development area have not yet been fully incorporated into this CMG.

If there are questions about this CMG, please direct them by email to Ashley Pick (ashley.pick@nebraska.gov), Reemployment Services Administrator overseeing the responsibilities and activities of the NDOL State Monitoring Unit.

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I. Introduction

Purpose of this CMG

The Nebraska Department of Labor (NDOL) State Monitoring Unit (SMU) uses this Core Monitoring Guide (CMG) as a tool when performing on-site and virtual reviews of core activities of Nebraska's Title I grant subrecipients. The purposes of SMU reviews are to evaluate:

- grant subrecipient management and administration of Title I grants;
- quality of the Title I programs and services; and
- performance of the grants to determine if the programs are operating in compliance with their respective grant agreements with NDOL; Federal and State laws, regulations, rules, guidance, and policies; and the Uniform Guidance and in a manner that ensures achievement of grant subrecipient goals and outcomes.

On-site and virtual monitoring are two of many oversight tools employed by the SMU that help in assessing Title I grant subrecipient technical assistance needs to achieve success in program goals and deliverables. NDOL monitors its Title I grant subrecipients to measure progress, ensure compliance, assess responsible use of Federal funds, and develop technical assistance plans.

Background

NDOL is responsible for oversight of its Title I grant subrecipients. Oversight is performed in many ways, including on-site and virtual monitoring, risk assessments, desktop reviews, and analyses of Title I performance and financial reports. NDOL relies on the professional judgement and experience of its staff, including SMU staff, State Policy Unit staff, and other Reemployment Services Division staff, including Finance Division staff, to carry out oversight functions successfully. This CMG does not relieve the individual reviewer of their obligations to represent fully and faithfully the interests of NDOL and the US Department of Labor Employment and Training Administration (ETA). Instead, this CMG serves as a reference tool and catalog of potential compliance issues.

Each Title I grant subrecipient that provides a subaward to another entity (also a subrecipient) to carry out part or all of its Title I grant responsibilities is defined as a pass-through entity (PTE). All Title I grant subrecipients acting as PTEs are required, in turn, to conduct oversight and monitoring of their respective Title I subrecipients (i.e., service providers) to ensure compliance with all Federal and State requirements applicable to their respective Title I grants.

Development of this CMG

Development of this CMG is based on the US Department of Labor Core Monitoring Guide (dated July 2018) and applicable State laws, rules, regulations, and policies. This CMG replaces the NDOL WIOA Monitor Manual (dated December 2016) and addresses and clarifies existing programmatic, administrative, and financial requirements applicable to NDOL's Title I grant subrecipients and their respective subrecipients.

Structure and use

This CMG will be used broadly by SMU reviewers conducting reviews of Nebraska's Title I grant subrecipients. Where appropriate, this CMG calls attention to certain features that are unique to a particular Title I program. However, guidance specific to different Title I programs may be addressed in TEGLs or other supplements to this CMG.

This CMG provides:

- instructions for conduct of on-site and virtual monitoring, including pre-monitoring, on-site, virtual, and desktop reviews, post-review activities, and issuance of monitoring reports; and
- outlines for review of the three core activities:
    - Core activity 1: Service design and delivery;
    - Core activity 2: Grant operations; and
    - Core activity 3: Financial management;
- indicators to assess Title I grant requirement expectations; and
- an appendix of tools and resources for reviewers.

Core activities, objectives, and indicators

Each core activity section in this CMG is organized around specific subject areas called objectives. The objectives address specific requirements or topics addressed in grant agreements with NDOL; Federal and State laws, regulations, rules, guidance, and policies; and the Uniform Guidance.

Indicators accompany each objective. The indicators are the criteria to be used to determine whether the objective and its requirement are being met. Indicators are labeled (C) or (E), or (C/E):

- (C) for compliance indicators that must be met;
- (E) for effectiveness indicators that may result in an area of concern or a finding if not addressed; or
- (C/E) for indicators the reviewer determines as (C) or (E) or both, identifying the appropriate citation applicable to the indicator as (C) or (E) or both when making determinations in a monitoring report.

Findings

If a compliance indicator (C) is not met, that will result in a finding. A finding is a violation of a specific compliance requirement defined in grant agreements with NDOL; Federal and State laws, regulations, rules, guidance, and policies; and the Uniform Guidance that required specific corrective action. In the monitoring report, each finding description must contain:

- a topic sentence that describes the condition (i.e., the compliance violation);
- cause of the violation;
- criteria (citation of law, regulation, etc.) supporting the condition as a compliance issue; and
- requirements for appropriate corrective action by the grant subrecipient and/or its subrecipients, including timeframes for completion.

The descriptors in a finding described above are referred to as the 4 Cs (condition; cause; criteria; and corrective action). The 4 Cs are described in greater detail in Section IV.

Areas of concern or observations

If an effectiveness indicator is not met and the reviewer believes that may result in a finding at some later point if not addressed, that means an area of concern has been identified. Areas of concern are not specific compliance violations but may negatively impact the program or lead to a finding. Traditionally, no corrective action is required for areas of concern; however, the reviewer may suggest recommended actions.

Core activity structure

1. Each core activity is organized around requirements that were derived from legislation, rules, and regulations, or promising practices that relate to that core activity. These requirements or expectations are called objectives.

2. Each objective includes a set of indicators, attributes, or criteria that attest that the objective or requirement is being met. The indicators are marked with a (C) for compliance indicators that must be met or an (E) for effectiveness indicators. For Core activity 1 only, the reviewer must review a list of documents to determine whether an indicator is a (C) or (E) or both.

3. Each (C) indicator in this CMG includes a citation for reference. For Core activity 1 only, the reviewer must identify the applicable citation.

4. Each indicator includes instructions that the reviewer uses to begin assessment of whether the indicator is present. The reviewer may expand upon use of the instructions or employ other means for assessment of the grant subrecipient's performance.

5. Some indicators include tips to help with the review.

6. Each indicator includes questions for review and discussion that will help when assessing the compliance or effectiveness of the subject area.

7. The reviewer records notes and specific findings at the indicator level, so that if a question arises later, the reviewer has a means for recreating the basis for a determination. There is also a tool in the appendix that can be used to record notes while reviewing on-site or virtually (Tool T: Summary of results and reviewer notes).

Appendix

The appendix to this CMG provides resources and tools for the reviewer to assist with performance of in-depth assessments of the indicators found in the CMG. In addition, the appendix includes a list of definitions found in this CMG.

Using this Comprehensive Monitoring Guide (CMG)

This CMG is designed to be used by the reviewer during pre-monitoring, on-site or virtual review, and post-review phases of a monitoring event.

✔ Prior to the review, the reviewer uses the CMG to plan and prepare for the review.

The pre-monitoring review helps the reviewer determine which core activities and indicators should be reviewed, the site(s) to be reviewed, and identify areas that may need deeper analysis during the review. The pre-monitoring review prepares the reviewer to dig deeper during the on-site or virtual review to determine causes and appropriate corrective actions.

- ✔ While conducting the on-site or virtual review, the reviewer uses this CMG as a probing tool to acquire context.

  Context for performance deficiencies is provided through multiple on-site or virtual conversations, observations, and document reviews. Probing deeper in certain areas; looking into, for instance, financial and administrative policies, procedures and accounting, internal controls, and purchasing systems; and conducting sampling of transactions and documentation may expand the scope of the review or draw the reviewer deeper into identifying the root cause of identified issues. The reviewer uses the CMG to determine if the grant subrecipient has achieved core activity objectives based on the grant subrecipient's performance on the indicator(s).

- ✔ During the post-visit phase, use the CMG to translate data into a monitoring report.

  The monitoring report communicates the results of the review to the grant subrecipient, identifying best practices, findings, and areas of concern. The report also provides the grant subrecipient with corrective actions that address the causes of the findings and recommended actions for areas of concern.

Training requirements for SMU reviewers

Before a reviewer conducts their review monitoring event, all reviewers complete the following monitoring eLearning Modules Series on WorkforceGPS.

- Overview Module: Framework for Monitoring and Oversight
- Element 1: Understand the Goals and Value of Monitoring and Oversight
- Element 2: Build Organizational Support and Capacity for Monitoring
- Element 3: Establish and Sustain Effective Partnerships
- Element 4: Conduct Data-Driven Analysis
- Element 5: Use Comprehensive and Current Monitoring Tools
- Element 6: Conduct Effective On-site Monitoring
- Element 7: Leverage Monitoring as a Tool for Continuous Improvement

Reviewers also review materials and watch recorded webinars on WorkforceGPS prior to conducting their first monitoring event.

- Webcast: An Overview of ETA Monitoring & Oversight Training Series and Introduction to the Framework for Monitoring & Oversight
- Webcast: Preparation and Planning for Monitoring

- Webcast: Understanding the Story: Participant File Review
- Live Session: The Importance of Collaboration and Communication – April 14, 2021
- Podcast: Monitoring for Governance
- Live Session: Digging Deeper into Entrance Meetings and Conducting Interviews – May 12, 2021
- Live Session: Effective and Efficient Monitoring Practices and Review Wrap-Up - June 2, 2021
- Podcast: The 4Cs of a monitoring report – Condition, Cause, Criteria and Corrective Action

II. Monitoring review

Purpose

The overall purpose of the monitoring review is to support and enhance the success of Nebraska's Title I grant subrecipients in their implementation of Title I subawards. The success of Nebraska's Title I grant subrecipients translates to the success of the State's administration of its Title I grant from ETA. In other words, the purpose of Title I monitoring is to improve and enhance State-level and local-level Title I performance.

A monitoring review is an oversight activity that may lead to opportunities for technical assistance and corrective action. For NDOL's purposes, a monitoring review is a process used to measure progress, identify areas of compliance, offer opportunities for technical assistance to help resolve non-compliance issues and ensure that Federal funds are used responsibly.

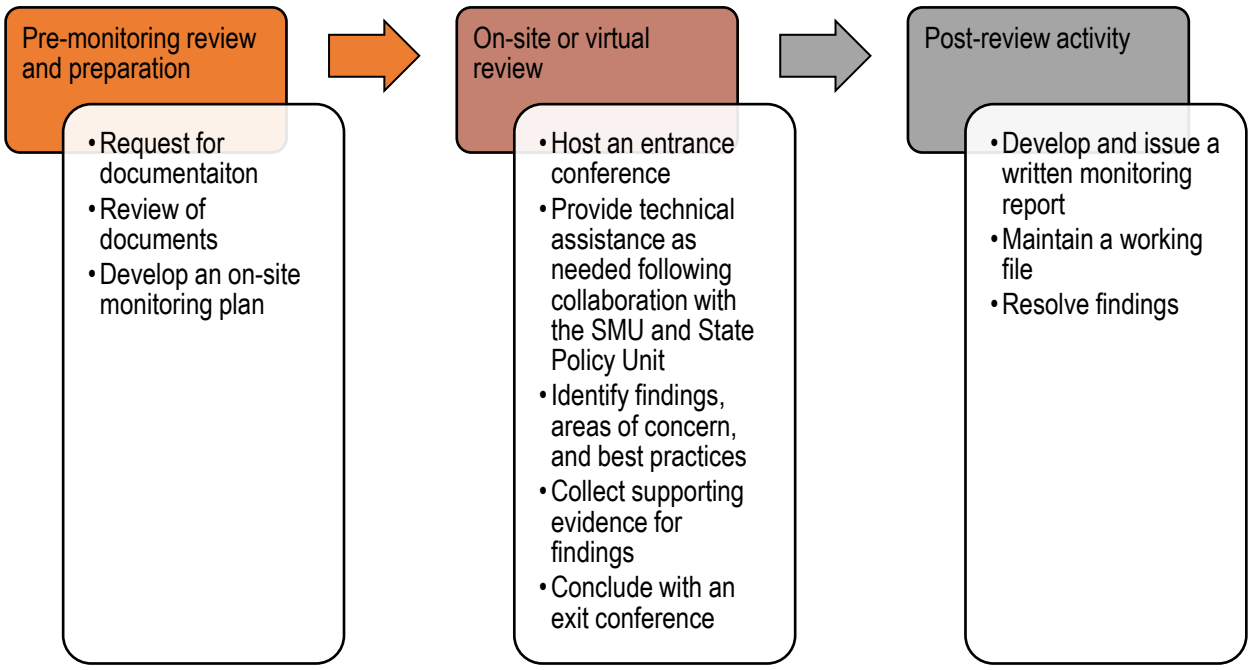
- *Measuring progress*. The reviewer makes:
    - judgments based on the information collected during all phases of the monitoring process; and
    - assesses the grant subrecipient's progress in meeting performance goals, and participant outcomes while ensuring fiscal integrity and transparency.
- *Identifying areas of compliance*. The reviewer assesses grant subrecipient compliance with applicable Federal and State laws, rules, regulations, guidance, policies, and other requirements by using the indicators identified for each of the core activities. Steps to ensure timely and adequate corrective action are also tracked.
- *Providing technical assistance*. The reviewer identifies technical assistance and training needs and promptly addresses them *following* collaboration with other SMU staff and the State Policy Unit.

Whether the grant subrecipient is new to Federally funded programs or a long-time subrecipient, the reviewer needs to take several steps to prepare and plan for reviews. There are instances where grant subrecipients fail to realize that their common practices are not always in compliance with applicable Federal and State laws, regulations, rules, guidance, and policies. These instances are "blind spots" that may become visible with effective monitoring.

Proactive monitoring goes beyond looking only at compliance issues and extends to identifying ways to improve service design and delivery and effectiveness and efficiency of the grant operations conducted by the grant subrecipient.

3 components of the monitoring process

On-site monitoring reviews typically include three components: pre-monitoring review and preparation; on-site or virtual review; and post-review activity.



Roles of the reviewer

Good reviewers wear multiple hats. In addition to monitoring for compliance, reviewers are relationship builders, subject matter experts (SMEs), and drivers of continuous improvement. Reviewers build relationships within the SMU and with the State Policy Unit and grant subrecipients by maintaining open communication, managing expectations, and acting in a professional, respectful, and responsible manner. To accomplish these actions, reviewers should:

- consistently follow SMU protocols;
- be punctual, prepared, and courteous;
- acknowledge the complex challenges faced by grant subrecipient staff in implementation of programs and management of program funding;
- encourage improvements and/or the replication of best practices that lead to efficiencies;

- acknowledge that grant subrecipient staff have expertise, knowledge, skills, and competencies;
- meet deadlines and respond to emails and return phone calls in a timely manner; and
- connect the grant subrecipient with peers that are successful in areas with which the grant subrecipient is struggling.

Reviewers are expected to be SMEs. Therefore, reviewers must:

- be well-versed in Federal, State, and local laws, rules, regulations, and policies relating to the grant subaward;
- have thorough knowledge of Nebraska's current state plan for its workforce system and current regional and local plan;
- be knowledgeable of practices regarding governance, service design and delivery, program management, performance management, and workforce development programs;
- be knowledgeable about the grant subrecipient through review of the grant file in order to gain familiarity with the status of grant activities;
- know where to conduct research during the review and who to contact when unsure about a question posed by a grant subrecipient; and
- prior to the start of a review, be knowledgeable of the information collected during the pre-monitoring review and preparation phase.

The reviewer is a member of the SMU, which includes the:

- Reemployment Services Director;
- Reemployment Services Administrator: Quality Control (SMU administrator and reviewer);
- State Monitoring Unit Reemployment Program Coordinator (reviewer); and
- State Monitoring Unit Reemployment Specialist (reviewer).

Working file

The grant file (aka, working file) consists of several types of information that when taken together contains all of the necessary documentation the reviewer needs to monitor the grant effectively. The information contained in the working file supports the reviewer's assessments of whether the grant subrecipient is fulfilling the specified requirements outlined its grant agreement, as well as Federal, State, and local laws, rules, regulations, and policies relating to the grant subaward.

The working file provides:

- documentation that is critical to decision making about the grant and grant operations;
- information on how to advise a grant subrecipient seeking technical assistance;
- furnishes a chronological record of grant activities; and
- allows for a smooth transition when there is a change in SMU staff.

In addition to the working file, critical information about grant activities is available in NEworks; and grant subrecipient performance reports, which can be requested from the SMU Administrator.

The working file is maintained digitally. All documentation collected and generated during the monitoring process, including hard copies and email, *must* be stored digitally in the appropriate subfolder of the Monitor folder.

III. Pre-monitoring review and preparation

Authorities and requirements

Before conducting the monitoring review, the reviewer must be familiar with applicable Federal and State laws, rules, regulations, guidance, and policies, including, but not limited to, the following:

- Workforce Innovation and Opportunity Act of 2014 (WIOA) and its implementing rules and regulations, which include:
    - WIOA Joint Final Rule;
    - WIOA Labor-only Final Rule; and
    - 29 CFR Part 38, Implementation of the Nondiscrimination and Equal Opportunity provisions of WIOA;
- 2 CFR Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards;
- 2 CFR Part 2900, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards;
- Nebraska Open Meetings Act, Neb. Rev. Stat. §§ 84-1407 to 84-1414 (refer to the Nebraska Attorney General's website for current information on the Act);
- grant agreements between NDOL and grant subrecipients, when applicable (contact the SMU Administrator for current grant agreements);
- current Nebraska's state plan (contact the SMU Administrator for the current state plan);
- grant subrecipient's current regional and local plan (contact the SMU Administrator for the current the regional and local plan); and
- grant subrecipient's work plan (refer to next section for information on work plans).

Note. Refer to Resource C. Order of Precedence for an order of precedence tool that will assist in decision making in the event of any inconsistency between any of the sources listed above.

Work plan

The work plan is a combination of technical documents that explains how the grant subrecipient will accomplish the purposes of its Title I grant award. Taken together, the work plan dictates how the grant is to be operated by the grant subrecipient.

Components of work plan for review

The key components of a grant subrecipient work plan includes the following documents:

- regional and local plan;
- service design and delivery plan, including:
    - grant subrecipient policies, including programmatic and administrative policies;
    - policies of the grant subrecipient's service providers, including programmatic and administrative policies;
- fiscal plan, detailed grant budget, financial records, and quarterly financial reports submitted to NDOL;
- staffing plan, including service provider staffing;
- contracts and subaward agreements;
- grant subrecipient and service provider operation manuals and procedure guides;
- program outreach and recruitment plans;
- performance accountability plan;
- monitoring plan and monitoring reports;
- memorandums of understanding (MOU) with required and additional one-stop partners;
- leveraged-resource agreements (i.e., agreements covering resources provided to Title I programs at no cost to the programs); and
- bylaws and meeting minutes of the local workforce development board and its committees, subcommittees, workgroups, etc.

The reviewer may request additional documents, as needed.

Work plan review process

In general, the work plan review process must, at a minimum, focus on compliance. Consistency across the entirety of the work plan must also be considered. For example, the policies, operations manuals, and procedure guides of the grant subrecipient and its service providers must align, and they collectively must be compliant in relation to applicable Federal and State laws, rules, regulations, guidance, and policies.

Performance reports

Programmatic and financial performance reports submitted quarterly and annually to ETA for local Title I programs are generated by NDOL through NEworks and NDOL's financial management system. (Contact the SMU Administrator for performance reports applicable to the grant subrecipient and the monitoring period.) In addition, Title I grant subrecipients are required, pursuant to State policy, to submit quarterly financial reports by email to the NDOL Finance Division Controller, as well as the SMU shared mailbox.

Program performance

Program performance, success or failure, is determined based on *adjusted* levels of performance issued annually by NDOL's Reemployment Services Division, typically by February of each calendar year for the previous Program Year.[1] Contact the SMU Administrator for performance reports and adjusted levels of performance applicable to the time period being reviewed.

Financial performance

Financial performance is not measure based on negotiated levels of performance. Instead, the data in the financial reports submitted by NDOL to ETA reflect expenditures and obligations of each grant subrecipient's Title I programs. There are, however, several requirements established under law and regulation relating to expenditures and obligations using Federal Title I funds.

- Title I adult and dislocated programs, in combination
    - Not more than 10 percent of the combined total annual allocation for adult and dislocated worker funds can be budgeted for and expended on transitional jobs.
    - Not more than 20 percent of the combined total annual allocation for adult and dislocated worker funds can be budgeted for and expended on incumbent worker training costs.
    - Local policies on incumbent worker training and customized training must be in place prior to budgeting for and expending adult and dislocated worker funds on incumbent worker training and customized training.
- Title I adult programs
    - Not more than 10 percent of the total annual allocation of adult funds can be budgeted for and expended on administrative staff and overhead costs.
    - Not more than 10 percent of the total annual allocation of adult funds can be budgeted for pay-for-performance costs.

[1] For Title I programs, a *Program Year* begins on July 1 and ends on June 30 of the following calendar year.

- Title I dislocated worker programs
    - Not more than 10 percent of the total annual allocation of dislocated worker funds can be budgeted for and expended on administrative staff and overhead costs.
    - Not more than 10 percent of the total annual allocation of dislocated worker funds can be budgeted for pay-for-performance costs.
- Title I youth programs
    - At least 75 percent of the total annual allocation of youth program funds must be budget for and expended on out-of-school youth activities.
    - At least 20 percent of the total annual allocation of youth program funds must be budgeted for and expended on work experiences for youth program participants (in-school and out-of-school youth in combination).
    - Not more than 10 percent of the total annual allocation of youth funds can be budgeted for and expended on administrative staff and overhead costs.
    - Not more than 10 percent the total annual allocation of youth funds can be budgeted for pay-for-performance contract costs.
- Title I adult, dislocated worker, and youth programs
    - Each Title I program is expected to expend or obligate at least 80 percent of the funds allocated to the local area for the Program Year. In the event that a Title I program does not expend or obligate at least 80 percent of the funds allocated to the grant subrecipient for a given Program Year by the end of that Program Year for any of its adult, dislocated worker, or youth programs, the State *may* recapture the difference between the expected 80 percent and the actual amount expended/obligated by the applicable program.

Key components of a performance review

There are several key components of a performance review that the reviewer should consider:

- programmatic performance based on negotiated *and* adjusted levels of performance;
- financial expenditure and obligations rates; and
- past audits, monitoring reports, historical data, and grievances and complaints against the grant subrecipient's Title I programs.

Performance review process

Performance goals attainment

- The reviewer must be knowledgeable of Title I negotiated levels of performance agreed upon during biennial performance negotiations with ETA.
- The reviewer assesses the grant subrecipient's progress toward meeting negotiated levels of performance.
- The reviewer makes a preliminary determination of whether the grant subrecipient is significantly off track to meet its negotiated levels of performance and whether technical assistance is needed.
- The reviewer determines that performance outcomes are the result of sound service delivery and accurate reporting practices.
- The reviewer evaluates adjusted levels of performance for the two previous Program Years for the grant subrecipient's Title I programs. (Adjusted levels of performance are provided by the Reemployment Services Division to the grant subrecipient. Contact the SMU Administrator for annual adjusted levels of performance.)

Expenditure rate and financial analysis

- The reviewer examines the grant subrecipient's expenditure rate to determine:
    - how the grant subrecipient utilizes Title I funds; and
    - whether the funds are spent appropriately and effectively.
- The reviewer evaluates the grant subrecipient's combined expenditure and obligation rates to determine whether Title I funds allocated to the grant subrecipient for a given Program Year are being expended and obligated by the end of that Program Year at the expected rate of 80 percent.
- The reviewer compares the time elapsed between expenditures and cash drawdowns to cover the expenditures to determine if the drawdowns are timely and in compliance with State policy (drawdowns no less frequently than once per month and no more frequently that one per week).
    - Note. If the comparison reveals a narrow/short period between expenditures and cash drawdowns, that may be an indication of poor fiscal management.
- The reviewer determines whether Title I funds are being fully utilized throughout the period of performance.
- The reviewer determines whether available Title I funds may be exceeded prior to the conclusion of the performance period if expenditures continue at the current pace.

Past audits, monitoring reports, historical data, grievances, and complaints

- The reviewer examines past audits, monitoring reports, grievances, and complaints to understand risks that can affect grant performance.
- The reviewer identifies any open findings from previous audits and monitoring events and follows up with the grant subrecipient to ensure resolution of the findings.
- The reviewer identifies any material weaknesses documented during previous audits and monitoring reports.
- The reviewer identifies open and/or unresolved grievance incident reports and complaints against the grant subrecipient.
- The reviewer determines if there are any significant or recurring deficiencies that may affect the grant subrecipient's performance of current or future Title I grant awards.

All documents reviewed during the performance review process are to be further analyzed and compared to actual activities while on-site.

Monitoring plan

Prior to monitoring, whether on-site or virtually, the reviewer must develop a monitoring plan, in coordination with the SMU Administrator. General practices that apply to all reviews are listed below.

1. Determining core activities and indicators to be reviewed

The SMU Administrator and reviewer select the core activities and indicators to be reviewed during the on-site or virtual review. This is facilitated by information obtained and/or reviewed during the pre-monitoring review, including a review of the grant subrecipient's work plan, performance reports, participant files, and *other* applicable materials.

2. Choosing the review period

Choose a full Program Year or a timeframe deemed appropriate by the SMU Director and Administrator as the review period. The SMU Director and Administrator may choose the last full Program Year or an alternate period identified through a risk assessment.

3. Choosing a location

The SMU Director and Administrator choose locations to be reviewed. If the grant subrecipient has activity in multiple geographic areas, the SMU Director and Administrator will determine which areas pose the greatest risk and/or those that serve the greatest number of participants. This determination may be facilitated by the pre-monitoring review. For virtual reviews, which will occur only when circumstances prevent on-site reviews, the SMU Director and Administrator will choose locations to be reviewed based on criteria described above.

4. Establishing review dates

The SMU Administrator and the designated reviewer establish review dates. While review dates may be flexible, annual monitoring is a condition of the Title I grant award and is non-negotiable.

5. Creating the scheduling letter with an agenda and documentation request

The scheduling letter serves multiple purposes:

- functions as formal notification to the grant subrecipient of an upcoming monitoring event;
- establishes the duration of the review and time period to be reviewed; and
- provides an agenda and information on the core activities that will be reviewed, as well as the reviewer's plans for staff and participant interviews.

In addition, the scheduling letter includes a request for documents that must be submitted by email to the State Monitor shared mailbox (ndol.state_monitor@nebraska.gov) *in advance of the review*. The requested documents are those maintained by the grant subrecipient *but not* available to the SMU. (Refer to Resource D: Documentation request samples and data analyses.)

6. Reviewing requested documentation

The requested documentation is reviewed as soon as it is received. As stated above, the grant subrecipient maintains documentation that is not available to the SMU. Therefore, the requested documentation was not available during the pre-monitoring review and preparation phase *or* considered when developing the monitoring agenda. The requested documentation may include grant subrecipient policies and procedures, detailed accounting records, etc. Significant issues identified during the review of the requested documentation may call for changes to the final monitoring agenda. For that reason, it is critical to send scheduling letters and documentation requests to grant subrecipients as soon as feasible.

IV. On-site and virtual monitoring

Managing grant subrecipient expectations

Managing grant subrecipient expectations through communication starts, when feasible, prior to the review and continues through to the post-visit phase. Regular and appropriate communications with grant subrecipient staff maximizes understanding of and expectations when it comes to the review process and minimizes concerns about the process.

It is not possible to gather all necessary information from reports only or even during an on-site or virtual review. It is also not possible to identify every finding and area of concern. It is expected that the on-site or virtual review be conducted in an open and transparent manner that allows for reciprocal sharing of information and concerns.

The information reviewed during the pre-monitoring review and preparation phase tells an important story that is further explained only through communications with grant subrecipient staff. An on-site review presents an opportunity for the reviewer to engage with the grant subrecipient in-person and obtain context to support the data and information collected. In addition, reviewers may also have the opportunity to review additional documents while on-site. (Refer to Resource D: Documentation request samples and data analyses.)

While a virtual review is less personal and direct, a virtual review may be more appropriate at times, especially when it is not feasible to travel long distances. Use of video conferencing will minimize the effects of non-personal/non-direct virtual meeting.

Entrance conference

The review begins with an entrance conference. The entrance conference presents an opportunity to manage grant subrecipient expectations. During the entrance conference, the reviewer:

- introduces the members of the review team;
- reiterates the purpose of the review;
- reviews the agenda with the attendees;
- confirms logistics;
- initiates discussions on any perceived critical issues that were identified during the pre-monitoring document review; and
- describes the monitoring process, timelines for delivery of the monitoring report, and timelines for grant subrecipient responses to the monitoring report.

The entrance conference also provides the reviewer with an opportunity to let the grant subrecipient know that the SMU, in collaboration with the State Policy Unit, is available for technical assistance, as needed or requested. While compliance is important, the reviewer should also look for context that helps "connect the dots" regarding data already reviewed.

Using entrance and exit conferences as group discussions

The reviewer should view entrance conference (and exit conference) as an opportunity for group interviews. During the conferences, the reviewer can gather information, promote conversation, and discover new issues that may not be apparent in one-on-one interviews. Generally, it is advantageous for the reviewer to facilitate discussion in the group setting and focus on asking open-ended questions. (Refer to Resource F: Using effective interviewing techniques for examples of types of questions.)

On-site communications

At the end of each day during the on-site or virtual review, when feasible, it is recommended that the reviewer meet with appropriate grant subrecipient staff to update them on the status of the review and inform them of any potential issues that have been identified. (Refer to Tool U: Compliance determination tool.) End-of-day meetings can provide grant subrecipients with an opportunity to provide clarification or additional information regarding identified issues or concerns. End-of-day meetings can also provide opportunities to discuss and jointly determine causes of identified issues and identify corrective actions that should be taken to resolve issues and concerns. These conversations ensure transparency and build trust.

Technical assistance

The provision of technical assistance is generally part of the reviewer's role *only during* the monitoring event. The reviewer may be called upon to interpret applicable Federal or State laws, rules, regulations, and guidance; terms and conditions of grant agreements between NDOL and grant subrecipients; and State policies. During the monitoring event, the reviewer may also uncover trends or practices while reviewing documents or interviewing staff or participants that may trigger an immediate opportunity to provide technical assistance. In addition, the grant subrecipient may ask for help or guidance to improve its service design and delivery, grant operations, or administrative and financial management systems.

- Before providing any technical assistance, the reviewer *must* consult with the SMU Administrator before providing a definitive response to a technical assistance request.

- Also, the reviewer is not responsible for and *must not* provide technical assistant to grant subrecipients outside of the context of a monitoring event. That responsibility falls to the State Policy Unit. Should a grant subrecipient or its staff contact a reviewer for technical assistance outside of the context of a monitoring event, the reviewer *must* refer the grant subrecipient or its staff to the SMU Administrator and State Policy Unit for assistance.

- Contact information for the SMU Administrator and State Policy Unit:
    - SMU Administrator: deb.andersen@nebraska.gov
    - State Policy Unit: ndol.wioa_policy@nebraska.gov

4 Cs

While the monitoring report and the findings contained within it are generally written post-visit, the reviewer must collect and process information in a manner that leads to clearly and concisely written findings with understandable corrective actions that will result in correction of the cause of the identified condition and prevent it from happening again. This is accomplished using the format for developing written findings known as the 4 Cs (condition, cause, criteria, and corrective action).

1. In the finding, the condition is a clear, concise, and specific statement describing the violation of applicable Federal or State laws, rules, regulations, and guidance, and policies. This statement serves as the topic sentence of a finding in the monitoring report. The condition is identified through observations, interviews, analysis, and/or verification.
    - Example: Describe the problem
        - Physical inventory was not taken of equipment purchased with WIOA Title I funds for the period from July 1, 2015 through September 30, 2017.
2. In the finding, the cause is a statement that explains why the condition occurred or is occurring. For the purposes of this CMG, a cause may be a person, thing, or event that produces an undesirable condition. Sometimes the cause is not easy to identify, especially if the grant subrecipient is unaware of or wishes to conceal problems. The reviewer must assess whether the evidence they've gathered provides a reasonable and convincing argument for why the stated cause is the key factor contributing to the condition.
    - Example: Explain why the problem exists
        - The lack of written procedures and delegation of duties has resulted in the lack of compliance.

3. The criteria in the finding are the standards or requirements that are being violated. Criteria identify or prescribe the required or desired state with respect to the condition. Examples of criteria are laws, rules, regulations, policy and procedures, contracts, grant agreements, performance standards, business practices, and benchmarks. With criteria, always cite the highest authority available first, then add lower-level authority if it adds clarity. (Refer to Resource C: Order of precedence for additional information.)

    - Example: Specify the applicable authority (law, rule, regulation, policy, etc.)

        - 2 CFR § 200.313(d)(2) requires that, at a minimum, a physical inventory must be conducted every two years.

4. Corrective actions are actions that eliminate the cause, correct or cure the condition, and allow symptoms to disappear. An appropriate corrective action corrects the condition and prevents its recurrence. Corrective actions use direct language, such as "must", and describe the specific actions/documents needed to resolve the finding. Recommendations on detailed steps to take to correct the finding may be included when the reviewer is confident in knowing the cause of the problem and the appropriate remedy to correct the cause.

    - Example: Discuss the action necessary to remedy a situation

        - The grant subrecipient must develop and institute a new policy requiring, at a minimum, a biennial physical inventory of all WIOA Title I funded equipment. The grant subrecipient's staff must also conduct a physical count of all WIOA Title I funded equipment within the next six months and provide the results of the count to the SMU.

The results of the 4 Cs are documented in a finding template. (Refer to Resource H: Monitoring report template.)

Symptoms v. conditions and causes

A common reviewer error when developing a finding is to misidentify a symptom as a condition.

- Symptoms are surface-level problems that are easily identified through pre-monitoring review or preliminary conversations held during monitoring. Defining a monitoring finding in terms of its symptoms may obscure the real condition and cause and lead to superficial solutions that fail to correct the problem.

- In contrast, conditions and causes are often obscure. Identifying conditions and causes usually requires thoughtful examination of the evidence and application of the reviewer's professional experience and judgment.

When the reviewer identifies an issue, the reviewer should ensure the issue is not just a symptom of a yet to be identified condition. For example, it is premature to label the fact that a grant subrecipient is not meeting the required benchmark for its enrollment goal as a condition. This is information known before going on site and collected from performance reports without the

context gained through on-site discussions, observations, and an evaluation of the grant subrecipient's service design and delivery implementation efforts.

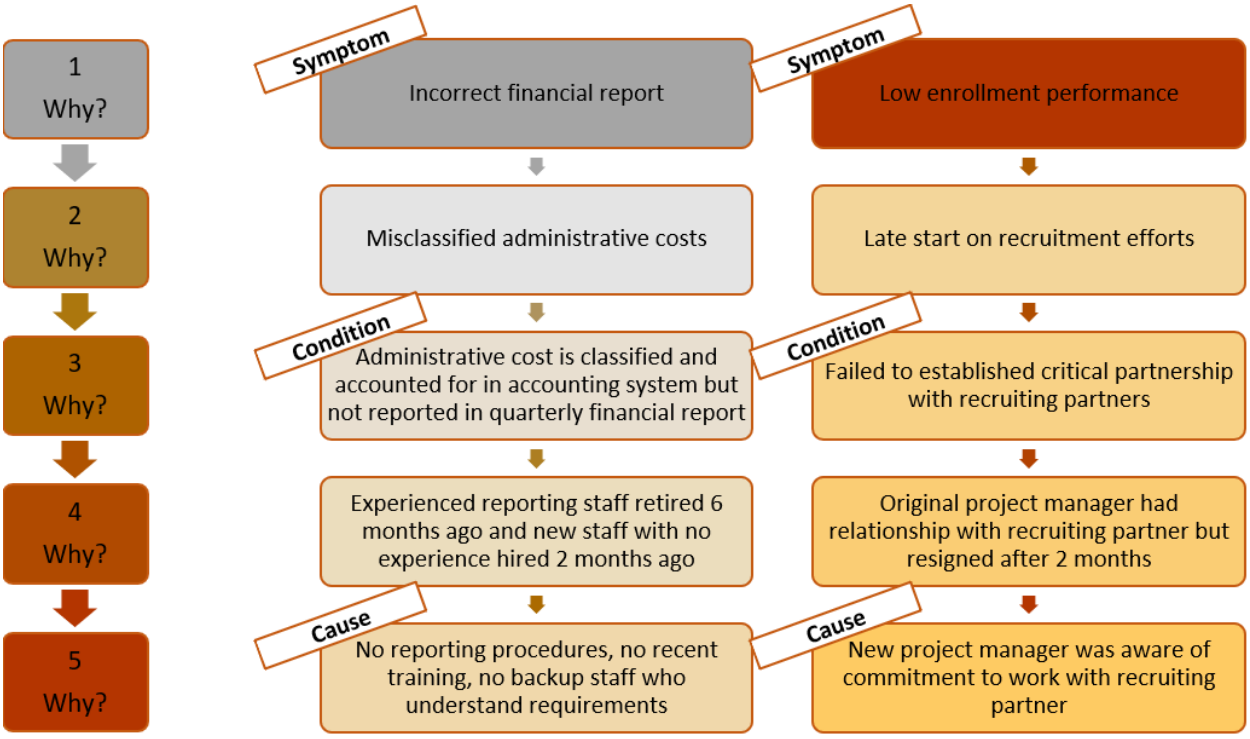
Signs of a symptom	Signs of a condition and cause
➢ Everybody knows "it".	➢ Few people have all the information needed to describe it.
➢ It recurs despite corrective action because the underlying condition and cause remain.	➢ Corrective action solves the problem and eventually eliminates the symptoms, condition, and cause.
➢ The form of resolution is not intuitive and may be elusive.	➢ Resolution is either obvious or lends itself to testing for results.

While it is difficult, at times, to detect the difference between symptoms v. conditions and causes, proper usage of this CMG when preparing the monitoring report requires that those differences be identified. When doing so, the reviewer must use their professional experience and consult with the SMU Administrator, as needed.

The "5 whys" technique

The reviewer may use a technique that can help to identify conditions and causes. That technique is called the "5 whys". Asking "why" helps the reviewer move beyond the symptoms of a problem. Each answer forms the basis of the next question. The name of the technique stems from an anecdotal observation on the number of iterations typically needed to resolve a problem. The important concept is not simply the 5 whys. Iterative questioning is equally if not more important. As the reviewer moves from "why" to "why", they uncover the condition and, ultimately, the cause. When the reviewer arrives at the cause, they can more easily identify corrective actions that can correct the problem and prevent it from happening again.

The diagram below shows the process for uncovering the conditions and causes using the 5 whys technique for two symptoms: (1) an incorrect financial report and (2) low-enrollment performance.



Many issues do not have a single cause. To uncover multiple causes, the reviewer must repeat the method asking a different sequence of questions each time. There are many different causes for low-performance outcomes or non-compliance with programmatic, administrative, or fiscal requirements. As a result, how the reviewer approaches the problem can and should be very different. Some possible causes are:

- lack of training;
- lack of resources;
- lack of knowledge/information;
- partnership problem;
- internal management;
- leadership;
- staffing;
- capacity;
- community/environmental factors;
- economic conditions;
- local/State/Federal policy changes;
- program design; or
- operations.

These are different issues that must be discussed, perhaps by continuing to use the 5 whys technique.

- Why are there no procedures?
- Why is there no training?

- Why are there no backups?
- Can any one of these particular problems be considered a finding requiring its own specific corrective action?

Keep in mind that this method provides no clear-cut rules about which line of questions to explore, or how long to continue the search for additional causes. So, even when the method is closely followed, the outcome still depends on the knowledge and persistence of the people involved.

Reasonable assurance

Reasonable assurance is the level of confidence or comfort that the reviewer gains from examining the grant subrecipient's records and reports. The reviewer must use their professional judgment based on interviews, understanding of grant operations, and testing performed to ascertain the performance of the grant subrecipient. The assurance that the reviewer obtains from answering the questions suggested for the applicable indicator and performing the various tests supports the reviewer's conclusion on grant operations. Some questions suggested for the applicable indicator ask the reviewer to use their professional judgment to assess whether a non-compliance issue is due to a *specific individual* or an *isolated factor* or a *systemic problem* that is inherent in grant operations.

Based on questions answered and tests performed in Core activities 1, 2, and 3, the reviewer may form an assessment of how the grant operations are being performed and whether grant operations support achievement of grant objectives.

Collection of reviewer-generated documentation

The reviewer should record their notes and specific findings at the indicator level of the core activity. If questions arise later, the basis for the finding is recorded. It is critical that any potential findings of compliance issues are supported with evidence, meaning observations and documents that demonstrate and support the finding. That documentation becomes part of the monitoring file.

Once principal aim of this CMG is to assist the reviewer organize and collect notes and documents in digital form through use of the resources and tools in the appendix to this CMG. It is the reviewer's option whether to make handwritten field notes or digital field notes. If the reviewer records observations manually (i.e., handwritten), those records are considered original source documents and must be retained in the applicable subfolder within the Monitor folder. In addition, the handwritten notes must be transcribed by the reviewer into digital format and stored in the applicable subfolder within the Monitor folder.

Exit conference

Before the exit conference, the reviewer must review and discuss their observations with the SMU Administrator to ensure that observations are free from bias and that appropriate factors have been considered. The SMU Administrator will then discuss the reviewer's findings with the SMU Director prior to the exit conference.

During the exit conference, the reviewer should explain issues concisely and give grant subrecipient staff an opportunity to provide responses and ask questions. When identified issues may result in findings, the reviewer should be prepared to explain how their position is supported by Federal or State law, rule, regulation, guidance, or policy. Further, the exit conference provides the grant subrecipient an opportunity to clarify any of the issues that the reviewer noted during monitoring and a chance to rebut or correct any false conclusions or mistaken impressions the reviewer may have.

As mentioned above in the Entrance conference subsection, the exit conference provides an opportunity to review identified issues in a group setting and gather additional information. Before concluding the exit conference, the reviewer should explain follow-up activities that may be required of the grant subrecipient. Any new information discovered during the post-review phase following the exit conference should be communicated to the grant subrecipient, when feasible, prior to issuing the monitoring report. Depending on the severity of the issue identified, another exit conference may be warranted.

V. Post-review

Managing grant subrecipient expectations

Managing grant subrecipient expectations includes issuing an evidence-based monitoring report. The monitoring report is another form of timely communication and technical assistance. The monitoring report provides a written version of the issues discussed during the exit conference. Any new information discovered during the post-review phase should be communicated to the grant subrecipient, when feasible, prior to issuing the monitoring report.

Post-review activities

After the review, the reviewer must perform the following seven activities:

1. brief the SMU Administrator and, if necessary, perform more in-depth research on issues identified during each phase of the review process prior to drafting the monitoring report;

2. draft the monitoring report to address compliance findings, areas of concern, other observations, and best practices identified during the review and post-review phases;

3. finalize the draft monitoring report based on the outcome of the briefing with the SMU Administrator and any additional in-depth research on identified issues during the post-review phase;

4. submit the final draft monitoring report to the SMU Director and Administrator for review and approval;

5. finalize the draft monitoring report based on feedback from the SMU Director and Administrator;

6. issue the finalized monitoring report to the grant subrecipient in a timely manner, according to timelines established in the state's monitoring policy, as well as the timeline provided to the grant subrecipient at the outset of the monitoring event; and

7. track resolution of findings until all findings are resolved and regularly report progress on resolution of findings in writing to the SMU Director and Administrator.

Evidence-based monitoring reports

Writing an evidence-based report requires that the reviewer have the ability to write concisely and with clarity and the ability to not only organize the evidence collected but also report the facts so that the report provides useful information for grant subrecipient use, as well as use by the SMU Director and Administrator. At times, the reviewer may be the sole author. In other situations,

the monitoring report may be produced through the collective effort of the SMU. In all cases, monitoring report writers must adhere to the following standards.

- *Using clear topic sentences*. Concisely state the main idea in each paragraph. In most instances, the topic sentence is the first sentence of the paragraph. The findings section of the report describes the condition. Stating the main idea in a topic sentence helps the author stay on topic and helps focus the main idea in the reader's mind.

- *Using active voice whenever possible*. Active voice sentences generally follow a subject + verb + object format and that has impact and gives readers a clear explanation of the 4 Cs.

Editing checklist for the *overall report*

- Is the report organized according to the required template?

- Are the main ideas prioritized in order of importance?

- Does the report include only the information necessary to support the findings and other observations?

- Are the 4Cs utilized in each finding?

- Does the topic sentence of each finding and area of concern clearly and concisely describe the condition?

- Will the reader understand how to give appropriate responses to findings and areas of concern?

Editing checklist for *each finding*

- Is the condition clearly stated?

- Is the cause included in the finding?

- Are criteria correctly defined based on applicable Federal and State laws, rules, regulations, guidance, and policies, as well as terms and conditions of the grant agreement between NDOL and the grant subrecipient?

- Is the corrective action clearly described, including identification of specific documents and/or corrective action plans needed to resolve or support resolution?

- Does the corrective action address the cause of the condition?

Monitoring report elements

A correct monitoring report contains the elements listed below. It is important to note that Personally identifiable Information (PII) *must not* be included in a monitoring report. Note that the SMU monitoring report template is accessible at L:\Employment and Training\Monitor\Comprehensive Monitoring Guide\Templates.

1. Cover letter

The cover letter is issued and signed by the SMU Administrator and addressed to the chair of the local workforce development board, with the local area CEO, the Commissioner of Labor, NDOL's General Counsel, the SMU Director, and the reviewer copied.

The cover letter must include the following information:

- dates of the review and programs reviewed;
- grant/programs reviewed;
- a statement that the report is attached; and
- identifies grant subrecipient response deadlines.

2. Executive summary

The executive summary recaps findings, areas of concerns, and best practices that are described fully in the report.

3. Scope of review

The scope of review outlines the following information:

- start and end dates of review;
- name(s) of SMU staff involved in the review;
- site(s) visited/reviewed;
- dates of entrance conference and names and titles of those in attendance at the conference;
- dates of exit conference and names and titles of those in attendance at the conference;

4. Purpose of the review

5. Grant/programs reviewed

6. Review period (time period for data covered in the review)

7. Tools used to conduct the review

8. Findings

Each finding, using the 4Cs, fully identifies the issue and its resolution. It's important to note the following.

- Compliance findings do not exist unless an authority has been violated (Federal or State laws, rules, regulations, policies, etc.).
- Findings of non-compliance regarding questioned costs require special attention. Questioned costs include:
    - Federal funds expended in violation of provisions of applicable Federal or State laws, rules, regulations, policies, etc.;
    - expenditures that are not supported by adequate documentation to show that the cost is allowable; and
    - costs that appear to be unreasonable, even if they are not specifically unallowable.
- ETA's exception in the Uniform Guidance at 2 CFR 2900.3 allows costs to be questioned by an auditor, Federal Project Officer, a Grant Officer, or other authorized awarding agency representative, because of an audit or monitoring finding. Such findings must be adequately support by evidentiary documents and records obtained from original sources, to the degree possible, such as copies of contracts, accounting records, bank statements, and data from NEworks or ECM documenting establishment of individual training accounts.

9. Areas of concern

This section lists activities related to effectiveness objectives or indicators that have not been met and could possibly result in a finding at some later point if not addressed. Areas of concern are not specific compliance violations but may have negatively impacted the program or could lead to a finding in the future if not corrected. No corrective action is specified or required for areas of concerns. Instead, recommend actions or suggestions for improvement are offered.

10. Best practices

This section lists practices deemed useful or that play an integral role in advancing the purposes of the grant. Such practices may be shared in the wider Nebraska grant subrecipient community later.

Monitoring file

The reviewer should organize a monitoring file that contains documents such as completed indicator sections, completed CMG tools, and any documents collected during the review.

- The file must be digital. Hard copy materials must be digitized, including handwritten notes made by the reviewer. As mentioned above, if the reviewer's handwritten notes are not fully legible, they must be transcribed into legible digitized format.
- The monitoring file should include digital reviewer's notes made during the resolution process.
- It is critical that any potential compliance issues identified on site be supported with documents that demonstrate and support the finding. This is especially true for questioned costs.

Example monitoring file content (list is not exhaustive)

- completed indicator sections
- completed CMG tools
- reviewer notes
- grant subrecipient policies and procedures
- policies and procedures of Title I service providers (subrecipients of the grant subrecipient)
- list of the grant subrecipient's subrecipients and contractors
- subgrant agreements and contracts
- organizational charts
- grant subrecipient monitoring reports
- Title I service provider monitoring reports
- procurement history file for goods and services
- bank reconciliation documents
- list of participant case files reviewed, with reviewer notes
- evidence of questioned/unallowable costs charged to the grant
- minutes of local board meetings

Resolution process

Each finding identified in the monitoring report must have a corresponding corrective action. The grant subrecipient must document the corrective action and provide sufficient evidence to resolve

the finding. Alternatively, the grant subrecipient may be required to produce a Corrective Action Plan (CAP). If the reviewer does not accept the documentation, the response to the grant subrecipient should explain why the documentation was not accepted and what different or additional documentation is needed for resolution of the finding.

If the grant subrecipient provides a CAP as a response to findings, the reviewer must review and approve or disapprove each CAP submission following consultation with the SMU Director and Administrator. Well-developed CAPs identify actions that address the cause and provide a list of corrective actions to be taken and timelines for implementing the changes.

After the CAP is approved, the grant subrecipient must regularly communicate with the reviewer and report progress in implementing the required changes. The reviewer must document the progress using Tool U and provide the grant subrecipient with guidance and any technical assistance that may needed, based on consultation with the SMU Director and Administrator. CAPs must be tracked until all findings are resolved. Useful CAPs answer the following questions:

- What must the grant subrecipient do to resolve the finding?
- Who is responsible for carrying out the corrective actions?
- What is the intended result?

Questioned costs

When resolving questioned costs, it is important to take *prompt* action. If the costs were lacking supporting documentation, the issue can be resolved if the appropriate documents are provided. If that is not possible, or if the costs were incurred in violation of Federal or State laws, rules, regulations, guidance, policies, cost principles, or grant terms and conditions, then:

- a non-Federal source of funding must be substituted; and
- documentation demonstrating that an alternative funding source has been used to cover the costs in question, which must be verified.

If resolution of questioned costs occurs during the grant period of performance, the substituted funds are returned to and become available to the program for allowable uses. If resolution of questioned costs occurs after the conclusion of the grant period of performance, the questioned costs using Federal funds must be returned to the State, again, using non-Federal funds.

Conclusion

This CMG is to be used by reviewers to support review of grant operations, financial systems, and policies and procedures generally applicable to ETA-funded grant activities. If instances arise where CMG objectives or indicators do not apply to the grant under review, the reviewer should develop alternative approaches to complete the compliance review.

VI. Core activities. General instructions

Introduction to the core activities

This CMG focuses on the programmatic, administrative, and financial requirements applicable to Title I grant subrecipients regarding the three core activities: service design and delivery, grant operations, and financial management.

How to use the core activities

There are essential core activities that must occur in order for any grant subrecipient to operate its grant within the boundaries of acceptable practices that are established primarily by Federal and State laws, rules, regulations, guidance, and policies. This CMG is currently specific to an examination of the three basic core activities relating to ETA-funded Title I programs and is intended to provide an examination of the readiness and capacity of the grant subrecipients to operate their respective Title I grant subawards from NDOL. The narrow focus of this CMG also means that the legislative authority[2] for compliance requirements is specific to those requirements that apply to funding allocated by NDOL to Nebraska's Title I grant subrecipients.

Instructions for determining compliance and effectiveness described in indicators

In preparation for monitoring based on the core activities described in this CMG, the reviewer must become familiar with all requirements of NDOL's grant subawards to local areas to determine which objectives and indicators are compliance requirements. As previously discussed, indicators accompany each objective. The indicators are the criteria that are used to determine that objectives are being met. The indicators are labeled (C) for compliance requirements that must be met or (E) for effectiveness factors that may result in an area of concern or a finding later if not addressed. If a compliance indicator is not met, that results in a finding.

The questions for review and discussion in each core activity are designed to help the reviewer determine the presence of the indicators that identify the attributes or criteria of the objectives for the core activity and assess whether the objectives are being met. In some instances, the objectives or indicators may not apply to the grant, as mentioned above.

The reviewer needs to determine if each indicator has been met based on review of the indicators. The resources and tools found in the Appendix will help the reviewer perform an in-depth review of indicators and assist the review when documenting answers to core activities questions, primarily related to Core activities 2 and 3, to support determinations of compliance and effectiveness.

[2] Refer to Resource C. Order of precedence.

The instructions for core activity 1 list documents to review in order to determine whether its indicators are compliance or effectiveness indicators or both. Based upon applicable documents used to determine compliance, if the indicator is a compliance issue for the grant under review, the reviewer must provide the applicable citation. This is only pertinent in core activity 1 (with the exception of Indicator 1.b.4: Required one-stop partners). Each indicator in Core activities 2 and 3 includes regulatory citations, as most are compliance indicators that must follow Uniform Guidance requirements as well as WIOA and other statutory regulations. In addition, almost every core activity includes tips that the reviewer may consider when performing a review of a grant subrecipient's core activities.

Core activity 1. Service design and delivery

Core activity 1 addresses service design and delivery that guides and supports the grant subrecipient's strategy for accomplishing the goals of the grant subaward. It also addresses the systems, procedures, and program operational elements that are essential to the effective delivery of participant and employer services, and the development of a grant subaward delivery product, such as a regional or local plan.

Introduction

Core activity 1 is dissected into five objectives to help the reviewer determine compliance and effectiveness of the grant subrecipient's service design and delivery. Each Title I program may have different service design and delivery requirements; and the reviewer must carefully examine each objective and its indicators to determine whether it applies to the program being monitored.

- Objective 1.a. Planning and program design. The grant subrecipient has conducted all planning activities related to service design and delivery in order to accomplish all grant activities and goals.

- Objective 1.b. Implementation. The grant subrecipient has implemented service design and delivery activities in order to accomplish all grant activities and goals.

- Objective 1.c. Products and deliverables. The grant subrecipient has documented and/or developed the products or deliverables outlined in the grant subrecipient's work plan *or* as required under applicable Federal and State laws, rules, regulations, guidance, and policies.

- Objective 1.d. Business services and employer engagement. The grant subrecipient has documented and performed all service delivery activities outlined in the in the grant subrecipient's work plan *or* as required under applicable Federal and State laws, rules, regulations, guidance, and policies related to serving businesses and engaging employer partners to ensure accomplishment of the grant goals.

- Objective 1.e. Participant services. The grant subrecipient is implementing the required service delivery strategy outlined in its grant subaward *or* as required under applicable Federal and State laws, rules, regulations, guidance, and policies and is providing all required services to participants as required under those laws, rules, regulations, guidance, and policies.

Instructions

Unlike Core activities 2 and 3, many indicators in Core activity 1 are marked with a (C/E), indicating they could be either compliance indicators or effectiveness indicators, or both, depending on the program and the specific requirements of the grant. One additional and unique feature that separates Core activity 1 from Core activities 2 and 3 is that citations are not included as part of each indicator for Core activity 1. The compliance requirements for service design and delivery may vary between Title I programs; therefore, applicable citations are not easily discernable. For that reason, the reviewer must determine whether an indicator is (C), (E), or both, and identify the appropriate citation applicable to the indicator based on the authorizing legislation for the program.

The reviewer needs to examine the following to determine compliance requirements:

- Federal and State laws, rules, regulations, and guidance, including but not limited to:
    - Uniform Guidance (2 CFR Part 200 and 2 CFR Part 2900);
    - Workforce Innovation and Opportunity Act of 2014 (WIOA) and other applicable laws;
    - Joint Final Rule, Labor-only Final Rule, and other applicable regulations;
    - Training and Employment Guidance Letters (TEGLs); and
    - Training and Employment Notices (TENs);
- WIOA grant agreements between NDOL and grant subrecipients;
- state plan for Nebraska's workforce system; and
- regional and local plan.

As noted in the Introduction to the Core Activities, Federal and State laws, rules, regulations, guidance, and policies that establish compliance requirements for service design and delivery differ between Title I programs; therefore, legislative authority and citations are not included in Core activity 1, except for Indicator 1.b.4: Required one-stop partners.

In preparation for monitoring, the reviewer must refer to the documents listed above to determine the applicable indicator categorization (C/E) for Core activity 1. As discussed previously, an objective and/or indicator may not apply to the program under review. In these cases, the reviewer will need to review the above documents to determine which objectives and/or indicators

apply to the grant subrecipient's program. If the indicator is a compliance issue for the grant under review, the reviewer must provide the applicable citation used to determine compliance.

Core activity 2. Grant operations

Core activity 2 addresses grant operations that support the successful administration of the grant. The programmatic and fiscal operations of the grant help effective management the delivery of the services outlined in the grant subrecipient's work plan and required under Federal and State laws, rules, regulations, guidance, and policies.

Introduction

The purpose of Core activity 2 is to assist the reviewer in the evaluation of the grant subrecipient's operations that include the programmatic and fiscal administration of the project. Core activity 2 is dissected into nine objectives to help the reviewer determine compliance and effectiveness of the grant operations. Because each grant/program has different programmatic requirements, the reviewer must carefully review each objective and its indicators to determine whether it applies to the programs under review.

- Objective 2.a. Project management. The grant subrecipient has an adequate system in place to manage the grant/program, including any specific award conditions, prior approval of project modifications, and closeout requirements.

- Objective 2.b. Budget. The grant subrecipient has a financial management system or budget control mechanism in place to monitor spending, determine allowability of costs, compare and reconcile the budget to actual expenditures. The system also has triggers for budget modifications when deemed necessary.

- Objective 2.c. Property management. The grant subrecipient maintains a property management system in accordance with all prior approval requirements, terms and conditions of the award, and written programmatic policies and procedures.

- Objective 2.d. Procurement and contract administration. The grant subrecipient maintains an adequate procurement and purchasing system that includes written procedures and ensures that all contracting and procurement actions are performed in a manner that provides for full and open competition.

- Objective 2.e. Performance management. The grant subrecipient maintains a performance management system to manage, track, and measure performance and operating goals, indicators, milestones, and expected outcomes that comply with the terms and conditions of the award.

- Objective 2.f. Subrecipient management and oversight. When acting as a pass-through entity (PTE), the grant subrecipient manages all of its subrecipients and tracks their performance and compliance in meeting the terms and conditions of the subaward.

- Objective 2.g. Records management. The grant subrecipient maintains a records management system and implements procedures to manage and secure all financial records, supporting documents, statistical records, and all other records pertinent to the grant award.

- Objective 2.h. Personnel. Grant subrecipient management and staffing are aligned with the grant subrecipient's work plan and designed to assure responsible and ethical management of the grant and programs.

- Objective 2.i. Civil rights, complaints, grievances, and incident reporting. The grant subrecipient has a system in place to ensure the Federal civil rights (non-discrimination and equal opportunity) complaints, program complaints, grievances, and incidents are documented and handled properly and in accordance with Federal and State laws, rules, regulations, guidance, and policies.

Instructions

Each indicator in Core activity 2 is identified as (C) for compliance that must be met or (E) for effectiveness that may become a compliance issue if not addressed. Issues identified as effectiveness issues may result in an area of concern and do not have to be formally addressed by the grant subrecipient in a formal response to the monitoring report. Regulatory citations are referenced in and throughout this activity, as most of these objectives are requirements of the Uniform Guidance.

- The reviewer looks at each of the objectives and indicators to determine if they applicable to the grant or program under review.

- If further review of any of these systems is necessary based on the reviewer's findings, obtain copies of all documents relevant to the reviewer's findings to share with the SMU Director and Administrator.

- If a compliance indicator is not met, it will result in a finding due to a violation (condition) of a specific compliance requirement contained in Federal and State laws, rules, regulations, guidance, and policies, including the Uniform Guidance, and the grant agreement. Negative responses to a compliance indicator will lead to a determination of noncompliance. Collect evidence as adequate documents must support written findings and be contained in the review file.

Core activity 3. Financial management

Core activity 3 addresses the financial management systems and funds used by the grant subrecipient to administer the grant in a manner that promotes transparency and accountability and in compliance with the requirements of the grant agreement and Federal and State laws, rules, regulations, guidance, and policies.

Introduction

The purpose of Core activity 3 is to assess the financial management systems and functions employed by the grant subrecipient to administer the grant and programs in a manner that promotes accountability and transparency and in compliance with the requirements of the grant agreement and Federal and State laws, rules, regulations, guidance, and policies.

- Objective 3.a. Internal controls. Effective control, integrity, and accountability are maintained for achievement of the grant's objectives in operational effectiveness and efficiency, reliable financial reporting, and compliance with Federal and State laws, rules, regulations, guidance, and policies.

- Objective 3.b. Accounting system and financial reporting. An accounting system is in place that allows the grant subrecipient to maintain accurate, current, and complete disclosure of the grant's financial results and those of its subrecipients

- Objective 3.c. Payment and cash management. The grant subrecipient has a payment and cash management system in place to accurately track the receipt, disbursement, and recording of funds between the NDOL and the grant subrecipient. Such systems should readily track the handling of grant funds provided to contractors and subrecipients (i.e., service providers), including those expended for the benefit of Title I program participants.

- Objective 3.d. Match and leveraged resources. If applicable, the grant subrecipient has written policies and procedures in place to record and support any required match or leveraged resources committed or identified in the grant award or program regulations. Note. Title I funding allocations to grant subrecipients do not require matching or leveraged resources as a condition of the grant award; however, Federal law, rules, and regulations and State policy require written agreements when a Title I youth program utilizes leveraged (no cost) resources for the provision of youth program elements.

- Objective 3.e. Program income. The grant subrecipient has written policies and procedures in place to accurately record and expend any and all program income in compliance with applicable Federal and State laws, rules, regulations, guidance, policies, terms and conditions of the grant agreement.

- Objective 3.f. Allowable costs and cost classification. The grant subrecipient has a system and procedures in place to ensure that it is incurring necessary, reasonable, and allowable costs to the grant and that such costs are accurately classified in its accounting system. The grant subrecipient also monitors the costs incurred by its contractors and subrecipients to ensure allowability and accurate cost classification.

- Objective 3.g. Cost allocation/indirect costs. The grant subrecipient allocates costs, including indirect costs, to the benefitting cost objectives based on relative benefits received and treats allocated costs consistently within its accounting system.

- Objective 3.h. Audits and audit resolution. The grant subrecipient adheres to single audit[3] requirements or program-specific audit requirements and has an audit resolution process in place, including debt collection from its subrecipients.

Instructions

Each indicator in Core activity 3 is identified as (C) for compliance that must be met or (E) for effectiveness that may result in a compliance issue if not addressed. Issues identified as effectiveness issues may result in an area of concern and do not have to be formally addressed by the grant subrecipient in a formal response to the monitoring report. Regulatory citations are referenced in and throughout this core activity, as most of these objectives are requirements of the Uniform Guidance.

- The indicators focus specifically on management systems that relate to internal controls, financial reporting, payment and cash management, match and leveraged resources, program income, allowable costs/cost classification, cost allocation and indirect costs, and audits and audit resolution.

- If further review of any of these systems is necessary based on the reviewer's findings, the reviewer obtains copies of all documents relevant to the reviewer's findings to share with the SMU Director and Administrator.

- If a compliance indicator is not met, it will result in a finding due to a violation (condition) of a specific compliance requirement contained in Federal and State laws, rules, regulations, guidance, and policies, including the Uniform Guidance, and the grant subrecipient's grant agreement with NDOL. Negative responses to a compliance indicator will lead to a determination of noncompliance. The reviewer must collect evidence, as adequate documents must support written findings and be contained in the review file.

[3] Refer to the definition of single audit for additional information. Single audit is also discussed under Indicator 3.h.1. Audit process.

VII. Core activity 1. Service design and delivery

Objective 1.a. Planning and program design

The grant subrecipient has conducted all planning activities related to service design and delivery to accomplish all grant activities and goals.

(C/E) Indicator 1.a.1. Strategic planning

The grant subrecipient has developed a strategic approach to accomplish the goals specified in the grant subrecipient's grant agreement with NDOL and Federal and State laws, rules, regulations, guidance, and policies.

Citation

For Core activity 1 only, the SMU Administrator and reviewer determine whether performance on this indicator is (C), (E), or both and identifies citations applicable to this indicator.

Instructions

Review the following documents:

- Federal laws, rules, regulations, and guidance, including but not limited to:
    - Uniform Guidance (2 CFR Part 200 and 2 CFR Part 2900);
    - Workforce Innovation and Opportunity Act of 2014 (WIOA) and other applicable laws;
    - Joint Final Rule, Labor-only Final Rule, and other applicable regulations;
    - Training and Employment Guidance Letters (TEGLs); and
    - Training and Employment Notices (TENs);
- State policies;
- grant subrecipient's grant agreement with NDOL;
- state plan for Nebraska's workforce system;
- grant subrecipient's regional and local plan;
- quarterly/annual programmatic reports;

- grant subrecipient's work plan; and
- relevant labor market information (LMI).

Assess if the indicator is compliance (C) or effectiveness (E) for the grant. If identified as a (C), provide the applicable citation.

Identify key strategic elements of the approach to grant-funded services.

Review the vision, goals, and strategies of the grant subrecipient organization, as described in the regional and local plan, as well as action planning documents. Compare these with the vision, goals, and strategies described in the state plan.

Interview the grant subrecipient's administrative staff responsible for strategic planning.

Questions for review and discussion

1. How did the grant subrecipient develop its strategic approach to accomplish the goals of the grant?
    a. What organizations were consulted?
    b. Which partners provided input?
    c. What economic or labor market information was used?
2. Is the grant subrecipient's strategic approach aligned with the local workforce development board's priorities for meeting the workforce and economic needs of the local area?
3. What plans or procedures has the grant subrecipient created to track the progress of its strategic plan?
4. How do the strategic plan goals and objectives align with the goals of the state plan and regional and local plan?
5. When issuing statements, press releases, requests for proposals, bid solicitations, and other documents describing projects or programs funded in whole or in part with Federal funds, do the grant subrecipient and its subrecipients clearly state the following:
    a. percentage of the total costs of the program or project which will be financed with Federal funds;
    b. dollar amount of Federal funds for the project or program; and
    c. percentage and dollar amount of the total costs of the project or program that will be financed by non-governmental sources.

(C/E) Indicator 1.a.2. Service design

The grant subrecipient has designed a local one-stop delivery system sufficient to accomplish the requirements of the applicable provisions of WIOA Title I, the grant subrecipient's grant agreement with NDOL; and the grant subrecipient's regional and local plan which supports the purposes of the state plan for Nebraska's workforce system.

Citation

For Core activity 1 only, the SMU Administrator and reviewer determine whether performance on this indicator is (C), (E), or both and identifies citations applicable to this indicator.

Instructions

Review the following documents:

- Federal laws, rules, regulations, and guidance, including but not limited to:
    - Uniform Guidance (2 CFR Part 200 and 2 CFR Part 2900);
    - Workforce Innovation and Opportunity Act of 2014 (WIOA) and other applicable laws;
    - Joint Final Rule, Labor-only Final Rule, and other applicable regulations;
    - Training and Employment Guidance Letters (TEGLs); and
    - Training and Employment Notices (TENs);
- State policies;
- grant subrecipient's grant agreement with NDOL;
- state plan for Nebraska's workforce system;
- grant subrecipient's regional and local plan; and
- quarterly/annual programmatic reports.

Identify the government and non-government agencies, organizations, and partners (including industry sector partners) that contribute to the local one-stop delivery system.

Determine whether the design of the local one-stop delivery system addresses the shared vision, goals, and strategies for the state and local one-stop delivery system as defined in the state plan, as well as the grant subrecipient's regional and local plan.

- The state plan provides the framework for the statewide one-stop delivery system.
- The regional and local plan supports the state plan and defines implementation of the vision, goals, and strategies defined in the state plan.

Questions for review and discussion

1. With which Federal, State, and local agencies and organizations has the grant subrecipient, local board, and local area administrative entity partnered to develop the local one-stop delivery system?

2. What are the shared vision, mission, and goals for the one-stop delivery system among the grant subrecipient, local board, and local area administrative entity?

3. Are the shared vision, mission, and goals for the one-stop delivery system defined in the regional and local plan or are they different? If they differ, determine how they differ and why.

4. How are employers and local area industry sector leaders engaged in the development of the local one-stop delivery system?

5. What services are available through the local one-stop delivery system beyond what is required under Federal and State laws, rules, regulation, guidance, and policies?

6. How do the local CEO, local board, and local area administrative entity ensure access to the full range of services that must be provided through the one-stop delivery system for program participants and other one-stop delivery system customers pursuant to Federal and State laws, rules, regulation, guidance, and policies?

7. Does the local one-stop delivery system have a clearly documented sequence of services or service pathways that:

    a. combines education, training, and other services necessary to meet participant needs; and

    b. align with employer demands?

8. What challenges do the grant subrecipient, local board, local area administrative entity, and their subrecipients (i.e., service providers) experience regarding the provision of services to individuals with barriers to employment as defined at WIOA Sec. 3(24)?

    a. Note. Examples of barriers may include the physical location of the one-stop center, lack of fluency in participant and other customers' primary language, lack of assistive technology, etc.

9. Does the local one-stop delivery system provide multiple entry and exit points that enable participants to enter and exit at various levels of skill development or employment status?

10. What funding needs, sources, and resources have been identified by the local CEO, local board, or local area administrative entity to cover program development and maintenance and participant costs?

(C/E) Indicator 1.a.3. Coordination and integration

Integration and coordination of the local one-stop delivery system is supported, codified in policy, measured, and evident at the local CEO and local board leadership levels.

Citation

For Core activity 1 only, the SMU Administrator and reviewer determine whether performance on this indicator is (C), (E), or both and identifies citations applicable to this indicator.

Instructions

Review the following documents:

- Federal laws, rules, regulations, and guidance, including but not limited to:
    - Uniform Guidance (2 CFR Part 200 and 2 CFR Part 2900);
    - Workforce Innovation and Opportunity Act of 2014 (WIOA) and other applicable laws;
    - Joint Final Rule, Labor-only Final Rule, and other applicable regulations;
    - Training and Employment Guidance Letters (TEGLs); and
    - Training and Employment Notices (TENs);
- State policies;
- grant subrecipient's grant agreement with NDOL;
- state plan for Nebraska's workforce system;
- grant subrecipient's regional and local plan;
- local CEO/local board policies; and
- memorandums of understanding (MOUs) with required and additional one-stop partners.

Review local CEO and local board policies to determine how they support integrated approaches to local one-stop delivery system design and service delivery.

Determine how the grant subrecipient and local board align operations, work, and efforts with the larger priorities of the state's workforce system (i.e., beyond the "boundaries" of the local one-stop delivery system) and other Federally and State led efforts, as applicable.

Tips

Below are examples of integration and coordination activities of the local one-stop delivery system:

- common or shared service-delivery procedures/processes, such as intake and assessment;
- data and information sharing that facilitates integration with the local one-stop delivery system;
- co-enrollment of participants in required and additional one-stop partner programs;
- initiatives designed to combine and leverage resources and multiple funding sources in an integrated way to address local one-stop delivery system priorities;
- overarching performance measures that focus on performance and outcomes for the local one-stop delivery system, rather than focusing only on formula grant performance standards or individual program measures; and
- local area policy alignment with the state's common exit policies.

It is important to note the following regarding Title I (and Title III) programs.

- Co-enrollment is mandated under state policy and must occur whenever participant eligibility permits.
    - There is a misunderstanding in the field that co-enrollment may occur only when a participant agrees.
    - Participants should not be asked if they agree with co-enrollment. Instead, the co-enrollment process should be invisible to the participant; and the participant should work with a single case manager that oversees and coordinates services provided through other partner programs in which the participant is enrolled.
- Common exit is mandated under state policy.

Questions for review and discussion

1. How are the local CEO and local board integrating and partnering its Federally funded programs into the local one-stop delivery system?
2. What policies, procedures, or MOUs have the local CEO and local board implemented to coordinate and integrate Title I program activities into the local one-stop delivery system?
3. How do the grant subrecipient's policies, systems, and service design:
    a. reduce duplication of effort and services within the local one-stop delivery system;
    b. maximize the reach of resources;

c. ensure appropriate customer service across funding streams; and

d. reduce administrative overhead?

Objective 1.b. Implementation

The grant subrecipient has implemented service design and delivery activities to accomplish all grant activities and goals.

(C/E) Indicator 1.b.1. Designating and hiring personnel and staff

The grant subrecipient has the necessary staff to successfully conduct its administrative and operational duties under the grant.

Citation

For Core activity 1 only, the SMU Administrator and reviewer determine whether performance on this indicator is (C), (E), or both and identifies citations applicable to this indicator.

Instructions

Review the following grant subrecipient documents, as applicable:

- grant subrecipient's work plan;
- project timeline;
- organizational chart; and
- staffing plan.

Use the grant subrecipient's work plan and the project timeline as the foundation upon which determination is made as to the proper staffing levels for the grant and programs.

Compare the organizational chart and the project staffing plan to determine whether grant staff perform other roles within the organization that may affect the amount of time they can dedicate to the grant.

Determine whether staff time allocated to the grant and/or program is sufficient for staff to effectively perform their assigned tasks, particularly in cases where staff perform multiple roles within the organization.

Use the staffing plan to determine whether the grant subrecipient or its subrecipients have hired or will hire new staff for the grant and/or program. If so, ensure that qualified staff have been or will be hired and are or will be properly trained on requirements under Federal and State laws,

rules, regulations, guidance, and policies, as well as grant subrecipient policies and procedures and the policies and procedures of its subrecipients.

Tips

Failure to identify, assign, and/or hire qualified personnel in a timely manner to implement the grant and programs may be the cause of other compliance violations identified during the review.

If new staff are hired for this grant, the reviewer needs to that ensure the grant subrecipient followed its standard hiring practices to fill vacancies.

When staff allocate a percentage of their time to this grant, the reviewer must confirm that proper time management methodology is in place to ensure accurate time allocation to the grant.

Review of these and other personnel-related topics is also addressed in Indicator 3.g.1. Cost allocation principles.

If the grant subrecipient has not hired or identified sufficient staff to support the grant and programs and it does not have a written action plan for rectifying this situation, the SMU Administrator and reviewer should work with the grant subrecipient to create a timeline for hiring staff.

Questions for review and discussion

1. Has the grant subrecipient hired and retained sufficient staff for this grant, consistent with the grant subrecipient's work plan?

2. Given the grant subrecipient's work plan, do staffing levels seem adequate for successful completion of the goals of this grant?

3. If the grant subrecipient has not hired additional staff, will current staff assigned to the grant and programs have sufficient time to work on the grant and programs and perform their normal duties?

4. What training have staff received to ensure they have skills and knowledge necessary to perform their assignments?

5. If the grant subrecipient has not hired staff as indicated in the grant subrecipient's work plan/staffing plan, what is impeding progress on hiring necessary staff?

6. If the grant subrecipient has not hired staff, has this led to known performance deficiencies or will this impact performance if not resolved?

(C/E) Indicator 1.b.2. Participant recruitment activities

The local CEO, local board, and local area administrative have developed a methodology and partnership action plan:

- to map participant recruitment activities;
- for targeting and recruiting eligible program participants; and
- engaging required and additional one-stop partners and community partner networks to maximize outreach efforts.

Citation

For Core activity 1 only, the SMU Administrator and reviewer determine whether performance on this indicator is (C), (E), or both and identifies citations applicable to this indicator.

Instructions

Review the following documents:

- Federal laws, rules, regulations, and guidance, including but not limited to:
  - Uniform Guidance (2 CFR Part 200 and 2 CFR Part 2900);
  - Workforce Innovation and Opportunity Act of 2014 (WIOA) and other applicable laws;
  - Joint Final Rule, Labor-only Final Rule, and other applicable regulations;
  - Training and Employment Guidance Letters (TEGLs); and
  - Training and Employment Notices (TENs);
- State policies;
- grant subrecipient's grant agreement with NDOL;
- state plan for Nebraska's workforce system;
- grant subrecipient's regional and local plan;
- local area outreach plan, materials, and timelines.

Review the grant subrecipient's progress toward achievement of the goals and strategies defined its regional and local plan, outreach plan and materials, and outreach project timeline.

Review outreach materials sent to potential participants and community partners and partner networks.

Inquire about the other methods of outreach and success rates with those other outreach methods.

Interview local area administrative staff and applicable program staff (i.e., service provider staff) and discuss the plans for recruiting participants. If technical assistance is necessary because of apparent difficulties with participant recruitment, the state will assist local area administrative staff and applicable program staff (i.e., service provider staff) with creation of a new outreach plan or plans.

Tips

Refer to Indicator 2.e.2. for program performance review criteria.

Grant subrecipients that do not have an effective participant outreach methodology inevitably fail to meet performance goals. This indicator may help the reviewer identify the cause of low enrollment or performance outcomes. For example:

- Symptom. The grant subrecipient is not meeting its enrollment goal or has an insufficient enrollment goal.
- Condition. The grant subrecipient, local board, local area administrative entity, and/or subrecipient (i.e., service provider) failed to establish critical partnerships.
- Cause. The local CEO, local board, and/or local area administrative entity leadership have different priorities.

Questions for review and discussion

1. What is the grant subrecipient's participant outreach plan?
2. Is the participant outreach plan consistent with the regional and local plan?
3. On which target populations is the grant subrecipient focusing its recruiting efforts?
4. How does the grant subrecipient's participant outreach plan address each target population?
5. What results is the grant subrecipient seeing from current outreach activities?
6. Are there particular target populations that are not being reached?
7. What role do one-stop delivery system partners play in the grant subrecipient's outreach plan?
8. How is the grant subrecipient evaluating the effectiveness of its current outreach activities?
9. How does the grant subrecipient adjust its strategies to improve its outreach results?

10. Are the grant subrecipient's enrollment goals reasonable in contrast to the local area funding allocations for the applicable programs?

11. If participant enrollment in services has already begun, is the grant subrecipient's outreach strategy supporting its expected level of participant enrollments, which should be reasonable when considering Federal funding provided for implementation of the applicable program?

12. What adjustments need to be made to the grant subrecipient's outreach strategy to ensure enrollment goals are met?

13. If the grant subrecipient is behind in outreach activities or has not begun enrolling participants, has this led to known performance deficiencies?

    a. If yes, what are the specific performance indicators for which the grant subrecipient is deficient?

14. Will known performance deficiencies impact performance if not resolved?

    a. If yes, how will known performance deficiencies impact performance on which performance Indicators?

(C/E) Indicator 1.b.3. Partnerships

The grant subrecipient continues to engage with required one-stop partners. MOUs formalizing relationships between the local CEO, local board, and required one-stop partners have been signed. The grant subrecipient, local board, and required one-stop partners meet with reasonable frequency to discuss program progress and address issues as they arise. Required one-stop partners are held accountable for their responsibilities and play an active role in one-stop center activities and program functions.

Citation

For Core activity 1 only, the SMU Administrator and reviewer determine whether performance on this indicator is (C), (E), or both and identifies citations applicable to this indicator.

Instructions

Review the following documents:

- Federal laws, rules, regulations, and guidance, including but not limited to:
    - Uniform Guidance (2 CFR Part 200 and 2 CFR Part 2900);
    - Workforce Innovation and Opportunity Act of 2014 (WIOA) and other applicable laws;
    - Joint Final Rule, Labor-only Final Rule, and other applicable regulations;

  - Training and Employment Guidance Letters (TEGLs); and
  - Training and Employment Notices (TENs);

- State policies;
- grant subrecipient's regional and local plan;
- MOUs with required one-stop partners and additional one-stop partners;
- letters of commitment with partners providing leveraged (no cost) resource services;
- partnership project timelines;

Determine which partner relationships are required and which partner relationships are meant for program enhancement.

Review signed MOUs with required one-stop partners and additional one-stop partners.

Assess whether the responsibilities outlined in the MOUs are being accomplished through interviews with local area administrative entity staff and required one-stop partners and additional one-stop partners.

Tips

Reviewers may want to ask for partner meeting minutes, copies of partner activity tracking mechanisms or methodologies, and other pertinent documentation that demonstrates:

- quality of relationships between the local CEO, local board, local area administrative entity, and their partners; and
- adherence to the commitments outlined within MOUs.

Questions for review and discussion

1. Who are the required one-stop partners for the local area one-stop center(s)?
2. How is each required one-stop partner (and each additional one-stop partner, if applicable) fulfilling the roles and activities outlined in MOUs and letters of commitment for leveraged resources?
3. How are the local CEO, local board, and local area administrative entity working with each required one-stop partner, additional one-stop partners, and leveraged resources to ensure all partnership commitments are fulfilled?

4. Have the local CEO and local board established an MOU or letter of commitment outlining the responsibilities of each required one-stop partner, additional one-stop partner, and leveraged resource?

    a. If not, how will the local CEO and local board ensure partnership commitments and requirements are met?

5. Who are the additional one-stop partners that the local CEO, local board, and local area administrative entity works with that they are not expressly required to work pursuant to Federal and State law, rules, regulations, guidance, and policies, the state plan, and/or regional and local plan?

    a. How do these additional partners contribute to the performance of the grant?

6. How do the local CEO, local board, and local area administrative entity track and document activities with required one-stop partners, additional one-stop partners, and leveraged resources?

(C/E) Indicator 1.b.4. Required one-stop partners

If the subrecipient (i.e., service provider) of the grant subrecipient is a required one-stop partner in the local one-stop delivery system as prescribed in WIOA Sec. 121(b)(1)(B), it fulfills its roles and responsibilities as a required one-stop partner.

Citation

For Core activity 1 only, the SMU Administrator and reviewer determine whether performance on this indicator is (C), (E), or both and identifies citations applicable to this indicator. Applicable law, rules, regulations, and guidance include, but are not limited to:

- WIOA Sec. 121(c);
- 20 CFR §§ 678.305(b) – (d), 678.310, 678.405(b), 678.430, 678.435, 678.500, 678.505, 678.755, 678.760, 678.800(b), 678.900(a) and (c) – (d); and
- TEGLs 16-16 and 16-16 Change 1.

Instructions

Review the following documents:

- Federal laws, rules, regulations, and guidance, including but not limited to:
    - Uniform Guidance (2 CFR Part 200 and 2 CFR Part 2900);
    - Workforce Innovation and Opportunity Act of 2014 (WIOA) and other applicable laws;

  - Joint Final Rule, Labor-only Final Rule, and other applicable regulations;
  - Training and Employment Guidance Letters (TEGLs); and
  - Training and Employment Notices (TENs);

- State policies;
- grant subrecipient's grant agreement with NDOL;
- state plan for Nebraska's workforce system;
- grant subrecipient's regional and local plan; and
- MOUs with required one-stop partners.

Determine whether the subrecipient (i.e., service provider) of the grant subrecipient is a required one-stop partner in the local one-stop delivery system.

Review signed MOU(s) with required one-stop partners.

Determine whether the subrecipient (i.e., service provider) of the grant subrecipient is fulfilling all responsibilities as a required one-stop partner through:

- interviews with the local area administrative staff and program staff (i.e., service provider staff; and
- review of applicable MOUs.

Tips

Technical assistance on MOUs and funding agreements is accessible at WorkforceGPS: https://ion.workforcegps.org/resources/2017/03/23/13/30/Sample_MOU_Infrastructure_Costs_Toolkit.

Required one-stop partner programs are listed below alphabetically.

Required one-stop partner	Authorizing legislation
1. Adult Education and Family Literacy Act (AEFLA) program	WIOA Title II
2. Adult, dislocated worker, and youth programs	WIOA Title IB
3. Career and technical education programs at the postsecondary level	Carl D. Perkins Career and Technical Education Act of 2006
4. Employment and training activities carried out by the Department of Housing and Urban Development	Jobs Plus grant subrecipients
5. Employment and training activities carried out under the Community Services Block Grant	42 USC § 9901 et seq.

Required one-stop partner	Authorizing legislation
6. Ex-offender programs	Second Chance Act of 2007, Section 212
7. Job Corps	WIOA Title IC
8. Jobs for Veterans State Grants program	38 USC Chapter 41
9. Migrant and seasonal farmworker programs	WIOA Title ID
10. Indian and Native American programs	WIOA Title ID
11. Programs authorized under Nebraska's Unemployment Compensation law	Neb. Rev. Stat. § 48-617
12. Senior Community Service Employment Program	Older Americans Act, Title V
13. Trade Adjustment Assistance programs	Trade Act of 1974, Title II, Chapter 2
14. Nebraska Commission for the Blind and Visually Impaired	Rehabilitation Act of 1973, Title I, as amended by WIOA Title IV
15. Nebraska Vocational Rehabilitation Program	Rehabilitation Act of 1973, Title I, as amended by WIOA Title IV
16. Wagner-Peyser Act Employment Service program	Wagner-Peyser Act, as amended by WIOA Title III
17. Work, education, and training activities carried out by the Temporary Assistance for Needy Families (TANF) program	Social Security Act, Title IV, Part A
18. YouthBuild programs	WIOA Title ID

One-stop partner roles and responsibilities

Citation

- 20 CFR §§ 678.305(b) – (d), 678.310, 678.405(b), 678.430, and 678.435; and
- TEGLs 16-16 and 16-16 Change 1

Questions for review and discussion

1. Are all required one-stop partner programs represented in the local one-stop delivery system?

2. How do required one-stop partner programs provide access to their respective programs or activities through the local one-stop delivery system (co-location or direct linkage)?

3. Does each required one-stop partner program provide access to its services through affiliate sites (i.e., affiliate one-stop centers) or specialized one-stop centers in the local area?

    a. If the answer is yes, is access to required one-stop partner program services provided on site by a program staff member, via cross training of other one-stop partner staff, or through direct linkage by technology?

4. Does each required one-stop partner program provide career services through AJCs or other one-stop centers in the local area?

a. What are the specific career services the required one-stop partner programs are providing through AJCs and one-stop centers in the local area?

Memorandums of understanding

Citation

- 20 CFR §§ 678.500, 678.505, 678.755, and 678.760

Questions for review and discussion

1. Has the local board, with the agreement of the CEO, developed and entered into a signed MOU with all required one-stop partners?

2. Does each MOU contain:

    a. a description of services provided through the one-stop delivery system, including the manner in which services will be coordinated and delivered;

    b. one-stop operating budgets identifying the costs of the services and the operating costs of the system, including a funding agreement covering:

        i. infrastructure costs in accordance with 20 CFR §§ 678.700 – 678.755; and

        ii. shared services (i.e., additional costs) of the one-stop delivery system described in 20 CFR § 678.760;

    c. a description of methods for referring individuals among the one-stop operator and one-stop partners for appropriate services and activities;

    d. a description of methods for ensuring that the needs of job seekers, including youth and individuals with barriers to employment, are addressed when providing access to services, including access to technology and materials that are available through the one-stop delivery system;

    e. identification of the duration of the MOU and procedures for amending it;

    f. assurances that the MOU will be reviewed and updated no less frequently than once every three years to:

        i. ensure appropriate funding and delivery of services; and

        ii. reflect any changes regarding:

            1. signatory officials for the local CEO, local board, and one-stop partners; and

            2. funding of infrastructure and additional costs of one-stop delivery system operations, including any changes to the partners' required cost contributions under the State funding mechanism;

g. once fully executed, the signatures of the local CEO, local board chair, and representative(s) of the one-stop partner that have authority to bind the partner to the MOU.

3. Does each MOU contain the following information in the funding agreement in relation to funding of infrastructure costs (20 CFR § 678.755):

    a. duration of the funding agreement, which may differ from the duration of the MOU;

    b. budget for infrastructure and additional costs that must be reconciled periodically against actual costs incurred and adjusted accordingly to ensure that it:

        i. reflects a cost allocation methodology that demonstrates how infrastructure costs are charged to the one-stop partner in proportion to its use of the one-stop center and relative benefit received, in accordance with 2 CFR § 200.405; and

        ii. complies with Uniform Guidance or any corresponding similar regulation or ruling;

    c. identification of the local CEO, local board, and partner participating in the agreement;

    d. steps the local CEO, local board, and partner used to reach consensus or an assurance that the local area followed the requirements of the state's policy regarding MOUs and funding agreements;

    e. description of the process to be used among the local CEO, local board, and partner to resolve issues during term of the agreement when the parties are at an impasse or consensus is not reached; and

    f. description of the periodic review and modification process to ensure equitable benefit among all one-stop partners.

4. Does the MOU contain descriptions in the funding agreement in relation to funding of additional costs (i.e., shared costs) for:

    a. costs associated with provision of the applicable career services provided by the partner;

    b. other additional costs, such as shared services, which may include:

        i. costs of shared services authorized for and commonly provided through the one-stop partner program to any individual, such as initial intake, assessment of needs, appraisal of basic skills, identification of appropriate services to meet such needs, referrals to other one-stop partners, and business services; and

        ii. shared costs of the local board's functions;

c. one-stop partner contributions for funding of additional costs related to operation of the one-stop delivery system, which may be cash, non-cash, or third-party in-kind contributions, consistent with 20 CFR § 678.720(c); and

d. the one-stop partner's share of additional costs which are allocated according to the proportion of benefit received by the partner, consistent with the Federal legislation authorizing the partner's program, and consistent with all other applicable legal requirements, including Federal cost principles described in the Uniform Guidance or any corresponding similar regulation or ruling requiring that costs are allowable, reasonable, necessary, and allocable.

5. Does the subrecipient (i.e., service provider) of the grant subrecipient use a portion of its subawarded Title I funds to pay its proportionate share of the additional costs relating to the operation of the one-stop delivery system as prescribed under 20 CFR § 678.760?

Common Identifier

Citation

- 20 CFR § 678.900(a) and (c) – (d)

Questions for review and discussion

1. Does the grant subrecipient use and require use of the approved common identifiers (listed below) on all products, signage, programs, activities, services, electronic resources, facilities, and related property and new materials used in the one-stop delivery system:

   a. "American Job Center" common identifier used as a general reference to the local one-stop center; or

   b. "a proud partner of the American Job Center network" tagline?

(C) Indicator 1.b.5. Establishing contracts and subawards

The grant subrecipient has established contracts and/or subawards to successfully operate and fulfill the requirements of the grant award from NDOL.

Citation

For Core activity 1 only, the SMU Administrator and reviewer determine whether performance on this indicator is (C), (E), or both and identifies citations applicable to this indicator.

Instructions

Review the following documents:

- Federal laws, rules, regulations, and guidance, including but not limited to:
    - Uniform Guidance (2 CFR Part 200 and 2 CFR Part 2900);
    - Workforce Innovation and Opportunity Act of 2014 (WIOA) and other applicable laws;
    - Joint Final Rule, Labor-only Final Rule, and other applicable regulations;
    - Training and Employment Guidance Letters (TEGLs); and
    - Training and Employment Notices (TENs);
- State policies;
- grant subrecipient's grant agreement with NDOL;
- state plan for Nebraska's workforce system;
- grant subrecipient's regional and local plan; and
- list(s) of the grant subrecipient's contracts and subawards.

Identify services or goods procured or to be procured.

Determine whether the grant subrecipient established necessary contracts and/or subawards in accordance with applicable Federal, State, and local procurement requirements.

Tips

If the grant subrecipient has not procured services or goods that are required pursuant to Federal, State, and local procurement requirements and no action plan is in place, work with the grant subrecipient to create a timeline with milestones for the successful completion of procurement necessary to accomplish the purposes of the grant subrecipient's grant agreement with NDOL and Federal and State laws, rules, regulations, guidance, and policies.

This indicator considers only the timely establishment of contracts and subawards necessary to successfully implement the purposes of the grant subrecipient's grant agreement with NDOL and Federal and State laws, rules, regulations, guidance, and policies. Refer to Objective 2.d. Procurement and contract administration for additional information.

Questions for review and discussion

1. Has the grant subrecipient established contracts and subawards necessary to accomplish the purposes of the grant subrecipient's grant agreement with NDOL and Federal and State laws, rules, regulations, guidance, and policies?

2. What, if any, challenges or delays has the grant subrecipient encountered in establishing necessary contracts or subawards?

3. What is the grant subrecipient's action plan to establish the necessary contracts and/or subawards to accomplish the purposes of the grant subrecipient's grant agreement with NDOL and Federal and State laws, rules, regulations, guidance, and policies?

4. How will delay in establishing the necessary contracts and subawards impact the overall implementation and successful outcomes of the grant subrecipient's grant agreement with NDOL and Federal and State laws, rules, regulations, guidance, and policies?

5. If development of contracts and subawards are in process at the time of review, at what phase are they in development (drafting, finalization, execution)?

(C) Indicator 1.b.6. Timely equipment purchases

The grant subrecipient has purchased equipment outlined in the grant subrecipient's work plan or requested approval to purchase equipment subsequent to the grant award or grant subaward.

Citation

For Core activity 1 only, the SMU Administrator and reviewer determine whether performance on this Indicator is (C), (E), or both and identifies citations applicable to this Indicator.

Instructions

Review the following documents:

- State policies;
- grant subrecipient's grant agreement with NDOL;
- state plan for Nebraska's workforce system;
- grant subrecipient's regional and local plan;
- grant subrecipient's work plan;
- equipment modifications and requests to purchase;
- list(s) of the grant subrecipient's contracts; and
- list(s) of equipment purchased.

Determine what equipment the grant subrecipient has identified as necessary to accomplish the goals of the grant award and Title I programs.

Identify whether the equipment has been purchased or is in the process of being purchased.

Determine any impact a delay of equipment purchases may have on the overall success of the grant and programs.

Tips

To review financial and administrative compliance of all equipment purchases, refer to Objective 2.c. Property management to determine if the delegation of written prior approval authority is specified.

Questions for review and discussion

1. What equipment or services, if any, did the grant subrecipient specify would be procured?
2. When must the equipment or service be purchased and in place to fully support the work outlined in the grant subrecipient's work plan?
3. If the grant subrecipient is behind in the purchasing of necessary equipment or services, how will the delay impact the overall implementation and outcome success of the grant and programs?
4. What can the grant subrecipient do to ensure all equipment and services are purchased and in place to support successful execution of all grant and program activities?

Objective 1.c. Products and deliverables

The grant subrecipient has documented and/or developed the products or deliverables outlined in the grant subrecipient's work plan, grant subrecipient's regional and local plan, and as required in applicable Federal and State laws, rules, regulations, guidance, and policies.

(C/E) Indicator 1.c.1. Sustainability plan

The grant subrecipient has developed a plan for the continuation of grant goals, principles, and outcomes beyond the life of the grant. The sustainability plan has a clear vision that:

- defines which principles and goals the grant subrecipient will sustain;
- outlines strategies to build collaboration between partners;
- defines strategies and methods for sustainability; and
- provides action steps.

Citation

For Core activity 1 only, the SMU Administrator and reviewer determine whether performance on this Indicator is (C), (E), or both and identifies citations applicable to this Indicator.

Instructions

Review the following documents:

- Federal laws, rules, regulations, and guidance, including but not limited to:
    - Uniform Guidance (2 CFR Part 200 and 2 CFR Part 2900);
    - Workforce Innovation and Opportunity Act of 2014 (WIOA) and other applicable laws;
    - Joint Final Rule, Labor-only Final Rule, and other applicable regulations;
    - Training and Employment Guidance Letters (TEGLs); and
    - Training and Employment Notices (TENs);
- grant subrecipient's sustainability plan;

If a sustainability plan has not yet been developed, interview key staff to identify the timeline for developing a sustainability plan.

Determine whether the grant subrecipient needs technical assistance to successfully create a sustainability plan.

Tips

The sustainability plan is a plan for the continuation of the grant's goals, principles, and efforts to achieve desired outcomes through activities that are consistent with the current conditions and workforce development needs of the local area.

- Sustainability plans strengthen partner commitment by creating relationships that last beyond the life of the grant.
- Sustainability plans can be used to market a project to potential funders and other possible partners once Federal funding has ended and guide the ongoing management of the grant and programs.

Questions for review and discussion

1. How is the grant subrecipient planning for sustainability throughout the life of the grant?
2. What actions is the grant subrecipient taking to prepare for successful sustainability?
3. Has the grant subrecipient identified other resources to sustain the grant following grant conclusion?
4. What aspects of the grant will continue after the grant ends?

5. How will all practices be continuously evaluated to determine importance to program operations?

6. What will it take to continue practices deemed crucial after the grant ends?

7. What functions, services, and/or activities are critical to sustain grant outcomes (case management, supportive services, etc.)?

8. What resources have been identified to sustain grant and program operations (allocated staff, training funds, etc.) following grant conclusion?

9. How is the grant subrecipient training personnel during the grant to institutionalize the knowledge needed to continue the grant and programs after the grant ends?

10. How will deliverables produced during the grant (new curricula, new websites, expanded marketing campaigns, etc.) continue to support grant operations after the grant ends?

11. Describe any changes in grant subrecipient management structure, policies, and/or procedures anticipated during the grant that help improve the efficiency and effectiveness of operations and support sustainability.

(C) Indicator 1.c.2. Product development

Specific products required in the grant agreement and/or applicable Federal or State guidance and outlined in the grant subrecipient's work plan have been developed.

Citation

For Core activity 1 only, the SMU Administrator and reviewer determine whether performance on this Indicator is (C), (E), or both and identifies citations applicable to this Indicator.

Instructions

Review the following documents:

- Federal laws, rules, regulations, and guidance, including but not limited to:
    - Uniform Guidance (2 CFR Part 200 and 2 CFR Part 2900);
    - Workforce Innovation and Opportunity Act of 2014 (WIOA) and other applicable laws;
    - Joint Final Rule, Labor-only Final Rule, and other applicable regulations;
    - Training and Employment Guidance Letters (TEGLs); and
    - Training and Employment Notices (TENs);

- State policies;
- grant subrecipient's grant agreement with NDOL;
- state plan for Nebraska's workforce system;
- grant subrecipient's regional and local plan; and
- grant subrecipient's work plan.

Identify any products or deliverables the grant subrecipient is required to develop and determine progress toward product development.

Questions for review and discussion

1. What is the grant subrecipient's plan and timeline for developing the product or deliverable?
2. What challenges does the grant subrecipient foresee in developing the product or deliverable on time?
3. If the product or deliverable is not developed in a timely manner, what grant outcomes will be impacted, if any?
    a. What is the grant subrecipient's corrective action plan to deliver on time?
4. What resources, partnerships, and/or contracts are needed to develop the product or deliverable on time?
    a. Does the grant subrecipient have these contracts in place, if necessary?
5. What is the grant subrecipient's plan for distributing or posting grant products, if required?

Objective 1.d. Business services and employer engagement

The grant subrecipient has documented and performed all service delivery activities outlined in its work plan, regional and local plan, and Federal and State laws, rules, regulation, guidance, and policies related to serving businesses and engaging employer partners to ensure accomplishment of the grant goals.

(C/E) Indicator 1.d.1. Sector strategies

The grant subrecipient engages in employer-driven sector partnerships with industry, education and training, and other stakeholders that focus on workforce needs of key industries in a regional labor market to develop sector strategies.

Citation

For Core activity 1 only, the SMU Administrator and reviewer determine whether performance on this Indicator is (C), (E), or both and identifies citations applicable to this Indicator.

Instructions

Review the following documents:

- Federal laws, rules, regulations, and guidance, including but not limited to:
    - Uniform Guidance (2 CFR Part 200 and 2 CFR Part 2900);
    - Workforce Innovation and Opportunity Act of 2014 (WIOA) and other applicable laws;
    - Joint Final Rule, Labor-only Final Rule, and other applicable regulations;
    - Training and Employment Guidance Letters (TEGLs); and
    - Training and Employment Notices (TENs);
- grant subrecipient's grant agreement with NDOL;
- state plan for Nebraska's workforce system;
- grant subrecipient's regional and local plan;
- meeting minutes from sector strategy/partnership meetings; and
- relevant LMI.

Determine the degree to which the grant subrecipient is engaged in industry sector strategies and partnerships.

Identify how the grant subrecipient decided upon the targeted industry sectors and how the grant subrecipient has subsequently engaged key industry partners.

Interview industry partners, to the extent possible or feasible, to understand their role in the sector partnership and the extent to which the partnership hears and responds to their stated needs.

Tips

Prior to the review, request meeting minutes and background documentation (LMI, skills gap analyses, etc.) that support the selection of targeted industry sectors, as well as the initiatives that are being implemented to address the needs of those sectors.

Questions for review and discussion

1. What data is the grant subrecipient using to make decisions about target industry sectors and education and training investments?

2. How are employers in the targeted industry sectors involved in designing the programs and delivery of services to ensure their workforce needs are met?

3. How do the local CEO, local board, local area administrative entity, and industry sector and other partners facilitate the delivery of workforce solutions to ensure they are responsive to the needs of workers and the targeted industry sector(s)?

4. How do the local CEO, local board, local area administrative entity measure industry sector strategy outcomes?

5. How will the local CEO, local board, local area administrative entity financially sustain industry sector work across time?

6. What personnel, policies, vision, and resources do the local CEO, local board, local area administrative entity have in place to continually support sector strategy outcomes?

(C/E) Indicator 1.d.2. Career pathways programs and systems

The grant subrecipient has designed and implemented, or participates in the design and implementation, of career pathway programs and systems.

Citation

For Core activity 1 only, the SMU Administrator and reviewer determine whether performance on this Indicator is (C), (E), or both and identifies citations applicable to this Indicator.

Instructions

Review the following documents:

- Federal laws, rules, regulations, and guidance, including but not limited to:
    - Uniform Guidance (2 CFR Part 200 and 2 CFR Part 2900);
    - Workforce Innovation and Opportunity Act of 2014 (WIOA) and other applicable laws;
    - Joint Final Rule, Labor-only Final Rule, and other applicable regulations;
    - Training and Employment Guidance Letters (TEGLs); and
    - Training and Employment Notices (TENs);

- state plan for Nebraska's workforce system; and
- grant subrecipient's regional and local plan.

Determine local CEO, local board, local area administrative entity roles and responsibilities relating to career pathway programs and systems pursuant to Federal and State laws, rules, regulations, guidance, and policies, as well as the state plan for Nebraska's workforce system.

Through interviews, determine how the local CEO, local board, local area administrative entity have approached the creation of career pathway programs and systems.

Assess the level of partner participation in the design and implementation of career pathway programs and systems through discussions with pertinent partners and meeting minutes.

Tips

Career pathway program v. career pathway system

- A career pathway program offers a clear sequence of stackable credits and credentials, combined with supportive services, that enable program participants to obtain industry-relevant skills, certifications, and credentials and advance to higher levels of education and employment in in-demand occupations.
- A career pathway system is made up of multiple career pathway programs that span educational institutions, workforce, and partners providing supportive services. These programs are oriented around a shared understanding of the needs of a particular industry sector. Often, tools like career pathway maps are used to talk with program participants about how they can progress through education and training experiences to obtain employment.
- Refer to the Career Pathways Toolkit: An Enhanced Guide and Workbook for System Development for additional information and resources to share with the local CEO, local board, local area administrative entity.

Questions for review and discussion: Career pathway *programs*

For the local CEO, local board, local area administrative entity involved in developing career pathway programs:

1. How were industry sectors chosen for the career pathway program being developed?
2. What labor market data/analyses were used for decision making regarding design and implementation of the career pathway program?
3. How are employers or industry leaders engaged in the design and implementation of the career pathway program?
    a. What are the specific roles of the employers or industry leaders in design and implementation of the career pathway program?

4. Determine how the career pathway program offers a clear sequence or pathway that combines education and/or work-based training that leads to stackable credits and credentials.

5. How is the grant subrecipient measuring and documenting skills attainment along the career pathway?

Questions for review and discussion: Career pathway *systems*

For the local CEO, local board, local area administrative entity developing career pathway systems:

1. How were industry sectors chosen for career pathway system development?

2. With which Federal, State, and local agencies or organizations have the local CEO, local board, local area administrative entity partnered to develop career pathway systems?

3. Who are the members of the multi-agency career pathway systems leadership team?

    a. What are the roles of each member?

4. What are the shared vision, mission, and goals of the leadership team for the multi-agency career pathway system?

5. What labor market data analyses were used for decision making regarding design and implementation of the career pathway system?

6. How are employers and industry sector leaders engaged in design and implementation of the career pathway system?

    a. What are the specific roles of the employers or industry sector leaders in design and implementation of the career pathway system?

7. Determine whether the career pathway system has the following characteristics:

    a. clear sequence or pathway that combines education, training, and other services to meet participant needs and align with employer demands;

    b. system that helps an individual enter or advance within a specific occupation or occupational cluster; and

    c. system that provides multiple entry and exit points to enable individuals to enter and exit at successively higher levels of skill development.

8. What funding needs and sources did the local CEO, local board, local area administrative entity identify to cover design, implementation, and maintenance of the career pathway system, as well as participant costs?

9. Are the local CEO, local board, local area administrative entity reforming local policy to align with vision and implementation of a coordinated workforce and education system?

a. If so, what changes are being or were made and how will the changes support the implementation of a coordinated workforce and education system?

10. What are the short- and long-term career pathway system outcomes (including participant outcomes) the local CEO, local board, local area administrative entity have identified, developed, and defined to measure career pathway system change and performance?

(C/E) Indicator 1.d.3. Business services

The local CEO, local board, local area administrative entity maintains strong relationships with the local area business community and collaborates with other workforce system partners to provide coordinated business services. The local CEO, local board, local area administrative entity utilizes work-based training models to meet the needs of businesses in the local area, such as internships, on-the-job training (OJT), Registered Apprenticeship programs, customized training, and incumbent worker training, as outlined in the State Plan, State policy, and regional and local plan.

Citation

For Core activity 1 only, the SMU Administrator and reviewer determine whether performance on this Indicator is (C), (E), or both and identifies citations applicable to this Indicator.

Instructions

Review the following documents:

- Federal laws, rules, regulations, and guidance, including but not limited to:
  - Uniform Guidance (2 CFR Part 200 and 2 CFR Part 2900);
  - Workforce Innovation and Opportunity Act of 2014 (WIOA) and other applicable laws;
  - Joint Final Rule, Labor-only Final Rule, and other applicable regulations;
  - Training and Employment Guidance Letters (TEGLs); and
  - Training and Employment Notices (TENs);
- state plan for Nebraska's workforce system
- grant subrecipient's regional and local plan; and
- documentation pertaining to provision of business services by the grant subrecipient/local board/local area administrative entity, including the availability of brochures, calendars of events, business services handbooks or policies, outreach materials, assessment tools, etc.

Determine through interviews how the local CEO, local board, local area administrative entity:

- conduct business services;
- make determinations on business customer needs; and
- evaluate effective services to business customers.

Tips

The reviewer should carefully examine approaches taken by the local CEO, local board, local area administrative entity regarding outreach and engagement with businesses. The approaches should be based primarily on listening and responding to the needs of businesses, as business needs may go beyond presentation of information regarding programs and services.

The local CEO, local board, local area administrative entity should demonstrate a capacity and willingness to customize business services where possible to meet specific business customer needs.

Questions for review and discussion

1. What are the strategies of the local CEO, local board, local area administrative entity for serving businesses?
2. How do the local CEO, local board, local area administrative entity identify which businesses to target?
3. How do the local CEO, local board, local area administrative entity partner with other agencies, programs, or organizations to coordinate outreach to businesses?
4. How do the local CEO, local board, local area administrative entity identify needs of businesses and tailor services to business needs?
5. How are local area staff members trained to provide business services?
6. What resources are used to provide business services?
7. How do the local CEO, local board, local area administrative entity track engagement with businesses?

Objective 1.e. Participant services

The grant subrecipient is implementing the required service delivery strategy outlined it its grant award and regional and local plan and is providing all required services to participants.

(C) Indicator 1.e.1. Service delivery

The local CEO, local board, local area administrative entity provides access to the full array of participant services stipulated in the grant subrecipient's grant agreement with NDOL, Federal and State laws, rules, regulations, guidance, and policies.

Citation

For Core activity 1 only, the SMU Administrator and reviewer determine whether performance on this Indicator is (C), (E), or both and identifies citations applicable to this Indicator.

Instructions

Review the following documents:

- Federal laws, rules, regulations, and guidance, including but not limited to:
    - Uniform Guidance (2 CFR Part 200 and 2 CFR Part 2900);
    - Workforce Innovation and Opportunity Act of 2014 (WIOA) and other applicable laws;
    - Joint Final Rule, Labor-only Final Rule, and other applicable regulations;
    - Training and Employment Guidance Letters (TEGLs); and
    - Training and Employment Notices (TENs);
- grant subrecipient's grant agreement with NDOL;
- state plan for Nebraska's workforce system;
- grant subrecipient's regional and local plan;
- State policies; and
- grant subrecipient and service provider policies, procedures, and operations manuals.

Ensure the local CEO, local board, local area administrative entity have made available all services in accordance with the requirements of the grant subrecipient's grant agreement with NDOL; Federal laws, rules, regulations, and guidance; state and regional and local plan; and state and local policies and procedures.

Determine customer flow and participant referral methods, including methods for processing referrals and enrolling referred eligible participants.

Assess service integration efforts and MOU implications relating to service delivery to participants.

Questions for review and discussion

1. How do the local CEO, local board, local area administrative entity ensure access to the full range of one-stop center services for potential and actual program participants?

2. Does the service flow and customer flow in the one-stop center promote access to the full array of services available through grant subrecipient programs (i.e., Title I programs)?

3. What management information system(s) and other tools support access to the full array of services that must be made available through the one-stop delivery system?

4. What is the formal referral policy for individuals who need services that are not available through Title I programs?

    a. Does practice appear to conform to this policy?

5. How do subrecipients (i.e., service providers) of the grant subrecipient engage in joint case management with partners that ensures coordination of services and tracking of participant progress toward goals achievement?

6. How many case managers are assigned to and providing services for each Title I program (adult, dislocated worker, and youth)?

7. What is the case manager to participant ratio for each of the grant subrecipient's Title I programs?

8. What is the case-manager turnover rate for each of the grant subrecipient's Title I programs?

(C) Indicator 1.e.2. Priority of service

The grant subrecipient has an effective documented system for ensuring priority of service for Veterans and adult program participants.

Citation

For Core activity 1 only, the SMU Administrator and reviewer determine whether performance on this indicator is (C), (E), or both and identifies citations applicable to this indicator.

Instructions

Review the following documents:

- Federal laws, rules, regulations, and guidance, including but not limited to:
    - Uniform Guidance (2 CFR Part 200 and 2 CFR Part 2900);

  - Workforce Innovation and Opportunity Act of 2014 (WIOA) and other applicable laws;
  - Joint Final Rule, Labor-only Final Rule, and other applicable regulations;
  - Training and Employment Guidance Letters (TEGLs); and
  - Training and Employment Notices (TENs);

- state plan for Nebraska's workforce system;
- grant subrecipient's regional and local plan;
- state and local policies;
- service provider policies; and
- written procedures and processes for priority of service.

Confirm that the grant subrecipient ensures priority of service in accordance with Federal and State laws, rules, regulations, guidance, and policies; state and regional and local plan; and state and local policies, procedures, and processes.

Review information from the grant subrecipient regarding service priorities, including any additional populations identified as service priorities.

Tips

The reviewer should examine the one-stop center triage/intake area for prominent signs, brochures, and/or flyers that inform participants of adult priority of service and Veteran's priority.

Questions for review and discussion

1. How do the grant subrecipient and service provider policies, procedures, and processes ensure priority of service for Veterans and covered spouses and adults?
    a. For Veterans, priority access to training services must be provided to Veterans and covered spouses.
    b. For adults, priority access to individualized career services and training services must be provided to all adults who are:
        i. basic skills deficient;
        ii. receiving public assistance benefits (SNAP, TANF, etc.); or
        iii. otherwise considered low-income pursuant to Federal law, rules, regulations, and guidance, as well as state policy.

2. How do the grant subrecipient and service provider policies, procedures, and processes embed service priorities into customer flow and decision making?

3. How does the grant subrecipient and service provider conduct outreach to priority populations, i.e., Veterans and covered spouses and adults?

4. How does the service-delivery design reflect priority of service for Veterans and covered spouses and adults?

5. Do service delivery statistics indicate that Veterans and covered spouses and adults are being served on a priority basis by the grant subrecipient?

(C) Indicator 1.e.3. Eligibility/enrollment

The grant subrecipient and service provider adhere to Federally established eligibility requirements when enrolling participants.

Citation

For Core activity 1 only, the SMU Administrator and reviewer determine whether performance on this Indicator is (C), (E), or both and identifies citations applicable to this Indicator.

Instructions

Review the following documents:

- Federal laws and guidance, including but not limited to:
    - Uniform Guidance (2 CFR Part 200 and 2 CFR Part 2900);
    - Workforce Innovation and Opportunity Act of 2014 (WIOA) and other applicable laws;
    - Joint Final Rule, Labor-only Final Rule, and other applicable regulations;
    - Training and Employment Guidance Letters (TEGLs); and
    - Training and Employment Notices (TENs);
- state plan for Nebraska's workforce system;
- grant subrecipient's regional and local plan;
- State policies;
- subawards and contracts;

- policies, procedures, and tools the grant subrecipient and service provider may have developed and/or utilizes to support accurate eligibility documentation by service provider staff, such as a checklist or desk reference;

- grant subrecipient and service provider operations manuals developed to support accurate eligibility documentation by service provider staff, such as a checklist or desk reference; and

- grant subrecipient and service provider data collection requirements for eligibility determinations.

Interview program staff, including case managers, to determine how eligibility is documented.

Review forms used to document eligibility of potential program participants and determine if the forms comply with Federal and State laws, rules, regulations, guidance, and policies.

Review a random sample of case files to ensure:

- required eligibility documentation was obtained and correct eligibility determinations were made; and

- eligibility was verified prior to the provision of services.

Tips

If errors or omissions are identified, note the specific exceptions and advise the grant subrecipient that reverification of eligibility is required for any participant for whom eligibility is in question.

- If there appears to be a pattern of incorrect or incomplete eligibility determinations, advise the grant subrecipient to perform a complete and thorough review of case files to ensure that all participants are eligible.

- Note. The reviewer may also want to include this as a required action in the monitoring report.

If any participants are determined as ineligible for Title I program services, advise the grant subrecipient that all costs associated with services provided to ineligible individuals are questioned costs and that those costs must be repaid to the applicable program using non-Federal funds.

Questions for review and discussion

1. How do staff correctly determine that all participants are eligible for services prior to service delivery?

2. What tools do staff use to gather eligibility documentation and make decisions about eligibility?

3. Does the grant subrecipient provide initial and ongoing training to staff on eligibility determination and documentation requirements?

4. Has the grant subrecipient established limitations on the provision of program services for participants?

5. If the grant subrecipient has established limitations on the provision of program services for participants:

    a. to which participants do the limitations apply and why; and

    b. what are the limitations (restricting services based on past program participation, established cost limits for OST and supportive services, etc.)?

File review

1. Is documentation in each case file sufficient to fully support eligibility determination?

2. Determine the date eligibility was established and when the first service was provided and ensure eligibility was verified prior to the provision of services.

3. Are there any participants who are ineligible based on the file review?

(C/E) Indicator 1.e.4. Assessment

The grant subrecipient ensures that assessment tools accurately gauge participant capacities and aptitudes and identify participant skills and interests. The results of assessments are used to customize participant service strategies and ensure positive outcomes for each participant. The grant subrecipient ensures assessments are one of many tools used ensure the provision of quality services to participants.

Citation

For Core activity 1 only, the SMU Administrator and reviewer determine whether performance on this indicator is (C), (E), or both and identifies citations applicable to this indicator.

Instructions

Review the following documents:

- Federal laws and guidance, including but not limited to: Federal laws, rules, regulations, and guidance, including but not limited to:

    - Uniform Guidance (2 CFR Part 200 and 2 CFR Part 2900);

    - Workforce Innovation and Opportunity Act of 2014 (WIOA) and other applicable laws;

    - Joint Final Rule, Labor-only Final Rule, and other applicable regulations;

  - Training and Employment Guidance Letters (TEGLs); and
  - Training and Employment Notices (TENs);
- state plan for Nebraska's workforce system;
- grant subrecipient's regional and local plan;
- State policies;
- subawards and contracts;
- policies, procedures, and tools the grant subrecipient and service provider may have developed and/or utilizes relating to participant assessments that accurately:
  - gauge participant capacities and aptitudes; and
  - identify participant skills and interests by staff, such as a checklist or desk reference.

Determine through case manager and participant interviews how assessments inform participant services.

Describe how adjustments are made to the IEP[4]/ISS[5] and documented, as necessary, during program participation.

Review a sample of case files to ensure assessments accurately gauge participant capacities and aptitudes and identify participant skills and interests.

Determine through case file review whether the assessment process is generally effective in matching participants with appropriate service options to achieve desired outcomes.

Tips

The reviewer should determine whether the assessment process is effective in matching participants with appropriate service options. Appropriate service options should include partner services.

Questions for review and discussion

1. What assessments are required pursuant to Federal and State laws, rules, regulations, guidance, and policies?
2. How are assessments used to customize participant services and inform development of IEPs/ISSs?

[4] *IEP* refers to individual employment plans for adult and dislocated worker program participants.
[5] *ISS* refers to individual service strategies for youth program participants.

3. How are assessments used to determine suitability for training, educational course work, and/or employment?

4. How are assessments documented?

5. Which assessment tools are used to:

    a. gauge participant capacities and aptitudes (CASAS, TABE, etc.); and

    b. identify participant skills/interests?

6. How are assessments used to gauge participant progress (i.e., measurable skills gains) during program participation?

7. At what point in service delivery are assessments conducted?

8. Are individuals asked about any other assessments they may have completed with a partner program or organization during the previous six months?

    a. If so, do service provider staff contact the partner program and request documentation of the outcome of the assessments?

File review

1. Are assessments included in reviewed case files?

(C/E) Indicator 1.e.5. Participant IEP/ISS

Participant IEPs and ISSs are developed based on participant assessments and include an appropriate combination of services to address participant needs and support desired outcomes. The IEPs and ISSs are revisited and updated periodically to reflect participant progress and address service delivery needs that may have changed over time.

Citation

For Core activity 1 only, the SMU Administrator and reviewer determine whether performance on this Indicator is (C), (E), or both and identifies citations applicable to this Indicator.

Instructions

Review the following documents:

- Federal laws, rules, regulations, and guidance, including but not limited to:

    - Uniform Guidance (2 CFR Part 200 and 2 CFR Part 2900);

    - Workforce Innovation and Opportunity Act of 2014 (WIOA) and other applicable laws;

  - Joint Final Rule, Labor-only Final Rule, and other applicable regulations;
  - Training and Employment Guidance Letters (TEGLs); and
  - Training and Employment Notices (TENs);
- state plan for Nebraska's workforce system;
- grant subrecipient's regional and local plan;
- State policies;
- subawards and contracts;
- policies, procedures, and tools the grant subrecipient and service provider may have developed and/or utilizes relating to participant assessments that accurately:
  - gauge participant capacities and aptitudes; and
  - identify participant skills and interests by staff, such as a checklist or desk reference.

File review

Before conducting case manager and participant interviews, review randomly selected participant records to determine:

- whether the grant subrecipient creates an IEP or ISS for each participant;
- whether the participant IEP or ISS is periodically updated to reflect progress and/or changing service needs; and
- if the grant subrecipient has written policies and procedures that address modification of the IEP/ISS as participant service needs change over time.

Refer to the *File Review* section below for detailed instructions for performing file reviews.

Case manager and participant interviews

After reviewing randomly selected participant records:

- determine through case manager and participant interviews:
  - the degree to which participants are engaged in IEP/ISS development; and
  - extent to which the IEP/ISS is used as a tool to guide participant service delivery.
- interview a sample of participants and ask:
  - if they actively participated in the development of their IEP/ISS;

- if they are fully aware of their employment goals as described in the IEP/ISS; and
- how the IEP/ISS is intended to help them reach the goals outlined in the IEP/ISS.

Grant subrecipient and service provider leadership interviews

Refer to the *Questions for review and discussion* section below, which provides a list of questions that may be asked of local area administrative entity staff and service provider staff (management, supervisor, and case manager level).

Tips

The development of the IEP/ISS plays a critical role in the participant's success. It helps participants understand how their goals are met through the delivery of certain services and specific employment and training activities.

File review

1. Is the IEP/ISS included in the participant file?
2. Does the IEP/ISS reflect the participant's needs and barriers identified during the assessment process?
3. Is there evidence in the participant case file that:
    a. the case manager discussed assessment results with the participant; and
    b. the participant and case manager jointly developed the IEP/ISS?
4. Does the IEP/ISS include both short-term and long-term goals?
5. Do the short-term and long-term goals in the IEP/ISS align with the performance indicators for the program in which the participant is enrolled (i.e., employment at second and fourth quarters after program exit, median earnings second quarter after exit, measurable skills gains, and credential attainment)?
6. Do case notes in the participant case file document:
    a. ongoing contact between the case manager and the participant;
    b. tracking of participant progress in relation to the IEP/ISS; and
    c. updating of the IEP/ISS when changes in the participant's circumstances, goals, or planned activities and services occur?
7. Do participant case files indicate extended lapses in service? If yes, ask case managers to explain why.

Questions for review and discussion

1. How does the grant subrecipient and service provider ensure that the IEP/ISS identifies and meets specific needs of each individual participant?

2. Are both short-term and long-term goals documented in the IEP/ISS? If not, why?

3. Do the short-term and long-term goals in the IEP/ISS align with the performance indicators for the program in which the participant is enrolled (i.e., employment rates at second and fourth quarters after program exit, median earnings second quarter after exit, measurable skills gains, and credential attainment)?

4. Does the case manager discuss assessment results with the participant?

5. How do case managers engage participants in the development of the IEP/ISS?

6. Do the case manager and participant jointly develop the IEP/ISS?

7. How does the IEP/ISS include integrated services delivered by other one-stop center partners, as appropriate, to meet individual outcomes?

8. Are case managers required to:

    a. document ongoing contact between the case manager and the participant;

    b. track participant progress in relation to the IEP/ISS; and

    c. update the IEP/ISS when changes in the participant's circumstances, goals, or planned activities and services occur?

(C) Indicator 1.e.6. Supportive services

Supportive services are provided to participants, as appropriate, to overcome their respective barriers to participation in and completion of their IEP/ISS.

Citation

For Core activity 1 only, the SMU Administrator and reviewer determine whether performance on this INDICATOR is (C), (E), or both and identifies citations applicable to this indicator.

Instructions

Review the following documents:

- Federal laws, rules, regulations, and guidance, including but not limited to:
    - Uniform Guidance (2 CFR Part 200 and 2 CFR Part 2900);

  - Workforce Innovation and Opportunity Act of 2014 (WIOA) and other applicable laws;
  - Joint Final Rule, Labor-only Final Rule, and other applicable regulations;
  - Training and Employment Guidance Letters (TEGLs); and
  - Training and Employment Notices (TENs);
- State policies;
- state plan for Nebraska's workforce system;
- grant subrecipient's regional and local plan;
- grant subrecipient policies, procedures, and operation manuals; and
- service provider policies, procedures, and operation manuals.

Determine whether supportive services are an allowable cost under the program in which the participant is enrolled. If not, determine how the grant subrecipient works with partners to obtain necessary supportive services. Note any budgetary limitations.

Review state and local policies and procedures governing supportive services.

Through case file review, determine whether:

- participants requiring supportive services are offered supportive services; and
- supportive services were provided in accordance with Federal and State laws, rules, regulations, guidance, and policies, as well as grant subrecipient and service provider policies, procedures, and operations manuals.

Tips

Supportive service resources may include, but are not limited to, transportation, childcare, dependent care, housing, and needs-related payments necessary to enable a participant to participate in grant activities. (Refer to the State's policies on adult and dislocated worker programs and youth programs, as well as 20 CFR Part 680 Subpart G and 20 CFR § 681.570.)

If participants who have received Title I funded supportive services are determined as ineligible, advise the grant subrecipient that all costs associated with ineligible participants receiving supportive services are questioned and that those costs must be repaid to the applicable program using non-Federal funds.

Questions for review and discussion

1. Have the grant subrecipient and service provider written policies and procedures for the provision of supportive services for adult, dislocated worker, and youth program participants?

    a. If not, how does the grant subrecipient ensure compliant provision of supportive services under the programs?

    b. If yes, are staff initially and regularly trained on the requirements and limitations for supportive services established under Federal and State laws, rules, regulations, guidance, and policies.

2. Does the grant subrecipient provide needs-related payments?

    a. If so, are there an established local written policies and procedures for the provision of needs-related payments?

    b. How do the policies and procedures ensure that needs-related payments are essential to participant engagement in program activities?

    c. What documentation is required for needs-related payments?

3. How do the grant subrecipient and service provider determine participant eligibility for supportive services, including needs-related payments?

4. How do the grant subrecipient and service provider determine participant supportive service needs?

    a. What financial needs analyses are conducted to identify and document financial barriers to participation that can be overcome through supportive services?

5. How do the grant subrecipient and service provider coordinate the provision of supportive services with one-stop delivery system partners?

    a. If supportive services are provided by partner organizations, what are the partner-provided services?

    b. What mechanism is used to request support from partners?

    c. What follow-up is conducted to ensure that the participant received partner-provided supportive services?

File review

1. Do participant files, including case notes, identify barriers that may prevent the participant from participating in and successfully completing the participant IEP/ISS?

2. Is there evidence that supportive services have been provided in accordance with Federal and State laws, rules, regulations, guidance, and policies; state and regional and local plan, and grant subrecipient and service provider policies and procedures?

(C/E) Indicator 1.e.7. Training services

Participants receive training as needed to progress toward achieving their employment goals; and training is in an in-demand occupation and delivered by an accredited, licensed, authorized, or approved provider, as applicable.

Citation

For Core activity 1 only, the SMU Administrator and reviewer determine whether performance on this Indicator is (C), (E), or both and identifies citations applicable to this Indicator.

Instructions

Review the following documents:

- Federal laws, rules, regulations, and guidance, including but not limited to:
    - Uniform Guidance (2 CFR Part 200 and 2 CFR Part 2900);
    - Workforce Innovation and Opportunity Act of 2014 (WIOA) and other applicable laws;
    - Joint Final Rule, Labor-only Final Rule, and other applicable regulations;
    - Training and Employment Guidance Letters (TEGLs); and
    - Training and Employment Notices (TENs);
- state plan for Nebraska's workforce system;
- grant subrecipient's regional and local plan;
- State policies;
- grant subrecipient and service provider policies, procedures, and operations manuals; and
- MOUs, work-based training agreements, or on-the job training (OJT) agreements or contracts.

Determine requirements for provision of training services pursuant to Federal and State laws, rules, regulations, guidance, and policies.

Through the case manager interviews, assess how training eligibility determinations are made in according with Federal and State laws, rules, regulations, guidance, and policies.

- Note. Eligibility determinations for training services must not include an income test, except in the case of adult program participants as defined in Federal and State laws, rules, regulations, guidance, and policies.

Through participant interviews and case file reviews, ensure that:

- consumer choice requirements have been met;
- participants have been involved in training program selection; and
- training is appropriate for the participant within state or local labor markets.

Determine the extent to which the grant subrecipient and service providers utilize work-based training models for training services.

- Through review of the regional and local plan, grant subrecipient and service provider policies, and interviews with staff, determine how the grant subrecipient engages employers to provide work-based training.
- Review work-based training contracts to ensure compliance with Federal and State laws, rules, regulations, guidance, and policies.

Review participant and employer files to ensure all work-based training requirements are met and documented in the file.

Interview employers who provide work-based training to determine satisfaction with grant subrecipient interactions and work-based training experiences.

Questions for review and discussion

1. Are the grant subrecipient and service provider providing the full range of training services stipulated in Federal and State laws, rules, regulations, guidance, and policies? If not, why?
2. Does the range of training options include work-based training?
    a. If so, does the grant subrecipient/service provider have MOUs or work-based training agreements and/or OJT contracts in place?
3. For participants receiving training to advance along a career pathway, what training costs does the grant subrecipient/service provider cover?
    a. Are training costs covered through financial aid or through leveraged resources or other resources?
    b. How does the grant subrecipient/service provider ensure that the applicable Title I program is the "funding source of last resort"[6]?

[6] *Funding source of last resort* refers to the requirements established under 20 CFR § 680.230 regarding Title I funding of training services, use of Pell Grants, and coordination of services.

4. Has the grant subrecipient established limitations on the provision of training services for participants? If so, which participants and why?

5. Does the grant subrecipient/service provider coordinate with other one-stop center partners and other one-stop delivery system and workforce system partners to identify other funding sources to ensure participants can continue along the chosen career pathway?

6. How does the grant subrecipient ensure participants can continue along their chosen career pathway without continued funding from a Title I program or other partner program?

7. How has the grant subrecipient/service provider engaged employers and educators in designing the work-based training components to ensure meaningful skills development for participants?

8. What roles do sector strategies play in the development of work-based training programs?

9. Has the grant subrecipient/service provider developed plans with employers to support entry and advancement into a career pathway with the business or industry sector?

10. If training services are needed to meet the participant's employment goals, does the participant case file include an ISS/IEP that includes a training plan consistent with achieving the employment goal?

11. Do participant files reflect regular contact between case managers and participants to discuss the participant's progress toward employment goals?

12. If a participant is not on track to complete training services, what does the case manager do to address barriers to completion of training services?

File review

1. If training services are needed to meet the participant's employment goals, does the participant case file include an ISS/IEP that includes a training plan consistent with achieving the employment goal?

2. Do participant files reflect regular contact between case managers and participants to discuss the participant's progress toward employment goals?

3. If the participant is not on track to complete training services, what does the case manager do to address barriers to completion of training services?

4. Is there evidence in the case file demonstrating case manager efforts to address barriers to completion of training services (recorded program activities, case notes, supportive services, coordination of services with other partner programs, etc.)

(C/E) Indicator 1.e.8. Placement

Grant subrecipient provides job search, referral, and other services that help participants obtain subsidized and unsubsidized employment.

Citation

For Core activity 1 only, the SMU Administrator and reviewer determine whether performance on this Indicator is (C), (E), or both and identifies citations applicable to this Indicator.

Instructions

Review the following documents:

- Federal laws, rules, regulations, and guidance, including but not limited to:
    - Uniform Guidance (2 CFR Part 200 and 2 CFR Part 2900);
    - Workforce Innovation and Opportunity Act of 2014 (WIOA) and other applicable laws;
    - Joint Final Rule, Labor-only Final Rule, and other applicable regulations;
    - Training and Employment Guidance Letters (TEGLs); and
    - Training and Employment Notices (TENs);
- state plan for Nebraska's workforce system;
- grant subrecipient's regional and local plan;
- State policies; and
- grant subrecipient's and service providers' policies, procedures, and operations manuals.

Determine employment placement requirements and goals as prescribed under the documents described above.

Through case manager, job developer, and/or business services representative interviews, assess participant employment and placement strategies.

Questions for review and discussion

1. What job search or other job development services does the grant subrecipient/service provider provide to support participant placement in subsidized and/or unsubsidized employment?
2. How are participants served after occupational skills training, or other training, to support placement in employment and retention and advancement along a career pathway?

3. What measures were taken by the grant subrecipient/service provider to ensure that employment placement fell within the industry sector/occupation for which the participant was trained?

(C/E) Indicator 1.e.9. Follow-up services

Grant subrecipient/service provider case managers maintain frequent contact with participants and provides allowable follow-up services to help ensure successful grant-related outcomes.

Citation

For Core activity 1 only, the SMU Administrator and reviewer determine whether performance on this Indicator is (C), (E), or both and identifies citations applicable to this Indicator.

Instructions

Review the following documents:

- Federal laws, rules, regulations, and guidance, including but not limited to:
    - Uniform Guidance (2 CFR Part 200 and 2 CFR Part 2900);
    - Workforce Innovation and Opportunity Act of 2014 (WIOA) and other applicable laws;
    - Joint Final Rule, Labor-only Final Rule, and other applicable regulations;
    - Training and Employment Guidance Letters (TEGLs); and
    - Training and Employment Notices (TENs);
- state plan for Nebraska's workforce system;
- grant subrecipient's regional and local plan;
- State policies; and
- grant subrecipient's and service providers' policies, procedures, and operations manuals.

Determine through case manager interviews and case file reviews:

- the extent to which follow-up services are provided to participants that have obtained unsubsidized employment or have exited the applicable program; and
- adherence to follow-up services requirements defined in Federal and State laws, rules, regulations, guidance, and policies.

Questions for review and discussion

1. Does the grant subrecipient have written plans, policies, and procedures for providing follow-up services to program participants who successfully completed the program? If not, why?

2. What follow-up services are being provided to participants pursuant to the grant subrecipient/service provider written plans, policies, and procedures?

3. Do case managers stay in frequent contact with participants following program completion?

4. Does the grant subrecipient/service provider have established procedures that define and require “frequent follow-up contact” with participants based on participant need rather that a fixed interval for all participants?

    a. If yes, how is “frequent follow-up contact” defined by the grant subrecipient/service provider (weekly, monthly, quarterly, etc.)?

    b. How does the grant subrecipient/service provider ensure achievement of the defined “frequent follow-up contact” standard?

5. For participants who do not complete the program or failed to achieve program goals such as employment or completion of training services, does the grant subrecipient have written plans, policies, and procedures that require follow-up with those participants, in compliance with Federal and State laws, rules, regulations, guidance, and policies?

    a. If yes, what are the characteristics of those follow-up services (communication methods, timeframes for conduct of follow up, strategies for reaching unresponsive participants, etc.)?

VIII. Core activity 2. Grant operations

Objective 2.a. Project management

The grant subrecipient has an adequate system in place to manage the grant and programs, including any specific award conditions, project modifications, and closeout requirements.

(C/E) Indicator 2.a.1. Specific award conditions

The grant subrecipient may have award conditions that include an industry focus, occupational targets, certain populations to be served, and allowable grant activities specified by ETA and/or NDOL to which the grant subrecipient must adhere.

Citation

- 2 CFR § 200.207

Instructions

Review the grant subrecipient's grant agreement with NDOL for any specific award conditions that were imposed by ETA or NDOL.

Questions for review and discussion

1. What systems, policies, processes, or procedures does the grant subrecipient have in place to monitor varying specific award *conditions* of the grant (industry focus, occupational targets, certain populations to be served, and allowable grant activities) that will allow the grant subrecipient to meet the terms and conditions of the grant agreement, as well as Federal and State laws, rules, regulations, guidance, and policies?

    a. How is the grant subrecipient adhering to and satisfying these *conditions*?

2. If the grant subrecipient is not meeting one or more additional or unique award *conditions* of the grant, what steps or procedures does the grant subrecipient have in place to correct or remedy these issues and meet those *conditions*?

(C) Indicator 2.a.2. Prior approval of project modifications

The grant subrecipient is aware of the grant modification process that requires prior written approval from NDOL for certain changes to the grant and/or the grant subrecipient's regional and local plan. The process implemented by the grant subrecipient regarding modifications ensures that prior written approval is obtained in a timely manner.

Citation

- 2 CFR §§ 200.308 and 200.407
- 2 CFR § 2900.9 – 2900.12
- 20 CFR § 683.235
- State policies
- grant subrecipient's regional and local plan
- grant subrecipient's grant agreement with NDOL

Instructions

Interview key personnel to understand modification processes regarding the grant subrecipient's grant and regional and local plan.

Review grant subrecipient procedures for assessing the grant and regional and local plan and the need for possible modifications.

Tips

The Uniform Guidance contains the areas and items of costs requiring prior approval. Please refer to Resource I: List of items requiring prior approval.

Review the terms and conditions of the grant subrecipient's grant agreement with NDOL, Federal and State laws, rules, regulations, guidance, and policies to determine if prior approval authority is the responsibility of NDOL or ETA. If no such language exists in the grant agreement or Federal and State laws, rules, regulations, guidance, and policies, then prior approval criteria in the Uniform Guidance applies.

During sample testing of transactions as described in Objective 3.f. Allowable costs and cost classification, ensure that proper prior approval was given before action was taken by the grant subrecipient.

Questions for review and discussion

1. Does the grant subrecipient have policies and procedures in place when grant or regional and local plan modifications need to be made?
2. Do grant subrecipient policies and procedures allow for a maximum 30-day public notice/review period?
3. Are grant subrecipient administrative entity staff aware of modifications that require prior approval?

4. Are grant subrecipient administrative entity staff aware of ETA-specific requirements related to revisions of program plans including pre-approval, timeliness of requests, and authority for revision of the grant/regional and local plan? (Refer to Objective 2.b. Budget.)

5. Has the grant subrecipient made non-compliant changes to the approved regional and local plan without prior approval?

    a. If so, has the grant subrecipient been notified that such change is not recognized by the Governor?

6. Has the grant subrecipient complied with the prior-approval requirements of the grant in relation to non-budget related modifications requiring prior approval (equipment, renovations, etc.)?

    a. Did the grant subrecipient receive approval prior to the action taken or cost incurred?

(C) Indicator 2.a.3. Closeout requirements

The grant subrecipient has a process in place for timely completion of closeout of its grant award (from NDOL) and subawards to its subrecipients.

Citation

- 2 CFR §§ 200.16, 200.331(a)(6), 200.333, 200.343
- 2 CFR § 2900.15

Instructions

Obtain the grant subrecipient's written grant closeout policies and procedures and review the closeout policies and procedures with administrative entity staff to ensure that any required closeout documentation is submitted appropriately and timely to NDOL.

Verify that the closeout policies and procedures specify the following actions to be completed at the end of the grant period of performance (2 CFR § 200.343(a) – (g)):

- no later than 90 calendar days after the end date of the period of performance, submit all financial, performance, and other reports, as required by the terms and conditions of the grant agreement and applicable Federal and State laws, rules, regulations, guidance, and policies;
- liquidate all accruals incurred under the grant no later than 90 calendar days after the end date of the period of performance, as specified in the terms and conditions of the grant subrecipient's grant agreement with NDOL and applicable Federal and State laws, rules, regulations, guidance, and policies (2 CFR § 2900.15);

- obtain timely invoices and make prompt payments to subrecipients and contractors of the grant subrecipient for allowable reimbursable costs under the grant in accordance with the grant subrecipient's grant agreement with NDOL and applicable Federal and State laws, rules, regulations, guidance, and policies;

- refund any balances of unexpended and unobligated funds to that were paid in advance the grant subrecipient or were paid but not authorized to be retained by the grant subrecipient;

- make a settlement for any upward or downward adjustments to the grant after closeout reports are received from its subrecipients and contractors, accounting for any real or personal property acquired with Federal funds or received from NDOL or ETA;[7] and

- complete all closeout actions for the grant no later than one year after receipt and acceptance of all required final reports, if applicable, when the grant subrecipient is acting in the capacity of PTE.

Review the grant subrecipient's closeout policies and procedures for subawards and verify that closeouts are completed on a timely basis.

Tips

Closeout does not affect other subsequent actions that NDOL or ETA may take regarding the grant award or that a PTE may take against a subrecipient. Closeout does not affect the following circumstances:

- recovery of disallowed costs;

- recovery of unused funds;

- debts owed to the Federal government;

- access to records;

- property management; and

- audit requirements.

Please be aware that ETA is required to follow the Grants Oversight and New Efficiency Act (GONE Act), signed into Public Law 114-117 on January 28, 2016. ETA must close out grants within two years from the expiration of the grant period of performance. Therefore, it is imperative that PTEs, including grant subrecipients, have timely grant closeout policies and procedures.

During review of subaward closeout, ensure the grant subrecipient addresses all of its subrecipients' records that are related to the grant. Also, in the event that a grant subrecipient or its subrecipients cannot meet these requirements, the grant subrecipient must properly maintain

[7] Refer to Objective 2.c. Property management regarding disposition of Federally funded real and personal property.

grant records. Grant subrecipient policies and procedures should include a request- and-transfer process for all of its subrecipients records.

Questions for review and discussion

1. Does the grant subrecipient have a procedure in place to assure timely submission of required closeout documentation within 90 calendar days of the end date of the grant period of performance?

2. Does the grant subrecipient have a procedure in place to accurately accrue costs at the end of the grant period of performance and liquidate those accruals during the 90-day closeout period?

3. How does the grant subrecipient ensure and accurately report accrued costs to NDOL and liquidate those accruals prior to NDOL's submission of the closeout ETA-9130 Financial Report?

4. Does the PTE (i.e., grant subrecipient) have closeout policies and procedures for subawards?

    a. If yes, do they address the following:

        i. property and supply disposition;

        ii. final payment;

        iii. prepaid costs;

        iv. final deliverable of performance outcomes; and

        v. post-closeout adjustments?

5. Does the PTE (i.e., grant subrecipient) incorporate appropriate terms and conditions in its subawards agreements concerning closeout requirements?

6. Are PTE subrecipients made aware of and compliant with the records access and retention requirements of the grant?

7. Has the PTE ensured that the records of its subrecipients pertinent to the grant will be retained by the subrecipients or transferred to the PTE for the duration of the applicable retention period?

Objective 2.b. Budget

The grant subrecipient has a financial management system or budget control mechanism in place to monitor spending, determine allowability of costs, and compare and reconcile the budget to actual expenditures. The system also has triggers for budget modifications when deemed necessary.

(C) Indicator 2.b.1. Budget controls

The grant subrecipient has an approved budget that is compared to actual expenditures to ensure that funds are obligated and spent within the authorized period of performance.

Citation

- 2 CFR §§ 200.302(b)(5) and 200.308

Instructions

Interview the administrative entity staff primarily responsible for the budget.

Review the grant subrecipient's most current approved budget and budget narrative.

Compare what is budgeted to actual expenditures.

Tips

The financial standards applicable to all Federal awards contain the requirement for a "planned v. actual" analysis. The standards state that the financial system must provide for "comparison of expenditure with budget amounts for each Federal award". Prior approval authority has been granted to Governors for formula grants, but the provisions remain in effect for all other awardees.

Questions for review and discussion

1. How does the grant subrecipient know when a budget modification is required, including allowable budget line-item flexibility?

2. Are grant subrecipient administrative entity staff and service provider staff regularly informed of changes in the budget or given routine updates comparing budgeted items to actual costs?

3. Does the grant subrecipient have a process to review budget v. actual expenditures?

4. What is the frequency of the budget-to-actual expenditure analysis?

Tools

Use Tool E: Budget comparison tool to assist with this indicator.

(C) Indicator 2.b.2. Budget modifications

The grant subrecipient is aware of the budgetary realignments that require prior written approval from NDOL and has developed procedures to request prior written approval in a timely manner.

Citation

- 2 CFR §§ 200.308 and 200.407
- 2 CFR §§ 2900.9 – 2900.12
- 20 CFR § 683.235
- grant agreement between NDOL and the grant subrecipient

Instructions

Interview the staff primarily responsible for modifying the budget.

Review the grant subrecipient's last approved budget and the grant's most current budget.

Tips

Local areas have the authority and the flexibility to shift dollar resources among allowable cost categories or budget line items. Unless specified under Federal and State laws, rules, regulations, guidance, and policies or the grant agreement between NDOL and the grant subrecipient, the authority to grant or deny approval resides with NDOL for those items requiring prior approval under Title I, such as transfer of funds between adult and dislocated worker programs.

Questions for review and discussion

1. Does the grant subrecipient have written policies and procedures that identify when budget modifications need to be made?
2. Did the grant subrecipient receive prior approval for budget modifications from NDOL whenever required pursuant to Federal and State laws, rules, regulations, guidance, and policies?

Objective 2.c. Property management

The grant subrecipient maintains a property management system in accordance with all prior approval requirements, terms and conditions of the grant agreement between NDOL and the grant subrecipient and Federal and State laws, rules, regulations, guidance, and policies.

(C) Indicator 2.c.1. Insurance coverage

The grant subrecipient has at least the minimum equivalent insurance coverage for real property and/or equipment acquired or improved with grant funds.

Citation

- 2 CFR § 200.310

Instructions

Review a listing of the grant subrecipient's real property, equipment purchased, or capital improvements that were purchased with grant funds.

Review the grant subrecipient's insurance policy for the real property and equipment or capital improvements.

Tips

Federally owned property need not be insured unless required by the terms and conditions of the grant agreement.

Questions for review and discussion

1. Does the grant subrecipient have minimum insurance coverage for real property and equipment acquired with grant funds?

(C) Indicator 2.c.2. Real property

The grant subrecipient has policies and procedures in place for the acquisition, management, and disposition of real property purchased with grant funds.

Citation

- 2 CFR § 200.311
- 20 CFR § 683.240
- grant agreement between NDOL and the grant subrecipient

Instructions

Verify that the grant subrecipient is authorized to purchase real property under the grant.

Review the grant subrecipient's property management system for proper acquisition, use, and disposition of real property.

Review property records, including financial statements, for accuracy and accountability of real property.

If real property was purchased using grant funds, ensure that the grant subrecipient received approval from NDOL and/or ETA, as required, prior to the purchase of the property.

Tips

Grant subrecipients cannot spend grant funds on construction, purchase of facilities or buildings, or other capital expenditures for improvements to land or buildings, except with the prior written approval of the Secretary of Labor.

Formula or state grant subrecipients (WIOA Title I programs and WIOA Title III Wagner-Peyser Employment Service):

- For WIOA Title I and Title III grants with Federal equity in the real property, please refer to 20 CFR § 683.240 for instructions for using real property with Federal equity.

If the grant subrecipient purchases a building with grant funds, it cannot charge depreciation to the grant for the same building. If so, depreciation costs charged to the grant would be unallowable.

Questions for review and discussion

1. Does the grant subrecipient have policies and procedures in place when acquiring, managing, and disposing of real property purchased with grants funds?

2. For any real property that was purchased with grant funds, was prior approval received prior to the acquisition or disposition of that property?

3. WIOA Title I and Title III grants only:

    a. Grant actions not delegated to the Governor include:

        i. disposal of real property; and

        ii. disposition or sale of JTPA- and WIA-funded real property.

    b. For items that have not been delegated to the Governor for prior approval, did the grant subrecipient receive prior approval from the Federal Grant Officer or the Secretary of Labor prior to performing the action?

(C) Indicator 2.c.3. Equipment

The grant subrecipient has a policies and procedures in place for the acquisition, management, and disposition of equipment purchased with grant funds.

Citation

- 2 CFR § 200.313

- grant agreement between NDOL and the grant subrecipient

Instructions

Review the grant subrecipient's policies and procedures on purchasing, managing, and disposing of equipment.

Proceeds from the sale or disposition of equipment purchased with grant funds must adhere to requirements established under 2 CFR § 200.313(e).

Accompany grant subrecipient personnel to verify the existence and condition of the equipment.

Tips

Formula or state grant subrecipients must use, manage, and dispose of equipment in accordance with state and local laws and procedures.

Buy American Act (BAA).

- By drawing down funds, the grant subrecipient agrees that it will comply with Secs. 8301 – 8303 of Title 41, United States Code (commonly known as the "Buy American Act").
    - The Buy American Act requires the grant subrecipient to use, with limited exceptions, only:
        - unmanufactured articles, materials, and supplies that have been mined or produced in the United States; and
        - manufactured articles, materials, and supplies that have been manufactured in the United States substantially all from articles, materials or supplies that were mined, produced, or manufactured in the United States.
    - Those exceptions are for:
        1. articles, materials, or supplies for sale outside of the United States;
        2. articles, materials, or supplies of the class or kind to be used, or articles, materials, or supplies from which they are manufactured, are not mined, produced, or manufactured in the United States in sufficient and reasonably available commercial quantities and are not of a satisfactory quality; and
        3. manufactured articles, materials, or supplies procured under any contract with an award value that is not more than the micro-purchase threshold (currently $3,500).
    - In order to claim an exception under options 1 or 2, the grant subrecipient must get prior approval from NDOL and the Federal grant officer. Prior approval is not needed for purchases under the micro-purchase threshold.

If the grant subrecipient purchases equipment with grant funds, it cannot charge or apply depreciation costs for the same equipment. If so, depreciation costs charged to the grant would be unallowable.

Questions for review and discussion

1. For equipment that was purchased with grant funds, was prior approval received prior to the acquisition or disposition of that equipment?
2. Does the grant subrecipient have policies and procedures governing the acquisition, management, and disposition of equipment?
3. Is the grant-funded equipment currently in use for the authorized purposes of the grant for which it was acquired?
4. Are equipment records maintained with the following required data elements:
    a. description of equipment;
    b. serial number;
    c. acquisition cost and date;
    d. percentage of federal participation in the purchase;
    e. titleholder;
    f. current use, condition, and location;
    g. disposition information;
    h. Federal Award Identification Number (FAIN); and
    i. sales price and date of disposition.
5. Is a physical inventory of the equipment done and reconciled with the property records at least once every two years?
6. Is an adequate control system in place to prevent loss, damage, or theft of the equipment?
7. Is the equipment maintained in good condition with adequate maintenance procedures?
8. Does the grant subrecipient have a system in place for disposition of equipment?
9. Do the disposition procedures mirror the disposition instructions outlined in 2 CFR § 313(e)?
10. Can the grant subrecipient attest or confirm that it has made efforts where required or applicable to Buy American products or goods?

(C) Indicator 2.c.4. Rental or leasing costs for property

The grant subrecipient has determined whether rental costs for real property and equipment are reasonable.

Citation

- 2 CFR § 200.465
- grant agreement between NDOL and the grant subrecipient

Instructions

Obtain a full listing of all rental property and real and personal property.

Select from the listing and obtain the related lease or rental agreement.

Verify that the grant subrecipient performed a purchase v. lease analysis as prescribed in 2 CFR § 400.465(c)(5).

For leases, verify that rental costs under leases are only allowable up to the amount that would be allowed had the grant subrecipient purchased the property on the date the lease agreement was executed.

Tips

Rental costs are allowable to the extent that the rates are reasonable based on factors such as rental costs of comparable property; market conditions in the area; alternatives available; and the type, life expectancy, condition, and value of the property leased.

When negotiating leases for space, grant subrecipients must consider:

- idle capacity due to fluctuations in workload or program requirements and funding;
- duration of funding; and
- favorable termination clauses.

Additional background regarding Capital Leases:

- The provisions of GAAP[8] must be used to determine whether a lease is a capital lease.
- For those considered capital leases, a purchase v. lease analysis must be performed as prescribed in 2 CFR § 200.465(c)(5).
- Rental costs under leases are only allowable up to the amount that would be allowed had the grant subrecipient purchased the property on the date the lease agreement was executed.

[8] Details on GAAP are accessible at https://www.investopedia.com/terms/g/gaap.asp.

Unallowable costs include amounts paid for profit, management fees, and taxes that would not have been incurred had the grant subrecipient purchased the property.

Questions for review and discussion

1. Do the agreements have a schedule of payments and are they signed by a grant signatory that is authorized to sign on behalf of the organization?

2. If equipment was purchased or leased, did the grant subrecipient make a "best option" determination (lease v. purchase)?

    a. Was a cost and/or price analysis performed to determine if the grant subrecipient selected the best option?

3. For "sale and leaseback" arrangements, did the grant subrecipient sell ETA-owned property and use grant funds to lease it back?

    a. If so, this sale and leaseback transaction is considered unallowable to ETA grant funds.

4. Did the grant subrecipient sell property that was purchased with non-Federal funds and lease it back using grant funds up to the amount that would have been allowed had the grant subrecipient continued to own the property?

5. Are rental agreements reviewed periodically to determine if circumstances have changed and other options are available?

    a. Does the grant subrecipient have any capital leases as prescribed in GAAP?[9]

    b. If so, was a purchase versus lease analysis performed?

    c. Are rental costs only as much as if the grant subrecipient were to purchase the personal property?

    Note. If rental costs are more than what the grant subrecipient would have paid for the purchase of the personal property on the date the lease of agreement was executed, then the overage would be unallowable (2 CFR § 200.465(c)(5)).

6. Look at the lease terms. Are any lease terms beyond the grant's period of performance? If so, does the grant subrecipient have plans to cover the lease's rental payments with non-grant dollars?

7. If the grant subrecipient has idle facilities or idle capacity that are being charged to the grant, are they necessary:

    a. to meet workload requirements, or

[9] Details on GAAP are accessible at https://www.investopedia.com/terms/g/gaap.asp.

b. when initially acquired and are not idle because of changes in the program requirements or other causes which could not have been reasonably foreseen?

Note. If not meeting criteria outlined above, costs related to idle facilities or idle capacity would be unallowable.

8. If idle facilities or idle capacity is allowable, are costs allowable for a reasonable period of time (ordinarily not to exceed one year) and normal costs of doing business? Note. These costs could be charged as direct or indirect costs to the grant.

(C) Indicator 2.c.5. Supplies

The grant subrecipient has policies and procedures in place to manage the use of supplies acquired with grant funds.

Citation

- 2 CFR § 200.314
- grant agreement between NDOL and the grant subrecipient

Instructions

Review the grant subrecipient's purchasing policies and procedures for acquisition and management of supplies acquired with grant funds.

Determine whether the grant subrecipient has a system in place to:

- recognize when supplies or equipment are purchased with Federal funds; and
- ensure that proper prior approval is obtained prior to purchasing supplies pursuant to established local policies and procedures.

Review local polices for procedures regarding handling of excess supplies purchased with Federal funds after the grant period of performance ends.

Tips

A computing device is considered a supply if the acquisition cost is the lesser of the capitalization level for the grant subrecipient or $5,000.

Upon termination or at the end of the grant period of performance, if there are unused supplies exceeding $5,000 in total aggregate value and are not needed for any other Federal awards, the grant subrecipient has the option to retain the supplies for use on other activities or sell them. For either option, the grant subrecipient must compensate ETA/NDOL for its respective share.

Questions for review and discussion

1. Does the grant subrecipient have written policies and procedures covering acquisition and management of supplies purchased with Federal funds?

2. Does the grant subrecipient need prior approval for purchase of supplies pursuant to the WIOA grant agreement?

3. What policies and procedures does the grant subrecipient have in place to recognize and differentiate when supplies v. equipment are purchased with grant funds?

4. Does the grant subrecipient have policies and procedures in place to compensate ETA/NDOL if the residual inventory of unused supplies exceeds $5,000 in total aggregate value upon termination or completion of the grant?

(C) Indicator 2.c. Intangible Property

The grant subrecipient's or subrecipient's policies and procedures for the acquisition, management, and disposition of intangible property are sufficient in meeting the requirements of the grant.

Citation

- 2 CFR § 200.315
- 2 CFR § 2900.13
- grant agreement between ETA and NDOL
- grant agreement between NDOL and the grant subrecipient

Instructions

Review the grant subrecipient's policies and procedures on intangible property.

Tips

Intangible property is property that has no physical existence, such as trademarks, copyrights, patents and patent applications, inventions, data, and software. This is not an all-inclusive list; please refer to the definition of intangible property at 2 CFR § 200.59.

In addition to the guidance set forth in 2 CFR § 200.315(d), ETA requires intellectual property developed under a competitive Federal award process to be licensed under a *Creative Commons Attribution* license. This license allows subsequent users to copy, distribute, transmit, and adapt the copyrighted work and requires such users to attribute the work in the manner specified by the recipient. Note. Unless otherwise specified in the grant agreement between NDOL and the grant subrecipient, 2 CFR § 2900.13 *does not* apply to formula programs, such as WIOA Title I and WIOA Title III programs.

Questions for review and discussion

1. Has the grant subrecipient acquired or developed any intangible property with grant funds?

2. Does the grant subrecipient have policies and procedures covering intangible property? If not, how do they ensure compliance?

3. Are there documents proving that intangible property developed under a competitive grant are licensed under a *Creative Commons Attribution* license?

4. If grant funds were used to pay a contractor to produce or acquire intangible property for grant use, does the agreement ensure that the grant subrecipient retains the right to continued use?

5. When no longer needed for the originally authorized purpose, and if required by the terms and conditions of the Federal award to NDOL and the grant agreement between NDOL and the grant subrecipient, did the grant subrecipient receive disposition instructions from NDOL or ETA when disposing of the intangible property?

Objective 2.d. Procurement and contract administration

The grant subrecipient maintains an adequate procurement and purchasing system that includes written procedures and ensures that all contracting or procurement actions are performed in a manner that provides for full and open competition.

(C) Indicator 2.d.1. Procurement standards

Grant subrecipient's documented policies and procedures conform to Federal and State laws, rules, regulations, guidance, and policies and procurement standards identified in the Uniform Guidance (2 CFR Part 200).

Citation

- 2 CFR §§ 200.113 and 200.317 – 200.326
- grant agreement between NDOL and the grant subrecipient
- grant subrecipient's policies and procedures

Instructions

Interview key personnel regarding processes for conducting procurement activities.

Review the grant subrecipient's written policies and procedures on procurement and purchasing of goods and services.

Interview staff responsible for purchasing to determine compliance with written policies and procedures on procurement and purchasing of goods and services.

Examine local area documentation to determine if the grant subrecipient verifies potential contractor or subrecipient status in the debarment or exclusion list maintained by SAM.gov.

During transaction testing for Objective 3.f. Allowable costs and cost classification, sample procurement transactions to ensure policies and procedures are in use and up to date.

Tips

Grant subrecipients are required to report certain civil, criminal, or administrative proceedings to the System for Award Management (SAM) of the General Services Administration (SAM.gov). Failure to make required disclosures can result in remedies for noncompliance, including suspension or debarment.

If applicable, grant subrecipients should follow their own procurement procedures that reflect applicable state and local procurement laws and regulations, provided they are not in conflict with Federal and State laws, rules, regulations, guidance, policies, and standards and the Uniform Guidance (2 CFR Parts 200 and 2900).

Questions for review and discussion

1. Does the grant subrecipient conduct procurement activities in a manner that promotes full and open competition and is not restrictive of competition?

2. Does the grant subrecipient have separate procurement and purchasing policies regarding:

    a. micro-purchases;

    b. small purchases;

    c. sealed bids/formal advertising;

    d. procurement by competitive proposals;

    e. noncompetitive purchases (sole source); and

    f. professional and/or qualifications-based services?

3. Does the grant subrecipient maintain oversight to ensure that contractors perform in accordance with the terms, conditions, and specifications of their contracts/purchase orders?

4. Does the grant subrecipient maintain written codes of conduct:

    a. covering conflicts of interest;

    b. governing the actions of employees and local board members engaged in the selection, award, and administration of contracts; and

c. requiring written and signed conflict-of-interest statements?

5. Does the grant subrecipient ensure that applicants or entities submitting bids and/or proposals are disclosing in writing and in a timely manner all violations of Federal criminal law involving fraud, bribery, or gratuity violations potentially affecting the grant agreement between NDOL and the grant subrecipient?

6. Does the grant subrecipient take affirmative steps to assure that minority businesses, women's business enterprises, and labor surplus area firms are used whenever possible?

7. Determine if the grant subrecipient, when issuing statements, press releases, requests for proposals, bid solicitations, and other documents describing projects or programs funded in whole or in part with Federal money, clearly states the following:

    a. percentage of the total costs of the program or project which will be financed with Federal funds;

    b. dollar amount of Federal funds for the project or program; and

    c. percentage and dollar amount of the total costs of the project or program that will be financed by non-governmental sources.

    Note. Some affirmative steps are outlined in 2 CFR § 200.321.

Tools

- Refer to Resource A: Selected definitions and acronyms.
- Use Tool F. Procurement and purchasing policy checklist.

(C) Indicator 2.d.2. Competition

The grant subrecipient performs all procurement transactions in a manner providing full and open competition.

Citation

- 2 CFR § 200.319
- grant agreement between NDOL and the grant subrecipient
- grant subrecipient's policies and procedures

Instructions

Interview staff responsible for procurement or, if applicable, interviews staff from an external purchasing agency or department responsible for grant subrecipient procurement activities.

Review the grant subrecipient's procurement policies, processes and procedures or other written guidelines that are used in the procurement of both goods and services by the grand subrecipient.

Tips

Procurement by noncompetitive proposals (otherwise known as "sole source") is procurement through solicitation of a proposal from only one source and may be used only when one or more of the circumstances outlined in 2 CFR § 200.320(f) apply.

Questions for review and discussion

1. What is the grant's recipient's process for procurement activities?
2. Does the grant subrecipient ensure that it conducts procurement activities in a manner to ensure full and open competition and is not restrictive of competition as described in 2 CFR § 200.319(a)(1) – (7) regarding:
    a. unreasonable requirements;
    b. requiring unnecessary experience and excessive bonding;
    c. noncompetitive pricing practices;
    d. noncompetitive contracts to consultants;
    e. organizational conflicts of interest;
    f. specifying only a "brand name" product instead of allowing "an equal" product to be offered; and
    g. any arbitrary action on the procurement process.
3. Does the grant subrecipient have noncompetitive procurement (sole source) procedures that procedures conform with 2 CFR § 200.320(f)?
4. For noncompetitive procurement (sole source), are noncompetitive procurement determinations appropriately documented?
    a. Do one or more of the circumstances outlined in 2 CFR § 200.320(f)(1)-(4) apply for noncompetitive procurement:
        i. item is available only from a single source;
        ii. public exigency or emergency for the requirement does not permit a delay resulting from competitive solicitation;
        iii. NDOL expressly authorize noncompetitive proposals in response to a written request from the grant subrecipient; or
        iv. after solicitation of a number of sources, competition is determined inadequate.

(C) Indicator 2.d.3. Methods of procurement

The grant subrecipient uses an appropriate method of procurement prescribed under 2 CFR Part 200.

Citation

- 2 CFR § 200.320
- grant agreement between NDOL and the grant subrecipient
- grant subrecipient's policies and procedures

Instructions

Review the grant subrecipient's policies and procedures to gain an understanding of when different procurement methods are used at various dollar thresholds.

During transaction testing for Objective 3.f. Allowable costs and cost classification:

- review the procurement methods used; and
- ensure that methods are used in accordance with the grant subrecipient's procurement policy and Federal, State, and local laws, rules, regulations, guidance, and policies.

Obtain a full listing of all contracts the grant subrecipient entered into during the applicable grant period of performance.

Tips

2 CFR Part 200 describes the five methods of procurement:

1. micro-purchases (less than $3,500[10]);
2. small purchases (less than $150,000[11]), also known as simplified acquisitions;
3. sealed bid (formal advertising) purchases;
4. competitive proposal purchases; and

[10] The micro-purchase and simplified acquisition thresholds are subject to change based on inflation. Please review the Federal Acquisition Regulation (FAR) for updated threshold amount at 48 CFR Subpart 2.1 (Definitions).
[11] Ibid.

5. noncompetitive purchases (special circumstances which are applicable for all purchase levels).

Note. Monetary threshold levels are subject to change, so it is important to verify thresholds before each monitoring event.

All five procurement types listed above must comply with the general procurement standards established under 2 CFR § 200.318.

- Purchases of supplies or services under $3,500 are treated as “micro-purchases”.
    - Micro-purchases are procurements without soliciting any competitive quotations if the grant subrecipient considers the costs to be reasonable and equally distributes these purchases among qualified suppliers.
    - Be aware of like purchases that are disaggregated to avoid the documentation requirements of the next higher purchasing threshold.
- All purchases between $3,500 and $150,000 may be made using small purchases procedures.
    - Small purchase procedures are relatively simple and informal as price or rate quotes are obtained from an adequate number of qualified sources.
    - The grant subrecipient should use its discretion to determine adequate numbers of qualified sources (i.e., any number greater than one) and methods of obtaining the price or rate quotations (writing, orally, vendor price list on website, generated via online search engine, etc.).
    - 2 CFR Part 200 excludes the small purchase method from the cost and/or price analysis requirement.

Questions for review and discussion

1. For the purchase of goods and/or services, did the grant subrecipient appropriately use one of the procurement methods outlined above?
2. Does the procurement history file demonstrate that the grant subrecipient used one of the procurement methods listed above?
3. Does the procurement history file contain enough evidence to support full and open competition?

Note. Review of a procurement history file can be done in conjunction with cost testing in Objective 3.f. Allowable costs and cost classification.

(C) Indicator 2.d.4. Cost or price analysis

The grant subrecipient performs a cost or price analysis on all procurement actions in excess of the Simplified Acquisition Threshold, including contract modifications. The method and degrees of analysis are dependent on the procurement situation, but the grant subrecipient must make independent estimates prior to receiving bids or proposals.

Citation

- 2 CFR 200.323
- grant agreement between NDOL and the grant subrecipient
- grant subrecipient's policies and procedures

Instructions

Review the grant subrecipient's procurement policies to gain an understanding of when and how the entity performs a cost or price analysis while making procurement decisions.

While reviewing contracts, verify if the determination is appropriate to the nature of the agreement (fixed price, performance-based, cost reimbursement, etc.).

Tips

- Independent estimate of costs using a cost or price analysis must be done prior to receiving bids and proposals. A price analysis is performed when price is the primary criterion for selection of the goods and/or services. A cost analysis is performed when price comparisons are not available. The requirement for a cost/price analysis not only applies to the original contract agreement but applies to contract modifications as well.
- The type of contract determines the cost and performance risks which are placed on the contractor. The contract types are grouped into two broad categories: fixed price and cost reimbursement contracts.
- The Uniform Guidance prohibits the use of *cost plus a percentage of cost* contracts as specified in 2 CFR § 200.323. Such contracts may also be considered *cost plus fixed fee* in which the contractor is paid based on its costs and negotiated fixed fee, minimizing the risk and responsibility in achieving performance.
- WIOA allows for performance-based contracts, specifically the WIOA pay-for-performance contract strategy described in 20 CFR § 683.500. Performance-based contracting is a results-oriented contracting method that focuses on outcomes that may tie at least to the achievement of specific measurable performance standards and requirements. Its purpose is to obtain better performance for grant awards.
- The Uniform Guidance states that a grant subrecipient may not earn or keep profit resulting from Federal financial assistance unless it is expressly authorized by the terms and conditions of the Federal award or Federal laws, rules, regulations, and guidance.

- Under WIOA Secs. 121(d), 122(a), and 134(b), for-profit entities are eligible to be one-stop operators, service providers, and eligible training providers.
- Income earned by a public or private nonprofit entity funded by WIOA may be retained by such entity only if such income is used to continue to carry out the program.
- When selecting a for-profit entity as a subrecipient, the guidelines on allowable profits apply.
    - The grant subrecipient must negotiate profit as a separate element of the price for each contract in which there is no price competition and, in all cases, where cost analysis is performed.
    - 2 CFR § 200.323 requires that profit is reasonable and fair and be based on the contractor's efforts and risks in achieving performance results that align with the performance measures outlined in the contract.
- Other entities may not earn profit under Federal awards. When selecting a for-profit entity as a subrecipient, guidelines on allowable profits apply.

Questions for review and discussion

1. From the selection of contracts obtained in the previous indicator, did the grant subrecipient use a cost/price analysis for contracts in excess of the Simplified Acquisition Threshold?
    a. How does the grant subrecipient use cost/price analysis?
    b. Note that this review of a procurement history file can be done in conjunction with cost testing in Objective 3.f. Allowable costs and cost classification.
2. Is the determination appropriate to the nature of the agreement (fixed price, performance-based, cost reimbursement, etc.)?
3. Are the amounts paid consistent with the terms of the agreement?
4. Does the grant subrecipient negotiate profit as a separate element of the price for each contract?
5. For performance-based contracts, are the levels of performance reasonable for the level of payment?
6. Are performance levels specified and negotiated in the contract met before payment is made?
7. Is profit recognized in whole dollars (not as a percentage of cost) and reasonable in terms of the services rendered or goods provided?

8. Did the grant subrecipient consider the following risk factors to determine the amount of profit to be earned under the contract:

    a. complexity of work;

    b. risk borne by contractor;

    c. contractor's investment;

    d. amount of subcontracting;

    e. record of past performance; and

    f. industry profit rates in the geographic area for similar work?

Tools

Use Tool G: Procurement history file to assist in completing this indicator.

(C) Indicator 2.d.5. Contract administration

The grant subrecipient maintains a system for administration of contracts/subaward agreements. All contracts/subawards must contain the applicable provisions described in 2 CFR Part 200 Appendix II (Contract Provisions for Non-Federal Entity Contracts Under Federal Awards).

Citation

- 2 CFR § 200.326
- grant agreement between NDOL and the grant subrecipient
- grant subrecipient's policies and procedures

Instructions

Interview staff who are involved or familiar with local procurement and contracting/subawarding processes.

Tips

2 CFR § 200.324 states that the grant subrecipient and its subrecipients must make available, upon request of the State, technical specifications on proposed procurements where the State believes such review is needed to ensure that the item or service specified is the one being proposed for acquisition.

Under certain instances, a grant subrecipient and or its subrecipients may self-certify its procurement system. Such self-certification must not limit the Federal awarding agency or State's right to survey the system. Under a self-certification procedure, the Federal awarding agency or

State may rely on written assurances from the grant subrecipient, contractor, and subrecipient of the grant subrecipient that each is complying with the Federally established standards. The grant subrecipient must cite specific policies, procedures, regulations, or standards as being compliant with the requirements and make its procurement system available for review.

Questions for review and discussion

1. Does the grant subrecipient make procurement documents available upon request for review by ETA and State pre-procurement review, such as requests for proposals, invitations for bids, and independent cost estimates?

2. Are specific individuals responsible for signing contracts/agreements on behalf of the grant subrecipient?

3. Does the grant subrecipient have established contract templates for contractors and subrecipients? If so, are required provisions included?

4. Are the individuals designated as responsible parties for procurement actions appropriately designated?

5. How does the grant subrecipient administer contracts/subaward agreements and determine that terms and conditions of contracts/subaward agreements are being met by contractors/subrecipients?

6. Does the grant subrecipient have a process for the closeout of contracts/subaward agreements?

7. Do grant subrecipient contract/subaward agreement closeout policies and procedures address final payments and final deliverable of goods and/or services?

8. Examine contracts/subaward agreements and confirm that they contain the essential elements of a legally executed and binding written agreement as specified under contract law, which must contain at a minimum the following:

    a. offer;

    b. acceptance;

    c. consideration;

    d. authorized purpose; and

    e. names and signatures of authorized officials/signatories.

9. The contract/subaward agreement should include a specified statement of work outlining goods or services to be rendered in consideration of specified payments. The contract/subaward agreement should also specify the period of performance (start and end date of the contract) and the total amount of the contract/subaward agreement. Review the contracts/subaward agreements for the following content.

    a. Authorized officials and purpose. Authorized officials are persons authorized to enter into and sign legally binding agreements. They must be on record as the signatory official. Signatures of all parties to the contract/subaward agreement must be evident and part of the written contract.

    b. Additional contractual terms and conditions. Contracts/subaward agreements must include standard terms and conditions required under Federal, State, and local laws, rules, regulations, guidance, and policies.

    Note. Refer to the grant agreement between NDOL and the grant subrecipient and 2 CFR Part 200 Appendix II.

10. Determine if the grant subrecipient maintains records sufficient to detail the history of the procurement, by looking for the following:

    a. rationale for the method of procurement;

    b. selection of contract type;

    c. basis for contractor selection or rejection; and

    d. basis for contract price.

Tools

- Refer to Resource K: Background for contract provisions for a listing of applicable contract/subaward agreement provisions.
- Use Tool H: Subaward review worksheet to assist in completing this indicator.
- Use Tool I: Contract review checklist to assist in completing this indicator.

Objective 2.e. Performance management

The grant subrecipient maintains a performance management system to manage, track, and measure performance and operating goals, indicators, milestones, and expected outcomes that comply with the terms and conditions of the award.

(C) Indicator 2.e.1. Performance reporting

The grant subrecipient adheres to requirements for the grant award including accurate, complete, and timely submission of reports that compare actual results to planned results, describes obstacles to achievement of grant objectives, and provides details on corrective actions.

Citation

- WIOA Sec. 185(a)(2)
- 2 CFR § 200.328(b)(1)
- quarterly and annual performance reports for the grant subrecipient's local area for the applicable Program Year(s)
- negotiated and adjusted levels of performance for the applicable Program Year(s)
- grant agreement between NDOL and the grant subrecipient
- State's performance accountability policy

Instructions

Examine the grant subrecipient's most recently available performance reports that apply to the monitoring period.

Compare adjusted levels of performance for each performance Indicator with planned performance from the beginning of the applicable Program Year(s) through the most recent quarter.

Tips

Outcomes for program performance indicators are the end results (negotiated/adjusted levels of performance) the grant is expected to accomplish:

- employment rate, second quarter after exit;
- employment rate, fourth quarter after exit;
- median earnings rate, second quarter after exit;
- credential attainment rate; and
- measurable skills gains.

Visit the ETA Performance webpage for Federal performance reporting guidance, questions and answers, training tutorials, timelines, and links to reporting formats required under WIOA.

Questions for review and discussion

1. Does the grant subrecipient have a process in place to properly identify, collect, record, validate, and report the performance data required for the grant award under Federal and State laws, rules, regulations, guidance, and policies?

2. Are all local area staff responsible for entering Title I program data into the State-approved management information system (NEworks) properly trained on performance reporting requirements, performance outcome definitions, and effective use of NEworks?

3. Have quarterly financial reports been submitted on a timely basis according to timelines in the State's policy on quarterly financial reporting?

(C) Indicator 2.e.2. Progress monitoring

The grant subrecipient has a performance monitoring tool that compares planned results to actual results, identifies causes of low performance, establishes corrective action plans, and focuses on continuous improvement through regular review and analysis of relevant program performance data.

Citation

- 2 CFR § 200.328(b)(2)(i)
- quarterly and annual performance reports for the grant subrecipient's local area for the applicable Program Year(s)
- negotiated and adjusted levels of performance for the applicable Program Year(s)
- grant agreement between NDOL and the grant subrecipient
- State's performance accountability policy

Instructions

Review the grant subrecipient's progress to date in meeting its negotiated levels of performance and the capacity to use performance data to evaluate and improve the quality of services and products delivered.

Examine the most recently available enrollment reports and compare the number of participants currently being served to the number of enrollments planned for this period in the grant's implementation plan. Refer to budget plans for applicable Program Year(s), which available upon request to the SMU Administrator.

Questions for review and discussion

1. Does the grant subrecipient have grant-specific monitoring tools to:

a. assess compliance with requirements of the grant agreement between NDOL and the grant subrecipient;

b. monitor progress on meeting negotiated levels of performance; and

c. compare negotiated levels of performance to actual and adjusted levels of performance?

2. Does the grant subrecipient compare planned v. actual program and financial performance?

3. Are the results of the compared programmatic and financial performance documented and used by the local board and administrative entity for continuous improvement of Title I programs?

4. How do the local board and administrative entity use compared and actual programmatic and financial performance data to improve performance for Title I programs?

5. Do the local board and administrative entity identify challenges to programmatic and financial performance and take corrective action?

6. How are challenges and efforts to correct challenges to programmatic and financial performance communicated to the State?

7. What corrective actions have been taken by the grant subrecipient to address current and past challenges to the programmatic and financial and performance?

Objective 2.f. Subrecipient management and oversight

When acting as a pass-through entity (PTE), the grant subrecipient manages all of its subrecipients and tracks their performance and compliance in meeting the terms and conditions of the subaward.

(C) Indicator 2.f.1. Subrecipient and contractor determination

The grant subrecipient, when acting as a pass-through entity (PTE), has determined whether each subaward agreement/contract appropriately casts the applicable third party in the role of a subrecipient or contractor.

Citation

- 2 CFR §§ 200.330 (a)-(b) and 200.331(a)

Instructions

Interview key personnel to understand the relationship between the PTE and the applicable third-party subrecipient or contractor.

Tips

It is important to understand distinctions between the subrecipient and contractor roles defined in 2 CFR §§ 200.330 (a)-(b) and 200.331(a).

- A subaward is an award to a subrecipient and the term applies only to the relationship between the PTE and the subrecipient. Under 2 CFR Part 200, the PTE is responsible for the actions of its subrecipients, as subrecipients are acting on behalf of and as agents of the PTE when carrying out part of a Federally funded program (i.e., Title I programs).

- A contract, on the other hand, is not a subaward; instead, it is contract for procurement of goods or services from a contractor.

The PTE is required to make case-by-case determinations as to whether each subaward agreement/contract it enters into involving disbursement of Federal program funds appropriately casts the third party receiving the funds in the role of subrecipient or contractor. Below is a list of characteristics that determine if the third-party is a subrecipient or a contractor.

Characteristic	Classification
Determines who is eligible to receive what Federal assistance	Subrecipient
Performance is measured by whether objectives of the Federally funded program are met	Subrecipient
Has responsibility for programmatic decision making	Subrecipient
Responsible for adhering to applicable requirements for the Federally funded program	Subrecipient
Uses Federal funds to carry out a program for a public purpose	Subrecipient
Funded by a subaward from the grant subrecipient	Subrecipient
Provides similar goods or services to many different purchasers	Contractor
Provides goods and services regarding normal business operations	Contractor
Provides goods of services that are ancillary to the operation of the Federally funded program	Contractor

Not subject to compliance requirements for the Federally funded program	Contractor
Provides goods and services for the grant subrecipient's own use, therefore creating a procurement relationship	Contractor
Funded by a procurement contract	Contractor

Questions for review and discussion

1. Has the PTE correctly identified each third-party as a subrecipient or a contractor?

2. Does the PTE understand the roles of subrecipient and contractors in accordance with the Uniform Guidance?

(C) Indicator 2.f.2. Pre-award risk analysis

The grant subrecipient, when acting as PTE, must identify requirements and methods for conducting pre-award risk assessment and subrecipient selection.

Citation

- 2 CFR §§ 200.205, 200.207, 200.213, 200.318, and 200.331
- 2 CFR § 2900.3
- TEGL 2-12

Instructions

Review the PTE's written procedures for pre-award risk assessment (factors used to evaluate service providers prior to subaward) and subrecipient selection.

Review the PTE's required conflict-of-interest provisions for subaward agreements and determine if any specific subaward conditions were imposed by the PTE on any or all subaward recipients.

Tips

The System for Award Management (SAM) is the Federal awards system (managed by the GSA), for reporting on the performance and integrity of recipients/subrecipients of Federally funded subawards. This system is available to the public and can be used by the PTE as part of its pre-award risk analysis to ensure that it is awarding subawards to reputable subrecipients.

Questions for review and discussion

1. Does the grant subrecipient, when acting as a PTE, evaluate each potential subrecipient's risk of compliance with Federal statutes, regulations, and the terms and conditions of the subaward?

2. Does the PTE have written procedures and evaluation factors for selecting subrecipients?
3. Does the pre-award risk assessment consider the following factors:
    a. financial stability;
    b. quality of management systems and ability to meet management standards;
    c. history of performance;
    d. reports and findings from audit performed under 2 CFR Part 200 Subpart F – Audit Requirements;
    e. ability to effectively implement and meet statutory, regulatory, and other requirements; and
    f. findings and questioned costs from past monitoring reports?
4. As a result of the pre-award risk assessment of potential subrecipients, did the PTE establish any specific awards conditions as described in 2 CFR § 200.207?
5. Does the PTE have procedures in place to check whether a potential subrecipient is not debarred or a suspended party regarding eligibility to receive Federal funds prior to making a subaward?
6. Did the PTE check SAM.gov to ensure that potential subrecipients and contractors are not disbarred or suspended from receiving Federal funds?
7. Does the PTE have procedures for reporting allegations of fraud, program abuse, or criminal conduct involving subrecipients receiving Federal funds from the grant subrecipient?

Tools

- Use Tool S: Risk assessment worksheet to assist in completing this indicator.

(C) Indicator 2.f.3. Post-subaward responsibilities

The grant subrecipient, when acting as a PTE, must ensure that all applicable records management requirements are observed by subawardees.

Citation

- 2 CFR §§ 200.331, 200.333, and 200.338
- grant subrecipient's local records management policies

- grant subrecipient's agreements with its subrecipients (i.e., subawardees)
- subawardee record management policies

Instructions

Interview key personnel to gain an understanding how the PTE performs the additional duties with its subawardees outlined in additional subsections below.

Tips

PTEs have additional responsibilities, and it is important to emphasize that the subawardees carry out an integral part of the Federal program on behalf of the PTE. The subawardee is, in effect, an agent of the PTE and acts on behalf of the PTE in the same manner as if the PTE itself were doing the work. However, subawardees must also comply with all of the rules and requirements that apply to the grant subrecipient's use of Federal funds.

Questions for review and discussion

1. Does the PTE provide technical assistance to its subawardees in a timely matter?
2. Do the PTE's subawardees have budget controls in place to ensure allowability of costs and analysis of results?
3. Does the PTE require its subawardees to submit timely modifications to the subaward agreements prior to taking actions proposed in the modifications?
4. Did the PTE ensure that subawardees have systems in place to track and report performance and financial data as required under the State's policies?
5. Does the PTE review subawardee costs to verify they are reasonable, necessary, allowable, and allocable?
6. Do subawardees submit all financial reports to the PTE based on an accrual method of accounting?
7. Has the PTE identified any of its subawardee as noncompliant with Federal and State laws, rules, regulations, guidance and State policies or the terms and conditions of the WIOA grant agreement? If so, did the PTE enforce additional actions to remedy noncompliance?
8. Does the PTE have policies and procedures regarding subawardee noncompliance that include actions as outlined in 2 CFR § 200.338(a) – (f), such as:
    a. temporarily withholding cash payments pending correction of the deficiency by the subawardee or more severe action by the PTE;
    b. disallowing all or part of the cost of the activity or action not in compliance;
    c. wholly or partly suspending or terminating the subaward;

d. initiating suspension or debarment proceedings pursuant to 2 CFR Part 180 and applicable ETA regulations;

e. withholding further subawards for the project or program; and

f. taking other remedies that may be legally available.

9. If the PTE decided to terminate a subaward early, were actions outlined in 2 CFR §§200.339 and 200.340 followed?

(C) Indicator 2.f.4. Subrecipient monitoring

The grant subrecipient, when acting as a PTE, has implemented processes to perform monitoring of subawardees and issuing accurate performance reports on monitoring findings of subawardees to the local area CEO, local board, and the State. In addition, the PTE has established processes for resolution of subawardee compliance findings in a timely and effective manner.

Citation

- 2 CFR § 200.331
- 20 CFR § 679.310(i)
- grant subrecipient's written monitoring and oversight policies and procedures

Instructions

Interview grant subrecipient staff responsible for monitoring and oversight of subawardees to:

- determine if the grant subrecipient and subawardee have established policies and procedures for monitoring and oversight of the subawardee, including verification and documentation of the data reported to the grant subrecipient and the State by the subawardee;
- understand how the grant subrecipient's policies and procedures surrounding subawardee monitoring and oversight are implemented; and
- evaluate each subawardee's risk of noncompliance to determine appropriate grant subrecipient monitoring and oversight activities.

Note that WIOA and 2 CFR Part 200 establish requirements for monitoring of subawardees receiving Federal funds.

Tips

For WIOA Title I program grants defined under WIOA Secs. 128 and 133, the Governor is responsible for developing the State monitoring system and must provide a process for:

- annual onsite monitoring of local areas:
    - regarding compliance with the Uniform Guidance;
    - regarding achievement of substantial compliance with WIOA requirements;
    - regarding compliance with EO requirements of WIOA Sec. 188 and 29 CFR Part 38; and
    - to ensure compliant monitoring and oversight of activities for services to adults, dislocated workers, and youth;
- ensuring grant subrecipient monitoring and oversight of subawardees:
    - use of Federal funds for authorized purposes; and
    - compliance with Federal law, rules, regulations, and guidance, State policies, and the terms and conditions of the subaward, which must comply with Federal law, rules, regulations, and guidance and State policies;
- ensuring subawardee performance goals are achieved.

Questions for review and discussion

1. Does the local area administrative entity have written policies and procedures, tools and guides, and resources and methods in place for monitoring and oversight of subawardees, to ensure compliance with Federal and State laws, rules, regulations, and guidance, and policies?
2. Does the local area administrative entity, on behalf of the local CEO and local board, have written processes for:
    a. managing and overseeing subawardee responses to monitoring and oversight reports regarding compliance findings and areas of concern; and
    b. timely resolution of compliance findings and areas of concern relating to subawardee performance and activities?
3. Does the local area administrative entity perform regular and frequent monitoring and oversight of subawardees, on behalf of the local CEO and local board, to ensure subawards are used for authorized purposes in compliance with Federal and State laws, rules, regulations, and guidance, and policies?

4. Have local area administrative entity staff members responsible for subawardee monitoring and oversight received initial and ongoing training Federal and State laws, rules, regulations, and guidance, and policies?

5. Are monitoring and oversight reports regularly and frequently issued by the local area administrative entity to the local CEO and local board?

6. Are the monitoring and oversight reports issued by the local area administrative entity to the local CEO and local board provided during public meetings of the local board?

7. Do the reports contain corrective action plans for resolution of identified findings and areas of concern regarding subawardee performance?

8. How are subawardee corrective action plans tracked to determine progress and resolution?

9. Does the local area administrative entity have written policies and procedures for communication of information to subawardees regarding findings, areas of concern, and other monitoring/oversight observations?

Tools

- Use Tool J: Subrecipient monitoring reports worksheet to assist in completing this indicator.

Objective 2.g. Records management

The grant subrecipient maintains a system and implements procedures to manage and secure all financial records, supporting documents, statistical records, and all other records pertinent to the Federal award.

(C) Indicator 2.g.1. Record retention

The grant subrecipient has established appropriate policies and procedures for the retention of and access to records pertinent to the Federal award that meets requirements of Federal and State laws, rules, regulations, guidance, and policies.

Citation

- WIOA Sec. 185(a)
- 2 CFR § 200.333
- State policy on records management
- grant subrecipient and subawardee record retention and access policies

Instructions

Interview staff responsible for local area record retention and access. Responsibilities for record retention area apply to all levels of implementation of the grant award, including grant subrecipient, local board, local area administrative entity, and subrecipient/subawardee levels.

Review the grant subrecipient and subawardee record retention and access policies.

Tips

The State's records management policy:

- requires that all program related records must be documented electronically in NEworks (the State's MIS of record); and

- states that paper records are not permitted and are not considered for data validation and monitoring purposes.

Financial records, supporting documents, statistical records, and all other records pertinent to a Federal award of Title I program funding must be retained for a minimum period of three years from the date the final expenditure report was submitted, regardless if the documents are from the grant subrecipient or its subawardees.

There are situations that may extend the standard three-year record retention period. In addition, some specific types of records have their own record retention period-triggering activities. Some exceptions to the regular retention period include:

- written notification to extend, litigation, claim, audit, monitoring, real property and equipment, records transfer, indirect cost records, and WIOA Title I complaints (review 2 CFR § 200.333 and 29 CFR Part 38 in detail for record retention requirements); and

- record retention requirements established at State, regional, and local levels.

Note. Record retention requirements for the Greater Nebraska Workforce Development Area are subject to additional retention requirements. For additional information relating the Greater Nebraska, Workforce Development Area, refer to the Nebraska Department of Labor retention schedule at https://sos.nebraska.gov/records-management/department-labor-schedule-45.

Questions for review and discussion

1. Have the grant subrecipient, local board, and local area administrative entity properly identified all financial records, programmatic documents, supporting documents, statistical records, and all other records pertinent to the Federal award that must be retained pursuant to Federal and State laws, rules, regulations, guidance, and policies?

2. Do the local CEO, local board, and local area administrative entity have written record retention policies that meet all requirements established under Federal and State laws, rules, regulations, guidance, and policies?

3. Have the local CEO, local board, and local area administrative entity established a written record retention schedule for grant related records with appropriate dates when records are no longer subject to retention and should be securely retired?

4. Have the local CEO, local board, and local area administrative entity designated staff members as custodians responsible for record retention?

5. Regarding records retained through electronic mediums:

    a. are records subject to additional retention periods retained through electronic mediums; and

    b. are the mediums likely to be outdated in three years and no longer accessible?

Tools

- Refer to Resource L: Retention of records table for additional information.

(C) Indicator 2.g.2. Accessibility

The local CEO, local board, and local area administrative entity must maintain accessible records and access to records for the duration of record retention periods mandated under Federal, State, and local laws, rules, regulations, guidance, and policies. Access includes making personnel available for interviews and discussions related to retained records.

Citation

- 2 CFR § 200.336
- State policy on records management
- grant subrecipient and subawardee record retention and access policies

Instructions

Interview staff responsible for local area record retention and access. Responsibilities for record retention and access apply to all levels of implementation of the grant award, including the local CEO, local board, local area administrative entity, and subawardees.

Review the local CEO, local board, and local area administrative entity record retention and access policies and procedures.

Tips

ETA, the ETA Inspector General, Comptroller General of the United States, NDOL, and/or any of their authorized representatives have the right of access to any documents, papers, or other records (including electronic writings and records) of the local CEO, local board, and local area administrative entity pertinent to the Federal award to make audits, monitoring reviews,

examinations, excerpts, and transcripts. The right also includes timely and reasonable access to local CEO, local board, and local area administrative entity staff for interviews and discussions related to such documents. For WIOA Title I grant subrecipients, the Director of the Office for Civil Rights has the same rights of access described pursuant to requirements established under 29 CFR Part 38.

Questions for review and discussion

1. Are records accessible and available for timely review by authorized officials and representatives?

2. Are staff responsible for the creation, maintenance, and retention of records available for interview upon request?

(C) Indicator 2.g.3. Protected personally identifiable information (PII)

The local CEO, local board, and local area administrative entity take reasonable measures to safeguard protected personally identifiable information (PII) and other information deemed sensitive or confidential according to Federal, State, and local privacy laws and obligations of confidentiality.

Citation

- 2 CFR §§ 200.303 and 200.337
- TEGL 39-11
- grant agreement between NDOL and the grant subrecipient
- State policies
- grant subrecipient and subawardee policies and procedures regarding PII

Instructions

Review local CEO, local board, and local area administrative entity policies and procedures on PII to ensure that safeguards are in place to protect PII of all Title I program participants.

Tips

- The grant subrecipient's record retention and access policies and procedures must contain internal controls sufficient to mitigate the possibility of unauthorized access to PII, whether such records are paper or electronic, including email transmission. The controls must prevent the release of information that would allow the identification of an individual.

- Note that a grant subrecipient may not limit public access to records that are pertinent to the Federal award (financial records, performance records, etc.); however, the public does not have access rights to PII.

Questions for review and discussion

1. Does the grant subrecipient have reasonable and acceptable internal controls in place and in effect to safeguard PII consistent with the requirements of Federal, State, and local laws, rules, regulations, guidance, and policies regarding PII; and the grant agreement between NDOL and the grant subrecipient?

2. Does the grant subrecipient appropriately secure sensitive and confidential information collected and retained for the purposes of the grant award, including restricted access limited to necessary personnel?

(C) Indicator 2.g.4. Custody and transfer

The grant subrecipient's record retention policy has safeguards to ensure the maintenance and custody of grant records under various circumstances.

Citation

- 2 CFR § 200.334
- 2 CFR § 2900.18

Instructions

- Review the grant subrecipient's record retention and maintenance policy to ensure that there are procedures regarding the custody and transfer of grant records.

Tips

- ETA allows for contingency provisions at 2 CFR § 2900.18 for record retention and transfer of records. The grant subrecipient should set aside grant funds for record retention activities subsequent to the grant's period of performance.

Questions for review and discussion

1. Does the record retention requirement address circumstances under which custody of subawardee records must be transferred to the grant subrecipient?

2. Is there a disaster plan in place to ensure that records are adequately safeguarded in a time of a disaster? Are there back up files?

3. If applicable, does the PTE have procedures to retain subawardee records as directed by ETA after the grant's period of performance?

4. Does the grant subrecipient have procedures in place to set aside grant funds for record retention activities subsequent to the grant's period of performance?

Objective 2.h. Personnel

The grant subrecipient's management and staffing are aligned with the work plan, state plan, regional and local plan, or project plan and designed to assure responsible and ethical management of the grant.

(C) Indicator 2.h.1. Personnel policy and procedures

The grant subrecipient has a current written personnel policy, including provisions addressing hiring processes and procedures, that meets the requirements of applicable Federal and State laws, rules, regulations, guidance, and policies and enforces the requirements of the personnel policy.

Citation

- 2 CFR § 200.430(a)(1)-(2)

Instructions

- Review the grant subrecipient's personnel policy(ies).
- Interview the staff responsible for personnel/human resources for the organization.
- Review a listing of the grant subrecipient's job openings for the previous 12 months.

Questions for review and discussion

1. Do personnel practices conform to the grant subrecipient's written policy?
2. Are personnel practices reasonable for the services rendered?
3. Do personnel practices comply with applicable Federal, State, and local laws, rules, regulations, guidance, and policies governing employment?
4. Are personnel practices consistently applied to both Federal and non-Federal activities?
5. Do records indicate that hiring procedures were conducted according to the grant subrecipient's personnel policy?
6. Does the grant subrecipient's "EO (Equal Opportunity) is the Law" notice provide contact information for the grant subrecipient's EO officer(s), an overview of the discrimination complaint process, and information on how complaints may be filed?

7. Does the grant subrecipient have a written discrimination complaint procedure?

    a. If not, why?

    b. If yes, does the procedure comply with applicable Federal and State laws, rules, regulations, guidance, and policies?

(C) Indicator 2.h.2. Staff positions

The grant subrecipient fills staff positions with responsible individuals.

Citation

- 2 CFR §§ 200.113 and 200.427
- 20 CFR § 683.620
- TEGL 2-12

Instructions

- Review documentation that lists organizational chart positions, qualifications for the positions as delineated on job descriptions, and the qualifications of staff currently employed in each position.
- If appropriate, make a sample to document and interview grant staff.

Questions for review and discussion

1. Are positions currently filled with responsible individuals?
2. Review the grant subrecipient's insurance policy.

    a. Are appropriate grant staff properly insured and bonded?

    b. If not, is the grant subrecipient conducting background or qualification checks (past employment records, criminal activity, etc.)?

3. For persons working on the grant, has the grant subrecipient confirmed and disclosed in a timely manner, in writing, to NDOL all violations of Federal criminal law involving fraud, bribery, or gratuity violations potentially affecting the grant subrecipient's award?

(C) Indicator 2.h.3. Salaries

Salaries and bonuses are reasonable and comparable to the local labor market and within the Executive Level II threshold established by the Office of Personnel Management (OPM).

Citation

- Federal Funding Accountability and Transparency Act (P.L. 109-282)
- WIOA Sec. 194(15)(A)-(B)
- 2 CFR § 200.430(b)
- 5 USC § 5313
- TEGL 5-06

Instructions

- Interview the executive staff person responsible for the direction and management of the organization.
- Obtain a list of full-time and part-time personnel charging time to the grant.

Tips

- Pursuant to WIOA Sec. 194(15)(A)-(B):
    - (15)(A) None of the funds available under this title shall be used by a recipient or subrecipient of such funds to pay the salary and bonuses of an individual, either as direct costs or indirect costs, at a rate in excess of the annual rate of basic pay prescribed for level II of the Executive Schedule under 5 USC § 5313.
    - (15)(B) The limitation described in subparagraph (A) [above] shall not apply to vendors providing goods and services as defined in Office of Management and Budget Circular A–133. In a case in which a state is a recipient of such funds, the state may establish a lower limit than is provided in subparagraph (A) for salaries and bonuses of those receiving salaries and bonuses from a subrecipient of such funds, considering factors including the relative cost of living in the state, the compensation levels for comparable state or local government employees, and the size of the organizations that administer the Federal programs involved.

  Note. The term “vendor” has been replaced with the term “contractor” as defined at 2 CFR § 200.23, in which, a contractor is an entity that receives a contract as defined in 2 CFR § 200.22.

Questions for review and discussion

1. Are salaries and fringe benefits reasonable to the extent that they are comparable to those paid for similar work in the same labor market?
2. Are bonuses, raises, leave practices, etc. covered in written personnel policies?

3. Select a sample from the top positions within the organization and validate the compensation packages for each.

    a. Is compensation for top positions reasonable/in-line with local labor market information?

4. Is there sufficient documentation to support the salaries and fringe benefits charged to the grant? (Refer to Objective 3.g. Cost allocation/indirect costs.)

5. Are salaries and bonuses paid from grant funds in compliance with the salary and bonus limitation of the Executive Level II on the Federal Executive pay scale under 5 USC § 5313?

Tools

Use Tool R: Documentation of personal services to assist in completing the indicator.

(E) Indicator 2.h.4. Organizational chart

The local CEO, local board, local area administrative entity, and subawardee staff members and their respective job descriptions sufficiently demonstrate ability to perform grant functions and implement the grant award pursuant to Federal and State law, rules, regulations, guidance, and policies; the WIOA grant agreement (including its Attachment I); and subawardee agreements.

Instructions

Interview local area administrative entity staff and subawardee management staff responsible for the direction and management of grant and subawardee staff.

Review the grant subrecipient's organizational chart, including all staff at the:

- local area administrative entity level; and
- subawardee level.

Questions for review and discussion

1. Is the grant subrecipient organizational chart current for all local area administrative entity and subawardee staff?

2. Does the organizational chart represent a staffing structure that provides capacity for execution of the grant?

    a. In the event that high turnover is discovered within the subawardee staffing structure, how is the grant subrecipient addressing high turnover rates within the subawardee staff structure?

3. Are there evident or apparent gaps in staffing structures of the grant subrecipient, local area administrative entity, and subawardee organizations?

4. Review job descriptions for key/primary staff responsible for key grant award functions.

    a. Do the job descriptions delineate responsibilities; duties; and required experience, skills, and qualifications that clearly describe the expectations and requirements of the positions sufficient to provide organizational capacity in key functional areas?

Objective 2.i. Civil rights, complaints, grievances, and incident reporting

The grant subrecipient has a system in place to ensure that Federal Civil Rights complaints, program complaints, grievances, and incidents are handled properly and in accordance with Federal requirements.

(C) Indicator 2.i.1. Policies and procedures

Policies and procedures are in place that demonstrate grant subrecipient compliance and commitment to requirements of applicable Federal and State laws (including civil rights laws), rules, regulations, guidance, and policies.

Citation

- Title VI and Title VII of the Civil Rights Act of 1964
- Title IX of the Education Amendments of 1972, Age Discrimination Act of 1975
- The Americans with Disabilities Act of 1990
- ADA Amendments Act of 2008
- Section 504 of the Rehabilitation Act of 1973
- WIOA Sec. 188
- 2 CFR §§ 200.300 and 2900.4
- 29 CFR Parts 31, 32, 35, 37, and 38
- 49 CFR Part 25

Instructions

There are three types of allegations:

- discrimination;
- program related complaints and grievances; and
- fraud or other forms of criminal misconduct.

Each allegation type has its own unique requirements and actions that the grant subrecipient must take.

- Discrimination. Interview the grant subrecipient's EO officer and staff assigned with responsibility for ensuring the organization's compliance with the following requirements:
    - Title VI and Title VII of the Civil Rights Act of 1964;
    - Title IX of the Education Amendments of 1972;
    - Age Discrimination Act of 1975;
    - The Americans with Disabilities Act of 1990 and the ADA Amendments Act of 2008;
    - Section 504 of the Rehabilitation Act of 1973;
    - WIOA Sec. 188;
    - 2 CFR §§ 200.300 and 2900.4;
    - 29 CFR Parts 31, 32, 35, 37, and 38; and
    - 49 CFR Part 25.
- Program related complaints and grievances. Interview the grant subrecipient's EO officer and staff who are responsible for ensuring the organization's compliance with the following requirements:
    - WIOA Sec. 181; and
    - 20 CFR §§ 683.600 and 683.610.
- Fraud and other forms of criminal misconduct. Interview the grant subrecipient's EO officer and staff responsible for ensuring the organization's compliance with the following requirements:
    - 20 CFR § 683.620; and
    - TEGL 2-12.

Policies and forms distributed by the grant subrecipient and its subawardees must refer to the new regulations at 29 CFR Part 38, 20 CFR §§ 683.600 – 683.650, and 20 CFR Part 658, wherever applicable.

Tips

- An essential element of the workforce development system is its accessibility to everyone. Regulations at 29 CFR Part 37 were released in 1999 and updated in 2016 and eventually replaced by requirements established under WIOA Sec. 188 and 29 CFR Part 38.

- In short, programs and activities covered under 29 CFR Part 38 may not refuse to offer or provide services to individuals because of their race, color, religion, sex, national origin, age, disability, or political affiliation or belief. Beneficiaries, applicants, and participants, as defined by 29 CFR Part 38, cannot be denied covered services because of their citizenship status and cannot be denied their rights because of participation in a WIOA Title I financially assisted program or activity.

- Additionally, requirements relating to complaints and grievances reporting and management are required for all Title I grant subrecipients and may be found at 20 CFR §§ 683.600 – 683.650 and 20 CFR Part 658.

Questions for review and discussion

1. Does the grant subrecipient have written discrimination, grievances and complaints, and incident procedures?

2. Does the grant subrecipient maintain a log of submitted discrimination, grievances and complaints, and incidents? If not, why?

3. How does the grant subrecipient resolve the alleged complaints, regardless of logging of the complaints?

4. Are services provided at the grant subrecipient's one-stop centers accessible to all eligible individuals?

5. Does the grant subrecipient use wording required by 29 CFR § 38.34 in publications, materials, and brochures?

    a. Grant subrecipients must indicate that the Title I financially assisted program or activity in question is an "equal opportunity employer/program", and that "auxiliary aids and services are available upon request to individuals with disabilities."

6. Has the grant subrecipient established a system for periodically monitoring its compliance with the EO law?

7. Does the grant subrecipient prominently post an "EO is the Law" notice with wording mirroring 29 CFR § 38.35?

8. Does the grant subrecipient have any previously submitted cases awaiting decision from the Civil Rights Center? If yes, contact the Civil Rights Center Office of External Enforcement at 202.693.6502 for updates on the cases.

(C/E) Indicator 2.i.2. Notices

Notices (in languages appropriate to the populations served) are visibly posted to inform staff, service providers, participants, and other individuals of the discrimination complaint process, EO, and Section 504 policies (policies addressing the requirements of Section 504 of the Rehabilitation Act of 1973).

Citation

- Section 504 of the Rehabilitation Act of 1973
- Title VI and Title VII of the Civil Rights Act of 1964
- Title IX of the Education Amendments of 1972
- Age Discrimination Act of 1975
- The Americans with Disabilities Act of 1990
- ADA Amendments Act of 2008
- WIOA Sec. 188
- 2 CFR § 200.300
- 2 CFR § 2900.4
- 29 CFR Part 31
- 29 CFR Part 32
- 29 CFR Part 35
- 29 CFR Part 37
- 29 CFR Part 38
- 49 CFR Part 25

Instructions

- Do a walkthrough of the grant subrecipient's office and observe the notices that the grant subrecipient has posted to inform individuals of their rights related to complaints regarding compliance with EO and Section 504 of the Rehabilitation Act of 1973.

Questions for review and discussion

1. Are notices prominently posted in a reasonable number of places, including electronic medium, to include administrative and service delivery areas, and are they available in appropriate formats to individuals with visual impairments?

2. If a significant number of the population eligible to be served speaks a language or languages other than English, has the grant subrecipient taken reasonable steps to provide the notice in the appropriate language(s)?

3. Do employment notices, participant recruitment flyers, or other written materials published by the grant subrecipient contain a statement providing the required written EO notice?

(C) Indicator 2.i.3. Facilities

The grant subrecipient's location and facility, or part of the facility, is physically accessible to and usable by people with disabilities, individuals with limited English proficiency, individuals who may face various forms of sex discrimination, and individuals who are pregnant, have had a child or have related medical conditions.

Citation

- Section 504 of the Rehabilitation Act of 1973
- Title VI and Title VII of the Civil Rights Act of 1964
- Title IX of the Education Amendments of 1972
- Age Discrimination Act of 1975
- The Americans with Disabilities Act of 1990
- ADA Amendments Act of 2008
- WIOA Sec. 188
- 2 CFR §§ 200.300 and 2900.4
- 29 CFR Parts 31, 32, 35, 37, and 38
- 49 CFR Part 25

Instructions

- Perform a "walkthrough" of the grant subrecipient's office(s) and make observations of the location.

Tips

- Facilities for workforce programs or other programs subject to the requirements of 29 CFR Part 38 must ensure and enhance access to the workforce system, in particular for people with disabilities, individuals with limited English proficiency, individuals who may face various forms of sex discrimination, and individuals who are pregnant, have had a child or have related medical conditions.

- For additional information, please refer to US Department Office of Disability Employer Policy website.

Questions for review and discussion

1. Does the grant subrecipient's location(s) and facility(ies) meet physical accessibility requirements?

2. Are services provided at the grant subrecipient's location(s) and facility(ies) accessible to individuals with disabilities?

3. Does the grant subrecipient's location(s) and facility(ies) meet the requirements for individuals with limited English proficiency?

4. Does the grant subrecipient's location(s) and facility(ies) provide accommodations for participants and other beneficiaries of the workforce system?

5. One-stop partners in a local one-stop delivery system must share in the costs of assistive technology for participants and beneficiaries of the workforce system. Are such costs being appropriately shared by the one-stop partners? (Refer to Indicator 1.b.4. Required one-stop partners.)

(C) Indicator 2.i.4. Grievance and complaint system

If ETA or NDOL has imposed additional specific award conditions on the grant subrecipient, the grant subrecipient is adhering to the conditions.

Citation

- WIOA Sec. 188

- 20 CFR Part 658

- 20 CFR §§ 683.600 – 683.650 and 683.700

- grant agreement between NDOL and the grant subrecipient

Instructions

- Review the grant subrecipient's complaint and appeal procedures.
- Review recent complaints and grievances.

Questions for review and discussion

1. Does the grant subrecipient have a written procedure for grievances or complaints alleging violations of the WIOA?
2. Does the grant subrecipient have a documented process for providing information on the procedures to participants and other interested or affected parties, including local administrative staff, subawardees, one-stop partners, and program participants and other one-stop center customers?
3. Does the grant subrecipient ensure that the information is understood by affected individuals, including youth and individuals with limited English proficiency?
4. Were received complaints and/or grievances recorded in a log or other written document? If not, why?
5. Were received complaints and /or grievances reviewed resolved in a timely manner and consistent with local policy and Federal and State laws, rules, regulations, guidance, and policies?
6. Do the grant subrecipient's grievance and complaint policies and procedures provide for informal resolution and hearing to be completed within 60 days of date of filing?
7. Does the grant subrecipient adhere to the 120-day deadline for appeals?

(C) Indicator 2.i.5. Incident reporting

The grant subrecipient has a formal procedure in place for timely submission of incident reports.

Citation

- 2 CFR §§ 200.331(a)(5), 200.333, and 200.343
- 2 CFR § 2900.15
- 20 CFR § 683.620
- TEGL 2-12

Instructions

Review the grant subrecipient's incident reporting policy.

Tips

- The Uniform Guidance establishes a mandatory disclosure requirement for grant subrecipients and subawardees to disclose in writing to the Federal awarding agency or PTE violations of Federal criminal law involving fraud, bribery or gratuity violations that potentially affect the Federal award.
- Incidents, on the other hand, involve actions that may be criminal in nature, or at least there are suspicions that criminal activity is occurring. Incidents are events involving:
    - fraud, misfeasance, nonfeasance, or malfeasance;
    - misapplication of funds;
    - gross mismanagement;
    - employee or participant misconduct;
    - waste and program abuse; and
    - other criminal activities.
- TEGL 2-12 describes fraud and various "feasances" (misfeasance, nonfeasance, and malfeasance) as any alleged deliberate act which may violate federal statutes or regulations, including but not limited to:
    - bribery;
    - forgery;
    - extortion;
    - embezzlement;
    - theft of participant checks;
    - kickbacks from participants or contractors;
    - intentional payments to a contractor without the expectation of receiving services;
    - payments to ghost enrollees;
    - misuse of appropriated funds; and
    - misrepresenting information in official reports.

Questions for review and discussion

1. Is the grant subrecipient aware of any incident described above and were these allegations immediately reported through the US Department of Labor incident reporting system?

    a. Notes.

        i. The grant subrecipient is not expected to be able to determine whether the allegations or suspicions are true or not before reporting them to the Office of the Inspector General (OIG).

        ii. The grant subrecipient is not allowed to delay reporting such allegations or suspicions.

        iii. The grant subrecipient must report, in addition to explicit allegations of criminal wrongdoing, all complaints that raise questions about criminal wrongdoing or even suspicions of such wrongdoing.

        iv. It is the grant subrecipient's responsibility to report these events, and not determine whether they are true or not.

2. Did the grant subrecipient document and report these incidents consistent with form DL 1-156 and submit them to OIG and ETA?

    a. Notes.

        i. When the threat is immediately imminent or involves a substantial amount of funds, incidents must be reported to OIG even more quickly.

        ii. Where imminent health or safety concerns exist and/or imminent loss of funds exceeds $50,000, they must be reported to the OIG and ETA immediately by telephone followed by a written Incident Report (IR) no later than one working day. The incident reports may be filed through the US Department of Labor Hotline - Office of Inspector General 1-800-347-3756 or 202-693-6999.

IX. Core activity 3. Financial management

Objective 3.a. Internal controls

Effective control, integrity, and accountability are maintained for achievement of the grant's objectives regarding operational effectiveness and efficiency, reliable financial reporting, and compliance with Federal and State laws, rules regulations, guidance, and policies.

(C) Indicator 3.a.1. Effectiveness and efficiency of operations

The grant subrecipient has adequate internal controls in place for effective and efficient grant operations.

Citation

- 2 CFR §§ 200.61(a), 200.62, 200.302, 200.303(a), 200.400, 200.507, and 200.514
- grant agreement between NDOL and the grant subrecipient

Instructions

- Interview local area leadership, such as local board members and local area administrative entity staff regarding established internal control structures and how they are used to administer the grant award.
- Review the grant subrecipient's internal control environment, including the grant subrecipient's mission statement, personnel handbook, code of conduct policies, and any other materials that would address the functions and conduct of employees, management/leadership staff, and local area board members.
- Determine the frequency of exceptions to local area policies, procedures, and/or processes that impact internal controls.

Tips

- The grant subrecipient and its subawardees are responsible for efficient and effective administration of the award through use of sound management practices and administration of Federal funds in compliance with the grant agreement between NDOL and the grant subrecipient, requirements established under 2 CFR § 200.400, and all other applicable Federal and State laws, rules, regulations, guidance, and policies.

- Internal controls defined under 2 CFR Part 200 are processes designed to provide reasonable assurance regarding the achievement of objectives in the following categories:
    - effectiveness and efficiency of operations;
    - reliability of reporting for internal and external use; and
    - compliance with applicable laws and regulations.
- Internal controls also serve as the first line of defense in safeguarding assets and preventing and detecting errors, fraud, and violations of Federal and State laws, rules, regulations, guidance, and policies and provisions of contracts, subawards, and the grant agreement between NDOL and the grant subrecipient. However, the cost of a control should not exceed the benefit to be derived from it.
- Staff at every level of an organization affect internal controls to some degree. In other words, it is everyone's responsibility. Effective internal controls are a built-in part of the management process (i.e., plan, organize, direct, and control). Internal controls can provide only reasonable assurance, not absolute assurance, regarding the achievement of an organization's objectives. There are several reasons why internal controls cannot provide absolute assurance that objectives will be achieved:
    - cost/benefit realities;
    - collusion among employees; and
    - external events beyond an organization's control.
- The Uniform Guidance (2 CFR Part 200) increased emphasis on internal controls by providing the requirements described under 2 CFR § 200.303. Effective grant management includes:
    - segregation of duties;
    - written policies and procedures;
    - training;
    - internal controls;
    - effective oversight; and
    - effective communication and information sharing.
- A smaller entity may face some challenges in segregating duties because it has a smaller number of staff to whom it can assign responsibilities and authority in the organizational structure. However, the local area administrative entity and subawardee (i.e., service provider) management structure must respond to this increased risk through the design of an effective internal control system, segregating incompatible duties to the extent possible; and where this is not practical, designing compensating alternative controls.

- Written policies and procedures required under the Uniform Guidance (2 CFR Part 200) are outlined below in question 4. Other written policies and procedures that are part of a portfolio of sound grant management practices include the following, but are not limited to:
    - chart of accounts and accounting system;
    - budget controls and modifications;
    - grant revenues/receivables;
    - payments and accounts payables, including approval processes;
    - audits and audit resolution;
    - financial reporting;
    - program or performance reporting;
    - cash management and bank reconciliations;
    - human resources (i.e., hiring and selection practices);
    - program and interest income;
    - complaints and grievances;
    - incident reporting;
    - participant and program services;
    - monitoring;
    - property/equipment management;
    - record retention;
    - match and leveraged resources;
    - board policy and procedures; and
    - standards of conduct and conflict of interest.

  Note. This list is not all-inclusive. It is the grant subrecipient's responsibility to identify the policies and procedures needed to ensure sound management practices.

Questions for review and discussion

1. Does the grant subrecipient employ sound organizational and management techniques to assure proper and efficient administration of the award, in recognition of the grant subrecipient's own unique combination of staff, facilities, and experience?

2. Does the grant subrecipient have internal controls in place to provide reasonable assurance that grant operations will achieve the following objectives:

    a. effectiveness and efficiency of operations;

    b. reliability of reporting for internal and external use; and

    c. compliance with applicable laws and regulations?

3. Are all written policies and procedures in place, as required pursuant to WIOA, its implementing rules, regulations, and guidance, and other Federal and State laws, rules, regulations, guidance, and policies, including the 2 CFR Part 200?

4. Has the grant subrecipient established a standing timeframe for review and updating of local area policies and procedures, as well as review and updating on an as-needed basis, regarding:

    a. payments (2 CFR §§ 200.302(b)(6) and 200.305);

    b. allowable costs (2 CFR § 200.302(b)(7));

    c. procurement (2 CFR § 200.318);

    d. competition (2 CFR § 200.319);

    e. method for evaluation and selection (2 CFR § 200.320);

    f. compensation for personal services (2 CFR § 200.430);

    g. compensation – fringe benefits (2 CFR § 200.431);

    h. employee relocation costs (2 CFR § 200.464); and

    i. travel costs (2 CFR § 200.474)?

5. Do the policies and procedures described under questions 3 and 4 above reflect proper segregation of duties?

    a. Are duties segregated based on the following tasks:

        i. recording;

        ii. custodian;

        iii. authorizing; and

        iv. reconciliation?

    If not, does the grant subrecipient have compensating controls in place to mitigate the internal control risk?

Note. A compensating control is an alternative control that provides other controls to mitigate any risk if primary control fails.

6. Is there adequate initial and ongoing training of local area administrative staff and subawardee staff?

7. Do the local CEO and local board have an established oversight and monitoring program in place regarding local area administrative entity and subawardee operations?

8. Are all local CEO and local board policies and procedures communicated to all local area administrative and subawardee staff?

9. How do the local CEO, local board, local area administrative entity demonstrate commitment to integrity and ethical values (annual ethics training, employee handbook, organization mission statement, etc.)?

10. How do the local CEO and local board oversee and implement internal control systems and ensure adherence by local area administrative entity and subawardee staff to the written internal control systems and standards of conduct?

11. Do the local area administrative entity and subawardee have established organizational structures and assign responsibility and delegate authority appropriately to achieve the objectives of the grant award?

12. Do local area administrative entity and subawardee management staff demonstrate a commitment to hire, develop, and retain responsible employees?

13. Are conflict-of-interest and financial disclosure forms completed by appropriate personnel and updated on a frequent basis?

Tools

- Use Tool K: Policies and procedures checklist to assist in completing the indicator.
- Use Tool L: Segregation of duties worksheet to assist in completing the indicator.

(C) Indicator 3.a.2. Reliability of financial reporting for internal and external use

The grant subrecipient has adequate internal controls in place for accurate and timely financial reporting *and* has policies and procedures in place to ensure that its reporting system is safeguarded and limited to necessary personnel.

Citation

- 2 CFR §§ 200.61(a) and 200.62

Instructions

- Interview select personnel to understand how financial data is reported and what checks and balances are in place to ensure accurate quarterly reporting.

Tips

- The primary purpose of financial reporting is to provide information about the progression and results of the grant award. Because this information is utilized by the highest level of government, it is important that there are strong controls surrounding the reporting and reviewing of all financial reports.

Questions for review and discussion

1. Is access to the financial reporting system limited to necessary grant subrecipient personnel?

2. Are passwords used and is access to the system reviewed on a timely basis?

3. Is there proper segregation of duties between individual(s) that complete the financial report and supervisor(s) that review the data entered (e.g., separate PINs or passwords)?

4. Are all transactions recorded accurately, timely, and correctly summarized and posted in the financial management system?

5. Does the financial management system provide information for the following:

    a. identification of all grant awards received and expended and the Federal programs for which they were received;

    b. Federal award identification, including, as applicable the following:

        i. Catalog of Federal Domestic Assistance (CFDA) title and number;

        ii. Federal Award Identification Number (FAIN) and year;

        iii. name of awarding Federal agency; and

        iv. name of pass-through entity (i.e., NDOL)?

(C) Indicator 3.a.3. Compliance with applicable laws and regulations

The grant subrecipient has internal controls in place to ensure compliance with applicable laws and regulations governing that grant award and programs.

Citation

- 2 CFR §§ 200.61(a), 200.62, and 200.303(a)-(c)
- grant agreement between NDOL and the grant subrecipient

Instructions

- Review the grant subrecipient's policies and procedures and assess their effectiveness and efficiency.

Tips

- An effective policy or procedure is one that is unambiguous and is consistent with legal and regulatory requirements and is stated as clearly as possible, using precise language as needed.
- Policies and procedures should be written at an appropriate level of detail. This may be different for a policy v. a procedure, as policies are often broader statements that are not intended to cover every possible option. While policies should identify restrictions and prohibitions, procedures should be more specific to avoid confusion and misunderstanding.
- The best way to ensure that policies and procedures stay current is to have a regular review process. The review process should include asking staff if procedures are being used as written or if "informal" changes been made. To gather this information, it is important to assign oversight responsibilities for reviewing specific policies and procedures appropriately.

Questions for review and discussion

1. Has the grant subrecipient updated its policies and procedures to reflect changes and updates contained in Federal and State laws, rules, regulations, guidance, and policies, including the Uniform Guidance (2 CFR Parts 200 and 2900) and 29 CFR Part 28?
    a. Examine a selected number of policies to confirm.
2. What actions or steps does the grant subrecipient take to ensure compliance with applicable Federal and State laws, rules, regulations, guidance, and policies governing the grant and programs?
3. Does the grant subrecipient evaluate and monitor its compliance with Federal and State laws, rules, regulations, and policies and the grant agreement between NDOL and the grant subrecipient?
4. What training is provided to staff to ensure compliance with Federal and State laws, rules, regulations, and policies and the grant agreement between NDOL and the grant subrecipient?

5. Does the grant subrecipient take prompt action when instances of noncompliance are identified, including noncompliance identified in audit findings and actions related to its subawardee(s)?

6. Has the grant subrecipient taken reasonable measures to safeguard PII and other information the Federal awarding agency and/or NDOL designates as sensitive or the grant subrecipient considers sensitive consistent with Federal and State laws, rules, regulations, guidance, and policies and the grant agreement between NDOL and the grant subrecipient regarding privacy and obligations of confidentiality?

(C) Indicator 3.a.4. Safeguard on assets

The grant subrecipient has adequate safeguards for all grant-purchased property and ensures that it is used solely for authorized purposes. In addition, the grant subrecipient has mechanisms in place to prevent unauthorized purchases and disbursements of grant funds. Further, the grant subrecipient safeguards its assets by ensuring that no sole individual controls the order, receipt, payment, reconciliation, management, and disposition of an asset.

Citation

- 2 CFR § 200.302(b)(4)

Instructions

- Review the grant subrecipient's asset management procedures to ensure that there are proper safeguards to protect all assets, including PII.

Tips

- Safeguards can include mechanisms that prevent unauthorized purchases and disbursement of Federal funds and cash-equivalent assets, as well as proper segregation of duties and physical locks around assets.

- Like cash, cash-equivalent assets have heightened exposure to risk of loss, more so than most other types of assets due to their liquidity. Grant subrecipients are responsible for establishing effective policies and procedures to manage the risk associated with cash equivalent assets and remediate any exposure to risk and potential loss of these vulnerable assets.

- Cash equivalent assets are items such as:

    - bus cards;
    - debit and credit cards;
    - gas cards;
    - PINs and passwords;

- bus passes;
- blank check stocks;
- check-signing machines;
- signature stamps; and
- items that have a monetary value and that are easily transferable.

This list is not all-inclusive. Discuss with the grant subrecipient what other cash equivalent assets may be held at its location.

Questions for review and discussion

1. Does the grant subrecipient have mechanisms in place to prevent unauthorized purchases and disbursements?
2. Is there proper segregation of duties surrounding the asset management process?
    a. Verify that no single individual controls or is responsible for the authorization, order, receipt, payment, disbursement, access, management, reconciliation, or disposition of assets.
3. How does the grant subrecipient safeguard physical and intangible assets?
4. Does the grant subrecipient perform an inventory of assets including bus tokens, checks, credit cards, etc.?
    a. How are these items safeguarded to prevent unauthorized use?
    b. How are these items tracked to ensure proper usage?

Tools

Use Tool L: Segregation of duties worksheet to assist in completing this indicator.

Objective 3.b. Accounting system and financial reporting

An accounting system is in place that allows the grant subrecipient to maintain accurate and complete disclosure of the grant's financial results and those of its subrecipients.

(C) Indicator 3.b.1. Basis of reporting

If the grant subrecipient maintains its books of account on a cash basis, it develops and reports financial data on an accrual basis.

Citation

- 2 CFR § 2900.14

Instructions

- Interview key personnel regarding the grant subrecipient's basis of accounting (cash basis v. accrual basis). If the grant subrecipient keeps its books on a cash basis, ask the grant subrecipient to walk through its process of reporting on an accrual basis.

- Review supporting documentation, such as spreadsheets or another type of document that links the grant subrecipient's accounting records to the grant's latest completed mandatory quarterly financial report.

- Crosscheck related documents against one another.

Tips

- ETA requires that recipients of Federal awards report on an accrual basis, as allowed under US Department of Labor exceptions to the Uniform Guidance at 2 CFR § 2900.14. Grant subrecipients:

    - are not required to maintain their accounting systems on an accrual basis or required to convert their cash or modified cash basis of accounting system; but

    - must develop and report such accrual information through best estimates on an analysis of the documentation on hand.

- In an accrual accounting system:

    - transactions are recognized in the accounting period in which they occur, regardless of when the cash is transferred; and

    - expenses are recognized when incurred, meaning when the goods or services or a benefit to the organization are received and the accompanying liability for payment occurs in the current or future period.

- Note that cash advances to subrecipients prior to a service being provided are neither an obligation nor an accrued expenditure.

Questions for review and discussion

1. Does the grant subrecipient have policies in place that ensure accounts are reported on an accrual basis?

2. Does the grant subrecipient maintain its books of accounts on a cash or accrual basis?

    a. If on a cash basis, is there evidence to support accrual reporting (reports, spreadsheets, linking documents, etc.)?

3. Regardless of how the grant subrecipient maintains its books, how does it ensure it captures the costs of all activities that took place in the reporting period?

4. If estimates are used to complete the financial report, is there a methodology in place for generation of the estimates and has the methodology been reviewed by an appropriate staff member?

(C) Indicator 3.b.2. Financial reporting

The grant subrecipient has an accounting system in place to maintain accurate and complete disclosure of financial results of the grant activities and those of its subawardee(s).

Citation

- 2 CFR § 200.302
- grant agreement between NDOL and the grant subrecipient

Instructions

- Interview the grant subrecipient's financial personnel and its subawardees to understand how financial data (expenditures, obligations, cash received, administrative expenditures, program income, recipient shares, etc.) is collected and verified for accuracy.
- Review the latest quarterly financial report and walk through the report with personnel responsible for preparing and submitting the report.

Questions for review and discussion

1. Review supporting documentation and trace selected data fields to accounting records. Are the following line items in the latest quarterly financial report traceable and do they adequately identify the source and application of funds for the following Federally funded activities:

    a. program income;

    b. match; and

    c. indirect costs?

    Notes.

    - Grant awards to grant subrecipients for Title I adult, dislocated worker, and youth programs do not require a match as a condition of the awards.
    - Refer to transaction testing of the applicable ETA-9130 Financial Report for verification of reported costs at Indicator 3.g.1. Cost allocation principles and to testing at Objective 3.f. Allowable costs and cost classification.

2. Do grant subrecipient financial systems and supporting documentation used to complete the latest quarterly financial report contain information pertaining to:

    a. Federal awards;

    b. authorizations;

    c. obligations;

    d. unobligated balances;

    e. assets;

    f. expenditures;

    g. income; and

    h. interest?

3. Review quarterly financial reports and accrual spreadsheets. Do the reports reflect costs captured in the appropriate funding stream?

4. Do grant subrecipient financial management systems identify the following:

    a. Federal funding source;

    b. CFDA title and number;

    c. FAIN and year; and

    d. name of the awarding agency (i.e., ETA).

5. Do grant subrecipient financial management systems identify all the information listed in the above checklist and also the name of the PTE (i.e., NDOL)?

6. Does the grant subrecipient have procedures in place to ensure that it obligates and expends the funds within the period of availability and within the period of performance specified under Federal and State laws, rules, regulations, guidance, and policies and grant agreement between NDOL and the grant subrecipient?

(C) Indicator 3.b.3. Subawardee financial reporting

The PTE (i.e., grant subrecipient) has a system in place to ensure the subawardee(s) is reporting financial results of its grant activities on an accrual basis and in a timely manner.

Citation

- 2 CFR § 200.331(a)(3)

Instructions

- Interview key personnel to determine if the PTE is receiving financial data from its subawardee in a timely manner so that it can include this data in its quarterly financial reports.

- If applicable, request copies of subawardee:

    - financial reports to the grant subrecipient; and

    - policies and subaward clauses related to subrecipient reporting.

- Walk through the subawardee financial reporting process with PTE financial staff to gain an understanding of how the PTE gathers and verifies subawardee financial data.

Tips

- All PTEs must monitor subawardee(s) to ensure compliance with Federal State laws, rules, regulations, regulations, guidance, and policies; grant subrecipient policies; and the terms and conditions of the subaward. This includes reviewing financial reports for compliance. To report the financial status of the grant to NDOL, a PTE must ensure that it collects and verifies the financial data submitted by its subawardees.

- An essential part of subawardee management and oversight is financial report review and analysis. This includes a review of data from financial reports to ensure that reports are timely and accurate. Financial reports can be evaluated individually by careful review of each element of the reported data for timeliness, completeness, reasonableness, alignment with budgets and plans, and by comparison with previous reports to identify trends that can predict progress or possible difficulties over time.

Questions for review and discussion

1. Are there policies and procedures provided by the PTE to ensure accurate financial reporting by subawardees?

2. Do the policies and procedures address:

    a. accrual basis of reporting;

    b. reporting instructions;

    c. reporting formats;

    d. program income; and

    e. match?

    If not, what processes are in place to ensure timely and accurate reporting of financial information of subawardee?

Note. Grant awards to grant subrecipients for Title I adult, dislocated worker, and youth programs do not require a match as a condition of the awards. The same is true of subawards.

3. How does the PTE verify that all accruals are included in subawardee submissions of financial data?

4. Is the PTE receiving timely data from its subawardee?

5. If the subrecipient uses estimated accrual data, does the PTE understand the basis of the estimates and verify reasonableness?

(E) Indicator 3.b.4. Performance reports

The grant subrecipient's quarterly financial reports should agree with corresponding performance reports.

Citation

- State policy regarding quarterly financial reporting

Instructions

- Analyze financial and program data to see if the grant subrecipient is on target with spending and meeting performance goals.

- Request the latest quarterly financial report and the corresponding quarterly performance report if it hasn't been submitted to the SMU as required under State policy.

- Review the information reported and crosscheck to source documents to see if the spending rate is in line with what is reported.

Questions for review and discussion

1. How does the grant subrecipient ensure spending is in accordance with its performance?

2. Will funds be exhausted prior to meeting performance goals?

    a. If so, how will the grant subrecipient address this?

3. If grant subrecipient spending is not in accordance with its performance, document the explanation and determine if it is reasonable?

4. If the rate of expenditures is not in line with the performance report, obtain an explanation and assess the reasonableness of that explanation.

Objective 3.c. Payment and cash management

The grant subrecipient has a payment and cash management system in place to accurately track receipt, disbursement, and recording of funds between the NDOL and the grant subrecipient. Such systems should readily track the handling of grant funds to subawardees, contractors, and participants.

(C) Indicator 3.c.1. Cash disbursements

The grant subrecipient has a mechanism in place to minimize the time between drawdown of funds from NDOL and disbursement of funds to pay allowable costs.

Citation

- 2 CFR §§ 200.305(b) and 2900.7

Instructions

- Review the grant subrecipient cash management policies and procedures.
- Walk through the grant subrecipient cash management process with key fiscal personnel and gain an understanding of how cash is drawn down, recorded in the official accounting records, and disbursed for expenditures.
- Ask the grant subrecipient for a summary of its drawdowns and expenditures for one month.
    - Compare and analyze drawdowns for one month to corresponding expenditures for the same month.
    - Keep in mind that drawdowns should lag behind reported accrued expenditures.
    - During review of the cash drawdowns, ensure that the grant subrecipient is liquidating existing advances before requesting additional funds from NDOL by looking at cash balances in the grant subrecipient bank account/records and accounting system.
- If the grant subrecipient has a subawardee(s), request evidence that the grant subrecipient is monitoring the cash management activities of its subawardees.

Questions for review and discussion

1. Does the grant subrecipient have policies and procedures in place to minimize cash on hand?

   Notes.

   - *Cash on hand* does not mean actual cash. Instead, it refers to cash assets in bank accounts.
   - Grant subrecipients should not have or hold actual cash.

2. Are there sufficient internal controls in place to ensure proper segregation of duties for the following functions:

   a. recording;

   b. custodian;

   c. authorizing; and

   d. reconciliation?

3. What is the mechanism or tool used by the grant subrecipient to determine the amount of cash to draw down and how often is it performed and reviewed?

4. Review a cash-drawdown report from the NDOL Finance Division and request supporting documentation of the cash drawn. (Ask the SMU Administrator for the cash-drawdown report.)

   a. Were cash drawdowns approved and reviewed by an appropriate NDOL Finance staff member?

   b. Were funds drawn for immediate use?

5. Is there a reconciliation performed between cash drawdowns and expenditures?

6. Is reconciliation performed on a frequent basis and reviewed?

7. Does the grant subrecipient have policies in place for payment of non-sufficient funds, overdraft fees, and other penalties which cannot be paid using Federal funds?

8. How does the grant subrecipient ensure that its subawardee(s) does not have excess cash on hand (i.e., cash assets in bank)?

9. How does the grant subrecipient ensure that the subawardee(s) liquidates existing advances, if applicable, before the subawardee(s) requests additional advances?

(C) Indicator 3.c.2. Improper payments

The grant subrecipient can identify improper payments and has procedures in place to recover/repay improper payments.

Citation

- 2 CFR §§ 200.53, 200.305, 200.426, and 200.428

Instructions

- Interview key staff members to understand local area processes for identifying and recovering/repaying improper payments.
- Review the grant subrecipient's policies and procedures for:
    - recovering/repaying improper payments made to subawardees and contractors; and
    - repaying Title I programs for questioned costs.

Tips

- There is a strong emphasis under 2 CFR Part 200 regarding avoidance of and recovery and repayment of improper payments and questioned costs. 2 CFR Part 200 requires grant subrecipients and their subawardees to establish processes for tracking, reporting, and collecting improper payments. Improper payments and questioned costs include, but are not limited to:
    - payments that should have not been made or that were made in an incorrect amount under statutory, contractual, administrative, or other legally applicable requirements;
    - payments made to an ineligible party, payment for an ineligible good or service, duplicate payments, or payment for a good or service not received; and
    - questioned costs non-compliantly expended in relation to participants or individuals not eligible for Title I program services.

Questions for review and discussion

1. Does the grant subrecipient, when acting as a PTE, have policies and procedures in place to identify and recapture/repay/restore improper payments, including those made by its subawardee(s)?
    a. If not, what process does the grant subrecipient have in place to identify and recapture, repay, and restore improper payments?

2. Does the grant subrecipient have improper-payment policies and procedures in place to ensure recapture, repayment, and/or restoration of improper repayments or expenditures, including those made by its subawardee(s)?

3. Does the grant subrecipient, when acting as a PTE, require that its subawardee have policies and procedures in place to ensure recapture, repayment, and/or restoration of improper repayments or expenditures?

4. Costs incurred by a grant subrecipient to recover/repay improper payments are allowable as either direct or indirect costs, as appropriate. Is the grant subrecipient consistent in its treatment of Federal dollars used to recover improper payments?

(C) Indicator 3.c.3. Deposit insurance

The grant subrecipient has deposited its Federal funds in an insured bank or savings association.

Citation

- 2 CFR 200.305(b)(7)(ii)

Instructions

- Review the grant subrecipient bank documents to ensure that Federal funds are deposited in an insured bank depository institution(s) (i.e., FDIC institution).

Tips

- Grant subrecipients must deposit Federal funds in insured bank depository institutions to ensure coverage of these dollars in case of bank failure. Deposit insurance coverage generally covers deposit products such as traditional types of bank deposit accounts, including checking and savings accounts, money market deposit accounts (MMDAs), and certificates of deposit (CDs). Investment products that are not deposits, such as mutual funds, annuities, life insurance policies, and stocks and bonds, are not covered by deposit insurance.

- The FDIC (Federal Deposit Insurance Corporation) is one type of agency (and the most popular agency) that provides depositor insurance. It is an agency independent of the United States government that protects depositors against the loss of insurance deposits when an FDIC-insured bank or savings association fails. FDIC deposit insurance covers depositors of a failed FDIC-insured depository institution, dollar-for-dollar, up to $250,000, plus any interest accrued or due to the depositor.

Questions for review and discussion

1. Is the grant subrecipient using an insured depository institution or bank that provides insurance coverage on deposits?

2. Are Federal funds deposited in a deposit account and not an investment account?

3. If Federal funds are not deposited in an insured bank or savings association, obtain an explanation from the grant subrecipient and assess the reasonableness of the explanation.

4. Examine the grant subrecipient's daily cash balance noted on its monthly bank statements. If the grant subrecipient carries a balance of more than $250,000, does it have sufficient collateral on record with the bank to cover any potential losses that are not covered by deposit insurance?

Objective 3.d. Match and leveraged resources

If applicable, the grant subrecipient has written policies and procedures in place to record and support any required match or leveraged resources committed or identified in the award or program regulations.

- Notes.
    - Title I funding allocations to grant subrecipients are formula funded and do not require matching or leveraged resources as a condition of the grant award.
    - However, Federal rules and State policy require written agreements when a Title I youth program utilizes leveraged resources (resources provided at no cost to the program) for the provision of youth program elements.

(C) Indicator 3.d.1. Match policies and procedures

When applicable, the grant subrecipient must establish written match policies and procedures that describe the allowability of costs in accordance with 2 CFR Part 200 Subpart E – Cost Principles. As stated above, Title I programs are formula funded and allocations to grant subrecipients do not require matching or leveraged resources as a condition of the grant award.

Citation

- 2 CFR §§ 200.302(b)(7) and 200.306(b)

Instructions

- Interview staff to ensure that;
    - key personnel are following written policies and procedures regarding match and leveraged resources when required as a condition of a grant award; and
    - written policies and procedures are updated to capture the grant subrecipient's process regarding grant match and leveraged resources.

- Review the grant subrecipient's written policy and procedures for grant match and interview staff responsible for documenting match.

- Cross-check recording, valuation, and reporting of grant match against 2 CFR Part 200 Subpart E – Cost Principles to ensure allowability of costs.

Questions for review and discussion

1. Does the grant subrecipient have written policies and procedures for match requirements?

2. Review the policies and procedures and determine if they address the following requirements as set forth in 2 CFR § 200.306(b):

    a. allowable under Subpart E – Cost Principles;

    b. verifiable from the grant subrecipient's records;

    c. costs and contributions are necessary and reasonable to meet program objectives;

    d. are not paid by the Federal government under another Federal award, except where the Federal statute authorizes that Federal funds may be applied to the match requirements of another Federal program;

    e. are provided for in the approved budget, when required;

    f. methodology for tracking and documenting match; and

    g. methodology for the valuation of non-cash contributions.

3. If applicable, does the PTE have match policies and procedures for its subawardees?

4. Do written grant-match requirement policies and procedures reflect actual the organization's practice?

(C) Indicator 3.d.2. Expending match

The grant subrecipient uses match to support grant activity and accounts for funds used for match within its accounting systems as the funds are expended.

- Note. Title I funding allocations to grant subrecipients do not require matching or leveraged resources as a condition of the grant award.

Citation

- 2 CFR §§ 200.306(d) and 2900.8

Instructions

- Interview fiscal and program staff responsible for documenting the use of these expenditures.

- Review the grant to determine if the use of match is required to support grant activity and was expended prior to the recording in the grant subrecipient's accounting system.

- Request a sample of match expenditures recorded and cross-check the use and valuation to ensure that it is in accordance with the grant subrecipient's policy and procedures and the Uniform Guidance.

Tips

- A key and important change related to match appears under 2 CFR § 2900.8. It states that in addition to the guidance set forth in 2 CFR § 200.306(b) for Federal awards from the US Department of Labor, the grant subrecipient accounts for funds used for match within its accounting systems as the funds are expended. The receipt of cash and in-kind contributions as match is not enough, as the US Department of Labor has placed an emphasis on the need to expend match contributions on allowable grant activities before it can be recognized as match.

- Pursuant US Department of Labor policy, grant subrecipients interested in applying unrecovered indirect costs to meet a match requirement must obtain prior approval from the applicable Grant Officer.

Questions for review and discussion

1. Does the grant subrecipient report match when expended on allowable grant activity and not when received? If applicable, does it report subrecipient match and/or leveraged resources?

2. Does the grant subrecipient appropriately report the use of match in the appropriate performance and financial reports? If applicable, does it report subawardee match?

3. From the sample of match expenditures reviewed, did they meet the following criteria as prescribed in 2 CFR § 200.306(b)(1)-(7):

    a. allowable under Subpart E – Cost Principles;

    b. verifiable from the grant subrecipient's records;

    c. costs and contributions are necessary and reasonable to meet program objectives;

    d. are not paid by the Federal government under another Federal award, except where the Federal statute authorizes that Federal funds may be applied to the match requirements of another Federal program; and

    e. are provided for in the approved budget, when required?

4. If the grant subrecipient is using unrecovered indirect costs to meet a match requirement, did it obtain prior approval from the Federal Grant Officer?

Tools

- Use Tool M: Worksheet for evaluating allowable match items to assist in completing the indicator.

(C) Indicator 3.d.3. Valuation and documentation

The grant subrecipient has a methodology in place to value match. Records are available and demonstrate that match are being tracked.

Citation

- 2 CFR § 200.306(b)(1)

Instructions

- Review the sample of match expenditures and ascertain if supporting documentation is sufficient and appropriate.

Tips

- The Uniform Guidance has strengthened the valuation and documentation standards for match. 2 CFR § 200.306(d) states that valuation for in-kind contributions for goods or services must be established in accordance with the Cost Principles in Subpart E of the Uniform Guidance. All match contributions, regardless if from the grant subrecipient or a third party, must have documentation to support the valuation of the good or service. For third-party contributions, the support for the value, including the methods used to determine the value, must be verifiable from the records of the contributing organization or be maintained by the grant subrecipient.

- For cash contributions for match, once non-Federal dollars are expended on behalf of the grant, the grant subrecipient must account for this in its official book of accounts or records. For non-cash contributions, supporting documentation must be retained to validate the valuation of the good or service, and the non-cash contribution must be used prior to recording. For donated services, the grant subrecipient must also maintain documentation on the rate value of the service but also timesheets or personnel activity reports to demonstrate the amount of time that is donated to the grant. If the grant subrecipient is using the fair market value (FMV) to value the match, there must be sufficient justification to support the use of FMV. The value of the donated goods must not exceed the fair market value of the same age and condition at the time of donation.

- Supporting documentation for in-kind contributions may come from many forms and can include receipts, appraisals, consumer valuation guides, labor market information, and other acceptable forms of documentation. The reviewer should evaluate all supporting documentation for validity and assess its acceptability.

- Grant subrecipients must maintain records to support all match within the grant subrecipient's or subrecipient's accounting system and these records must be available for audit and review. In accordance with 2 CFR § 200.333, financial records and all performance records pertinent to a Federal award must be retained for a period of three years from the date of submission of the final expenditure report. This information includes supporting documentation for match and/or leveraged resources.

Questions for review and discussion

1. From the sample of match expenditures reviewed, did the grant subrecipient's valuation of non-cash contributions are in accordance with the Cost Principles in Subpart E of the Uniform Guidance?

2. Is the FMV of non-cash contributions (goods and services) adequately supported?

3. Does the grant subrecipient have supporting documentation that supports the match reported on the performance and financial reports and is the documentation appropriate?

4. If applicable, do subrecipients have appropriate supporting documentation for any match and/or leveraged resources reported by them?

(E) Indicator 3.d.4. Leveraged resources

The grant subrecipient provides for the use of leveraged resources.

Instructions

- Review the grant agreement between NDOL and the grant subrecipient to understand whether leveraged resource is required.

- As stated above, Title I funding does not required leveraged resources as a condition of a grant award; however, Federal rules, regulations, and guidance and State policy require written agreements when a Title I youth program utilizes leveraged resources for the provision of youth program elements.

Tips

- Leveraged resources applies ONLY to specific competitive awards and to certain formula funded awards when specified in the grant agreement and/or program statute. Leveraged resources may be encouraged or required in a FOA or other funding solicitation, such as a Training and Employment Guidance Letter (TEGL).

- It is a term used to identify other funds being used in coordination with the grant to support the grant's activities and outcomes. It is not defined in the regulation or any related administrative requirements. For ETA programs, the term has been used to mean all resources used by the recipient to support grant activity and outcomes, whether those resources meet the standards required for match. Leveraged resources are not to be

confused with non-cash contributions or third-party in-kind contributions, as specified in WIOA for the purposes of sharing in infrastructure costs.

- ETA suggests that leveraged resources follow the same guidelines outlined below for match.

Questions for review and discussion

1. Is the grant subrecipient required through an FOA or grant agreement between NDOL and the grant subrecipient to provide leveraged resources?

2. If so, are Federal leveraged resources reflected on the ETA-9130 Financial Report at line 11a Other Federal Funds Expended. Non-Federal leveraged resources are reported on the Recipient Share of Expenditures (lines 10j-10l)?

Objective 3.e. Program income

The grant subrecipient has written policies and procedures in place to accurately record and expend the program income in compliance with applicable Federal statutes, implementing regulations, the terms and conditions of the grant award.

(C) Indicator 3.e.1. Program income policies and procedures

The grant subrecipient's program income policies and procedures describe the allowability of costs in accordance with 2 CFR Part 200 Subpart E – Cost Principles; and the program income policies and procedures have been issued to key personnel and subawardee(s) of the grant subrecipient.

Citation

- WIOA Sec. 194(7)(B)

- 2 CFR §§ 200.302(b)(7) and 200.307

Instructions

- Review all grant subrecipient and subawardee policies and procedures related to program income.

- Request documentation supporting proper recording and use of program income.

Tips

- Interest income earned on advance payments for the grant award is not considered program income.

Questions for review and discussion

1. Does the grant subrecipient have written policies and procedures for program income requirements?

2. Is the grant subrecipient aware that it is earning program income?

3. What mechanism does the grant subrecipient have in place to recognize it is earning program income?

4. Review all applicable grant subrecipient policies and procedures and determine if they address the following requirements as set forth in the Uniform Guidance:

    a. allowable under 2 CFR Part 200 Subpart E – Cost Principles;

    b. verifiable from the grant subrecipient's records;

    c. program income expended on grant activities to meet program objectives; and

    d. program income is expended for immediate use.

(C) Indicator 3.e.2. Expending and documentation

The grant subrecipient and its subawardees are expending program income on allowable grant activities prior to drawing grant funds and is recording and reporting program income and program income of its subawardees, appropriately.

Citation

- 2 CFR § 200.307

Instructions

- Review the grant subrecipient's latest quarterly financial report to NDOL to verify whether the grant subrecipient is reporting program income. If dollar amounts are reported, review the grant subrecipient's process for reporting and expending program income.

- In addition, review grant activities that may potentially earn program income and determine if they will earn program income. If the grant subrecipient or its subrecipients are earning program income, ensure that program income is recorded and expended appropriately.

Tips

- For either method of accounting used (gross or net method), the grant subrecipient and its subrecipients must spend program income prior to using grant funds. At the end of the grant's period of performance, all program income must be expended. These requirements apply to grant subrecipients and their respective subrecipients.

- The Cost Principles of the Uniform Guidance also apply to the expending of program income. Like charges to grant dollars, these costs must be reasonable, allowable, and allocable costs. Costs prohibited under Federal, State, and local statutes, rules, regulations, guidance, and policies must not be charged to program income generated by the grant subrecipient or its subrecipients.

Questions for review and discussion

1. Does the grant subrecipient expend program income prior to drawing grant funds?
2. Is program income generated by multiple funding sources properly allocated by the grant subrecipient and its subawardees?
3. Do the grant subrecipient and its subawardees expend program income in the quarter it is earned?
4. What is the process to ensure program income is liquidated prior to the grant expiration?
5. Do the grant subrecipient and its subawardees expend program income on grant-related activities?
6. Is program income expended and disbursed first in accordance with Federal regulations?
7. Are all sources of program income identified (fees for services, use fees, conference fees, honoraria, fees for providing data to third parties, etc.)?
8. Does the grant subrecipient have a system in place to record and expend program income at the grant subrecipient and subawardee levels?

Objective 3.f. Allowable costs and cost classification

The grant subrecipient has a system and procedures in place to ensure that it is incurring necessary, reasonable and allowable costs to the grant and that such costs are accurately classified in its accounting system. The grant subrecipient also monitors the costs incurred by its contractors and subawardees to ensure allowability and accurate cost classification.

(C) Indicator 3.f.1. Cost principles

The grant subrecipient's written policies and procedures:

- describe the allowability of costs in accordance with 2 CFR Subpart E – Cost Principles; and
- have been issued to key grant subrecipient personnel and subawardee personnel.

Citation

- 2 CFR §§ 200.302(b)(7) and 200.403

Instructions

- Interview program and financial staff regarding the grant subrecipient's policies and procedures.
- Cross-check the policies and procedures surrounding the liability of cost to Federal funds against the Cost Principles of the Uniform Guidance.

Questions for review and discussion

1. Do the grant subrecipient's policies and procedures reflect the 2 CFR Part 200 Subpart E – Cost Principles?
2. Are these policies and procedures circulated to the appropriate program and financial staff?
3. Are the staff properly trained on the policies and procedures?
4. How does the grant subrecipient ensure that the grant is not charged unallowable costs based on the Cost Principles and the provisions of the grant agreement between NDOL and the grant subrecipient?
5. How does the grant subrecipient ensure that its subawardee(s) are following appropriate cost guidelines and Federal and State laws, rules, regulations, guidance, and policies?
6. Has the grant subrecipient issued written cost policies to its subawardees?

Tools

- Use Tool N: Transaction testing to assist in completing the indicator.

(C) Indicator 3.f.2. Financial management systems

The grant subrecipient has a system in place to ensure the costs are charged to the proper cost categories and are accurately classified.

Citation

- 2 CFR § 200.412

Instructions

- Refer to the applicable Federal and State laws, rules, regulations, guidance, and policies and the grant agreement between NDOL and the grant subrecipient to ascertain if the program requires supplementary financial reporting that may require additional cost categories.

Tips

- Careful consideration must be given to the activity with which a cost is associated and the category that benefits from the related activity.

- A chart of accounts is a financial organizational tool that provides a complete listing of every account in an accounting system. An account code is a unique record for each type of asset, liability, equity, revenue, and expense. This serves as the grant subrecipient's foundation for financial record keeping and should be at a level of detail that at least includes the account names, brief descriptions, and accounting codes. Depending on the complexity of the organization, it has the flexibility to tailor its chart of accounts to best suit its accounting needs.

- At the very least, accounting codes should be established in the organization's chart of accounts for appropriately charging costs defined as administrative in accordance with the WIOA definition at WIOA Sec. 3(1), or other required categories in its accounting records. If the grant requires the tracking of administrative expenditures, the entity must maintain a system for tracking and reporting its administrative expenditures as well as its program expenditures. Review Federal laws, rules, regulations, and guidance, as well as the WIOA grant agreement, to ensure that if there is an administrative threshold for the grant as any administrative costs in excess of the program's administrative limit (10 percent for WIOA Title I) must be charged to non-Federal funds.

- For grants that have expenditure caps or thresholds on certain grant activities based on WIOA law or regulations, review the grant subrecipient's chart of accounts and interview fiscal staff to understand how it is capturing this information in its accounting systems and reporting it quarterly to NDOL.

    - An example of an expenditure cap placed on certain programs is the expenditure cap on transitional jobs for local adult and dislocated worker funds. WIOA Sec. 134(d)(5) sets a transitional jobs expenditure cap of 10 percent of the amount of Federal funds allocated to local areas to carry out adult and dislocated worker programs for a Program Year.

    - Another example of an expenditure threshold is the mandatory out-of-school youth expenditure rate for direct services. WIOA Sec. 129(a)(4)(A) requires that a minimum of 75 percent of local youth funds provided to carry out the program in the for a Program Year must be expended to provide youth workforce investment activities for out-of-school youth.

- The reviewer must study WIOA law and program statutes on expenditure caps and minimum amounts to be expended on certain grant activities.

Questions for review and discussion

1. Does the grant subrecipient's chart of accounts contain sufficient account codes for revenue and expenses to adequately track spending of grant funds?

2. If there are multiple Federal funding streams, how does the grant subrecipient track its costs to the appropriate subaccount?

3. If administrative costs exceed the program's administrative limit for the grant award, is the grant subrecipient charging the excess to non-Federal funds?

4. If applicable, does the grant subrecipient's chart of accounts and its accounting system allow the tracking of grant activities that have an expenditure cap or threshold in accordance with the program's regulations?

    a. Refer to the grant's program regulations for a full understanding of any expenditure/caps or thresholds on grant activities.

5. Does the grant subrecipient review its subawardee's charts of accounts to ensure that they are reporting costs in the appropriate budget cost categories, subaward, etc.?

6. If applicable, are costs associated with contracts and subawards classified appropriately?

Objective 3.g. Cost allocation/indirect costs

The grant subrecipient allocates costs including indirect costs to the benefitting cost objectives based on relative benefit received and treats allocated costs consistently within its accounting system.

(C) Indicator 3.g.1. Cost allocation principles

There is written evidence that costs being allocated to the grant are allowable, being treated consistently over time and within the accounting system, are necessary, reasonable, and allocated to the grant based on benefit received.

Citation

- 2 CFR §§ 200.403 and 200.405
- TEGL 2-16
- grant subrecipient's purchasing, procurement, HR, payroll, and financial reporting policies and procedures

Instructions

- Review the grant subrecipient's purchasing, procurement, payroll, and financial reporting policies and procedures. Also, review the grant agreement between NDOL and the grant subrecipient, 2 CFR Part 200 Subpart E (Uniform Guidance Cost Principles), and the grant program's statutes and regulations for guidance on selected items of cost. For staff time, review the HR and payroll policies and procedures to obtain an understanding of how staff time is recorded and allocated to the grant. Further, request a detailed listing of all full-time and part-time personnel that charge time to the grant and review a sample of personnel files.

- Walk through and interview staff involved in all these processes and gain an understanding of the role of each staff member.

- Obtain a detailed general ledger of grant costs with totals.

    - To ensure that the detailed general ledger includes all costs, confirm that the total amount of the detailed listing agrees to what is reported on the corresponding quarterly financial report that was submitted to NDOL.

    - If the amounts do not agree, obtain a reconciliation from the grant subrecipient.

    - If the grant subrecipient is unable to provide a reconciliation, its financial reports are not supported by financial systems or supporting documentation and therefore would be a compliance issue (2 CFR § 200.302).

- Once satisfied that the detailed general ledger is complete or if the reconciliation is reasonable, take an appropriate sample of costs from the detailed general ledger and request supporting documentation to test the validity, allowability, reasonableness, necessity, and allocability of costs.

- Lastly, if costs are shared among multiple funding streams or programs, review the grant subrecipient's policy on allocating costs. (For requirements regarding cost allocation plans, indirect cost rate, or de minimis testing, please refer to the remaining indicators under Objective 3.g.)

    - Ensure that shared costs are allocated based on their relative benefit received and in proportion to use.

    - Review costs so that they are in accordance with the grant subrecipient's cost allocation methodology.

Tips

- When testing costs, start with a quarterly financial report(s) submitted to NDOL and request a listing of all the costs from the grant subrecipient's official accounting system or general ledger that make up the amounts of expenditures reported.

- Some grant subrecipients may operate on a cash basis and the amounts in the detailed general ledger may not agree to the amounts reported in the quarterly financial report(s).

If so, the grant subrecipient may be reporting accruals on a separate account or listing (maybe even an Excel spreadsheet). If so, make cost selections from this separate document and obtain an understanding how accruals how calculated.

- If the amounts in the detailed general ledger and quarterly financial report(s) do not agree, request a reconciliation between the two amounts. Once the amounts agree, the reviewer now has some comfort that the general ledger contains all the grant's costs and that an appropriate selection of costs can be made.

- Supporting documentation may come in many forms and may include evidence of prior approval obtained (local board meeting minutes, sign-off sheets, initials from management, etc.), purchase orders, receipts and invoices, contracts, timesheets, personnel activity record, time studies, credit card statements, check copies, and many more. Supporting documentation is proof that the Cost Principles in the Uniform Guidance have been met. When receiving supporting documentation, review the document(s) to ensure that the grant subrecipient is following its own processes, and supporting documentation should evidence validity, allowability, and proper approval, regardless of the type of cost.

Questions for review and discussion

1. Does the grant subrecipient have written policies and procedures for distributing program costs, staff time, and general administrative costs among funding streams, programs, etc.?

2. Do the grant subrecipient's policies and procedures follow the Cost Principles?

    a. How does the grant subrecipient identify the circumstance when costs are allowable, allowable with condition, and unallowable?

3. Do the grant subrecipient's policies and procedures reflect requirements identified under WIOA Title I and its implementing rules, regulations, and guidance, State policies, and the grant agreement between NDOL and the grant subrecipient?

4. From the sample of costs from the grant subrecipient's general ledger and its subawardee(s), if applicable, test for the following factors of allowability as described in 2 CFR § 200.403:

    a. necessary and reasonable for the performance of the grant;

    b. conformity with Federal, State, and local laws, rules, regulations, guidance, policies, and procedures, as well as the grant agreement between NDOL and the grant subrecipient;

    c. conformity with any limitations or exclusions set forth in the Cost Principles;

    d. consistent treatment;

    e. conformity with GAAP;

f. not included as a cost or used to meet matching requirement of another Federally financed program;

g. adequately documented;

h. during the testing of costs for goods and/or services that require prior approval, appropriate prior approval was obtained prior to purchasing.

i. Review Indicator 2.b.2. Budget modifications for prior approval guidance.

5. Does the grant subrecipient have multiple funding sources?

a. If so, move to the next applicable indicators, if not, move on to Objective 3.h. Audits and audit resolution.

Tools

- Refer to Resource G: Sampling methodology for additional information on selecting samples.
- Use Tool I: Contract review checklist to assist in completing the Indicator.

(C) Indicator 3.g.2. Cost allocation plan

The grant subrecipient has an approved cost allocation plan and uses it to allocate indirect costs.

Citation

- 2 CFR § 200.416(a) and (c)

Instructions

- Using the sample of costs that were selected in the previous indicator, review any costs that are allocated to multiple funding streams or programs.
- Review these indirect costs to ensure that they follow the grant subrecipient's cost allocation plan.

Tips

- When costs cannot be directly assigned to a final cost objective, the costs are placed in a pool that is allocated later to the benefiting funding stream or program. A cost pool contains a group of common costs to be allocated by using an indirect measure of benefit (refer to Indicator 3.g.3. Negotiated indirect cost rate agreements (NICRA)) or approximate measure of benefit. The approximate measure of benefit is the allocation base.

- The bases used to allocate a particular type of cost must be used consistently over time (2 CFR § 200.403(d)). An allocation base is acceptable if it represents a fair measure of cost benefit and if it results in an equitable and reasonable distribution of the costs of services rendered or goods provided. Each base should be considered on its own merits as to the purpose for using it and the degree of equity and reasonableness it will achieve in allocating costs.

- Based on the Cost Principles in the Uniform Guidance, organizations may use an approved CAP or Indirect Cost Rate (ICR) to provide a fair measure of cost benefit. Negotiated ICR rates and CAPs are utilized to properly support indirect cost billings and close-out efforts on cost reimbursable grants. CAP and ICRs can be submitted by the organizations listed below to the following cognizant agencies. (Refer to Resource M: SWCAP and NICRA Resources.) Institutions of Higher Education (IHE) – Cost negotiation cognizance is assigned to the HHS or the DOD's Office of Naval Research, normally depending on which of the two agencies (HHS or DOD) provides more funds to the educational institution for the most recent three years [Appendix III to 2 CFR Part 200].

    - Nonprofit Organizations. Unless different arrangements are agreed to by the Federal agencies concerned, the Federal agency with the largest dollar value of Federal awards with an organization is designated as the cognizant agency for indirect cost rate negotiation and approval [Appendix IV to CFR Part 200].

    - State and Local Government-wide Central Service CAPs. Statewide Cost Allocation Plans (SWCAPs) for all States (including District of Columbia and Puerto Rico, State and local hospitals, libraries, and health districts) are required to develop and submit cost allocation plans to HHS. SWCAPs are located at HHS Cost Allocation Service [Appendix V to 2 CFR Part 200].

    - Public Assistance CAPs. Federally financed programs administered by State public assistance agencies are funded predominately by HHS, and these State agencies are required to develop and submit overall cost allocation plans to HHS (which may include CAPs from local agencies that administer public assistance programs under the States' supervised systems [Appendix VI to 2 CFR Part 200].

    - State and Local Government and Indian Tribe Indirect Cost Proposals. A cost may not be allocated to a Federal award as an indirect cost if any other cost incurred for the same purpose, in like circumstances, has been assigned to a Federal award as a direct cost [Appendix VII to 2 CFR Part 200].

Questions for review and discussion

1. Does the grant subrecipient have an approved CAP?

    a. If so, is it the authorized party to that CAP?

    b. Is the CAP reviewed on an annual basis and updated as needed?

    c. Does the grant subrecipient allocate shared costs in accordance with its CAP?

2. How does the grant subrecipient allocate staff time among the various grant programs they work on?

    a. Is there written evidence, such as timesheets, used to allocate personnel time and costs?

For SWCAPs, please complete the following questions

1. Is there evidence of a fiscal-year end reconciliation between the State agency using the SWCAP and the State centralized agency responsible for the SWCAP?

2. Is the grant subrecipient applying the carry forward correctly?

Tools

- Use Tool O: Cost Allocation Worksheet to assist in completing the indicator.

(C) Indicator 3.g.3. Negotiated indirect cost rate agreements (NICRA)

If applicable, the grant subrecipient has indirect costs and uses an approved NICRA to allocate these costs.

Citation

- 2 CFR §§ 200.416(b) – (c) and 2900.17

Instructions

- Read the instructions for Indicator 3.g.2. Cost allocation plan.

- Review the grant subrecipient's NICRA and ensure that the effective dates are current for the time period tested and departments or locations are accurate. In addition, review the distribution base identified on the grant subrecipient's NICRA to ensure it is correctly calculated.

- It is now required that indirect costs must be reported on the final ETA-9130 Financial Report. Depending on the timing of the on-site review, if a final ETA-9130 is available, review the financial report and ensure that Section 13 – Indirect Expenditures is completed and that all calculations in the form are correct (specifically line item 13f – Amount Charged). Request supporting documentation/calculation(s) to all the line items and ensure that it supports what is reported in the financial report.

Tips

- All indirect costs, using the approved rate, must be allocated to all grants regardless of any restrictions or funding limitations. Any allocable indirect costs that exceed any administrative or statutory restrictions on a specific Federal grant may not be shifted to other Federal grants/contracts, unless specifically authorized by legislation. Non-Federal revenue sources must be used to pay for these costs that exceed any statutory restrictions.

- Any grant subrecipient with indirect costs and that also has more than one source of funding (including direct Federal funding) needs an indirect cost rate. An indirect cost rate is a percentage (indirect cost pool/direct cost base) used to distribute indirect costs to all cost centers benefiting from those costs. The grant subrecipient must have an approved NICRA from its cognizant agency if it has multiple funding streams and is charging indirect costs to the Federal award. A cognizant agency is responsible for negotiating the grant subrecipient's indirect cost rate and issues the appropriate negotiation agreement. Unless specifically assigned by OMB, the Federal agency with the majority of direct funding is normally the grant subrecipient's cognizant agency.

- All grant subrecipients must submit their initial indirect cost rate proposal to their cognizant agency within 90 days of receiving a cost reimbursable grant/contract award (2 CFR Part 200 Appendix IV, C.2.b). All grant subrecipients must submit their final indirect cost rate proposals within 180 days of the end of the grant subrecipient's fiscal year (2 CFR Part 200 Appendix IV, C.2.c).

- Please refer to the US Department of Labor Division of Cost Determination webpage for more information.

- Lastly, any adjustments to indirect cost rates resulting from a determination of unallowable costs being included in the rate proposal may result in the reissuance of negotiated rate agreement (2 CFR § 2900.17).

Questions for review and discussion

1. Review the grant subrecipient's NICRA, if applicable, and review for effective dates and departments or locations.

    a. Is the rate approved for the period the grant subrecipient is applying the NICRA?

    b. If not, has it submitted a proposal?

2. Does the grant subrecipient have an approved rate specific to its organization?

3. Review the NICRA's distribution base, if applicable.

    a. Is the grant subrecipient correctly calculating the distribution base?

    b. How is the indirect cost rate being applied appropriately to the base in accordance with the terms of the approved indirect cost rate agreement?

4. If unallowable costs were identified (through monitoring or an audit) and these costs were included in the indirect rate proposal, did the grant subrecipient obtain an adjusted negotiated rate agreement from its cognizant agency?

5. If applicable, obtain the final ETA-9130 Financial Report and ensure indirect costs being reported on the form?

(C) Indicator 3.g.4. De minimis rate

The grant subrecipient has received prior approval from its cognizant agency to use the de minimis rate and is correctly applying ten percent to the modified total direct costs (MTDC).

Citation

- 2 CFR § 200.414(f)

Instructions

- If the grant subrecipient meets all the criteria to use the de minimis rate, review the grant subrecipient's calculation for the de minimis rate.

- Ensure that the grant subrecipient received prior approval and that the de minimis rate is calculated correctly.

- Ensure that this methodology is used consistently for all Federal awards until such time the grant subrecipient chooses to negotiate for an indirect cost rate.

Tips

- To relieve administrative burden, the Uniform Guidance specified that grant subrecipients that have never received a NICRA and have allowable indirect costs that they would like to charge to a Federal award may elect to charge a de minimis rate of 10 percent of the MTDC, which may be used indefinitely. Government departments or agencies that receive more than $35 million in direct Federal funding must submit an indirect cost rate proposal and cannot request a de minimis rate. If the grant subrecipient chooses to utilize the de minimis rate, it must do so consistently for all Federal awards until such time it chooses to negotiate a rate. PTEs may also accept the de minimis rate if its subrecipient has never had a NICRA rate and has indirect costs associated with its subaward.

- If the grant subrecipient meets all the criteria to use the de minimis rate, it may apply ten percent to a base amount (MTDC) to recover indirect costs from a Federal award. MTDC is all direct salaries and wages, applicable fringe benefits, materials and supplies, services, travel, and up to the first $25,000 of each subaward. MTDC excludes equipment, capital expenditures, charges for patient care, rental costs, tuition remission, scholarships and fellowships, participant support costs, and the portion of each subaward in excess of $25,000.

- The grant subrecipient must receive prior approval from its cognizant agency to apply the de minimis rate to their Federal awards. Note that cognizant agency for indirect cost in 2 CFR § 200.19 applies here. For grant subrecipients that do not have a direct Federal grant, it must obtain approval from its PTE.

Questions for review and discussion

1. Did the grant subrecipient receive prior approval from the Federal Grant Officer prior to applying the de minimis rate to the MTDC and recovering those funds from ETA?

2. Did the grant subrecipient correctly calculate the MTDC? Did the grant subrecipient correctly apply 10 percent to the MTDC base?

Objective 3.h. Audits and audit resolution

The grant subrecipient adheres to the single or program-specific audit requirements and has an audit resolution process in place, including debt collection, for its subrecipients.

(C) Indicator 3.h.1. Audit process

The grant subrecipient had a single or program-specific audit performed if it expended $750,000 or more in Federal awards during the grant subrecipient's fiscal year.

Citation

- 2 CFR §§ 200.501, 2900.03, and 2900.21

Instructions

- Examine the grant subrecipient's official book of accounts and determine if it has expended $750,000 or more in Federal awards during the grant subrecipient's fiscal year. If so, ensure that a single or program-specific audit was completed.

- Obtain a copy of the grant subrecipient's most recent audit report and review the report for questioned costs and findings.

- If applicable, obtain a written status report of the questioned costs and/or findings if they have not been resolved.

Tips

- Under the Uniform Guidance, there is a new threshold for audit coverage. Each covered grant subrecipient that expends $750,000 or more in Federal financial assistance award funds during its fiscal year is required to have a single audit conducted for that fiscal year (effective January 1, 2015). A program-specific audit may be substituted only when the auditee spends Federal award funds under only one Federal program.

- The specific costs that form the basis for determining Federal awards expended are found at 2 CFR § 200.502 and include accrued costs, disbursements to subrecipients, and program income expended, among others. Some exclusions to the audit threshold include endowment funds and free rent, among others. Please refer to 2 CFR § 200.502 for a full listing.

- A single audit is a relatively comprehensive review of an organization's entire spectrum of financial activity. The financial statements must cover all funds expended by an entity within a single audit period and all Federal funds, whether those are directly expended by the entity or the entity functions as a "pass-through" with the funds being ultimately expended at a subrecipient level.

- The requirements in the Uniform Guidance apply to direct recipients, PTEs, and subrecipients. The Uniform Guidance does not provide coverage for audits of commercial for-profit entities or contractors nor to foreign-based entities. However, the US Department of Labor (USDOL) now extends coverage through the USDOL exception at 2 CFR § 2900.2 to commercial for-profit entities and foreign entities that are awardees of USDOL funds.

- Under USDOL Uniform Guidance exception on questioned cost (2 CFR § 2900.3), a questioned cost is a cost questioned by auditors, FPOs, Grant Officers, or any other authorized Awarding agency representative to questioned costs. In addition, USDOL exception at 2 CFR § 2900.21 allows for PTE to issue a management decision within twelve months of acceptance of the audit report by the Federal Audit Clearinghouse (FAC).

Questions for review and discussion

1. Did the grant subrecipient submit its latest single or program-specific audit to the FAC?

2. Was the audit completed in a timely manner (no later than nine months after the end of the organization's fiscal year)?

3. Examine the section of the audit report called "Schedule of Findings and Questioned Costs." Consider the following:

    a. Are material weaknesses identified?

    b. Are reportable conditions identified?

    c. Are Federal award findings identified?

    d. Are Federal award questioned costs identified?

4. If there are issues identified in the Schedule of Findings and Questioned Costs section, what is the current corrective action plan employed by the grant subrecipient to resolve these matters?

5. How long has the grant subrecipient employed the existing audit firm for audit work?

6. Is the procurement method used to secure the services of the existing or new auditing firm in compliance with the Procurement Standards of the Uniform Guidance?

Notes

- Use Tool Q: Audit (fiscal) resolution tracking to assist in completing the indicator.
- Use Tool P: Audit appeals process to assist in completing the indicator.

(C) Indicator 3.h.2. Subrecipient audit

The grant subrecipient, in the capacity of a PTE, has a system in place to ensure subawardee audits are conducted and resolved.

Citation

- 2 CFR § 200.331(d)(2)

Instructions

- Obtain the PTE's policy and procedures on managing and oversight of subawardees.
    - Gain an understanding of how the PTE assesses if its subawardee has expended $750,000 in Federal dollars for the fiscal year.
    - Review the policy to ensure that the PTE follows up with the subawardee on any administrative findings and questioned costs identified by the audit.
    - Review the policy and procedures for debt collection procedures when questioned costs become disallowed costs.
- Obtain a copy of the subrecipient's single or program-specific audit and review the "Schedule of Findings" in the report.
- If applicable, walk through with key personnel on how they follow up with proposed corrective actions on outstanding audit findings with it subrecipients.

Tips

- As part of managing a subawardee, a PTE is responsible for ensuring that if a subawardee expends $750,000 or more in Federal awards in a fiscal year, it needs to ensure that a single or program-specific audit was completed in compliance with Subpart F of the Uniform Guidance.
- Many times, a subawardee's audit is not timely and monitoring by the PTE is necessary. An audit occurs after the end of the fiscal period, and the issuance of the audit report can come as much as nine months after the end of the period being audited, which is often

after the end of the grant. If this is so, the PTE should perform an on-site monitoring of its subawardee during the subaward's period of performance.

Questions for review and discussion

1. Did any subawardee expend $750,000 or more in Federal awards have a single or program-specific audit performed?

2. Does the PTE require and have audit reports from its subawardees?

3. As part of its monitoring responsibilities, did the PTE follow up with proposed corrective action on outstanding audit findings?

    a. How does the PTE ensure corrective actions are resolved timely?

    b. Was an appropriate appeals process followed, if applicable?

4. Does the PTE have debt collection procedures in place in case a subawardee is unable to resolve a questioned cost?

(C) Indicator 3.h.3. Report on internal controls

As outlined in the Report on Internal Control Over Financial Reporting and Compliance or evident in the SF-SAC (Data Collection Form from the Federal Audit Clearinghouse (FAC)), if the grant subrecipient has administrative findings, significant deficiencies, and/or material weaknesses, it has a corrective action plan in place to resolve the findings, significant deficiencies, and material weaknesses related to internal controls.

Citation

- 2 CFR § 200.514(c)

Instructions

- Obtain the grant subrecipient's latest SF-SAC that was submitted to the FAC (either by the grant subrecipient or its auditors).

- Review the Data Collection Form and identify if the grant subrecipient has any administrative findings, significant deficiencies, and or material weakness surrounding its internal controls. If applicable, walk through the grant subrecipient's corrective action plan and ensure that the grant subrecipient's responses to the issues are sufficient.

Tips

- The FAC operates on behalf of OMB. Its primary purposes are to distribute single audit reporting packages to Federal agencies; support OMB oversight and assessment of Federal award audit requirements; maintain a public database of completed audits; and

help auditors and auditees minimize the reporting burden of complying with single audit requirements.

- Access to completed Single Audit packages and the SF-SAC form can be found at FAC.

Questions for review and discussion

1. Does the grant subrecipient have any administrative findings, significant deficiencies, and/or material weaknesses surrounding its internal controls? If not, skip next questions.

2. Does the grant subrecipient have a corrective action in place to address any administrative findings significant deficiencies, and/or material weaknesses?

3. Review the grant subrecipient's corrective action. Is the plan sufficient and reasonable and will the corrective actions be completed timely?

X. Appendix. Resources and tools

Introduction

The purpose of this appendix is to provide resources and tools for State Monitor Unit staff to perform an in-depth review of Indicators in this monitoring workbook, primarily Core Activities 2 and 3. This appendix constitutes an important part of NDOL's overall strategy to improve grant administration, especially for on-site monitoring of grant subrecipients.

This appendix is for general use and can be used on a variety of grant programs.

Resources

Resource A. Selected definitions and acronyms

Purpose

This resource provides a listing of definitions and acronyms. For a complete listing of definitions and acronyms, please click on the links provided below.

- Uniform Guidance (2 CFR Part 200) – Subpart A
- Uniform Guidance – DOL's approved Exceptions (2 CFR Part 2900) – Subpart A
- Workforce Innovation and Opportunity Act (WIOA) Sec. 3
- WIOA Labor-only Final Rule
- Wagner-Peyser – 20 CFR 651.10
- WIOA Title I – 20 CFR 675.300
- WIOA Joint Final Rule
- WIOA Performance Accountability – 20 CFR 677.150
- WorkforceGPS Grants Application and Management Community collection
- ETA Advisories (TEGLs, UIPLs, TENs, etc.)

Definitions

Administrative costs

Expenditures incurred, the allocable portion of necessary and reasonable allowable costs by State boards and local boards, direct recipients (including State grant subrecipients under subtitle B of title I and recipients of awards under subtitles C and D of title I), local grant subrecipients, local fiscal agents or local grant subrecipients, and One-Stop operators in the performance of administrative functions and in carrying out activities under title I that are not related to the direct provision of workforce investment services (including services to participants and employers). Such costs include both personnel and non-personnel costs and both direct and indirect costs. [WIOA Sec. 3(1)]

Advance payment

A payment that a Federal awarding agency or pass-through entity makes by any appropriate payment mechanism, including a predetermined payment schedule, before the non-Federal entity disburses the funds for program purposes [2 CFR § 200.3].

Allocation

The process of assigning a cost, or a group of costs to one or more cost Objective(s), in reasonable proportion to the benefit provided or other equitable relationship. The process may entail assigning costs directly to a final cost Objective or through one or more intermediate cost Objectives [2 CFR § 200.4].

Calendar year

The period between January 1 and December 31 of any year. For example, calendar year 2020 is January 1, 2020, through December 31, 2020.

Contributions

Cash, Non-cash, and Third-Party In-Kind. Cash contribution: A recipient's cash outlay, including the outlay of money contributed to the recipient by third parties. Non-cash: The value of contributions of services or property by the recipient to benefit the purpose of the award. In-kind: The value of third-party contributions of services or property used to benefit the purpose of the award. [See 2 CFR §§ 200.306 and 200.434 for proper valuation methods for third party in-kind contributions.]

Catalog of Federal Domestic Assistance (CFDA)

An online database of all Federal programs available to State and local governments, Federally recognized Indian tribal governments, territories and possessions of the United States, domestic public, quasi-public, and private profit and nonprofit organizations and institutions, specialized groups, and individuals.

CFDA number

The number assigned to a Federal program in the CFDA [2 CFR § 200.10].

Closeout

Process by which the Federal awarding agency or pass-through entity determines that all applicable administrative actions and all required work of the Federal award have been completed and all actions required by 2 CFR § 200.343 have been taken [2 CFR § 200.16]. For Federal awards from DOL, the non-Federal entity must liquidate all obligations and/or accrued expenditures incurred under the Federal award. For non-Federal entities reporting on an accrual basis and operating on an expenditure period, unless otherwise noted in the grant agreement, the only liquidation that can occur during closeout is the liquidation of accrued expenditures (NOT obligations) for goods and/or services received during the grant period [2 CFR § 2900.15].

Contract

A legal instrument by which a non-Federal entity purchases property or services needed to carry out the project or program under a Federal award. The term does not include a legal instrument, even if the non-Federal entity considers it a contract, when the substance of the transaction meets the definition of a Federal award or subaward, as defined at 2 CFR § 200.92 [2 CFR § 200.22].

Contractor

An entity that receives a contract as defined by 2 CFR § 200.22 [2 CFR § 200.23].

Cooperative agreement

Cooperative agreement means a legal instrument of financial assistance between a Federal awarding agency or pass-through entity and a non-Federal entity that, consistent with 31 USC 6302-6305: (a) Is used to enter into a relationship the principal purpose of which is to transfer anything of value from the Federal awarding agency or pass-through entity to the non-Federal entity to carry out a public purpose authorized by a law of the United States (see 31 U.S.C 6101(3)); and not to acquire property or services for the Federal Government or pass-through entity's direct benefit or use; (b) Is distinguished from a grant in that it provides for substantial involvement between the Federal awarding agency or pass-through entity and the non-Federal entity in carrying out the activity contemplated by the Federal award. (c) The term does not include: (1) A cooperative research and development agreement as defined in 15 USC 3710a; or (2) An agreement that provides only: (i) Direct United States Government cash assistance to an individual; (ii) A subsidy; (iii) A loan; (iv) A loan guarantee; or (v) Insurance [2 CFR § 200.24].

Cost sharing or Matching

The portion of project costs not borne by Federal funds (unless authorized by Federal statute [2 CFR § 200.29].

Data Universal Numbering System (DUNS)

The nine-digit established and assigned by Dun and Bradstreet, Inc. (DandB) to uniquely identify entities.

Date of completion

The date certain which DOL or the pass-through entity determines that no further obligations may be incurred to carry out program activities; all administrative actions and required work under the Federal award have been completed; and the beginning of the award closeout process begins [2 CFR §§ 200.16 and 200.77].

Disallowed costs

Charges to a Federal award that the Federal awarding agency or pass-through entity determines to be unallowable, in accordance with the applicable Federal statutes, regulations, or the terms and conditions of the Federal award [2 CFR § 200.31].

Discretionary award or competitively awarded grant

A grant or cooperative agreement for which the Federal awarding agency generally may select the recipient among all eligible recipients, may decide to make or not make an award based on the programmatic, technical, or scientific content of an application, and can decide the amount of funding to be awarded.

Equipment

Tangible personal property, including information technology systems (see definition), having a useful life of more than one year and a per-unit acquisition cost which equals or exceeds the lesser of the capitalization level established by the non-Federal entity for financial statement purposes, or $5,000 [2 CFR § 200.33].

Expenditures

Charges made by a non-Federal entity to a project or program for which a Federal award was received. The charges may be reported on a cash or accrual basis as long as the methodology is disclosed and consistently applied. For reports prepared on a cash basis, expenditures are the sum of actual cash disbursement for direct charges for property and services, the amount of indirect expense incurred, the value of third-party in-kind contributions applied, and the amount of cash advance payments and payments made to subrecipients. Note that ETA requires expenditures to be reported on an accrual basis [2 CFR § 2900.14]. For reports prepared on an accrual basis, expenditures are the sum of cash disbursements for direct charges for property and services, the amount of indirect expense incurred, the value of third party in-kind contributions applied, and the net increase (or decrease) in the amounts owed by the non-Federal entity for goods and other property received, services performed by employees, contractors, subrecipients, and other payees, and programs for which no current services or performance are required, such as annuities, insurance claims, and other benefit payments [2 CFR § 200.34].

FFATA (Subaward Reporting System FSRS)

The reporting tool Federal prime awardees use to capture and report subaward and executive compensation data regarding their first tier subawards to meet the FFATA reporting requirements.

Federal Award

The Federal financial assistance that a non-Federal entity receives directly from a Federal awarding agency or indirectly from a pass-through entity, or the cost-reimbursement contract under the Federal Acquisition Regulations that a non-Federal entity receives directly from a Federal awarding agency or indirectly from a pass-through entity. [Note. For a complete definition, refer to 2 CFR § 200.38.]

Federal Fiscal Year (FY)

The period between October 1 of a calendar year and September 30 of the following calendar year, with the subsequent year as the FY designator. For example, Fiscal Year 2020 or FY 2020 is the period between October 1, 2019 and September 30, 2020.

Generally Accepted Accounting Principles (GAAP)

GAAP is a collection of commonly followed accounting rules and standards for financial reporting. The Financial Accounting Standards Board (FASB) primarily issues GAAP statements. Government entities, however, must follow a different set of GAAP standards as determined by the Government Accounting Standards Board [2 CFR § 200.49]

Grant Agreement

A legal instrument of financial assistance between a Federal awarding agency or pass-through entity and a non-Federal entity that, consistent with 31 USC § 6302 and 6304:[12]

(a) Is used to enter into a relationship the principal purpose of which is to transfer anything of value from the Federal awarding agency or pass-through entity to the non-Federal entity to carry out a public purpose authorized by a law of the United States (see 31 USC § 6101(3)); and not to acquire property or services for the Federal awarding agency or pass-through entity's direct benefit or use;

(b) Is distinguished from a cooperative agreement in that it does not provide for substantial involvement between the Federal awarding agency or pass-through entity and the non-Federal entity in carrying out the activity contemplated by the Federal award.

(c) Does not include an agreement that provides only:

(1) direct United States Government cash assistance to an individual;

(2) a subsidy;

(3) a loan;

(4) a loan guarantee; or

(5) insurance.

[12] 2 CFR § 200.51

Improper Payment

Any payment that should not have been made or that was made in an incorrect amount (including overpayments and underpayments) under statutory, contractual, administrative, or other legally applicable requirements. Improper payments also include any payment to an ineligible party, any payment for an ineligible good or service, any duplicate payment, any payment for a good or service not received (except for such payments where authorized by law), any payment that does not account for credit for applicable discounts, and any payment where insufficient or lack of documentation prevents a reviewer from discerning whether a payment was proper [2 CFR § 200.53].

Indian tribe (or "Federally recognized Indian tribe"). Any Indian tribe, band, nation, or other organized group or community, including any Alaska Native village or regional or village corporation as defined in or established pursuant to the Alaska Native Claims Settlement Act (43 USC Chapter 33), which is recognized as eligible for the special programs and services provided by the United States to Indians because of their status as Indians (25 USC § 450b(e)). See annually published Bureau of Indian Affairs list of Indian Entities Recognized and Eligible to Receive Services [2 CFR § 200.54].

Indirect (facilities and administrative FandA)) costs

Costs incurred for a common or joint purpose benefitting more than one cost objective, and not readily assignable to the cost objectives specifically benefitted, without effort disproportionate to the results achieved. To facilitate equitable distribution of indirect expenses to the cost objectives served, it may be necessary to establish a number of pools of indirect (FandA) costs. Indirect (FandA) cost pools must be distributed to benefitted cost objectives on bases that will produce an equitable result in consideration of relative benefits derived [2 CFR § 200.56].

Information technology systems

Computing devices (see definition), ancillary equipment, software, firmware, and similar procedures, services (including support services), and related resources [2 CFR § 200.58].

Intangible property

Property that does not have a physical existence, such as trademarks, copyrights, patents and patent applications and property, such as loans, notes and other debt instruments, lease agreements, stock and other instruments of property ownership (whether the property is tangible or intangible). [2 CFR § 200.59] In addition to the guidance set forth in 2 CFR 200.315(d), the Department of Labor requires intellectual property developed under a competitive Federal award process to be licensed under a Creative Commons Attribution license. This license allows subsequent users to copy, distribute, transmit and adapt the copyrighted work and requires such users to attribute the work in the manner specified by the recipient [2 CFR § 2900.13].

Internal controls

A process, implemented by a non-Federal entity, designed to provide reasonable assurance regarding the achievement of Objectives in the following categories: (a) Effectiveness and efficiency of operations; (b) Reliability of reporting for internal and external use; and (c) Compliance with applicable laws and regulations [2 CFR § 200.61].

Internal control over compliance requirements for Federal awards

A process implemented by a non–Federal entity, designed to provide reasonable assurance regarding the achievement of the following objectives for Federal awards.[13]

(a) Transactions are properly recorded and accounted for to:

(1) permit the preparation of reliable financial statements and Federal reports;

(2) maintain accountability over assets; and

(3) demonstrate compliance with Federal statutes, regulations, and terms and conditions of the Federal award.

(b) Transactions are executed in compliance with:

(1) (a) Federal statutes, regulations, and the terms and conditions of the Federal award; and

(2) (b) any other Federal statutes and regulations that are identified in the Compliance Supplement.

(c) Funds, property, and other assets are safeguarded against loss from unauthorized use or disposition.

A report on Internal Controls and a report on Compliance for Federal Awards are two integral components of a Single Audit.

Local government

Any unit of government within a State, including a county, borough, municipality, city, town, township, parish, local public authority (including public housing authority under the United States Housing Act of 1937), school district, special district, intra-State district, council of governments (whether or not incorporated as nonprofit corporation under State law), any other agency or instrumentality of multi-, regional, or intra-State or local government [2 CFR § 200.64].

Micro-purchase

A purchase of supplies or services using simplified acquisition procedures, the aggregate amount of which does not exceed the micro-purchase threshold. These procedures comprise a subset of a non-Federal entity's small purchase procedures. The non-Federal entity uses such procedures in order to expedite the completion of its lowest-dollar small purchase transactions and minimize the associated administrative burden and cost. The micro-purchase threshold is set by the Federal Acquisition Regulation at 48 CFR Subpart 2.1 (Definitions). It is currently set at $3,500 but this threshold is periodically adjusted for inflation [2 CFR § 200.67].

[13] 2 CFR § 200.62

Modified Total Direct Costs

All direct salaries and wages, applicable fringe benefits, materials and supplies, services, travel, and up to the first $25,000 of each subaward (regardless of the period of performance of the subawards under the award). MTDC excludes equipment, capital expenditures, charges for patient care, rental costs, tuition remission, scholarships and fellowships, participant support costs and the portion of each subaward in excess of $25,000. Other items may only be excluded when necessary to avoid a serious inequity in the distribution of indirect costs, and with the approval of the cognizant agency for indirect costs [2 CFR § 200.68]. The allowance of $25,000 of each subaward is for the life of the award, or for each period of performance [COFAR July 2017 FAQ].

Non-Federal entity

A State, local government, Indian tribe, institution of higher education (IHE), for-profit entity, foreign public entity, or nonprofit organization that carries out a Federal award as a recipient or subrecipient [2 CFR § 200.69]. In the DOL, Non-Federal entity means a State, local government, Indian tribe, institution of higher education (IHE), for-profit entity, foreign public entity, foreign organization or nonprofit organization that carries out a Federal award as a recipient or subrecipient (see 2 CFR § 200.69) [2 CFR § 2900.2]

Nonprofit organization

Any corporation, trust, association, cooperative, or other organization, not including Institutions of Higher Education (IHEs), that:[14]

(a) is operated primarily for scientific, educational, service, charitable, or similar purposes in the public interest;

(b) is not organized primarily for profit; and

(c) uses net proceeds to maintain, improve, or expand the operations of the organization.

Obligations

The amounts of orders placed for property and services, contracts and subawards made, and similar transactions during a given period that require payment by the non-Federal entity during the same or a future period [2 CFR § 200.71].

Organization

A company, state, local, or tribal government, academia or research institution, nonprofit entity, or any other type of institution.

Pass-through entity (PTE)

A non-Federal entity that provides a subaward to a subrecipient to carry out part a Federal program [2 CFR § 200.74].

[14] 2 CFR 200.70

Period of performance

The time during which the non-Federal entity may incur new obligations to carry out the work authorized under the Federal award [2 CFR § 200.77].

Personal property

Property other than real property. It may be tangible, having physical existence, or intangible (having no physical existence, such as copyrights, patents, or securities) [2 CFR § 200.78].

Personally identifiable information (PII)

Information that can be used to distinguish or trace an individual's identity, either alone or when combined with other personal or identifying information that is linked or linkable to a specific individual. Some information that is considered PII is available in public sources such as telephone books, public Web sites, and university listings. This type of information is considered to be Public PII and includes, for example, first and last name, address, work telephone number, email address, home telephone number, and general educational credentials. The definition of PII is not anchored to any single category of information or technology. Rather, it requires a case-by-case assessment of the specific risk that an individual can be identified. Non-PII can become PII whenever additional information is made publicly available, in any medium and from any source, that, when combined with other available information, could be used to identify an individual [2 CFR § 200.79].

Prior written approval (prior approval)

The non-Federal entity may seek the prior written approval of the cognizant agency for indirect costs or the Federal awarding agency in advance of the incurrence of special or unusual costs. Prior written approval should include the timeframe or scope of the agreement. The absence of prior written approval on any element of cost will not, in itself, affect the reasonableness or allocability of that element, unless prior approval is specifically required for allowability in other sections of the Uniform Guidance [2 CFR § 200.407]. In addition to the guidance set forth in 2 CFR § 200.308(c), for Federal awards from the Department of Labor, the non-Federal entity must request prior approval actions at least 30 days prior to the effective date of the requested action [2 CFR § 2900.10].

Program income

Gross income earned by the non-Federal entity that is directly generated by a supported activity or earned as a result of the Federal award during the period of performance. Program income includes but is not limited to income from fees for services performed, the use or rental or real or personal property acquired under Federal awards, the sale of commodities or items fabricated under a Federal award, license fees and royalties on patents and copyrights, and principal and interest on loans made with Federal award funds. Interest earned on advances of Federal funds is not program income. Except as otherwise provided in Federal statutes, regulations, or the terms and conditions of the Federal award, program income does not include rebates, credits, discounts, and interest earned on any of them [2 CFR § 200.80].

Program Year (PY)

The period between July 1 of a calendar year and June 30 of the following calendar year. The PY designator is the year the period begins. For example, Program Year 2020 or PY 2020 is the period between July 1, 2020, and June 30, 2021.

Project

All activities incorporated in a grant statement of work (SOW), which may include program as well as the administrative and accountability elements as defined in the SOW.

Project cost

Total allowable costs incurred under a Federal award and all required cost sharing and voluntary committed cost sharing, including third-party contributions [2 CFR § 200.83].

Protected Personally Identifiable Information (Protected PII)

An individual's first name or first initial and last name in combination with any one or more of types of information, including, but not limited to, social security number, passport number, credit card numbers, clearances, bank numbers, biometrics, date and place of birth, mother's maiden name, criminal, medical and financial records, educational transcripts. This does not include PII that is required by law to be disclosed (See also personally identifiable information, defined above) [2 CFR § 200.82].

Questioned cost

A cost that is questioned by the auditor because of an audit finding:[15]

(a) Which resulted from a violation or possible violation of a statute, regulation, or the terms and conditions of a Federal award, including for funds used to match Federal funds;

(b) Where the costs, at the time of the audit, are not supported by adequate documentation; or

(c) Where the costs incurred appear unreasonable and do not reflect the actions a prudent person would take in the circumstances.

In the DOL, in addition to the guidance contained in 2 CFR § 200.84, a questioned cost means a cost that is questioned by an auditor, Federal Project Officer, Grant Officer, or other authorized Awarding agency representative because of an audit or monitoring finding:[16]

(a) Which resulted from a violation or possible violation of a statute, regulation, or the terms and conditions of a Federal award, including for funds used to match Federal funds;

(b) Where the costs, at the time of the audit, are not supported by adequate documentation; or

[15] 2 CFR 200.84
[16] 2 CFR § 2900.3

(c) Where the costs incurred appear unreasonable and do not reflect the actions a prudent person would take in the circumstances.

Real property

Land, including land improvements, structures and appurtenances thereto, but excludes movable machinery and equipment [2 CFR § 200.85].

Recipient

A non-Federal entity that receives a Federal award directly from a Federal awarding agency to carry out an activity under a Federal program. The term recipient does not include subrecipients [2 CFR § 200.86].

Single audit

An audit performed on non-Federal entities that expends $750,000 or more during the non-Federal entity's fiscal year in Federal awards. The audit must be conducted in accordance with generally accepted government accounting standards (GAGAS). The audit must cover the entire operations of the auditee, or, at the option of the auditee, such audit must include a series of audits that cover departments, agencies, and other organizational units that expended or otherwise administered Federal awards during such audit period, provided that each such audit must encompass the financial statements and schedule of expenditures of Federal awards for each such department, agency, and other organizational unit, which must be considered to be a non-Federal entity. The financial statements and schedule of expenditures of Federal awards must be for the same audit period (2 CFR §§ 200.501(b) and 200.514(a)). When an auditee expends Federal awards under only one Federal program (excluding RandD) and the Federal program's statutes, regulations, or the terms and conditions of the Federal award do not require a financial statement of the auditee, the auditee may elect to have a program-specific audit conduct in accordance with 2 CFR § 200.507 Program-specific audits [2 CFR § 200.501(c)].

State

Any State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, and any agency or instrumentality thereof exclusive of local governments [2 CFR § 200.90]. Note that Indian tribes are defined separately.

Subaward

An award provided by a pass-through entity to a subrecipient for the subrecipient to carry out part of a Federal award received by the pass-through entity. It does not include payments to a contractor or payments to an individual that is a beneficiary of a Federal program. A subaward may be provided through any form of legal agreement, including an agreement that the pass-through entity considers a contract [2 CFR § 200.92].

Subrecipient

A non-Federal entity that receives a subaward from a pass-through entity to carry out part of a Federal program but does not include an individual that is a beneficiary of such a program. A

subrecipient may also be a recipient of other Federal awards directly from a Federal awarding agency [2 CFR § 200.93].

Supplies

All tangible personal property other than those described in 2 CFR § 200.33. A computing device is a supply if the acquisition cost is less than the lesser of the capitalization level established by the non-Federal entity for financial statement purposes or $5,000, regardless of the length of its useful life [2 CFR § 200.94].

Suspension

A post-award action by the awarding agency that temporarily withdraws the agency's financial assistance sponsorship under an award, pending corrective action by the recipient or pending a decision to terminate the award.

Termination

The ending of a Federal award, in whole or in part, at any time prior to the planned end of period of performance [2 CFR § 200.95].

Third-party in-kind contributions

The value of non-cash contributions (i.e., property or services) that benefit a Federally assisted project or program, and are contributed by non-Federal third parties, without charge, to a non-Federal entity under a Federal award [2 CFR § 200.96].

Uniform Guidance

The streamlining of OMB Circulars A-21, A-50, A-87, A-89, A-102, A-110, A-122, and A-133 into a single document called the Uniform Guidance. The Uniform Guidance is also known as the Super-Circular or Omni-Circular. In addition to consolidating the circulars and regulations, the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards; Final Rule makes critical updates and promises to deliver a 21st century government that is more efficient, effective and transparent. It also focuses on improving performance and outcomes while ensuring the financial integrity of taxpayer.

Unliquidated obligations

For financial reports prepared on a cash basis, the amount of obligations incurred by the non-Federal entity that have not been paid (liquidated). For reports prepared on an accrual expenditure basis, these are obligations incurred by the non-Federal entity for which an expenditure has not been recorded [2 CFR § 200.97].

Unobligated balance

The amount of funds under a Federal award that the non-Federal entity has not obligated. The amount is computed by subtracting the cumulative amount of the non-Federal entity's unliquidated obligations and expenditures of funds under the Federal award from the cumulative amount of

the funds that the Federal awarding agency or pass-through entity authorized the non- Federal entity to obligate [2 CFR § 200.98] .

Voluntary committed cost

Cost sharing specifically pledged on a voluntary basis in the proposal's budget or the Federal award on the part of the non-Federal entity and that becomes a binding requirement of Federal award. [2 CFR § 200.99]

Acronyms

Acronym	Description
ACH	Automated clearing house
AEFLA	Adult Education and Family Literacy Act
CAP	Cost allocation plan
CD	Certificate of deposit
CFDA	Catalog for Federal Domestic Assistance
CFR	Code of Federal Regulations
CMG	Core Monitoring Guide
CMIA	Case Management Improvement Act
COFAR	Council of Financial Assistance Reform
COSO	Committee of Sponsoring Organizations of the Treadway Commission
CSBG	Community Services Block Grant
DINAP	Division of Indian and Native America Programs
DOD	Department of Defense
DOL	Department of Labor
DUNS	Data Universal Number System
DW	Dislocated worker
EBBS	Enterprise Business Support System
ED	Department of Education
EEO	Equal Employment Opportunity
EGS	Electronic Grant System
EIN	Employer Identification Number
EO	Equal Opportunity
ES	Employment Services
ESL	English as a Second Language
ET	Employment and Training
ETA	Employment and Training Administration
FandA	Facilities and Administrative
FAC	Federal Audit Clearinghouse
FAIN	Federal Award Identification Number
FASB	Financial Accounting Standards Board
FDIC	Federal Deposit Insurance Corporation
FFATA	Federal Awarding Accountability and Transparency Act
FOA	Funding Opportunity Announcement
FOIA	Freedom of Information Act
FPO	Federal Project Officer

Acronym	Description
FSRS	FFATA Subaward Reporting System
FY	Fiscal Year
GAAP	Generally Accepted Accounting Principles
GASB	Government Accounting Standards Board
GEMS/GMS	Grants E-Management System or Grants Management System
GSA	General Service Administration
HHS	Health and Human Services
HUD	Department of Housing and Urban Development
IC	internal controls
ICR	indirect cost rate
IFA	infrastructure funding agreement
IFB	Invitation for bid
IHE	Institution of higher education
IPERA	Improper Payments and Elimination and Recovery Act
IR	incident report
IT	information technology
ITA	individual training account
JTPA	Job Training Partnership Act
LEP	limited English proficiency
LMI	labor market information
LWDB	local workforce development board
LX	labor exchange
MIS	management information system
MMDA	Money Market Deposit Accounts
MOU	memorandum of understanding
MSFW	Migrant and Seasonal Farmworker
NFE	non-Federal entity
NFJP	National Farmworker Jobs Program
NICRA	negotiated indirect cost rate agreement
OGM	Office of Grants Management
OIG	Office of the Inspector General
OJT	on-the-job training
OMB	Office of Management and Budget
OPM	Office of Personnel Management
PAR	Procurement Actions Request
PII	personally identifiable information
PMS	Payment Management System
POC	point of contact
PTE	pass-through entity
PY	Program Year
REO	Reentry Employment Opportunities
RESEA	Reemployment Services and Eligibility Assessment
RFP	request for proposal
SCSEP	Senior Community Service Employment Program
SEFA	Schedule of Expenditure for Federal Awards
SF	Standard Form
SOP	standard operating procedure

Acronym	Description
SOW	statement of work
SSA	Social Security Act
SWA	State Workforce Agency
SWCAP	Statewide cost allocation plan
SWDB	State workforce development board
TAA	Trade Adjustment Assistance
TANF	Temporary Assistance for Needy Families
TEGL	Training and Employment Guidance Letter
TEN	Training and Employment Notice
TSA	Treasury State Agreement
UG	Uniform Guidance
UI	Unemployment Insurance
UIPL	Unemployment Insurance Program Letter
VR	Vocational Rehabilitation
WIA	Workforce Investment Act of 1998
WIOA	Workforce Innovation and Opportunity Act of 2014
WOTC	Work Opportunity Tax Credit
WP or W-P	Wagner-Peyser
WPRS	Worker Profiling and Reemployment Services

Resource B. Cross reference for grant management regulations

Purpose

This table provides a cross reference of grant management requirement references. Note that additional requirements may be contained in program regulations related to ETA-funded grant programs.

Table 1. Grant management regulations

Requirement	Regulation
Audit	2 CFR Part 200 Subpart F 2 CFR § 2900.2
Audit resolution	2 CFR §§ 200.508, 200.511, and 200.521 2 CFR 2900.20-22
Federal cost principles for allowable costs	2 CFR § 200.400 – 200.419
Treatment of selected items of cost	2 CFR § 200.420 – 200.475
Uniform administrative requirements	2 CFR Part 200 Subpart D
Lobbying restrictions	29 CFR Part 93
Suspension and debarment	29 CFR Part 98 Subparts A-E
Drug-free workplace	29 CFR Part 98 Subpart F
Non-discrimination (Civil Rights)	29 CFR Part 31
Non-discrimination (basis of handicap)	29 CFR Part 32
Age Discrimination of 1975	29 CFR Part 35
EO Requirements (WIOA only)	29 CFR Part 38
Title IX – Education Amendments Act of 1972	49 CFR Part 25

Additional resources

ETA-ETA website

- http://www.doleta.gov/grants/resources.cfm

Grants management and Uniform Guidance training

- https://grantsapplicationandmanagement.workforcegps.org/

Uniform Guidance

- 2 CFR Part 200
- 2 CFR 2900

Resource C. Order of precedence

Purpose

In the event of any inconsistency between the terms and conditions of this Notice of Award and other requirements, the following order of precedence shall apply:

1. program authorizations[17]/statutes
2. other applicable Federal statutes
3. applicable appropriations[18]
4. implementing regulations
5. Executive Orders
6. OMB Circulars, including the Uniform Guidance at 2 CFR Part 200 and 2 CFR 2900
7. DOL-ETA Directives
8. Terms and conditions of the grant award

Authorizing legislation such as WIOA Public Law 113 -128 establishes policies and funding limits for programs and agencies. Appropriations legislation gives Departments authority to obligate and expend federal funds related to the program authorizations. Appropriations can further restrict

[17] Authorizing legislation such as WIOA Public Law 113 -128 establishes policies and funding limits for programs and agencies.
[18] Appropriations legislation gives Departments authority to obligate and expend federal funds related to the program authorizations. Appropriations can further restrict the purpose, time, and amount of the program authorizations. Through the Anti-Deficiency Act, Departments are prohibited from over obligating or overspending an appropriation

the purpose, time, and amount of the program authorizations. Through the Anti-Deficiency Act, Departments are prohibited from over obligating or overspending an appropriation. For example, in the event that the grant's implementing regulations and OMB Circulars (including the Uniform Guidance) conflict, the grant's regulations would prevail. Specifically speaking, a State is seeking prior approval for equipment. Based on the order of precedence identified above, the State would receive prior approval from its Governor rather than DOL's Grant Officers since WIOA regulations precedes the Uniform Guidance.

Resource D. Documentation request samples and data analyses

Purpose

The lists below outlines documentation requested from the grant subrecipient by the State Monitoring Unit for analysis prior to and while conducting a monitoring event. The grant subrecipient may make access available via a website. Documentation that cannot be provided in advance of the review will be collected during the monitoring event. Additional requests may be made during the review, as necessary.

Sample documentation to be requested for monitoring of any DOLETA funded program

- organizational chart
- grant agreement or State Plan
- list of current board members and affiliations where applicable
- board minutes where applicable
- State or local plan where applicable
- MOUs and/or IFAs where applicable
- negotiated or approved performance measures
- approved budgets for programs/grants being reviewed
- participant files, policy and management
- employer/ business services policy and management
- chart of accounts and accounting system manual
- detailed general ledger transaction history
- financial reports and accrual tracking worksheets
- cash management, draw reports, reconciliations and procedures

- cost allocation methodologies to include either a negotiated indirect cost agreement and/or approved cost allocation plan (if applicable)
- debit cards, transit cards, gas card and gift cards logs, and reconciliations
- improper payment policy, SAM verification, and Do Not Pay list
- procurement and/or purchasing policy
- code of conduct and conflict of interest policy and forms
- current leases and contracts
- subrecipient financial and performance reports
- performance standards by program, reports and management reports
- match records and supporting documentation
- travel vouchers
- audits and audit resolution at subrecipient level
- single audit reports for the last three fiscal years
- monitoring reports, schedules and review instrument
- recent complaints and grievances – policy and appeal process
- Civil Rights and EEO Policies, forms and appeal process
- recently filed incident reports and policy
- property (real and personal) management – policy and inventory list
- participant supportive services policy
- participant training contracts (on-the-job training, customized training, etc.) and individual training accounts
- records – retention, custody, schedule security, and transfer policies
- agency disaster plan and recovery
- grant/contract closeout

Sample documentation to be requested for monitoring of local WIOA Title I adult, dislocated worker, and youth programs

- applicable program and local area policies and procedures
- local area organizational chart or charts
- local areas customer flow
- completed local board monitoring schedule and reports for PY [year], including all associated correspondence
- completed subrecipient monitoring schedule and reports for PY [year], including all associated correspondence
- local area complaint log
- local area complaint policies and procedures
- local area policies regarding “requires additional assistance” youth barrier
- schedules for available local area workshops for [timeframe]
- local area procedures for determining programmatic eligibility

Sample documentation to be requested for monitoring of WIOA Title III Wagner-Peyser Employment Service

- applicable State-level policies and procedures
- program-level monitoring reports, tools, and schedule for [timeframe]
- business services staff organizational chart
- business services policies and procedures
- MOU with partners for services at local one-stop partners
- assessment tools
- relevant State performance reports
- training materials, including handbooks and PowerPoints
- list of randomly selected RESEA case files for [timeframe]

Sample documentation to be requested for monitoring of performance management and reporting

- current organizational chart that reflects/highlights units/divisions/staff responsible for preparing, reviewing, submitting, and certifying reports to ETA

- State policies, guides, or handbooks regarding performance and reporting, including performance monitoring policies and examples of monitoring reports or corrective action letters
- labor exchange and WIOA Title I and Title III performance reports and MIS data flow charts
- any data management, data quality, and internal performance reports routinely prepared for internal monitoring, continuous improvement, and compliance
- any performance management systems/tools/analyses made available to the local boards and local area administrative entity staff

Sample documentation to be requested for monitoring of Reemployment Services and Eligibility Assessment/Worker Profiling and Reemployment Services (RESEA/WPRS)

State-level documentation request

- policies and procedures
- Reemployment Services and Eligibility Assessment (RESEA) MOUs with UI/partners for services provided at the local level
- monitoring tools and plans;
- training that has been conducted;
- tools used for RESEA: career action plan, work search plan, LMI provided, etc.
- all RESEA/WPRS monitoring reports
- RESEA/WPRS assessment tools
- WPRS model characteristics and numbers served through profiling model (quarterly or weekly)
- model usage and variables for RESEA program
- RESEA/WPRS customer feedback for FY [year]
- any relevant RESEA/WPRS State management reports
- list of randomly selected RESEA case files for [timeframe]

Local-level documentation request

- RESEA/WPRS customer flow for participants and referrals to training, business services connections, etc.
- desk references/guides or training materials provided to RESEA/WPRS counselors and/or program leads

- RESEA/WPRS program staff schedules for the dates State Monitoring Unit staff will be on-site or reviewing virtually to facilitate:
    - staff interviews
    - attendance at an RESEA/WPRS orientation session
    - shadowing of RESEA/WPRS participants during one-on-one sessions

Sample documentation to be requested for monitoring of Migrant and Seasonal Farmworker Program (MSFW)

State-level documentation request

- MSFW "Equity and Minimum Service Level Indicators" reports
- Agricultural Outreach Plan
- daily MSFW outreach activity logs
- complaint logs
- monitoring reports
- corrective action reports
- agricultural labor force information (i.e., number of agricultural workers and agricultural employers in the State and local service delivery areas
- State policies regarding:
    - MSFW services
    - complaints
    - agricultural job orders
    - agricultural recruitment services
    - Limited English Proficiency (LEP) services available at local one-stop centers
    - business services outreach and services to agricultural employers
    - MOUs or other agreements with local area partners

Local-area documentation request

- local area staffing resources: availability of bilingual staff (Spanish, Arabic, etc.) in significant offices

- local area service plan
- information on best practices developed by local areas to serve MSFWs
- brief summary of circumstances or events (positive or negative) that impacts or has impacted local performance
- random sample of MSFW applicants and non-MSFW applicants for [timeframe]
- lists of agricultural job orders and non-agricultural job orders for [timeframe]
- daily outreach logs
- job service complaint logs

Sample documentation to be requested for financial and administrative monitoring

State Level – Documentation Request:

- Accounting policies, including accrual reporting;
- Approved annual fiscal year budget;
- Approved cost allocation plan or indirect cost rate agreement;
- Audit resolution;
- Budget management;
- Cash management – funds request, funds obligation, disbursement, petty cash;
- Cash Management Improvement Act (CMIA) Agreement.
- Code of conduct;
- Compensation and fringe benefits inclusive of salary and bonus limitations;
- Complaints and grievances, including Civil Rights – filing and resolution;
- Cost Allocation Plan (CAP) or approved Negotiated Indirect Cost Rate Agreement (NICRA);
- Electronic access to financial and administrative policies and procedures (e.g., access to Federal reviewers must be available during the entire State review period);
- Fiscal unit organizational chart, including staff names and titles;
- Guidance notices (e.g., internal memorandums) issued on policies listed above;
- Incident reporting;

- Individual Training Accounts (ITA);
- Latest Federal financial reporting (ETA 9130 financial reports);
- On-the-Job (OJT) Training;
- Payroll register for selected dates;
- Personnel policies and procedures;
- Policies regarding determination of allowable costs;
- Procurement documentation (selection to be made on site);
- Property and equipment management policy;
- Protection of Personally Identifiable Information (PII) policy;
- Records retention policy;
- Subrecipient audits and subrecipient audit resolution;
- Subrecipient monitoring and monitoring resolution, appeals and hearings;
- Supporting documentation for all program income and match; and
- Support services, incentives/stipends.

Items below pertain to PY [year]/FY [year] WIOA, UI, and ES grants

- Last State Single Audit report including Management Letter – FY ended [June 30 of PY to be reviewed] (or FY ended June 30, xxxx if the xxxx audit report has not been published);
- Active corrective action plans required by Single Audit findings;
- List showing the results of the subrecipients' last single audit;
- List of all Requests for Proposals (RFPs) issued;
- List of subrecipient grant agreements
- List of contracts awarded;
- Property inventory;
- List of bank accounts;
- Chart of accounts;

- Trial balance, including sub-accounts as of [June 30 of PY to be reviewed];
- Bank statements to document cash receipts and disbursements;
- List of subrecipient grant agreements;
- List of sole source contracts and justifications;
- The last budget management report - budget to actual comparison;
- The schedule for subrecipient monitoring activities and monitoring internal management report with results and resolution; and
- List showing the results of the subrecipients' last single audits.

In addition, the following documentation must be readily available during the review:

- Subrecipients' grant agreements, contracts, and RFPs;
- Subrecipients' monitoring reports and corrective action plans;
- Subrecipients' audit reports, corrective action plans, and determinations issued by the LWDB;
- ETA-9130 WIOA and ES quarterly financial reports and supporting documentation;
- Real property records (be prepared to discuss the status of this property, including the amortization status and provide documentation updates as needed);
- Bank reconciliations;
- Job descriptions for positions paid by the grant;
- Approved WIOA waivers; and
- Supporting documentation for disbursement transactions, cash requests, payroll timesheets, and personnel listing.

WIOA Local Area – Documentation Request:

- Fiscal unit organizational chart including staff names and titles:
- Accounting policies, including accrual reporting;
- Approved annual fiscal year budget;
- Approved cost allocation plan or indirect cost rate agreement;
- Audit resolution;

- Budget management;
- Cash management – funds request, funds obligation, disbursement, petty cash;
- Cash Management Improvement Act (CMIA) Agreement.
- Code of conduct;
- Compensation and fringe benefits inclusive of salary and bonus limitations;
- Complaints and grievances, including Civil Rights – filing and resolution;
- Cost Allocation Plan (CAP) or approved Negotiated Indirect Cost Rate Agreement (NICRA);
- Electronic access to financial and administrative policies and procedures (e.g., access to Federal reviewers must be available during the entire State review period);
- Fiscal unit organizational chart, including staff names and titles;
- Guidance notices (e.g., internal memorandums) issued on policies listed above;
- Incident reporting;
- Individual Training Accounts (ITA);
- Latest Federal financial reporting (ETA 9130 financial reports);
- On-the-Job (OJT) Training;
- Payroll register for selected dates;
- Personnel policies and procedures;
- Policies regarding determination of allowable costs;
- Procurement documentation (selection to be made on site);
- Property and equipment management policy;
- Protection of Personally Identifiable Information (PII) policy;
- Records retention policy;
- Subrecipient audits and subrecipient audit resolution;
- Subrecipient monitoring and monitoring resolution, appeals and hearings;
- Supporting documentation for all program income and match; and

- Support services, incentives/stipends.
- Items below pertain to PY [year]/FY [year] WIOA and ES Grants:
- List of all Requests for Proposals (RFPs) issued;
- List of subrecipient grant agreements;
- List of contracts awarded;
- List of sole source contracts and justifications;
- Approved annual fiscal year budget;
- Last budget management report - budget to actual comparison;
- List of bank accounts;
- Chart of accounts/trial balance, including sub-accounts as of [June 30 of PY to be reviewed];
- Schedule for subrecipient monitoring activities and monitoring internal management report with results and resolution; and
- List showing the results of the subrecipients' last single audits.

In addition, the following documentation must be readily available:

- Memorandums of Understanding (MOUs);
- Subrecipients grant agreements, contracts, and RFPs;
- Property inventory;
- Last Single Audit Report, including management letter;
- Subrecipients' monitoring reports and corrective action plans;
- Subrecipients' audit reports, corrective action plan and determinations issued by the SWDB;
- Bank reconciliations; and
- Supporting documentation for disbursement transactions, cash requests, payroll timesheets, and personnel listing.

Resource E. Analysis for on-site monitoring

Purpose:

Below is a list of suggested analyses that a Reviewer can add to his/her arsenal of tools to assist in conducting an on-site monitoring review. A Reviewer can use these analyses to identify areas to target and prioritize when planning an on-site monitoring, but this list is not exhaustive and that there are many more analyses that can be performed.

Content analysis

Content analysis is a technique used to understand the meaning of the information provided that uncovers the what, where and when, which enables the Reviewer to gain more knowledge about the project. For instance, doing a content analysis of a project prompts questions such as: What is the service that is provided? How is that service provided? When does that service occur in the grant's period of performance? Where is the service provided? Why is the service needed?

A key question is: Is all of the information that should be part of the document present? There may be a possibility that not all the information is contained in a single document. Reviewers must read several other documents to get the full picture. By doing so, they are simultaneously connecting new information with what they may already know about the grant.

Cross-checking analysis

This analysis goes a step further than content analysis and asks that the Reviewer to further analyze data and identify how sets of data relate to each other. Sometimes, using additional documents can provide more clarity and/or validate results of a document. Use the remaining documents from the project's work plan and the Performance Report Period and cross-check documents that seem appropriate with one another.

For the purpose of the monitoring, activity/expenditures are checked against one another from different documents; but also, against the laws, Federal regulations, and Grant Terms and Conditions. For example, a simple cross-checking analysis using the general ledger and payment vouchers can demonstrate to the Reviewer supporting evidence for the procurement, payment, and approval process.

Since most competitive grant subrecipients are not required to provide detailed financial or performance data Reviewers should focus on what is required to submit on a quarterly basis for their programs.

Variance analysis

Variance analysis is conducted to understand the difference between actual and planned data. By nature, variance analysis uses numbers; thus, documents such as budgets would be ideal when doing a variance analysis. The analysis highlights the existence and size of variance during a review period established by the Reviewer. A variance analysis can be a trend line that shows difference on a monthly or quarterly basis, which would significantly aid the analysis of the data and may give a financial picture to the overall progress of the grant.

Since most competitive grant subrecipients are not required to provide detailed financial or performance data Reviewers should focus on what is required to submit on a quarterly basis for their programs.

Resource F. Using effective interviewing techniques

Purpose:

Use this resource as a guide for interviews.

Interviews are tools for gathering context that is often used to validate the information that is collected from multiple written sources. By conducting interviews, Reviewers can identify causes and address them effectively.

Types of interviews range from completely unstructured in which the grant subrecipient staff speaks freely about any topic they desire, to highly structured in which Reviewer ask series of questions and directs the grant subrecipient staff to limit their answers and comments to only these questions directly. The quality of the data collected in an interview depends on both the interview design and on the skill of the interviewer. It may occur that the questions are not understood by the grant subrecipient's staff or the Reviewer consciously or unconsciously influences the responses that the grant subrecipient's staff provides. This, in turn, affects the information collected.

The CMG is equipped with questions to help Reviewers conduct a semi-structured interview. However, Reviewers are not confined to the format. They are free to use an unstructured interview approach if that works for the particular subject about which the Reviewer is inquiring. Sometimes, a Reviewer can get a lot of new information from an unstructured interview simply because the grant subrecipient staff feels at ease to speak freely and, thus, increases the validity of the data.

There are several types of questions that are used in interviews: close-ended, open-ended, probing, reflective, and summarizing. Depending on the types of questions that are used, some interviews encourage lengthy and detailed replies while others are designed to elicit short and specific responses.

Types of questions

Closed-ended questions

Provide direct answers to questions and leave limited opportunity for detail. These questions usually require the grant subrecipient staff to answer "yes" or "no" or provide exact information and precise details that answer the question.

For example, the Reviewer may ask: Did you increase youth enrollment in the program for the year 2017? There is a possibility that the grant subrecipient staff responds by saying yes by 50%. However, in the event that the staff answered no, it unlocks the opportunity for the Reviewer to ask open-ended questions.

Open-ended questions

Define the topic being reviewed but also provides opportunities for the Reviewer to discuss the topic. With open-ended questions, the grant subrecipient staff has the opportunity to clarify their responses.

For example, the Reviewer may ask: In the past, how did the staff promote youth participation in the program? Chances are that the grant subrecipient iterates all the practices that led to increasing youth participation. The Reviewer can pick a few of these answers and probe the grant subrecipient staff for further explanation.

Probing questions

Are other techniques used during interviews? Reviewers can use probing to go deeper into a particular subject or answer in order to understand the rationale or reason behind. Probing gives the grant subrecipient staff more latitude to provide further details. 188 Appendix: Comprehensive Monitoring Guide Resource F: Using Effective Interviewing Techniques

During probing, a Reviewer may ask: You said x and y, now what is the difference between those two? What do you think would happen if…?

Reflective questions

Require the grant subrecipient staff to reflect on a situation and describe it. Such technique allows the grant subrecipient staff to provide more detail on the cause and effect on a problem.

For example, the Reviewer may ask: What other facts or issues do you think are relevant to the low youth participation in your program?

Lastly, it is of utmost important to relate the information the grant subrecipient staff shared back to the staff by summarizing the key points of the discussion. Summarizing highlights important information, reiterates what was said, acknowledges the grant subrecipient's staff opinion, displays the Reviewer's ability to listen, and confirms the Reviewer's understanding of what was discussed. Summarizing is not always an indication that the interview is concluded. Sometimes, it helps to summarize parts of a discussion in order to ask a very specific question. For example, the Reviewer may ask: To summarize, x happened. So now you plan on doing what about it?

Resource G. Sampling methodology

Purpose

A representative sampling of the total population pool should be used when determining samples for testing. For example, where training is a key component of the grant, reviewers should select a sample from a listing that contains the entire population and consider selecting files for participants not yet in training, both participants in short and long-term training options and participants who completed and dropped out of training those that found employment post-training and those who did not, participants from different training providers, and a mix of occupations for which training was selected.

General steps

Below are some general steps to keep in mind when sampling:

1. Define the population: Defining the target population should be in line with the Objective of the review. Therefore, the reviewer's first step in selecting a good sample is to draw different elements from the database to ensure that the target population is well represented. Try to obtain the population pool in the most automated way possible for ease of sampling (e.g., use a database spreadsheet file and filter through by age, years of participation or other parameters established by the grant subrecipient's system.)

2. Specify a sampling frame: The target population is sampled using a sampling frame. Often the units in the population can be identified by existing information (e.g., participant listing, general ledger, listing of contracts, payroll records, etc.). A sampling frame could also be dollar amounts; for example, select costs that are more than a certain dollar amount (e.g., costs in excess of $150,000 are selected).

3. Specify a sampling method: There are basically two ways to choose a sample from a sampling frame: randomly or non-randomly. There are benefits to both. If the sampling frame is approximately the same demographic makeup as the population, it would probably be more beneficial to randomly select the sample. For example, when selecting participant records, if participants are all youths in the same age group and from the same service delivery area, it would make sense to select a sample at random versus selecting a sample non-randomly.

4. Determine the sample size: In general, larger samples are better, but they also require more time and effort to manage. If the reviewer makes a sample size of 25 participant records, it takes more time than if he/she only has to go through 10 records. But the results of his/her review are stronger with 25 participant records reviewed versus 10. The reviewer has to make choices and find a balance between what gives him/her assurance regarding the grant subrecipient's progress and performance against grant performance goals and what is practical for the existing constraints (e.g., time, money, etc.).

5. Select samples: Once the reviewer knows the population, sampling frame, sampling method, and sample size, the reviewer can use all that information to make an informed decision on his/her sample.

Resource H. Monitoring finding template

Purpose

Use this resource to capture information on findings.

Disclaimer: This is not a report format. It is a tool that can be used to ensure all relevant information regarding a finding is captured while on site.

Condition

The topic sentence of the finding. A clear, concise and specific statement describing the violation of law, regulations, Uniform Guidance, national policies, etc.

Cause

The reason the condition occurred. For example, what is or was the grant subrecipient doing or not doing that resulted in the condition.

Criteria

Identify the legal citations that support the condition.

Corrective action

Identify the action(s) required to eliminate the cause, and thus the condition.

Resource I. List of items requiring prior approval

Purpose

Purpose: To aid the Reviewer in understanding the various prior approval conditions in ETA's policies and the Uniform Guidance (2 CFR Part 200) and ETA Exceptions (2 CFR Part 2900) for competitive grants. Please review 2 CFR Part 200 and 2 CFR Part 2900 for detailed descriptions of each of these prior approval conditions. In addition, review the program's grant agreement and program regulations for additional prior approval requirements. See Objective 2.a. Project Management.

The Reviewer is not authorized to change any of the terms or conditions of the award or approve prior approval requests. Any changes to the terms or conditions or prior approvals must be approved by the Grant Officer through the use of a formally executed award modification process (prior written approval) (2 CFR § 2900.16).

Policy	Prior action approval	Prior approval condition
ETA policy	De minimis rate	Must obtain written approval from the ETA grant officer
ETA policy	Use of unrecovered indirect costs to match requirements	Must obtain written approval from the ETA grant officer

Uniform guidance citation	Section title	Prior approval condition
2 CFR § 2900.10	Prior approval requests	Submit 30 days prior to effective date
2 CFR § 2900.16	Prior written approval	Only a grant officer has the authority to approve a written request Inclusion of items in an SOW or budget does not constitute prior approval

Uniform guidance citation	Section title	Prior approval condition
2 CFR § 2900.19	Student activity costs	Generally prohibited except for prior written approval for activities that meet a program requirement
2 CFR § 200.201	Use of grant agreements (including fixed amount awards), cooperative agreements, and contracts	For fixed amount awards: Changes in principal investigator, project leader, project partner, or scope of effort
2 CFR § 200.207	Specific conditions	Federal awarding or pass-through agency may impose additional specific award conditions as needed
2 CFR § 200.306	Cost sharing or matching	To claim unrecovered indirect costs Must account for cost sharing/match as they are expended (2 CFR § 2900.8)
2 CFR § 200.307	Program income	Refer to your terms and conditions of your grant agreement ETA may already require the use of 'addition' method when expending program income
2 CFR § 200.308	Revision of budget and program plans	Prior approval from Federal awarding agency for budget and program plan revisions (200.308(b)) If the Federal Share of the grant exceeds the simplified acquisition threshold, transfer of funds among direct cost categories exceeds 10 percent of the total budget, prior approval is needed (200.308(e)) Approval of award budget does not constitute prior approval (2 CFR 2900.9)
2 CFR § 200.311	Real property	Must request disposition instructions from Federal awarding agency or pass-through entity
2 CFR § 200.313	Equipment	Encumbering (200.313(d)(1)): Disposition instructions if requirement by terms and conditions of Federal award (200.313(e))
2 CFR § 200.332	Fixed amount subawards	Pass-through entities may provide subawards based on fixed amounts up to the Simplified Acquisition Threshold with prior approval
2 CFR § 200.413	Direct costs	Direct charging of salaries of administrative and clerical staff if all conditions are met: (1) administrative and clerical staff are integral to the project/activity; (2) specifically identified with a project/activity; (3) explicitly included in the budget or prior approval of the Federal awarding agency; and (4) costs are not recovered as indirect costs
2 CFR § 200.430	Compensation – personal services	Institutions of Higher Education: Incidental activities, salary basis, consulting arrangements (200.430(h)(1)(ii))-(h)(2))

Uniform guidance citation	Section title	Prior approval condition
		States, local governments and Indian tribes: Substitute processes for allocating salaries and wages to Federal awards (Federal awards of similar purpose: To account for their combined use based on performance-oriented metrics. (200.403(i)(1)(5))
2 CFR § 200.431	Compensation – fringe benefits: severance pay for abnormal or mass severance	Not allowable unless receiving prior approval to charge as indirect cost, as appropriate (200.431(i)(2)(ii))
2 CFR § 200.438	Entertainment costs	Not allowable unless authorized in approved budget or prior written approval of Federal awarding agency
2 CFR § 200.439	Equipment and other capital expenditures	Unallowable as direct charges unless receiving prior written approval for capital expenditures for: General purpose equipment, buildings and land (200.439(b)(1)); Special purpose equipment over $5000 (200.439(b)(2)); Improvements to land, buildings, or equipment which increase their value or useful life (200.439(b)(3))
2 CFR § 200.440	Exchange rates	*Not applicable* because ETA grants do not have foreign operations
2 CFR § 200.441	Fines, penalties, damages and other settlements	Costs resulting from violations of law or regulations
2 CFR § 200.442	Fund raising and investment management costs	Fund raising costs for the purpose of meeting Federal program objectives
2 CFR § 200.445	Goods or services for personal use	Cost of housing, housing allowances, and personal living expenses as direct costs (regardless of whether reported as taxable income to the employees)
2 CFR § 200.447	Insurance and indemnification	Insurance for risk of loss or damage to Federal government property
2 CFR § 200.454	Membership, subscriptions, and professional activity costs	Costs of membership in any civic or community organization
2 CFR § 200.455	Organization costs	Organization costs
2 CFR § 200.456	Participant support costs	When supportive services are expressly authorized by a program statute, regulation, or FOA, the grant award waives the prior approval requirement for participant support costs as described in 2 CFR § 200.456. Costs must still meet the basic considerations at 2 CFR §§ 200.402 – 200.411
2 CFR § 200.458	Pre-award costs	Allowable costs incurred prior to effective date of the Federal award

Uniform guidance citation	Section title	Prior approval condition
2 CFR § 200.462	Rearrangement and reconversion costs	Cost of normal and ordinary rearrangement or alteration of facilities charged as direct costs
2 CFR § 200.467	Selling and marketing costs	Cost of selling or marketing any products or services charged as direct costs
2 CFR § 200.470	Taxes (including Value Added Tax)	*Not applicable* because ETA grants do not have foreign operations
2 CFR § 200.474	Travel costs	Individuals whose costs are otherwise not allowable to Federal awards because they are included as part of the general cost of government
Appendix III, Section C.5	Negotiated Fixed Rates and Carry-Forward Provisions	Changes to carry-forward provision for indirect costs

Resource J. Procurement standards

Purpose

A quick reference to the Uniform Guidance's procurement standards. See Objective 2.d: Procurement and Contract Administration.

Uniform Guidance 2 CFR 200.317 - 200.326

- States - When procuring property and services under a Federal award, a State must follow the same policies and procedures it uses for procurements from its non-Federal funds (2 CFR § 200.317).
- All other non-federal entities - Must adhere to the Uniform Guidance at 2 CFR §§ 200.318 – 200.326, including DOL exceptions at 2 CFR Part 2900. For-Profit Entities* - OMB's approved exception applicable to DOL at 2 CFR 2900.2, expands the definition of non-Federal entities to include for-profit and foreign entities.
- All subrecipients must adhere to the Uniform Guidance at 2 CFR Part 200 and DOL Exceptions at 2 CFR 2900 including the procurement standards.

General Procurement Standards:

1. Establish written policies and procedures that address the procurement of goods and services. Establish settlement procedures related to disputes, protests, source evaluations, and claims.
2. A method of procurement to be used during the procurement process. Non-Federal entities are required to use methods of procurement described at 2 CFR 200.320 when competitively procuring.
3. Use of full and open competition. Procurement transactions must not restrict competition.
4. Application of policies in all Federal and non-Federal procurements must be consistent.
5. Establish written standards of conduct that addresses disclosure of real, apparent, and organizational conflict of interest for all involved parties, such as staff and Board members.
6. A process that promotes transparency and awarding only to responsible entities.

7. Avoid the purchase of unnecessary or duplicative items.
8. Policies and procedures that address noncompetitive or sole source procurement.
    a. Document and make available for review, the procurement history to include, but not limited to: Rationale for procurement method
    b. Rationale for contract type including MOUs
    c. Basis for contractor selection or rejection
    d. Basis for contract price or award amount
    e. Separately negotiated profit*
9. Must use a cost and price analysis for all procurements in excess of the Simplified Acquisition Threshold (small purchases) including modifications. An independent estimate of costs before receiving bids or proposals must be documented.

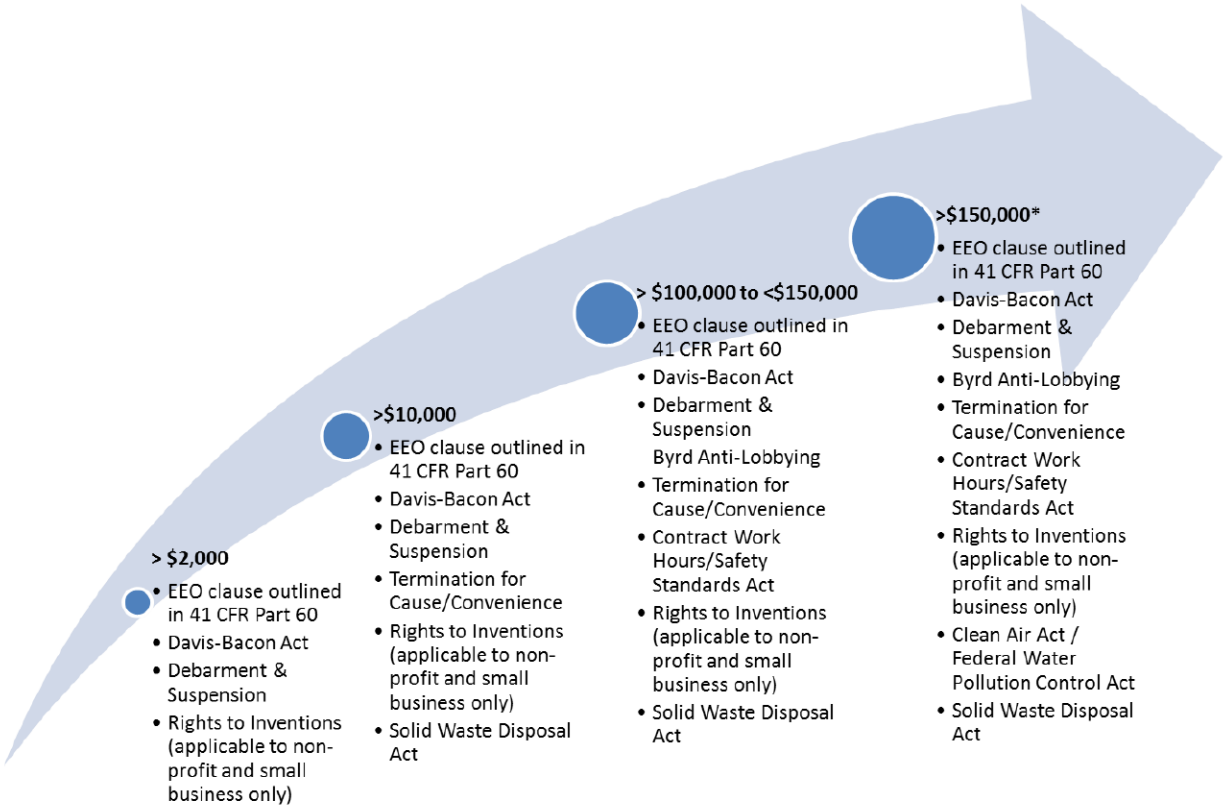
* Profit may not be earned from any Federal financial assistance award at 2 CFR 200.400(g) unless expressly authorized by the program.

Resource K. Background for contract provisions

Purpose

To provide the reviewer with guidance regarding contract provisions/clauses. (See Objective 2.d.) and Contract Provisions for non-Federal Entity Contracts Under Federal Awards 2 CFR Part 200, Appendix II.

In addition to other provisions required by the Federal agency or pass-through entity, all contracts made by the grant subrecipient under the Federal award must contain provisions covering the following, as applicable. For full text, please refer to 2 CFR Part 200, Appendix II.



Resource L. Retention of records table

Purpose

To aid the reviewer in understanding the various record retention requirements. Please review 2 CFR 200.333 to 200.337 for full description of record retention requirements. (See Objective 2.g.).

Retention and access requirements for records

What records are affected?

- All grant subrecipient and subrecipient financial and programmatic records, supporting documents; other records required by program regulations; grant agreements; and other records reasonably considered pertinent to program regulations or grant agreements

What records are not affected?

- Records maintained by contractors or subcontractors, unless required under contract

Length of retention period

- 3 years from the date of submission of the final expenditure report, or until any litigation, claim, negotiation, audit, or other action involving the records, which was started before the end of the 3-year period is resolved
- such actions never to reduce the period to less than 3 years

State date of retention period

- General
    - For grant support continued or renewed quarterly, retention period starts on the day grant subrecipient submits its expenditure report for the last quarter of the Federal fiscal year.
    - For any other period of funding, retention period begins on the day grant subrecipient or subgrant subrecipient submits its single or last expenditure report for the period. If report is waived, retention period starts on what would have been report due date.
- Real property and equipment
    - Retention period starts from the date of disposition replacement, or transfer at the direction of the awarding agency.
- Income earned post-grant
    - When required, begins from the end of grant subrecipient's fiscal year in which the income is earned.
- Indirect cost rate computations or proposals, cost allocation plans or similar computations of rate per group
    - Period starts from the date of submission to Federal government for negotiation of rate. If not submitted for negotiation, period starts from the end of the fiscal year or other accounting period covered by the proposal, plan, or computation.

Acceptable forms for records

- In addition to original records, microfilm, photocopy, or similar methods are acceptable. In accordance with the May 2013 Executive Order on Making Open and Machine Readable the New Default for Government Information, the Federal awarding agency and the grant subrecipient should, whenever practicable, collect, transmit, and store Federal award-related information in open and machine-readable formats rather than in closed formats or on paper.

Access to records

- Awarding agency, Inspectors General, U.S. Comptroller General, and the pass-through entity, or any of their authorized representatives have right of access to any records pertinent to a grant to make audits, examinations, excerpts, and transcripts.

Expiration of rights of access

- Not limited to period of retention, but as long as the records are retained.

- FOIA does not apply to those records that remain under a grant subrecipient's control except as required under 2 CFR § 200.315. Unless required by Federal, State, local, and tribal statute, grant subrecipients are not required to permit public access to their records. The grant subrecipient's records provided to a Federal agency are generally subject to FOIA and applicable exemptions.

Resource M. SWCAP and NICRA resources

Purpose

To provide a list of resources for State-Wide Cost Allocation Plans (SWCAPs) or negotiated indirect cost rate agreements (NICRAs). See Objective 3.g: Cost Allocation/ Indirect Costs.

The Uniform Guidance identifies the cognizant agency for certain agencies regardless of the dollar amount. Please see complete guidance from 2 CFR Part 200 Appendix V: F. Negotiation and Approval of Central Service Plans.

In general, unless different arrangements are agreed to by the concerned Federal agencies, for central service cost allocation plans, the cognizant agency responsible for review and approval is the Federal agency with the largest dollar value of total Federal awards with a governmental unit. For indirect cost rates and departmental indirect cost allocation plans, the cognizant agency is the Federal agency with the largest dollar value of direct Federal awards with a governmental unit or component, as appropriate. Once designated as the cognizant agency for indirect costs, the Federal agency must remain so for a period of five years. In addition, the following Federal agencies continue to be responsible for the indicated governmental entities:

Federal agency	Governmental entity
Department of Health and Human Services	Public assistance and State-wide cost allocation plans for all States (including the DC and Puerto Rico, State and local hospitals, libraries and health districts
Department of the Interior	Indian tribal governments, territorial governments, and State and local park and recreational districts
Department of Labor	State and local labor departments
Department of Education	School districts and State and local education agencies
Department of Agriculture	State and local agricultural departments
Department of Transportation	State and local airports and port authorities and transit districts
Department of Commerce	State and local economic development districts

Federal agency	Governmental entity
Department of Housing and Urban Development	State and local housing and development districts
Environmental Protection Agency	State and local water and sewer districts

State is defined in the Uniform Guidance at 2 CFR 200.90

Indian tribe is defined in the Uniform Guidance at 2 CFR 200.54

List of resources

- Cost Allocation Services (CAS) is located within the Department of Health and Human Services (HHS), Program Support Center (PSC). HHS is designated by the OMB as the cognizant federal agency for reviewing and negotiating facility and administrative (indirect) cost rates, fringe benefit rates, special rates as determined to be appropriate, research patient care rates, Statewide cost allocation plans and public assistance cost allocation plans. These indirect cost rates and cost allocation plans are used by grant subrecipient institutions to charge Federal programs for administrative and facility costs associated with conducting Federal programs.

- Based on the cost principles established in the Uniform Guidance, State and local organizations may support the indirect costs that they incurred by submitting an Indirect Cost Rate (ICR) proposal or a Cost Allocation Plan (CAP) to their Federal cognizant agency. If DOL provides the preponderance of funds to the organization, DOL would normally be cognizant. The Division of Cost Determination is responsible for the review and approval of the proposals submitted to DOL.

- Contact information for DOL's Division of Cost Determination is accessible at http://www.dol.gov/oasam/boc/dcd/

- National Office address: 200 Constitution Avenue, N.W., S-1510, Washington, DC 20210

- DOL DCD's Guidance on Indirect Costs for State/ Local Governments: https://www.dol.gov/oasam/boc/dcd/State-guide.htm

Tools

Tool A. MOU and funding agreement worksheet

Purpose

To gather documentation to assist the Reviewer in determining if the local area's MOU funding document or Infrastructure Funding Agreement (IFA) contains the appropriate elements and meets requirements.

Use

Complete the table below for each local area reviewed. If there are multiple agreements, complete the table for a sample of partners.

Local area:			
Required one-stop partner			
Checkpoints	Y/N or date	Adequacy	Comments
1. Parties to agreement			
2. Identification of shared costs			
3. Methods of allocating costs			
4. Methods used to pay for shared costs			
5. Modification and reconciliation procedures			
6. Authority and signatures			
Is the agreement for the current period?			
Has the agreement been modified? If yes, enter date.			
Does they operate in accordance with their plan?			
In your judgement, is the processes adequate and reasonable			

For any identified finding, obtain relevant documents/reports and share them with the State Monitoring Unit Administrator.

Tool B. WIOA Title I adult participant file review

The reviewer will use the NDOL heat map to perform adult participant case file review. The heat map provides a weighted summary of the participant case file review based on the total number of non-compliant observations. Below is an example of the weighted summary resulting from observations.

[name of local area]
Finding Map
Monitoring Purposes Only

	Adult program	Dislocated worker program	Youth program	Title I Totals
Finding Count	0	0	0	0
Weighted Total	53.5%	50.5%	59.0%	54.3%
Adult Eligibility DocumentationWeighted Total	75.0%			75.0%
Insufficient documentation of SSN	1			1
Insufficient documentation of DOB	1			1
Insufficient documentation of authorization to work in US	0			0
Insufficient documentation of Selective Service status	1			1
Insufficient documentation of low-income status	1			1
Insufficient documentation of basic skills deficiency	1			1
Insufficient documentation of public assistance recipient	1			1
Insufficient documentation of veteran status	0			0
Total Number of Findings	6			6
Dislocated Worker Eligibility DocumentationWeighted Total		80.0%		80.0%
Insufficient documentation of SSN		1		1
Insufficient documentation of DOB		1		1
Insufficient documentation of authorization to work in US		0		0
Insufficiently documented Selective Service status		1		1
Insufficiently documented dislocation status		1		1
Total Number of Findings		4		4
Youth Eligibility DocumentationWeighted Total			50.0%	50.0%
Insufficient documentation of SSN			1	1
Insufficient documentation of DOB			1	1
Insufficient documentation of authorization to work in US			0	0
Insufficiently documented Selective Service status			0	0
Insufficient documentation of low-income status			1	1
Insufficiently documented in-school/out-of-school status			0	0
Insufficiently documented English language learner			1	1
Insufficiently documented offender status			0	0
Insufficiently documented homeless status			1	1
Insufficiently documented foster care status			1	1
Insufficiently documented pregnant/parenting status			0	0

Insufficiently documented disability status			1	1
Insufficiently documented pregnant/parenting status			0	0
Insufficiently documented "requires additional assistance to complete an educational program or to secure or hold employment"			0	0
Total Number of Findings			7	7
IEP/ISSWeighted Total	40.0%	60.0%	80.0%	60.0%
IEP/ISS missing or incomplete	0	0	1	1
IEP/ISS static or not up to date	0	1	1	2
Lacks clearly identified career goals	1	1	0	2
Goals did not support service delivery	0	0	1	1
Lacks client involvement statement	1	1	1	3
Total Number of Findings	2	3	4	9
Service Record	52.5%	37.5%	40.0%	43.3%
Provision of service prior to participation	0	0	0	0
Multiple activity codes for the same OST program				
Services open 90+ days without supporting documentation	1	0	1	2
Activity codes lack supporting documentation	0	1	1	2
Missing or inaccurate activity codes	1	1	0	2
Service dates do not align with supporting documentation	1	1	0	2
Gap in service > 90 days	1	0	1	2
Total Number of Findings	4	3	3	10
Case Notes	50.0%	50.0%	50.0%	50.0%
Case notes insufficiently detailed or unclear	1	0	1	2
Case notes missing	0	1	0	1
Total Number of Findings	1	1	1	3
Other	50.0%	25.0%	75.0%	50.0%
Missing or incomplete documentation showing EO/grievance procedures provided to participant	1	0	1	2
Follow up services not provided or completed	0	1	1	2
Missing or incomplete documentation for MSG	0	0	0	0
Missing or incomplete documentation for credentials	1	0	1	2
Total Number of Findings	2	1	3	6

The basis of the heat map summary is the data recorded by the reviewer in program-specific worksheets. Below is an example of a program specific source data worksheet that contributes to the weighted summary tab.

[Title I program]: [name of local area]	
Finding Map	
Monitoring Purposes Only	
	State ID #
Finding Count	
Weighted Total	
Adult Eligibility DocumentationWeighted Total**	
Insufficient documentation of SSN	0
Insufficient documentation of DOB	0
Insufficient documentation of authorization to work in US	0
Insufficient documentation of Selective Service status	0
Insufficient documentation of low-income status	0
Insufficient documentation of basic skills deficiency	0
Insufficient documentation of public assistance recipient	0
Insufficient documentation of veteran status	0
Total Number of Findings	0
Dislocated Worker Eligibility DocumentationWeighted Total**	
Insufficient documentation of SSN	0
Insufficient documentation of DOB	0
Insufficient documentation of authorization to work in US	0
Insufficiently documented Selective Service status	0
Insufficiently documented dislocation status	0
Total Number of Findings	0
Youth Eligibility DocumentationWeighted Total**	
Insufficient documentation of SSN	0
Insufficient documentation of DOB	0
Insufficient documentation of authorization to work in US	0
Insufficiently documented Selective Service status	0
Insufficient documentation of low-income status	0
Insufficiently documented in-school/out-of-school status	0
Insufficiently documented English language learner	0
Insufficiently documented offender status	0
Insufficiently documented homeless status	0
Insufficiently documented foster care status	0
Insufficiently documented pregnant/parenting status	0
Insufficiently documented disability status	0
Insufficiently documented "requires additional assistance to complete an educational program or to secure or hold employment"	0
Total Number of Findings	0
IEP/ISSWeighted Total**	
IEP/ISS missing or incomplete	0
IEP/ISS static or not up to date	0
Lacks clearly identified career goals	0
Goals did not support service delivery	0
Lacks client involvement statement, if applicable in the local area	0
Total Number of Findings	0
Service Record	
Provision of service prior to participation	0

Multiple activity codes for the same OST program	0
Services open 90+ days without supporting documentation	0
Activity codes lack supporting documentation	0
Missing or inaccurate activity codes	0
Service dates do not align with supporting documentation	0
Gap in service > 90 days	0
*****Total Number of Findings*****	0
*****Case Notes*****	
Case notes insufficiently detailed or unclear	0
Case notes missing	0
*****Total Number of Findings*****	0
*****Other*****	
Missing or incomplete documentation showing EO/grievance procedures provided to participant	0
Follow up services not provided or completed	0
Missing or incomplete documentation for MSG	0
Missing or incomplete documentation for credentials	0
*****Total Number of Findings*****	0

Tool C. WIOA dislocated worker participant file review

The reviewer will use the NDOL heat map to perform dislocated worker participant case file review. The heat map provides a weighted summary of the participant case file review based on the total number of non-compliant observations. Below is an example of the weighted summary resulting from observations.

[name of local area]
Finding Map
Monitoring Purposes Only

	Adult program	Dislocated worker program	Youth program	Title I Totals
Finding Count	0	0	0	0
Weighted Total	53.5%	50.5%	59.0%	54.3%
Adult Eligibility DocumentationWeighted Total	75.0%			75.0%
Insufficient documentation of SSN	1			1
Insufficient documentation of DOB	1			1
Insufficient documentation of authorization to work in US	0			0
Insufficient documentation of Selective Service status	1			1
Insufficient documentation of low-income status	1			1
Insufficient documentation of basic skills deficiency	1			1
Insufficient documentation of public assistance recipient	1			1
Insufficient documentation of veteran status	0			0
Total Number of Findings	6			6
Dislocated Worker Eligibility DocumentationWeighted Total		80.0%		80.0%
Insufficient documentation of SSN		1		1
Insufficient documentation of DOB		1		1
Insufficient documentation of authorization to work in US		0		0
Insufficiently documented Selective Service status		1		1
Insufficiently documented dislocation status		1		1

Total Number of Findings		4		4
Youth Eligibility DocumentationWeighted Total			50.0%	50.0%
Insufficient documentation of SSN			1	1
Insufficient documentation of DOB			1	1
Insufficient documentation of authorization to work in US			0	0
Insufficiently documented Selective Service status			0	0
Insufficient documentation of low-income status			1	1
Insufficiently documented in-school/out-of-school status			0	0
Insufficiently documented English language learner			1	1
Insufficiently documented offender status			0	0
Insufficiently documented homeless status			1	1
Insufficiently documented foster care status			1	1
Insufficiently documented pregnant/parenting status			0	0
Insufficiently documented disability status			1	1
Insufficiently documented pregnant/parenting status			0	0
Insufficiently documented "requires additional assistance to complete an educational program or to secure or hold employment"			0	0
Total Number of Findings			7	7
IEP/ISSWeighted Total	40.0%	60.0%	80.0%	60.0%
IEP/ISS missing or incomplete	0	0	1	1
IEP/ISS static or not up to date	0	1	1	2
Lacks clearly identified career goals	1	1	0	2
Goals did not support service delivery	0	0	1	1
Lacks client involvement statement	1	1	1	3
Total Number of Findings	2	3	4	9
Service Record	52.5%	37.5%	40.0%	43.3%
Provision of service prior to participation	0	0	0	0
Multiple activity codes for the same OST program				
Services open 90+ days without supporting documentation	1	0	1	2
Activity codes lack supporting documentation	0	1	1	2
Missing or inaccurate activity codes	1	1	0	2
Service dates do not align with supporting documentation	1	1	0	2
Gap in service > 90 days	1	0	1	2
Total Number of Findings	4	3	3	10
Case Notes	50.0%	50.0%	50.0%	50.0%
Case notes insufficiently detailed or unclear	1	0	1	2
Case notes missing	0	1	0	1
Total Number of Findings	1	1	1	3
Other	50.0%	25.0%	75.0%	50.0%
Missing or incomplete documentation showing EO/grievance procedures provided to participant	1	0	1	2
Follow up services not provided or completed	0	1	1	2
Missing or incomplete documentation for MSG	0	0	0	0
Missing or incomplete documentation for credentials	1	0	1	2
Total Number of Findings	2	1	3	6

The basis of the heat map summary is the data recorded by the reviewer in program-specific worksheets. Below is an example of a program specific source data worksheet that contributes to the weighted summary tab.

[Title I program]: [name of local area]	
Finding Map	
Monitoring Purposes Only	
	State ID #
Finding Count	
Weighted Total	
Adult Eligibility DocumentationWeighted Total**	
Insufficient documentation of SSN	0
Insufficient documentation of DOB	0
Insufficient documentation of authorization to work in US	0
Insufficient documentation of Selective Service status	0
Insufficient documentation of low-income status	0
Insufficient documentation of basic skills deficiency	0
Insufficient documentation of public assistance recipient	0
Insufficient documentation of veteran status	0
Total Number of Findings	0
Dislocated Worker Eligibility DocumentationWeighted Total**	
Insufficient documentation of SSN	0
Insufficient documentation of DOB	0
Insufficient documentation of authorization to work in US	0
Insufficiently documented Selective Service status	0
Insufficiently documented dislocation status	0
Total Number of Findings	0
Youth Eligibility DocumentationWeighted Total**	
Insufficient documentation of SSN	0
Insufficient documentation of DOB	0
Insufficient documentation of authorization to work in US	0
Insufficiently documented Selective Service status	0
Insufficient documentation of low-income status	0
Insufficiently documented in-school/out-of-school status	0
Insufficiently documented English language learner	0
Insufficiently documented offender status	0
Insufficiently documented homeless status	0
Insufficiently documented foster care status	0
Insufficiently documented pregnant/parenting status	0
Insufficiently documented disability status	0
Insufficiently documented "requires additional assistance to complete an educational program or to secure or hold employment"	0
Total Number of Findings	0
IEP/ISSWeighted Total**	
IEP/ISS missing or incomplete	0
IEP/ISS static or not up to date	0
Lacks clearly identified career goals	0
Goals did not support service delivery	0
Lacks client involvement statement, if applicable in the local area	0
Total Number of Findings	0
Service Record	
Provision of service prior to participation	0

Multiple activity codes for the same OST program	0
Services open 90+ days without supporting documentation	0
Activity codes lack supporting documentation	0
Missing or inaccurate activity codes	0
Service dates do not align with supporting documentation	0
Gap in service > 90 days	0
Total Number of Findings	0
Case Notes	
Case notes insufficiently detailed or unclear	0
Case notes missing	0
Total Number of Findings	0
Other	
Missing or incomplete documentation showing EO/grievance procedures provided to participant	0
Follow up services not provided or completed	0
Missing or incomplete documentation for MSG	0
Missing or incomplete documentation for credentials	0
Total Number of Findings	0

Tool D. WIOA youth participant file review

The reviewer will use the NDOL heat map to perform youth participant case file review. The heat map provides a weighted summary of the participant case file review based on the total number of non-compliant observations. Below is an example of the weighted summary resulting from observations.

[name of local area]
Finding Map
Monitoring Purposes Only

	Adult program	Dislocated worker program	Youth program	Title I Totals
Finding Count	0	0	0	0
Weighted Total	53.5%	50.5%	59.0%	54.3%
Adult Eligibility DocumentationWeighted Total	75.0%			75.0%
Insufficient documentation of SSN	1			1
Insufficient documentation of DOB	1			1
Insufficient documentation of authorization to work in US	0			0
Insufficient documentation of Selective Service status	1			1
Insufficient documentation of low-income status	1			1
Insufficient documentation of basic skills deficiency	1			1
Insufficient documentation of public assistance recipient	1			1
Insufficient documentation of veteran status	0			0
Total Number of Findings	6			6
Dislocated Worker Eligibility DocumentationWeighted Total		80.0%		80.0%
Insufficient documentation of SSN		1		1
Insufficient documentation of DOB		1		1
Insufficient documentation of authorization to work in US		0		0
Insufficiently documented Selective Service status		1		1
Insufficiently documented dislocation status		1		1

Total Number of Findings		4		4
Youth Eligibility DocumentationWeighted Total			50.0%	50.0%
Insufficient documentation of SSN			1	1
Insufficient documentation of DOB			1	1
Insufficient documentation of authorization to work in US			0	0
Insufficiently documented Selective Service status			0	0
Insufficient documentation of low-income status			1	1
Insufficiently documented in-school/out-of-school status			0	0
Insufficiently documented English language learner			1	1
Insufficiently documented offender status			0	0
Insufficiently documented homeless status			1	1
Insufficiently documented foster care status			1	1
Insufficiently documented pregnant/parenting status			0	0
Insufficiently documented disability status			1	1
Insufficiently documented pregnant/parenting status			0	0
Insufficiently documented "requires additional assistance to complete an educational program or to secure or hold employment"			0	0
Total Number of Findings			7	7
IEP/ISSWeighted Total	40.0%	60.0%	80.0%	60.0%
IEP/ISS missing or incomplete	0	0	1	1
IEP/ISS static or not up to date	0	1	1	2
Lacks clearly identified career goals	1	1	0	2
Goals did not support service delivery	0	0	1	1
Lacks client involvement statement	1	1	1	3
Total Number of Findings	2	3	4	9
Service Record	52.5%	37.5%	40.0%	43.3%
Provision of service prior to participation	0	0	0	0
Multiple activity codes for the same OST program				
Services open 90+ days without supporting documentation	1	0	1	2
Activity codes lack supporting documentation	0	1	1	2
Missing or inaccurate activity codes	1	1	0	2
Service dates do not align with supporting documentation	1	1	0	2
Gap in service > 90 days	1	0	1	2
Total Number of Findings	4	3	3	10
Case Notes	50.0%	50.0%	50.0%	50.0%
Case notes insufficiently detailed or unclear	1	0	1	2
Case notes missing	0	1	0	1
Total Number of Findings	1	1	1	3
Other	50.0%	25.0%	75.0%	50.0%
Missing or incomplete documentation showing EO/grievance procedures provided to participant	1	0	1	2
Follow up services not provided or completed	0	1	1	2
Missing or incomplete documentation for MSG	0	0	0	0
Missing or incomplete documentation for credentials	1	0	1	2
Total Number of Findings	2	1	3	6

The basis of the heat map summary is the data recorded by the reviewer in program-specific worksheets. Below is an example of a program specific source data worksheet that contributes to the weighted summary tab.

[Title I program]: [name of local area]	
Finding Map	
Monitoring Purposes Only	
	State ID #
Finding Count	
Weighted Total	
Adult Eligibility DocumentationWeighted Total**	
Insufficient documentation of SSN	0
Insufficient documentation of DOB	0
Insufficient documentation of authorization to work in US	0
Insufficient documentation of Selective Service status	0
Insufficient documentation of low-income status	0
Insufficient documentation of basic skills deficiency	0
Insufficient documentation of public assistance recipient	0
Insufficient documentation of veteran status	0
Total Number of Findings	0
Dislocated Worker Eligibility DocumentationWeighted Total**	
Insufficient documentation of SSN	0
Insufficient documentation of DOB	0
Insufficient documentation of authorization to work in US	0
Insufficiently documented Selective Service status	0
Insufficiently documented dislocation status	0
Total Number of Findings	0
Youth Eligibility DocumentationWeighted Total**	
Insufficient documentation of SSN	0
Insufficient documentation of DOB	0
Insufficient documentation of authorization to work in US	0
Insufficiently documented Selective Service status	0
Insufficient documentation of low-income status	0
Insufficiently documented in-school/out-of-school status	0
Insufficiently documented English language learner	0
Insufficiently documented offender status	0
Insufficiently documented homeless status	0
Insufficiently documented foster care status	0
Insufficiently documented pregnant/parenting status	0
Insufficiently documented disability status	0
Insufficiently documented "requires additional assistance to complete an educational program or to secure or hold employment"	0
Total Number of Findings	0
IEP/ISSWeighted Total**	
IEP/ISS missing or incomplete	0
IEP/ISS static or not up to date	0
Lacks clearly identified career goals	0
Goals did not support service delivery	0
Lacks client involvement statement, if applicable in the local area	0
Total Number of Findings	0
Service Record	
Provision of service prior to participation	0

Multiple activity codes for the same OST program	0
Services open 90+ days without supporting documentation	0
Activity codes lack supporting documentation	0
Missing or inaccurate activity codes	0
Service dates do not align with supporting documentation	0
Gap in service > 90 days	0
*****Total Number of Findings*****	0
*****Case Notes*****	
Case notes insufficiently detailed or unclear	0
Case notes missing	0
*****Total Number of Findings*****	0
*****Other*****	
Missing or incomplete documentation showing EO/grievance procedures provided to participant	0
Follow up services not provided or completed	0
Missing or incomplete documentation for MSG	0
Missing or incomplete documentation for credentials	0
*****Total Number of Findings*****	0

Tool E. Budget comparison tool

Purpose

To assist the Reviewer in performing a budget-to-actual comparison. See Indicator 2.b.1: Budget Controls.

Use

Enter data from the grant sub recipient's books of account.

	Budget categories										
	Personnel	Fringe benefits	Travel	Equipment	Supplies	Contractual	Construction	Other	Total direct charges	Indirect changes	Totals
Year 1: $ budgeted											
Year 2: % budgeted											

Variance analysis is conducted to understand the difference between actual and planned data. By nature, variance analysis uses numbers; thus, documents such as budgets would be ideal when doing a variance analysis. The analysis highlights the existence and size of variance during a review period established by the Reviewer. A variance analysis can be a trend line that shows difference on a monthly or quarterly basis, which would significantly aid the analysis of the data and may give a financial picture to the overall progress of the grant.

Note. Because most competitive grant subrecipients are not required to provide detailed financial or performance data reviewers should focus on what is required to submit on a quarterly basis for their programs."

Tool F. Procurement and purchasing policy checklist

Purpose

To assist the reviewer in determining that the grant subrecipient's procurement policies include all the required elements defined under the Uniform Guidance for Procurement Standards. (See Indicator 2.d.1.)

Use

Obtain a copy of the grant subrecipient's procurement/purchasing policies and procedures and review for the following elements listed below in the procurement policy checklist. Note that States must follow the same policies and procedures it uses for procurement with non-Federal funds (2 CFR 200.317).

Procurement policy checklist

Required element	Complied (yes/no)	Comments
Consistency with procurement standards in the Uniform Guidance at 2 CFR §§ 200.18 – 200.326		
Includes expanded code-of-conduct and conflict-of-interest statements found in the Uniform Guidance		
Describes the following procurement methods: • micro-purchase (< $3,500) • simplified acquisition threshold (>$150k[19]) • sealed bids (formal advertising such as IFBs) • competitive proposals (requests for proposals) • non-competitive proposals (sole • source) • professional or qualifications-based services		
Boilerplate terms and conditions updated to include: • Contract provisions found in Appendix II to the Uniform Guidance • Clauses required by the Federal agency, such as national policy or Federal appropriation items that were included in the grant award		
Addresses contractor's past performance or risk assessment conducted		
Outlines steps for bidder/ contractor complaints, grievances, and resolution		

[19] Subject to change: Thresholds are set by the Federal Acquisition Regulations (FAR) at 48 CFR Subpart 2.1 and 41 USC 1908

Required element	Complied (yes/no)	Comments
Outlines procedures to confirm contractor status on debarment or suspension on SAM.gov		
Contains steps for conducting: • cost and/or price analysis • leave versus buy analysis • negotiation of profit		
May include sections on contract types/vehicles including performance-based contracts		

Tool G. Procurement history file

Purpose

To assist the Reviewer in the review of the grant subrecipient's procurement history file contains evidence or documentation of the five phases of the procurement process. See Indicator 2.d.4: Cost or Price Analysis and Indicator 3.g.1: Cost Allocation Principles.

Use

Obtain a sample of procurement/purchasing actions from the grant subrecipient. Review the procurement history file and complete the following checklist below.

1. Planning phase. Is there documentation or evidence of the following activities?

    a. identification of need (duties/responsibilities, budget, period of performance, performance levels, etc.);

    b. development of solicitation (RFP, IFB, etc.);

    c. development of factors for evaluation/scoring; and

    d. identification of panel and signatory authority.

2. Release and evaluation phase. Is there documentation or evidence of the following activities?

    a. publication of publication procurement solicitation;

    b. hosting bidders conference to ensure clarify of requirements;

    c. collection of proposals/bids;

    d. scoring and evaluation of proposals/bids; and

    e. justification for a sole source selection.

3. Negotiation and selection phase. Is there documentation or evidence of the following activities?
    a. offer and acceptance;
    b. awarded to a responsible entity(ies);
    c. negotiation of performance levels;
    d. negotiation of fair and reasonable profit (if applicable);
    e. negotiation of payment details and frequency;
    f. negotiation of duration of contract, MOU, or agreement;
    g. obtain approval (if applicable);
    h. evidence that an offer and acceptance was made; and
    i. execution of a legal contract, MOU, or agreement.
4. Implementation phase. Is there documentation or evidence of the following activities?
    a. conduct of oversight and monitoring where requires and applicable;
    b. issuance of timely invoices;
    c. release of timely payments;
    d. monitoring performance in accordance with performance and service deliverables;
    e. evaluate and approve contract, MOU, and agreement modifications.
5. Closeout phase. Is there documentation or evidence of the following activities?
    a. reconciliation of costs and payments including cash advances;
    b. reconciliation of performance goals with actual performance;
    c. custody of participant and financial records; and
    d. preparation of closeout letter or notice.

Best practices

- At least a 30-day response time for receipt of bids or proposals from the date of issuance of a solicitation in widely circulated publications and websites.
- Including a brief questionnaire in RFPs or IFBs asking each organization to explain why it will or will not submit a proposal or bid.

- At this phase, if a sufficient number of proposals/bids have not been submitted (less than two, in the case of sealed bids) or if the submitted proposals/bids do not reach an awardable score based upon the evaluation criteria, an entity may develop an award under a sole source method consistent with 2 CFR § 200.320(f).

- Consideration should be given to such matters as integrity, compliance with public policy, record of past performance and technical resources.

Tool H. Subaward review worksheet

Purpose

To aid the reviewer in gathering information used to determine if the grant subrecipient has an adequate system for administration of subawards. (See Indicator 2.d.5. and Indicator 2.f.3.)

Use

Obtain a list of subawards from the grand subrecipient; then, select a sample and complete the subawards checklist below.

				Review subawards to confirm inclusion of the following components (yes/no)					
Name of subrecipient	Amount of subaward	statement of work	Authorized offices and purpose	Federal regulations	Uniform guidance	Audit requirement	Administrative remedies for cause of	Record retention requirements	Grant terms and conditions

Tool I. Contract review checklist

Purpose

To assist the reviewer in reviewing procurement contracts to ensure that procurement contracts contain all basic elements of a contract. (See Indicator 2.d.5. and Indicator 3.g.1.)

Use

Obtain a sample of MOUs, contracts, and agreements into which the grant subrecipient has entered. Based on a review of each MOU, contract, and agreement, indicate in the checklists below the page(s) on which the required information appears in each.

MOU, contract, and agreement check lists

Basic elements	Page number(s)	Comments
Includes signatures and dates of the parties		
Specifies a statement of work		
Specifies a period of performance		
Authorized purpose and officials		
Outlines payment schedule		

Performance elements	Page number(s)	Comments
Negotiated performance levels to be achieved		
Description of services being provided		
Methods for monitoring performance		
Methods for reporting performance		

Specific Contract Provisions and Clauses	Page number(s)	Comments
Items contained in the Appendix II to 2 CFR Part 200 — Contract Provisions for Non-Federal Entity Contracts Under Federal Awards		
Items required by the Federal agency such as national policy provisions or provisions specific to the appropriation in which the award/ contract is funded		
Recordkeeping, record access, and record retention requirements for participant, employee, financial and indirect costs records		
Modification and amendment process		
Copyrights and rights to data		
Termination for breach, default, cause and convenience including lack of funding		

Specific Contract Provisions and Clauses	Page number(s)	Comments
Dispute, grievance, and claims process		
Compliance with applicable requirements, laws and regulations		
Compliance with single audit requirements, if applicable		

Tool J. Subrecipient monitoring reports worksheet

Purpose

To assist the reviewer in determining the adequacy of the pass-through entity's monitoring process, including resolution and follow-up.

Use

Select a sample of subrecipients monitored by the pass-through entity. Answer the questions in the table below and use the information to complete the questions in Indicator 2.f.4.

Monitoring reports worksheet

Entity	Participant State ID	Participant State ID	Participant State ID	Participant State ID
Program/ Area of Review				
Was it monitored? (Y/N)				
Date of monitoring				
Date of report				
Number of findings				
Questioned costs? (Y/N)				
Resolution of findings	___# closed ___# open ___# in process	___# closed ___# open ___# in process	___# closed ___# open ___# in process	___# closed ___# open ___# in process
Follow-up actions taken (describe)				
Additional information/issues				

Tool K. Policies and procedures checklist

Purpose

To assist the reviewer with ensuring that common and applicable policies and procedures have been established and are current.

Use

Below is a list of key policy/procedures areas the grant subrecipient should have established. Check to ensure that the grant subrecipient has established the policies and procedures that are applicable to its operation. Check also to ensure that all policies and procedures are up to date. (See Indicator 3.a.1.) Note that the list is not all inclusive.

Policy/procedure area	Established (yes/no)	Current (answer yes or no
Accounting systems		
Allowable costs		
Audits: Completion, tracking, and resolution		
Budget control and modifications		
Cash management: Petty cash, bank reconciliations		
Chart of accounts		
Closeout: Grants and contracts		
Compensation and fringe benefits		
Grievances and complaints		
Conflict of interest: local board members, local area administrative entity staff, and service provider staff		
Debt collection		
Disaster and recovery plan		
EEO: Resolutions, appeals, and hearings		
Fringe benefits package, vacation and leave, pension, severance package (if any)		
Incentives and stipends (youth program)		
Incident reporting: Grievance and complaints		
Indirect costs: Cost allocation plans or approved indirect cost rates		
Meals: local board members, local area administrative entity staff, service provider staff, and program participants		
Monitoring: Resolution, appeals, and hearings		

Policy/procedure area	Established (yes/no)	Current (answer yes or no
Participant/program services		
Payroll and time distribution		
Performance reporting: Grant subrecipient and its subawardee		
Procurement/purchasing		
Program income, matching funds, and leveraged resources		
Property management		
Receivables and payables		
Record retention		
Salary and bonus limits		
Supportive services		
Training services: ITAs, refunds, etc.		
Travel		
Written code of conduct		

Tool L. Segregation of duties worksheet

Purpose

To aid the reviewer in identifying the individuals responsible for a number of internal control functions within the organization.

Use

For each organization process, record the name of the responsible individual and indicated yes or no for the individual's duties/responsibilities in the organizational process. Ensure that a single individual does not have (1) multiple duties/responsibilities in single organizational process or (2) duties/responsibilities in one organizational process that conflict duties/responsibilities in another organizational process. (See Indicator 3.a.1.)

		Duties/responsibilities			
Organizational process	Name of responsible individual	Recording (Y/N)	Custodian (Y/N)	Authorizing (Y/N)	Reconciliation (Y/N)
Cash management					
Financial reporting					
Real and personal property					
Procurement					
Performance reporting					
Audit					
Subrecipient management					
Payroll/human resources					

Tool M. Worksheet for evaluating allowable match items

Purpose

To aid the Reviewer in testing the accuracy and validity of match and the propriety of its valuation.

Use

Answer the questions below.

- Does the grant under review include a matching requirement?
- If so, what is the total amount required?
- Was the match expended on allowable grant activities ()2 CFR 2900.8?

If match is required, select a sample of items that are included in the reported match; then, complete the table below for each of the sampled items. See Indicator 3.d.2: Expending Match.

Allowable match

Cash or in-kind item	Value claimed in $	Description of cost	Cost allowable (Y/N)	Cost-valued method (actual costs, fair market value, etc.)	Reporting grant subrecipient accounting system and ETA 9130 (Y/N/NA)	Documentation supports value (Y/N)	Documentation demonstrates that match has been expended

Cash or in-kind item	Value claimed in $	Description of cost	Cost allowable (Y/N)	Cost-valued method (actual costs, fair market value, etc.)	Reporting grant subrecipient accounting system and ETA 9130 (Y/N/NA)	Documentation supports value (Y/N)	Documentation demonstrates that match has been expended

Tool N. Transaction testing

Purpose

To enable the reviewer to gather data for transaction testing. See Indicator 3.f.1: Cost Principles.

Use

Select a variety of non-payroll transactions from the grant subrecipient's general ledger. Complete a transacting testing worksheet for each selected transaction.

Transaction testing worksheet

Factor	Description	reviewer comment
Item sampled		
Item date		
Payee name		
Type of cost		
Competitive procurement (yes/no)		
Total transaction amount	$ <x>	
Amount allocated to category	$ <x>; category <x>:	
Amount allocated to category	$ <x>; category <x>:	
Amount allocated to category	$ <x>; category <x>:	
Amount allocated to category	$ <x>; category <x>:	
Transaction on accrual basis (yes/no)		
Transaction on cash basis (yes/no)		

Factor	Description	reviewer comment
Cost allocation reasonable based on benefit received (yes/no and describe)		
Transaction approval documented (yes/no)		
Supporting documentation obtained (describe)		
Supporting documentation adequate (yes/no)		
Additional documentation required or explanation needed (yes/no and describe)		
Transaction consistent with Federal, State, and local area fiscal laws, rules, regulations, guidance, policies, and procedures (yes/no and describe)		
Allowable cost (yes/no)		
Questions cost (yes/no)		

Tool O. Cost allocation worksheet

Purpose

To assist the Reviewer in determining whether allocation of costs has been appropriately conducted. See Indicator 3.g.2: Cost Allocation Plan.

Use

Obtain a copy of the organization's cost allocation plan (CAP). Review the CAP to identify any cost pools or shared direct costs. Obtain the worksheet/spreadsheet that reflects actual monthly or quarterly expenditures that were allocated among and charged directly to programs. Select any cost pools and a number of shared cost items and complete the table for each.

Cost pools and shared direct costs

Cost pools or shared cost items	Allocation method is appropriate for the type of cost pool or cost item allocated (Y/N)	Payments were appropriated allocated according to the CAP (Y/N)	Final allocations appear to reflect the benefit receive by cost objectives (Y/N)

Cost pools or shared cost items	Allocation method is appropriate for the type of cost pool or cost item allocated (Y/N)	Payments were appropriated allocated according to the CAP (Y/N)	Final allocations appear to reflect the benefit receive by cost objectives (Y/N)

When you look at the cost pool, does it appear that all items are allowable costs and have been appropriately allocated?

Tool P. Audit appeals process

Purpose:

To assist the reviewer in determining whether the recipient has adequate appeals policies and follows them (see Indicator 3.h.1: Audit Process)

Use

Select a sample of audits that were appealed and complete this worksheet.

Audit appeal management system

Background information

Is there a written audit appeal process/policy?	
Who is responsible for appeals received (name, email address, and direct phone number)?	
Policy title and date	
Is the policy adequate?	
Have any appeals been received?	
Is there a log kept of appeals?	
If there is a log, is the log up to date?	

Appeals received

Date appeal received	Name of appellant	Current status	Appeal process followed according to policy (Y/N)	Comments

Note. Cross reference with debt collection if there are unresolved questions of costs.

Tool Q. Audit (fiscal) resolution tracking

Purpose

To assist the Reviewer in determining compliance with requirements for subrecipient audit resolution. Grant subrecipients that expend $750,000 or more during the grant subrecipient's fiscal year in Federal awards must have a single or program-specific audit conducted for that year. See Indicator 3.h.1: Audit Process.

Use

Select a sample from the previous worksheet that had findings. Use the table below to track the necessary actions.

Audit resolution training checklist

Entity audited	
Auditor	
Program/Fiscal Year	
Number of findings	
Number of open findings	
Amount of questioned costs (?)	
Single audit missing	

Activity	Comments	Completed (√)
Reviewed the independent auditor's report and supplementary information		
Reviewed the auditor's statements regarding a report on compliance and a report on internal control over financial reporting (based on an audit of financial statements Performed in accordance with government auditing standards)		
Reviewed the auditor's statements regarding a report on compliance with requirements applicable to each major program and a report on internal control over compliance (in accordance with Subpart F of the Uniform Guidance)		
Reviewed the Schedule of Expenditures of Federal Awards and Other Financial Assistance. Verified that all programs expending Federal funds during the period of the audit were included on the schedule and were properly identified		
Reviewed schedule of findings and questioned costs (summary of audit results)		
Reviewed statement regarding prior year audit findings		

Activity	Comments	Completed (√)
Reviewed Management Letter		
Identified in audit report as	_____ High risk _____ Low risk	

Tool R. Documentation of personal services

Purpose

To allow the Reviewer to attest to the accuracy, reasonableness, and allowability of personnel expenses charged to a DOL-ETA program. This tool can be used during an assessment of Indicator 2.h.3: Salaries.

Use

For one or more pay periods, obtain the staffing chart (agency organizational chart), time sheets, individual staff time activity sheets, payroll register, spreadsheet of actual personnel expenses to be allocated, agency time activity reports, and (if needed) personnel records or the expense reports from the third-party payroll processing company hired by the agency. Select a sample of employees and complete the following table.

Payroll and time distribution testing

Costs of compensation are allowable to the extent that they satisfy the requirements below (2 CFR § 200.430)	Requirement met (Y/N)	Comments
Reasonable for the services rendered – consistent with that paid for similar work		
In accordance with the grant subrecipient's written policies, including employee pay and fringe benefit packages and accounting policies		
Meets the requirements of Federal statute, where applicable		
Must be based on records that accurately reflect actual work hours performed		
Be supported by a system of internal control which provides reasonable assurance that the charges are accurate, allowable, and properly allocated		
Incorporated in to the official records of the grant subrecipient		
Reasonably reflect the total activity for which the employee is compensated by the grant subrecipient, not exceeding 100% of compensated activities and indicating the total numbers of hours worked each day		
When working on more than one program or grant, cost allocated among the funding sources are reasonable and adequately documented		
Fringe benefit package and other leave benefits are reasonable and are required by law, grant subrecipient-		

Costs of compensation are allowable to the extent that they satisfy the requirements below (2 CFR § 200.430)	Requirement met (Y/N)	Comments
employee agreement, or an established policy of the grant subrecipient		
For States, local governments and Indian tribes, substitute processes or systems for allocating salaries and wages to Federal awards may be used in place of or in addition to payroll records if approved by the cognizant agency for indirect cost. Such systems may include, but are not limited to, random moment sampling, "rolling" time studies, case counts, or other quantifiable measures of work performed		

Tool S. Risk assessment worksheet

Purpose

To aid the reviewer in assessing a sample size based on a risk assessment. (See Indicator 2.f.2.)

Use

Used in conjunction with Resource G: Sampling methodology.

Risk assessment worksheets

1. Grant subrecipient information

Grant subrecipient name	
Period of current NDOL review	
Date of last review by NDOL	
Date of last single audit by NDOL or other entity (list dates for each entity)	
Applicable WIOA grant agreement number	
Applicable WIOA grant agreement amount	

2. General assessment

Criteria	Low risk description	Low risk = 1	Medium risk description	Medium risk = 2	High risk description	High risk = 3	Total (min = 4; max = 12)
Organization experience	Entity has continuous experience managing Federal funds		Entity has 2 to 4 years recent experience managing Federal funds		Entity is new or has less than 2 years' experience		

Criteria	Low risk description	Low risk = 1	Medium risk description	Medium risk = 2	High risk description	High risk = 3	Total (min = 4; max = 12)
	for the past 5 or more years				managing Federal funds		
Responsiveness	Entity has submitted reasonably timely budget modification requests[20]		Entity has periodically submitted budget modification requests in an untimely manner (i.e., short notice/insistent requests due to lacking funds for the program intended to receive transferred funds)		Entity frequently submits budget modification requests in an untimely manner (i.e., short notice/insistent requests due to lacking funds for the program intended to receive transferred funds)		
Overall staffing	Staff turnover rate less than 10% with no staff reduction		Staff turnover rate between 10% to 30% and/or staff reduction rate under 10%		Staff turnover rate greater than 30% and/or staff reduction rate greater than 10%		
Written financial policies and procedures	Entity has established effective financial policies and procedures covering major core activity Objectives		Minor updates or current modifications to enhance existing established financial policies and procedures		No established financial policies and procedures exist or there are inadequate or non-compliant financial policies and procedures		
Total general assessment risk score							

[20] In this context, *budget modification requests* refers to requests to transfer funds between adult and dislocated worker programs.

3. Legal assessment

Criteria	Low risk description	Low risk = 1	Medium risk description	Medium risk = 2	High risk description	High risk = 3	Total (min = 3; max = 9)
Complaints or incident reports	No active complaints or incident reports		Entity had a complaint or incident in the last 3 years that resulted in an investigation		Entity has a current complaint or active investigation		
Other investigations	Not aware of any legal issues involving staff that would have an effect on fiscal results		1 or more staff have been jailed or convicted of a felony more than 3 years ago		1 or more staff have been jailed, convicted of a felony, or are currently under criminal investigation		
Lawsuits	No lawsuits have been filed against entity		Lawsuits identified but are minor in nature		Lawsuits identified and are considered substantial risk		
Total legal assessment risk score							

4. Monitoring/audit assessment

Criteria	Low risk description	Low risk = 1	Medium risk description	Medium risk = 2	High risk description	High risk = 3	Total (min = 5; max = 15)
Number of years since entity had an on-site monitoring visit	1 year		2 years		3 years		
Prior monitoring findings	No significant findings for the past 3 years		Significant or unresolved findings during the past 2 years		Significant or unresolved findings annually		
Period since last fiscal monitoring by NDOL or other entity	1 year		NA		More than 1 year		
Significant deficiencies or	Monitoring, including fiscal		Monitoring, including fiscal		Monitoring, including fiscal		

Criteria	Low risk description	Low risk = 1	Medium risk description	Medium risk = 2	High risk description	High risk = 3	Total (min = 5; max = 15)
material weaknesses identified	monitoring, for any of the last 3 years did not identify either significant deficiencies or material weaknesses		monitoring, for any of the last 3 years contained either significant deficiencies or material weaknesses		monitoring, during each of the last 3 years contained either significant deficiencies or material weaknesses		
High-risk designation or reimbursement-only	Entity has not been on high-risk or reimbursement-only[21] status during the past 3 years		Entity was released from high-risk or reimbursement-only status during the past 3 years		Entity is currently on high-risk or reimbursement-only status		
Total general assessment risk score							

5. Financial stability assessment

Criteria	Low risk description	Low risk = 1	Medium risk description	Medium risk = 2	High risk description	High risk = 3	Total (min = 8; max = 24)
Accounting System	Accounting system is effective and provides receipts, expenditures, and obligations by program		Accounting system is limited in its ability to capture receipts, expenses, and obligations by program		Accounting system cannot capture receipts, expenses, and obligations by program		
Cost, time, and effort tracking	System is effective in tracking costs and time and effort spent on programs		System is open to manual adjustments and/or is not consistent or needs improvement		Entity does not have either an approved indirect cost rate or a written cost allocation plan		

[21] Refers to a grant subrecipient's ability to draw-down grant funds prior to providing evidence of actual expenditures.

Criteria	Low risk description	Low risk = 1	Medium risk description	Medium risk = 2	High risk description	High risk = 3	Total (min = 8; max = 24)
Internal controls	Entity has an approved indirect cost rate or a written current cost allocation plan		Entity is in the process of receiving a new indirect cost rate or updating its cost allocation plan		Entity does not have either an approved indirect cost rate or a written cost allocation plan		
Drawdowns and cash management	Entity has an effective control system that provides reasonable but not absolute assurance for safeguarding of assets, reliability of financial information, and compliance with Federal and State laws, rules, regulations, guidance, policies, and procedures		Entity has an effective control system but has limited staff for authorization, recording, and handling of transactions or assets		Entity does not have an effective control system in place; certain staff persons are allowed to perform authorization, recording, and handling of transactions and assets		
Drawdowns and cash management	Entity requests cash on immediate-needs basis and has written cash management policies and procedures when issuing funds to subrecipients and program participants		Entity has periodically drawn down funds in excess of immediate needs or written cash management policies and procedures when issuing funds to subrecipients and participants or		Entity does not perform timely cash drawdowns or there are no policies or procedures in place to manage cash released to subrecipients and participants		

Criteria	Low risk description	Low risk = 1	Medium risk description	Medium risk = 2	High risk description	High risk = 3	Total (min = 8; max = 24)
			records are incomplete				
Budget controls	Entity employs budget control mechanisms through its accounting system and budget information is routinely shared with subrecipient staff		Entity either does not employ budget control mechanisms through its accounting system or routinely share budgets with subrecipient staff		Entity does not have budget control mechanisms in place		
Line of credit, late bills, bankruptcy	Entity does not use a line of credit to pay its bills or borrow funds from other funding streams and bills are paid on time and no bankruptcy has been filed		Entity periodically uses its line of credit, borrows funds from other funding streams, and has not filed for bankruptcy during the last 3 years		Entity has exhausted its line of credit, borrows funds from other funding streams, is late paying its bills, and/or has filed for bankruptcy in the last 3 years		
Total general assessment risk score							

Tool T. Summary of results and reviewer notes

Findings
1.
2.
3.
4.
Areas of concern
1.
2.
3.
4.
Best practices
1.
2.

3.
4.
Other observations
1.
2.
3.
4.
Follow-up items
1.
2.
3.
4.

Tool U. Compliance determination tool

Purpose

Use the tool below to identify items you want to explore further with the grant subrecipient. Determine if it is a requirement of the grant by identifying a citation.

Request documentation or interview the grant subrecipient to verify compliance.

Write your conclusion in the final column.

Use this tool as a list of things you want to explore through interviews, research, and documentation.

Issues (items to explore)	Citation (is this a requirement and what says it's a requirement)	Supporting documentation	Conclusion (finding, area of concern, best practice, other observation)